

2018 REGISTRATION DOCUMENT

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



TABLE OF CONTENTS

INTEGRATED REPORT 3

<p>1 PRESENTATION OF PLASTIC OMNIUM AND ITS BUSINESSES 21</p> <p>1.1 2018 Key figures 22</p> <p>1.2 History and development of the Group 24</p> <p>1.3 Organization chart 26</p> <p>1.4 Significant events 27</p> <p>1.5 Business and strategy 28</p> <p>1.6 Research and Development (R&D) 30</p> <p>1.7 Risk factors and control 33 AFR</p>	<p>2 CORPORATE GOVERNANCE 41 AFR</p> <p>2.1 Report from the Board of Directors on corporate governance 42</p>	<p>3 STATEMENT OF NON-FINANCIAL PERFORMANCE 79 SNFP</p> <p>3.1 CSR at the heart of our strategy 81</p> <p>3.2 CSR integrated in the business lines 95</p> <p>3.3 Methodology 118</p> <p>3.4 Cross-reference table 120</p> <p>3.5 Report by the independent third party 122 MG</p>	<p>6 RELATIONS WITH THE FINANCIAL COMMUNITY AND SHAREHOLDING STRUCTURE 257</p> <p>6.1 Financial communication 258</p> <p>6.2 The Plastic Omnium share 259</p> <p>6.3 Financial communication and shareholders' timetable 261</p>
<p>4 2018 CONSOLIDATED FINANCIAL STATEMENTS 125 AFR</p> <p>PREAMBULE TO THE CONSOLIDATED FINANCIAL STATEMENTS 126</p> <p>4.1 Comments on the year and outlook 128</p> <p>4.2 Consolidated financial statements at December 31, 2018 134</p>	<p>7 SHAREHOLDERS' MEETING 263</p> <p>7.1 Agenda 264</p> <p>7.2 Text of the resolutions submitted for approval by the Combined Shareholders' Meeting on April 25, 2019 265</p> <p>7.3 Board of Directors' report on the resolutions presented to the Combined Shareholders' Meeting on April 25, 2019 273</p> <p>7.4 Statutory Auditors' report on the issue of shares and other securities without preferential subscription rights 279</p> <p>7.5 Statutory Auditors' report on the capital increase reserved for members of the company's savings plan 281</p> <p>7.6 Report of the transformation commissioner on the transformation of Compagnie Plastic Omnium into a European company (Societas Europaea) 282</p> <p>7.7 Compagnie Plastic Omnium draft bylaws at april 25, 2019 283</p>	<p>5 2018 STATUTORY ACCOUNTS 229 AFR</p> <p>5.1 Comments on the statutory accounts 230</p> <p>5.2 Income statement 231</p> <p>5.3 Balance sheet 232</p> <p>5.4 Notes to the statutory accounts 234</p> <p>5.5 Five-Year Financial Summary 247</p> <p>5.6 Subsidiaries and affiliates 248</p> <p>5.7 Statutory Auditors' report on the financial statements 250</p> <p>5.8 Special report of the Statutory Auditors on related party agreements and commitments 254</p>	<p>8 OTHER INFORMATION 289</p> <p>8.1 General information about the Company 290</p> <p>8.2 List of regulated information published during the last 12 months 293</p> <p>8.3 Person responsible for the Registration Document 294 AFR</p>
			<p>CROSS-REFERENCE TABLES 295</p> <p>GLOSSARIES 299</p>

The items in the Annual Financial Report are identified in the summary using the AFR pictogram

AFR

The items in the Management Report are identified in the summary using the MG pictogram

MG

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

SNFP



Plastic Omnium is a leading global supplier, with **124 plants**
in **26 countries**, located close to its clients.
Plastic Omnium develops solutions for the car of the future,
which will be clean and connected.

REGISTRATION
DOCUMENT
2018

including:

**The integrated report,
the annual financial report,
the corporate governance report,
the statement of non-financial performance.**



This registration document was filed with the French market authority, Autorité des Marchés Financiers on 03/12/2019, pursuant to Article 212-13 of its general regulation. It may be used for a financial transaction if it is completed by a transaction document approved by the AMF. This document has been drawn up by the issuer and is the responsibility of its signatory.

Pursuant to article 28 of European Commission Regulation (EC) No. 809/2004, the following information is included by way of reference in this Registration Document:

- the consolidated financial statements, and statutory accounts for the year ended December 31, 2017 and the corresponding audit results appearing on pages 110 to 235 (inclusive) of the 2017 registration document filed with the AMF on March 12, 2018 under the reference number D.18-0118;
- the consolidated financial statements and Statutory accounts for the year ended December 31, 2016, and the corresponding auditors' reports appearing on pp. 94-202 (inclusive) of the 2016 Registration Document filed with the AMF on March 20, 2017 under the reference number R.17-007.



Integrated report

INTERVIEW WITH LAURENT BURELLE	4	RISK MANAGEMENT, A KEY ISSUE	15
INTERVIEW WITH JEAN-MICHEL SZCZERBA	6	AN INDEPENDENT FAMILY-OWNED GROUP SINCE 1946	16
PURE PLAYER	8	A COMPETENT AND BALANCED BOARD OF DIRECTORS	17
BUSINESS MODEL	10	SOUND 2018 RESULTS	18
INNOVATION IN THE GROUP'S DNA	12	SOCIAL AND ENVIRONMENTAL PERFORMANCE	19
SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY AT THE HEART OF THE GROUP'S STRATEGY	14		

INTERVIEW WITH

Laurent Burelle, Chairman and CEO

A market under pressure

Brexit, the US-China trade war, tighter regulations and new consumption patterns are putting the automotive industry to the test. How have they impacted Plastic Omnium?

We have indeed been facing headwinds in a number of areas for several months now. Driven by protectionist trends, the slowdown in the Chinese economy and the entry into force of a new type-approval procedure in Europe, automobile production fell 1% in 2018 – its first decline since 2009.

The automotive industry, which was already facing the environmental challenge and new consumer habits, now also has to contend with a slowdown in the market that up until now had been growing.



Sound fundamentals

How can Plastic Omnium weather the slowdown, and for how long?

First, let's keep in mind that despite the complex environment, we continued to grow and to outperform the world automotive market. Our 2018 results are sound, and so is our financial structure. Following record capital investments, our cash-flow generation has reached very high levels.

Beyond these results, we draw our strength from our ability to plan ahead. To be on the safe side, we have decided to manage the group based on stable global automobile production over the coming three-year period. We will continue to invest and to take advantage of our well-filled order book, but we will strengthen our emphasis on frugality, flexibility and selective order-taking.

Strong technological options

What are Plastic Omnium's key choices in the technological and social revolution set to disrupt the sector?

We're enthusiastic about the revolution, which gives us additional opportunities for growth.

In exterior systems, we will opt for increasingly "smart" solutions, with different styling and broader functionalities. We also believe that the car of the future will be designed on the basis of

increasingly complex modules. This led us to take control of our HBPO subsidiary. Lastly, Plastic Omnium has come to the conclusion that electricity is the most compelling alternative solution, provided it can be generated within the vehicle. We're therefore currently making significant investments in fuel cells and hydrogen.

Long-term strategy

Burelle SA now holds a 58.51% stake in Compagnie Plastic Omnium. Should it remain a family-owned company in the new global economy? And how can you preserve the independence that underpins the "PO Way"?

Within a decade and a half, Plastic Omnium's revenue increased from €1.7 billion to €9 billion, its net income from €75 million to €533 million, and family control from 51.6% to 58.51%. Our goal is to continue these trends over the long haul.

The strategy calls for leadership and innovation. With the divestment of the Environment division,

Plastic Omnium has become a pure player in the automotive sector, where it has world leadership in three businesses with increased technology content. The other factors that underpin our independence are diversification of geographical locations and customers, and financial discipline.

Shared commitment

If you were asked to reassure all the stakeholders – investors, shareholders, employees, partners and customers – with a single argument, what would it be?

Commitment – commitment to clean, sustainable mobility; commitment to the ethics and transparency rules shared by our 32,000 employees; commitment to the industry.

“Our current operations are thriving,
our future is exciting.”

Jean-Michel Szczerba, Co-Chief Executive Officer



“The takeover of HBPO and the divestment of the Environment division open a new chapter in the history of Plastic Omnium. The Group is concentrating its resources on the automotive market and boosting its leadership there against a backdrop of unprecedented technological change.”

“Ever more quality at best cost is the secret to our sales success and the reason for our investment in Industry 4.0.”

“Calling on all young engineers who want to help Plastic Omnium invent the zero-pollution, zero-accident and zero-immobility car.”

“Tomorrow’s mobility demands commitment today. Plastic Omnium is backing hydrogen with fuel cells and increasing technological content per car.”

“Against the current backdrop of widespread uncertainty and volatility, being an independent family group gives us a huge advantage. Our long-term vision guides our choices, our senior management is totally committed, and our focus on entrepreneurship, work and recognition comes into its own.”

2018

A leading automotive pure player

LEADERSHIP STRENGTHENED

by an order book that is 90% filled in the 2021 timeframe

ACQUISITION OF A CONTROLLING STAKE IN HBPO,

world leader in front-end modules, in July 2018

ENVIRONMENT DIVISION SOLD

to the Latour Capital/BpiFrance consortium on December 18, 2018

Accelerated optimization of plant and equipment

Successful launch of the pilot
Industry 4.0 plant

in Greer, SC, United States: €150 million invested in a combination of technologies

9

NEW PRODUCTION PLANTS AND 3 R&D CENTERS

to be opened in 2019-2020

INDUSTRY 4.0

to be rolled out across all plants around the world within the 2022 timeframe, resulting in a sharp increase in performance

A raft of new capabilities

DATA SCIENCE, ELECTROCHEMISTRY, PLASTRONICS AND MECHATRONICS

Plastic Omnium is introducing new jobs and new careers

1ST INNOVATION AWARDS PRESENTED IN 2019 BY PLASTIC OMNIUM

in the Products, Operational Excellence and Open Innovation

3,000 engineers

to be hired by 2021

At the heart of technological transformation

TYPE APPROVAL OF THE FIRST PLASTIC OMNIUM HYDROGEN TANK

in 2019

Co-development with Brose of an innovative hybrid door system



STRATEGIC PARTNERSHIP WITH HELLA

to produce an innovative integrated car body lighting system

The commitment of a global, family-operated group

WORKPLACE SAFETY

The target of **Fr2 = 1** is within reach

-20%

reduction target for CO₂ emissions per kilo of processed material by 2025

A CSR strategy with three focuses:

- Responsible entrepreneurship
- Attention to employees
- Sustainable production

PURE PLAYER

of the automotive industry, leader in its three activities

An independent French family-owned group created in 1946, Plastic Omnium is a global player, operating 124 factories in 26 countries. With its takeover of HBPO, a world leader in front-end modules, and the sale of its Environment division, Plastic Omnium is now positioned as a pure player in the automotive sector, a technological leader in all three activities. Its 24 R&D centers innovate to accompany the acceleration of technological transformations for its 83 global customers towards a clean, connected and autonomous car.

PLASTIC OMNIUM INDUSTRIES



INTELLIGENT EXTERIOR SYSTEMS towards a lighter and smarter body

World leader in a wide range of body systems and modules, Plastic Omnium offers high performance, durable and aerodynamic solutions, 30% lighter than metal. Designed in an integration logic of added value and safety functions, they accompany the emergence of autonomous and connected cars.



CLEAN ENERGY SYSTEMS towards clean vehicles

World leader in emissions reduction and fuel systems, Plastic Omnium is supporting its customers in their greenhouse gas reduction targets. Its intelligent fuel systems are adapted to suit all engines: gasoline, diesel, hybrid and rechargeable hybrid. Preparing for the post-oil era, the Group is innovating in alternative technologies and is gambling on the electric car equipped with a fuel cell and hydrogen tanks.

Performance

- **45%** of the *proforma* economic revenue in 2018
- **29 million** bumpers produced per year
- **22,000** employees
- **61** plants in 14 countries

Growth levers/competitive strengths

- Mastery of ultra-innovative materials both lightening parts (reduction of CO₂ emissions by as much as 5g/km) and optimum safety
- Expert in plastic materials with unique performances in electromagnetic transparency, allowing optimal use of radars/lidars, necessary for the take-off of connected vehicles
- Ability to integrate complex systems/sensors and electronic radars for their proper functioning and safety
- Strategic partnerships with:
 - Brose, expert in mechatronic systems for doors and seats
 - Hella, leader in the development and production of lighting systems and electronic components



The car of tomorrow will be **AUTONOMOUS**:

Plastic Omnium's body parts will be designed to see, protect and communicate.

Market shares

- **Number 1 worldwide**
16% market share and **19%** expected in 2021
- **1 vehicle out of 6** produced worldwide is equipped with a Plastic Omnium intelligent exterior system

Performance

- **30%** of the *proforma* economic revenue in 2018
- **22 million** fuel tanks produced per year
- **7,000** employees
- **38** plants in 19 countries

Growth levers/competitive strengths

- Expert in plastic fuel systems, lighter, offering maximum safety
- Reduction of polluting emissions (SCR [Selective Catalytic Reduction], water injection system, etc.)
- Intelligent systems INWIN and Tanktronik® dedicated to plug-in hybrid vehicles
- Strategic technology acquisitions: Swiss Hydrogen, expert in fluid management within the fuel cell and Optimum CPV, specialist in hydrogen tanks
- EPO-CellTech, a promising joint venture into fuel cells



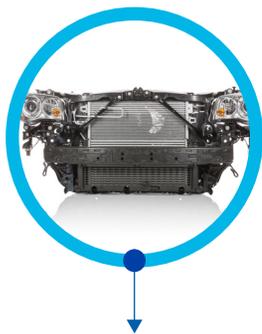
The car of tomorrow will be **CLEAN**:

Plastic Omnium solutions are already reducing emissions and its engineers are working on clean solutions for tomorrow.

Market shares

- **Number 1 worldwide**
22% market share and **25%** expected in 2021
- **1 vehicle out of 4** produced worldwide is equipped with a Plastic Omnium fuel tank

PLASTIC OMNIUM MODULES



HPBO towards ever more connected and personalized modules

HPBO, a 66.67% owned subsidiary of Plastic Omnium, is the world leader in the development, assembly, and logistics of front-end modules, integrates the impact beam, lighting and engine cooling systems, active radiator grill shutters, plus radars and driver assistance sensors. Its expertise enables it to meet growing demands for customization and connectivity.

Performance

- **25%** of the *proforma* economic revenue in 2018
- **6 million** front-end modules assembled per year
- **2,100** employees
- **25** plants in 11 countries

Growth levers/competitive strengths

- HBPO operates on a just-in-time basis in 11 countries and 25 sites
- The only supplier dedicated to controlling the entire front-end process from design to delivery
- Strategy to extend the offer to other modules



The car of tomorrow
will be **MODULAR**:

With 25 plants
worldwide,
Plastic Omnium
has the expertise
to meet this demand.

Market shares

Number 1 worldwide
17% market share and
18% expected in 2021

Positioning to meet the challenges of the car of tomorrow



Plastic Omnium is creating the essential means to improve its capacity for innovation, to respond to the acceleration of the technological transformation towards a connected, autonomous and electrified car.

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

In low-carbon cars, Plastic Omnium is positioning itself as a player in the energy-storage segment and is developing specific solutions for plug-in hybrid electric vehicles (PHEVs) as well as for vehicles with turbocharged combustion engines. In parallel, the group is committed to electrification to become a major player in hydrogen and fuel cells.

Business model

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

Resources



A committed community

- **32,000** employees
- **€1,183 million** expenses personnel



Innovation at the heart of the company

- **3,000** engineers and technicians
- **24** R&D centers
- **€418 million** invested in R&D in 2018



Sound financial structure

- **€2,188 million** in shareholders’ equity
- **€698 million** net debt
(32% shareholders’ equity and 0.8x EBITDA)



A local industrial system

- **124** plants in 26 countries
- **€562 million** of investments in 2018



A constant commitment to the environment

- TOP Planet Program since 2007
- Measuring the carbon footprint
- Life cycle analysis

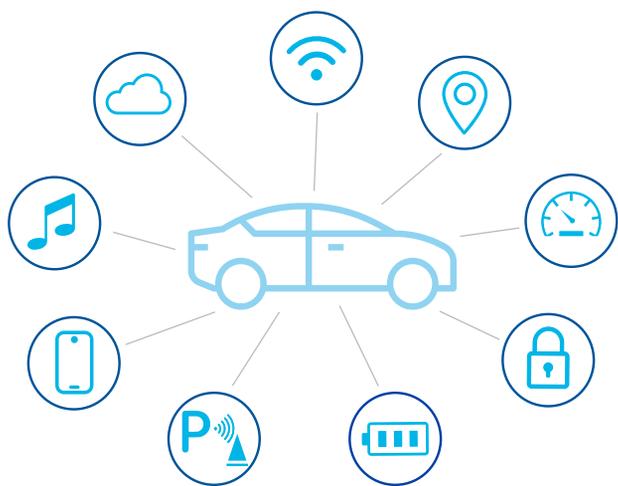


Improved business ethics

- A Code of Conduct since 2003, improved in 2018
- Signature of the United Nations Global Compact in 2003

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





LIGHTER
AND SMARTER
BODY BY
INTELLIGENT
EXTERIOR SYSTEMS

LONG TERM GROWTH

THE CARBON-FREE
CAR BY CLEAN
ENERGY SYSTEMS

Valuable creation



Care for people

- Safety: **Fr2** of **2.12** in 2018
- Training: **24.17 hours per employee in 2018**
- Equality and diversity: target of **20%** executive women in 2025



Innovation in the ecosystem

- **117 patents** filed in 2018 and a portfolio of 3,725 patents
- An Open Innovation ecosystem
- **€700 million** in revenue on innovative products that reduce polluting emissions



Results guaranteeing independence

- **€918 million** EBITDA
- **€218 million** Free cash-flow
- **€101 million** dividends



Enhanced industrial excellence

- **4 new customers** in 2018 bringing the total to 83 brands
- **100%** of sites certified to ISO 9001
- Industry 4.0 on all sites by **2022**
- **9 plants** under construction worldwide



A responsible industrialist

- **90%** of sites certified to ISO 14001
- **88%** of sites certified to ISO 18001/45001
- Objective to reduce CO₂ emissions by **20%** by 2025



A committed entrepreneur

- RobecoSAM rating: 7th among global automotive OEMs
- Supplier CSR charter
- Employee engagement with local communities

Innovation in the group's DNA

Innovation, a shared historical state of mind

The diesel crisis, environmental regulations, connectivity, autonomous vehicle: the automotive world is reinventing itself. For more than 70 years, the «PO Way» has brought together the 32,000 employees of Plastic Omnium, from its President to the operatives, from Europe to China, enabling the Group to innovate and adapt to the needs of the world's largest manufacturers. As early as 1946, its founder Pierre Burelle had imagined the 47 parts of an automobile that could be made of plastic... Today, the diversity and complexity of the challenges are encouraging Plastic Omnium to mobilize, more than ever, all the ideas and initiatives internally and to continuously expand the expertise of its teams. «All innovators» is more than a slogan - it is a shared reality.

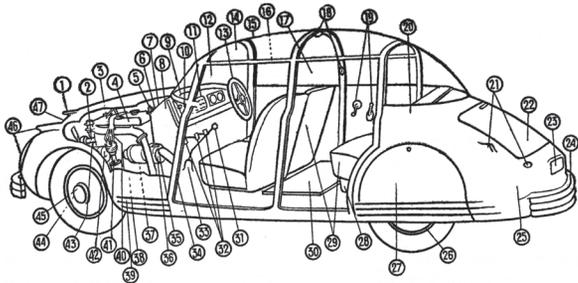


FIGURE 54. — Eléments d'une automobile réalisables en matières plastiques.

1. Garniture de radiateur. — 2. Pompe à eau. — 3. Carburateur et filtre à air. — 4. Couvre-classe. — 5. Bobine. — 6. Disjoncteur. — 7. Bac d'accumulateur. — 8. Panneau de séparation. — 9. Panneau de bord et boîte à gants. — 10. Instruments de bord. — 11. Poste radio. — 12. Pare-brise. — 13. Volant. — 14. Pare-soleil. — 15. Toit transparent. — 16. Montants. — 17. Fenêtres et panneau arrière transparent et garniture des fenêtres. — 18. Platonnier et interrupteur. — 19. Poignées et leviers des fenêtres. — 20. Carrosserie. — 21. Feu arrière et indicateur de direction. — 22. Bagages. — 23. Plaque d'immatriculation. — 24. Habillage souple du pare-chocs. — 25. Réservoir. — 26. Pneumatiques. — 27. Garde-boue. — 28. Armature des sièges. — 29. Garniture des sièges. — 30. Tapis chauffant. — 31. Poignée de changement de vitesse. — 32. Garnitures des pédales. — 33. Couvre-boîte de vitesse. — 34. Butées de portes. — 35. Joint de transmission. — 36. Pièces de l'avertisseur. — 37. Engrenage d'arbre à cames. — 38. Carter. — 39. Bande dévratrice. — 40. Câbles d'allumage. — 41. Distributeur. — 42. Pièces de la dynamo. — 43. Ventilateur. — 44. Garnitures de freins. — 45. Enjoliveur et flasque. — 46. Phares et feux de position. — 47. Calandre et radiateur.



THE NEW INDUSTRIAL REVOLUTION at Plastic Omnium

Industry 4.0 is the combination of mature technologies: data, advanced robotics, augmented reality, the internet of industrial things, as well as vertical (suppliers, customers) and horizontal (partners) integration, through to the cloud and data management. Some ten concepts have been tested in all the Group's factories to validate technologies and associated partners. Two pilot plants are in the vanguard. First is the Greer plant built in South Carolina in 2018 (United States) for «Intelligent Exterior Systems». The Group invested €150 million in this building to enable it to deploy the 4.0 factory in its entirety.

Second is the Compiègne plant (France), for «Clean Energy Systems», which is changing its processes and tools to deploy 4.0 in an existing factory.

For Plastic Omnium, Industry 4.0 heralds the implementation of predictive production. The other imperative is managing behavioral change for everyone, from the operative to the plant manager. The launch of the Greer 4.0 project is a challenge, watched from all four corners of the Group before a global deployment of the model in 3 to 4 years.



The first « INNOVATION AWARDS »

Many innovative projects are emerging within the Group. Plastic Omnium has set up a competition that in 2019 will reward the best innovations in three categories: products, operational excellence and open innovation for projects developed in partnership. All employees in all positions and all countries were encouraged to compete, alone or in teams. 168 projects have been submitted. The goal is to create a technological innovations accelerator.



TO DEVELOP new businesses

Data analysis, software and diagnostic engineering, digital manufacture, plasronics and electrochemistry call for new skills. Plastic Omnium is developing them internally and is recruiting engineers trained in the latest technologies to develop new onboard smart systems or the fuel cell. Open team work with laboratories, universities and technology partners is accelerating discovery.

At the confluence of mechanics, electronics and connected systems, mechatronics makes it possible to design industrial production systems, such as command and control to measure pressure. At the intersection of chemistry and electricity, electrochemistry studies the phenomena associated with the ex-change of electrical energy, which gives it a broad spectrum of applications, from biology to the behavior of materials and energy storage.

Co-build the sustainable mobility of tomorrow

To respond to the revolution of the connected, autonomous and zero carbon car, Plastic Omnium, technological leader in its markets, is continuously improving its internal and external innovation capabilities. Plastic Omnium is working in open innovation with an ecosystem of start-ups, major technological universities and engineering schools, supervised by an Automotive Strategic Analysis Committee bringing together internal and external experts; scientific and technological partnerships are regularly set up with the best performers.

5 PLASTIC OMNIUM RESEARCH CENTERS

EXPLORE UNDERLYING TRENDS

With major technological universities

- MIT (USA)
- Technion (Israel)
- Centrale-Supelec, Ecole Centrale Lyon, UTC, INSA Lyon (France)



With the players of the automotive world

- Strategic partnership with Brose, a specialist door equipment manufacturer
- Strategic partnership with Hella, expert in lighting systems and electronic components

With tech start-ups

- EPO-CellTech (fuel cell)
- Aster Fund (energy transition and mobility of the future)

With players committed to sustainable mobility

- Member of the steering Committee of the Hydrogen Council



6%

REVENUE IN RESEARCH AND DEVELOPMENT



3,725

PATENTS



3,000

ENGINEERS



24

R&D CENTERS

Societal and environmental responsibility at the heart of the Group's strategy

A signatory to the United Nations Global Compact for 15 years, Plastic Omnium is committed to following its 10 principles relating to respect for human rights, international labor standards, the environment and the fight against corruption. The Group embodies respect for the Sustainable Development Goals in its business model according to three main focus areas

	ODD	AXE & COMMITMENTS	KEY FIGURES
RESPONSIBLE ENTREPRENEURSHIP		<p>BUSINESS ETHICS AND HUMAN RIGHTS</p> <p>The Plastic Omnium Code of Conduct, revised in 2018, applies to all employees in all business lines and countries. The Group is committed to respecting and promoting human rights while respecting fundamental freedoms.</p> <p>All Plastic Omnium suppliers are committed to upholding the principles of the United Nations Global Compact and enforcing them on their own partners. They are audited regularly.</p>	<p>520</p> <p>INTERNAL AUDITS CARRIED THROUGHOUT THE GROUP IN 2018</p>
		<p>PLASTIC OMNIUM INTERNATIONAL VALUES</p> <p>With its roots and its values, Plastic Omnium contributes to the influence of French culture through sponsorship actions in France and in Europe.</p>	
ATTENTION TO EMPLOYEES		<p>HEALTH, SAFETY AND ZERO ACCIDENTS</p> <p>The Group's ambition is to reach «zero accidents» in the long term. The Top Safety program covers all actions to be carried out according to five pillars: machinery and equipment, employees and managers, sites and projects, benchmarks and management, working conditions.</p>	<p>10 X</p> <p>FEWER ACCIDENTS IN 10 YEARS</p>
		<p>EQUAL OPPORTUNITIES</p> <p>Plastic Omnium is committed to promoting the diversity of its teams and fighting against any kind of discrimination. Discrimination incidents are monitored annually. The Group's priority is the development of women's career paths.</p>	<p>20% OF EXECUTIVE WOMEN IN 2025</p> <p>(VERSUS 12% AT END 2018)</p>
		<p>TRAINING</p> <p>Employee training is a strategic part of skills development. Business lines are changing rapidly and skills need to evolve.</p>	<p>498,576 HOURS OF TRAINING PER YEAR</p>
SUSTAINABLE PRODUCTION		<p>THE THIRD PILLAR OF PLASTIC OMNIUM'S CSR STRATEGY is to produce in a sustainable manner: minimizing negative impacts such as water, air, and soil pollution while preserving resources.</p>	<p>90% OF SITES WORLD-WIDE CERTIFIED ISO 14001 AT END 2018</p>
		<p>THE TOP PLANET PROGRAM</p> <p>In production, the Top Planet program, which seeks to optimize energy efficiency and reduce greenhouse gas emissions, has been in place since 2008.</p>	<p>OBJECTIVE TO REDUCE CO₂ EMISSIONS BY -20% BY 2025</p>
		<p>ECO-DESIGN AND RECYCLABILITY</p> <p>The Group seeks continuously to optimize the efficiency of processes to produce more and consume less. Materials are mainly re-injected into production.</p> <p>In addition, life cycle analyses are carried out on four of the Group's flagship products in order to understand the improvement levers related to the products themselves.</p>	<p>88% OF WASTE GENERATED WAS RECYCLED OR RECOVERED IN 2018</p>

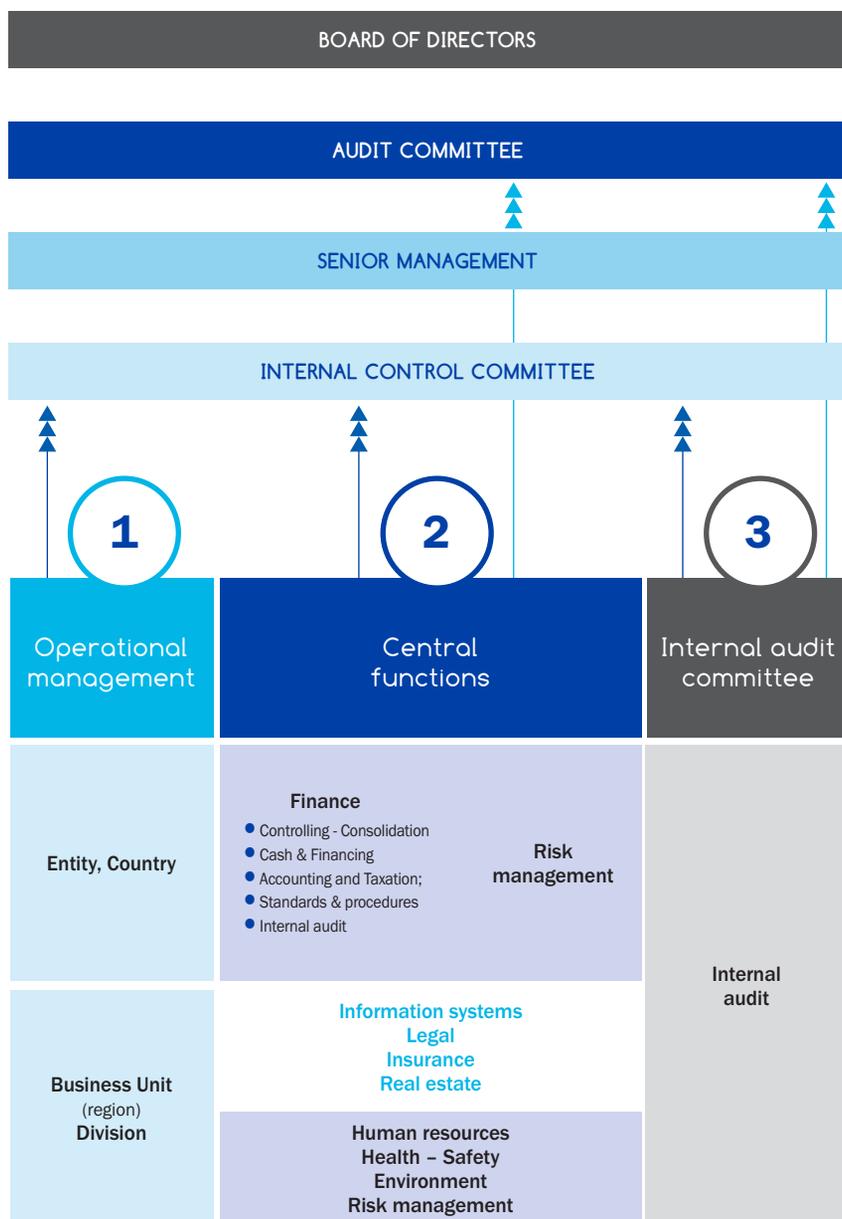
Risk management, a key issue

A global group, player in a complex market, Plastic Omnium is subject to various risks. Its organization aims to control these.

Insurance and Risk Coverage

Plastic Omnium has set up a global program of insurance benefiting all the subsidiaries in which it has a majority interest. The program is intended to hedge the main risks that can affect its operations, results or assets.

AN EFFICIENT ORGANIZATION



Main risks identified on a global scale

Plastic Omnium has reviewed the risks likely to have an impact on its business, its financial situation or its results, and considers that there are no other significant risks apart from these, for which the Group has instituted control and supervision processes:

OPERATIONAL RISKS

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

INDUSTRIAL AND ENVIRONMENTAL RISKS

- HEALTH, SAFETY AND ENVIRONMENT RISK

CREDIT AND/OR COUNTERPARTY RISK

- LIQUIDITY RISK
- CUSTOMER RISK
- SUPPLIER RISK

MARKET RISKS

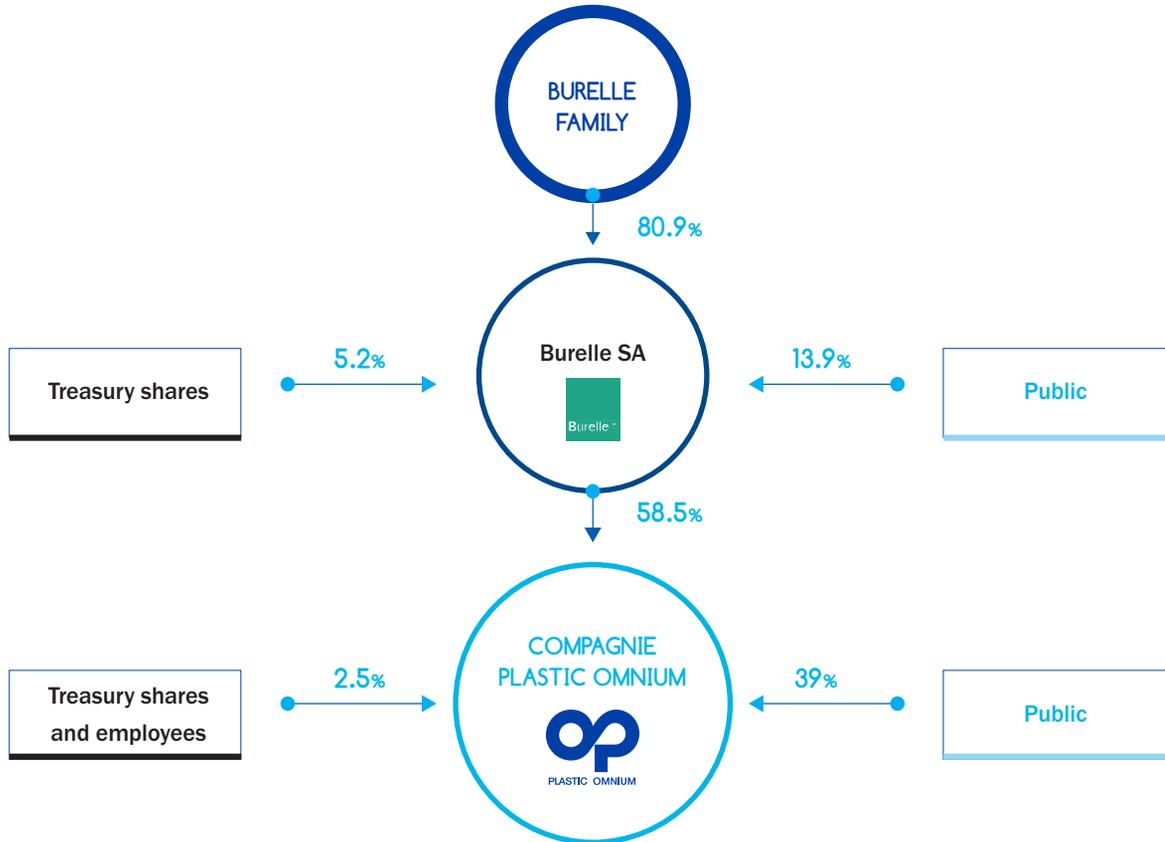
- CURRENCY RISK
- INTEREST RATE RISK
- RAW MATERIALS PRICE RISK
- LEGAL RISKS
- RISKS RELATED TO THE QUALITY OF PRODUCTS AND SERVICES SOLD
- INTELLECTUAL PROPERTY RISK
- COMPETITION RISK

OTHER RISKS

- TAX RISK

An independent family-owned group since 1946

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



1946
 Creation of Plastic Omnium by Pierre Burelle in Paris

1963
 First plant in Langres

1965
 Plastic Omnium took control of UMDP (*Union Mutuelle Des Propriétaires Lyonnais*), a company listed on the Lyon stock exchange. Plasticomnium's stock market listing dates back to this merger.

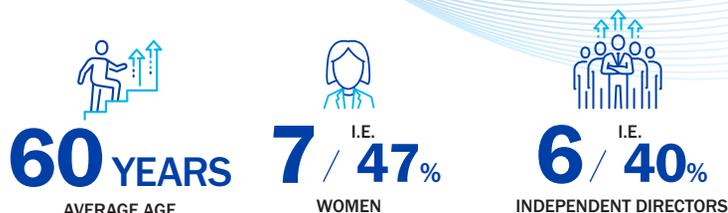
1987
 Jean Burelle took over the presidency of Plastic Omnium

2001
 Laurent Burelle takes over the presidency of Plastic Omnium

2018
 • 32,000 employees
 • 124 plants
 • 24 R&D centers
 • 26 countries
 • 83 client brands

A responsible board of directors

At December 31, 2018, Plastic Omnium is governed by a Board of Directors composed of **15 MEMBERS**: the Chairman and CEO, the Co-Chief Executive Officer and Chief Operating Officer, the Chief Operating Officer and **12 DIRECTORS**.



LAURENT BURELLE
Chairman and CEO



JEAN-MICHEL SZCZERBA
Co-Chief Executive Officer
Chief Operating Officer



PAUL HENRY LEMARIÉ
Chief Operating Officer



ÉLIANE LEMARIÉ
Permanent representative of Burelle SA
Director
Member of the Appointments Committee



JEAN BURELLE
Honorary Chairman

○ Independent directors are identifiable by an additional circle



ANNE AENSIO
Director
Member of the Audit Committee



FÉLICIE BURELLE
Director



ANNE-MARIE COUDERC
Director
Chairperson of the Appointments Committee and of the Compensation Committee



AMÉLIE OUDÉA-CASTÉRA
Director
Member of the Compensation Committee



LUCIE MAUREL AUBERT
Director
Member of the Audit Committee and of the Appointments Committee



CÉCILE MOUTET
Director



JÉRÔME GALLOT
Director



PROF. DR BERND GOTTSCHALK
Director
Member of the Compensation Committee



VINCENT LABRUYÈRE
Director
Chairman of the Audit Committee



ALEXANDRE MÉRIEUX
Director

3 SPECIALIZED COMMITTEES

prepare their deliberations



AUDIT COMMITTEE



APPOINTMENTS COMMITTEE



COMPENSATION COMMITTEE

A committed executive committee

The **EXECUTIVE COMMITTEE** carries out its missions in a spirit of transparency and anticipation, with a high degree of decision-making responsiveness. The monthly meetings are complemented by annual management meetings organized in major global clusters, at the meeting of local managers. Its **13 MEMBERS** represent the central and operational departments and ensure the deployment of the Group's commercial, industrial and R&D strategy, financial performance and CSR policy worldwide.

Sound 2018 results

Economic revenue (2018)

€8,244 M

€610 M
OPERATING PROFIT

€533 M
NET PROFIT -
GROUP SHARE

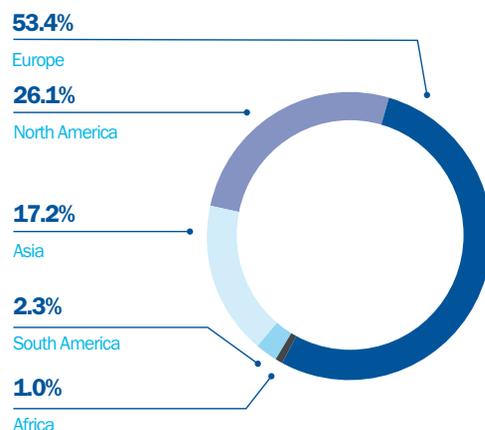
€0.74
DIVIDEND

€918 M
EBITDA

€218 M
FREE CASH-FLOW

€698 M
NET DEBT

BREAKDOWN OF REVENUE BY REGION



A Group confident in the future

A SOLID ORDER BOOK

Orders already secured represent 90% of the Group's target revenue for the period to 2021.

MARKET SHARE GAINS

The world market share of *Intelligent Exterior Systems* for bumpers will rise from 16% in 2018 to 19% in 2021.

The world market share of *Clean Energy Systems* for fuel systems will rise from 22% in 2018 to 25% in 2021.

HBPO's global market share for front-end modules will rise from 17% in 2018 to 18% in 2021.

GROWTH LEVERS

THE NORTH AMERICAN MARKET

With the ramp-up of the five plants built in the last three years and the two assembly sites currently under construction in Mexico, Plastic Omnium will continue to grow its market shares in its three business lines.

THE CHINESE MARKET

In China, the Group has a complete industrial base of 26 plants in the six automotive production areas and a portfolio of customers that continues to diversify, particularly among Chinese players, who will account for 30% of the Group's sales in China in 2021 (compared with 15% in 2018). Building on this foundation, Plastic Omnium will benefit from market share gains in its production businesses and from the development of its front-end module activities.

THE SUV VEHICLES SEGMENT

The SUV segment will increase by 4 points between 2018 and 2021, from 35% to 39% of

global automotive production. Plastic Omnium will grow faster than this segment, which will represent 48% of the Group's revenue in 2021.

FRONT-END MODULES

Since July 1, 2018 and following the takeover of HBPO, world leader in front-end modules, Plastic Omnium is fully consolidating this activity. HBPO, with nearly 6 million front-end modules delivered per year, generated revenue of around €2 billion in 2018 and is expected to grow by 50% to €3 billion in 2021.

SCR SYSTEMS TO REDUCE DIESEL VEHICLE EMISSIONS

Plastic Omnium will benefit in the next two years from market share gains and the regulatory increase in the SCR penetration rate in Europe, which will offset the expected decline in the production of diesel vehicles. The Group is already anticipating the decline of this activity for the post-2020 years.

Social and environmental performance



816

ENGINEERS AND MANAGERS RECRUITED IN 2018, OF WHICH 22% ARE YOUNG GRADUATES AND 24% ARE WOMEN

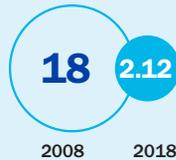


24.4%

WOMEN IN THE WORKFORCE

LOST TIME AND NON-LOST TIME ACCIDENT FREQUENCY RATE (Fr2)

-88%
OVER 10 YEARS



498,576 HOURS
OF TRAINING GIVEN IN 2018

24.17 HOURS
OF TRAINING PER EMPLOYEE IN 2018



90%
OF SITES CERTIFIED
ISO 14001

88%
OF SITES CERTIFIED
OHSAS 18001/ISO 45001

88%
OF WASTE GENERATED BY THE GROUP
IN 2018 HAS BEEN RECYCLED
OR RECOVERED



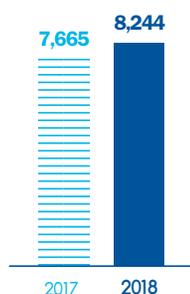
Presentation of Plastic Omnium and its businesses

1.1	2018 KEY FIGURES	22	1.5	BUSINESS AND STRATEGY	28
1.2	HISTORY AND DEVELOPMENT OF THE GROUP	24	1.6	RESEARCH AND DEVELOPMENT (R&D)	30
1.3	ORGANIZATION CHART	26	1.7	RISK FACTORS AND CONTROL	33
1.4	SIGNIFICANT EVENTS	27			

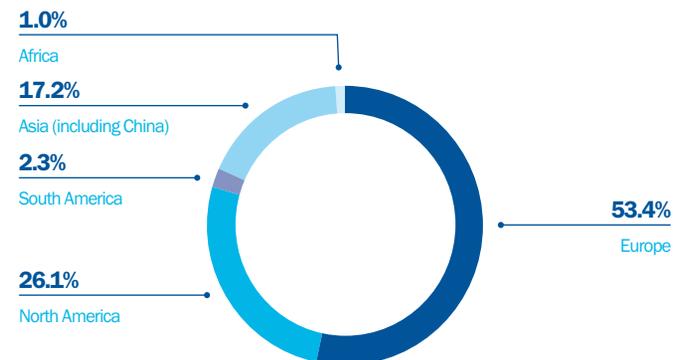
1.1 2018 KEY FIGURES

CHANGE IN ECONOMIC REVENUE

In millions of euros

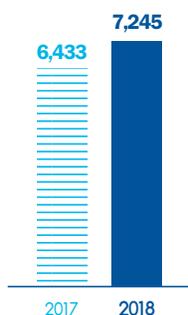


BREAKDOWN OF ECONOMIC REVENUE BY REGION



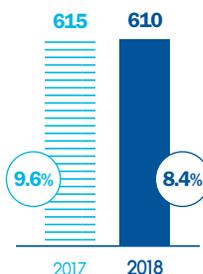
CHANGE IN CONSOLIDATED REVENUE

In millions of euros



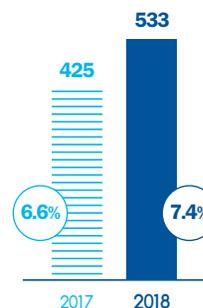
OPERATING MARGIN

In millions of euros and as % of consolidated revenue



NET PROFIT – GROUP SHARE

In millions of euros and as % of consolidated revenue

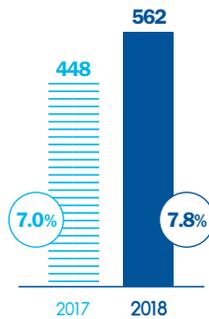


In application of IFRS 5 “Non-current assets held for sale and discontinued operations”, the data published in 2017 were restated for the disposal of the Environment Division. The amounts given in this document for 2017 are restated data.

- Economic revenue** corresponds to consolidated revenue, plus revenue from the Group's joint ventures, consolidated at their percentage of ownership: BPO (50%), YFPO (49.95%) and HBPO 33.33% until its full consolidation on July 1, 2018. The figure reflects the operational and managerial realities of the Group.
- Consolidated sales** does not include the share of joint ventures, which are accounted for by the equity method, pursuant to IFRS 10, 11 and 12, or the revenue of Plastic Omnium Environment, in application of IFRS 5 as at January 1, 2018.
- Operating margin** includes the share of profit of entities accounted for by the equity method and the amortization of acquired intangible assets, before other operating income and expenses.

CAPITAL EXPENDITURES AND PROJECTS

In millions of euros and as % of consolidated revenue



FREE CASH-FLOW

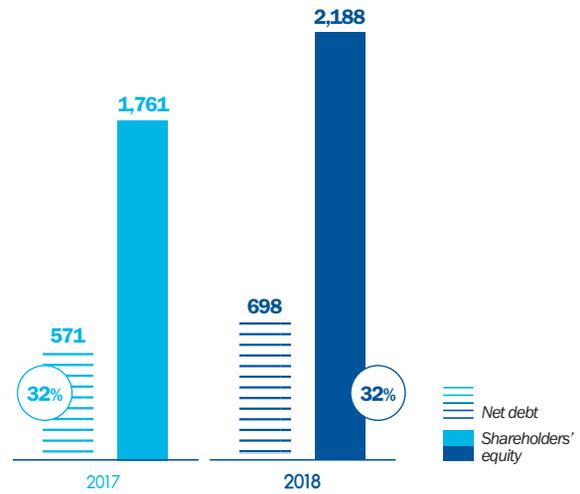
In millions of euros and as % of consolidated revenue



- **Capital expenditure** and projects refer to acquisitions of property, plant and equipment and intangible assets, net of disposals, the net change in advances to suppliers of fixed assets and investment subsidies received (see Cash-flow Statement in Section 4.7, line E of Part II and Note 1.5 to the consolidated financial statements, line E: "Net cash used in operations").
- **Free cash-flow** corresponds to the operating cash-flow, less tangible and intangible investments net of disposals, taxes and net interest paid +/- variation of the working capital requirements (cash surplus from operations).

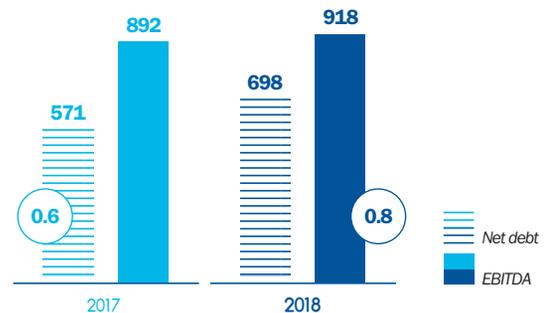
NET DEBT/SHAREHOLDERS' EQUITY

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



NET DEBT/EBITDA

In millions of euros and net debt/EBITDA ratio



- **Net debt includes** all long-term borrowings, short-term loans and bank overdrafts less loans, marketable debt instruments and other non-current financial assets, and cash and cash equivalents.
- **Shareholders' equity** includes operating grants.
- **EBITDA** corresponds to the operating margin plus the share of profit of associates and joint ventures before depreciation and operating provisions.



1.2 HISTORY AND DEVELOPMENT OF THE GROUP

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

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

1952

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

1954

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

1963

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

1965

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

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

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

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

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

1966

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

1968

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

The 1970s

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

1974

A Group holding company was set up, Compagnie Plastic Omnium.

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

1980

Beginning of the bumper business for Renault.

1986

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

1987

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

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

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

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

2000

Saw the creation of Inergy Automotive Systems, a 50/50 joint venture with Solvay that became the world's largest fuel systems manufacturer.

2001

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

2002

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

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

2004

Disposal of Plastic Omnium Medical.

Plastic Omnium and two German automotive equipment manufacturers, Hella and Mahle-Behr, set up a joint venture named HBPO, the global leader in complex front-end automotive module design, development, assembly and logistics.

2006

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

2007

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

Auto exterior joint ventures were launched in China, with Yanfeng Visteon.

Majority-owned auto exterior joint venture was launched in India, with Varroc. The Group took full control in 2012.

Also during the year, the Company acquired German-based Sulo, Europe's second largest waste container group.

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

2008

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

2010

The Company bought out Solvay's 50% stake in the Inergy Automotive Systems joint venture.

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

2011

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

2012

Saw the creation of 2 majority-owned fuel system joint ventures, one in China with BAIC, and the other in Russia with DSK.

Sale of Signature's German and French operations to Eurovia, as well as the unwinding of cross shareholdings.

2014

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

2016

In July 2016, the Group finalized the acquisition of Faurecia's Exterior Systems business.

2017

On June 6, 2017, Plastic Omnium celebrated its 70th anniversary at the Grand Palais, in Paris, with more than 1,500 guests.

In September, Plastic Omnium announced that it planned to dispose its Environment Division in order to concentrate exclusively on the worldwide development of its automotive business.

2018

On June 26, 2018, Plastic Omnium raised its stake in HBPO, the world leader in automotive front-end modules, by acquiring a 33.33% stake in the German group, Mahle (HBPO had previously been held equally by Plastic Omnium, Hella and Mahle-Behr). Plastic Omnium's stake in HBPO now stands at 66.67%.

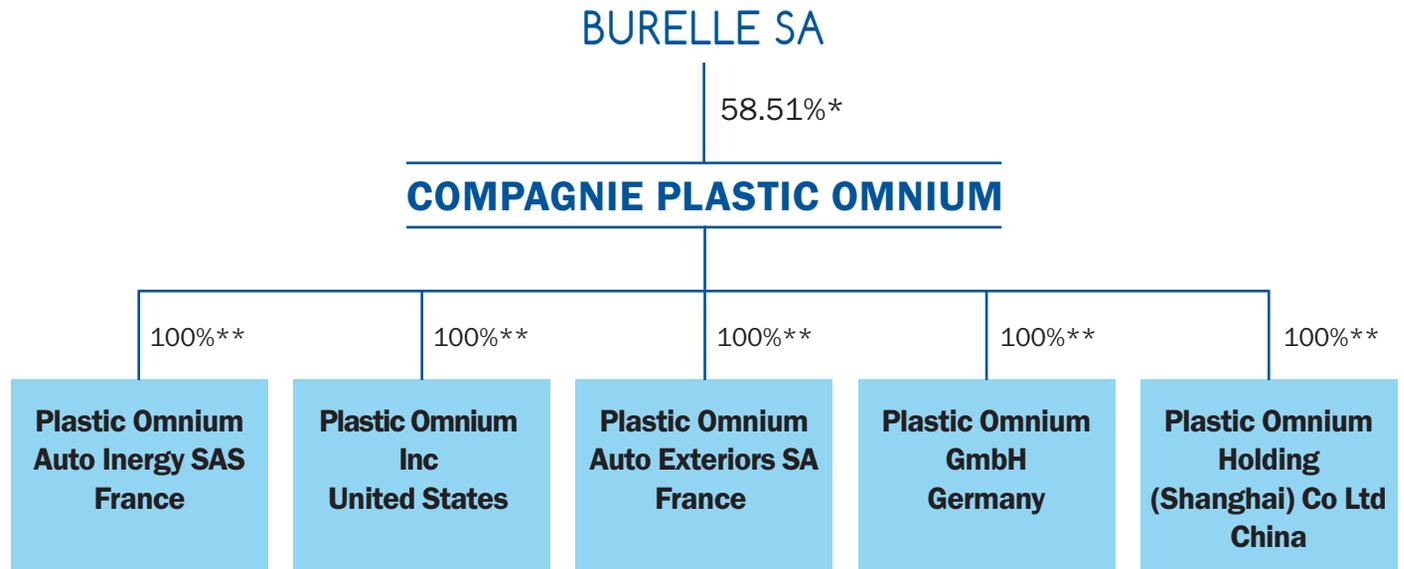
On December 18, 2018, Plastic Omnium confirmed the sale of its subsidiary Plastic Omnium Environment BV to the consortium Latour Capital/Bpifrance (French public investment bank).

At end 2018

The Group and its joint ventures employ nearly 32,000 people in 124 plants, 24 R&D centers and 26 countries worldwide, supplying 83 automotive brands.

1.3 ORGANIZATION CHART

SIMPLIFIED ORGANIZATION CHART (DIRECTLY HELD CAPITAL)



* 73.70% VOTING RIGHTS.

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

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

HBPO: a joint venture in which Plastic Omnium Auto Exteriors SA has a 66.67% stake since it acquired Mahle-Behr's stake on July 1, 2018. Until this acquisition, the joint venture was equally owned by Plastic Omnium Auto Exteriors SA, Hella and Mahle-Behr). HBPO is the world leader in the development, assembly and logistics of front-end modules. It reported a total consolidated revenue of €1,972 million in 2018. Given the acquisition of a controlling stake in HBPO in July 2018 and pursuant to IFRS 10 "Consolidated financial statements", HBPO is consolidated according to the full consolidation method in the Group's accounts as from July 1, 2018.

HBPO was consolidated under the equity method until June 30, 2018. HBPO employs 2,400 people in its 25 plants, located in 11 countries.

YFPO: a joint-venture 49.95% owned by Plastic Omnium Auto Exteriors SA, and is China's leading manufacturer of auto exterior components. Its 2018 economic revenue stood at €518 million (Plastic Omnium's share). YFPO employs more than 4,400 people in its development center and 19 plants in China.

BPO: a joint-venture 50%-owned by Compagnie Plastic Omnium, the company is the leading Turkish manufacturer of exterior body parts. Its 2018 economic revenue stood at €33 million (Plastic Omnium's share).

Following the takeover of HBPO on July 1, 2018, and the disposal of the Environment Division on December 18, 2018, Plastic Omnium has established itself as an automotive pure player organized around two business lines: Plastic Omnium Industries and Plastic Omnium Modules (see Section 1.5 Business and Strategy).

1.4 SIGNIFICANT EVENTS

Disposal of the environment division

In December 2018, Compagnie Plastic Omnium confirmed the sale of its subsidiary Plastic Omnium Environment BV to the consortium Latour Capital/Bpifrance (French public investment bank), for an enterprise value of €220 million.

The Environment business – which is Compagnie Plastic Omnium’s founding business – is the European leader in the containerization of waste. Standalone, profitable and cash-generating, with 6 plants in France, Germany and Spain, an R&D center, a customer service center recently inaugurated at Saint Priest (France), and with the large network of agencies and service desks serving 8,000 customers, this business generates an annual revenue approximately €340 million, thanks to a broad range of products and services dedicated to waste management (wheeled bins for household waste, crane lifts, composters, underground and semi-underground containers; maintenance, washing, surveys and implementation, data management, incentive-based invoicing systems, etc.). Plastic Omnium Environment employs 1,800 people operating across 12 countries.

This disposal reflects Plastic Omnium’s decision to concentrate all of its human and financial resources on developing its automotive business. As the world leader in intelligent exterior systems, in clean energy systems and in modules for motor vehicles, the Group is implementing a strategy of innovation and profitable growth through sustainable mobility.

Raising our stake in HBPO, a world leader for front-end modules

In June 2018, Compagnie Plastic Omnium raised its stake in HBPO, the world leader in automotive front-end modules, by acquiring a 33.33% stake in the German group, Mahle (HBPO had previously been held equally by Plastic Omnium, Hella and Mahle-Behr) Plastic Omnium now holds 66.67% of HBPO. The acquisition of the 33.33% stake was concluded for an enterprise value of €350 million, financed from the Group’s own resources.

HBPO is the world leader in the development, assembly and logistics of automotive front-end modules with 17% of global market share.

With 6 million front-end modules delivered annually, in 2018, HBPO generated €2 billion of revenue in 25 plants in Europe, America and Asia and already has an order portfolio that will enable it to reach €3 billion in 2021.

HBPO’s size and technological expertise will enable Plastic Omnium to speed up its development in smart and modular products, and meet the technological challenges of tomorrow’s autonomous and connected car, which will considerably modify automotive design and esthetics.

Four new plants commissioned

Plastic Omnium is committed to supporting carmakers worldwide and to expanding its industrial capacity in high-growth regions for auto production. It continues to strengthen its footprint in these regions.

In 2018, Plastic Omnium commissioned 2 plants producing intelligent exterior systems in Greer, United States, and in Shenyang, China, which supply BMW, in addition to 2 plants producing clean energy systems in Hansalpur, India, which supplies Suzuki, and another in Smyrna, United States, which supplies Nissan and an assembly site of front-end modules in Aguascalientes, Mexico, a supplier of Daimler.

In total, the Group has an industrial footprint of 124 plants worldwide.

In addition, 5 plants are currently under construction (1 in India, 1 in Morocco, 1 in Slovakia, 1 in China and 1 in Malaysia) and 4 module-assembly sites are also under construction (1 in Mexico, 2 in Germany and 1 in China).

Innovative positioning to respond to the issues posed by the car of the future

Plastic Omnium is creating the resources necessary to strengthen its capacity for innovation, in order to respond to the accelerated technological change towards a connected, autonomous electric car.

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

In carbon-free cars, Plastic Omnium is positioning itself as a player in the energy-storage segment and is developing specific solutions for plug-in hybrid electric vehicles (PHEVs) as well as for vehicles with turbocharging combustion engines. At the same time, the Group is committed to electrification to become a key player in hydrogen propulsion and fuel-cell technologies. The Group has thus created, on January 1, 2018, Plastic Omnium New Energies, an entity dedicated to the development of energies of the future, specifically in the fields of fuel cells and hydrogen propulsion.

Plastic Omnium has now committed new resources to achieve that ambition. The Group employs nearly 3,000 engineers in 24 R&D centers worldwide, and is allocating 6% of its revenues to R&D, in addition to the €100 million construction or expansion of 3 R&D centers (France, Belgium and China). Moreover, Plastic Omnium has an ecosystem of start-ups, partnerships with leading universities and an Automotive Strategic Analysis Committee comprised of internationally recognized experts.

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

Associated with an “Open innovation” network, all the expertise and investments deployed will enable Plastic Omnium to develop new growth opportunities, by taking up the technological challenges of the self-drive and low-carbon car of the future.

Financing activities

In December 2018, Compagnie Plastic Omnium completed a private placement under German law (*Schuldscheindarlehen*) for €300 million. This private placement, without covenants and without rating, has a 7-year maturity and has a fixed coupon of 1.632%.

The proceeds from this issuance will be used for the Group’s general funding needs as part of its strategy of profitable and independent growth. It strengthens the Group’s financial structure by extending the average maturity of its debt and diversifying its sources.



Compagnie Plastic Omnium stock buyback and capital reduction

In 2018, Compagnie Plastic Omnium bought 2,110,000 of its own shares for a total amount of €77.1 million (i.e. at an average purchase price of €36.40).

At its meeting of July 19, 2018, the Board of Directors voted to cancel 1,110,613 treasury shares as of July 26, 2018. After this cancellation, Burelle SA's percentage of control increased from 57.57% to 58%.

Subsequently, at its meeting of October 30, 2018, the Board of Directors voted to cancel 1,300,000 treasury shares as of November 8, 2018. After this cancellation, Burelle SA's percentage of control increased from 58% to 58.51%.

As at 31 December 2018, Compagnie Plastic Omnium held 1.54% of its own shares.

1.5 BUSINESS AND STRATEGY

Compagnie Plastic Omnium is a manufacturing group and world leader in intelligent exterior systems, clean energy systems and automotive modules. The Group and its joint ventures employ more than 32,000 people in 124 plants, 24 R&D centers and 26 countries worldwide, supplying 83 automotive brands. It is a global business group with a presence on 4 continents (for a distribution of revenue by geographic region, see page 130 of the notes to the consolidated financial statements). German carmakers represent 38% of economic revenue in 2018, ahead of Asian carmakers (24%), American carmakers (22%) and French carmakers (15%).

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

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

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

The reference market for the Group's three businesses is the worldwide automotive production, which produced 91.3 million vehicles in 2018, representing a decline of 1.0% compared to 2017 when 92.3 million vehicles were produced (source: IHS January 2019).

Plastic Omnium Industries, which represents 83% of 2018 economic revenue – or €6,833.6 million – and 87% of 2018 consolidated revenue – or €6,287.8 million – (see page 128 of the notes to the consolidated

financial statements). Plastic Omnium Industries (including its joint ventures) employs around 30,000 people in 99 plants, 23 R&D centers and 22 countries worldwide.

The **Intelligent Exterior Systems** business is the world leader in a broad range of complex exterior assemblies⁽¹⁾, manufactured mainly from injected polypropylene and composite materials. This business designs and produces a wide range of parts: bumpers and energy absorption systems, tailgates, spoilers, bumpers and floor modules. As a reminder, the Intelligent Exterior Systems business was strengthened in 2016 with the acquisition of Faurecia's Exterior Systems business. This transaction reinforced the Group's leadership position in the market for exterior components and modules. The Intelligent Exterior Systems business produced more than 29 million painted bumpers in 2018, representing a global market share of 16%. This market share was 8% in 2010. It benefited from the acquisition of Faurecia's Exterior Systems business in 2016 and is rising organically due to the expansion of this business in high growth regions, especially China, where Intelligent Exterior Systems has a market share of 26% in 2018. Its 3 main competitors are Magna, a Canadian group with 7% market share, Motherson-SMP, an Indian group with 4% and Flex-N-Gate, a US group with 3%. 36% of global bumper production remains in the hands of the carmakers themselves. Active in the decorative component segment, Intelligent Exterior Systems offers customized, high value-added, multi-material solutions designed in line with the growing requirement for systems that integrate both functionality and safety performance, making vehicles lighter and reducing carbon emissions. Additionally, backed by expertise in the integration of functions and unique performance in the electromagnetic transparency of plastics, Plastic Omnium is contributing to the development of tomorrow's smart cars. Its exterior parts will include numerous radar and other sensors, with ever-improving design and protection.

(1) In-house analysis using IHS data.

The **Clean Energy Systems** business is the global leader in fuel systems produced with blow-molded polyethylene⁽¹⁾. Combining integrated safety and emissions control, fuel systems must serve a number of functions: refueling, storage, ventilation, engine supply and fuel level gauge systems. 22 million systems were manufactured in 2018 by the Clean Energy Systems business, representing a global market share of 22%. Its three main competitors are Kautex, a subsidiary of US-based Textron, YAPP, a Chinese group, and TI Automotive, an English group, which have market shares of 15%, 12% and 10% respectively. Metal fuel tanks still account for 19% of the global market, offering substantial growth potential for the expected replacement of metal with plastic, particularly for safety and weight reasons. Growth in the Clean Energy Systems business' market share, which went from 16% in 2010 to 22% in 2018, is due partly to increases in this type of substitution but is also attributable to the heavy capital expenditures made to establish the business in high-growth regions. The Clean Energy Systems business also develops and markets new product lines such as the SCR diesel emissions control system, which is capable of eliminating up to 95% of NOx emissions and up to 8% of CO₂ emissions, and fuel systems for plug-in hybrid vehicles (PHEVs).

In addition, at the beginning of 2018 the Group created "Plastic Omnium New Energies" which is part of the Clean Energy Systems business and is dedicated to the development of future energies, particularly fuel-cell and hydrogen propulsion. After the creation of Ξ PO-CellTech in 2016, development is now in the fast lane with the acquisition in December 2017 of two companies with a strong technological content: Swiss Hydrogen, a Swiss company based in Fribourg specializing in the design and production of energy management and control solutions in fuel cell systems ("balance of plant"), and Optimum CPV, a Belgian company based in Zonhoven specializing in the design and production of composite filament vessels for high-pressure hydrogen storage.

In the **Plastic Omnium Modules** business line, which accounted for 17% of economic revenue in 2018 (€1,410.3 million) and 13% of 2018 consolidated revenue (€956.9 million) – (see comments on the consolidated financial statements on page 128), the Group is currently present through a business, HBPO, where it is a market leader. Plastic Omnium Modules (including its joint ventures) employs 2,400 people in 25 plants, 1 R&D center and 11 countries worldwide.

The **HBPO** business is the world leader in front-end module development, assembly and logistics⁽¹⁾. A front-end module is a complex assembly at the front of a vehicle. With a high tech front-end, it integrates the impact beam, the lighting and engine cooling systems, the active radiator grille shutters and the driving-aid radar and sensor systems. This is the area of expertise of HBPO, a subsidiary held 66.67% by Plastic Omnium. From design and manufacture, through to just-in-time delivery, HBPO is the only supplier of front-end modules to have end-to-end control of this process. The HBPO business produced around 6 million front-end modules in

2018, representing a global market share of 17%. This market share is rising organically due to the expansion of the business line in high growth regions. Its 4 main competitors are: Mobis, a South Korean group with 16% market share, JiQiang, a Chinese group with 8% market share, Decoma, a German group with 7% market share and the French group, Valeo, which has a 7% market share. 27% of global front-end module production remains in the hands of the carmakers themselves. HBPO runs on a just-in-time basis and is located close to the plants of its automotive carmaker customers. Its expertise in this field enables it to respond to the growing demand for customization and connectivity.

The two Plastic Omnium business lines, Plastic Omnium Industries and Plastic Omnium Modules, are present on 4 continents, producing and assembling components through a network of 124 local manufacturing plants. Just-in-time deliveries, the large size of components and – in the case of bumpers painted the same color as the bodywork – their fragility, means production must take place close to the carmakers' plants. However, as they do not use the same production techniques or raw materials, each of the Group's three businesses, Intelligent Exterior Systems, Clean Energy Systems and HBPO, must have their own plants.

In its two business lines, Compagnie Plastic Omnium is developing in the long-term in a market with future growth potential.

Worldwide automotive production is expected to grow at an average of around 2% between now and 2025 (source: IHS January 2019). Global vehicle production is set to rise from 91.3 million units in 2018 to 105.6 million in 2025: of these 14.3 million additional units produced, China should account for 6.5 million units, or more than 40% (and that would represent 30% of global car production by 2025). It is anticipated that 3.7 million additional vehicles will be produced in Asia (excluding China), 1.6 million in Europe, 1.4 million in South America and 0.6 million in North America. Accordingly, the first strand of Plastic Omnium's development strategy is to support this growth with targeted investment in new plants. This is leading to changes in the location of the Company's main production centers. In December 2018, the Group had 124 automotive plants distributed as follows: North America (20 plants), Asia (42 plants), Europe (54 plants) and South America/Africa (8 plants).

Alongside volume growth in Plastic Omnium's global markets, there will be an increase in the demand for more environmentally friendly products, driven by new regulations especially in mature markets in Europe and North America. The second strategic objective is therefore to increase Research and Development resources to respond to this demand.

In the short term and to factor in macro-political and macroeconomic risks which have led to heightened uncertainty and volatility, in particular in the automotive sector, for the period between 2019 and 2021, Plastic Omnium is making an assumption of stable automobile production.

(1) In-house analysis using IHS data

1.6 RESEARCH AND DEVELOPMENT (R&D)

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

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

In 2018, Compagnie Plastic Omnium devoted around €418 million to R&D, or 5.8% of its consolidated revenue.

The Group boasts a global network of 24 centers, served by close to 3,000 engineers who are dedicated to finding innovative solutions that meet the strictest environmental standards. As a result of this proactive focus on R&D, the Group manages a portfolio of more than 3,725 patents, including 117 filed in 2018.

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

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

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

STRICTER ENVIRONMENTAL REGULATIONS

BUILDING LIGHTER VEHICLES

To reduce vehicle mass, and thus reduce their CO₂ emissions levels, Plastic Omnium is developing and producing body parts and modules out of plastic. Its plastic parts and modules are 30% lighter on average than metal and boast excellent mechanical performance as well as high crashworthiness. Making lighter parts is especially important for hybrid and electric vehicles in that they offset battery weight while optimizing vehicle range. At the same time, Plastic Omnium's engineers have offered carmakers passive and active aerodynamic optimization solutions, enabling an additional reduction in carbon emissions. The technologies developed by Plastic Omnium can generate savings of 10 g/km of CO₂ or a 100 km extension in range for electric vehicles.

THE ENERGY MIX REVOLUTION

Plastic Omnium is the leader in both traditional (gasoline or diesel) and hybrid energy storage systems. While the traditional systems still accounted for most vehicles in 2018, by 2030 hybrid engines will

represent close to 45% of cars on the road (as compared with 10% in 2018). In addition to these two major ongoing innovation areas, Plastic Omnium is developing alternative energy solutions such as hydrogen storage and fuel cells.

AN INCREASINGLY CONNECTED WORLD

The market for connected cars continues to grow. According to a study by PWC⁽¹⁾, this market will quadruple between 2015 and 2020, to €115 billion in revenue, primarily benefiting 2 areas: safety (€47 billion) and driver assistance (€35 billion). Plastic Omnium's growth strategy is in line with these changes. Currently, Plastic Omnium bumpers include up to 50 high-tech components to augment human senses and make driving simpler and safer. With its expertise in integration of functions and unique performance in the electromagnetic transparency of plastics, Plastic Omnium is contributing to the development of the tomorrow's smart cars. Its exterior parts will include numerous radar and other sensors, with ever-improving design and protection.

SOLUTIONS FOR SUSTAINABLE MOBILITY

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

- an increasingly-smart bumpers with:
 - radar integration: the smart bumper developed by Plastic Omnium optimally integrates radar. Radar is an integral part of the bumper and perform at their best thanks to plastic materials that are permeable to magnetic waves,
 - shock detection and absorption system: thanks to a patented engineering approach, Plastic Omnium's bumpers offer a shock-absorption module that incorporates multiple functions, from the integration of innovative detection systems to improved impact management. It also includes an active aerodynamic system, which reduces carbon emissions by 2 g/km. This new module alone replaces seven separate pieces: it is lighter, contributing to the reduction in carbon emissions (5 kg lighter, for a reduction of 0.5 g/km in carbon emissions),

(1) Source: Strategy Study & PWC's "Connected Body Report 2016".

- innovative grille: Plastic Omnium developed a manufacturing process that integrates modern radar technologies into an innovative grille with 3 functions: a chrome surface that is compatible with radar (which was previously impossible), a de-icing function that guarantees functioning in all weather, and integrated lighting signature, thanks to flexible optical fibers;
- a lighter, interactive tailgate (smart tailgate): made from high-efficiency composite materials, this next-generation tailgate is about 30% lighter than steel. In addition to being lighter, the Plastic Omnium tailgate integrates numerous aerodynamic and interactive functions.

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

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

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

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

In addition, in a context of increasingly strict environmental standards, the Group is supporting carmakers' emission-reduction strategies:

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

to improve engine performance, water injection significantly reduces fuel consumption and, therefore, carbon emissions (by about 15%).

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

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

In 2016, together with the Israeli company Elbit Systems, Plastic Omnium formed a fuel cell start-up called EPO-CellTech. A joint research center opened in Césarée, Israel, in mid-2016. Plastic Omnium brings its automotive know-how in electronic systems and fluids management to the enterprise. Plastic Omnium's know-how is being combined with improvements already developed by Elbit Systems to create a fuel cell containing very few precious metals.

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

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

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

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

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

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

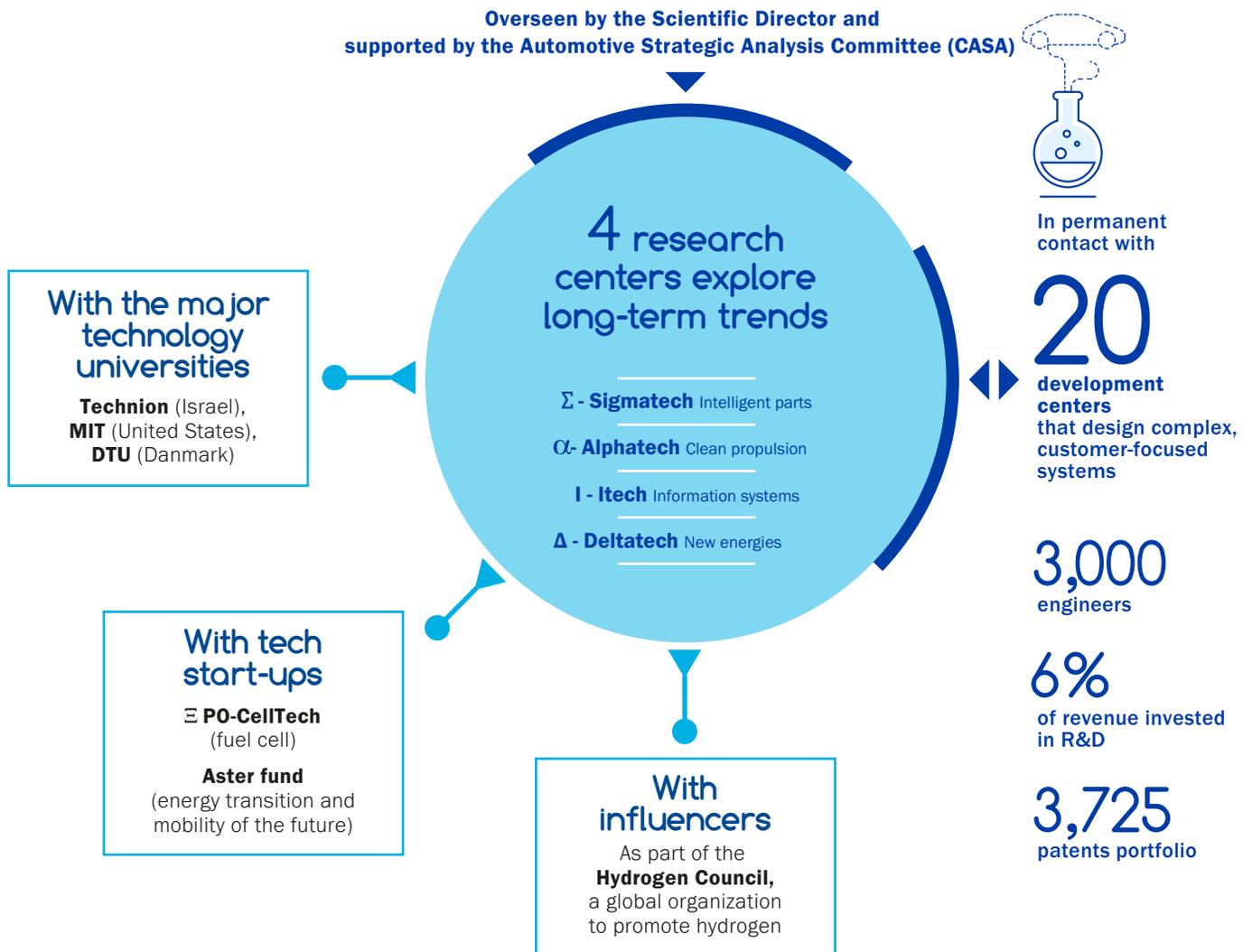
The Group has a network of 24 R&D centers located close to the decision centers of its carmaker customers. This network will be further enlarged by the construction or extension of 3 R&D centers in France, Belgium and China:

- **Σ-Sigmattech:** The international and R&D center for the intelligent exterior systems and modules Σ-Sigmattech is growing from 16,000 to 24,000 m². It will be re-focused to encourage creativity and responsiveness, and will be provided with new research resources. The overhaul will include pilot lines in addition to research offices and a laboratory for plasronics and mechatronics research, an *Open Lab* initiative for work in partnership with universities and start-ups, and collaborative tools to share findings throughout the worldwide network of engineering centers;
- **Δ-Deltatech:** In mid-2019, Plastic Omnium will inaugurate an advanced research center based in northern Brussels specializing in new

energies. This innovation hot spot known as Δ-Deltatech will require an investment of €50 million and will employ 150 engineers to make Plastic Omnium a key player in clean energy systems of the future;

- **ω-Omegatech:** Wuhan is already a Plastic Omnium industrial hub. The Group opened its first plant in China here in 2008. Ten years on, the area now has 3 plants and employs 650 people. The Group is also building a clean energy systems development and test center for Asia in Wuhan, known as ω-Omegatech. From 2019, Asia-specific innovations will be generated here.

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



Finally, the Group has recently set up scientific and technological partnerships in the fuel cell and plasronics segments. A development project in partnership with the German automotive equipment manufacturer Brose, has also just been announced to develop a door design offering new functionalities, innovative styling and assembly facilities.

Lastly, in January 2019, a strategic partnership with the German parts manufacturer, Hella, with regard to an innovative concept that combines exterior coach work systems and lighting.

1.7 RISK FACTORS AND CONTROL

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1.7.1 PRINCIPAL RISK FACTORS

Compagnie Plastic Omnium has reviewed the risks that could have a material adverse effect on its business, financial position, or results, and considers that there are no significant risks other than those listed below.

OPERATIONAL RISKS

Risk related to automotive programs

Identification of risk

Each automotive program has risks which could reduce its profitability from that initially expected. The risk in particular affects programs incorporating innovations, which could necessitate higher levels of investment and/or expenses by Compagnie Plastic Omnium than initially forecast, in order to reach the level of quality required. In addition, each automotive program is subject to risks in terms of manufacturing volumes, which depend on a wide range of factors, some of which are regional in nature, such as economic activity, carmaker production strategy, consumer access to credit and the regulatory environment, but also on factors specific to each vehicle, such as the attractiveness of its design.

Risk management

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

Compagnie Plastic Omnium has 83 customer brands, comprising nearly all of the world's major carmakers and serving different market segments and three distinct product families. It has continued to diversify its exposure to global automotive production markets with its businesses spread across 26 countries and with the launch of 178 new programs in production in 2018.

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

Risk related to acquisitions

Identification of risk

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

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

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

Risk management

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

Information technology risk

Identification of risk

The day-to-day activities of Compagnie Plastic Omnium's business lines and support services could be affected by the unavailability of critical IT systems, mainly due to system breakdown, network failure, damage to infrastructure or internal or external malicious acts.

Risk management

The Information Systems Department, with the support of senior management, has placed increased emphasis on systems standardization and consolidation, and continues to upgrade IT and network production infrastructures, business applications and workstation services. Management pays special attention to the incorporation of new technologies and to the availability and integrity of Company data.

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

INDUSTRIAL AND ENVIRONMENTAL RISKS

Health, Safety and Environment Risk

Identification of risk

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



Risk management

With regard to health, safety and the environment, Compagnie Plastic Omnium has introduced a policy that is described in the “Sustainable development” section of this document. Rolled out worldwide, this policy is based on a shared vision, a structured management system, regular reporting and an ongoing certification program.

It is overseen by Compagnie Plastic Omnium’s Executive Committee, which examines individual subsidiaries’ performance every month, *via* the specific reporting system set up to help drive continuous improvement.

A dedicated organization comprised of front-line Health, Safety and Environment HSE facilitators is responsible for supporting and coordinating its deployment. This network of experts is led by Compagnie Plastic Omnium’s HSE Department, backed by central HSE managers at the Division level. Final responsibility for managing health, safety and environment risks lies with the Division senior management.

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

In 2018, OHSAS 18001 certification was renewed for Compagnie Plastic Omnium’s system for “centrally managing the safety of people and property”.

CREDIT AND/OR COUNTERPARTY RISK

Liquidity risk

Identification of risk

Compagnie Plastic Omnium must have access, at all times, to adequate financial resources not only to finance operations and the investments required to support its growth, but also to withstand the effects of any exceptional developments.

Risk management

Since 2012, Plastic Omnium has raised funds from the market on various occasions with the situation at December 31, 2018 as follows:

- a public bond offering of €500 million issued in 2013 and maturing in May 2020;
- a Schuldschein (private placement) of €300 million in 2016, and maturing in June 2023;
- a public debt placement of €500 million issued in 2017 and maturing in June 2024.
- a Schuldschein (private placement) of €300 million in 2018, and maturing in December 2025.

In addition, Compagnie Plastic Omnium has confirmed unsecured medium-term bank lines of credit that are not subject to any financial covenants. At December 31, 2018, the average maturity of these lines of credit was three years. Moreover, Compagnie Plastic Omnium has entered into commercial receivables assignment agreements with an average term of 1 year.

At December 31, 2018, available medium-term facilities covered Plastic Omnium’s financing needs through 2023.

Lastly, Compagnie Plastic Omnium has a commercial paper program. All of the medium-term and short-term lines of credit are with leading banking institutions.

The breakdown of financial assets and liabilities is shown in Note 6.4.2 to the consolidated financial statements.

The cash positions of Compagnie Plastic Omnium and its businesses are monitored daily and a report is submitted once a week to Senior management.

Compagnie Plastic Omnium has performed a specific review of its liquidity risk and considers that it is in a position to meet its upcoming debt maturities.

Customer risk

Identification of risk

Compagnie Plastic Omnium cannot rule out the fact that one of its customers could find itself in financial difficulty that prevents it from respecting certain commitments.

Risk management

A balanced Division of revenues by carmaker has improved in recent years. In 2018 the breakdown was as follows (published data):

- German carmakers: 38% of revenue;
- Asian carmakers: 24% of revenue;
- American carmakers: 22% of revenue;
- French carmakers: 15% of revenue;

The breakdown of the customer base is shown in Note 3.1.4.3 to the consolidated financial statements (page 164).

In terms of risk management, the Group’s businesses have set up structured customer-risk monitoring and debt collection processes. The DSO ratio was 46 days in 2018. Receivables over six months past due amounted to €12 million net of provisions. Lastly, in all businesses, review procedures are carried out before the results of bids are issued, in particular to ensure a balanced portfolio of customer receivables, in line with a target profile defined and continually monitored by Compagnie Plastic Omnium senior management.

At December 31, 2018 the risk of non-recovery was low and involved only a non-material amount of receivables more than twelve months past due (see Note 6.3.1 to the consolidated financial statements page 206).

Supplier risk

Identification of risk

Default by a major supplier, in particular a supplier of specific components for which rapid substitution is difficult, given the work and time necessary to accredit a new supplier, could entail a change in production for Compagnie Plastic Omnium or generate additional costs impacting Compagnie Plastic Omnium’s operating margin.

Risk management

Consequently, all suppliers of specific automotive components must be accredited according to meticulously defined operational, financial and regional criteria.

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

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

In 2018, Plastic Omnium had no major supplier failures with significant consequences related to a breakdown in logistics processes.

MARKET RISKS

Disclosures about market risks are also provided in Notes 6.2, 6.5 and 6.6 to the consolidated financial statements.

Compagnie Plastic Omnium centrally manages the treasury of its subsidiaries through Plastic Omnium Finance, which manages liquidity, currency and interest rate risks on their behalf. The market risk hedging strategy, which involves entering into on- and off-balance sheet commitments, is approved every quarter by the Chairman and Chief Executive Officer.

Currency risk

Identification of risk

Compagnie Plastic Omnium is exposed to exchange rate fluctuations, in particular where its manufacturing sites purchase raw materials and components or sell their production in currencies other than their accounting currency.

Risk management

Compagnie Plastic Omnium's business relies primarily on local plants: by producing locally what is sold locally, the Group has little exposure to currency fluctuations, aside from currency translation adjustments for the financial statements.

Compagnie Plastic Omnium's policy is to minimize the currency risk on transactions involving a future inflow or outflow of funds. If a transaction does give rise to a material currency risk, it is hedged with a forward currency contract. The subsidiary involved places this hedge with the central treasury or, with the latter's approval, locally.

Interest rate risk

Identification of risk

Interest rate risk is due to fluctuations in interest rates, in particular those applicable to that part of debt financed at floating rates, and could result in an increase in the cost of finance.

Risk management

At December 31, 2018, 94% of the Group's debt was financed at fixed rates.

To eliminate or limit the impact on its income statement of a rise in interest expense from variable-rate instruments, Compagnie Plastic Omnium used interest rate hedges such as swaps and caps. Note 5.2.8.1 to the consolidated financial statements lists these hedges.

Thus at December 31, 2018, unhedged interest rate risk was not significant (see Note 6.6 to the Consolidated financial statements).

Raw materials price risk

Identification of risk

Compagnie Plastic Omnium's operations use large quantities of plastic, steel, paint and other raw materials which are subject to price changes that could have an impact on its operating margin.

Risk management

To limit the impact of price fluctuations, Compagnie Plastic Omnium has negotiated price indexation clauses with most of its automotive customers or, failing that, regularly renegotiates selling prices. Thus, Compagnie Plastic Omnium considers that price variations of raw materials do not have a significant impact on its operating margin.

LEGAL RISKS

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

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

Risks related to the quality of products and services sold

Identification of risk

Compagnie Plastic Omnium is exposed to the risk of warranty and liability claims from customers in respect of the products it sells and services it provides. Compagnie Plastic Omnium is also exposed to the risk of third-party product liability claims.



Risk management

With regard to product and process quality, the Group's businesses have implemented dedicated organizations and reliable processes, widely used in industry for many years, especially in the automotive sector. Their robustness and effectiveness are systematically tested by ISO/TS 16949 certification procedures.

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

Intellectual property risk

Identification of risk

Compagnie Plastic Omnium is mainly exposed to a risk of misappropriation of know-how, as both a victim and an offender, which could give rise to disputes.

Risk management

Research and Innovation are major priorities for Compagnie Plastic Omnium. A structured approach of actively monitoring and investigating prior claims enables the Company to manage and protect its intellectual property rights. Extensive policies have been established in respect of patent filings for the innovations that result from Research and Development. Despite the measures taken, including research into prior claims, Compagnie Plastic Omnium cannot rule out the possibility of prior intellectual property claims and of the risks of litigation that might result.

Competition risk

Identification of risk

Non-compliance with competition law regulations by one of its employees (in particular, an agreement with a competitor regarding the fixing of sales prices, sales conditions or the sharing of markets) could expose Compagnie Plastic Omnium to penalties that could be imposed by the competition authorities.

Risk management

Compagnie Plastic Omnium introduced a Code of Conduct in 2010 to ensure compliance with competition law, making sure that all employees who work in sales and purchasing were trained when it was introduced. Compagnie Plastic Omnium has since maintained its training efforts every year, with training sessions organized regularly in various geographical regions where the Group operates. All sales and purchasing employees have been invited every year since 2013 to participate in these e-learning sessions concerning the Group's Code of Conduct.

OTHER RISKS

Tax risk

The complex, international structure of Compagnie Plastic Omnium means comprehensive monitoring is needed to keep abreast of tax requirements, issues and risks. These risks concern in particular international transactions, in respect of which the tax administrations increasingly require more information, to which the Group intends to respond, or concerning knowledge of local constraints, to which the Group must adhere.

Consequently, Compagnie Plastic Omnium has put into place a Tax Department, which works in close collaboration with the Accounting, Legal, and Finance Departments. Comprising three separate units in charge of tax affairs at entity, Division and Group level, it is supported by a network of tax experts at headquarters and in the main countries as well as by corporate and local advisors. The department ensures that subsidiaries fulfill their tax obligations in compliance with local laws and regulations and provides them with the support and expertise they need to carry out all recurring and non-recurring operations related to tax issues.

A regular tax reporting system allows current and deferred taxes from all of the tax entities controlled by Compagnie Plastic Omnium to be monitored and managed, and helps to ensure that the consolidated financial statements are prepared rapidly and to a high standard. A transfer pricing documentation system ensures that transfer prices within Compagnie Plastic Omnium are effectively monitored and managed, and contributes to the quality of fiscal management and reducing potential risks in this field. These two information systems and management processes are supplemented by other country-specific tools and provide necessary information to users.

This set of means and resources enables the corporate Tax Affairs Department to provide assurance to senior management that all tax obligations, issues and risks inherent in the complex international structure of an expanding business group are closely monitored.

INSURANCE AND RISK COVERAGE

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

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

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

1.7.2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

OBJECTIVES OF THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Definition and objectives of internal control and risk management

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

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

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

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

Scope of this report

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

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

SUMMARY DESCRIPTION OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Organization

Compagnie Plastic Omnium comprises three businesses: Intelligent Exterior Systems, Clean Energy Systems and HBPO.

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

Organization of the internal control and risk management system

The internal control and risk management system deployed within the Group is based on the rules and principles of its internal control framework and the implementation of processes aimed at continuously improving the management of the main risks to which it may be exposed.

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

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

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

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

The Internal Control Framework

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

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



Code of Conduct on practices governed by competition law, which has been circulated throughout the Group as part of a compliance program.

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

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

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

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

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

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

Risk management

The main risks to which Compagnie Plastic Omnium is exposed are described in Chapter 1.7.1, "Principal Risk Factors". This section also describes the key measures and processes used to effectively prevent and manage these risks.

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

The system is overseen by senior management.

Control activities

Compagnie Plastic Omnium seeks to combine accountability and independence of judgment at the three levels responsible for controlling its operations and its risk management system: the operational management departments, corporate departments and the Internal Audit Department.

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

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

In the particular area of internal control and risk management, they are responsible for analyzing the risks inherent in their activities and for defining the appropriate structures and systems to ensure their smooth running. They prepare and update the Internal Control Framework and cross-business approaches to risk management. In doing so, they are required to ensure the adequacy of the Internal Control Framework in respect of prevailing standards, regulations and laws, and to implement the appropriate means for relaying the information they produce.

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

The Internal Audit Department conducts audits on a scope covering all subsidiaries, whether or not Compagnie Plastic Omnium exercises control. At the conclusion of each audit, it makes recommendations to the audited units, which respond with appropriate action plans subject to systematic monitoring by the divisional management teams of the Group's businesses. The annual Internal Audit plan is based on criteria relating to how often audits are performed and to each entity's risk and control environment. Each new entity is audited within one year following its formation or acquisition. None of the audits performed in 2018 revealed any serious weaknesses in the internal control and risk management system.

The Internal Control Department oversees annual internal control self-assessment campaigns, launched in 2006. The questionnaire design is based on the Implementation Guide to the AMF Framework. It is both an effective assessment tool and a means of raising the awareness of local organizations.

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

Information and communication

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

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

Oversight

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

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

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

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

INTERNAL CONTROL RELATING TO THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

Basis of preparation of the Group's financial information

The Finance Department is responsible for ensuring that the preparation of the Group's financial information is consistent. As such, it is tasked with:

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

The consistency of the Group's financial statements is guaranteed by the use of the same accounting standards and a single chart of accounts by all Group entities. The standards and chart of accounts take into account the specific characteristics of the subsidiaries' various businesses. They are laid down by the Accounting Standards and Principles Department, which is part of the Accounting and Tax Department and is the sole entity with authority to change them.

This consistency is further ensured by the coordinated management of information systems that contribute to the preparation of the financial information of each Group subsidiary: the use of a single software application guarantees that reporting and consolidation processes are standardized and applied consistently. Moreover, based on a software package recommended by the Group, the various businesses have developed integrated management systems and rolled them out across almost all of their plants, thereby helping to ensure that the information used in the preparation of financial statements is properly controlled.

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

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

These four processes apply to all subsidiaries controlled directly and indirectly by Compagnie Plastic Omnium.

Financial reporting and control procedures

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

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



The budget process begins in September each year. Budgets are then submitted to senior management in November and validated in December, before being presented to Compagnie Plastic Omnium's Board of Directors. The budget package comprises an income statement, cash-flow statement and data concerning return on capital employed for each subsidiary and business for the year N+1.

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

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

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

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

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

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

No material incidents or significant changes occurred in 2018 that could have compromised the effectiveness of the internal control system described above.

WORK PLANNED IN 2019

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

The Internal Audit Department will conduct 29 audits in 2019 (the same number as in 2018).

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

1.7.3 FINANCIAL RISKS RELATED TO THE EFFECTS OF CLIMATE CHANGE

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

is capable of intensifying its innovative efforts in these very areas, which should continue to constitute one of the key drivers to achieve the high growth targets announced for the next few years.

As far as its activities are concerned, as described in chapter 3 (Sustainable Development) of this document, as part of its low-carbon emission strategy, Compagnie Plastic Omnium is going to continue developing its Top Planet program launched in 2007, which aims mainly at reducing its energy consumption. Over the next few years, the development of this program should lead to the general implementation of good practices in all its activities and with investments offering quick return on investment based on the energy savings generated. In this respect, Compagnie Plastic Omnium is not exposed to major financial risks.

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



Corporate governance

AFR

2.1	REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE	42
2.1.1	Composition and conditions for the preparation and organization of the work of the Board of Directors	42

2.1.2	Compensation of members of the Board of Directors and of the executive directors	61
2.1.3	Equity capital	71
2.1.4	Information about shareholders	76

2.1 REPORT FROM THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

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

This report was presented to the Audit Committee, the Appointments Committee and the Compensation Committee for the sections that fall under their areas of responsibility. Thereafter it was approved by the Board of Directors at its meeting of February 13, 2019.

2.1.1 COMPOSITION AND CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

2.1.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

Pursuant to Article 11 of the Company's bylaws and Article L. 225-17 of the *Code de commerce*, the Board of Directors of Compagnie Plastic Omnium is composed of up to 18 members.

At December 31, 2018, the Company is governed by a Board of Directors composed of 15 members: the Chairman and CEO, the Co-Chief Executive Officer and Chief Operating Officer, the Chief Operating Officer, 12 directors.

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

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

The Board of Directors includes 6 independent directors (see paragraph "Guiding principles independence"); the percentage of independent directors is therefore 40%, in compliance with the recommendations of the AFEP-MEDEF Code.

The Board of Directors includes 7 women directors out of 15, which is a representation rate of 47%, in compliance with Article L. 225-18-1 of the *Code de commerce* which establishes the principle of gender balance within Boards of Directors.

Internal Rules

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

Information about the Directors in office as at 31 December 2018

	Primary role	Date of 1st appointment	End of current term
Mr. Laurent Burelle	Chairman and CEO of Compagnie Plastic Omnium	1981	2021
Mr. Jean-Michel Szczerba	Co-Chief Executive Officer and Chief Operating Officer of Compagnie Plastic Omnium	2010	2021
Mr. Paul Henry Lemarié	Chief Operating Officer of Compagnie Plastic Omnium	1987	2021
Mrs. Éliane Lemarié	Permanent representative of Burelle SA	2009	2021
Mr. Jean Burelle	Chairman and Chief Executive Officer of Burelle SA	1970	2021
Mrs. Anne Asensio	Vice Chairperson Design of Dassault System	2011	2020
Mrs. Félicie Burelle	Deputy Chief Executive Officer – Strategy and Development Director of Compagnie Plastic Omnium	2017	2020
Mrs. Anne-Marie Couderc	Company director	2010	2021
Mrs. Amélie Oudéa-Castéra	Executive Director of E-commerce, Data and Digital Transformation at Carrefour	2014	2019
Mrs. Lucie Maurel Aubert	Vice Chairperson and Deputy Chief Executive Officer of Rothschild Martin Maurel Associés	2015	2021
Mrs. Cécile Moutet	Director of Compagnie Plastic Omnium	2017	2020
Mr. Jérôme Gallot	Managing Director of JGC	2006	2021
Prof. Dr Bernd Gottschalk	Founder and Chairman of AutoValue GmbH	2009	2021
Mr. Vincent Labruyère	Chairman of Financière du Centre	2002	2020
Mr. Alexandre Mérieux	Chairman and CEO of bioMérieux	2018	2021

LAURENT BURELLE

Chairman and CEO of Compagnie Plastic Omnium



NATIONALITY: French

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BIOGRAPHY

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

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

In 1977, he was appointed Chief Executive Officer of Plastic Omnium SA in Valencia (Spain), going on to become Chairman and Chief Executive Officer. From 1981 to 1988, he served as Head of the Environment-Urban Systems Division, before becoming Vice-Chairman and Chief Executive Officer of Compagnie Plastic Omnium in 1988. He was appointed Chairman and CEO of Compagnie Plastic Omnium in July 2001 and of Burelle SA from January 1, 2019. Laurent Burelle is also Chairman of AFEP since 2017. Furthermore, he is director of the Fondation Jacques Chirac.

Laurent Burelle is a Commandeur de la Légion d'honneur.

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES AND ASSOCIATIONS	
Burelle SA ^{(1)/(2)}	Chairman and Chief Executive Officer since January 1 st , 2019
Sofiparc SAS ⁽²⁾	Chairman and member of the Supervisory Committee
Burelle Participations SA ⁽²⁾	Director
Plastic Omnium Auto Exteriors SA ⁽²⁾	Chairman and CEO
Plastic Omnium Auto Inergy SAS ⁽²⁾	Chairman
AFEP (association)	Chairman
Fondation Jacques Chirac (association)	Director
European Transalpine Liaison Committee Lyon-Turin (association)	Director
INTERNATIONAL COMPANIES	
Plastic Omnium Holding (Shanghai) Co. Ltd ⁽²⁾ (China)	Chairman
Plastic Omnium Inc. ⁽²⁾ (United States)	Chairman
SOGEC 2 SA ⁽²⁾ (Belgium)	Chief Executive Officer
Compagnie Financière de la Cascade SRL ⁽²⁾ (Belgium)	Managing Director
TERM OF OFFICE ENDED IN 2018	
Compañía Plastic Omnium SA ⁽²⁾ (Spain)	Chairman and Chief Executive Officer until August 1 st , 2018

(1) Listed company

(2) Company of the Compagnie Plastic Omnium Group/Burelle

JEAN-MICHEL SZCZERBA

Co-Chief Executive Officer and Chief Operating Officer of Compagnie Plastic Omnium



NATIONALITY: French

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

BIOGRAPHY

After graduating from ESSEC business school in 1982, Jean-Michel Szczerba began his career with Banque Vernes Commerciale de Paris as a financial analyst. He joined Plastic Omnium in 1985, where he was successively Financial Controller, Finance Department Manager, and Chief Financial Officer, before becoming Deputy Chief Executive Officer in 2001. He was appointed Chief Operating Officer of Compagnie Plastic Omnium in 2010, director in 2012 and co-Chief Executive Officer in 2015.

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

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES	
Burelle Participations SA ⁽¹⁾	Director
Plastic Omnium Finance SNC ⁽¹⁾	Managing Director
Plastic Omnium Gestion SNC ⁽¹⁾	Managing Director
Plastic Omnium Auto Exteriors SA	Director
INTERNATIONAL COMPANIES	
Plastic Omnium GmbH ⁽¹⁾ (Germany)	Co-Manager
Plastic Omnium New Energy SA ⁽¹⁾ (Belgium)	Director
Yanfeng Plastic Omnium Automotive Exterior Systems Co. Ltd ⁽¹⁾ (China)	Director
Plastic Omnium Holding (Shanghai) Co. Ltd ⁽¹⁾ (China)	Vice-Chairman
Plastic Omnium Inergy (Shanghai) Consulting Co. Ltd ⁽¹⁾ (China)	Chairman
Plastic Omnium Inc. ⁽¹⁾ (United States)	Director
Plastic Omnium Auto Exteriors Sp z.o.o. ⁽¹⁾ (Poland)	Co-Manager
Plastic Omnium Auto Sp z.o.o. ⁽¹⁾ (Poland)	Co-Manager
Plastic Omnium Automotive Ltd ⁽¹⁾ (Great Britain)	Director
DSK Plastic Omnium BV ⁽¹⁾ (The Netherlands)	Chairman and director
B-Plas Plastic Omnium OtomotivAS ⁽¹⁾ (Turkey)	Vice-Chairman of the Board of Directors and director
TERMS OF OFFICE ENDED IN 2018	
Plastic Omnium Environnement Holding SAS ⁽¹⁾	Chairman until October 25, 2018
Compañia Plastic Omnium SA ⁽¹⁾ (Spain)	Director until August 1 st , 2018
Plastic Omnium Environment BV ⁽¹⁾ (The Netherlands)	Member of the Supervisory Board until November 30, 2018

(1) Company of the Compagnie Plastic Omnium Group/Burelle

PAUL HENRY LEMARIÉ**Chief Operating Officer of Compagnie Plastic Omnium****NATIONALITY:** French**ADDRESS:**
Plastic Omnium
1, allée Pierre-Burelle
92300 Levallois-Perret**BIOGRAPHY**

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

After completing a doctorate in physics at CEA, he began his career in the Finance Department of Paribas bank in 1973. He then joined Sofresid, an engineering group (steel, mining, offshore), before moving to Plastic Omnium Group in 1980 as Head of the 3P (Performance Plastics Products) Division. In 1985, he became Chairman of the Automotive Division. He was appointed Deputy Chief Executive Officer of Compagnie Plastic Omnium in 1987 and Chief Executive Officer in 1988. Appointed Chief Executive Officer of Burelle SA in April 1989, he became Chief Operating Officer of Burelle SA and Compagnie Plastic Omnium on May 15, 2001.

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES	
Burelle SA ^{(1)/(2)}	Chief Operating Officer and director
Burelle Participations SA ⁽²⁾	Chief Operating Officer and director
Sofiparc SAS ⁽²⁾	Member of the Supervisory Committee
TERM OF OFFICE ENDED IN 2018	
Compañía Plastic Omnium SA ⁽²⁾ (Spain)	Director until August 1, 2018
(1) Listed company	
(2) Company of the Compagnie Plastic Omnium Group/Burelle	

ÉLIANE LEMARIÉ**Permanent representative of Burelle SA****NATIONALITY:** French**ADDRESS:**
Burelle SA
1, allée Pierre-Burelle
92300 Levallois-Perret**BIOGRAPHY**

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

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

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

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

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES	
Burelle SA ^{(1)/(2)}	Director
Sofiparc SAS ⁽²⁾	Member of the Supervisory Committee
Union Industrielle	Chairman of the Supervisory Committee
INTERNATIONAL COMPANY	
SOGEC 2 SA ⁽²⁾ (Belgium)	Chief Executive Officer
(1) Listed company	
(2) Company of the Compagnie Plastic Omnium Group/Burelle	

JEAN BURELLE**Chairman and Chief Executive Officer of Burelle SA****NATIONALITY:** French**ADDRESS:**
1, rue François-1^{er}
75008 Paris**BIOGRAPHY**

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

He started his career in 1966 with L'Oreal and left for Compagnie Plastic Omnium in 1967 as Department Head. In 1986, he was appointed Executive Vice-President, and in 1987 became Chairman and Chief Executive Officer, a position that he occupied until June 30, 2001. Since July 1st, 2001, he has been Honorary Chairman of Compagnie Plastic Omnium and was Chairman and Chief Executive Officer of Burelle SA until December 31, 2018.

Jean Burelle is a director of Compagnie Plastic Omnium and member of the Supervisory Committee of Banque Hottinguer and Soparexo. He was the Chairman of MEDEF International until May 25, 2016, when he became Honorary Chairman and director.

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

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES AND ASSOCIATIONS	
Burelle SA ^{(1)/(2)}	Chairman and CEO until December 31, 2018 Director
Burelle Participations SA ⁽²⁾	Chairman and CEO
Sofiparc SAS	Member of the Supervisory Committee
Sycovest 1	Permanent representative of Burelle Participations SA, itself director
Soparexo SCA	Member of the Supervisory Committee
Banque Hottinguer SA with Management Board and Supervisory Board	Member of the Supervisory Board and Compensation Committee
MEDEF International	Honorary Chairman
Institut des Relations Internationales (IFRI)	Director
Association pour le Rayonnement de l'Opéra National de Paris (AROP)	Director
INTERNATIONAL COMPANIES	
SOGEC 2 SA ⁽²⁾ (Belgium)	Chairman of the Board of Directors and Chief Executive Officer
Financière Protea S.A (Belgium)	Chairman of the Board of Directors and director
TERM OF OFFICE ENDED IN 2018	
Compañia Plastic Omnium SA ⁽²⁾ (Spain)	Director until August 1 st , 2018

(1) Listed company
(2) Company of the Compagnie Plastic Omnium Group/Burelle

2

ANNE ASENSIO**Vice Chairperson Design of Dassault System****NATIONALITY:** French**ADDRESS:**
Dassault Systèmes
10, rue Marcel-Dassault
78140 Vélizy-Villacoublay**BIOGRAPHY**

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

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

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

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES	
Dassault Systèmes ⁽¹⁾	Vice-Chairperson of Design Experience
Agence de la Promotion de la Création Industrielle	Director – member of the Board of Directors
Strate School of Design	Director
University of Nîmes	Member of the Strategic Board
Design Île-de-France (Region)	Board member
INTERNATIONAL COMPANIES	
Umeå University of Design (Sweden)	Member of the Strategic Board
World Economic Forum	Member of the Global Advisory Council
World Design organisation	Member

(1) Listed company

FÉLICIE BURELLE

Deputy Chief Executive Officer – Strategy and Development Director of Compagnie Plastic Omnium



NATIONALITY: French

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

BIOGRAPHY

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

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

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

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

Since January 1st, 2018, Félicie Burelle is Deputy Chief Executive Officer of Compagnie Plastic Omnium.

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES	
Burelle SA ^{(1)/(2)}	Director
CIC Lyonnaise de Banque	Director
INTERNATIONAL COMPANIES	
Plastic Omnium New Energies SA ⁽¹⁾ (Belgium)	Director
(1) Listed company	
(2) Company of the Compagnie Plastic Omnium Group/Burelle	

ANNE-MARIE COUDERC

Company director



NATIONALITY: French

ADDRESS:
88, boulevard Arago
75014 Paris

BIOGRAPHY

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

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

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

Anne-Marie Couderc has been appointed Chairperson of the Board of Directors of Air France KLM and Air France since May 2016

She became Corporate Secretary of Lagardère Active in 2007, before joining Presstalis as Chief Executive Officer in August 2010, and subsequently was Chairperson of the Board of Directors until June 2017.

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

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

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

AMÉLIE OUDÉA-CASTÉRA

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

**NATIONALITY:** French**PROFESSIONAL ADDRESS:**Carrefour
93 avenue de Paris
91889 Massy**BIOGRAPHY**

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

In 2008, Amélie Oudéa-Castéra joined the AXA Group, where she performed cross-cutting assignments for the Group CFO. In 2010, she was appointed Director of Strategic Planning. In 2011, she was named Director of Marketing, Brand and Services at AXA France and in 2012 her scope of responsibility was extended to digital business. In 2015, Amélie Oudéa-Castéra was appointed Deputy CEO of AXA Particuliers/ Professionnels, the retail entity of AXA France. In July 2016, she was appointed Director of Marketing and Digital for the entire AXA Group. After joining the Carrefour's Board of Directors in June 2018, Amélie Oudéa-Castéra was appointed Executive Director, E-commerce, Data and Digital Transformation in November 2018.

Amélie Oudéa-Castéra is also President of the Rénovons le sport français (Let's renovate French Sport) association and member of the Eurazeo Supervisory Board.

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES AND ASSOCIATIONS – JURISDICTION	
Carrefour ⁽¹⁾	Executive Director, E-commerce, Data and Digital Transformation since November 2018
Eurazeo ⁽¹⁾	Member of the Supervisory Board
Rénovons le sport français association (Let's renew French sports)	Chairman
TERM OF OFFICE ENDED IN 2018	
Carrefour ⁽¹⁾	Director until November 2018

(1) Listed company

2

LUCIE MAUREL AUBERT

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

**NATIONALITY:** French**ADDRESS:**Rothschild Martin Maurel
29, avenue de Messine
75008 Paris**BIOGRAPHY**

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

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

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

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES	
Rothschild Martin Maurel Associés	Vice-Chairman
STEF	Director
Grand Palais endowment fund	Director
Rothschild & Co.	Member of the Supervisory Board
French Bankers' Association	Vice-Chairman
SNEF Group	Director
Aix Festival	Vice Chairman
TERM OF OFFICE ENDED IN 2018	
Deposit Guarantee Fund	Member of the Supervisory Board

CÉCILE MOUTET

Director of Compagnie Plastic Omnium



NATIONALITY: French

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

BIOGRAPHY

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

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

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

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

TERMS OF OFFICE AS AT 12/31/2018

Companies	Offices held
INTERNATIONAL COMPANY	
Financière Protea S.A (Belgium)	Director

INTERNATIONAL COMPANY

JÉRÔME GALLOT

Managing Director of JGC



NATIONALITY: French

ADDRESS:
46, rue du Ranelagh
75016 Paris

BIOGRAPHY

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

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

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

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

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES	
JGC	Managing Director
SP 3H	Director
Acerde SAS	Member of the Supervisory Board
NRJ Group ⁽¹⁾	Director
Geocorail	Director
Holding Incubative chimie verte	Director
(1) Listed company	

FRENCH COMPANIES

PROF. DR BERND GOTTSCHALK**Founder and Chairman of AutoValue GmbH**

NATIONALITY: German

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

BIOGRAPHY

Prof. Dr Bernd Gottschalk holds a doctorate in economics from the University of Hamburg, and a degree from Stanford University in California. He began his career at Daimler-Benz as Communications Director, before becoming Chairman of the Brazilian subsidiary.

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

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
GERMAN COMPANIES	
Serafin Group, Munich	Member of the Advisory Board
AutoValue GmbH	Managing Partner
Schaeffler GmbH	Director
Jost Weske AG ⁽¹⁾	Director, Deputy President
Facton GmbH	Chairman of the Board of Directors
Woco Group	Chairman of the Board of Directors
TERMS THAT EXPIRED IN 2018	
Schlemmer Group	Chair of the Board of Directors till September 25, 2018
(1) Listed company	

VINCENT LABRUYÈRE**Chairman of Financière du Centre**

NATIONALITY: French

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

BIOGRAPHY

A graduate of the Federal Institute of Technology (ETH) in Zurich, Vincent Labruyère began his career in 1976 at Établissements Bergeaud Mâcon, a subsidiary of Rexnord Inc. USA, manufacturer of materials preparation equipment.

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

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

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

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES	
Société Financière du Centre SAS	Chairman
Labruyère-Eberlé SAS	Chairman
Société Commerciale de Bioux SAS	Member of the Management Board
Perroux et fils	Director
SNPI SCA	Member of the Supervisory Board as permanent representative
Pige SA	Permanent representative of Labruyère-Eberlé, director
SC Domaine Jacques Prieur	Managing Director

ALEXANDRE MÉRIEUX

Chairman and CEO of bioMérieux



NATIONALITY: French

ADDRESS:
bioMérieux
376, chemin de l'Orme
69280 Marcy l'Etoile

BIOGRAPHY

Alexandre Mérioux was born in 1974. He graduated from the University of Lyon with a degree in biology and from HEC Montreal Business School.

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

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

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

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES	
bioMérieux SA ⁽¹⁾	Chairman and Chief Executive Officer and Director
Institut Mérioux	Vice-President, Chief Operating Officer and Director
Mérioux NutriSciences Corporation (USA)	Chairman
Finance Senior Mendel SAS	Representative of Mérioux Participation 2, director
Fondation Christophe et Rodolphe Mérioux	Trustee
Fondation Mérioux	Director
Mérioux Développement SAS	Chairman
Compagnie Mérioux Alliance	Chief Executive Officer
SCI ACCRA	Managing Director
(1) Listed company	

DR ALAIN MÉRIEUX (DIRECTOR UNTIL APRIL 26, 2018)

Chairman and CEO of bioMérieux



NATIONALITY: French

ADDRESS:
Institut Mérioux
17, rue Bourgelat
69002 Lyon

BIOGRAPHY

Dr Alain Mérioux is Chairman of Institut Mérioux, a family-owned holding company for three industrial biology companies dedicated to serving public healthcare worldwide: bioMérieux (in vitro diagnostics), Transgène (immunotherapy to treat cancer and infectious diseases) and Mérioux NutriSciences (food safety, environment, nutrition). Institut Mérioux also includes: ABL, a research company, Mérioux Développement, an investment company operating in healthcare. Institut Mérioux currently has over 15,000 employees in more than 40 countries.

Dr Alain Mérioux is Chairman of the Fondation Mérioux, an independent family foundation registered as a public charity. He is Honorary Chairman and Director of Fondation Christophe et Rodolphe Mérioux, which operates under the aegis of the Institut de France. These two foundations are dedicated to the fight against infectious diseases in developing countries.

Dr Alain Mérioux is a Grand Officier de la Légion d'honneur.

TERMS OF OFFICE AND FUNCTIONS AS AT 12/31/2018

Companies	Positions and offices held
FRENCH COMPANIES AND FOUNDATIONS	
Fondation Mérioux	Chairman and director
Fondation Christophe et Rodolphe Mérioux - Institut de France	Honorary Chairman and director
Fondation Pierre Fabre	Director
CIC Lyonnaise de Banque	Director
Transgène SA ⁽¹⁾	Director
HCL Foundation	Director
INTERNATIONAL COMPANIES	
BioMérieux Italia SpA (Italy)	Director
(1) Listed company	

Composition of the Board of Directors at December 31, 2018

	Age	Date of 1 st appointment	Independence	Board of Directors' Committees		
				Audit Committee	Appointments Committee	Compensation Committee
Mr. Laurent Burelle	69	1981				
Mr. Jean-Michel Szczerba	58	2012				
Mr. Paul Henry Lemarié	71	1987				
Mrs. Éliane Lemarié	73	2009			●	
Mr. Jean Burelle	79	1970				
Mrs. Anne Asensio	56	2011	■	●		
Mrs. Félicie Burelle	39	2017				
Mrs. Anne-Marie Couderc	68	2010	■		● (Chairman)	● (Chairman)
Mrs. Amélie Oudéa-Castéra	40	2014	■			●
Mrs. Lucie Maurel Aubert	56	2015	■	●	●	
Mrs. Cécile Moutet	45	2017				
Mr. Jérôme Gallot	59	2006				
Prof. Dr Bernd Gottschalk	75	2009	■			●
Mr. Vincent Labruyère	68	2002		● (Chairman)		
Mr. Alexandre Mérieux	44	2018	■			



60 YEARS
AVERAGE AGE
OF DIRECTORS AS AT
12/31/2018



6
INDEPENDENT
DIRECTORS



47%
WOMEN
DIRECTORS

Changes to the composition of the Board of Directors

Changes to the composition of the Board of Directors in 2018

- Renewal of the terms of office of Messrs. Laurent Burelle, Jean-Michel Szczerba, Paul Henry Lemarié, Jean Burelle, the company Burelle SA represented by Mrs. Éliane Lemarié, of Mrs. Anne-Marie Couderc, Mrs. Lucie Maurel Aubert, Mr. Jérôme Gallot and Prof. Dr Bernd Gottschalk.

The Shareholders' Meeting of April 26, 2018 renewed the terms of office of Messrs. Laurent Burelle, Jean-Michel Szczerba, Paul Henry Lemarié, Jean Burelle, the company Burelle SA represented by Mrs. Éliane Lemarié, of Mrs. Anne-Marie Couderc, Mrs. Lucie Maurel Aubert, Mr. Jérôme Gallot and Prof. Dr Bernd Gottschalk, for a three-year term.

- Term of office expired in 2018: Mr. Alain Mérieux

The term of office of Mr. Alain Mérieux expired on conclusion of the Shareholders' Meeting of April 26, 2018. Mr. Alain Mérieux had informed the Board of Directors that he did not wish to renew his term of office.

- Appointment of a new director: Mr. Alexandre Mérieux

The Shareholders' Meeting of April 26, 2018 appointed Mr. Alexandre Mérieux as a director for a three-year term.

Expected changes to the composition of the Board of Directors in 2019

- Renewal of the term of office of Mrs. Amélie Oudéa-Castéra

Mrs. Amélie Oudéa-Castéra has been a director of Compagnie Plastic Omnium and a member of the Compensation Committee since January 2014.

Mrs. Oudéa-Castéra, 40 years of age and a French national, is a graduate of IEP Paris and of the ESSEC Business School. She attended ENA, graduating in April 2004 and became a Public Auditor with the French Court of Auditors (*Cour des Comptes*), where she was subsequently appointed Legal Counselor and Public Rapporteur, reporting on the status and outlook of public finances.

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

After joining the Carrefour's Board of Directors in June 2018, Amélie Oudéa-Castéra was appointed Executive Director, E-commerce, Data and Digital Transformation in November 2018. She is also the President of the association "Rénovons le sport français" (Renovating French Sports) and a member of the Eurazeo Supervisory Board. Ms. Oudéa-Castéra is a committed independent director who brings to the Board her expertise in the marketing and digital sector.

In the five years of her directorship, her attendance rate at meetings has been 100%.

Holdings of Plastic Omnium shares by directors at December 31, 2018

Although French law does not require directors to hold a minimum number of shares, the bylaws of Compagnie Plastic Omnium, in compliance with the AFEP-MEDEF Code, require each director to hold a minimum of 900 shares.

	Number of shares	Number of stock-options attributed in 2018
Mr. Laurent Burelle	847,000	0
Mr. Jean-Michel Szczerba	726,400	0
Mr. Paul Henry Lemarié	315,900	0
Mrs. Éliane Lemarié	275,996	0
Mr. Jean Burelle	416,378	0
Mrs. Anne Asensio	900	0
Mrs. Félicie Burelle	900	0
Mrs. Anne-Marie Couderc	900	0
Mrs. Amélie Oudéa-Castéra	900	0
Mrs. Lucie Maurel Aubert	910	0
Mrs. Cécile Moutet	8,160	0
Mr. Jérôme Gallot	5,500	0
Prof. Dr Bernd Gottschalk	900	0
Mr. Vincent Labruyère	10,332	0
Mr. Alexandre Mérieux	900	0

Procedure for exercise of implementing powers of General Management

Compagnie Plastic Omnium's mode of corporate governance is suited to its specific characteristics and is based on an approach of continuous progress.

The Board of Directors decided to renew the combining of the duties of Chairman and CEO. This decision was made following the recommendations by the Appointments Committee, in the best interest of the Company, and with the constant concern that the mode of governance chosen optimizes the Group's economic and financial performances and creates the most favorable conditions for its long-term development. The quality and sustainability of this performance go hand in hand with the clear vision of the Group's prospects, directly shared with the members of the Board. This vision carried by the senior managers of Compagnie Plastic Omnium is based on their perfect knowledge of the Group's businesses and its local and international environment. The Company has to be responsive in a highly competitive international environment. Furthermore, this mode of governance is appropriate for the specific characteristics of Compagnie Plastic Omnium and the structure of its shareholding, composed primarily of the family group committed to the Group's long-term development.

Powers of the Chairman and Chief Executive Officer

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

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

Features of the Board of Directors, subject to approval of renewal of the terms of office set out above by the Shareholders' Meeting of April 25, 2019

	Reminder of the AFEP-MEDEF recommendations and the law	Composition after the 2018 Shareholders' Meeting	Composition after the 2019 Shareholders' Meeting
Percentage independence	33.33%	40%	40%
Feminization rate	40%	47%	47%
Average age of Directors	N/A	59.3 years	60 years
Average term of office	N/A	12.9 years	11.7 years

Conflicts of interest

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

Based on the declarations made by each director, the Board concluded that there was no conflict of interest. In particular, based on the work of the Appointments Committee, the Board of Directors found that there was no business relationship of any nature between the Plastic Omnium Group and any of its directors, which could lead to conflicts of interest.

Guiding principles

Independence

Article 4.6 of the Internal Rules provides that every year the Board of Directors shall conduct an assessment of the independence of each director with respect to the criteria listed in the AFEP-MEDEF Code. The process for assessing the independence of directors was reviewed by the Appointments Committee at its meeting of December 13, 2018, then by the Board of Directors on December 14, 2018.

The Appointments Committee's meeting of December 13, 2018 and the Board of Directors' meeting of December 14, 2018 reviewed on a case-by-case basis the situation of each of the members concerned with regard to the independence criteria mentioned in the AFEP-MEDEF Code.

Besides the three executive directors, the following directors cannot be considered as independent: Éliane Lemarié, Permanent representative of Burelle SA which is itself a director, Jean Burelle, Félicie Burelle and Cécile Moutet, directors with family ties to one of the executive directors, Vincent Labruyère and Jérôme Gallot, directors of Compagnie Plastic Omnium for more than twelve years.

At December 31, 2018, six directors are considered as independent; this represents a percentage of independent directors of 40%, in compliance with the provisions of the AFEP-MEDEF Code recommending a minimum threshold of one-third independent directors for controlled listed companies.

Gender parity

At December 31, 2018, the Board of Directors of Compagnie Plastic Omnium comprised 15 directors, of which 7 were women, a proportion of 47%. In addition, two of the three committees are chaired by a woman: the Appointments Committee and the Compensation Committee.

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

Existing family ties between corporate officers (Article 14.1 of the annex)

Laurent Burelle, Jean Burelle, Paul Henry Lemarié, Éliane Lemarié, Félicie Burelle et Cécile Moutet are related.

No conviction or incrimination of corporate officers (Article 14.1 of the annex)

To the Company's knowledge, none of its directors has been convicted of fraud, none has been involved as a corporate officer in a bankruptcy, receivership or liquidation in the past five years, and none has been the subject of any official charges or public sanctions pronounced by a

statutory or regulatory authority. None of the members of the Board of Directors has been disqualified by a court from acting as a member of a governing, administrative or supervisory body of an issuer, or from taking part in the management or business of an issuer during the past five years.

Potential conflicts of interests between the duties of the corporate officers vis-à-vis the Compagnie Plastic Omnium and their personal interests and/or other duties (Articles 14.2 and 18.3 of the annex)

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

Information on service contracts with members of the governing bodies (Article 16.2 of the annex)

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

Stock exchange Code of Ethics

The Board of Directors is aware of the applicable rules on the prevention of insider misconduct, in particular with regard to the periods during which trading in securities of the Company is prohibited. As a result, it has had the opportunity to modify the Internal Rules and update the charter for the prevention of insider trading.

Based on the legal texts, regulations and market recommendations, this code states that inside information must be transmitted and used only for professional purposes.

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

During the meeting of the Board of Directors of December 14, 2018, each director received the schedule of closed periods for 2019 outside of which they can trade in Plastic Omnium's shares.

Furthermore, the executive directors notify the Autorité des Marchés Financiers (AMF) of each transaction carried out by them or by their relatives on Plastic Omnium's securities. The Company periodically reminds them of this obligation (see the summary of transactions carried out by executive directors in 2018 involving Plastic Omnium securities).

Assessment

In compliance with its Internal Rules, the Board of Directors carries out an assessment every three years of its composition, its organization and its operation, as well as for each of the committees. The findings from this assessment are reviewed by the Appointments Committee. In addition, once a year, the Board includes an item on the agenda of one of its meetings to discuss the way in which it operates.

In 2018, an assessment of the way in which the Board of Directors operates was conducted through a detailed questionnaire sent to each director. The questions concerned in particular strategy and performance, knowledge of the Group's business lines and the relationships with management, risk management and control, the way in which the committees operate.

In accordance with the recommendations of the AFEP-MEDEF Code, during the Board meeting of December 14, 2018, the directors met without the presence of the executive directors and family directors. Thus, they were able to discuss in particular the evaluation of the Board's work and the performances of executive directors.

The results of this assessment were presented to the Appointments Committee on December 13, 2018 and to the Board on December 14, 2018 and its main findings are as follows:

- the Board of Directors of Compagnie Plastic Omnium has momentum and operates efficiently;
- the current form of governance is suitable for the Group's needs.
- The main areas of satisfaction as regards governance are:
 - the moderation and intensity of discussions at the Board level;
 - the diversity and complementarity of the Board's composition with strong commitment from directors.

Diversity of skills among Board members

The directors of Compagnie Plastic Omnium complement each other in terms of their different professional skills and experience. Their skills and expertise cover the following fields related to Plastic Omnium's strategy:

- the automotive industry,
- operational management of industrial companies,
- international experience,
- legal, ethical and compliance issues,
- finance, internal control and risk management,
- financing and capital markets issues,
- digital transformation, innovation and technological breakthroughs,
- social, societal and environmental responsibility,
- human resources.

2.1.1.2 PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

The powers of the Board of Directors

The Board of Directors determines the Group's strategic approaches. The directors control its economic and financial management, they review and approve the broad lines of actions considered by the General Management, which implements them.

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

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

Organization and work of the Board of Directors

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

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

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

The Secretary of the Board of Directors assumes responsibilities of the secretariat of the Board and draws up the minutes of its meetings.

Informed directors

Preparing and holding meetings of the Board of Directors and its committees require ever greater availability and involvement from each director. In this respect, the directors of the Compagnie Plastic Omnium are regularly informed of all the Company's activities and its performance.

Each committee prepares the discussions and proceedings of the Board in its domain.

With their expertise coming from outside and freedom of judgment, the directors collectively ensure that the measures adopted contribute to implementing the strategy of the Plastic Omnium Group. The Board debates issues transparently and in detail.

2.1.1.3 ACTIVITY OF THE BOARD OF DIRECTORS

In 2018, the Board of Directors met four times. The attendance rate at Board meetings was 100%. The attendance rate at Board of Directors' Committees was also 100%.

The work of the Board of Directors focused on strategy

In 2018, apart from the regular monitoring of the Group's business (markets, business lines, geographical development, competition, quantitative and qualitative objectives), the Board of Directors continued its work on defining Compagnie Plastic Omnium's strategy and monitoring its implementation.

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

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

In 2018, the Board reviewed the monitoring of Plastic Omnium's acquisition of the 33.33% stake in HBPO Beteiligungsgesellschaft mbH, bringing its stake to 66.67%. The Board also monitored the terms and conditions related to the disposal of the Environment Division, completed on December 18, 2018.

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

In order to benefit from the best possible knowledge of Plastic Omnium's businesses, the Board of Directors holds regular meetings at the Group's French or international industrial sites. Thus, the Board of Directors met on October 30, 2018, at the Intelligent Energy Systems plant in Barcelona, Spain. On this occasion, the directors visited the industrial site and met with various operational heads.

The Board also discussed the project to transform the legal form of the company into a European company.

Lastly, it reviewed the actions taken regarding corporate and social responsibility, in particular the implementation of compliance programs for ethics and corruption prevention.



Board of Directors information as to the Company's financial position, cash position and commitments

The Company's financial position and cash position are analyzed at least twice a year during the Board's meeting when approving the financial statements and reviewing the half-yearly financial statements. If required, they may be reviewed at any other time.

The Company's commitments are reviewed as part of the annual renewal of the authorizations given to the Chairman and CEO and the delegations that he grants.

As evidenced by the preparatory work of its committees (see infra. Section 2.1.1.4), the Board also analyzes other aspects of its strategy, the Group's economic and financial management and its environmental, corporate and social commitment. Reports on the work of the committees are systematically presented by their Chairman at Board meetings.

The work of the Board of Directors on corporate governance

Regarding the Shareholders' Meeting of April 26, 2018

The Board of Directors reviewed the composition of the Board, particularly: (i) the proposal to renew the directorships of Messrs. Laurent Burelle, Jean-Michel Szczerba and Paul Henry Lemarié, (ii) the proposal to renew the respective terms of office of the Chairman and CEO, and of the Co-Chief Executive Officer and the Chief Operating Officer (iii) the proposal to renew the term of office of the company Burelle SA, represented by Mrs. Éliane Lemarié, and of Mrs. Anne Marie Couderc, Mrs. Lucie Maurel Aubert, Messrs. Jean Burelle, Jérôme Gallot and Prof. Dr Bernd Gottschalk; and (iv) the proposal to appoint Mr. Alexandre Mérieux as a director.

It reviewed the reports of the Board of Directors' Committees and conducted the annual review of related-party agreements.

Regarding the Shareholders' Meeting of April 25, 2019

The Board of Directors examined the composition of the Board and, in particular, the proposal to renew the directorship of Mrs. Amélie Oudéa-Castéra.

It discussed the work of the Board of Directors' Committees and conducted the annual review of related-party agreements.

2.1.1.4 ACTIVITY OF BOARD OF DIRECTORS' COMMITTEES

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

Board of Directors Committees act strictly within the framework of the missions allocated to them by the Board. They actively prepare its work, put forward proposals, but have no decision-making powers on their own.

The Board of Directors, on the proposal from the Chairman and CEO, and following the recommendation of the Appointments Committee, appoints members of the committees as well as their Chairperson, taking into account the skills and experience of the directors.

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

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

In 2018, Board Committees were again mandated by the Board to prepare its proceedings. The details of the composition of these committees, their missions and work in 2018 are given here-after.

Audit Committee

Composition	<p>Composition as at December 31, 2018:</p> <ul style="list-style-type: none"> ● Vincent Labruyère (Chairman) ● Lucie Maurel Aubert ● Anne Asensio <p>As of February 14, 2018 the committee has been chaired by Mr. Vincent Labruyère, member of the committee since May 16, 2002. The number of independent directors is two out of three, and there is no executive director. This composition is in line with the recommendations of the AFEP-MEDEF Code.</p> <p>The directors who are members of the Audit Committee have the necessary qualification and skills due to their professional experience and knowledge of the Group's accounting and financial procedures, which are regularly reported to them.</p> <p>The committee had the opportunity to hear the directors in charge of the specific fields, the activity of which it reviews, in particular processes related to risk management and control.</p> <p>The Statutory Auditors attend Committee meetings.</p> <p>The committee did not seek advice from external experts.</p> <p>In 2018, the Audit Committee met three times, with an attendance rate of 100%.</p>
Principal missions	<p>Monitoring the basis of preparation for the Group's financial information</p> <p>Monitoring the legal audit of the financial statements and consolidated financial statements by the Statutory Auditors</p> <p>Reviewing the Statutory Auditors' audit plans and engagement program and the outcome of their verifications</p> <p>Monitoring the independence of the Statutory Auditors</p> <p>Monitoring the efficacy of the Internal Control and Risk systems</p> <p>Monitoring the Group's major exposures and sensitivity to risks</p> <p>Warning the Chairman of the Board in the event of detection of a major risk, which, according to him, has not been treated appropriately</p> <p>Reviewing the program and objectives of the Internal Audit Department, as well as the methods and procedures of the internal control systems used</p> <p>Reviewing the scope of consolidation and reasons why some companies would not be included</p> <p>Review of matters likely to have a significant impact on the Group's financial situation</p>
Main activities in 2018	<p>Approval of the statutory and consolidated accounts 2017</p> <p>Review of half-yearly statutory and consolidated financial statements at June 30, 2018</p> <p>Review of Statutory Auditors' reports</p> <p>Estimates and forecasts at 2018 year-end</p> <p>Reviewing the audit plan and the outcome of the verification carried out, their recommendations as well as the action taken as part of the statutory audit</p> <p>Reviewing the audits carried out by the Statutory Auditors with regard to social, environmental and societal information</p> <p>Monitoring the Internal Audit activity, the committee having concluded that Internal Audit has carried out a detailed review of the key processes with exacting criteria</p> <p>Analysis of the risk mapping and the related action plans, in particular the risk relating to information systems, digital and industrial safety</p> <p>Reviewing significant off-balance sheet commitments, risk factors and risk mapping, the committee having concluded that risk management is controlled and assumed at the operational level and the level of corporate departments</p> <p>Review of the actions undertaken regarding compliance with the requirements of the Sapin II law and the implementation of an anti-corruption compliance program.</p> <p>Review of the corruption risks mapping</p> <p>Review of the actions undertaken regarding compliance with the GDPR regulations</p> <p>Review of the report of the Board of Directors on corporate governance</p> <p>Review of the financial resolutions proposed at the Shareholders' Meeting of April 26, 2018</p> <p>Information on legal risks and potential disputes and major facts that are likely to have a significant impact on the financial situation of Plastic Omnium</p>

Compensation Committee

Composition	<p>Composition as at December 31, 2018:</p> <ul style="list-style-type: none"> ● Anne-Marie Couderc (Chairperson) ● Amélie Oudéa-Castéra ● Bernd Gottschalk <p>Since December 13, 2013, the committee has been chaired by Anne-Marie Couderc, an independent director and committee member since December 13, 2013.</p> <p>The number of independent directors is three, <i>i.e.</i> 100% and the committee has no executive director. This composition is in line with the recommendations of the AFEP-MEDEF Code.</p> <p>The directors actively participate in Committee meetings, acting in the interests of the shareholders and exercising their judgment in a completely independent manner.</p> <p>In 2018, the Compensation Committee met twice, with an attendance rate of 100%.</p>
Principal missions	<p>Drafting proposals for the compensation of executive directors and conditions for the grant thereof</p> <p>Proposals relating to the pension and insurance plans</p> <p>Fixing the budget for the attendance fees to be submitted to the Shareholders' Meeting and the distribution method</p> <p>Determining the long-term incentive plan policy, mainly including plans for the allocation of free shares</p>
Main activities in 2018	<p>Reviewing the fixed compensation and bonus components of executive directors and recommendations to the Board</p> <p>Analyzing the performance of executive directors in 2017 and communicating the recommendation to the Board for an annual bonus for 2017</p> <p>Analyzing the performance of executive directors in 2018 and communicating the recommendation to the Board for an annual bonus for 2018</p> <p>Analyzing and considering the structure of the executive directors' annual bonus and the objectives for 2019</p> <p>Preparing resolutions relating to the compensation of executive directors, submitted to the Shareholders' Meeting of April 25, 2019</p> <p>Retirement of senior managers: reviewing the situation of each executive director</p> <p>Distribution of attendance fees pursuant to the rules providing a majority variable share</p>

Appointments Committee

Composition	<p>Composition as at December 31, 2018:</p> <ul style="list-style-type: none"> ● Anne-Marie Couderc (Chairperson) ● Éliane Lemarié ● Lucie Maurel Aubert <p>Since July 22, 2014, the committee has been chaired by Anne-Marie Couderc, an independent director and committee member since the same date.</p> <p>The Appointments Committee is primarily composed of independent directors and there is no executive director. This composition is in line with the recommendations of the AFEP-MEDEF Code.</p> <p>The directors actively participate in Committee meetings, acting in the interests of the shareholders and exercising their judgment in a completely independent manner.</p> <p>In 2018, the Appointments Committee met once, with an attendance rate of 100%.</p>
Principal missions	<p>Consideration and recommendations to the Board regarding procedures for the exercise of powers by senior management</p> <p>Opinion on the proposal of the Chairman of the Board of Directors for the appointment of Chief Operating Officers</p> <p>Recommendation for new directors to the Board</p> <p>Examination of the qualification of independent directors, reviewed by the Board of Directors every year</p> <p>Verification of the proper application of the Corporate Governance Code referred to by the Company</p> <p>Discussion on issues pertaining to the governance related to the working and organization of the Board</p> <p>Preparation of succession plans for executive directors in the event of unforeseen vacancies</p>
Main activities in 2018	<p>Reviewing the succession plans of executive directors to ensure continuity of the senior management</p> <p>Reviewing the conditions for the exercise of powers by senior management: uniqueness of the responsibilities of the Chairman and Chief Executive Officer</p> <p>Discussing the composition of the Board: diversity, complementary profiles, skills, gender balance, number of directorships, etc.</p> <p>Proposal to renew the term of office of Mrs. Amélie Oudéa-Castéra</p> <p>Discussing the composition of Board Committees and recommendations</p> <p>Review of the status of each director with regard to conflict of interest obligations</p> <p>Reviewing the independence of each director with respect to the criteria listed in the AFEP-MEDEF Code</p> <p>Review of the report of the Board of Directors on corporate governance.</p>

2.1.1.5 CORPORATE GOVERNANCE CODE

AFEP-MEDEF Code: the reference code

Compagnie Plastic Omnium remains committed to the application of rules of corporate governance laid down by AFEP-MEDEF, by referring to the Corporate Governance Code of listed companies, available on the website <http://medef.com>.

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

Recommendations AFEP-MEDEF Code	Compagnie Plastic Omnium practices and justifications
Terms of office of directors must be staggered so as to prevent reappointment en masse (Article 13.2)	The terms of office of ten of the fifteen members of the Board of directors expires in 2021, the term of office of one Board member expires in 2019 and that of four of them expires in 2020. The Company wished to prioritize a frequent appointment principle for directors by stipulating a statutory three-year term of office.
Information on the ceiling applicable to variable compensation	The annual fixed compensation of Messrs. Laurent Burelle and Paul Henry Lemarié correspond to a rate of 120% of the highest coefficient in the collective bargaining agreement in the Plastics industry (coefficient of 940). Messrs. Laurent Burelle and Paul Henry Lemarié received compensation of €89,806 in this respect in 2018. The variable compensation of Messrs. Laurent Burelle and Paul Henry Lemarié is based on the cash-flow from operations of Burelle SA, Plastic Omnium's parent company. Since this base fluctuates according to the performance of Burelle SA, it is not possible to indicate a ceiling.
Sub-ceiling on the number of options or free share awards that may be allocated to the executive directors compared to the overall budget (Article 24.3.3)	This limit is not relevant in respect of Compagnie Plastic Omnium, as only Jean-Michel Szczerba may receive options or free share awards; Messrs. Laurent Burelle and Paul Henry Lemarié have waived theirs since 2015 and 2013, respectively.

2

2.1.2 COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE DIRECTORS

2.1.2.1 COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS

Each director receives attendance fees, the maximum amount whereof is voted by the Ordinary Shareholders' Meeting and the distribution whereof is decided by the Board of Directors.

2.1.2.1.1 Distribution rules for 2018

The amount of attendance fees distributed among the directors includes a major variable portion depending on their attendance at meetings, in accordance with the recommendations of the AFEP-MEDEF Code. The Board considered the following distribution for 2018:

- Chairman: €3,200 per Board meeting;
- Directors: €1,600 per Board meeting;

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

2.1.2.1.2 Amounts paid for 2018

A total amount of €631,658, within the limits of the budget of €640,000 voted by the Shareholders' Meeting of April 26, 2018, was distributed to directors for 2018, for a total of four Board meetings and six Committee meetings.

In 2018, the attendance rate at the meetings was 100% for the Board of Directors, 100% for the Audit Committee, the Compensation Committee and the Appointments Committee.

AMOUNT OF ATTENDANCE FEES ALLOCATED (IN EUROS)

Directors	2018 fiscal year (4 meetings and 6 Committee meetings)	2017 fiscal year (4 meetings and 6 Committee meetings)
Mr. Laurent Burelle	46,187	43,520
Mr. Jean-Michel Szczerba	39,787	37,120
Mr. Paul Henry Lemarié	39,787	37,120
Mrs. Éliane Lemarié	41,387	38,720
Mr. Jean Burelle	39,787	37,120
Mrs. Anne Asensio	45,387	44,320
Mrs. Félicie Burelle	39,787	18,560
Mrs. Anne-Marie Couderc	46,987	41,920
Mrs. Amélie Oudéa-Castéra	42,987	38,720
Mrs. Lucie Maurel Aubert	44,587	37,120
Mrs. Cécile Moutet	39,787	27,840
Mr. Jérôme Gallot	46,187	43,520
Prof. Dr Bernd Gottschalk	33,040	20,160
Mr. Vincent Labruyère	46,187	32,640
M. Alexandre Mérieux	29,840	-
M. Alain Mérieux	9,947	27,840
TOTAL	631,658	526,240

2.1.2.1.3 Distribution rules for 2019

The Board will recommend to the Shareholders' Meeting of April 25, 2019 to increase the maximum budget for attendance fees to €690,000 from €640,000 as of January 1st, 2019.

In its meeting dated February 13, 2019, the Board of Directors decided to set the attendance fees as follows:

- Chairman: €3,200 per Board meeting;
- Directors: €1,600 per Board meeting;
- Committee Chairman: €2,400 per Committee meeting;
- Committee member: €1,600 per Committee meeting;
- the remaining amount available will be shared between the directors depending on their attendance at Board meetings.

2.1.2.2 COMPENSATION PAID TO EXECUTIVE DIRECTORS

This report, prepared by the Board of Directors, upon the proposal of the Compensation Committee, in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code, presents the total compensation and all benefits in kind paid during the 2018 financial year to executive directors. It describes and distinguishes between the fixed, variable and exceptional elements that make up that remuneration and those benefits as well as the criteria used to calculate them or the circumstances giving rise to them.

2.1.2.2.1 Principles and rules approved by the Board of Directors to fix the compensation and benefits in kind granted to the executive directors

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

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

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

The Board of Directors differentiates the components for determining the compensation of Mr. Laurent Burelle, Chairman and Chief Executive Officer, and Mr. Paul Henry Lemarié, Chief Operating Officer, members of the family group and majority shareholder, from that of Mr. Jean-Michel Szczerba, Co-Chief Executive Officer and Chief Operating Officer.

2.1.2.2.2 Components of the compensation of executive directors

Compensation of Mr. Laurent Burelle, Chairman and Chief Executive Officer

FIXED COMPENSATION 2018

Mr. Laurent Burelle's fixed compensation equals 120% of the highest coefficient in the collective bargaining agreement in the Plastics industry (coefficient of 940).

Accordingly, Mr. Laurent Burelle received compensation from Burelle SA of €89,806 in 2018, up 1.10% compared to 2017.

BONUS IN RESPECT OF 2018

Mr. Laurent Burelle's bonus is based on the funds from operations of Burelle SA, Plastic Omnium's parent company, after payment of interests and taxes, plus the share of funds from operations of joint-ventures, after payment of interests and taxes, and net of dividends paid by these companies.

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

Based on Burelle SA's audited and certified operating cash-flow of €695,378,000 for fiscal year 2018, the total amount of profit-sharing net of social security costs, distributable to the executive directors of Burelle SA, Mr. Laurent Burelle, Mr. Jean Burelle and Paul Henry Lemarié is €9,021,067. Mr. Laurent Burelle receives 53% of this total amount, *i.e.* €4,781,165, from Burelle SA, of which 76% is rebilled to Compagnie Plastic Omnium and its subsidiaries. The payment of this amount is subject to the vote of the Shareholders' Meeting.

Furthermore, Mr. Laurent Burelle no longer receives stock options since 2015. He does not have an employment contract or a non-competition clause.

The rebilling to Compagnie Plastic Omnium and its subsidiaries of the variable portion of Laurent Burelle's compensation due for the 2018 financial year is submitted for approval by the Ordinary Shareholders' Meeting of April 25, 2019 in its Resolution 10 presented in Chapter 7 of this document.

Compensation of Mr. Jean-Michel Szczerba, Co-Chief Executive Officer, Chief Operating Officer

FIXED COMPENSATION 2018

The annual fixed compensation of Mr. Jean-Michel Szczerba earned in 2018 increased by 5% compared with 2017.

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

As a result, the fixed compensation received by Mr. Jean-Michel Szczerba for 2018 amounted to €1,079,006.

BONUS 2018

On the recommendation of the Compensation Committee, the Board of Directors set the terms for determining Mr. Jean-Michel Szczerba's bonus for 2018. Mr. Jean-Michel Szczerba's bonus is expressed as a percentage of the fixed compensation. This percentage is capped at 50% of the fixed compensation.

This annual bonus is determined on the basis of performance assessment criteria based on both quantitative objectives and qualitative objectives.

This variable portion is paid to Mr. Jean-Michel Szczerba after the Compensation Committee and the Board of Directors confirm that the results have been achieved.

Mr. Jean-Michel Szczerba's bonus is made up of the following two components: a quantitative component (60%) and a qualitative component (40%).

The quantitative component is fixed, for 2018, based on the following criteria:

- Attainment of a workplace accident frequency rate, with and without lost time (Tf2) of 2 or less (20%);
- Attainment of an operating margin (OpM) of 9.6% or more (20%);
- Attainment of free cash-flow of €180 million or more (20%).

The qualitative component is based on the following criteria:

- Furthering the implementation of the Group's strategic repositioning through disposals and acquisitions (20%);
- Assessment, by the Chairman and CEO, of his role as Co-Chief Executive Officer in terms of commercial development and other aspects (20%).

Based on the recommendations of the Compensation Committee, the Board of Directors at its meeting held on February 13, 2019 reviewed the level achieved in terms of the aforesaid criteria and decided to set the annual bonus of Mr. Jean-Michel Szczerba, in respect of the 2018 fiscal year, at €426,207, *i.e.* 39.5% of his annual fixed compensation.

The payment to Jean-Michel Szczerba of the variable portion of his compensation due for the 2018 financial year is submitted for approval by the Ordinary Shareholders' Meeting of April 25, 2019 in its Resolution 12 presented in Chapter 7 of this document.

Compensation of Mr. Paul Henry Lemarié, Chief Operating Officer

FIXED COMPENSATION 2018

The annual fixed compensation of Mr. Paul Henry Lemarié equals 120% of the highest coefficient in the collective bargaining agreement in the Plastics industry (coefficient of 940).

Accordingly, Mr. Paul Henri Lemarié received compensation from Burelle SA of €89,806 in 2018, up 1.10% compared to 2017.

BONUS 2018

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

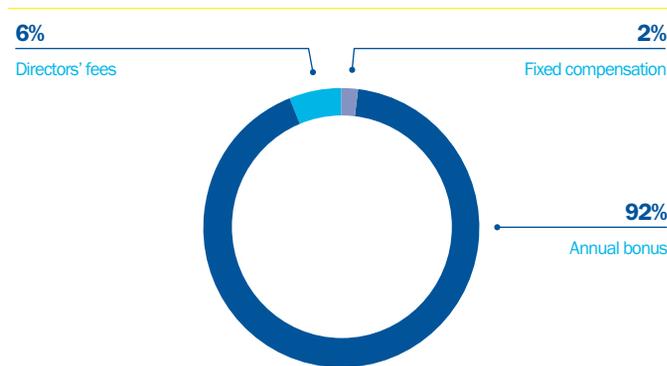
Burelle SA pays gross compensation to executive directors for their services, which is then billed to Compagnie Plastic Omnium and its subsidiaries, calculated on the basis of the estimated time spent by each of them on business relating to the Plastic Omnium Group.

Based on Burelle SA's audited and certified operating cash-flow of €695,378,000 for fiscal year 2018, the total amount of profit-sharing net of social security costs, distributable to the executive directors of Burelle SA, Mr. Laurent Burelle, Mr. Jean Burelle and Paul Henry Lemarié is €9,021,067. Mr. Paul Henry Lemarié receives 23.50% of this overall amount from Burelle SA, i.e. €2,119,951 of which 50% is rebilled to Compagnie Plastic Omnium and its subsidiaries. The payment of this amount is subject to the vote of the Shareholders' Meeting.

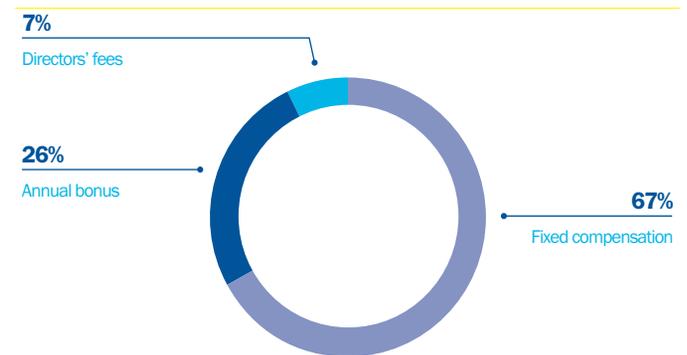
Furthermore, Mr. Paul Henry Lemarié no longer receives stock options since 2013. He does not have an employment contract or a non-competition clause.

The rebilling of the variable part of the compensation of Mr. Paul Henry Lemarié to Compagnie Plastic Omnium and its subsidiaries and for fiscal year 2018 is submitted for the approval of the Ordinary General Shareholders' Meeting of April 25, 2019, as well as components of his compensation, in resolution No. 11 given in Chapter 7 of this document.

DISTRIBUTION OF THE COMPONENTS COMPRISING THE ANNUAL COMPENSATION OF MESSRS. LAURENT BURELLE AND PAUL HENRY LEMARIÉ



DISTRIBUTION OF THE COMPONENTS COMPRISING THE ANNUAL COMPENSATION OF MR. JEAN-MICHEL SZCZERBA



2.1.2.2.3 Pension plan, severance pay, supplementary social protection and non-competition clause

In 2003, the Board of Directors of Compagnie Plastic Omnium decided to introduce a supplementary pension plan for executive directors in particular (Article 39 of the French General Tax Code). The plan guarantees them defined-benefit retirement compensation, under the following terms:

	Plastic Omnium Plan	Recommendations of the AFEP-MEDEF Code
Required length of service	7 years	At least 2 years
Actual length of service of the executive directors		
Mr. Laurent Burelle	43 years	
Mr. Paul Henry Lemarié	38 years	
Mr. Jean-Michel Szczerba	32 years	
Reference compensation	Average of the average total annual compensation for the 5 years prior to retirement	Several years
Annual amount paid (% of the reference compensation)	1%	5% maximum
Ceilings	10% of the reference compensation, or 8 times the Social Security ceiling	45% of compensation
Rights financing conditions	Outsourced	
Estimated amount of the annual pension that would be paid to the executive directors:		
Mr. Laurent Burelle	€324,192	
Mr. Paul Henry Lemarié	€216,861	
Mr. Jean-Michel Szczerba	€140,265	
Related tax and social charges	Taxes on contributions	

The Board of Directors of Burelle SA approved a similar plan for corporate officers in 2003. In respect of 2018, Burelle SA paid no contribution into the supplemental pension plan. In respect of 2017, Burelle SA paid no contribution into the supplemental pension plan. In respect of the 2018 fiscal year, Compagnie Plastic Omnium and its subsidiaries did not pay

any amount to any third-party entity in respect of top-up contributions to the supplemental pension plan of Mr. Jean-Michel Szczerba. In respect of 2017, the amount paid was €878,387. The other pension plans for executive directors are the legal plans applicable to managerial employees in France.

	Employment contract	Supplementary pension plans	Compensation or benefits due or likely to be due for loss or change of office	Compensation relating to the non-competition clause
Laurent Burelle Chairman and CEO	No	See above	No	No
Jean-Michel Szczerba Co-Chief Executive Officer, Chief Operating Officer	Suspended	See above	No	No
Paul Henry Lemarié Chief Operating Officer	No	See above	No	No

The employment contract of Mr. Jean-Michel Szczerba has been suspended since 2015. It does not include any specific compensation for non-competition or length-of-service. It should be noted that there is no system of paying an arrival/departure bonus to executive directors in Plastic Omnium and that no compensation is due under the non-competition clauses.

Summary table of compensation of each executive director

The amount of the components of compensation paid or allocated by Burelle SA to Mr. Laurent Burelle, Chairman and CEO, and Mr. Paul Henry Lemarié, Chief Operating Officer, is rebilled to Compagnie Plastic Omnium and its affiliates. The amounts shown in the table below comprise the total amounts paid or allocated by Burelle SA.

	2018				2017	
	Amounts due in respect of 2018 and subject to vote	Amounts paid in 2018	Amounts paid in 2018 in respect of the outstanding balance of the 2017 bonus	Amounts paid in 2018 in respect of the first installment of the 2018 bonus	Amounts due in respect of 2017	Amounts paid in 2017
<i>In euros</i>						
Mr. Laurent Burelle Chairman and CEO						
Fixed compensation	89,806	89,806			88,824	88,824
Annual bonus	4,781,165	4,730,968	2,397,968	2,333,000	4,731,069	4,506,476
Exceptional compensation	-	-			-	-
Directors' fees*	235,914	235,914			236,261	236,261
Benefits in kind (company car and driver) (book value)	7,174	7,174			7,079	7,079
Compensation relating to the non-competition clause	-	-			-	-
TOTAL	5,114,059	5,063,862	2,397,968	2,333,000	5,063,233	4,838,640
Mr. Paul Henry Lemarié Chief Operating Officer						
Fixed compensation	89,806	89,806			88,824	88,824
Annual bonus	2,119,951	2,182,754	1,106,754	1,076,000	2,183,570	2,074,836
Exceptional compensation	-	-			-	-
Directors' fees*	98,514	98,514			98,861	98,861
Benefits in kind (company car and driver) (book value)	7,308	7,308			7,308	7,308
Compensation relating to the non-competition clause	-	-			-	-
TOTAL	2,315,579	2,378,382	1,106,754	1,076,000	2,378,563	2,269,829

* The directors' fees include those paid by Compagnie Plastic Omnium subsidiaries.

Subject to approval of the compensation components of Messrs. Laurent Burelle and Paul Henry Lemarié by the 2019 Shareholders' Meeting of Burelle SA, the amounts due in respect of their 2018 compensation will

be paid in June 2019, minus the first installment paid in 2018 following the approval of the Shareholders' Meeting of Burelle SA held on May, 31st 2018.

In accordance with Article L. 225-37-3 of the *Code de commerce*, the compensation paid by Burelle SA to Mr. Laurent Burelle and Mr. Paul Henry Lemarié of Compagnie Plastic Omnium in 2018 and rebilled to Compagnie Plastic Omnium and its subsidiaries for management services is presented in the table below:

<i>In euros</i>	Gross compensation paid by Burelle SA in 2018 (including directors' fees)	Amount billed to the Plastic Omnium Group in 2018	Bonus subject to the vote of the Shareholders' Meeting
Mr. Laurent Burelle <i>Chairman and CEO</i>	4,848,501	3,715,374	4,781,165
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>	2,300,287	1,108,798	2,119,951

The amount of the components of compensation paid or allocated by Compagnie Plastic Omnium and its subsidiaries to Mr. Jean-Michel Szczerba, co-Chief Executive Officer, Chief Operating Officer, is presented in the table below:

<i>In euros</i>	2018		2017	
	Amounts due in respect of 2018 and subject to vote	Amounts paid in 2018	Amounts due in respect of 2017	Amounts paid in 2017
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer</i>				
Fixed compensation	1,079,006	1,079,006	1,027,638	1,027,638
Annual bonus	426,207	525,000	525,000	495,735
Exceptional compensation	-	-	100,000	100,000
Directors' fees	113,524	113,524	114,120	114,120
Benefits in kind (company car and driver) (book value)	12,480	12,480	12,149	12,149
Compensation relating to the non-competition clause	-	-	-	-
TOTAL	1,631,217	1,730,010	1,778,907	1,749,642

* The directors' fees include those paid by Compagnie Plastic Omnium subsidiaries

Summary table of the compensation and stock options awarded to each executive director

<i>In euros</i>	2018 Fiscal year	2017 Fiscal year
Mr. Laurent Burelle <i>Chairman and CEO</i>		
Compensation due in respect of the year (see details in the table above)	5,114,059	5,063,233
Value of stock options awarded during the year	-	-
Value of performance shares awarded during the year	-	-
Valuation of other long-term compensation plans	-	-
TOTAL	5,114,059	5,063,233
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer</i>		
Compensation due in respect of the year (see details in the table above)	1,631,217	1,778,907
Value of stock options awarded during the year	-	175,600
Value of performance shares awarded during the year	-	-
Valuation of other long-term compensation plans	-	-
TOTAL	1,631,217	1,954,507

<i>In euros</i>	2018 Fiscal year	2017 Fiscal year
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>		
Compensation due in respect of the year (see details in the table above)	2,315,579	2,378,563
Value of stock options awarded during the year	-	-
Value of performance shares awarded during the year	-	-
Valuation of other long-term compensation plans	-	-
TOTAL	2,315,579	2,378,563

Stock options awarded during the year to each executive director

Name and position of the corporate officer	Number of options awarded during the year	Value of options using the method applied in the consolidated financial statements	Exercise price	Exercise period
Mr. Laurent Burelle <i>Chairman and CEO</i>	-	-	N/A	N/A
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer</i>	-	-	N/A	N/A
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>	-	-	N/A	N/A

Performance shares awarded during the year to each executive director by Compagnie Plastic Omnium and by any other Group company

Name and position of the executive director	Performance shares awarded	Plan date	Number of shares awarded	Value of the shares ⁽¹⁾	Vesting date	End of vesting period
Mr. Laurent Burelle <i>Chairman and CEO</i>	-	N/A	N/A	N/A	N/A	N/A
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer</i>	-	N/A	N/A	N/A	N/A	N/A
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>	-	N/A	N/A	N/A	N/A	N/A

(1) Using the method applied in the consolidated financial statements.

History of stock options awarded to each executive director that are still exercisable on December 31, 2018

Date of plans	Number of options awarded	Number of options not exercised	Date of 1 st possible exercise	Date of expiry	Subscription price
Mr. Laurent Burelle <i>Chairman and CEO</i>					
08/06/2015 Plan	150,000	150,000	08/07/2019	08/06/2022	€24.72
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer</i>					
08/06/2015 Plan	150,000	150,000	08/07/2019	08/06/2022	€24.72
03/10/2017 Plan	40,000	40,000	03/11/2021	03/11/2024	€32.84
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>	N/A	N/A	N/A	N/A	N/A

In accordance with the recommendations of the AFEP-MEDEF Code, the exercise of stock options granted in 2013, 2015 and 2017 is subject to two performance conditions related to the outperformance over the vesting period of the options in respect of:

- the share price relative to the SBF 120 index;
- the Company's operating margin compared with its main competitors.

The executive directors shall retain, in bearer form, until the end of their appointment, a number of shares corresponding to 10% of the balance of shares resulting from the exercise of the option. The "balance shares

resulting from the exercise of option" refers to the total number of shares resulting from the decreased exercise of stock options, which must be transferred in order to finance the exercise of options in question and, where applicable, the payment of any immediate or deferred tax, social contributions and charges relating to the exercise of these options as applicable on the date of exercise of the options. If the number of shares fixed as a result, which must be retained until the loss of office, is a fraction, it is rounded off to the nearest lower whole number.

The executive directors are committed not to resort to risk hedging transactions.

Table of stock options exercised by each executive director during the fiscal year

Date of plans	Stock options exercised	Exercise price
Mr. Laurent Burelle Chairman and CEO	N/A	N/A
Mr. Jean-Michel Szczerba Co-Chief Executive Officer, Chief Operating Officer	N/A	N/A
Mr. Paul Henry Lemarié Chief Operating Officer	N/A	N/A

History of performance share allocations to each executive director

Not applicable, if no performance share has been awarded to executive director.

History of performance shares that vested during the year for each executive director

Not applicable, if no performance share has been awarded to executive director.

2.1.2.2.4 Components of compensation due or awarded to each executive director in respect of 2019, subject to the approval of shareholders

Upon the recommendation of the Compensation Committee and pursuant to Article L. 225-37-2 of the French Commercial Code, the Board of Directors decided at its meeting of February 13, 2019 on the compensation policy for each executive director. This policy is applicable from January 1st, 2019 and is in keeping with the policy applied in 2018 as described § 2.1.2.2 above. It will be subject to the approval of the Ordinary Shareholders' Meeting to be held on April 25, 2019.

The policy is reviewed every year by the Compensation Committee. In its recommendations to the Board of Directors, the Compensation Committee ensures that the proposed compensation policy complies with the practices of comparable international groups.

Precise and demanding quantifiable and qualitative performance criteria are set for the bonus. The compensation of executive directors is made up of a fixed component and an annual bonus.

The fixed component is reviewed every year. It does not vary much unless the Board of Directors, upon the recommendation of the Compensation Committee, decides otherwise in the light of market conditions and the Group's development. The objective of the bonus is to recognize the contribution of each executive director to the Group's development and the growth in its profits. It is based on precise criteria consistent with the annual assessment by the Compensation Committee of each executive director and with the Group's strategy.

The payment of the bonus and the exceptional compensation for 2019 will be subject to approval by the Ordinary Shareholders' Meeting to be held in 2020.

Executive directors will continue to enjoy the supplementary retirement plan as defined above.

Pursuant to these principles, a proposal will be made at the 2020 Annual Shareholders' Meeting to approve the components of compensation due or awarded in respect of 2019 to:

- Mr. Laurent Burelle, Chairman and Chief Executive Officer;
- Mr. Jean-Michel Szczerba, Co-Chief Executive Officer, Chief Operating Officer;
- Mr. Paul Henry Lemarié, Chief Operating Officer.

It should be noted that there is no system of paying an arrival/departure bonus to executive directors at Plastic Omnium.

Executive directors are entitled to a company car and Mr. Laurent Burelle, Chairman and CEO, is also entitled to the services of a driver.

2.1.2.3 SUMMARY OF TRANSACTIONS IN 2018 BY EXECUTIVE DIRECTORS INVOLVING PLASTIC OMNIUM SHARES

Article 223-26 of the General Regulation of the French Financial Market Authority (Autorité des Marchés Financiers) and Article L. 621-18-2 of the French Monetary and Financial Code

Person concerned	Description of the financial instrument	Transaction	Number of transactions	Amount total
Mr. Laurent Burelle Chairman and CEO	N/A	N/A	N/A	N/A
Persons related to Mr. Laurent Burelle, Chairman and CEO	Not applicable, since no one related to Laurent Burelle, as defined in Article R. 621-43-1 of the French Monetary and Financial Code, carried out transactions on Plastic Omnium shares in fiscal year 2018			
Mr. Jean-Michel Szczerba Chief Operating Officer	Shares	Acquisition	2	€3,710,400
Persons related to Mr. Jean-Michel Szczerba, Chief Operating Officer	Not applicable, since no one related to Mr. Jean-Michel Szczerba, as defined in Article R. 621-43-1 of the French Monetary and Financial Code, carried out transactions on Plastic Omnium shares in fiscal year 2018			
Mr. Paul Henry Lemarié Chief Operating Officer	N/A	N/A	N/A	N/A
Persons related to Mr. Paul Henry Lemarié, Chief Operating Officer	Not applicable, since no one related to Mr. Paul Henry Lemarié, as defined in Article R. 621-43-1 of the French Monetary and Financial Code, carried out transactions on Plastic Omnium shares in fiscal year 2018			

2.1.2.4 INFORMATION ON STOCK-OPTIONS AND AWARDS OF FREE SHARES

Stock option plans

Plastic Omnium stock option policy

For years Compagnie Plastic Omnium has put long-term incentive plans in place for the benefit of its employees and executive directors in an international context.

These awards have a dual purpose:

- to motivate key staff members and give them a stake in the Group's future results;
- to strengthen teamwork and a sense of belonging among managers and thus encourage them to make their careers at the Company.

At the recommendation of the Compensation Committee, Plastic Omnium's Board of Directors grants stock options to managers and executive directors who the Company wishes to recognize for their

performance and their important role in business development and the Group's current and future projects, wherever they may be based.

These stock options are granted after publication of the financial statements for the previous year, in accordance with the AFEP-MEDEF recommendation. In any case, stock options are granted on the basis of the performance of the individual in question at the time the plan is put in place.

Employees and corporate officers who receive stock options thus have a stake along with shareholders in the Group's strong and consistent growth.

237 employees are beneficiaries of at least one stock option plan, including 48.1% in international subsidiaries.

Stock option beneficiaries must comply with the regulations in force relating to "inside information". They must familiarize themselves and abide by the stock exchange Code of Ethics accompanying the rules governing stock option plans.

**Compagnie Plastic Omnium stock option plans****CURRENT COMPAGNIE PLASTIC OMNIUM STOCK OPTION PLANS**

As at December 31, 2018, Compagnie Plastic Omnium had several stock option plans. Key information about these plans is given below:

Date authorized by Shareholders' Meeting	04/28/2011	04/25/2013
Date of Board meeting	03/06/2012	07/23/2013
Total number of beneficiaries	208	184
Total number of shares offered for purchase	2,668,500	1,272,000
<i>Of which can be bought by corporate officers:</i>		
Laurent Burelle	360,000	180,000
Jean-Michel Szczerba	240,000	120,000
Paul Henry Lemarié	180,000	60,000
Félicie Burelle	15,000	12,000
Start date for exercise of the options	03/21/2016	08/07/2017
Date of expiry	03/20/2019	08/06/2020
Purchase price (<i>in euros</i>)	7.37	16.17
Number of options exercised at 12/31/2018	2,184,238	869,700
Total number of stock options that have been cancelled or lapsed	344,000	132,000
Options outstanding at the year end	140,262	270,300

Date authorized by Shareholders' Meeting	04/25/2013	04/28/2016
Date of Board meeting	07/21/2015	02/22/2017
Total number of beneficiaries	172	195
Total number of shares offered for purchase	1,253,000	578,500
<i>Of which can be subscribed for or bought by corporate officers:</i>		
Laurent Burelle	150,000	-
Jean-Michel Szczerba	150,000	40,000
Paul Henry Lemarié	-	-
Félicie Burelle	30,000	20,000
Start date for exercise of the options	08/07/2019	03/11/2021
Date of expiry	08/06/2022	03/11/2024
Purchase price (<i>in euros</i>)	24.72	32.84
Number of options exercised at 12/31/2018	-	-
Total number of stock options that have been cancelled or lapsed	135,000	50,000
Options outstanding at the year end	1,118,000	528,500

At December 31, 2018, the number of options outstanding awarded by the Board of Directors under the authorizations voted by the Shareholders' Meetings and not yet exercised was equivalent to 2,057,062 stock options at an average purchase price of €24.50 per share (1.38% of the 148,566,107 shares comprising the share capital at that date).

STOCK OPTIONS AWARDED TO THE TEN NON-CORPORATE OFFICER EMPLOYEES OF THE GROUP WHOSE NUMBER OF OPTIONS IS THE HIGHEST WITHIN THE SCOPE OF OPTION AWARDS, OR STOCK OPTIONS EXERCISED DURING THE 2018 FINANCIAL YEAR

Number of options awarded	Weighted average price (in euros)	Exercise date
-	N/A	N/A

	Total number of shares purchased	Weighted average price (in euros)
Options held on Compagnie Plastic Omnium shares, exercised by the ten ⁽¹⁾ employees who have purchased the highest number of such options		
03/06/2012 plan	145,600	36.38
08/07/2013 plan	122,000	39.46
08/06/2013 plan	Not exercisable	-
02/22/2017 plan	Not exercisable	-

(1) Plastic Omnium employees other than corporate officers included in the scope of option awards.

2.1.3 EQUITY CAPITAL

SHARE CAPITAL

Shares in Compagnie Plastic Omnium are listed on Eurolist of Euronext Paris (compartment A). Plastic Omnium shares are included in the SBF 120 and CAC Mid 60 indices.

At December 31, 2018, Plastic Omnium's share capital amounted to €8,913,966.42 divided into 148,566,107 fully paid-up shares with a par value of €0.06 each.

VOTING RIGHTS

Shareholders have the right to vote and speak at Shareholders' Meetings. Each shareholder has one vote per fully paid-up share he or she holds.

In accordance with Article 16 of the bylaws, all fully paid-up shares held on a registered basis in the name of the same shareholder for at least two years are entitled to a double voting right with the shareholder having either bought or inherited the shares under intestacy rules or being a

spouse or a relative entitled to inherit the shares who received them as an inter vivos gift.

If the equity capital is increased by incorporating reserves, profits or share premiums, the double voting right is also attached to the registered bonus shares linked to the shares with double voting rights already held by the shareholder.

A double voting right shall cease for any share, which has been the subject of a conversion to bearer form or a transfer.

It may also be canceled by decision of an Extraordinary Shareholders' Meeting.

At December 31, 2018, excluding treasury shares, the Company had 146,275,177 shares with the same number of voting rights, including 91,666,496 shares with double voting rights.

POTENTIAL EQUITY CAPITAL AND SECURITIES GIVING RIGHTS TO EQUITY CAPITAL

As at December 31, 2018, there were no securities or rights giving direct or indirect access to the share capital of Compagnie Plastic Omnium.

CURRENT AUTHORIZATIONS RELATING TO CAPITAL AND SECURITIES CARRYING RIGHTS TO THE ALLOCATION OF DEBT SECURITIES – USE OF AUTHORIZATIONS

The Company's shareholders have delegated the following powers and financial authorizations to the Board of Directors:

Authorizations and delegations given to the Board of Directors at the Combined Shareholders' Meeting on April 27, 2017

Resolution No.	Type of authorization and delegated power	Duration and expiry date	Maximum amount per authorization or delegated power	Use of the authorization or delegation of power
16	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, with preferential subscription rights	26 months – until June 26, 2019	€1 million for shares and €750 million for debt securities	None
17	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities or entitling the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights, through a public offer and/or as consideration for securities as part of a public exchange offer during the delegation	26 months – until June 26, 2019	€1 million for shares by way of an offer referred to in par. II of Article L. 411-2 of the French Monetary and Financial Code – €750 million for debt securities	None
18	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights by way of an offer referred to in par. II of Article L. 411-2 of the French Monetary and Financial Code	26 months – until June 26, 2019	€1 million for shares by way of an offer referred to in par. II of Article L. 411-2 of the French Monetary and Financial Code – €750 million for debt securities	None
19	Delegation of authority to increase the number of shares or securities to be issued when a share issue with or without preferential subscription rights is made under the 16 th to 18 th resolutions up to a maximum of 15% of the initial issue	26 months – until June 26, 2019	15% of the initial issue, the maximum authorized amount of which are: €1 million for shares – €750 million for transferable securities representative of debt	None
20	Share capital increase reserved for Plastic Omnium employees savings plan (PEE)	26 months – until June 26, 2019	Maximum holding: 3% of the equity capital at the date of the Shareholders' Meeting (i.e. a maximum of 4,574,301 shares at December 31, 2016)	None

Authorizations given to the Board of Directors at the Shareholders' Meeting on April 26, 2018

Resolution No.	Type of authorization and delegated power	Duration and expiry date	Maximum amount per authorization or delegated power	Use of the authorization or delegation of power
5	Buyback by the Company of its own shares	18 months – until October 25, 2019	Maximum purchase price: €60 – Maximum holding: 10% of share capital – Accumulated value of acquisitions: €9,056,860,320	At December 31, 2018, Compagnie Plastic Omnium held 1.54% of its share capital
21	Authorization to grant stock options to corporate officers and/or employees of the Company and/or Group companies	38 months – until June 25, 2021	Maximum holding: 1% of equity capital, to be deducted from the 1% in the 18 th resolution approved at the Shareholders' Meeting on April 26, 2016	None
22	Authorization to reduce the equity capital by canceling treasury shares	26 months – until June 26, 2020	10% of the share capital per 24-month period	Between April 27 and December 31, 2018, Compagnie Plastic Omnium cancelled 2,410,613 treasury shares, representing 1.62% of its share capital.

AUTHORIZATIONS AND DELEGATIONS RELATING TO CAPITAL AND SECURITIES CARRYING RIGHTS TO THE ALLOCATION OF DEBT SECURITIES, TO BE PROPOSED TO THE SHAREHOLDERS' MEETING ON APRIL 25, 2019

Resolution No.	Type of authorization and delegated power	Duration and expiry date	Maximum amount per authorization or delegated power
6	Buyback by the Company of its own shares	18 months – until October 24, 2020	Maximum purchase price: €60 – Maximum holding: 10% of share capital – Accumulated value of acquisitions: €891,396,600
13	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, with preferential subscription rights	26 months – until June 24, 2021	€1 million for shares and €750 million for debt securities.
14	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities or entitling the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights, through a public offer and/or as consideration for securities as part of a public exchange offer during the delegation	26 months – until June 24, 2021	€1 million for shares by through an offer referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code – €750 million for debt securities.
15	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights by way of an offer referred to in par. II of Article L. 411-2 of the French Monetary and Financial Code	26 months – until June 24, 2021	€1 million for shares through an offer referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code – €750 million for debt securities.
16	Delegation of authority to increase the number of shares or securities to be issued when a share issue with or without preferential subscription rights is made under the 16 th to 18 th resolutions up to a maximum of 15% of the initial issue	26 months – until June 24, 2021	15% of the initial issue, the maximum authorized amounts are: €1 million for shares – €750 million for debt securities.
17	Share capital increase reserved for Plastic Omnium employees savings plan (PEE)	26 months – until June 24, 2021	Maximum holding: 3% of the equity capital at the date of the Shareholders' Meeting (i.e. a maximum of 4,456,983 shares at December 31, 2018)

CHANGES IN THE COMPANY'S EQUITY CAPITAL OVER THE LAST FIVE YEARS

Year and type of corporate transaction	Amount of capital increase/reduction		Share capital (in euros)	Number of shares comprising the equity capital	Par value of share (in euros)
	Nominal	Premium			
October 2014 Reduction in equity capital by canceling 1,400,301 treasury shares	84,018	27,275,732	9,214,603	153,576,720	0.06
March 2016 Capital reduction by canceling 1,100,000 treasury shares	66,000	32,579,380	9,148,603	152,476,720	0.06
August 2017 Reduction in equity capital by cancelling 1,500,000 treasury shares	90,000	49,819,507	9,058,603	150,976,720	0.06
July 2018 Reduction in equity capital by cancelling 1,110,613 treasury shares	66,637	39,223,119	8,991,966	149,866,107	0.06
November 2018 Reduction in equity capital by cancelling 1,300,000 treasury shares	78,000	45,252,090	8,913,966	148,566,107	0.06

Buyback by the Company of its own shares

Percentage of equity capital held directly and indirectly by the Company as at December 31, 2018 including:	1.54%
backing existing stock option plans	2,180,347
intended for cancellation	None
Number of shares canceled over the past 24 months	3,910,613
Number of securities in the portfolio on December 31, 2018	2,290,930
Carrying amount of portfolio on December 31, 2018	47,755,806
Market value of portfolio on December 31, 2018	46,208,058

Share buybacks during the 2018 fiscal year

	Aggregate gross movements		
	Purchases	Sales	Options exercised
Number of securities	3,042,578	831,495	815,610
Average transaction price	€36.69	37.63	
Average exercise price	-	-	11.64
Totals	111,645,520	31,290,886	9,494,853

Trading fees of €125 thousand were incurred in buying back shares during the 2018 fiscal year.

The change in the number of outstanding shares between the opening date and the closing date of fiscal year 2018 is as follows:

	January 1 st , 2018	Movements for fiscal year 2018 ⁽¹⁾	December 31, 2018
Number of shares comprising the share capital	150,976,720	-2,410,613	148,566,107
Number of treasury shares	3,306,070	-1,015,140	2,290,930
Number of outstanding shares	147,670,650	-1,395,473	146,275,177

(1) See purchase flows, sales flows and options exercised, indicated in the table above.

The fifth resolution of the Combined Shareholders' Meeting of April 26, 2018 authorized the Company to buy back its own shares, subject to the following conditions:

Maximum purchase price	€60 per share (excluding acquisition costs)
Maximum shares that may be held	10% of the share capital on the date of the Combined Shareholders' Meeting on April 26, 2018
Maximum investment in the buyback program	€9,056,860,320

A new liquidity agreement, signed with Kepler Capital Markets SA on January 1, 2015 for an initial amount of €3 million, has a term of one year, renewable automatically, in accordance with the Code of Ethics drawn up by AMAFI (*Association Française des Marchés Financiers* – the representative body for professionals working in the securities industry and financial markets in France). On January 28, 2019, Plastic Omnium made an additional contribution of €3 million through the liquidity contract, bringing its overall funding to €6 million. The primary purpose of the agreement is to reduce the volatility of the Compagnie Plastic Omnium share price, and thus the risk perceived by investors.

Information about share buybacks since April 26, 2018

Between April 26, 2018 and January 31, 2019, the Company purchased 1,972,088 shares for a total value of €69,893,635.14, representing a value per share of €35.44 including 559,153 shares purchased under the liquidity agreement and 1,412,935 shares purchased outside the agreement. Over the same period, the Company sold 474,243 shares under the liquidity contract, for a total sale value of €17,248,011.15, representing a value per share of €36.37.

Between April 26, 2018 and January 31, 2019, the Company did not buy back any of its own shares to cover its commitments to beneficiaries of options, free shares and company savings schemes.

At January 31, 2019, Compagnie Plastic Omnium held 2,299,018 treasury shares, representing 1.55% of its share capital, broken down as follows:

Number of shares

118 671	Liquidity agreement AMAFI
-	Shares allocated to employees or corporate officers of the Company or of Group companies
-	Cancellation
2,180,347	Hedging of securities carrying rights to the allocation of shares
-	External growth

Description of the share buyback policy submitted for approval to the Combined Shareholders' Meeting on April 25, 2019

Under Articles 241-1 to 241-6 of the AMF General Regulations, this description defines the objectives of the Compagnie Plastic Omnium share buyback policy and how it will be implemented. The program will be submitted for approval to the Combined Shareholders' Meeting convened for April 25, 2019.

OBJECTIVES OF THE SHARE BUYBACK PROGRAM

Compagnie Plastic Omnium intends to use the share buyback program to achieve the following objectives:

- to use an investment service provider to maintain the secondary market or the liquidity of Compagnie Plastic Omnium's shares, via a liquidity agreement complying with the AMAFI Code of Ethics accepted by the AMF;
- to cancel the shares purchased, if appropriate, in accordance with the authorization given by the Shareholders' Meeting of April 26, 2018, pursuant to its 22nd extraordinary resolution;
- to cover stock option plans and/or free share plans (or similar) for Group employees and/or corporate officers, as well as any allocations of shares for a company or group savings scheme (or similar), in respect of employee profit sharing and/or all other forms of allocation of shares to employees and/or corporate officers of Compagnie Plastic Omnium;
- to retain the shares acquired and use them later on for exchange or in payment for any external growth transactions, with the understanding

that shares purchased for this purpose may not exceed 5% of the Company's capital;

- to implement all market practices currently accepted or accepted in the future by the market authorities.

PRACTICAL IMPLEMENTATION – THE MAXIMUM PROPORTION OF THE EQUITY CAPITAL THAT MAY BE ACQUIRED AND THE MAXIMUM AMOUNT PAYABLE BY COMPAGNIE PLASTIC OMNIUM

Compagnie Plastic Omnium is authorized to acquire a maximum of up to 10% of its equity capital on December 31, 2018, 14,856,610 shares, each with a par value of €0.06.

Since the Company held 2,290,930 treasury shares as at December 31, 2018, the maximum number of its shares it could purchase under the share buyback program is 12,565,680. In the event that treasury shares already held are cancelled or used, the maximum amount that the Company can pay out to acquire the 14,856,610 shares is €891,396,600.

Thus, the total value of acquisitions (net of costs) may not exceed €891,396,600 based on the maximum purchase price of €60 provided in the sixth resolution to be proposed to the Combined Shareholders' Meeting on April 25, 2019.

Shares may be purchased, sold or transferred using any method, including by purchasing blocks of shares, on the stock market or over the counter. These means include the use of any derivatives, traded on a regulated market or over the counter, and the setting up of option operations such as the purchase and sale of call and put options. These transactions may be made at any time.



TERM OF THE BUYBACK PROGRAM

This buyback program may continue for a period of eighteen months from approval of the sixth resolution to be voted by shareholders at the Combined Shareholders' Meeting on April 25, 2019, i.e. until October 24, 2020.

Bonds

Details of the outstanding bonds and private placements issued by the Company on December 31, 2018 are given below:

Issuer	Currency	Coupon	Initial issue date	Maturity date	Amount outstanding (in millions of euros)	Listing market
Compagnie Plastic Omnium	EUR	2.875%	05/21/2013	05/29/2020	500	Paris
Compagnie Plastic Omnium	EUR	1.478%	06/17/2016	06/17/2023	300	
Compagnie Plastic Omnium	EUR	1.25%	06/26/2017	06/26/2024	500	Paris
Compagnie Plastic Omnium	EUR	1.632%	12/21/2018	12/21/2025	300	

2.1.4 INFORMATION ABOUT SHAREHOLDERS

COMPAGNIE PLASTIC OMNIUM SHAREHOLDER STRUCTURE

BREAKDOWN IN EQUITY HOLDINGS IN COMPAGNIE PLASTIC OMNIUM AS AT DECEMBER 31, 2018 COMPRISING 148,566,107 SHARES

	December 31, 2018		December 31, 2017		December 31, 2016	
	% equity capital	% voting rights	% equity capital	% voting rights	% equity capital	% voting rights
BurelleSA	58.51	73.70	57.57	71.91	57.01	71.91
Employee shareholders	0.97	0.97	0.98	0.98	1	1
Held by Company	1.54	-	2.19	-	2.77	-
Public	38.98	25.33	39.26	27.11	39.22	27.09
	100	100	100	100	100	100

At December 31, 2018, Burelle SA held 58.51% of the equity capital of Compagnie Plastic Omnium. To the Company's knowledge, no other shareholder owns 5% or more of the share capital.

In France, at December 31, 2018, the Group stock ownership plan consisted of 1,946 members, holding 1,447,648 Compagnie Plastic Omnium shares, purchased on the market, representing 0.97% of share capital.

The Company has not been informed of any shareholders' agreement.

FACTORS THAT COULD HAVE AN IMPACT IN THE SHAREHOLDERS' MEETING EVENT OF A PUBLIC OFFER

None.

AGREEMENTS CONCLUDED BY A SIGNIFICANT MANAGER OR SHAREHOLDER OF COMPAGNIE PLASTIC OMNIUM, WITH A SUBSIDIARY

Pursuant to Article L. 225-37-4, 2° of the French Commercial Code, it is stated that no new agreement was made during 2018, either directly or through an intermediary, between, on the one hand, the Chief Executive

Officer, one of the Co-Chief Executive Officers, one of the directors, one of the shareholders holding greater than 10% share of the voting rights of the Company and, on the other hand, one of the subsidiaries of Compagnie Plastic Omnium held directly or indirectly, for more than 50% of its capital.

SHAREHOLDERS' MEETING (ARTICLE 17 OF THE BYLAWS)

Notice of meetings

The Shareholders' Meetings are convened, meet and deliberate under conditions set forth by law. The agenda of the meetings is determined by the author of the notice; however, one or more shareholders may, under conditions set forth by law, require draft resolutions to be written into the agenda.

The meeting takes place at the headquarters, or at any other place indicated in the notice.

The notice of meeting for the Shareholders' Meeting is published in the Bulletin des Annonces Légales Obligatoires (BALO) under conditions set forth by law and regulations.

Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a director who is specially authorized for such purpose by the Board of Directors. Otherwise, the meeting shall itself elect its Chairman.

The duties of the tellers shall be performed by the two members of the meeting who are present and accept such duty, and who have the greatest number of votes. The officers of the meeting shall appoint a Secretary, who may be chosen from outside of the shareholders.

There shall be an attendance list kept under conditions set forth by law. The minutes of the Shareholders' Meetings shall be drawn up, and copies thereof shall be delivered and certified under conditions set forth by law.

Participation in the meetings

Every shareholder has the right to participate in the meetings, provided that all payments due for such shares have been met.

The right to participate in the meetings, or arrange to be represented, is subject to the accounting entry of the shares in the name of the

shareholder by the second business day preceding the meeting at 0:00 hours, Paris time, either in registered share accounts kept by the Company, or in bearer share accounts kept by an authorized intermediary.

In accordance with article 17 of the bylaws, any shareholder may participate in the Shareholders' Meeting, if the Board of Directors so decides when the meeting is convened, by videoconference or other telecommunication means including the internet, under the conditions pursuant to the applicable regulation at the time of its use. Where applicable, this decision is sent with the notice of meeting published in the Bulletin des Annonces Légales Obligatoires (BALO).

The Board of Directors may, if it deems it useful, arrange for the delivery to the shareholders of admission cards with their names, and require the presentation of the same in order to access the Shareholders' Meeting.



CORPORATE GOVERNANCE

Report from the Board of Directors on corporate governance

Statement of non-financial performance

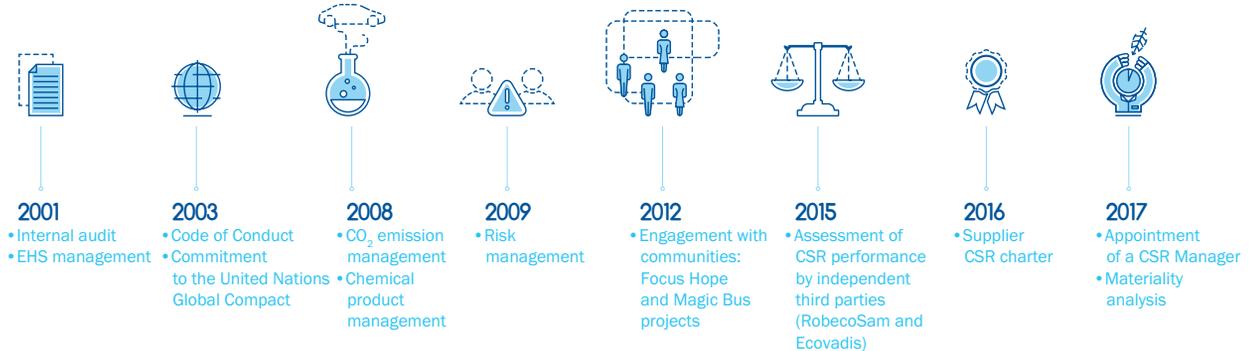
SNFP



Highlights	80	3.3	METHODOLOGY	118	
Recognizing performance	80		Scope of the report	119	
Voluntary commitments	80		Indicator calculation methods	119	
3.1	CSR AT THE HEART OF OUR STRATEGY	81	External procedures and controls	119	
3.1.1	Creating and protecting value	81	3.4	CROSS-REFERENCE TABLE	120
3.1.2	Innovation through passion	90	3.5	REPORT BY THE INDEPENDENT THIRD PARTY	122
3.1.3	Responsibility and commitments	93		For the year ended december 31, 2018	122
3.2	CSR INTEGRATED IN THE BUSINESS LINES	95		Responsibility of the company	122
3.2.1	Responsible entrepreneurs	95		Independence and quality control	122
3.2.2	Care for people	101		Responsibility of the independent third-party	122
3.2.3	Sustainable production	112		Nature and scope of procedures	123
				Means and resources	124
				Conclusion	124

HIGHLIGHTS

During 2018, Plastic Omnium undertook to formalize its corporate and social responsibility strategy (CSR). Identifying and prioritizing its corporate, societal and environmental challenges, by means of a materiality analysis incorporating the assessment of non-financial risks that was undertaken in 2017, has allowed Plastic Omnium to focus on its priorities, strengthen its policies and action plans.



In 2018, the most significant initiatives that Plastic Omnium continued to pursue were:

- strengthening the risk management strategy and the anti-corruption compliance program;
- the commitment made to support gender equality;
- the measurement of the Group's overall carbon footprint including upstream and downstream carbon emissions;
- carrying out life cycle analyses on 4 flagship products.

RECOGNIZING PERFORMANCE

All of the Group's stakeholders acknowledge this continuous improvement strategy.

In June 2018, the PSA Group awarded Plastic Omnium the "Corporate and Social Responsibility Award", rewarding its excellence in the CSR field according to four criteria: environmental, social and ethics performance, and control of the subcontracting chain. Supplier performance is assessed by EcoVadis, the supplier rating agency, which awarded Plastic Omnium a Gold level in 2017 with an improved mark of 71/100.

RobecoSAM, the non-financial rating agency specializing in responsible investment, awarded Plastic Omnium a rating of 63/100. This rating ranks it seventh worldwide and fourth in Europe among automotive equipment manufacturers. Despite a change in the calculation and stricter benchmarking, Plastic Omnium's rating was up 5% in a sector where the average rating fell by 9%, testifying to the Group's performance.

This work, which was undertaken in 2018, was widely communicated to all employees and external stakeholders. It was incorporated in the strategic objectives at the "Top 100" (meeting of the main senior managers), publication in the intranet, main file in the internal magazine distributed to all employees, publication on the internet and social networks and presented at roadshows for socially responsible investors (SRIs), etc.

Formalizing the CSR strategy in 2018 is a key stage in addressing Plastic Omnium's sustainable development challenges through a long-term approach.

VOLUNTARY COMMITMENTS

Internal initiatives support the Group's commitments in support of sustainable development.

As a signatory of the United Nations Global Compact 15 years ago, Plastic Omnium annually renews its commitment to comply with its ten principles in terms of respect for human rights, international labor standards, the environment and the combating corruption.

At the One Planet Summit organized by France in December 2017, Plastic Omnium co-signed, along with 88 other French companies, the French Business Climate Pledge, intended to accelerate the energy transition by drastically reducing greenhouse gas emissions.

On July 10, 2018, Plastic Omnium joined the Act4Nature initiative launched by EpE (the French Companies for the Environment grouping). This association brings together some 40 large French and international companies that want to better integrate the environment into their strategic decisions and ongoing management activities. By joining the initiative, Plastic Omnium chose to respect ten commitments aimed at incorporating biodiversity issues in all of its activities.

In May 2018, Plastic Omnium became the official sponsor of Race For Water, a ship powered by a combination of renewable energies – solar, wind and hydrogen – which promotes the energy transition and undertakes to protect the oceans from plastic pollution. The Plastic Omnium Group mainly supports three missions: contributing to scientific knowledge, awareness raising and education, and implementing sustainable solutions designed with the help of innovative technologies.

In 2018, Plastic Omnium identified its contribution level to the Sustainable Development Goals of the United Nations, taking into account its businesses, impacts and CSR challenges. The United Nations defined 17 Sustainable Development Goals in 2015 to promote prosperity while protecting the planet.

These 17 global goals for countries to achieve by 2030 are fully applicable to companies by meeting social (education, health, social protection, employment) and environmental (combating climate change and environmental protection) needs. Plastic Omnium significantly contributes to six of them:

- | | |
|-------------------------------------|---|
| 3 – Good Health and Well-Being | 12 – Responsible Production and Consumption |
| 7 – Affordable and Clean Energy | 13 – Climate Change Action |
| 8 – Decent Work and Economic Growth | 17 – Partnerships to Achieve the Goals |

Through this statement of non-financial performance, Plastic Omnium is demonstrating the capacity of its business model to create and protect value while taking account of the major corporate, societal and environmental trends and by managing its risks and opportunities.

3.1 CSR AT THE HEART OF OUR STRATEGY

3.1.1 CREATING AND PROTECTING VALUE

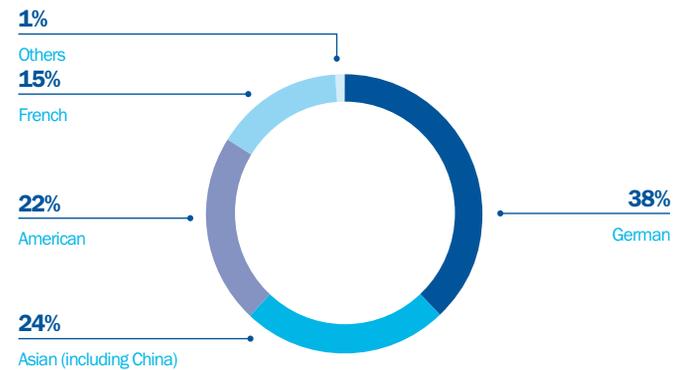
3.1.1.1 BUSINESSES AND MARKETS

In 2018, Plastic Omnium became an automotive pure player following the sale of its Environment Division and the acquisition of a controlling stake in HBPO, the world leader in front-end modules. Plastic Omnium offers its customers:

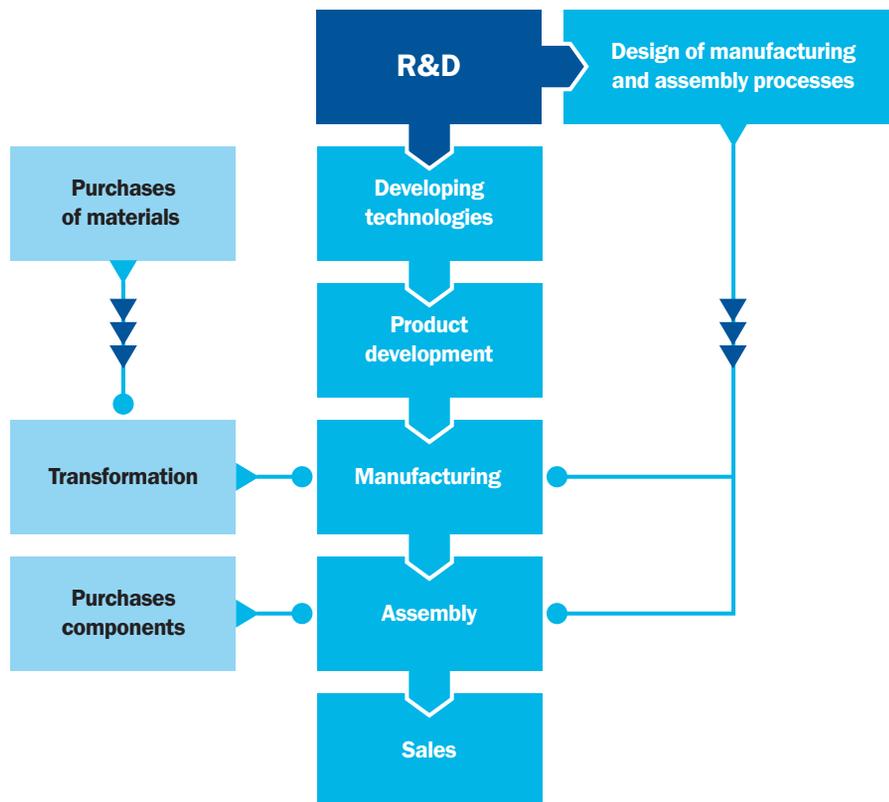
- complex and smart systems for plastic and composite body parts: bumpers, body parts and spoilers and tailgate modules enabling a reduction in vehicle weight and improved aerodynamics which allow their CO₂ emissions to be reduced,
- clean energy systems: plastic fuel systems for internal combustion and hybrid vehicles and NOx emissions reduction systems for diesel cars and CO₂ reduction systems for gasoline-powered vehicles,
- front-end modules integrating the impact beam, the lighting and engine cooling systems, the active radiator grille shutters and the driving-aid radar and sensor systems.

Among its customers, the Group has 83 carmaker brands including traditional automotive industry players and emerging players in the electric and autonomous vehicle segment.

BREAKDOWN OF ECONOMIC REVENUE BY CUSTOMER

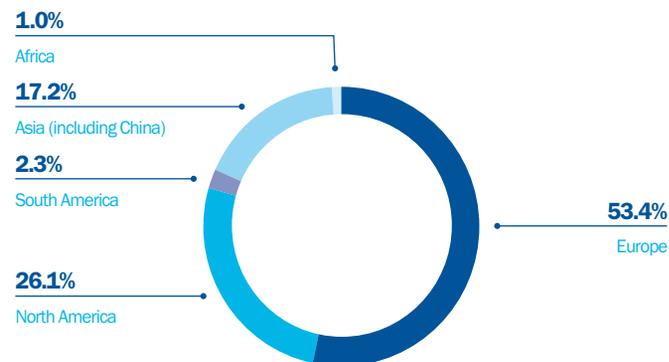


To create its products and perform its services, Plastic Omnium integrates the entire chain from Research and Development to finished product sales.



The Group's added value is also based on the proximity of its plants to those of its customers enabling it to provide just-in-time deliveries: the Group has 124 plants across 26 countries in Europe/Africa, Asia, North America and South America.

BREAKDOWN OF WORKFORCE BY REGION



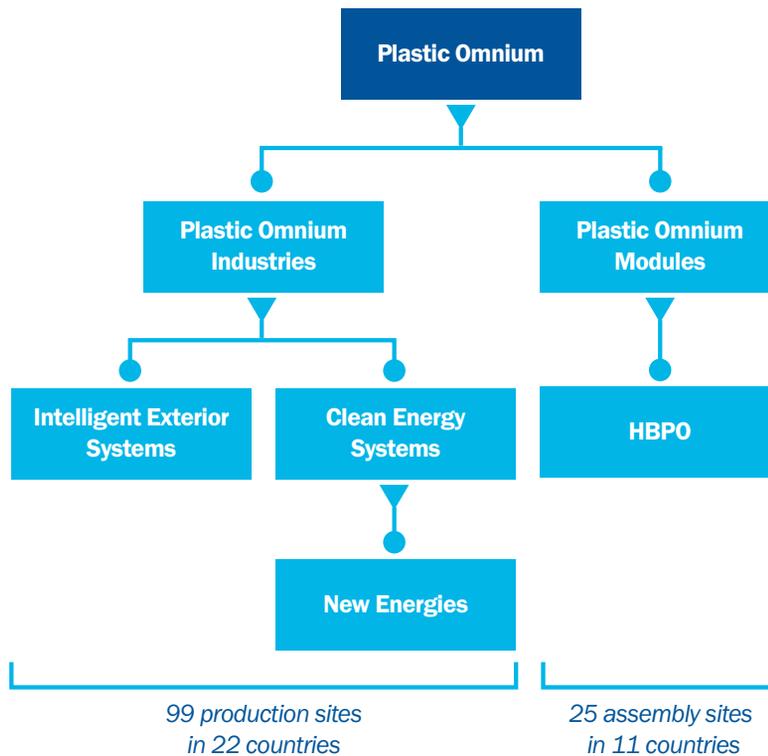
Customized, high value-added, multi-material solutions that integrate both functionality and safety performance and reduce carbon emissions, make Plastic Omnium a leading player in its markets. With one out of every six vehicles in the world equipped with an exterior system and 22 million fuel systems in 2018, Plastic Omnium is the leader in its two sectors, with market shares of 16% and 22% respectively. The main growth areas are, firstly, for Clean Energy Systems, the replacement of metal fuel tanks which still represent 19% of the market and, secondly, for Intelligent Exterior Systems, lower value-added bumpers intelligently integrating a growing number of functions.

Plastic Omnium Modules, created following the acquisition of a controlling stake in HBPO, positions the Group as world leader in the market for front-end module development, assembly and logistics with a 17% market share.

For further information on Plastic Omnium's businesses, markets and solutions, see chapter 1.5 Businesses and strategy in this registration document.

3.1.1.2 THE ORGANIZATION

The development of Plastic Omnium's organization following the disposal of the Environment Division and the acquisition of a controlling stake in HBPO, better reflects the Group's strategic direction. Plastic Omnium is now organized around two business lines: Plastic Omnium Industries and Plastic Omnium Modules.



Within the Industries business, Intelligent Exterior Systems offers complex and intelligent exterior product and module solutions, in particular integrating numerous radars and other sensors necessary for connected and autonomous car of the future, while guaranteeing freedom of design and safety.

Clean Energy Systems covers clean energy storage systems: beyond traditional fuel tanks, the Division is developing fuel storage solutions for plug-in electric hybrid vehicles (PHEV), solutions to improve the efficiency of traditional engines and is committed to the path of future energies with the New Energies subsidiary, specializing in fuel cells and hydrogen propulsion.

The Modules business contains Plastic Omnium's and HBPO's expertise in the area of vehicle modularization with the development, assembly and logistics of front-end modules.

This organization is managed by a parent company, Compagnie Plastic Omnium, and by its local operating subsidiaries, allowing it to centralize

support and strategic functions and to decentralize operating functions so that they are close as possible to markets and customers.

Accordingly, the Finance, Legal, Risks and Compliance, Human Resources, HSE and CSR, Information Systems, Scientific Department and Strategy functions are managed centrally and ensure consistency in the Group's procedures, requirements, level of ambition and the quality of information transmitted.

The Group is managed by a Board of Directors comprising 15 members of whom six are independent directors and 47% are women. Three committees with specific roles participate in this governance: the Audit Committee, the Compensation Committee and the Appointments Committee. The Executive Committee, which has 13 members, ensures that the commercial, industrial and R&D strategy and the Group's CSR policy are implemented.

For further information on Plastic Omnium's organization and governance, see sections 1.3 Organization chart and 2. Corporate governance in this Registration Document.

This governance and organization enables Plastic Omnium's values to be disseminated across all business lines and entities and is the cornerstone of our success. The "PO Way", a culture, state of mind and way of life for all of the Group's managers and employees, rests on five pillars, the "5I", symbols of Plastic Omnium's entrepreneurial spirit, boldness and level of excellence:

- independence: the cornerstone of the strategy, independence is guaranteed by the majority control exercised by the family holding company, Burelle SA, which ensures freedom of action;
- investment: robust investment programs allow new products to be defined and market growth to be captured by developing a presence in high potential countries and through the development of new technologies;
- innovation: part of the Group's DNA, continuous innovation ensures the Group's leadership position in its markets;
- internationalization: being flexible and capable of expanding in growth regions ensures the Group's future;
- integration: the "PO Way" is a medium for integration shared by all employees on all continents.

3.1.1.3 CHANGES IN THE AUTOMOTIVE SECTOR

The automotive market is affected by major environmental, corporate, technological and societal trends that are transforming it in a profound way.

Energy transition and air quality

In 2016, passenger road transport represented 45% of global CO₂ transport-related emissions, i.e. 11% of total emissions from energy combustion. The sector is considered to be a priority in combating climate change, as indicated by the International Energy Agency (IEA) in its Sustainable Development Scenario, a scenario enabling the Sustainable Development Goals (3 – Good Health and Well-Being, 7 – Affordable and Clean Energy and 13 – Climate Action) to be achieved. The two priority areas for achieving these goals are an increase in the share of electric vehicles (which should reach 50% of the fleet in 2040) and improving the energy efficiency of internal combustion vehicles (an efficiency of more than 40% in 2040 for gasoline and diesel-powered vehicles).

Regulations to reduce emissions from new vehicles are ever more restrictive and widespread in the areas where Plastic Omnium has a strong presence: Europe, North America and Asia. Accordingly, in Europe, the regulations provide for emission thresholds for new private and public vehicles to reduce to 95 g CO₂/km from 2021 (compared with 130 g CO₂/km in 2015) while tightening approval tests, leading to an increase in measured emissions. The size of additional reductions expected between 2025 and 2030 is in the process of being negotiated.

In the United States, current regulatory standards stipulate an improvement in vehicle range with a consumption target of 4.3 liters/100 km in 2025 compared with 8.1 in 2014, which will lead to reductions in CO₂ emissions.

As for China, it is planning to achieve 117 g CO₂/km in 2020.

The another major challenge that carmakers and equipment manufacturers are taking into account in their product development is the

impact on air quality. Emissions of particulates and nitrogen oxides (NOx) lead to public health problems, particularly in cities. As increasing urbanization is causing an increase in road traffic and, consequently, air pollution, an increasing number of cities are making commitments to improve their air quality by regulating vehicle flows. The majority of European countries or their large cities are committed to a complete ban on diesel vehicles: the United Kingdom, the Netherlands and Norway have set a national target for banning diesel vehicles, whereas in France, Germany, Denmark, Italy and Greece, major cities have implemented local bans or restrictions on traffic.

At a global level, the 96 major cities in the C40 network which bring together one twelfth of the world's population are committed to combating climate change by complying with the Paris Agreement and promoting intelligent and sustainable cities. One of their initiatives has been to gradually ban vehicles with high levels of emissions. China is planning quotas for the market introduction of vehicles according to their level of pollution. In parallel, China's ambition is to become the leader in the electric automotive industry by developing technologies within its own territory. Currently, half of the existing electric vehicles worldwide travel in China.

Antipollution standards on NOx and particulates emissions regulate the market introduction of new diesel and gasoline-powered vehicles: for example, the new Euro 6 standard in Europe and the Tier 2 standard currently in force in the United States.

In response to these regulations and to demonstrate their willingness to combat climate change, manufacturers are developing a range of short, medium and long-term solutions. Some are planning to offer hybrid engine or plug-in hybrid alternatives for all of their models, while others are planning the electrification of vehicles using rechargeable batteries or hydrogen propulsion. End dates for entirely internal combustion propulsion have been announced by Volkswagen, Toyota, Volvo and Mitsubishi, evidencing the change in the automotive market.

Current forecasts accordingly predict that in 2020, the market will be driven by hybrid vehicles (43% of sales) and electric vehicles (23% of sales) in a total estimated market of 121 million units, with wholly 100% internal combustion vehicles decreasing to 29% of sales from 86% in 2018.

Connectivity and digitization

Digitization is becoming a major issue in industry in general and in the automotive sector in particular, whether for manufacturing or logistics chains or in vehicle technologies. Plastic Omnium is planning to integrate these opportunities into its production technologies and tools.

The development of autonomous vehicles requires the development of data exchanges between vehicles and with infrastructure and its surroundings. Tools for capturing information, connecting to infrastructures and managing data are becoming essential vehicle components, requiring all automotive parts to be adapted. As a result, external body parts are becoming active tools and represent an important source of growth for Intelligent Exterior Systems. Connectivity is already integrated with driving aid equipment (cameras, radar, lidar, sensors, etc) leading in the future to total vehicle autonomy. New disciplines are being developed to meet these needs: plastronics (a mix of platurgy and electronics) and mechatronics (a combination of mechanics and connected systems).

The increased use of data will enable operating performance to be improved using these production tools. At two sites, Greer in the United States and Compiègne in France, production capacities are optimized using automation: machine utilization rates are increased reducing lost time and waste.

Within companies, data management and robotization will disrupt the trades, requiring effective skills management and development of people's abilities to adapt. New roles are already appearing, for example, data scientist, artificial intelligence engineer and cyber security specialist. The issue of data protection is becoming ever more crucial, in a context where cyber attacks are increasing and are becoming economic weapons, and where personal data protection regulations are being strengthened across the world.

The sharing economy and collaborative mobility

Owning a vehicle should no longer be the major concern for users. As a result, in 2030 one third of kilometers traveled could be in "shared" vehicles. Although the total number of vehicles in circulation should decrease in Europe and the United States, the number of vehicle registrations should increase by one third in Europe and by 20% because of the overall wear and tear of vehicles used for car sharing. In China, on the other hand, the total vehicle fleet will increase by 50%. This new method of collaborative mobility will require increased vehicle connectivity.

The circular economy and biodiversity

The management of fossil and renewable resources is also becoming a major subject of concern. Fossil resources are not inexhaustible and their extraction is a major source of climate change. Their substitution by renewable resources is increasing but, with regards to plastic, is not yet competitive (in terms of expected quality and/or cost). At end-of-life, the quantity of wastes increases significantly. The circular economy aims to develop products which take account of their environmental impact throughout their lives (from the extraction of raw materials to end-of-life). This is reflected in the need for products to be eco-designed in order to improve the resources used and to make products recyclable so that at the end of life, each of the materials or components can be reintegrated within the chain of production. In Europe, the European Directive 2000/53/CE of September 18, 2000 relating to end-of-life vehicles has since 2015 required the re-use and recovery of vehicles at the end of their useful lives, i.e. 95% of the average weight of vehicles each year with a reuse and recycling rate of at least 85%.

These major underlying trends are also reflected in strong demand from Plastic Omnium's customers for it to generate proposals in the area of responsible innovations. Through its positioning as a leader in its markets, Plastic Omnium is playing an important role in this transformation and in the image of the automotive sector. Its customers are developing responsible purchasing policies in which they involve Plastic Omnium through the EcoVadis questionnaire. More and more of them are also joining external initiatives that have a potential impact on Plastic Omnium: for example the Science Based Targets initiative, whose ambition is to set a CO₂ emissions reduction target in line with maximum global warming of 2°C, or even 1.5°C, as established by the Paris Agreement.

Plastic Omnium's growth strategy is based on wholly integrating these challenges within its current and future developments and on its ability to seize the significant opportunities offered by these major trends.

In France, the automotive sector has embraced this issue as shown by the signing in 2018 of an industry agreement between the Platform of the Automotive and Mobility Industry (PFA), bringing together 139,000 companies in the sector in France (manufacturers, upstream and downstream stakeholders and R&D players), and the French government. This agreement comprises four major propositions:

- being a player in the energy and environmental transition;
- creating the autonomous vehicle ecosystem and large-scale experimentation in order to offer new mobility services;
- anticipating the development of skills and job requirements;
- strengthening the competitiveness of the automotive sector.

These propositions allow the coming major transformations to be built into the strategies of companies and the French government and commit them jointly to achieving targets and the means of implementing them.

3.1.1.4 THE OUTLOOK FOR PLASTIC OMNIUM

Plastic Omnium presented its "Living Body" complete concept car, which is designed using a biometric approach (mimicking nature), at motor shows in 2018. This vehicle illustrates the Company's contribution to the clean and connected car of the future while ensuring safety, namely:

- a car with an increased range thanks to new weight reduction and aerodynamic solutions and the use of supercapacitors to store brake energy;
- a car with no polluting emissions, fueled by hydrogen and fuel cells;
- a car that communicates with its surroundings thanks to the light signature integrated in its structure.

In order to achieve this goal, Plastic Omnium plans to invest 6% of its revenue between 2019 and 2021. These investments will be in new capacities, the ongoing optimization of the manufacturing base (industry 4.0 and operational excellence), the development of new programs, and the launch of new research projects. The creation of a new subsidiary "New Energies" demonstrates this commitment in the medium term. In the short term, the strategy of Clean Energy Systems is to continue to develop clean solutions, principally for hybrid vehicles.

This investment program will support the growth of Plastic Omnium which is planning to grow by five points more than the market and to improve its market share for its three Divisions by 2021: Intelligent Exterior Systems will achieve 19% (16% in 2018), Clean Energy Systems will also grow by three points to 25% and HBPO will gain one point to 18%.

A plant opening program goes hand-in-hand with this growth outlook including nine construction projects by 2021. Intelligent Exterior Systems will open plants in India, Morocco, Slovakia and China. A plant will be developed in Malaysia for Clean Energy Systems, and HBPO will consolidate its position in Germany with two new assembly plants as well as in Mexico and in China.

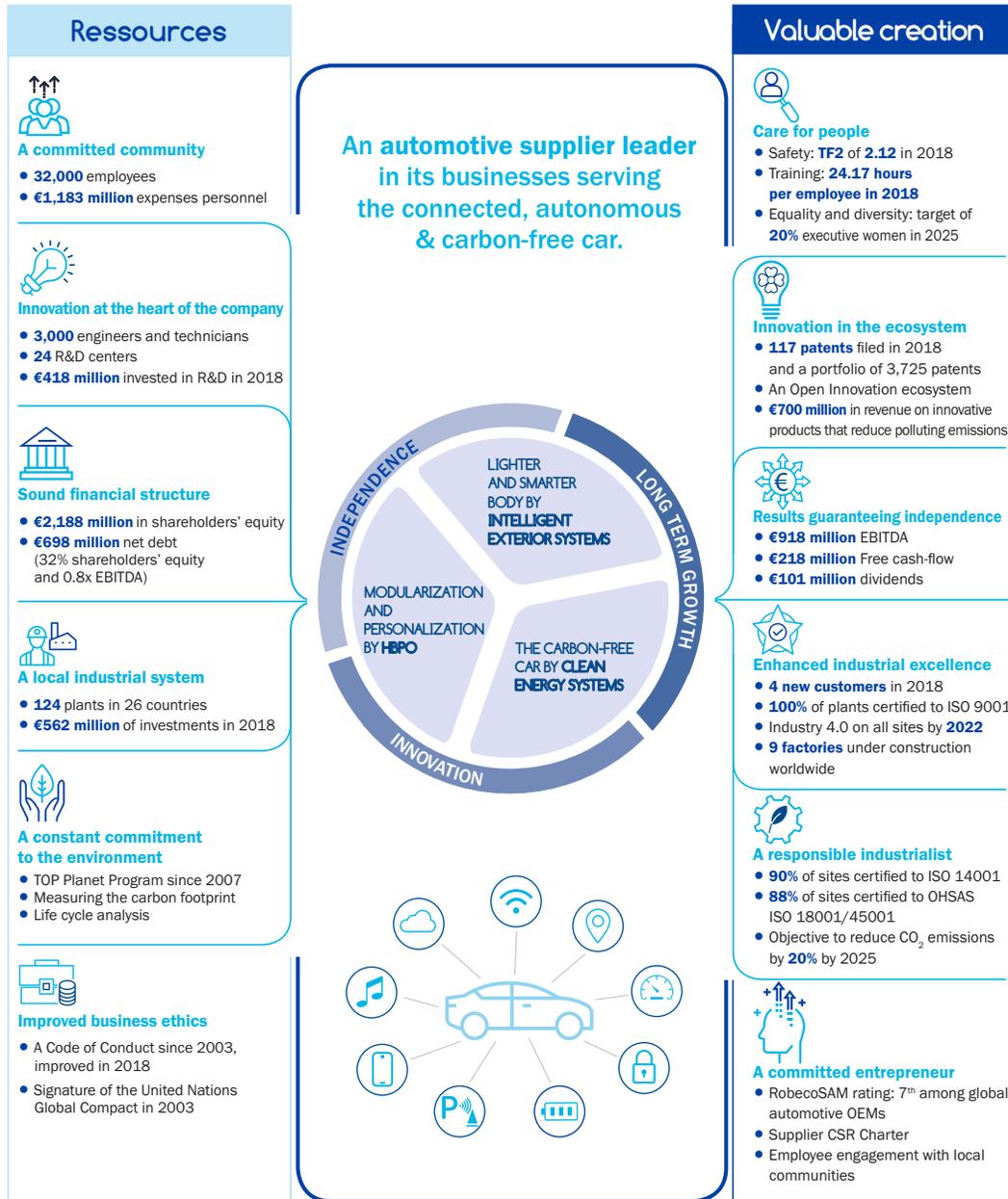
The transition towards the 4.0 plants accompanies a strong policy to reduce the Group's overall carbon footprint, taking into account emissions linked to the products sold (measures to reduce the weight of vehicles, improved aerodynamics and clean propulsion systems), as well as direct emissions from business operations (energy and electricity use). Therefore, Life Cycle Analyses are conducted to identify the main areas in which products can be improved, and an overall reduction target has been set: in 2025, emissions per kilogram of transformed product should be reduced by 20% compared to 2018. Three priority areas have been highlighted:

- Improved energy efficiency of the plants,
- Renewable energy generation on the sites,
- Purchase of green energy.

Another of the Group' major ambitions relates to employee safety: Plastic Omnium aims to record no serious accidents and to have a frequency rate (workplace accidents with or without lost time, including temporary personnel) of 1 by 2020. The health/safety policy in place since 2006 (which is regularly updated) enables gradual progress to be made in instilling a safety culture at all sites and improving results year on year.

Value creation

Fully incorporating global challenges and to support its objectives, Plastic Omnium's model creates and shares value over the long term.



Contribution to Sustainable Development Goals

The Sustainable Development Goals (SDGs) of the United Nations form an international benchmark universally recognized as the way forward to create a sustainable, viable and fair future. From these 17 goals, Plastic Omnium has identified those to which the Group contributes the through its organization and business.



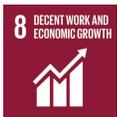
SDG 3 – Promoting good health and well-being at any their age

Plastic Omnium contributes to this Goal by ensuring the health and safety within the Company of its 32,000 employees (zero accident target, work on ergonomics, survey on engagement, etc.), and by offering additional initiatives on a local basis, such as health coverage, promoting sport, vaccination campaigns, etc. Plastic Omnium also contributes to improving health and well-being by proposing technological solutions to car manufacturers, allowing them to drastically reduce nitrogen oxides which are acknowledged to reduce air quality and to affect health. Through its intelligent exterior body parts and modules which incorporate an increasing number of sensors, Plastic Omnium also contributes to improving road safety. The reliability of its products in the event of an impact with a pedestrian is, for Plastic Omnium, a non-negotiable safety aspect.



SDG 7 – Guaranteeing access for everyone to reliable, stable and modern energy services at an affordable cost

Through Clean Energy Systems and its New Energies subsidiary, Plastic Omnium helps to develop a clean energy for vehicles. Firstly by improving air quality for traditional gasoline and diesel energies and by proposing solutions for hybrid vehicles and, secondly, by investing heavily in research to develop hydrogen and to make it a source of energy with the same characteristics as traditional fuels: range, rapid refilling and cost. For this, Plastic Omnium has invested directly in companies by acquiring them – Swiss Hydrogen and Optimum CPV – or through Aster, the venture capital fund specializing in the energy transition and the mobility sectors of the future. The Group has also joined the Steering Group of the Hydrogen Council, which brings together leading energy, transport and industry companies with a united vision and long-term ambition for hydrogen to be a key part of the energy transition, particularly in the transport sector.



SDG 8 – Promote the continuation of sustained and shared economic growth, full productive employment and decent work for all

Through its global presence, Plastic Omnium contributes to the economic development of these regions: the Company creates jobs, recruiting 4,951

people in 2018 across 26 countries, while also ensuring the safety, health and well-being of its employees, whether permanent or temporary. The Group prioritizes stable jobs by promoting long duration contracts and ensuring that its service providers, subcontractors and suppliers respect workers' rights through its responsible purchasing policy. Sustained and shared growth is also the result of Plastic Omnium's high capacity for innovation, which is demonstrated by its significant investment in Research and Development, a constant quest for continuous improvement through an innovation competition open to all employees and through the implementation of an open innovation approach (integrating external experts, partnerships with universities and schools or with SMEs, start-ups, etc.). Plastic Omnium also contributes to this goal through its salary policy. Thus, in France, Spain, Germany or in Mexico, to mention just a few countries, salary levels are much higher than local minimum legal requirements.



SDG 12 – Establish sustainable production and consumption methods

In all stages of a product's life, Plastic Omnium takes sustainability criteria into account: research allows technologies to be designed and products to be developed that are more sustainable and, as a result, to offer customers responsible innovations; life-cycle analyses are currently being carried out so that customers can be guided in their decisions by integrating environmental criteria; environmental criteria are incorporated in supplier selection; the Top Planet policy aims to reduce energy consumption during manufacturing; and the Group has a stringent requirements for managing waste, emissions and chemical products irrespective of the site and country.



SDG 13 – Act urgently to combat climate change and its consequences

Clean Energy Systems' products are developed with the goal of improving air quality and also reducing greenhouse gas emissions. Accordingly, the HydroPower emissions control system for gasoline-powered engines enables, among other things, CO₂ emissions to be reduced by up to 15%. Plastic Omnium also offers hybrid vehicle fuel storage systems pending the development of hydrogen systems. In manufacturing, the Top Planet program which aims to seek optimum energy efficiency and thus reduce greenhouse gas emissions has been in place since 2008. In 2018, the Group measured its carbon footprint including emissions generated upstream and downstream of its activities (scope 3) allowing areas of improvement to be identified, beyond the direct impact of its activities that are already managed through the Top Planet program (scope 1 and 2). In addition, life-cycle analyses have been carried out on four of the Group's flagship products in order to understand the mechanisms for improvement related to the products themselves (from the extraction of materials to their end-of-life).



SDG 17 – Strengthen the resources for implementing the Global Partnership for Sustainable Development and revitalize it

Plastic Omnium has opened a lasting dialogue with its stakeholders to contribute collectively to achieving objectives. For its customers, Plastic Omnium is developing innovative technological solutions incorporating environmental sustainability criteria. For its investors, Plastic Omnium is demonstrating its ability to be a responsible company through its constantly improving rating from RobecoSAM and by developing meetings for socially

responsible investors. With its suppliers, Plastic Omnium is incorporating CSR criteria in its purchasing through its contracts, charters and questionnaires. Several of the Group’s partnerships aim to develop responsible innovations that will make a positive contribution to the above Goals.

Plastic Omnium contributes to a lesser degree to Sustainable Development Goal 1 – No Poverty; 4 – Quality Education; 5 – Gender Equality; 9 – Industry, Innovation and Infrastructure; 10 – Reduced Inequalities.

Although the Group’s businesses are not directly related to Goal 2 – Zero hunger; 6 – Clean Water and Sanitation; 11 – Sustainable Cities and Communities; 14 – Life Below Water; 15 – Life On Land and 16 – Peace, Justice and Strong Institutions, Plastic Omnium ensures that it does not negatively affect their achievement.

3.1.1.5 STAKEHOLDER DIALOGUE



As the cornerstone of United Nations Goal 1,7 stakeholder dialogue is essential for achieving the 16 other Sustainable Development Goals.

The Plastic Omnium Group mapped its key stakeholders in 2017 in order to identify those with whom to prioritize dialogue.

Stakeholders	Type of relations
Employees	Social dialogue, internal communications, collaborative spaces, events, career website for future employees, innovation competitions
Labor unions and local and European representative bodies	Meetings, consultation, negotiation
Board of Directors	Board meetings
Shareholders	Shareholders’ Meeting, Shareholders’ day, shareholders’ newsletter, quarterly and annual publications, site visits, response to financial and non-financial rating agencies, meetings with financial analysts, meetings with socially responsible investors
Banks	Annual reviews
Non-financial rating agencies	Response to questionnaires
Insurance companies	Site visits and rating
Trade receivables	Contracts, annual reviews, R&D partnerships, responses to CSR questionnaires
End users	Motor shows
Suppliers	Contracts, supplier CSR Charter, partnership, visits
Trade associations	Participation in working groups
Standardization body	Participation in working groups focused on standards
Research cluster	Participation in projects
Schools and universities	Partnership, participation in events, site visits
Specialized administrative services	Consultation
Local authorities	Contracts, consultation
Organizations promoting CSR and sustainable development initiatives	Membership, participation in working groups, patronage and sponsorship

Dialogue with Plastic Omnium's employees takes many forms:

- regulated social dialogue, described in section 3.2.2.4 Social dialogue;
- participation in events: World Safety Day has become an annual event for all employees; 40 European employees and their families received VIP invitations to the Plastic Omnium stand at the Paris Motor Show;
- recognition of innovators with a new internal competition: the *Innovation Awards by Plastic Omnium*;
- communication using diverse complementary channels, all available in eight languages. Optimum, the twice-yearly publication, is sent to all employees. Monthly news items are broadcast on video screens on-site: this initiative launched on 26 sites at the end of 2017 in particular enabled operators to be contacted. The TopNet intranet portal connects 13,000 employees. In this way, more than 200 news items have been broadcast and, on average, were consulted 22,000 times each month. Traffic has increased 39% compared to 2017, demonstrating this communication channel's attractiveness.
- the TopShare collaborative portal: this tool for sharing hosts over 1,400 collaborative sites. In 2018, interest in this portal increased with 15% additional monthly clicks compared to 2017, or more than 2 million clicks per month;
- management meetings: the "Top 100" is the Annual Meeting for senior managers to discuss the Company's strategy. Management meetings allow the Executive Committee and country managers to share results and local ambitions. Conventions organized by Division and by business line are the opportunity to involve managers in strategy and operating challenges. Quarterly conference calls and webcasts organized by the Divisions are intended to share results and goals with the 300-500 key managers;
- dialogue with future employees is addressed in section 3.2.2.5 Talent and skill management.

Plastic Omnium develops partnerships with its customers in order to develop innovations together enabling users' expectations to be met, while incorporating the major sustainable mobility trends and anticipating regulatory changes. This ongoing dialogue enables Plastic Omnium to remain the leader in its segments by developing better products for its customers. Plastic Omnium's excellence is consequently acknowledged through awards. Accordingly, in 2018:

- Clean Energy Systems' Sorocaba plant received two awards from Toyota for product quality and for delivery logistics;
- CLEPA (the European Association of Automotive Suppliers) awarded Plastic Omnium the 2018 environmental innovation award for Tanktronic®, the intelligent fuel system for plug-in hybrid vehicles;
- our customer Hyundai awarded Plastic Omnium the "Superior Technology Supplier" award for its fuel system installed on two of the brand's plug-in hybrid models;
- PSA awarded Plastic Omnium Group the "Corporate and Social Responsibility Award" for its remarkable initiative in the environmental, social performance, ethics, and subcontracting areas. In particular, PSA highlighted the Vincios Gondomar plant in Spain for its industrial

excellence by awarding it a "Best Supplier Plants Award" for the third consecutive year.

The Frankfurt, Paris and Detroit international motor shows were an opportunity for Plastic Omnium to make contact with the end users of its products and to meet potential future employees.

Plastic Omnium's wish to increase its attractiveness, particularly to young people, is reflected in the introduction or renewal of partnerships with schools and participation in their events in order to present the Company, its occupations and to meet young people's expectations. The Group participated in 134 school relations events and partnerships were formed to strengthen links. In France, *École Centrale* Lyon and UTC became new partners alongside CentraleSupélec and INSA Lyon. Partnerships have been renewed: Lublin University of Technology in Poland, Clemson University International Center for Automotive Research (CU-ICAR) in the United States. In Slovakia, the Slovak University of Technology (STU) became a partner in 2018.

Partnerships formed with schools and universities are also part of innovation projects: MIT (United States), Technion (Israel) and DTU (Denmark) are part of Plastic Omnium's open innovation ecosystem.

The Automotive Strategic Analysis Committee (CASA), formed in 2011 and chaired by the Chairman and CEO, intends to support management discussions on technological innovations, and strengthen open innovation and partnerships. Comprising Research and Development Directors from each business and Division Directors, it has included three external and internationally recognized experts from the university and academic world since 2017:

- Professor Mathias Fink from ESPCI Paris, member of the French Academy of Science and Academy of Technology. Professor Fink is an internationally recognized researcher in wave propagation and imaging;
- Professor Emeritus Jay Lee, from the University of Cincinnati, USA. Dr Jay Lee, Ohio Eminent Scholar, L.W. Scott Alter Chair and Professor, is founding director of the National Science Foundation (NSF) Industry/University Cooperative Research Center;
- Professor Hiroaki Kitano, President of the Systems Biology Institute at the Okinawa Institute of Science and Technology in Japan, also President & CEO of Sony Computer Science Laboratories Inc. Professor Kitano is one of the pioneers in artificial intelligence, robotics and smart energy systems.

The Group also participates in working groups such as the CSR Committee of the PFA (Platform of the Automotive and Mobility Industry), and develops relationships with start-ups through the Aster fund and with other large companies through the Hydrogen Council.

Relationships with suppliers are based on creating trusting partnerships that begin with an approval process requiring them to sign the Supplier CSR Charter. A description of how CSR is addressed in supplier relations is presented in section 3.2.1.3 Duty of vigilance.

For technical subjects that are not directly related with the Group's expertise, Plastic Omnium works closely with external specialist consultants or service providers: for example, managing risk from the use of chemical products or conducting life cycle analyses are carried out under partnership arrangements.

3.1.2 INNOVATION THROUGH PASSION



Solutions for
clean mobility

When it celebrated its 70th anniversary in 2017, Plastic Omnium chose “heritage as a legacy” as the common theme of the celebrations: Plastic Omnium’s ability to continually reinvent its solutions and anticipate changes in its markets has always been one of the Company’s major assets, with innovation being one of the “5i”, the cultural pillars of the Company. The current global environment is leading to a profound transformation of the automotive world. The entire sector must make revolutionary changes and the Group’s significant ability to innovate will be a determining factor in it remaining the leader in its markets in the long term period.

The Group’s priorities in terms of innovation are environmental sustainability, autonomous cars/car sharing and industrial performance. This is reflected in more than 3,725 patents in the portfolio including 117 filed in 2018, and an investment program totaling 6% of revenue over the 2019-2021.

Four research hubs, 24 development centers and more than 3,000 engineers take part in researching and developing innovations:

- Σ-Sigmattech in Lyon, France, the R&D center specializing in external body parts and composite materials, whose capacity has been expanded to support the Group’s ambitions and accommodate new skills: mechatronics, virtual reality and robotized tools;
- α-Alphatech à Compiègne, France, the global Research and Development center specializing in fuel systems and emission controls as well as new energy storage solutions;
- Δ-Deltatech for new energies and, in particular, hydrogen will be opened in 2019 in Brussels, Belgium;
- ω-Omegatech in Wuhan, China, the fuel systems test and development center for Asia, will open in 2019, focusing on hydrogen vehicles;
- I-Itech, the R&D center specializing in information systems in Nanterre, France.

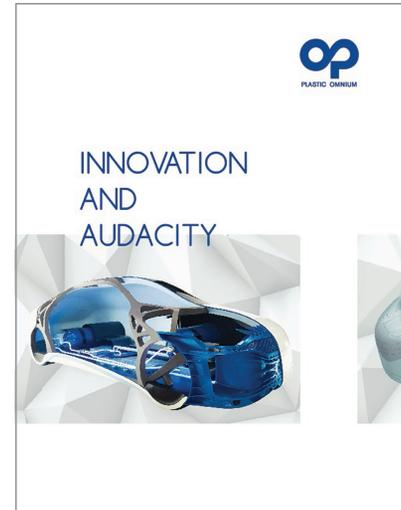
The Group’s global innovation strategy, driven by the Scientific Department, has shifted towards open innovation. Identifying ideas and projects internally is a major area of focus that requires the support of specific skills or techniques from specialists.

As previously mentioned, the Company is extending its network in order to develop innovation: with tech start-ups through the venture capital fund, Aster, with major universities such as MIT in the United States, DTU in Denmark and Technion in Israel or by acquiring complementary companies such as Swiss Hydrogen and Optimum CPV.

A partnership with Brose, a German equipment manufacturer, which was agreed at the end of 2018 will allow the Group to jointly develop an innovative project for car doors. Plastic Omnium will contribute its technological expertise to the concept and design of body part systems and crash testing, and Brose will provide innovative solutions in the area of mechatronics and door systems.

In January 2019, the Plastic Omnium Group established a partnership with Hella, a German automotive supplier, leader in the development and production of lighting systems and electronic components. The collaboration aims to develop new concepts incorporating innovative technologies in lighting and intelligent front and rear body systems.

The dynamism shown by Plastic Omnium regarding innovation is illustrated with the publication in 2018 of its first dedicated report, “Innovation and Audacity”.



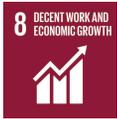
This publication coincides with the launch, in the fourth quarter, of the “*Innovation Awards by Plastic Omnium*”, an internal competition open to all Group employees to develop a continuous culture of innovation at all levels and to give everyone the opportunity to propose their ideas and be valued. Projects were submitted in three categories: products, operating excellence and open innovation for projects developed in partnership with laboratories, start-ups or universities.

The competition winners will receive awards at a ceremony, chaired by Mr. Laurent Burelle.



With this strong emphasis on innovation, Plastic Omnium is consolidating its current leadership position in its markets and strengthening its long-term competitiveness.

3.1.2.1 A COMPANY DRIVEN BY ITS LONG-TERM COMPETITIVENESS



The automotive industry is by its nature a very competitive sector. Customers are very demanding in terms of the costs, deadlines and quality required from suppliers. Plastic Omnium Group has developed a strong culture of industrial excellence, performance and competitiveness. Its excellence is regularly acknowledged by customers who give awards to the Group overall or to particular sites. This competitiveness is achieved through seeking industrial excellence with innovative programs to develop industrial efficiency. Every plant pursues its continuous improvement programs with benchmarks enabling best practice to be identified and shared.

In an uncertain economic context, the Company is expanding its optimization program to better fit with its customers' requirements, by developing its production flexibility and reducing fixed and structural costs. A complete prototype of the "industry ambition 4.0" development program, which will be deployed at the Greer plant in the United States for Intelligent Exterior Systems, will make a significant contribution to maintaining industrial performance. The program will then gradually be rolled out to all plants. For Clean Energy Systems, the existing site at Compiègne has been selected to validate the solutions that will be rolled out thereafter.

Three areas for improvement are planned:

- maintenance will become predictive: maintenance costs as well as the number of interruptions to manufacturing will be reduced;
- quality management will be based on Big Data analysis enabling fault-free products to be manufactured and faulty parts reduced;
- automation will enable a transition from manual operations to digitized industry, optimizing inventories and labor costs.

Plant 4.0 will, in the future, enable industrial performance to be improved while reducing environmental impacts at the same time. Energy savings, waste reduction and, therefore, a reduction in necessary production capacities will allow Plastic Omnium to offer higher value-added products for its customers while containing prices.

3.1.2.2 PRODUCT SAFETY AND QUALITY



Guaranteeing product quality is indispensable in order to maintain a high level of customer satisfaction and retention. Reliability in use and user safety also depend on quality. Indeed, tanks and energy storage systems are considered as safety components and are subject to rigorous standards. Body parts, such as bumpers, must reduce risks to people as far as possible in the event of an accident.

It is therefore essential that product quality and safety be guaranteed from design through to its use. To achieve this, the Group has committed all of its sites to IATF 16949 certification, a standard specific to the automotive industry whose requirements include those of the ISO 9001 standard. This recently launched standard, or the ISO 9001 standard, are implemented at all of Plastic Omnium's Industries Division sites. The correct implementation and use of the standards are regularly audited. In 2018, 81% of sites were accordingly audited.

In the Group's Code of Conduct, which was revised in 2018, all employees are asked to commit to guarantee product quality and safety. Plastic Omnium's high requirements, whether in terms of design, quality or safety are one of the Group's excellence factors. Through the individual commitment of each of its employees, the Group is committed to complying with all current legal requirements and standards, implementing the checks necessary throughout a product's life and being reactive when a discrepancy is detected.

Each Division has its own unit dedicated to ensuring product quality and safety. Each Division deploys its own quality policy implemented by the regional and country management and a quality network within the production quality, project quality, system quality and supplier quality departments.

A robust quality management system has been introduced, which the "design essentials" feed into, for example, and which allows skills to be improved through the continual incorporation of feedback. Quality criteria are taken into account from the very beginning of exploratory research projects. For example, for future projects, such as hydrogen tanks, the risks are different to those of traditional fuel tanks and therefore require adaptations or even an overhaul of the expected quality criteria. When products are developed in response to customer requests, quality criteria are also reviewed and approved by Plastic Omnium whose requirements, which are identical throughout the world, are sometimes higher than those in local regulations. Actively monitoring regulations ensures that Plastic Omnium's requirement level remains compliant with the strictest legal requirements.

Physical test areas at Σ-Sigmatech, for Intelligent Exterior Systems, and at α-Alphatech for Clean Energy Systems, allow predictions, particularly about durability, quality and safety, to be verified on prototypes. These test areas are also used to test products in production.

Plastic Omnium then works in close collaboration with its customers when a problem is identified during a product's lifetime on the market. According to the origin of the defect, the carmaker or Plastic Omnium implements the necessary action plans to correct the defect and to prevent its reappearance on other models by providing feedback into, for example, the "design essentials".

Product quality also depends on the quality of materials, components and services provided by suppliers, subcontractors and service providers. One of the selection criteria for approving a supplier is the robustness of its quality management system. According to the products, suppliers must be ISO 9001 or IATF 16949 compliant. An on-site audit will confirm whether it can be referenced. Once referenced, and during projects, the quality of components or materials provided is audited on a regular basis.

Product quality and safety is therefore ensured: between 2017 and 2018, non-quality was decreased by 30% for Clean Energy Systems and 20% for Intelligent Exterior Systems.

3.1.2.3 CLEAN PROPULSION SYSTEMS



The current development of the automotive market incorporates the challenges of the energy transition namely, reducing fossil energy consumption in order to reduce global warming. Clean Energy Systems supports its customers in achieving their transition by proposing products to them consistent with their change and adaptation policy. Manufacturers are thus investing to improve the efficiency of internal combustion engines to reduce fuel consumption. Hybrid and plug-in hybrid propulsion systems form part of the solutions.

Plastic Omnium supports its customers by producing products adapted for the specific requirements of the engine tanks for hybrid and plug-in hybrid vehicles: Inwin and Tanktronik®, which are protected by 64 patents. As the majority of dedicated tanks are still made from metal, the current transition towards plastic tanks is enabling Plastic Omnium to win significant market share forecast to reach 13% in 2021 compared with 4% in 2018. The Group is also working on improving traditional tanks and on emission control technologies.

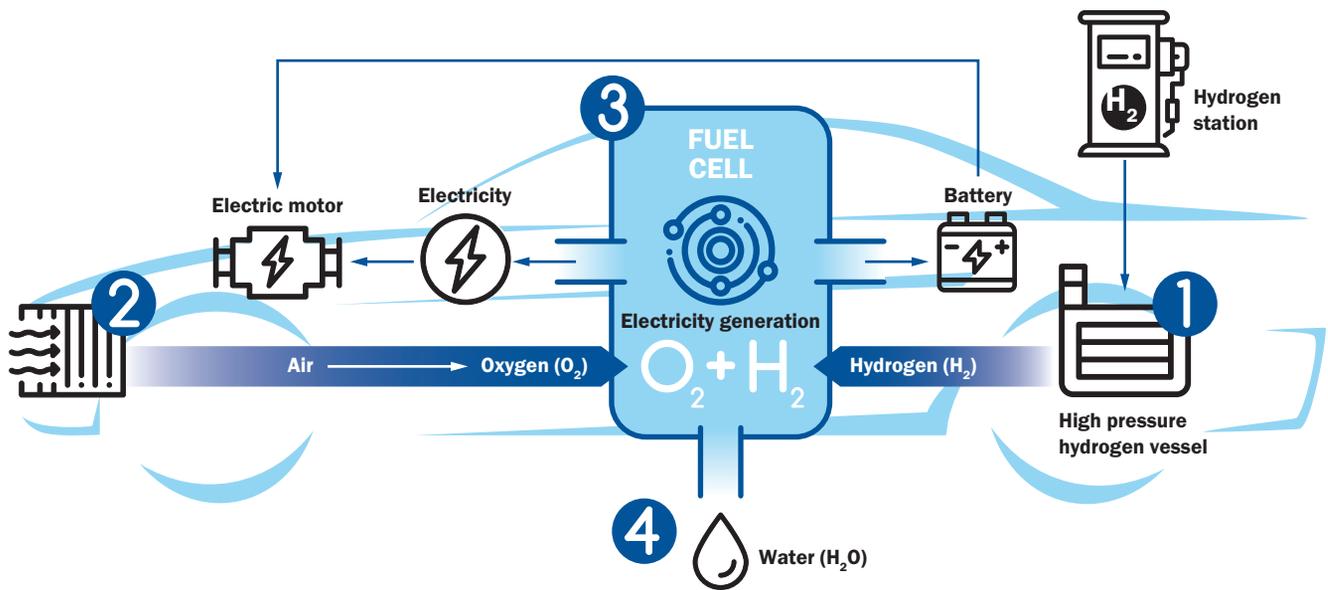
For diesel vehicles, Plastic Omnium is marketing its Selective Catalytic Reduction (SCR) system which allows manufacturers to reduce NOx emissions (nitrogen oxides with a harmful effect on health) of their diesel vehicles. When AdBlue® is sprayed into the exhaust pipe and makes contact with the gases that result from diesel combustion, a chemical reaction breaks down nitrous oxide emissions into nitrogen and water vapor. 95% of emissions are avoided, dramatically reducing the impact on air quality. The Dual SCR, a complementary system to SCR, improves diesel engine efficiency as soon as the engine is started and in all driving conditions, particularly in cities. This technology is compatible with the

requirements of the future Euro 7 standard. As new vehicle approval tests in Europe are making achieving emissions targets more difficult and diesel continues to grow in non-regulated markets, SCR is an essential technology for coming years. Plastic Omnium expects that its market share should increase from 18% in 2018 to 23% in 2021.

Gasoline-powered vehicles currently emit more CO₂ than diesel vehicles. To achieve the standards (95 gCO₂/km in Europe from 2021), Plastic Omnium is developing a water injection technology, HydroPower, which reduces CO₂emissions by 15%.

With regards to electric vehicles, Plastic Omnium estimates that the future is open for vehicles producing their own electricity and not needing to be plugged in. Hydrogen technology is particularly suitable and promises to meet consumers' expectations. The refilling time for hydrogen is the same as the refilling time using fuel (less than five minutes) with a similar range (more than 500 km) at a cost that is still comparable. This technology requires several stages to be mastered before becoming viable:

- a tank capable of withstanding a pressure of 700 bars to contain the compressed hydrogen: Plastic Omnium is working on composite materials that are very strong and light compared with their metal equivalents. Two 60 liter tanks would allow a range of 800 km to be achieved. Acquiring Optimum CPV enables Plastic Omnium to strengthen its skills in designing and manufacturing these tanks;
- fuel cells allow hydrogen to be transformed into electrical energy that can be used by the engine to propel the vehicle while only emitting water. The Ξ PO-CellTech joint-venture and the future Δ -Deltatech center are dedicated to developing a fuel cell containing low levels of precious metals;
- the management of flows to control the energy in fuel cell systems while managing data. The acquisition of Swiss Hydrogen enables Plastic Omnium to develop its expertise in the design and manufacture of energy management and control solutions.



The creation of the New Energies subsidiary and planned investments of €200 million in new energies between 2018 and 2022, demonstrate that this worldwide environmental challenge is being addressed at the Company's highest strategic level.

3.1.2.4 MEASURES TO REDUCE THE WEIGHT OF VEHICLES



A RobecoSAM study has suggested that the proportion of light materials will more than double between 2010 and 2030 and reach 67% of the vehicle's weight. This trend is in part related to the need to reach the increasingly lower CO₂/km emissions targets required by the regulations and standards governing the automotive sector. In order to be able to support its customers in this constant quest for weight reduction, Plastic Omnium must offer innovations, principally in terms of materials and design, while integrating an increasing number of detection and connectivity systems and giving manufacturers great design freedom.

Plastic Omnium expects market share growth for bumpers and tailgates to increase, respectively, from 13% to 19% and from 40% to 45% between 2017 and 2021. The policy of developing high value-added multi-material solutions has been extremely successful with more than 2,200 patents filed.

3.1.3 RESPONSIBILITY AND COMMITMENTS

3.1.3.1 FORMALIZING THE CSR STRATEGY

Following the materiality and risk analysis carried out in 2017, the Group has identified its strategic issues in relation to governance, employment, the environment and innovation that have an impact on the Company's performance or on its external stakeholders.

This work was based on a previous analysis of potential issues by internal managers from operating and support functions, which were then submitted to internal stakeholders representing the various departments

The different technologies developed have been brought together in Plastic Omnium's "Living Body" concept car which is its vision of the vehicle of the future.

The "Smart Bumper" is an active aerodynamic system optimizing the drag coefficient and engine or battery cooling with a gain of 2 gCO₂/km. It also incorporates intelligent systems that contribute to vehicle connectivity and its communication with its surroundings, a shock-absorbing system for safer and cleaner autonomous driving.

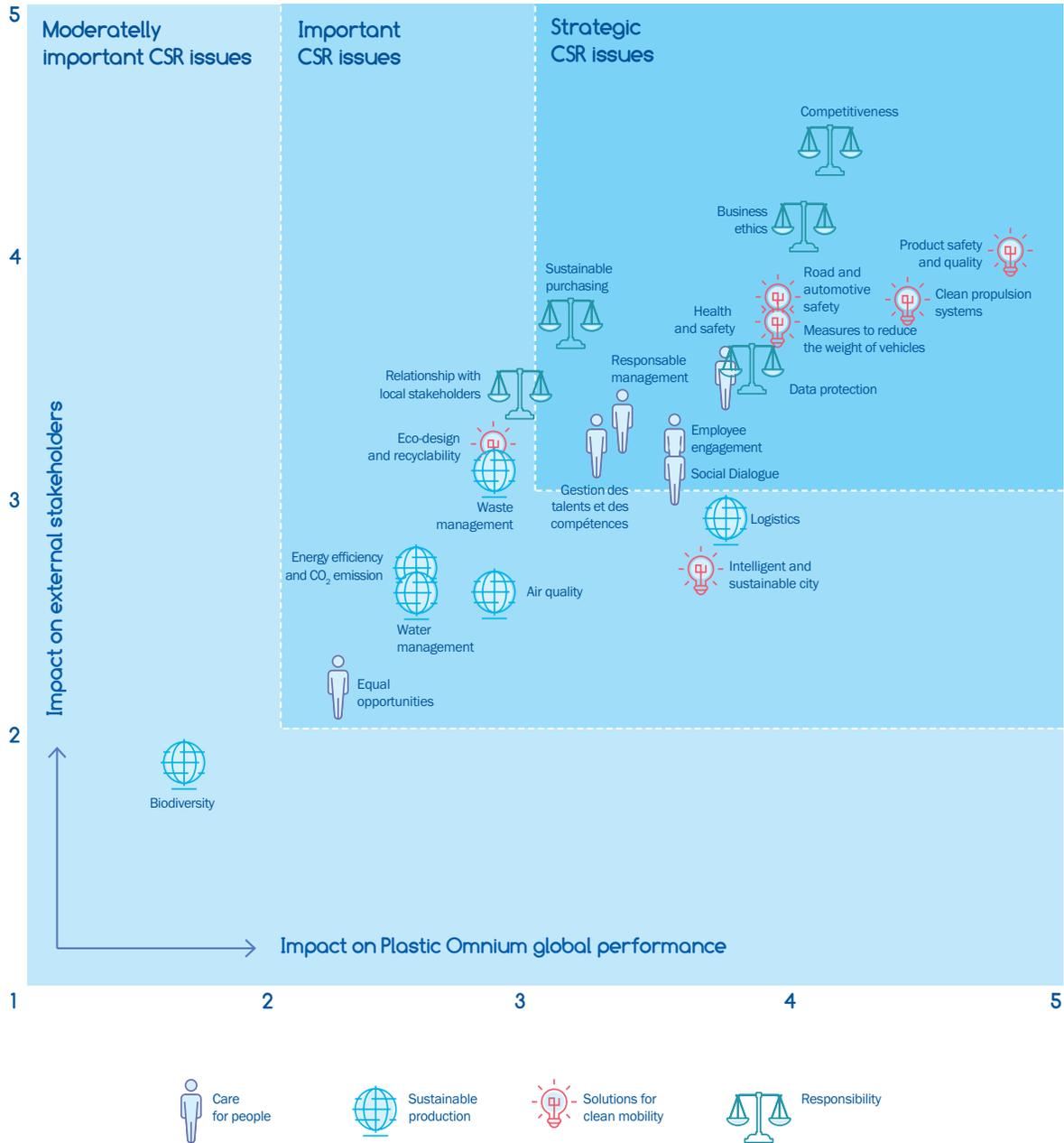
The "Smart Tailgate" uses active technologies such as an active spoiler, lateral deflectors and a movable deflector beneath the floor which improves the aerodynamics and enables an emissions reduction of 2 gCO₂/km. This new generation tailgate incorporates an LED screen able to transmit messages and allows drivers to communicate with their surroundings. Lastly, the tailgate interacts in three ways: opening *via* facial recognition, contact opening thanks to conductive paint, and, the detection of obstacles to prevent damage when the trunk is opened.

Innovation is an integral part of Plastic Omnium's business model and major worldwide trends are fully taken into account to focus the Company's strategic approach and guide Research and Development. The environmental (energy transition) and societal (digitization, car-sharing) challenges are some of the key influences that determine tomorrow's products. In 2018, Plastic Omnium formally stipulated that the way these issues are addressed in product development must be supported by integrating them in all of the Company's business lines. To achieve this, three areas of work have been defined: being a responsible entrepreneur, caring for people and sustainable production.

in the Company. For each issue, these stakeholders noted the risks for the Company in terms of financial, business continuity, reputation and image and regulatory issues. These issues were also submitted to 18 key external stakeholders who were selected after mapping the links between them and the Company. These stakeholders were interviewed about the impact that these issues could have on their organizations.

This internal and external rating work led to the preparation of the materiality and risk matrix and to the identification of challenges that are particularly strategic for Plastic Omnium.

Materiality and risk analysis



Following this assessment, results were shared at the “Top 100” meeting with all senior managers and the Group worked throughout 2018 to formalize its CSR strategy by defining its priorities by subject areas.

Plastic Omnium’s ambition is to make CSR issues part of the Company’s DNA in order to make it a differentiating advantage in terms of

competitiveness and attractiveness. It is in this spirit that occupational safety has become over the years a genuinely cohesive and motivating factor. Plastic Omnium is approaching CSR issues with this same entrepreneurial spirit through the *Act For All program*.

3.1.3.2 ACT FOR ALL: A STRONG MOBILIZATION OF THE GROUP AROUND ITS CSR PRIORITIES



The challenges in relation to clean and connected mobility solutions are at the heart of Plastic Omnium's business model and its Divisions' business lines. The innovation policy, which is supported by major investments, demonstrates the strategic nature of these challenges: product safety and quality integrating, in particular, road and automotive safety issues, clean propulsion systems and vehicle weight reduction. The challenge of being competitive forms an integral part of these key issues for the Company.

The three themes of responsible entrepreneurs, care for people and sustainable manufacturing are the pillars required to support the Group's business model.

Supported at Executive Committee level by sponsors, these priorities are integrated into the global program, Act For All, comprising the Group ambitions to act responsibly with all: compliance, ethics, health and safety, diversity, environment... Key performance indicators and targets are monitored during Act For All dedicated committee.

A cross analysis of the strategic issues arising from the materiality and risk matrix and risk factors – the principal issues are presented in section 1.7.1 Principal risk factors of this Registration Document – has been carried out and confirms Plastic Omnium's selection of its priorities, from the perspective of controlling risks and managing opportunities.

Plastic Omnium has strengthened its already comprehensive management program with the main subjects identified in the materiality and risk analysis. The main CSR risks for Plastic Omnium are:

- Innovation with emissions reductions from building lighter vehicles and clean propulsion systems and product safety and quality (section 3.1.2 Innovation through passion);
- Corporate responsibility integrating competitiveness, ethics and compliance, responsible purchasing, the duty of vigilance and data protection (section 3.2.1 Responsible entrepreneurs);
- Care for people by a responsible management team: health/safety, social dialogue, talent and skill management taking employee engagement into account, equal opportunities (section 3.2.2 Care for people);
- Sustainable production with eco-design and recyclability, reduction of greenhouse gas emissions and preserving biodiversity (section 3.2.3 Sustainable production).

These challenges form part of all business lines and across all sites. The corporate and operating departments are involved in assessing issues on a daily basis and responding to them on a daily basis.

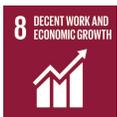
3.2 CSR INTEGRATED IN THE BUSINESS LINES

3.2.1 RESPONSIBLE ENTREPRENEURS



The Group has enjoyed strong growth in the last few years and aims to continue its strong growth. Compagnie Plastic Omnium, a family company, has always been a responsible entrepreneur. The company's economic performance and competitiveness are necessarily linked to sustainable development and compliance with business ethics.

3.2.1.1 COMPETITIVENESS

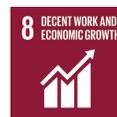


Sustainable development is based on three equally-important pillars: economic, social and environmental. In business, there is a need to be profitable, whilst taking care of employees and protecting the environment.

Competitiveness is key to ensuring Plastic Omnium's responsible growth. To sustain its high level of competitiveness, Plastic Omnium is focusing on its ability to manage development costs and cash-flow, and demonstrating care and excellence in everyday operational management.

Plastic Omnium is also focusing on Research and Development to prevent existing product lines becoming obsolete. The 24 development centers worldwide enable Plastic Omnium to be close to its customers and accurately identify their needs and expectations. In 2018, 150 new production programs were launched.

3.2.1.2 BUSINESS ETHICS



The first pillar of corporate responsibility is to act in an ethical way. Large companies of Plastic Omnium's size experiencing strong growth and with an international scope, may be exposed to the risks of fraud, corruption, conflicts of interest, insider trading and anti-competitive practices.

Ethics is the operating basis for Plastic Omnium and all employees, in all business lines and all countries in which Plastic Omnium operates.

In 2003, Plastic Omnium took on a historic commitment by signing up to the United Nations Global Compact and applying its ten fundamental principles in the fields of respect for human rights, international labor standards, the environment and the fight against corruption.

This same year, Plastic Omnium developed its Code of Ethics and, since then, has consistently applied it. It has steadily evolved to support the Group's growth and development, and to implement an ethical approach across all entities, proving the Company's commitment to act responsibly in all countries in which it operates.

The adoption in France of law no. 2016-1691 of December 9, 2016 on transparency, preventing corruption and on the modernization of economic life (known as the Sapin 2 law) requires Plastic Omnium to confirm and supplement this ethical approach, by implementing measures to prevent and detect corruption and influence-peddling in France and overseas. The newly developed and strengthened measures include:

- a Code of Conduct;
- a whistleblowing procedure;
- risk mapping;
- evaluation of the situation of clients, first-line suppliers and intermediaries as part of the risk mapping procedure;
- auditing of accounts, internally or externally;
- a training procedure;
- a disciplinary procedure;
- a procedure to internally check and evaluate the measures implemented.

The Plastic Omnium Executive Committee, which began a rigorous systems-compliance process, has fine-tuned existing tools to align them with the recommendations of the French Anticorruption Authority (Agence Française Anticorruption). This process, introduced by three members of the Executive Committee, will be completed in 2019. All of the information below was submitted to the Compagnie Plastic Omnium Board of Directors.

3.2.1.2.1 Code of Conduct

The Plastic Omnium Code of Conduct, which has been the cornerstone of the Group's ethics policy since 2003, was reviewed in 2014 and then again in 2018 to strengthen the anti-corruption measures in response to the Sapin 2 law. Now translated into 22 languages, compared to 8 for the previous version, the Code of Conduct has been issued to all employees and is accessible on the Plastic Omnium company website and intranet.

The Code of Conduct lays out the seven respective commitments entered into by Plastic Omnium and its employees. The first part outlines the rules the Group has set itself in terms of respect for human rights, fundamental freedoms, health/safety, diversity, the environment, preventing discrimination, fraud, corruption and influence-peddling. In the second part, the Group asks its employees to commit to protecting Plastic Omnium's assets and image, ensuring product quality and safety, and adhere to ethics rules and regulations.

Some chapters of this Code of Conduct are developed further in supplementary documents, notably the Code of Compliance with competition law, the insider trading prevention charter, the good practice Guide for IT security, and the "Internal control fundamentals and golden rules".

3.2.1.2.2 Whistleblowing procedure

Employees can use the whistleblowing procedure to report behavior or situations which infringe the Code of Conduct. Plastic Omnium has strengthened this procedure by widening the topics covered to all commitments of the Code of Conduct and applying them to external stakeholders.

The whistleblowing system is covered in the Code of Conduct, and the procedure to be followed has been translated into 22 languages; it can be accessed on the Plastic Omnium intranet and website. The whistleblowing procedure was submitted to the employee representative bodies and the European Consultation Committee.

Plastic Omnium encourages employees to approach their line manager and/or ethics point person in the first instance. In the event of any problems, they can report incidents by letter (Compagnie Plastic Omnium, Ethics Alert, 1 allée Pierre Burelle, 92300 Levallois Perret) or email (corporatesecretary.ethicsalert@plasticomnium.com) to the dedicated address which only the Group's Corporate Secretary can access. Plastic Omnium is also committed to processing incidents anonymously.

Plastic Omnium is also working to protect the rights of whistle-blowers who have acted in good faith and impartially by protecting their identity and ensuring that they will not be subject to any disciplinary action, even if the allegations later prove to have been inaccurate and/or are not followed up.

3.2.1.2.3 Mapping of corruption risks

In 2018, the Plastic Omnium Group mapped its corruption risks, identifying all risks and classifying them according to impact and likelihood. This mapping is based on around twenty internal interviews (across all of the Group's functions and regions) and an analysis of the existing prevention procedures. This mapping exercise also highlighted the steps required to complete the prevention initiative, particularly as regards third-party evaluations, training and internal control procedures. All of this information has been submitted to senior management.

3.2.1.2.4 Third-party evaluation procedures

Plastic Omnium wants to ensure that it only works with stakeholders, particularly suppliers, that abide by the same ethics rules as those that it imposes on itself.

In 2018, Plastic Omnium tightened up its supplier selection and surveillance processes in terms of both financial sustainability aspects and social, environmental and ethics aspects. These processes covered the following:

- inclusion of new suppliers on an approved panel;
- suppliers signing up to Plastic Omnium's Supplier CSR Charter;
- supplier audits on-site or via a self-assessment questionnaire;
- encouraging regular competition between suppliers;

Furthermore, a specific IT tool for reputational control (including the corruption risk) and the surveillance of external stakeholders is in the process of being introduced.

3.2.1.2.5 Internal or external auditing of accounts

The accounts are audited to ensure that the books are not being used to mask corruption. To check the robustness of these checks, independent internal audits are also carried out regularly, both scheduled and unscheduled, at all subsidiaries and sites (plants, Research and Development centers and administrative functions).

These procedures will continue to be improved in 2019, particularly in the field of gifts, invitations, corporate philanthropy and sponsorship, in accordance with the action plans produced as a result of the risk mapping.

3.2.1.2.6 Training procedure

To ensure that the commitments of the Code of Conduct are properly understood and assimilated, Plastic Omnium has introduced a dedicated, two-faceted training procedure:

- a face-to-face “Compliance day” for employees who may be exposed to the main ethics risks: Executive Committee, finance, Human Resources, quality, sales, buyers, etc. These training days have been designed in partnership with Plastic Omnium’s legal, financial and Human Resources Departments. Half a day is spent on compliance rules within Plastic Omnium and half a day is spent covering the golden rules of internal control. These training sessions also encourage discussion between employees, particularly through case studies. This training has already been delivered in Asia, France and South America, and is being rolled out across all Plastic Omnium regions, with the involvement of lawyers who speak the local languages;
- an e-learning module dedicated to the Code of Conduct is in the process of being adapted to reflect the strengthened Code produced in 2018. Lasting thirty minutes, this module has two parts: a presentation of the Code of Conduct, and an assessment to validate skills. All employees and new recruits with access to the *MyLearningPlace* in-house e-learning platform must successfully complete it.

In 2018, 689 employees were trained to the Code of Conduct and 200 to the Competition Code of Conduct.

3.2.1.2.7 Disciplinary procedure

Management has a zero tolerance ethics policy, particularly in the approach to corruption. Management intends to give the Code of Conduct the same legal scope as an internal rule wherever legislation allows.

Therefore, the Code of Conduct, which specifies that any failure to abide by these rules of conduct could result in employees facing disciplinary measures including dismissal in the event of serious misconduct, has been submitted to the employee representative bodies and the European Consultation Committee.

Finally, where local legislation allows, employment contracts now contain a specific clause on the obligation to comply with the Code of Conduct, a copy of which is provided to all new employees.

3.2.1.2.8 Control procedure and internal evaluation of the measures implemented

The control procedure and internal evaluation of the measures implemented has four aims:

- check the implementation of corruption prevention and detection measures and test their effectiveness;
- identify and understand failures in the implementation of procedures;
- determine recommendations or other corrective measures to improve the compliance program;
- detect corruption where applicable.

Plastic Omnium has begun overhauling the internal controls and evaluations to improve its procedure and make it more efficient.

Therefore, the corruption risk mapping will be updated annually.

When implementing the audit program, the Internal Audit Department must ensure that the corruption prevention and detection procedure meets the latest Plastic Omnium requirements, is efficiently implemented and updated to ensure its adoption by all and compliance with the rules.

The risk of tax evasion is stated in chapter 1.7.1 Principal risk factors (AFR)/Other risks/Tax risk.

3.2.1.3 DUTY OF VIGILANCE AND RESPONSIBLE PURCHASING

The Group’s organization with functions working centrally allows for procedures to be applied consistently across all subsidiaries and all sites. Human Resources, HSE/CSR and Risk Management and Internal Audit implement policies, procedures and actions to ensure that all subsidiaries uphold human rights and fundamental freedoms protect health and safety and the environment.

The Purchasing Departments of the two Divisions also play their part in strengthening and implementing the procedures, actions and tools to ensure that suppliers uphold the same values and are bound by the same obligations as the Group.

3.2.1.3.1 Risk mapping

Several complementary in-house tools are used to identify risks within the subsidiaries and joint ventures. Two tools are used at Group level:

- analysis of risk factors; the main ones are outlined in Chapter 1.7 Risk factors and control. This analysis, which is updated yearly, identifies the risks facing the Company, whether external (such as natural disasters, failures by suppliers or the obsolescence of a vehicle model) or internal (approaches to innovation, quality, health/safety, corruption, etc.);
- the materiality and risk analysis, which was conducted in 2017, identified the risks facing the Company and its stakeholders. Internal stakeholders categorized the issues into financial risks, business continuity risks, image/reputational risk and regulatory risks, thereby identifying their potential impact on the Company’s performance. External stakeholders identified the impact on their organizations of Plastic Omnium managing the risks, *i.e.* the risk borne by them as a result of Plastic Omnium.



The two analyses have been cross-referenced to correlate the results: the risk sources are the same.

Specifically, analyses are conducted by topic or locally. Accordingly, corruption risk mapping took place in 2018, and information systems risks were also mapped (see Chapter 3.2.1.4 Data protection).

The Internal Audit framework covers risks linked to human rights and fundamental freedoms: forced labor, child labor, duration of work, overtime hours, compensation, subcontracting, etc. These were identified as high-risk areas requiring controls and, if necessary, action plans.

ISO 45001 certification (obligatory for all sites) requires a risk analysis to be carried out: each site certified or applying for certification (for new sites) has completed its risk mapping and risk ratings, and implemented measures to prevent, reduce or correct the risks. Furthermore, ergonomics on workstations have been analyzed to identify and reduce risks (for further details, please refer to Chapter 3.2.2.2 Occupational health and safety conditions). Site visits by managers and Top Safety visits are an opportunity to identify high-risk situations and implement corrective measures. The engagement survey conducted in 2016 contained questions on working conditions, psycho-social risks and health and safety, making it possible to monitor local workplace risks at a granular level.

Sites obliged to obtain ISO 14001 certification must also undertake a local environmental risk analysis and update it regularly. The calculation of the Group's overall carbon footprint and the ongoing life cycle analyses identify major impacts and areas for improvement at each product life stage and across all of the Group's operations.

In 2018, supplier categories were defined by critical level and the level of their relations with the Group. A supplier is considered critical if it supplies strategic products (BOM purchases⁽¹⁾ and raw materials) or if, for purchases of services and investments (machines, equipment, etc.), the supplier presents a potential risk (new supplier, mutual dependence, monopoly situation, gap identified during audits, significance of investment, failure to meet CSR criteria, etc.).

Special attention will also be paid to intermediaries: companies or people acting on Plastic Omnium's behalf in certain specific areas (marketing and sales, contract negotiations and securing of licenses, permits or other authorizations) and any activity which benefits the Group.

To be added to the approved supplier list, new suppliers must undergo an evaluation audit to ensure they meet Plastic Omnium's standards. Checks on respect for human rights and fundamental freedoms, health and safety and environmental policy are among the criteria. The supplier's score determines their level of priority for the assessment.

For suppliers already on the approved list, the first stage sets out the ranking for the assessment: in 2019, the Group will use a supplier database tool recognized by the automotive sector. Suppliers' financial and CSR information will be made available, making it possible to target those suppliers whose information does not meet the Group's expectations. As a priority, critical suppliers (around 600), intermediaries, new suppliers and suppliers responding to a new call for bids will be included in the database, and the results will be analyzed.

The procedure Plastic Omnium uses to evaluate suppliers' consideration of CSR issues will be defined according to the supplier category, critical or intermediary, as the risks are different.

3.2.1.3.2 Evaluation procedures

The Code of Conduct, which was strengthened in 2018, sets out the Plastic Omnium's and its employees' commitments as regards human rights, fundamental freedoms, health, safety, ethics and environment: compliance with the international standards of the ILO (International Labor Organization) on child labor; forced labor, discrimination, bullying and sexual harassment are prohibited; freedom of association and expression are protected. Joining the United Nations Global Compact is proof of these commitments.

Complementary policies and procedures set out the rights and duties of each individual: Code of Compliance with competition law, health and safety policy, Top Planet policy, IT Charter, "Fundamentals and Golden Rules of Internal Control", etc.

These issues are mainly championed by the HR, HSE / CSR and Risk Management and Internal Audit Departments, and are circulated across all business lines and all sites by networks of internal point persons.

To ensure that all those concerned understand the rules and standards they are expected to comply with, information, training and awareness-raising campaigns are in place to back up these initiatives. The *MyLearningPlace* tool contains e-learning modules on ethics, compliance and ergonomics. The modules must be successfully completed. Face-to-face and blended learning sessions complete this initiative and provide information and training on other topics: environment, health/safety, responsible management, etc.

Participation in information and training sessions is monitored by the Group, which manages all topics using key performance indicators and monitoring indicators. A reporting tool is used to manage employee and environmental indicators, and the main results are submitted to the Executive Committee three times a year for discussion. These meetings provide an opportunity to assess the effectiveness of the policies in place, understand any gaps and set targets. Two annual presentations will be given before the European Consultation Committee on the policies, tools and results.

Audits by the Internal Audit Department verify that the procedures are applied across all sites. These audits may be planned or unscheduled, and cover the principles of the United Nations Global Compact: ethics, human rights, international labor standards, child labor, forced labor, working hours, overtime hours, compensation, safety and environmental protection. The sites are audited every three years, and more frequently where major gaps are detected. In 2018, 32 sites were audited. The management of the Divisions and support functions are updated every month on the audits, and on any issues identified which require immediate correction. The Audit Committee receives the results of the audits every year. The Top Safety visits dedicated to safety complete the set of safety initiatives, and the ISO 14001 and ISO 45001 certifications bring an additional external audit.

(1) BOM (Bill Of Materials) = finished raw material or by-products used in the composition of a product.

The sites with the best practice and results in the fields of health/safety and the environment following self-assessment receive Group-level HSE Awards given at Group level. Each site self-assesses its progress in these fields using a comparable method so that the Group can understand best practices to share and the gaps which need to be corrected.

When they join the approved supplier list, suppliers must sign the Supplier CSR Charter and the Conditions of Supply. The General Terms and Conditions of Supply set out different CSR requirements for each purchase category; Plastic Omnium reserves the right to ask some suppliers for ISO 14001 or ISO 45001 certification. At the end of 2018, 587 suppliers were ISO 14001 certified.

For companies with their own Ethics Code, compliance of this Code with the Group's Supplier CSR Charter will be checked: any gaps must be identified, and the Group will decide whether these differences are acceptable. The Plastic Omnium Supplier CSR Charter is based on a mutual commitment between the Group and its suppliers to comply with:

- the United Nations' Universal Declaration of Human Rights and its two covenants (the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights);
- the Fundamental Conventions of the ILO (International Labour Organization) and the ILO Declaration on fundamental labor principles and rights;
- the OECD Guidelines.

Therefore, child labor, forced labor, illegal work and discrimination are prohibited. Equal pay, the right to organize, protection of employment rights and the right to a safe and healthy work environment must be guaranteed. The minimum wage, benefits and maximum working times and environmental protection measures must comply with applicable local legislation. Suppliers must also manage their environmental impacts, optimize and trace the use of resources and replace toxic chemical substances wherever possible. Furthermore, suppliers agree to ensure that their own suppliers, service providers and subcontractors comply with these rules.

For suppliers already on the panel, the Supplier CSR Charter has been sent to strategic and critical suppliers. At end 2018, 6,660 suppliers had signed and returned the Charter, an increase on the 4,000 at end 2017. The Charter will be rolled out to more suppliers to 2019.

After suppliers have signed the Charter, the next stage involves completing a self-assessment. This simple questionnaire, created in 2018, enables suppliers to show their compliance with the requirements of the Charter. At end 2018, 73% of 261 questionnaires sent had been returned by suppliers.

Third mechanism in the assessment process: on-site audits. If gaps are identified during analysis of the self-assessment questionnaire, information may be checked on-site in a specific audit. CSR information now forms an integral part of the audit framework for all audits, such as quality audits. Buyers and quality control personnel have been trained to successfully implement these new audit formats. The inclusion of a supplier on the approved list is also an opportunity to carry out an initial audit covering a range of topics, such as quality, finance, strategy, commercial, etc. but also CSR.

In total, 208 suppliers had been through a CSR audit in 2018 and 506 according to Top Safety assessment.

3.2.1.3.3 Actions to prevent or mitigate violations

Human Resources and HSE policies and procedures reduce the risks as much as possible: training and information sessions, the introduction of

the tools and resources (presented in chapter 3.2.2.), care for people and sustainable production (presented in chapter 3.2.3) are implemented to achieve better results. The dedicated networks and audits make it possible to quickly identify any gaps and take appropriate corrective measures. The various rules and procedures outlined in the Code of Conduct, the "Fundamentals and Golden Rules of Internal Control" and the IT Charter have legal scope. Therefore, failure to comply with them may lead to disciplinary action, as provided for in the employment contracts.

Achieving an HSE criterion had until now been included in the 5 objectives of employees having an annual assessment interview. To boost employee commitment to the scope of actions, this HSE criterion will become a CSR criterion in 2019. At Clean Energy Systems, as of 2018, buyers have had their first objective dedicated to managing the responsible purchasing policy, with an impact on their final assessment.

Suppliers whose self-assessment highlights any gaps will be quickly audited by the buyers and quality officers, who will then decide on the need to implement an action plan, its schedule and potentially setting a date for another audit. In the event of a major gap on topics deemed by Plastic Omnium to be non-negotiable, the Group reserves the right to take all protective measures to ensure the integrity and sustainability of the Group.

Plastic Omnium works closely with its suppliers on certain topics:

- conflict minerals: Plastic Omnium has a policy to ensure that its supply of materials known as conflict materials (gold, tungsten, tin and tantalum and their by-products) is ethical and does not come from sources which support human trafficking, slavery, forced labor, child labor, war crimes, etc;
- the supply of chemical products: products covered by the European REACH regulation must be registered. Plastic Omnium is working with an external service provider to ensure that products meet regulations and that the safety data sheets (which provide information on risks and stipulate usage precautions) are up to date.

3.2.1.3.4 Whistleblowing procedure

The whistleblowing procedure was improved in 2018 and a document outlining its procedure for using it has been drawn up and translated into 22 languages. These were presented to the employee representative bodies and the European Consultation Committee, and are available on the Topnet intranet.

The relevant topics have been identified and include risks of infringements of human rights and fundamental freedoms, harm to personal health/safety and the environment, as well as ethics risks (corruption, influence-peddling, etc.), whether these risks are identified internally or with service providers, subcontractors and suppliers working for Plastic Omnium.

This whistleblowing right has several stages:

- in the first place, employees who have observed a risk or an offense must speak to their line manager or management at the level above;
- if there is any difficulty in discussing the matter with these people, the internal hotline must be used. There are two ways to use it: letter (Compagnie Plastic Omnium, Aethics Alert, 1 allée Pierre Burelle, 92300 Levallois Perret) or e-mail (corporatesecretary.ethicsalert@plasticomnium.com). The information is covered in the Code of Conduct, the website and the TopNet intranet. The incident must be reported exclusively to the Corporate Secretary.

People outside of Plastic Omnium may also use this mechanism; the e-mail address can be found on the Group's website.

3.2.1.3.5 System to monitor the measures implemented and assess their effectiveness

To ensure that the internal measures are effective, reporting tools enable results indicators to be monitored monthly, quarterly or yearly. The data reported is the data presented throughout this Statement of Non-Financial Performance: monitoring of accidents, near misses, incidents of discrimination, working hours, overtime hours, use of energy and materials, waste generated, greenhouse gas and VOCs. For some indicators, improvement targets have been set, and if they are missed, the gaps will be analyzed. Resource indicators are also monitored, such as the number of training hours delivered on each topic. Audits are also an opportunity to understand how effective the measures are and identify any measures that require improvement.

Concerning suppliers and subcontractors, 2018 saw the gradual implementation of measures. In 2019, the practices will be circulated more widely and the latest adjustments will be made, enabling some perspective to be gained to analyze the procedures.

3.2.1.4 DATA PROTECTION

Plastic Omnium is currently tackling the digital transformation challenge. The technologies at play in this transformation are potential sources of risks and threats, while also offering numerous opportunities, such as automation of industry and manufacturing: industry 4.0.

The Cyber Defense Department and the IT teams from the Divisions are doing all they can to avoid cyber attacks intended to steal sensitive and strategic information, theft of digital identities, fraud (via e-mail – “phishing”) and sabotage. In January 2018, the Group updated its cyber risk mapping once again, which resulted in two major projects: the implementation of a Business Recovery Plan (DRP project) to ensure the automatic switchover to an emergency data-center in the event of a major incident affecting the Group’s main data-center and the activation of the SOC (Security Operating Center or IT security surveillance center), designed to detect (in real time) attacks and high-risk use which could compromise the Group’s IT system and the data it processes.

One of the technology solutions identified, a new-generation anti-virus application based on knowledge of cyber-attack techniques, is being installed on all of the Group’s workstations.

As the digital environment changes very quickly, Plastic Omnium is permanently monitoring technology. To do this, the Group is a member of two external associations for large French corporations, including carmakers: the CLUSIF (French Information Security Club) and the CESIN (Information and Digital Security Experts’ Club). Furthermore, the IT Defense Department is in regular contact with major French corporations to discuss best practice, discover new technologies and understand successful cyber attacks to ensure better protection.

Plastic Omnium also maintains close contact with the ANSSI (French National IT Security Agency), which provides updates on new threats and helps companies develop appropriate responses.

Plastic Omnium takes personal data protection very seriously. The Group ensures that its employees’ and partners’ data is protected by using security measures able to guarantee their confidentiality and integrity. In order to comply with the new European General Data Protection Regulation (GDPR) which entered into force on May 25, 2018, numerous

initiatives have been implemented, such as the appointment of a Data Protection Officer, introduction of personal data processing logs, information on their personal data rights, and the definition of specific internal procedures.

A charter on the use of IT resources and best practice guides have been produced. The purpose of these measures is awareness and to prompt users to adopt good practices in the use of data and IT equipment.

3.2.1.5 COMMITMENT TO LOCAL STAKEHOLDERS



Plastic Omnium’s 124 plants are located in 26 countries, enabling the Group to be as close as possible to its customers. When they open a plant, carmakers create dynamic economic centers by encouraging their suppliers to co-locate. This enables the industry to develop a strong local base. Plastic Omnium recruits as many of its workforce as possible from among local populations and favors local purchases, where the purchase categories allow. Through its systematic ISO 14001 and ISO 45001 certification policy and its internal policies, the Group ensures the acceptability of its businesses.

Partnerships are also built locally, with schools and universities, for example. The Group’s dedication to work-study programs and internships helps to forge strong local links.

Support for local sponsorship or philanthropy initiatives also plays a role in creating a strong local presence. In 2018, the following initiatives were noteworthy:

- in India, the partnership with Magic Bus, which has been ongoing since 2015. It aims to promote the emancipation and education of women, and gender equality;
- the Amiens site in France helped Emmaüs, an association that works with disadvantaged people, to refurbish its premises, by supplying it with equipment;
- the Gliwice and Tulipan sites in Poland helped to build a house for a deprived family, in partnership with other local businesses and the “Habitat for humanity” association;
- employees at the Clean Energy Systems sites in Brazil have organized many collections for the most disadvantaged: over 600 items of clothing, food, toys and hygiene products have been handed out;
- in Lublin, Poland, the Clean Energy Systems site provided financial support to a vacation project for children with disabilities organized by the “Children’s Friends Association” and helped children take part in the “Odyssey of the Mind” education program, organized by the *Les Ailes de l’éducation* Foundation.
- In the United States, Anderson Clean Energy Systems site has supported the “March of Dimes” association, aiming to watch after new-borns and their mothers’ health and fight against preterm births and infant mortality.

There were also several initiatives at Group level:

In 2018, Plastic Omnium became an official sponsor of the Race for Water Foundation. The foundation's vessel, powered by a combination of renewable energies, promotes the energy transition and undertakes to protect the oceans from plastic pollution. The vessel will make 35 stops during its voyage, which will end in July 2021, contributing to scientific knowledge, awareness-raising and education about sustainability issues.

During the year, the Group was involved in the restoration of the Salle du Sacre at the Palace of Versailles, France, which was completed for the launch of an exhibition on Louis-Philippe and Versailles in October 2018.

The "cubism" exhibition at Centre Pompidou, Paris, sponsored by Plastic Omnium, also opened in October 2018.

3.2.2 CARE FOR PEOPLE



3.2.2.1 RESPONSIBLE MANAGEMENT



The current economic environment is uncertain and unpredictable. Therefore, the Group has decided to think ahead by mobilizing management teams during the "Top 100" following which the savings plans were launched. The Group's responsible, local management system means that all Division managers can be involved of changes and decisions in real time.

Responsible Human Resources management is crucial in a large Group such as Plastic Omnium that operates across diverse locations to ensure compliance with international labor standards and respect for human rights.

In its Code of Conduct, and by joining the United Nations Global Compact, the Group is committed to respecting and promoting human rights, and strives to ensure that its employees, wherever they are based, have safe, healthy working conditions and that their fundamental freedoms are respected. The Code of Conduct confirms the freedom of employees to work for Plastic Omnium and leave it, as well as the prohibition of employing persons aged under 15 (18 for high-risk roles), in line with the International Labor Organization standards, and without prejudice to local legislation that offers a higher degree of protection.

The Group favors permanent employment contracts to meet its needs. In 2018, the Group sold its Environment Division and absorbed all employees from HBPO, in which Plastic Omnium now holds a majority stake.

WORKFORCE BY TYPE OF EMPLOYMENT CONTRACT

	2016		2017		2018	
Permanent employment contracts	19,720	74%	19,195	75%	20,745	77%
Fixed-term employment contracts	2,174	8%	1,932	8%	2,067	8%
Registered employees	21,894		21,127		22,812	
Temporary staff	4,628	18%	4,376	17%	4,112	15%
TOTAL EMPLOYEES (REGISTERED AND TEMPORARY)	26,522		25,503		26,924	

REGISTERED WORKFORCE BY SOCIO-PROFESSIONAL CATEGORY⁽¹⁾

	2016		2017		2018	
Manufacturing workers	12,294	56%	11,324	54%	11,350	55%
Administrative staff, technicians and supervisors	5,044	23%	5,086	24%	4,496	22%
Managers	4,556	21%	4,717	22%	4,778	23%

(1) HBPO excluded

BREAKDOWN OF WORKFORCE BY REGION AND TYPE OF EMPLOYMENT CONTRACT

	Permanent employment contract	Fixed-term employment contract	Total registered	Temporary staff	Total
France	2,971	22	2,993	553	3,546
Western Europe excluding France	6,649	863	7,512	1,391	8,903
Eastern Europe	3,274	508	3,782	444	4,226
North America	4,415	563	4,978	650	5,628
South America and Africa	1,472	15	1,487	52	1,539
Asia	1,964	96	2,060	1,022	3,082
TOTAL	20,745	2,067	22,812	4,112	26,924

WORKFORCE DISTRIBUTION BY REGION AND SOCIO-PROFESSIONAL CATEGORY⁽¹⁾

	Manufacturing workers	Administrative staff, technicians and supervisors	Managers	Total
France	1,042	631	1,320	2,993
Western Europe excluding France	4,048	1,518	1,179	6,745
Eastern Europe	1,912	817	509	3,238
North America	2,568	722	853	4,143
South America and Africa	946	362	193	1,501
Asia	834	446	724	2,004
TOTAL	11,350	4,496	4,778	20,624

During operational peaks, overtime hours are prioritized over taking on temporary employees. A significant proportion of employees work in shifts due to the industrial nature of the Group's operations.

TOTAL NUMBER OF EMPLOYEES WORKING IN SHIFTS

	2016	2017	2018
Employees working in shifts	13,529	12,411	12,416
Of which employees working only nights	1,190	1,203	1,072
Of which employees working only weekends	166	118	98
Part-time employees	394	344	301

OVERTIME HOURS

	2016	2017	2018
Hours worked per week	From 35 hours to 48 hours	From 35 hours to 48 hours	From 35 hours to 48 hours
Overtime (full-time equivalent)	1,154	1,074	1,045

Responsible management is also based on fair compensation. The Group's compensation policy is based on fairness and merit. Discrimination is not tolerated and the gender pay gap is regularly analyzed to reduce it. Thus, Plastic Omnium has anticipated the implementation of the Gender Equality Index⁽²⁾ in France in 2019, by performing simulations that show that its largest subsidiary has a score above 80% for a legal standard of 75%. Average wage levels are generally higher than the legal minima.

(1) HBPO excluded

(2) Gender Equality Index: the French law n° 2018-771 of September 5, 2018 for the freedom to choose one's professional future obliges companies to eliminate the unjustified wage differences between women and men, the first step being to measure these gaps with the Gender Equality Index, whose methodology is imposed.

EMPLOYEE BENEFIT EXPENSE

In thousands of euros ⁽¹⁾	2016	2017	2018
Wages and salaries	(690,904)	(820,074)	(778,468)
Payroll taxes	(190,149)	(219,808)	(201,177)
Non-discretionary profit-sharing	(14,181)	(18,115)	(15,782)
Pension and other post-employment benefit costs	(1,602)	(2,840)	(7,497)
Share-based compensation	(3,498)	(3,327)	(2,528)
Other employee benefits expenses	(38,101)	(36,011)	(47,575)
TOTAL EMPLOYEE BENEFITS EXPENSES EXCLUDING TEMPORARY STAFF COSTS	(938,437)	(1,100,175)	(1,053,027)
Temporary staff costs	(125,884)	(142,677)	(129,868)
TOTAL EMPLOYEE BENEFITS EXPENSES, INCLUDING TEMPORARY STAFF	(1,064,321)	(1,242,852)	(1,182,895)

Plastic Omnium offers additional benefits locally, such as collective incentive policies, sickness cover and a Group Savings Plan. At December 31, 2018, the Group stock ownership plan set up in France

had 1,946 employee subscribers, holding a total of 1,447,648 Compagnie Plastic Omnium shares purchased on the market, representing 0.97% of the share capital (see chapter 2.1.4 Information about shareholders).

3.2.2.2 OCCUPATIONAL HEALTH AND SAFETY CONDITIONS



Responsibly managing employees' means providing them with a safe, healthy work environment: the Group's ambition is to achieve zero accidents over the long term. The first step is not to record any serious accidents and reduce the accident frequency rate (Tf2⁽²⁾) to 1 by 2020. This also involves paying special attention to occupational illnesses (most of which are musculoskeletal disorders), air quality, management of chemical products and working conditions: noise, light and temperature, in particular.

Health and safety is a priority at the highest level and for everybody within the organization: the World Safety Day is an opportunity to mobilize the entire workforce. On the fifth World Safety Day in August 2018, the Group's 30,000 employees were reminded of safety basics in the form of fun activities. 10,000 Group employees attended a live presentation by the Executive Committee from the Rottenburg site in Germany and through multiplex communications in Greer, United States, Guangzhou in China and Σ-Sigmatech in France were able to listen to testimonies shared with all employees from all sites.

At the "Top 100" meeting, 10 sites received an *Award HSE Group*, in recognition of their efforts in the field of occupational health and safety conditions and environmental management.

GROUP HSE AWARD

	Intelligent Exterior Systems	Clean Energy Systems
Safety result	Silao, Mexico	Shenyang, China
Safety improvement	Arevalo Composites, Spain	Puebla, Mexico
Number of accident-free days	YFPO Yizheng, China	Herentals, Belgium
Work conditions	Puebla, Mexico	Guangzhou, China
Environmental management	Reinsdorf, Germany	Tanger, Morocco

The overall results show that the organization and the system in place are effective. In 2018, results showed a 29% improvement in the Tf1⁽³⁾ at 1.40, compared to 1.98 in 2017, and 26% in the Tf2 at 2.12, compared to 2.87 in 2017. Tg⁽⁴⁾ improved 0.05 compared to 2017. The Environment Division's data are excluded from the 2018 calculations, partially explaining the improvement, Intelligent Exterior Systems and Clean Energy Systems both simultaneously improved. Absenteeism rate is globally stable as well as the causes of these absences.

(1) 2016 and 2017 data not restated for changes in scope over the period.

(2) Tf2 = Total recordable injury frequency rate = Number of workplace accidents with and without lost time, including temporary staff × 1,000,000/Number of hours worked.

(3) Tf1 = Lost time injury frequency rate = Number of workplace accidents with lost time, including temporary staff × 1,000,000/Number of hours worked.

(4) Tg = Severity rate = Number of days of workplace accident-related lost time × 1,000/Number of hours worked.

SAFETY INDICATORS (INCLUDING TEMPORARY STAFF)

	2016	2017	2018
Number of first aid cases	1,897	2,146	1,664
Number of workplace accidents without lost time	50	45	33
Number of workplace accidents with lost time	112	99	65
Number of days of workplace accident-related lost time	2,521	2,944	2,092

ACCIDENT FREQUENCY AND SEVERITY RATES (TEMPORARY STAFF INCLUDED)

	2016	2017	2018
Tf1 ⁽¹⁾ : Workplace accident frequency rate with lost time <i>In number of accidents per million hours worked</i>	2.54	1.98	1.40
Tf2 ⁽²⁾ : Workplace accident frequency rate, with and without lost time <i>In number of accidents per million hours worked</i>	3.67	2.87	2.12
Tg ⁽³⁾ : Severity rate of workplace accidents <i>In number of days lost per thousand hours worked</i>	0.06	0.06	0.05

(1) Tf1 = Number of workplace accidents with lost time, including temporary staff × 1,000,000/number of hours worked.

(2) Tf2 = Number of workplace accidents with and without lost time, including temporary staff × 1,000,000/number of hours worked.

(3) Tg = Severity rate = Number of days of workplace accident-related lost time × 1,000/number of hours worked.

ACCIDENT FREQUENCY AND SEVERITY RATES (EXCLUDING TEMPORARY STAFF)

	2016	2017	2018
Tf1: Workplace accident frequency rate with lost time <i>in number of accidents per million hours worked</i>	2.40	1.86	1.35
Tf2: Workplace accident frequency rate, with and without lost time <i>in number of accidents per million hours worked</i>	3.59	2.72	2.12
Tg: Severity rate of workplace accidents <i>in number of days lost per thousand hours worked</i>	0.06	0.07	0.05

ABSENTEEISM RATE BY REASON

	2016	2017	2018
Absenteeism rate due to workplace accidents	0.08%	0.07%	0.04%
Absenteeism rate due to other causes	2.67%	2.73%	2.78%
TOTAL ABSENTEEISM RATE	2.75%	2.80%	2.82%

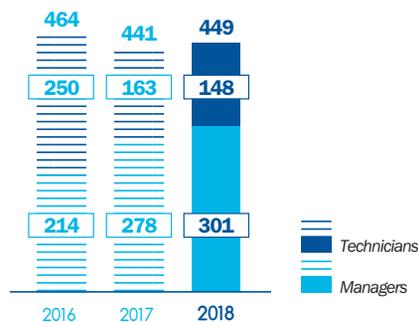
These very good results are thanks to an efficient organization and a proven Group Safety policy: created in 2006 and updated on a regular basis, it sets out the measures and procedures required at all levels of the organization and by all employees. It contains 8 focus areas:

- rollout of ISO 45001 certification (by replacing OHSAS 18001) at all sites;
- inclusion of a CSR target, including safety, among managers' targets during their annual assessment interviews;
- ensure implementation of the IMH (Man-Machine Interface) Procedure;
- delivery of the Group's Top Safety training to all managers;
- implementation of the HSE plan's 5 pillars: leadership, recognition, design, policy of excellence and improvement of working conditions;
- management of major risks by implementing appropriate action;
- monitoring of the safety improvement Plans of each Division;
- systematic monitoring of insurers' recommendations.

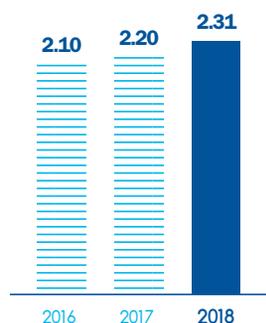
A dedicated organization is responsible for implementing this policy: HSE managers report to the Operational Managers. The Group's HSE/CSR Department provides dynamic leadership of the network of HSE professionals by creating and implementing shared policies and tools. Because safety concerns everyone, managers have targets and are trained in conducting Top Safety visits to identify any gaps and report them so that they can be corrected: 24 training sessions were delivered to 301 managers in 10 countries. 148 technicians took part in the 13 "Stop 5" training sessions in 9 countries. 55,450 Top Safety visits were carried out in 2018, i.e. 2.31 per employee, a steady increase, proving the effectiveness of the training.

Training and awareness-raising are an integral part of the overall management system, which aims to consolidate the Company's safety culture by changing attitudes and behavior. The Top Safety training program was reviewed in 2018 to monitor changes in the safety culture. There are several stages in the introduction of a safety culture. Firstly, the Company's ability to progress from the necessary responsiveness to the introduction of an *ad hoc* management system, which generates a compliance obligation. Then comes independence, with safety being a consideration for each person on his own account, and finally interdependence: safety becomes a shared responsibility. From the beginning of its safety policy, the Group has been progressing through these stages and now wants to train its employees to become independent on the matter. This requires the training content to be modified to encourage personal commitment and proactive behavior.

NUMBER OF MANAGERS AND TECHNICIANS WHO HAVE RECEIVED TOP SAFETY TRAINING



NUMBER OF TOP SAFETY VISITS PER EMPLOYEE PER YEAR



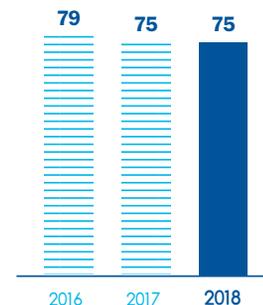
The Top Safety program encompasses all actions to be taken across five pillars: machines and equipment, employees and managers, sites and

projects, benchmarks and management, and working conditions. These notably include management systems, behaviors, working conditions, including chemical and noise pollution risks and equipment and site safety. Each year, the sites self-assess their own progress across the 75 proposed actions. In 2018, 74% of the actions were completed according to the sites. Concerning pedestrians, use of personal protective equipment, self-propelled trucks, suspended loads, stop and start operations and working at heights, Plastic Omnium stands firm: these rules, known as the "6 non-negotiable rules" are at the heart of all of its procedures: training and awareness, communication, signage, Top Safety visits, internal audits, etc.

The fact that ISO 45001/OHSAS 18001 certification is obligatory for all sites proves that the Group is serious about implementing an effective management system. In 2018, 75 of the sites were certified, stable, compared to 2017: 13 new sites were certified in 2018, offsetting the closure or disposal (Environment Division) of 13 certified sites.

Furthermore, insurers visited 45 sites over 12 months in 2018, to ensure that Plastic Omnium's fire prevention and protection standards were being applied.

NUMBER OF SITES CERTIFIED TO ISO 45001/OHSAS 18001 STANDARDS



Working conditions and ergonomics

Good working conditions are an important part of creating a healthy environment for employees. The engagement survey conducted in 2016 resulted in the implementation of local initiatives: crèche and concierge services in France; management of overtime hours at some sites in the United States; a remote working pilot in France, Slovakia and Germany; and a well-being policy in the United Kingdom, etc.

The important work done on ergonomics continued in 2018. Thus, Clean Energy Systems has built a new approach with the introduction of a network of ergonomics coordinators across all production sites. Mapping of the workstations has begun using a rating tool enabling the main limitations (physical and mental) to be analyzed. In partnership with operators and their managers, coordinators must analyze all workstations on their site and suggest ways to prevent or eliminate the problems identified. Workstations identified as having more than 3 problems are specially monitored, and the engineers who design the workstations are so that they can take these problems into account in future designs.

The Division has recently acquired a new tool to fully assess the problems, *motion capture* sensors fitted on an operator to record their positions and movements, and to directly rate the problems. This tool will be used at the project design phase and directly with suppliers to approve workstations. It is the portable equivalent of the AlphaVision room at the Clean Energy Systems-AlphaTech center.

At the end of 2018, 76% of Intelligent Exterior Systems workstations had been rated, in addition to the 86% ranked at Clean Energy Systems. 3% of workstations required adjustments.

In 2018, best practice within Intelligent Exterior Systems was compiled for workstations; it will be included in the program in 2019.

Training has also been an important working focus in the ergonomics program. In 2018, two e-learning modules were added to the *MyLearningPlace* platform: "Ergonomics – the basics" for all employees, and "Design ergonomics" which is specifically for the engineering teams that design the workstations. In 2018, 50% of concerned employees completed these modules.

Therefore, the number of occupational illnesses declared and recognized – mainly musculo-skeletal disorders – remained stable.

	2016	2017	2018
Proportion of workstations assessed	Unavailable	Unavailable	82%
Number of occupational illnesses declared	17	12	14
Number of occupational illnesses recognized	15	9	10

At the same time, the ergonomics experts at Intelligent Exterior Systems are involved in a discussion platform to identify and assess future technologies, such as exoskeletons.

The risk linked to use of chemicals is also being closely monitored with the help of an external partner. With the sale of the Environment Division, the number of chemical products used has fallen compared with previous years: from almost 3,000 products to 1,770 in 2018. 87% of these products were checked for the chemical risk they pose. The Plastic Omnium policy on chemical products is designed to be more stringent than legislation, and the Group intends to replace all CMR (Carcinogenic, Mutagenic, Reprotoxic) products and products containing SVHC (Substances of Very High Concern), as soon as technical solutions exist and without waiting for legislation to adapt.

Concerning the working environment on the sites, sound, light and temperature levels are regularly monitored, and steps are taken to optimize working conditions, where necessary.

3.2.2.3 EMPLOYEE ENGAGEMENT

Employee engagement is especially important for Plastic Omnium, due to its family roots. Proximity and recognition are the pillars to motivate employees and create a pleasant working environment conducive to high quality work. The image that the Company projects to external stakeholders is also closely linked to employee motivation. A regular engagement survey enables the Group to understand what motivates employees and what holds them back. Following the 2016 study, over 600 actions were implemented to strengthen the feeling of belonging; improve the quality of life at work and employee loyalty. At the same time, regular action plans at Group or local level are being implemented, and communication and integration actions have been stepped up to enhance proximity: telephone conferences for 400 managers of each Division, management meetings and site visits by senior management. In 2018, the number of collective agreements in each Division and/or business line increased. The organization of campuses and local events boost the initiative further.

At the same time, the Group's employee engagement actions are constantly being improved:

- team management: training programs for managers such as "Starter", "Driving Success", "Leading Manufacturing" and now "Booster" are one of the responses proposed by the Group to create a shared management culture within the Group;
- organizational efficiency and well-being at work: the Group focused on ergonomics on workstations, while local initiatives have been implemented to improve working conditions (such as a review of the way overtime hours are managed and experimentation of remote working);
- career management and development: careers and training are managed in OPteam which publicizes internal openings to promote mobility; training paths are decided in individual interviews. Annual assessment interviews are in a format decided by the Group; this format is being reviewed to include a peer assessment;
- recognition of work accomplished: the introduction of the HSE Awards by Plastic Omnium for sites and the Innovation Awards for employees showcase remarkable initiatives and encourage excellence.

3.2.2.4 SOCIAL DIALOGUE

Social dialogue is key to providing a motivating work environment for employees. It also ensures a good Group image and avoids any downtime. In its Code of Conduct, the Group's second commitment is to respect freedom of expression and social dialogue: employees' rights to form labor unions and/or organize their representation in compliance with applicable legislation are recognized. Plastic Omnium will notify and/or consult employees or their representatives on matters covered by local regulations.

In 2018, the Group dealt with two major issues in particular: the disposal of the Environment Division and the project to transform Compagnie Plastic Omnium's status. Major dialogue took place with the European Consultation Board to successfully complete these two decisive stages for the Group. Both of these consultations were successful, and the projects put forward were unanimously approved by all of the social partners concerned. Discussions on the disposal of the Environment Division made it possible to manage the transition with the buyer which was well received.

With the exception of the two matters of international or regional scope above, labor relations are managed locally by the Human Resources Departments of the Divisions or countries, in compliance with applicable local regulations. The Group's Labor Relations Department ensures the consistency of the decisions between the countries.

The European Consultation Committee met twice in 2018. Consultations with the employee representative bodies led to 199 agreements being concluded; 21 of these related to health and safety. 68% of employees are covered by a collective agreement and 33 trade unions are represented within the Group.

<i>Number/As a percentage</i>	2016	2017	2018
Existing committees	195	164	146
Of which Works Councils	78	66	58
Other committees (training, etc.)	95	78	64
Number of trade unions represented	34	33	33
Number of Company agreements signed during the year	191	163	199
Agreements on health and safety at work	13	16	21
Percentage of employees covered by a collective agreement	67%	67%	68%

<i>In thousands of euros</i>	2016	2017	2018
Contribution to works council employee welfare programs over the year in France	1,438	914	807

3.2.2.5 TALENT AND SKILL MANAGEMENT

An attractive Group

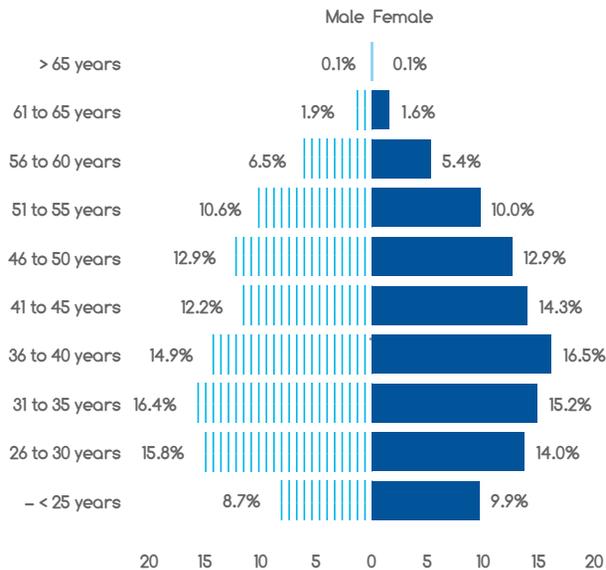
Plastic Omnium's competitiveness relies in particular on its ability to offer innovative solutions to its customers. Its expertise relies on the knowledge and know-how of its employees. Attracting the best talent and fostering employee loyalty is crucial to ensure the Group's level of excellence, its ability to satisfy its customers and its image as an innovative company are maintained. Furthermore, new jobs are appearing which mean that the Group needs to attract new skill profiles: mechatronics, plasronics, electrochemistry, software engineering, digital manufacturing and data analysis are the new skills that the Group is focusing on in response to vehicle connectivity, electrification and process automation.

There is a special focus on recruiting junior level staff (young graduates or those with a first professional experience) in order to ensure generational renewal. To do this, relations with schools were deepened further in 2018, with the Group being involved in 134 events (an increase compared to 80 events the previous year). Five events were of particular interest to the Group in France to promote the sector to young people from college age onward:

- la *Journée Nationale des Jeunes* (JNDJ) is a day of citizen and community mobilization: on this day, the Group invited young people to its sites to give them a taste of the world of work;
- Plastic Omnium exhibited at the *Jeunes d'avenir Île de France* event, the leading career guidance-training-job fair for young people aged 16-25 with or without a degree;
- Plastic Omnium also had a stand at the Paris Motor Show, where it talked to young people about the Group's businesses;
- organized by the French Society of Automotive Engineers (SIA), thanks to the MonJob@FuturAuto symposium, engineering students were received on the stand where Group's business lines and opportunities were presented to them. 75 college students were also received on the stand, at the initiative of the FIEV (Federation of Vehicle Equipment Industries). The partnership with the *Elles Bougent* association also enabled the Group to meet 150 female high school students;
- finally, Plastic Omnium presented its opportunities at the VIE (International Business Volunteering) forum. Thus in 2018, 49 young people took part in VIE with the Group.

Junior profiles accounted for 22% of new managerial recruitments.

BREAKDOWN OF EMPLOYEES BY GENDER AND BY AGE BRACKET



Work-study and VIE are other potential sources of recruitment for the Group. In 2018, 351 young people were recruited on a work-study or apprenticeship contract. At the end of their VIE contracts, 14 young people were taken on by the Group on permanent or fixed-term contracts.

To build its reputation as an attractive company, Plastic Omnium has continued its “employer brand” policy. Digital channels are now a significant source of recruitment: more than 30% of new hires come from digital sources, such as the Careers site and professional social networks. The social network audience has grown significantly: 40% in 2018 with now more than 70,000 people following Plastic Omnium on LinkedIn, which has seen record levels of activity with 60% additional posts on Group information, innovation, Human Resources and CSR. The Plastic Omnium Careers site is also constantly updated with new job openings. It received 16,249 applications in 2018.

NUMBER OF EMPLOYEES HIRED DURING THE YEAR

	2016	2017	2018
Managers & Engineers hired	634	746	816
Non-Managers hired	3,509	4,048	4,135
TOTAL	4,143	4,794	4,951

NUMBER OF MANAGERS AND ENGINEERS HIRED DURING THE YEAR PER REGION AS AT END OF DECEMBER

	2016	2017	2018
France	164	181	165
Western Europe excluding France	113	143	150
Eastern Europe	63	70	103
North America	154	166	152
South America and Africa	28	42	42
Asia	112	144	204
TOTAL	634	746	816

Fostering employee loyalty

Fostering employee loyalty begins as soon as they join the Company. The turnover rate among managers was 11.5% in 2018. Several actions were implemented to foster employee loyalty and manage current and future skills.

- The Group integration seminar for young managers and engineers working at the Company for under a year. 340 employees from 20 countries were able to form a network and meet Management.

- “Stay Interviews” held within three years of arrival of managers provide an opportunity to understand employees’ career development ambitions and to explain the opportunities available to them.
- The “people review” process is an opportunity to map existing profiles within the Group and match them to future requirements. Career paths are therefore designed and planned with employees during their annual assessment interviews.
- These interviews follow a specific process defined and formalized by the Group and cover nearly 5,000 managers. They are an opportunity for employees to discuss their mobility and promotion aspirations.

NUMBER OF DEPARTURES DURING THE YEAR

	2016	2017	2018
Redundancies	227	443	138
Terminations for other reasons	705	794	746
Other departures	1,252	1,987	1,804
TOTAL	2,184	3,224	2,688

Plastic Omnium wants to emphasize mobility and internal promotion, and has set itself the target of filling 75% of senior management positions internally. Job openings can be viewed by all employees in OPteam, the

Human Resources management tool. The mobility rate was nearly 10% in 2018. 63 employees also benefited from international mobility to begin a new stage in their careers.

MOBILITY RATE FOR MANAGERS

	2016	2017	2018
France	7.2%	9.3%	10.9%
Western Europe excluding France	3.8%	12.5%	8.3%
Eastern Europe	12.5%	11%	12.8%
North America	17.3%	13.3%	12.2%
South America and Africa	13%	13.4%	13.0%
Asia	9.8%	11.8%	5.4%
TOTAL	9%	11.6%	9.9%

Employee training is a strategic part of skills development. Jobs are changing rapidly, and skills need to adapt in response. Four programs have been steadily rolled out since 2016 for executives and managers.

“Starter” is a program to support young talent for 12 to 18 months. The key objectives of this training are to develop leadership skills and encourage adoption of the “PO Way”. 58 employees are currently part of this training program and 134 have already completed it. As a gauge of the efficacy of this program, the loyalty rate among these employees is higher than the average for young talent.

“Driving success”, for the managers of local teams, embodies Plastic Omnium’s intention to express a shared, dynamic management culture consistent across all entities. In 2018, over 240 managers participated in these sessions, which focused on communication, leadership and team management.

A new “Booster” program was launched in 2018 to train future senior managers and young senior managers. Three managerial skills are covered: implementing a strategy, setting guidelines for teams to follow and engaging and motivating people. This program is aimed at a highly targeted group; the first cohort in 2018 included only 22 employees.

The latest “Leading Manufacturing” program is a very specific program for current and future plant senior managers. The first cohort of 15 participants completed in 2018.

In total, all of these programs have trained over 900 employees in three years, i.e. 19% of managers and engineers.

One of the highlights of 2018 was Plastic Omnium’s introduction of regional campuses, bringing together several programs in the same place to boost the visibility and impact of its training initiatives. Two campuses took place, in Europe in January and in the United States in October. They provided an opportunity for participants to meet other people, learn about other career paths and network outside their usual circles. During these campuses, employees in induction programs, in the “Driving Success” and “Starter” training programs, or in negotiating and risk management training were able to network. Following the success of these campuses, the Group intends to replicate this regional format which combines training with local development.

The campuses also brought together the “Starter Alumni”, participants from the previous cohorts of the “Starter” program during innovation and emotional intelligence workshops, thus extending opportunities for development for participants.

The training sessions taken are decided with the employee at their annual assessment interview. In 2018, the training programs were managed in *MyLearningPlace* resulting in nearly 19,000 employees receiving training, with an average of 24.17 training hours per employee. The topics mainly

covered in face-to-face, virtual classrooms or “blended learning” are languages, health/safety/environment – for which the training program has been reviewed –, software, management, continued improvement, expertise and job-specific techniques.

	2016	2017	2018
Training commissions	40	36	31
Number of attendees	97,373	122,601	127,468
Number of training sessions per employee per year	5.53	5.80	6.18
TOTAL TRAINING HOURS	513,515	531,130	498,576
Training hours per year per employee	29.19	25.14	24.17
TOTAL EXPENDITURE ON EXTERNAL TRAINING BODIES (IN THOUSANDS OF EUROS)	4,380	5,262	4,813

All training hours, regardless of their duration, are now recorded in the number of attendees.

3.2.2.6 EQUAL OPPORTUNITIES

In its Code of Conduct and by joining the United Nations Global Compact, Plastic Omnium has committed to promoting diversity among its teams, which is a way of opening minds and ensuring complementary points of view. The Group also reaffirms its intention to fight discrimination of all kinds and to promote integration. Discrimination incidents are monitored annually.

	2016	2017	2018
Number of incidents of discrimination ⁽¹⁾	1 ⁽²⁾	1	0
Number of measures taken following incidents of discrimination	0	0	0

(1) The number of incidents of discrimination is reported within the global scope via the non-financial data reporting software application.

(2) The incident of discrimination, which occurred in the United States, has been closed by the authorities, with no charge against Plastic Omnium.

The Group has defined as a priority to focus on developing the career paths of women, for greater diversity, as the automotive industry has been traditionally male-dominated. *Meeting* for one day at the start of the year at the α -Alphatech site around the theme of women's success, female mentors of *Elles Bougent* association –with which the Group has partnered, managers and teams of Human Resources Department were able to discuss and reflect on the strengths and areas for improvement of Plastic Omnium's management of women's careers.

This analysis enable the Human Resources Department to set up an action plan, comprising several components:

- introducing and monitoring targets for recruitment, development and wage equality;
- promoting remote working;
- developing women's careers, mainly through people review process;

- improving internal communication on diversity, in particular via a project of internal network to promote diversity and partnership with associations.

Partnerships make it possible to promote technical and engineering jobs to young women to encourage them to consider scientific careers. 25 female engineers from Plastic Omnium are mentors for the *Elles Bougent* association. Similar relationships with associations that promote technical jobs to young women have also been built in Germany – 3 plants hosted young women on Girl's Days – and in the United States – the Group exhibited at the SWE (Society for Women Engineers) Forum, enabling female engineering students to meet with female professional engineers.

Plastic Omnium's ambition is for the proportion of women in management positions to be the same as across all high-responsibility positions by 2025, i.e. at least 20%.

	2016		2017		2018	
Number of women at December 31	5020	22.9%	4,981	23.6%	5,028	24.4%
Proportion of women in the Group						
Number of women Managers & Engineers at December 31	946	20.8%	986	20.9%	1,022	21.4%
Proportion of women at executive level						
Number of women in management positions at December 31	39	11.1%	39	11.5%	37	12.1%
Proportion of women in management positions						
Number of women Managers & Engineers hired during the year	157	24.8%	185	24.8%	195	23.9%
Proportion of women executives hired						

In France, Plastic Omnium also wanted to focus on employees with disabilities. An analysis in 2017 led to the formation of a permanent "Mission Handicap" which reports to management. The network of Division and site point people (HR or HSE) is completed by the HSE and health teams (nurses and, as of this year, social assistants), employee representative bodies and managers. In 2018, Mission Handicap and its network rolled out its strategy in four main working areas.

- Employee education and training for key players: 17 training sessions took place for the Executive Committees of industrial sites, Human Resources managers, CHSCT secretaries and overhead buyers. The HR and HSE agreements were an opportunity to present the disabilities policy to HR and HSE managers, who are now in-house point people on this topic. At the end of the year, all employees received a handbook about disabilities at work to increase their awareness on this topic. Communication was improved and special events were held during European Disability Employment Week to raise awareness in a fun way: exhibition on famous people with a hidden disability, quiz, role plays, etc.

- Keeping employees with disabilities in work: Plastic Omnium can refer to the Cap Emploi-SAMETH (support service to keep workers with disabilities in employment) when a solution cannot be found internally and expert involvement is required for specific studies on the employees concerned.
- Recruitment and inclusion of people with disabilities: Plastic Omnium recruited 13 workers with disabilities (full time equivalent) in the first year of its disabilities policy, across all contract types. A partnership has been forged with the ARPEJEH to help pupils and students with disabilities make career plans, helping them to boost their employability.
- Strengthened collaboration with the protected and adapted sector: buyers are encouraged to use ESAT-type suppliers. Some buyers were able to go and meet service providers at the *Handicap Emploi et Achats responsables* (Disability employment and sustainable purchasing) fair. Plastic Omnium already uses ESAT suppliers for a range of goods and services, such as the packaging of automotive parts, manufacture of braided fabrics for compression molding, maintenance of green spaces, catering and food services, etc.

	2016	2017	2018
Number of disabled workers	439	390	353
Workstations adapted for disabled workers	25	17	39
Number of disabled workers recruited in the year	24	27	39

3.2.3 SUSTAINABLE PRODUCTION



The third pillar of the Plastic Omnium CSR strategy is sustainable production: minimizing negative impacts such as water, air and land pollution, while preserving resources. In its Code of Conduct, the Plastic Omnium Group is committed to a proactive environmental protection policy. Therefore, the HSE/CSR Department requires all sites to be ISO 14001-certified. Sites already certified to ISO 14001 and ISO 45001 standards subject to an energy audit obligation in Europe, ISO 50001 (energy management system) certification is required.

NUMBER OF SITES CERTIFIED TO ISO 14001 STANDARDS

	2016	2017	2018
ISO 14001 certified sites	93	85	76

In 2018, 76 sites were certified, totaling 90% of sites. In 2018, 13 certified sites were closed or disposed, 4 new sites were certified.

The environment is an integral part of management: the Group's HSE/CSR Department has a strong network of front-line HSE facilitators and manages the procedure on a monthly basis, holding network meetings to monitor changes to certifications, energy, awareness and audit indicators. Some indicators are fed back each month to the Group's Executive Committee. Three times a year Senior management, the Human Resources Department and the HSE/CSR Department meet to manage the strategy.

Depending on their role, all employees receive training on, or are made aware of, the Group's environmental policy. The topics covered include environmental risk management, limiting impacts by managing input and waste, and the consequences of failure to comply with regulatory

requirements. In 2018, 31,863 employees received 16,780 hours of awareness, and 14,231 employees received 21,803 hours of training in total.

In addition to eco-design and product recyclability, energy efficiency, climate change action, and biodiversity protection, sites pay special attention to air quality and water consumption.

Sites with paintwork stations use solvent-based paints which emit VOCs (Volatile Organic Compounds) which indirectly contribute to global warming, and some of them may be harmful to health (CMR-classified – carcinogenic, mutagenic and reprotoxic). VOC incinerators have been installed at the end of the paintwork-station production lines. When technically possible, solvent-based paints are replaced with water-soluble paint, resulting in fewer emissions.

CONSUMPTION OF PAINT AND SOLVENTS AND VOC EMISSIONS

Annual consumption of raw materials <i>In metric tons</i>	2016	2017	2018
Paint ⁽¹⁾	6,464	6,772	6,518
Solvents ⁽²⁾	11,199	12,096	11,178
TOTAL	17,663	18,868	17,696

(1) Dry matter contained in the paint, excluding solvent.

(2) Solvents used undiluted and solvents contained in paints.

VOC emissions <i>In metric tons</i>	2016	2017	2018
VOCS	2,140	1,779	1,713

Water used by Plastic Omnium does not enter the manufacturing process; it is used to cool machinery and equipment. All closed-circuit sites constantly recycle water, reducing the amount of new water used. None of

the sites were in water-stressed areas or areas subject to water restrictions during the year.

WATER CONSUMPTION

	2016	2017	2018
Annual consumption (in m ³)	1,142,753 excl Saint-Désirat ⁽¹⁾	1,206,658	1,128,655
Consumption in l/kg of processed material	2.510 excl Saint-Désirat ⁽¹⁾	2.644	2.768

(1) In order to improve comparability, consumption for the Saint-Désirat site in France (disposed of in 2017 and therefore not recorded in 2017), has been deleted from 2016 consumption as it represented a very significant share of total consumption (528,190 m³ in 2016).

3.2.3.1 ECO-DESIGN AND RECYCLABILITY



Resource management is a growing concern for Plastic Omnium's users and customers. European regulations require 95% of the average weight of vehicles to be reused and recovered. To meet these market expectations

and current and future regulatory requirements, the Plastic Omnium Group must offer recyclable or recoverable products and minimize their environmental impact.

Plastic recycles particularly well, and plays a key role in achieving a circular economy. To manage its impact, Plastic Omnium monitors its use of raw materials and the volume of waste generated, constantly seeking to optimize its processes to produce more by consuming less.

Depending on the intended use of the product, different types and grades of plastics are purchased: polyethylene, polypropylene, ABS, or ASA, etc. Composite materials have major benefits in product manufacturing.

ANNUAL CONSUMPTION OF RAW MATERIALS IN METRIC TONS

	2016	2017	2018
New plastics	350,635	354,089	349,262
Blank composites	20,738	15,660	16,623
Recycled plastics	51,616	51,072	10,203
Biosourced plastics	388	260	0
TOTAL PLASTICS	423,378	421,081	376,089
Paints/solvent consumption	17,663	18,868	17,696

The Divisions are continually working to improve the efficiency of processes to reduce the volume of waste generated during manufacturing. Most materials are channeled back into manufacturing, but when this is not possible, there are three processing options:

- recycled waste comprising reuse (with a usage identical to the one for which the part or product was initially designed, without intermediate processing), the recycling or material regeneration (giving the material its primary properties back, by processing or introducing additives that enable it to be put back into the production cycle);
- recovered waste comprising reuse (with a usage different from the one for which the part or product was initially designed, possibly with intermediate processing) and recovery by incineration with energy recovery;
- final waste, which includes non-recovered waste, waste incinerated without energy recovery and waste disposed of in landfill.

Waste generated annually per type of waste

<i>In metric tons</i>	2016	2017	2018
Plastic parts ⁽¹⁾	38,872	42,419	40,151
Common industrial waste	14,535	16,168	14,056
Metals	7,404	7,705	8,931
Cardboard	6,319	7,986	7,544
Wood	5,018	5,814	5,517
Plastic packaging	1,142	1,136	1,714
Glass	6	7	1
Solvents	4,269	4,157	4,461
Paint sludge	5,393	5,850	5,867
Oils	1,221	1,626	1,776
Other waste ⁽²⁾	5,285	6,726	8,632
WASTE GENERATED ANNUALLY PER TYPE OF WASTE	89,464	99,595	98,651

(1) Plastic parts: also include composite material waste.

(2) Other waste: washing and maintenance water, sundry special industrial waste.

The resale of recycled and reused waste for incorporation into new products amounted to €9 million in 2018, offsetting the waste management cost of €6.1 million in 2018.

Recycled or reused waste accounted for 88% of the waste generated by the Group this year, this share remaining at a very high level for several years.

Waste generated annually per type of treatment

<i>In metric tons</i>	2016	2017	2018
Recycling	64,556	71,060	71,400
Recovery	14,343	17,631	15,899
Incineration or disposal in landfills	10,565	10,904	11,352
TOTAL WASTE	89,464	99,595	98,651

The Group has begun life cycle analyses on four products representative of the brand, to identify areas in which it can improve. The aim of these analyses is to understand the impacts that a product has on the environment throughout its lifespan, from the extraction of raw materials, their processing and assembly through to their use and end of life. The methodology used is the one approved by carmakers (according to ISO 14040), and the criteria and scope of the analysis are the ones recommended for the sector by the PFA (Platform of the Automotive and Mobility Industry).

The life cycle analyses will influence Plastic Omnium's internal decision-making and enable it to better advise its customers. The criteria selected are:

- climate change (CO₂ emissions);
- photochemical oxidation (ozone);
- acidification (SO₂ emissions);
- eutrophication (amount of sulfates in the water);
- depletion of natural resources (mineral and fossil resources).

These analyses are conducted with internal and external experts; some will also undergo critical analysis by another expert to fully assess the results so that reliable, verified data can be supplied.

The 4 life cycle analyses (LCAs) have different aims:

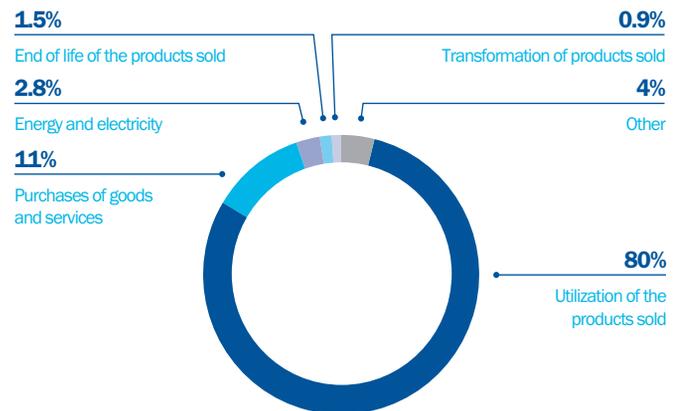
- the first LCA, conducted by Intelligent Exterior Systems, is used to compare the impact of a bumper design change: if a platform has a lifespan of over 20 years, the design evolves regularly. Every two or three years, the body parts change in shape or finish. The example studied highlights the difference in terms of environmental impact between two technologies: chrome plating of plastic and hot stamping. Initial results show that hot stamping technology has less impact than chrome plating, provided that the proportion of metallic film used is increased. This technology, which is still new to the Group, is continuously being improved and reducing the amount of unused film which is disposed of is one area for improvement that has been identified;
- the second LCA by Intelligent Exterior Systems fully assesses the difference between manufacturing a tailgate with a Thermodur insert with thermoplastic skin (Plastic Omnium technology) and its steel or aluminum equivalent. Initial results show that, excluding the end-of-life phase, plastic has a much smaller impact than aluminum. The weight difference between a steel tailgate and a plastic tailgate must be fine-tuned to make a significant difference in terms of impact. The analyses will continue, and action plans are already in the pipeline to improve them;

- in the third LCA, Intelligent Exterior Systems compared the impact of the new-generation bumpers (the *smartbumper*) with traditional bumpers. Initial results highlight the significant improvement of the new generations across all environmental criteria, except the mineral resources impact due to cameras and other sensors which require the use of mineral materials. The teams are considering what the focus areas should be for 2019 onward. At the same time, this product was studied with a view to adding a societal criterion to the 5 environmental criteria: the number of fatal road accidents avoided thanks to on-board sensors in these new-generation bumpers. A study conducted with ENSAM University concluded that a significant number of accidents had been avoided: with 20% of vehicles equipped in 2030, over 15% of fatal daytime accidents would be avoided, and 8% of fatal night-time accidents would be avoided. The study will enable more in-depth review of the results so that recommendations may be made on the types of radars that should be used in order to reduce the number of accidents;
- the fourth LCA concerns a Clean Energy Systems product: as the fuel tank is a safety product, Clean Energy Systems does not have as much freedom over materials or design choice as Intelligent Exterior Systems. The LCA, the results of which are expected in 2019, will enable the parameters that influence the impacts to be modelled in order to understand, by varying them, which actions would be the most beneficial: if the most impactful stage is raw materials processing, then the parameter that should be varied will be the energy mix of the machine used; if the most impactful stage is the transport of the finished products, the focus will be on selecting a more responsible transporter.

Plastic Omnium will also take part in a study on the LCA of hydrogen in partnership with a government organization in France. This study is intended to result in an industry-recognized methodology.

In addition to these life cycle analyses on the Group's key products, the carbon footprint was calculated in 2018 with the assistance of a specialized outside firm. All emissions sources were measured, taking upstream and downstream operations into account: use of energy and raw materials, purchases of goods and services, upstream and downstream transport, business trips and commuting, investments, waste, capital goods, processing, utilization and end of life of the products sold.

Utilization of the products sold was identified as the heaviest contributor to the Group's overall carbon footprint. 80% of the Group's CO₂ emissions are generated during the product lifespan. The LCAs will fine-tune the data on the products sold, and enhance it with criteria other than CO₂ emissions.



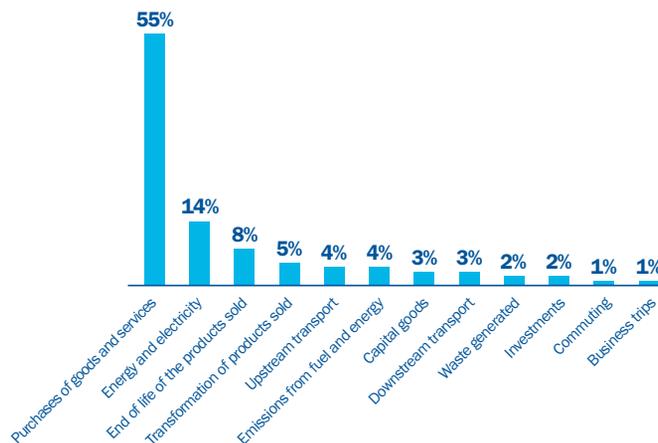
3.2.3.2 ENERGY EFFICIENCY AND COMBATING CLIMATE CHANGE



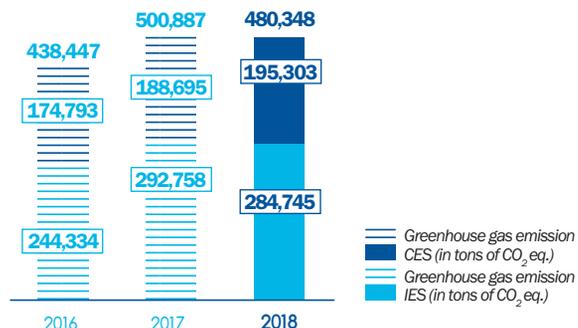
Plastic Omnium's products account for a significant amount of its overall carbon footprint. The Group is working to reduce its impact on climate change by helping carmakers to design lighter, more aerodynamic vehicles to reduce emissions and encouraging the use of clean energy systems.

Furthermore, the Group is working on the CO₂ emissions generated by its direct and indirect operations. This year's carbon footprint analysis shows that most emissions (excluding utilization of the products sold) come from the purchase of goods and services, energy and electricity used, processing and end of life of the products and transport: in total, the Group's operations generate 3,500,000 metric tons of CO₂ equivalent (excluding utilization of the products sold).

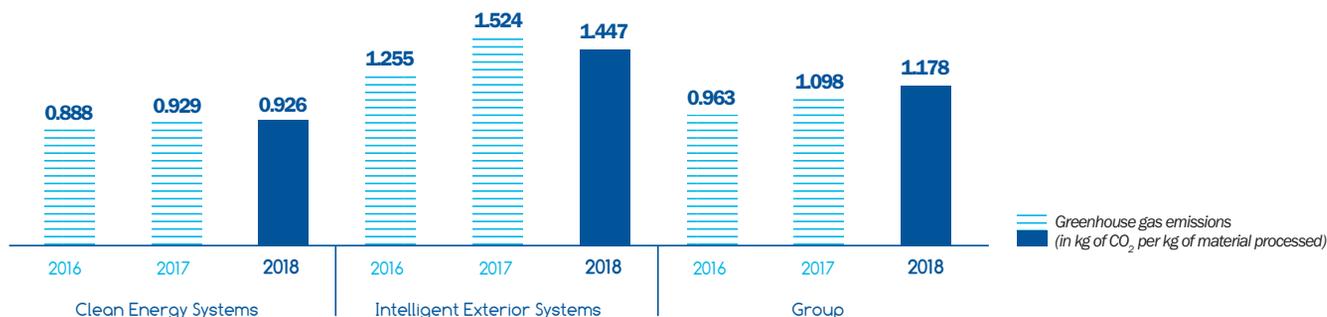
For emissions resulting from energy and electricity use (scopes 1 and 2), the Group measures the change per kilogram of processed material, which gives an understanding of the impact of its processes, independently of product volumes. The materials used to manufacture the products are plastics, paints and metals.



GREENHOUSE GAS EMISSIONS IN TONS OF CO₂ EQUIVALENT - TOTAL AND BY DIVISION



GREENHOUSE GAS EMISSIONS IN KG OF CO₂ EQUIVALENT PER KG OF MATERIAL PROCESSED



In 2018, the Group set itself the target of a 20% reduction in the CO₂ emissions per kilogram of material processed by 2025 compared to 2018.

The Group's greenhouse gas emissions generated by the consumption of energy and electricity were 480,348 tons of CO₂ equivalent, a decrease of 4% compared with 2017, mainly due to the disposal of the Environment Division. The two Automotive Divisions also decreased their greenhouse

gas emissions by 0.3% compared with 2017. Emissions per kilogram of processed material are slightly increased: the Environment Division consumed less energy to process raw materials than the Automotive Divisions and therefore generated less emissions per kilogram of processed material. The ratio for Clean Energy Systems and Intelligent Exterior Systems improved by 3% compared to 2017, at 1.177 kgCO₂e/kg processed material.

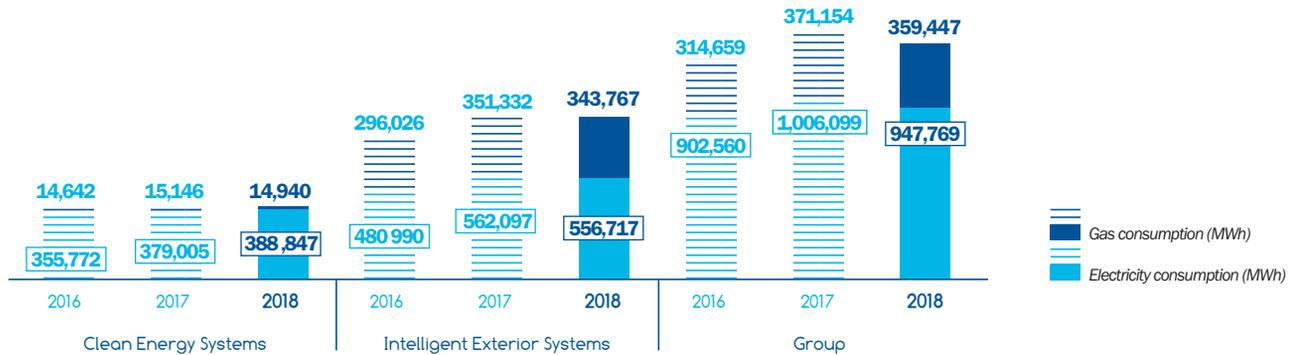
The three main strategies selected by the Group to meet the ambitious target of a 20% reduction in its emissions per kilogram of product processed will be:

- improving the energy efficiency of its plants;
- generating renewable energy on the sites;
- purchasing green energy.

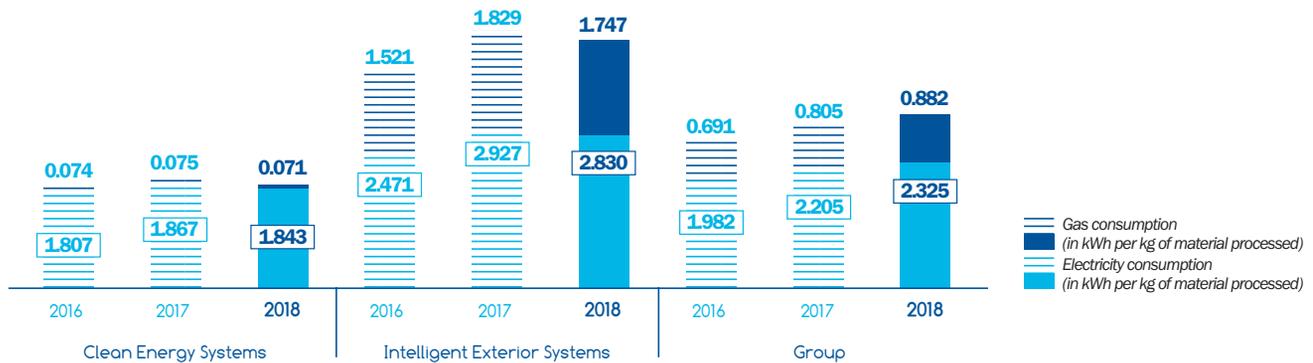
From 2019, each Division will implement its own detailed action plan in line with the targets for each of the three strategies.

The main energy sources used by the Group are electricity and natural gas. In 2018, usage decreased by 5%, following the disposal of the Environment Division, while Clean Energy Systems and Intelligent Exterior Systems' consumptions decreased by 0.3%. The Environment Division consuming less energy to transform its raw materials, the ratio energy consumption per kilogram of material processed increased by 6.6%. In the meantime, ratio for Automotive Divisions has decreased by 3.1%, as they have both improved their efficiency.

GROUP AND DIVISION ENERGY USAGE IN MWH



ENERGY CONSUMPTION IN KWH PER KG OF MATERIAL PROCESSED



The good results of the Automotive Divisions have been obtained thanks to the longstanding Top Planet policy. This policy aims to reduce greenhouse gas emissions by cutting energy consumption (gas and electricity). It is the governance pillar to meet the emissions-reduction target.

Top Planet is based on four firm Management commitments:

- rollout of ISO 50001 certification;
- defining targets to reduce emissions and energy consumption;
- inclusion of an energy efficiency criterion into the purchase of services, the design of products, production equipment and infrastructure;
- implementation of best practice by circulating operational fact sheets.



NUMBER OF SITES CERTIFIED TO ISO 50001 STANDARDS

	2016	2017	2018
ISO 50001 certified sites	24	24	23

There are many central and local initiatives: relamping with presence sensors, very precise ways of measuring equipment energy usage, recovering heat from compressors, etc. The roof of the future Δ-Deltatech site will be fitted with solar panels.

3.2.3.3 PRESERVING BIODIVERSITY

Biodiversity is becoming a global concern. The five main change factors that cause biodiversity loss are

- changes in land use (human use of land for a specific purpose, such as transforming forest into agricultural land or physical modification to rivers, collection of water from rivers);
- climate change;
- invasive species (introduced species which propagate in habitats which are not their own by changing them);
- over-exploitation;
- pollution.

In 2018, Plastic Omnium decided to sign up to the Act4Nature initiative, which encourages companies to enter into 10 shared commitments, as well as individual commitments to protect biodiversity. The ten shared commitments involve creating a biodiversity strategy with stakeholders to

reduce and offset the Company's impacts while raising awareness, providing internal training and spreading information externally about the progress the Company has made.

The individual commitments entered into by Plastic Omnium are:

- to reduce CO₂ and atmospheric pollutant emissions from automotive transport: innovation and new product development helps to reduce greenhouse gas and nitrogen oxide emissions;
- effectively managing the sites' environmental impact: The Top Planet program reduces greenhouse gas emissions from the sites, VOC incinerators ensure good air quality around the sites, processing of emissions into the land and water are avoided by effective site management (ISO 14001). Retention tanks are placed under the products to avoid any pollution. The sites cover 4,379,785 m² of which 18.7% is permeable, allowing rainwater to penetrate the soil;
- the fight against plastic pollution in the oceans: 88% of waste is recycled or recovered, and the sponsorship of the Race For Water vessel raises awareness and provides education on protecting the oceans;
- promoting local biodiversity initiatives by its sites: since 2010, Mexico's Puebla site has been involved in a reforestation project for the Iztz-Popo national park and the Flor del Bosque park in Puebla.

3.3 METHODOLOGY

This statement of non-financial performance sets out the Plastic Omnium Group approach to corporate, social and environmental responsibility and the non-financial information to meet the requirements of Articles L.225-102-1 and R.225-105-1 to R.225-105-3 of the French Commercial Code. The last section contains a cross-reference table with the ten principles of the United Nations Global Compact of which Plastic Omnium has been a signatory since 2003, and with the indicators of the international benchmark, GRI Standards and the United Nations Sustainable Development Goals.

Compagnie Plastic Omnium, which is listed on Euronext Paris, is a company with industrial operations and plants.

The CSR indicators are collected separately by the HSE/RSE Department and by the Human Resources Department at each site in the reporting scope, and are checked for consistency during the consolidation process.

The Plastic Omnium Group's corporate, social and environmental reporting approach is based on:

- the regulatory provisions related to Articles R.225-105-1 to R.225-105-3 of the French Commercial Code;

- the ten principles of the United Nations Global Compact;
- the HSE policy integrated into the Company's strategy and management.

The information which must be published in accordance with law no. 2017-399 dated March 27, 2017 relating to due diligence by parent companies and subcontracting companies is presented in this declaration on non-financial performance.

The topics required under Article R.225-105-1 of the French Commercial Code – preventing food waste, ensuring food security, ensuring animal welfare and responsible, fair and sustainable nutrition, were not deemed to be relevant for the Plastic Omnium Group. This is because the Company's activities are not linked to the production, marketing or distribution of food products. Sites that propose food services (canteens) to its employees contract out this service to a specialized service provider in charge of ensuring compliance with applicable laws. The Group's Conditions of Supply require compliance with applicable laws, which enables Plastic Omnium to ensure that its service providers comply with these regulations. These issues are therefore not included in this chapter.

SCOPE OF THE REPORT

The reporting scope aims to represent all the businesses of Compagnie Plastic Omnium. For 2018, the corporate, social and environmental reporting covers all of the IFRS 2018 revenue of Compagnie Plastic Omnium.

The water and energy consumption of the Vendor Managed Inventory (VMI) managed by Intelligent Exterior Systems and Clean Energy Systems is also included, as are the resulting CO₂ emissions.

The Group has 11 facilities classified for the protection of the environment (ICPE) pending authorization and 1 facility pending registration. These ICPEs are included in the Group's HSE scope.

1.1 Employees by type of contract and temporary employees at December 31 include all the legal entities in the management accounts' scope of consolidation.

1.2 Likewise, registered employees are broken down by gender, by operators/employees/managers, as well as by age group, and temporary employees are included in all of the legal entities in the scope of consolidation.

Changes in consolidation scope:

social indicators are reported as of the establishment or consolidation of the site. In 2018, newly opened or acquired sites were included under Human Resources reporting (HSE data will only be reported from the start of production): for Clean Energy Systems and New Energies, the Zonhoven and Fribourg sites; for Intelligent Exterior Systems, the Kenitra site. The HBPO entities were included within the scope of IFRS reporting following the acquisition of a controlling interest as of July 1st, 2018.

In 2018, total employees were recorded with HBPO. On the other hand, the breakdown of workforce and social indicators are calculated excluding HBPO.

Site acquisitions new sites are included within the HSE data from the date activity begins (production start-up).

Regarding HSE reporting, the Clean Energy Systems sites at Smyrna and Hansalpur were included in 2018 (included from 2017 in the HR reporting).

Sites sold or closed during the year are not included: all of the entities that belonged to the Environment Division following the sale on December 18, 2018, the Norcross Intelligent Energy Systems site.

INDICATOR CALCULATION METHODS

Indicators are approved on December 31, 2018, except for the following indicators:

2.1 the indicators approved on November 30, 2018 and extrapolated to December 31, based on the ratio of employees at December/employees

at November: gender breakdown, breakdown by operators/employees, employees working in shifts or part-time, number of women managers, number of disabled people;

2.2 the indicators approved on November 30, 2018 and prorated to December 31, based on the ratio of 12/11: internal and external training hours, invoices from training organizations, number of interns, number of employees trained since January 1, all environmental data (except for the number of ISO 14001 certified sites, approved on December 31);

2.3 the indicators approved on November 30, 2018 and considered as valid for the entire year: hours worked per week, percentage of employees covered by a collective agreement, percentage of employees trained during the year, workstations adapted for employees with disabilities, economic and financial information: market share, growth forecast, investments, etc.;

2.4 the indicators approved on October 31, 2018 and considered as valid for the entire year: number of incidents of discrimination, number of measures taken following incidents of discrimination, committees, other commissions, number of trade unions represented, company agreements, agreements on health and safety in the workplace.

All indicators are calculated on the IFRS scope and given for two or three years to enable comparability. HSE topic indicators for the consumption of feedstock, paint, solvent, water, gas, propane, VOCs emissions, CO₂ emissions and correlated ratios, along with waste, have been corrected for 2017 further to a subsequent detection of errors of little consequence that concerned 11 sites.

EXTERNAL PROCEDURES AND CONTROLS

A specific reporting protocol for the EHS and Human Resources Departments was developed and provides information about the collection and validation procedure as well as definitions for the indicators identified, in a single document. This protocol is sent to all contributors and validators of non-financial data. This data is collected in the Group's non-financial reporting software.

For 2018, the procedures for reporting non-financial indicators were externally audited by Mazars, an independent third-party. This involved site audits, based on a selection of corporate, social and environmental indicators, across 11 sites representative of the Plastic Omnium Group's operations to check the quality and overall credibility of the reporting system.

The sites audited in 2018 include: for Clean Energy Systems, Huron and Anderson; for Intelligent Exterior Systems, Bratislava, Guichen, Barcelona, Arevalo, Redondela, Valencia, Pappenheim, Reinsdorf and Anderson.

The nature of the audits and the related conclusions are presented in a specific certification at the end of this chapter.

The glossary of indicators may be obtained upon request from the Group Human Resources and HSE/CSR Department.

3.4 CROSS-REFERENCE TABLE

To pics	High-risk issues	Chapters	Pages	Major contribution to the SDGs	Principles of the United Nations Global Compact	GRI indicators
Solutions for clean, connected mobility	Product safety and quality Road and automotive safety	3.1.2.2 Product safety and quality	91	3 Good Health and Well-Being		GRI 416-1
	Clean propulsion systems	3.1.2.3 Clean propulsion systems	92	7 Affordable and Clean Energy 12 Responsible Consumption and Production 13 - Climate Action	8. To take initiatives that will promote greater environmental responsibility 9. Promoting the development and dissemination of environmentally-friendly technologies.	GRI 305-5
	Measures to reduce the weight of vehicles	3.1.2.4 Measures to reduce the weight of vehicles	93	12 Responsible Consumption and Production 13 - Climate Action	8. To take initiatives that will promote greater environmental responsibility 9. Promoting the development and dissemination of environmentally-friendly technologies.	GRI 305-5
Responsible entrepreneurs	Competitiveness	3.1.2.1 A company driven by its long-term competitiveness 3.2.1.1 Competitiveness	91 95	8 Decent work and economic growth		
	Business ethics	3.2.1.2 Business ethics	95	8 Decent work and economic growth	10 Acting against corruption in all its forms, including extortion and bribery	GRI 102-16 GRI 102-17 GRI 205-1 GRI 205-2 GRI 205-3
	Duty of vigilance and responsible purchasing	3.2.1.3 Duty of vigilance and responsible purchasing	97	8 Decent work and economic growth	Principles 1 to 9	GRI 102-16 GRI 102-17 GRI 308-1 GRI 308-2 GRI 406-1 GRI 407-1 GRI 408-1 GRI 409-1 GRI 412-1 GRI 412-2 GRI 414-1 GRI 414-2
	Data protection	3.2.1.4 Data protection	100			

To pics	High-risk issues	Chapters	Pages	Major contribution to the SDGs	Principles of the United Nations Global Compact	GRI indicators
Care for people	Responsible management	3.2.2.1 Responsible management	101	8 Decent work and economic growth	2. Avoiding complicity in human rights violations 4. Working to eliminate all forms of forced or compulsory labor 5. Contributing to the effective abolition of child labor	GRI 102-7 GRI 102-8 GRI 102-35 GRI 102-36 GRI 401-2
	Occupational health and safety conditions	3.2.2.2 Occupational health and safety conditions	103	3 Good Health and Well-Being 8 Decent work and economic growth		GRI 403-2 GRI 403-3
	Employee engagement	3.2.2.3 Employee engagement	106			
	Social dialogue	3.2.2.4 Social dialogue	106		3. Respecting freedom of association and recognizing the right to collective bargaining	GRI 102-41
	Talent and skill management	3.2.2.5 Talent and skill management	107			GRI 202-2 GRI 404-1 GRI 404-2 GRI 404-3
Sustainable production	Energy efficiency and CO ₂ emissions	3.2.3.2 Energy efficiency and combating climate change	116	7 Affordable and Clean Energy 13 – Climate Change Action	7. Taking a cautious approach to environmental problems 8. To take initiatives that will promote greater environmental responsibility	GRI 302-1 GRI 302-3 GRI 302-5 GRI 305-1 GRI 305-2 GRI 302-3 GRI 305-4 GRI 305-5

Topics	Opportunities	Sections	Pages	Major contribution to the SDGs	Principles of the United Nations Global Compact	GRI indicators
Responsible entrepreneurs	Commitment to local stakeholders	3.2.1.5 Commitment to local stakeholders	100	17 Partnerships to achieve the Goals		
Care for people	Equal opportunities	3.2.2.6 Equal opportunities	110		6. Companies are encouraged to eliminate discrimination in respect of employment and occupation	GRI 405-1 GRI 406-1
Sustainable production	Waste management	3.2.3 Sustainable production	112	7 Affordable and Clean Energy 12 Responsible Production and Consumption 13 – Climate Action	7. Taking a cautious approach to environmental problems 8. To take initiatives that will promote greater environmental responsibility 9. Favoring the development and dissemination of environmentally-friendly technologies	GRI 102-27 GRI 306-2 GRI 306-4 GRI 303-1 GRI 303-3 GRI 305-6 GRI 305-7
	Water management		114			
	Air quality					
	Eco-design and recyclability	3.2.3.1 Eco-design and recyclability	113	12 Responsible Consumption and Production		GRI 301-1 GRI 301-2 GRI 305-5 GRI 416-1
	Protection of biodiversity	3.2.3.3 Preserving biodiversity	118			GRI 304-3



3.5 REPORT BY THE INDEPENDENT THIRD PARTY

MG

FOR THE YEAR ENDED DECEMBER 31, 2018

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

As an independent third party, member of the Mazars network, statutory auditor of Plastic Omnium, we present to you our report on the extra-financial performance report for the year ended December 31, 2018 (hereinafter the "Declaration"), presented in the management report, with reference 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.

RESPONSIBILITY OF THE COMPANY

It is for the Board of Directors to draw up a Declaration in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators.

The Declaration has been drawn up by applying the company's procedures, (hereinafter the "Baseline"), the significant elements of which are presented in the Declaration and available on request at the company's registered office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the Code of Ethics of the profession. Furthermore, we have set up a quality control system that includes documented policies and procedures designed to ensure compliance with ethical rules, professional doctrine and applicable legal documents and regulations.

RESPONSIBILITY OF THE INDEPENDENT THIRD-PARTY

It is our responsibility, on the basis of our work, to formulate a reasoned opinion expressing a conclusion of moderate assurance on: compliance of the Declaration with the provisions of article R. 225-105 of the French Commercial Code;

fairness of the information provided pursuant to paragraph 3 of I and II of article R. 225 105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions relating to the main risks, hereinafter the "Information".

It is not our role, however, to provide an opinion on the:

- compliance by the company with the other legal and regulatory provisions applicable, in particular, with regard to the vigilance plan and the fight against corruption and tax evasion;
- compliance of goods and services with applicable regulations.

NATURE AND SCOPE OF PROCEDURES

Our work described below has been carried out with reference to the provisions of articles A. 225-1 et seq. of the French Commercial Code determining the procedures in which the independent third-party carries out its mission and according to the professional doctrine of the National Company of Statutory Auditors relating to this intervention and to the international standard ISAE 3000 - *Insurance commitments other than audits or reviews of historical financial information*.

We conducted work enabling us to assess the compliance of the Declaration with the regulatory provisions and the sincerity of the Information:

- we have taken note of all the companies included in the scope of consolidation, the statement of the main social and environmental risks related to this activity, its effects on respect for human rights and the fight against corruption, tax evasion and related policies, together with their results;
- we have assessed the appropriateness of the Baseline in terms of relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, the sector's best practices;
- we have verified that the Declaration covers each category of information stipulated in article L. 225-102-1 III in the social and environmental field, as well as respect for human rights and the fight against corruption and tax evasion;
- we have verified that the Declaration includes an explanation of the reasons justifying the absence of the information required by the 2nd paragraph of section III of article L. 225-102-1;
- we have verified that the Declaration presents the business model and the main risks related to the activity of all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, goods or services, and policies, actions and results, including key performance indicators;
- we have verified, when they are relevant to the main risks or the policies presented, that the Declaration presents the information provided for in article R. 225-105 II;
- we assessed the process for selecting and validating the main risks;
- we inquired about the existence of internal audit and risk management procedures put in place by the company;
- we assessed the consistency of the results and the key performance indicators selected with regard to the main risks and policies presented;
- we have verified that the Declaration covers the consolidated perimeter, i.e. all the companies included in the scope of consolidation in accordance with article L. 233-16 with the limits specified in the Declaration in section "3.3 Methodology";
- we assessed the collection process put in place by the entity for completeness and fairness of the Information;
- we implemented for key performance indicators and other quantitative results⁽¹⁾ that we considered most important:
 - detailed tests based on surveys, consisting in checking correct application of the definitions and procedures and reconciling the data with the supporting documents. This work was conducted with a selection of contributing entities⁽²⁾ and covered between 19% and 100% of the consolidated key performance indicator data and results selected for these tests;
 - analytical procedures to verify correct consolidation of the data collected and the consistency of its changes;
- we consulted the documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered the most important⁽³⁾;
- we assessed the overall consistency of the Declaration in relation to our knowledge of the company.

We consider that the work we have conducted by exercising our professional judgment allows us to formulate a conclusion providing moderate assurance; a higher level of assurance would have required more extensive work.

(1) *Social information: number of employees (by type of contract, status, sex, age, region), frequency rate of work-related accidents with stoppage, workplace accident frequency rate with and without lost time, ratio number of top safety inspections/person/year, executive turnover, hours of training per employee, absenteeism rate (for accidents at work, other reasons and total).*

(2) *For all the social and environmental information mentioned above : IES Bratislava Plant, IES Barcelona (Plant + EC), IES Arevalo, IES Redondela, CES Huron and IES Guichen ; IES Valencia Plant (excluding the ratio of natural gas consumption in kWh/kg of processed material); IES Reinsdorf Plant (excluding ratio of electricity consumption in kWh/kg of processed material); IES Pappenheim Plant (excluding ratio of electricity consumption ratio in kWh/kg of processed material and ratio of natural gas consumption in kWh/kg of processed material); IES Anderson Plant (excluding natural gas consumption ratio in kWh/kg of processed material and ratio of greenhouse gas emissions in kg of CO₂/kg of processed material); CES Anderson (excluding the ratio of electricity consumption in kWh/kg of processed material, ratio of natural gas consumption in kWh/kg of processed material and total waste (recycled, recovered, ultimate).*

(3) *Business ethics and personal data, product safety & quality.*



MEANS AND RESOURCES

Our work mobilized the skills of 9 people.

We conducted six interviews with the persons responsible for preparation of the Declaration, representing in particular the Risk Management and Internal Audit, Human Resources, Purchasing and Quality departments.

CONCLUSION

Based on our work, we did not identify any material misstatements that would lead us to believe that the extra-financial performance declaration is compliant with the applicable regulatory provisions and that the information, taken as a whole, has been fairly presented, in all material respects, in accordance with the Reporting Framework.

Paris-la-Défense, February 13, 2019

The independent third-party

Edwige REY
CSR & Sustainable Development Associate



2018 Consolidated financial statements

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PREAMBULE TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial indicators 126

4.1 COMMENTS ON THE YEAR AND OUTLOOK 128

- 4.1.1 Comments on the consolidated financial statements 128
- 4.1.2 Investments 2019-2021 132
- 4.1.3 Outlook and Post-balance Sheet Events 132

4.2 CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2018

- 4.2.1 Balance sheet 134
- 4.2.2 Income statement 136
- 4.2.3 Statement of comprehensive income 137
- 4.2.4 Changes in equity 138
- 4.2.5 Statement of cash-flows 140
- 4.2.6 Notes to the consolidated financial statements
- 4.2.7 Statutory Auditors' report on the consolidated financial statements

PREAMBULE TO THE CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL INDICATORS

In the context of its financial communication, the Group uses financial indicators based on aggregates taken from the consolidated financial statements drawn up in accordance with IFRS, as adopted in the European Union.

As indicated in Note 3.1 to the consolidated financial statements for sector information for the year ended December 31, 2018, the Group uses the notion of “economic sales” for its operational management, which corresponds to the consolidated revenue of the Group and its joint

ventures at their ownership percentage: Yanfeng Plastic Omnium, a Chinese leader in exterior body parts and BPO, a major player in the Turkish market for exterior equipment. Until June 30, 2018, the revenue from joint ventures included HBPO, a German company and world leader in front-end modules, up to the Group’s 33.33% share of ownership. As a result of the HBPO Group takeover, HBPO is consolidated since July 1, 2018, using the full integration method (see Note 2.3.1 in “Significant events of the period”).

Reconciliation of economic revenue with consolidated revenue:

<i>In thousands of euros</i>	2018	2017 restated⁽¹⁾
ECONOMIC REVENUE	8,243,934	7,665,142
Including revenue from joint ventures at the Group’s percentage stake	999,298	1,232,141
CONSOLIDATED REVENUE	7,244,636	6,433,001

(1) The 2017 financial statements have been restated due to the application of IFRS 5 to the Environment Division.



Comments on the financial year and outlook

4.1 COMMENTS ON THE YEAR AND OUTLOOK

4.1.1 COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

IN 2018, CHANGE IN THE SCOPE AND PRESENTATION OF THE BUSINESSES OF COMPAGNIE PLASTIC OMNIUM

Disposal of the Environment Division

On December 18, 2018, Plastic Omnium sold its Plastic Omnium Environment BV Division to the consortium Latour Capital/Bpifrance (French public investment bank).

Pursuant to IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations,” the 2018 result of the Environment business is presented on a separate line in the income statement – “Net Result of Discontinued Operations”, and the Group’s 2017 income statement has been restated likewise.

Takeover of HBPO, world leader of front-end modules

On June 26, 2018, 2018, Compagnie Plastic Omnium completed the acquisition of the German group Mahle’s 33.33% shareholding in the HBPO joint venture, up to then held by Plastic Omnium, Hella and Mahle. Plastic Omnium now holds a 66.67% share in HBPO, the world leader for front-end modules. HBPO assembles 6 millions front-end modules each year in 25 plants and 11 countries around the globe.

GROWTH IN REVENUE OF COMPAGNIE PLASTIC OMNIUM

In millions of euros	2017	2018	Change	Change like-for-like
Plastic Omnium Industries	6,924.9	6,833.6	-1.3%	+2.8%
Plastic Omnium Modules	740.3	1,410.3	+90.5%	+0.5%
ECONOMIC REVENUE	7,665.1	8,243.9	+7.6%	+2.4%
Plastic Omnium Industries	6,433.0	6,287.8	-2.3%	+2.0%
Plastic Omnium Modules	0.0	956.9	na	-na
CONSOLIDATED REVENUE	6,433.0	7,244.6	+12.6%	+1.6%

In 2018, the economic revenue reported by Compagnie Plastic Omnium amounted to €8,243.9 million, growth of +7.6% compared to 2017.

On a like-for-like basis, growth stands at +2.4%. The Group’s economic revenue takes account of negative exchange rate effects of €237.8 million and positive net effects from scope of €588.2 million, mainly on account of the full consolidation of HBPO as from July 1, 2018 for Plastic Omnium Modules.

Given the takeover of HBPO completed in July 2018 and pursuant to IFRS 10 – “Consolidated Financial Statements” – HBPO has been consolidated using the full consolidation method into the Group’s financial statements as from July 1, 2018. HBPO was consolidated using the equity method up until June 30, 2018.

Since July 1, 2018, the Plastic Omnium Group’s consolidated revenue and economic revenue have included HBPO revenue at a rate of 100%; up until June 30, 2018, only a 33.33% share of this revenue was included in economic revenue.

New presentation of the Group’s businesses around 2 automotive business lines

Plastic Omnium now presents its automotive activity around two different business lines:

- Plastic Omnium Industries brings together the production businesses with 99 plants in 22 countries:
 - Intelligent Exterior Systems,
 - Clean Energy Systems;
- Plastic Omnium Modules incorporates the module assembly business with 25 sites in 11 countries:
 - HBPO, dedicated to front-end modules.

Consolidated sales reported by Compagnie Plastic Omnium amounted to €7,244.6 million as at December 31, 2018, growth of +12.6% and of +1.6% like-for-like. The Group’s consolidated revenue includes a negative exchange rate impact of €204.9 million and a positive scope impact of €895.4 million, due primarily to the full consolidation of HBPO as from July 1, 2018 for Plastic Omnium Modules.

OUTPERFORMANCE OF WORLDWIDE AUTOMOTIVE PRODUCTION ON THE RISE

For the whole of 2018, worldwide automotive production fell by 1% (source: IHS January 2019) in comparison with growth in revenue of +2.4%, giving an outperformance of 3.4 points.

Plastic Omnium Industries, up by +2.8% like-for-like, achieved an outperformance of 3.8 points compared to worldwide automotive production.

Plastic Omnium Modules, whose business activity is 30% German, stayed flat over the year (up by 0.5% like-for-like).

In 2018, worldwide automotive production was marked by a sharp disparity between growth of +2.3% over the 1st half-year and a slump of -4.3% over the 2nd half, owing to the economic situation in China and temporary difficulties encountered by a number of OEMs in the application of WLTP standards in Germany.

Put into this context, the like-for-like revenue reported by Plastic Omnium rose by +4.8% in the 1st half of the year and was flat over the 2nd half (+0.3%). Outperformance over worldwide automotive production gained pace (+2.5% over the 1st half-year versus +4.6% over the 2nd half), helped in particular by China.

FIRST-HALF

Automotive production <i>In million of vehicles</i>	1st half 2017	1st half 2018	Change in %	Change
GLOBAL	45.9	47.0	+2.3%	+1.1
of which China	12.5	13.1	+4.5%	+0.6
of which Germany	3.0	3.0	-1.9%	-

Plastic Omnium economic revenue <i>In million of euros</i>	1st half 2017	1st half 2018	Change like-for-like	Outperformance vs. auto prod
TOTAL	3,894.3	3,820.9	+4.8%	+2.5%
of which China	337.8	362.8	+13.7%	+9.2%
of which Germany	644.7	656.6	+3.5%	+5.4%

SECOND-HALF

Automotive production <i>In million of vehicles</i>	2nd half 2017	2nd half 2018	Change in %	Change
GLOBAL	46.3	44.3	-4.3%	(2.0)
of which China	14.4	12.9	-10.4%	(1.5)
of which Germany	2.8	2.4	-15.1%	(0.4)

Plastic Omnium economic revenue <i>In million of euros</i>	2nd half 2017	2nd half 2018	Change like-for-like	Outperformance vs. auto prod
TOTAL	3,771.0	4,423.1	+0.3%	+4.6%
of which China	383.0	430.7	+8.5%	+18.9%
of which Germany	668.0	782.3	-12.6%	+2.5%

GROWTH IN ALL REGIONS OVER THE FULL YEAR

<i>In millions of euros and % of economic revenue By region</i>	2017	2018	Change	Change like-for-like ⁽³⁾
	4,050.1	4,487.2	+10.8%	+1.7%
Europe/Africa	52.8%	54.4%		
	2,035.5	2,148.9	+5.6%	+1.1%
North America	26.6%	26.1%		
	1,318.2	1,414.7	+7.3%	+7.1%
Asia, including China	17.2%	17.2%		
	261.4	193.2	-26.1%	+2.1%
South America	3.4%	2.3%		
ECONOMIC REVENUE	7,665.1	8,243.9	+7.6%	+2.4%
Joint ventures	1,232.1	999.3	-18.9%	+8.7%
CONSOLIDATED REVENUE	6,433.0	7,244.6	+12.6%	+1.6%

Over the whole of 2018, business activity in Europe, which represents 54% of total revenue, was up by 10.8%. It benefited from the full consolidation of HBPO on July 1, 2018, 60% of whose activity is European. On a like-for-like basis, the business, up by +1.7%, outperformed worldwide automotive production, down by -1.8%, by 3.5 points. Germany is the leading contributor to the Group's revenue, posting 17% of total sales. Over the year, the country's revenue was down by -5.9%. Excluding Germany, revenue grew by +5.6%, driven primarily by Eastern Europe, particularly Slovakia with the Porsche Cayenne.

Business in North America grew by +1.1% on a like-for-like basis over the year, with automotive production down by -0.7%, resulting in an outperformance of 1.8 points. The Group was boosted by strong business in Mexico, particularly with the plant at San Luis Potosi (launching Daimler's A-Class). This offset the falls in volumes linked to the gradual ramp-up of bumpers for BMW's new X5 model, achieved simultaneously with a transfer of production between the American Anderson and Greer facilities. The end of the transition period between Anderson and Greer, which will conclude with the closing of the Anderson facility mid 2019, the launch of new programs, particularly in the Mexican plants, and the ramp-up of HBPO business in the region, will help the Group speed up growth in North America in 2019.

Business in Asia, including China, grew by +7.1% like-for-like over the year when automotive production was down by -1%, giving an outperformance of 8.1 points. In China, which accounts for revenue of €793.5 million, i.e. 10% of total sales, growth in business like-for-like came to +10.8% in 2018. In this country, the Group has benefited from market share gains and a ramp-up of the current industrial facility, which in the years ahead will be augmented by the development of HBPO's business, including an initial site built in 2017 and 3 additional sites scheduled by 2021.

In 2018, Volkswagen remained the Group's leading customer with 24.6% of economic revenue, ahead of PSA Peugeot Citroën with 11.5% and General Motors with 11.3%.

In 2018, German carmakers remained the top contributors to Group's economic revenue with 38% of the business, ahead of Asian carmakers with 24%, American carmakers with 22%, and French carmakers with 15%. In total, the Group has a diversified portfolio of 83 customer brands.

OPERATING MARGIN COMPARABLE TO THAT
OF 2017, UNDER IFRS 5, AND STRONG GROWTH
IN NET PROFIT DRIVEN BY SCOPE EFFECTS

Consolidated gross margin was €1,060.2 million, versus €1,027.1 million in 2017. It represented 14.6% of consolidated sales, versus 16.0% in 2017.

Gross R&D spend was €417.8 million, representing 5.8% of consolidated revenue (compared with €394.6 million in 2017 and 6.1% in 2017), an increase of 5.9%. Net R&D spend, i.e. after deduction of capitalized development costs and amounts re-invoiced to customers, was €204.3 million (2.8% of consolidated revenue, versus 2.6% in 2017), compared with €168.0 million in 2017.

Selling costs were €37.4 million (0.5% of consolidated revenue) compared with €40.9 million (0.6% of consolidated revenue) in 2017.

Administrative expenses fell from €245.0 million in 2017 to €241.8 million in 2018 and represent 3.3% of consolidated revenue, versus 3.8% in 2017.

Amortization of intangible assets acquired in business combinations represented an expense of €18.4 million in 2018, compared with €20.3 million in 2017.

The share of profit of associates and joint ventures amounted to €51.9 million in 2018, versus €61.7 million in 2017. This trend is explained by the full consolidation of HBPO in the Group's financial statements as of July 1, 2018.

The operating margin, after amortization of intangible assets acquired in business combinations and after the share of profit of associates and joint ventures, amounted to €610.1 million in 2018 (8.4% of consolidated revenue), versus €614.7 million in 2017 (9.6% of consolidated revenue). As anticipated, the full consolidation of HBPO (a less capital-intensive assembly business) from July 1, 2018 onward, has had a dilutive impact on the percentage of operating margin.

The operating margin for Plastic Omnium Industries for the year 2018 stands at €577.6 million, i.e. 9.2% of consolidated sales, compared with €599.7 million in 2017, i.e. 9.3% of consolidated sales. A strict cost

control combined with a continued improvement in industrial efficiency helped to cope with the volatility of production and record an operating margin of 8.5% in the 2nd half-year.

In 2018, the operating margin of Plastic Omnium Modules stood at €32.5 million, i.e. 3.4% of consolidated sales. *Pro forma*, i.e. if the takeover of HBPO had occurred on January 1, 2018, operating margin would have come to €50.5 million, or 2.6% of revenue, including the negative €17.5 million relating to the amortization of customer contracts over 7 years, recognized in the context of the price set for the acquisition of HBPO.

Consolidated revenue and operating margin by business in million of euros	2017			2018		
	Revenue	Operating margin	%	Revenue	Operating margin	%
Plastic Omnium Industries	6,433.0	599.7	9.3%	6,287.8	577.6	9.2%
Plastic Omnium Modules	0.0	15.1	na	956.9	32.5	3.4%
TOTAL	6,433.0	614.7	9.6%	7,244.6	610.1	8.4%

In 2018, Plastic Omnium recognized net non-current income of +€114.4 million (compared to -€57.3 million in 2017). This takes in a positive impact of €255 million due to the revaluation of the historic 33.33% holding in HBPO under the takeover operation for the joint venture. It also takes account of particularly high non-current expenses due to the volatility and uncertainty surrounding the market.

As at December 31, 2018, the net financial loss stood at €70.2 million, versus a loss of €65.7 million as at December 31, 2017, representing 1.0% of consolidated revenue.

In 2018, the amount of tax on this result came to -€113.0 million, i.e. an effective rate of 18.8%, versus -€81.3 million in 2017 (an effective rate of 18.9%).

Net profit from continued operations thus rose significantly by +31.9% to €541.3 million and represents 7.5% of consolidated sales.

Net profit from discontinued operations came to €1.5 million. This corresponds to the net profit from the Environment business up until the date of disposal (December 18, 2018), and to disposal result.

Net profit amounted to €542.8 million (i.e. 7.5% of consolidated sales), growth of +26.1%.

Net profit, Group share came to €533.3 million (i.e. 7.4% of consolidated sales), growth of +25.4% over the figure for 2017 (€425.2 million or 6.6% of consolidated sales).

Basic earnings per share amounted to €3.63, versus €2.88 in 2017 (+26.0%).

SUSTAINED INVESTMENTS AND STRONG GENERATION OF FREECASH-FLOW

The Group has been engaged in a program of sustained investments since 2016 and in 2018 invested €561.6 million, i.e. 7.8% of consolidated sales (versus €447.5 million or 7.0% of consolidated sales in 2017 restated under IFRS 5), an increase of 25.5%.

These investments included:

- the commissioning of 2 plants operating intelligent exterior systems in the United States and China, Greer and Shenyang both supplying BMW; 2 clean energy systems plants in India – Hansalpur supplying Suzuki and Smyrna in the United States supplying Nissan; and a site for the assembly of front-end modules in Mexico for Daimler;
- the ongoing construction of 5 plants (1 in India, 1 in Morocco, 1 in Slovakia, 1 in China and 1 in Malaysia) and 4 assembly sites for modules (1 in Mexico, 1 in China, and 2 in Germany);
- the building or extension of three R&D centers:
 - the creation of an advanced research center for new energies, Δ-Deltatech, due to open in Brussels mid 2019,
 - the building of a new development and testing center for clean energy systems in Wuhan (China) in 2019,
 - the digitalization and extension of the global R&D center for intelligent exterior systems in Lyon by 2020.

This sustained investment program is largely funded by EBITDA that rose to €918.2 million in 2018 (or 12.7% of consolidated sales versus 892.5 million and 13.9% of consolidated sales 2017).

As at December 31, 2018, the Group thus generated a free cash-flow of €218.0 million, i.e. 3.0% of consolidated sales (versus €176.0 million in 2017).

SOLID FINANCIAL STRUCTURE

The net financial debt totaled €698 million as at December 31, 2018, up by €127 million compared with December 31, 2017. It includes an enterprise value of €350 million for the takeover of HBPO last July, the global leader for front-end modules, offset in part by an enterprise value of €220 million for the disposal of the Environment business completed in December 2018.

In 2018, the Group distributed dividends to the value of €101 million. Additionally, it pushed ahead with the buy-back of 2.1 million treasury shares for a total net amount of €71 million and canceled 2.4 million shares, thereby increasing the share of control held by Burelle SA from 57.57% to 58.51%.

The Group's net debt now represents 32% of equity and 0.8x EBITDA.

Furthermore, in December 2018 Compagnie Plastic Omnium invested in a *Schuldscheindarlehen* (private investment under German law) for €300 million. This private investment, without covenant or rating, carries a 7-year maturity and offers a fixed coupon of 1.632%, thereby

strengthening the Group's financing structure by extending the maturity of its debt and diversifying its sources of financing.

As at December 31, 2018, the Group can call on available resources of €3 billion, including undrawn lines of credit worth €1.2 billion.

4.1.2 INVESTMENTS 2019-2021

In a volatile market context, Plastic Omnium is strengthening its fundamental management principles with, among other things, special attention paid to free cash-flow generation. Thus, during the 2019-2021 period, Plastic Omnium plans to invest about 6% of its consolidated revenue (compared to 7 to 8% of its consolidated revenue over the 2016-2018 period). These investments will be in new capacities, the ongoing optimization of the manufacturing base (industry 4.0 and operational excellence), the development of new programs, and the launch of new research projects.

4.1.3 OUTLOOK AND POST-BALANCE SHEET EVENTS

The beginning of 2019 will continue to be marked by macro-political and macro-economic risks, translating to greater uncertainty and volatility, particularly in the automotive industry.

In this market context, Plastic Omnium is working with a hypothesis of flat worldwide automotive production for the whole year. It takes account of strong disparity between a first half-year showing an expected downturn, and a second half with projected growth (enjoying a favorable comparison effect) that will be reflected in the Group's results.

The Group has strengthened its management fundamentals, with a particular attention paid to freecash-flow generation, a strengthened cost reduction policy and a renewed ambition in terms of industrial excellence. Equally, it has the benefit of a solid backlog.

The financial outlook for 2019 is part of the 2019-2021 strategic plan presented during the Group's Investor Day on December 13, 2018. In this context, for 2019 Plastic Omnium confirms:

- a 5-point outperformance over worldwide automotive production;
- an operating margin showing growth in value;
- a generation of freecash-flow of at least €200 million after 6% of the Group's consolidated sales for investments.

No other event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at December 31, 2018 has occurred since the closing date.



Consolidated financial
statements at December 31, 2018

4.2 CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2018

4.2.1 BALANCE SHEET

ASSETS

<i>In thousands of euros</i>	Notes	December 31, 2018	December 31, 2017
Goodwill	3.1.2 - 3.2 - 5.1.1 - 5.1.2	1,015,730	584,685
Other intangible assets	3.1.2 - 3.2 - 5.1.2	728,150	497,857
Property, plant and equipment	3.1.2 - 3.2 - 3.3 - 5.1.3 - 5.1.4	1,653,028	1,410,465
Investment property	3.1.2 - 3.2 - 5.1.5	93,263	93,263
Investments in associates joint ventures and non-consolidated investments	5.1.6 - 5.2.7.5 - 6.4.2 - 6.7	193,212	211,490
Other non-current financial assets ⁽¹⁾	5.1.7 - 5.2.7.5 - 6.7	65,775	86,574
Deferred tax assets	5.1.11	101,691	96,663
TOTAL NON-CURRENT ASSETS		3,850,849	2,980,997
Inventories	3.1.2 - 5.1.8	737,109	414,013
Finance receivables ⁽¹⁾	5.1.9 - 5.2.7.5 - 6.7	22,504	42,807
Trade receivables	3.1.2 - 5.1.10.2 - 5.1.10.4 - 6.3.1 - 6.4.2 - 6.7	815,300	940,084
Other	3.1.2 - 5.1.10.3 - 5.1.10.4	370,612	354,602
Other financial assets and financial receivables ⁽¹⁾	5.1.9 - 5.2.7.5 - 6.4.2 - 6.7	63,942	83,209
Hedging instruments ⁽¹⁾	3.1.2 - 5.2.7.5 - 5.2.8 - 6.4.2 - 6.7	1,898	5,254
Cash and cash equivalents ⁽¹⁾	3.1.2 - 5.1.12.1 - 5.1.12.2 - 5.2.7.5 - 6.4.2 - 6.7	916,336	939,635
TOTAL CURRENT ASSETS		2,927,701	2,779,604
ASSETS HELD FOR SALE	5.1.15	846	846
TOTAL ASSETS		6,779,396	5,761,447

(1) Components of net non-trading debt. Net debt was €697,6 million on December 31, 2018 compared with €563.0 million on December 31, 2017 (see note 5.2.7.5).

EQUITY AND LIABILITIES

<i>In thousands of euros</i>	Notes	December 31, 2018	December 31, 2017
Capital	5.2.1.1	8,914	9,059
Treasury stock		(49,850)	(61,764)
Additional paid-in capital		17,389	17,389
Consolidated reserves		1,576,112	1,337,759
Net income for the period		533,296	425,177
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		2,085,861	1,727,620
Attributable to non-controlling interests		96,138	26,614
TOTAL EQUITY		2,181,999	1,754,234
Non-current borrowings ⁽¹⁾	3.1.2 - 5.2.7.5 - 6.7	1,635,811	1,323,771
Provisions for pensions and other post-employment benefits	5.2.5 - 5.2.6.5 - 5.2.6.2	105,184	106,517
Provisions for liabilities and charges	5.2.5	35,592	54,689
Non-current government grants	5.2.4	6,323	6,557
Deferred tax liabilities	5.1.11	80,718	20,975
TOTAL NON-CURRENT LIABILITIES		1,863,628	1,512,509
Bank overdrafts ⁽⁴⁾	3.1.2 - 5.1.12.2 - 5.2.7.5 - 6.4.2 - 6.7	4,684	9,993
Current borrowings ⁽¹⁾	3.1.2 - 5.2.7.5 - 6.7	123,215	381,078
Current debt ⁽¹⁾	3.1.2 - 5.2.7.5 - 6.4.2 - 6.7	31	4
Hedging instruments ⁽¹⁾	3.1.2 - 5.2.7.5 - 5.2.8 - 6.4.2 - 6.7	4,330	5,618
Provisions for liabilities and charges	5.2.5	55,120	70,944
Current government grants	5.2.4	3,994	3,948
Trade payables	5.2.9.1 - 5.2.9.3 - 6.4.2 - 6.7	1,614,989	1,233,221
Other operating liabilities	5.2.9.2 - 5.2.9.3	927,406	789,898
TOTAL CURRENT LIABILITIES		2,733,769	2,494,704
TOTAL EQUITY AND LIABILITIES		6,779,396	5,761,447

(1) Components of net debt. Net debt stands at €697,6 million at December 31, 2018 compared with €563.0 million at December 31, 2017 (see Note 5.2.7.5).

4.2.2 INCOME STATEMENT

<i>In thousands of euros</i>	Notes	2018	%	2017 restated ⁽⁴⁾	%
CONSOLIDATED SALES (REVENUE)	3.1.1 - 3.1.4.1 - 3.1.4.2	7,244,636	100.0%	6,433,001	100.0%
Cost of goods and services sold	4.2	(6,184,457)	-85.4%	(5,405,888)	-84.0%
GROSS PROFIT		1,060,179	14.6%	1,027,113	16.0%
Net Research and Development costs	4.1 - 4.2	(204,319)	-2.8%	(167,961)	-2.6%
Selling costs	4.2	(37,433)	-0.5%	(40,876)	-0.6%
Administrative expenses	4.2	(241,761)	-3.3%	(245,020)	-3.8%
OPERATING MARGIN BEFORE AMORTIZATION OF INTANGIBLE ASSETS ACQUIRED IN BUSINESS COMBINATIONS AND BEFORE SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES	3.1.1	576,666	8.0%	573,256	8.9%
Amortization of intangible assets acquired in business combinations ⁽²⁾	3.1.1 - 4.4	(18,454)	-0.3%	(20,264)	-0.3%
Share of profit/loss of associates and joint ventures ⁽³⁾	3.1.1 - 4.5	51,888	0.7%	61,746	1.0%
OPERATING MARGIN	3.1.1	610,100	8.4%	614,738	9.6%
Other operating income	3.1.1 - 4.6	279,872	3.9%	34,394	0.5%
Other operating expenses	3.1.1 - 4.6	(165,490)	-2.3%	(91,663)	-1.4%
Financing costs, net	3.1.1 - 4.7	(69,116)	-1.0%	(63,225)	-1.0%
Other financial income and expenses, net	3.1.1 - 4.7	(1,088)	-0.0%	(2,462)	-0.0%
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX AND AFTER SHARE OF PROFITS OF ASSOCIATES AND JOINT VENTURES	3.1.1	654,278	9.0%	491,782	7.6%
Income tax	3.1.1 - 4.8	(112,996)	-1.6%	(81,302)	-1.3%
NET INCOME AFTER TAX FROM CONTINUING OPERATIONS		541,283	7.5%	410,480	6.4%
Net income after income tax from discontinued activities ⁽⁴⁾	3.1.1	1,494	0.0%	20,006	0.3%
NET INCOME	3.1.1	542,777	7.5%	430,487	6.7%
Net profit attributable to non-controlling interests	4.8	9,481	0.1%	5,310	0.1%
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		533,296	7.4%	425,177	6.6%
Earnings per share attributable to owners of the parent company	4.9				
● Basic earnings per share <i>(in euros)</i> ⁽⁵⁾		3.63		2.88	
● Diluted earnings per share <i>(in euros)</i> ⁽⁶⁾		3.61		2.86	

(1) The 2017 financial statements have been restated to reflect IFRS 5's application to the assets and liabilities of the Environment business which has been sold in December 2018.

(2) Intangible assets acquired in business combinations, mainly contractual customer relationships.

(3) See in "Significant Events of the period", Note 2.3.1 related to the acquisition of a 33.33% equity stake in HBPO from Mahle-Behr on June 26, 2018.

(4) See Note 2.6.1 in "Significant events of the period" on the sale of the Environment business.

(5) Basic earnings per share are calculated using the weighted average number of ordinary shares outstanding, less the average number of shares held in treasury stock.

(6) Diluted earnings per share take into consideration the average number of treasury shares deducted from equity and shares which might be issued under stock option programs.

4.2.3 STATEMENT OF COMPREHENSIVE INCOME

<i>In thousands of euros</i>	December 31, 2018			December 31, 2017 restated		
	Total	Gross	Tax	Total	Gross	Tax
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT⁽¹⁾	533,296	643,220	(109,924)	425,177	507,815	(82,638)
Reclassified to the income statement	(10,971)	(11,836)	865	(60,499)	(59,461)	(1,038)
Reclassified in the period	5,739	5,979	(240)	494	826	(332)
Exchange differences on translating foreign operations – reclassified to the income statement	5,154	5,154	-	-	-	-
Cash-flow hedges – Interest rate instruments reclassified to the income statement	585	825	(240)	494	826	(332)
Reclassified at a later date	(16,710)	(17,815)	1,105	(60,993)	(60,287)	(706)
Exchange differences on translating foreign operations	(12,089)	(12,089)	-	(62,690)	(62,690)	-
Cash-flow hedges	(4,621)	(5,726)	1,105	1,697	2,403	(706)
Gains/(losses) for the period – Interest rate instruments	(1,815)	(1,815)	-	-	-	-
Gains/(losses) for the period – Exchange rate instruments	(2,806)	(3,911)	1,105	1,697	2,403	(706)
Cannot be reclassified to the income statement at a later date	10,925	11,979	(1,054)	(3,805)	468	(4,273)
Actuarial gains/(losses) recognized in equity	1,707	2,761	(1,054)	(2,843)	1,430	(4,273)
Adjustment for change in fair value of investments in listed equity instruments and in funds	366	366	-	(962)	(962)	-
Revaluation of assets and liabilities due to hyperinflation in Argentina	8,852	8,852	-	-	-	-
PROFIT/LOSS FROM CONTINUING ACTIVITIES RECOGNIZED DIRECTLY IN EQUITY	(46)	143	(189)	(64,304)	(58,993)	(5,311)
IFRS 5 – PROFIT/LOSS FROM DISCONTINUED ACTIVITIES RECOGNIZED DIRECTLY IN EQUITY	-	-	-	599	638	(39)
COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT⁽²⁾	533,250	643,363	(110,113)	361,472	449,460	(87,988)
Net profit for the period attributable to non-controlling interests	9,481	12,553	(3,072)	5,310	7,220	(1,910)
Reclassified to the income statement	(1,125)	(1,125)	-	(1,797)	(1,797)	-
Reclassified in the period	-	-	-	-	-	-
Exchange differences on translating foreign operations – reclassified to the income statement	-	-	-	-	-	-
Reclassified at a later date	(1,125)	(1,125)	-	(1,797)	(1,797)	-
Exchange differences on translating foreign operations	(1,125)	(1,125)	-	(1,797)	(1,797)	-
Cannot be reclassified to the income statement at a later date	(14)	(14)	-	-	-	-
Actuarial gains/(losses) recognized in equity	(14)	(14)	-	-	-	-
OTHER COMPREHENSIVE INCOME	(1,139)	(1,139)	-	(1,797)	(1,797)	-
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	8,342	11,414	(3,072)	3,513	5,423	(1,910)
TOTAL COMPREHENSIVE INCOME	541,592	654,777	(113,185)	364,985	454,883	(89,898)

(1) Net profit for the period attributable to owners of the parent amounted to €316,884 thousand at December 31, 2018 compared with €250,259 thousand at December 31, 2017.

(2) Total net profit attributable to owners of the parent amounted to €316,857 thousand at December 31, 2018 compared with €212,763 thousand at December 31, 2017.

4.2.4 CHANGES IN EQUITY

<i>In thousands of euros In thousand units for the number of shares</i>	Number of shares	Additional paid-in Treasury		Other reserves⁽¹⁾	Translation adjustment	Net profit for the period	Shareholders' equity		Total equity	
		Capital capital	stock				Attributable to owners of the parent	Attributable to non- controlling interests		
EQUITY AT JANUARY 1, 2017	152,477	9,149	17,389	(61,192)	1,168,339⁽¹⁾	34,240	312,112	1,480,037	23,674	1,503,711
December 31, 2017 net profit	-	-	-	-	-	425,177	425,177	425,177	5,310	430,487
Profit/loss from continuing activities recognized directly in equity	-	-	-	-	(656)	(63,049)	-	(63,705)	(1,798)	(65,503)
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	-	(62,690)	-	(62,690)	(1,797)	(64,487)
<i>Actuarial gains/(losses) recognized in equity</i>	-	-	-	-	(2,843)	-	-	(2,843)	-	(2,843)
<i>Cash-flow hedges – Interest rate instruments</i>	-	-	-	-	494	-	-	494	-	494
<i>Cash-flow hedges – currency instruments</i>	-	-	-	-	1,697	-	-	1,697	-	1,697
<i>Adjustments for changes in fair value of property, plant and equipment</i>	-	-	-	-	(962)	-	-	(962)	-	(962)
IFRS 5 – Profit/loss from discontinued activities recognized directly in equity	-	-	-	-	958	(359)	-	599	(1)	598
COMPREHENSIVE INCOME	-	-	-	-	311,456	(63,049)	113,065	361,472	3,512	364,984
Treasury stock transactions	-	-	-	(41,955)	-	-	-	(41,955)	-	(41,955)
Capital reduction (cancellation of treasury stock)	(1,500)	(90)	-	41,383	(41,383)	-	-	(90)	-	(90)
Tax effect of treasury stock transactions	-	-	-	-	(2,441)	-	-	(2,441)	-	(2,441)
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	(72,272)	-	-	(72,272)	-	(72,272)
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	(573)	(573)
Stock option costs	-	-	-	-	3,327	-	-	3,327	-	3,327
Deferred tax on stock option and share purchase plans	-	-	-	-	(962)	-	-	(962)	-	(962)
Effect of Tax rate change on deferred taxes related to the recognition of fixed assets at fair value	-	-	-	-	504	-	-	504	-	504
EQUITY AT DECEMBER 31, 2017	150,977	9,059	17,389	(61,764)	1,366,568⁽¹⁾	(28,809)	425,177	1,727,620	26,614	1,754,234
1 st application of IFRS 15	-	-	-	-	(4,818)	-	-	(4,818)	30	(4,788)
1 st application of IFRS 9	-	-	-	-	(1,939)	-	-	(1,939)	-	(1,939)

(1) See Note 5.2.1.2 for details of "Other reserves and retained earnings".

(2) See Note 5.2.1.3 for details of "Changes in scope of consolidation and reserves".

(3) The dividend per share distributed on December 31, 2018 by Compagnie Plastic Omnium in respect of the 2017 fiscal year is €0.67 compared with €0.49 on December 31, 2017 in respect of 2016 fiscal year (see Note 5.2.2 on dividends voted and paid).

In thousands of euros In thousand units for the number of shares	Shareholders' equity									
	Number of shares	Capital	Additional paid-in capital	Treasury stock	Other reserves ⁽¹⁾	Translation adjustment	Net profit for the period	Attributable to owners of the parent	Attributable to non- controlling interests	Total equity
EQUITY AT JANUARY 1, 2018	150,977	9,059	17,389	(61,764)	1,359,811 ⁽¹⁾	(28,809)	425,177	1,720,863	26,644	1,747,507
Appropriation of net profit at December 31, 2017	-	-	-	-	425,177	-	(425,177)	-	-	-
December 31, 2018 net profit	-	-	-	-	-	-	533,296	533,296	9,481	542,777
OTHER COMPREHENSIVE INCOME	-	-	-	-	12,596	(12,688)	-	(92)	(1,139)	(1,231)
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	5,707	(12,688)	-	(6,981)	(1,125)	(8,106)
<i>Actuarial gains/(losses) recognized in equity</i>	-	-	-	-	1,707	-	-	1,707	(14)	1,693
<i>Cash flow hedges – Interest rate instruments</i>	-	-	-	-	(1,230)	-	-	(1,230)	-	(1,230)
<i>Cash flow hedges – Currency instruments</i>	-	-	-	-	(2,806)	-	-	(2,806)	-	(2,806)
<i>Adjustment for changes in fair value of investments in listed equity instruments and in funds</i>	-	-	-	-	366	-	-	366	-	366
<i>Revaluation of assets and liabilities due to hyperinflation in Argentina</i>	-	-	-	-	8,852	-	-	8,852	-	8,852
COMPREHENSIVE INCOME	-	-	-	-	437,773	(12,688)	108,119	533,204	8,342	541,546
Treasury stock transactions	-	-	-	(70,715)	-	-	-	(70,715)	-	(70,715)
Capital reduction (cancellation of treasury stock)	(2,411)	(145)	-	82,629	(82,629)	-	-	(145)	-	(145)
Change in scope of consolidation and reserves	-	-	-	-	-	-	-	-	62,884	62,884
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	(98,822)	-	-	(98,822)	-	(98,822)
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	(1,733)	(1,733)
Stock option and share purchase plan costs	-	-	-	-	2,528	-	-	2,528	-	2,528
Deferred tax on stock option and share purchase plans	-	-	-	-	(1,052)	-	-	(1,052)	-	(1,052)
EQUITY AT DECEMBER 31, 2018	148,566	8,914	17,389	(49,850)	1,617,609⁽¹⁾	(41,497)	533,296	2,085,861	96,138	2,181,999

(1) See Note 5.2.1.2 for details of "Other reserves and retained earnings".

(2) See Note 5.2.1.3 for details of "Changes in scope of consolidation and reserves".

(3) The dividend per share distributed on December 31, 2018 by Compagnie Plastic Omnium in respect of the 2017 fiscal year is €0.67 compared with €0.49 on December 31, 2017 in respect of 2016 fiscal year (see Note 5.2.2 on dividends voted and paid).

4.2.5 STATEMENT OF CASH-FLOWS

<i>In thousands of euros</i>	Notes	2018	2017 published	December 31, 2017 restated ⁽⁴⁾
I – Cash-flows from operating activities				
Net income	3.1.1	542,777	430,487	430,487
Dividends received from associates and joint ventures		40,973	32,401	32,401
Non-cash items		212,959	396,516	359,826
<i>Net income from assets held for sale and discontinued operations</i>	2.6.1	(1,494)	-	(20,006)
<i>Share of profit/(loss) of associates and joint ventures</i>	4.5	(51,888)	(61,746)	(61,746)
<i>Stock option plan expense</i>	4.3 – 5.2.3	2,528	3,327	3,327
<i>Other adjustments⁽²⁾</i>		(259,331)	688	698
<i>Depreciation and provisions for impairment of fixed assets</i>	3.1.3	202,740	168,512	155,916
<i>Depreciation and provisions for impairment of intangible assets</i>	3.1.3	163,353	127,660	125,520
<i>Changes in provisions</i>		(22,075)	(4,841)	(4,913)
<i>Net (gains)/losses on disposals of non-current assets</i>	4.6	1,210	19,606	21,537
<i>Proceeds from operating grants recognized in the income statement</i>		(1,407)	(2,274)	(2,259)
<i>Current and deferred taxes</i>	4.8.1	112,995	84,548	81,302
<i>Interest expense</i>		66,328	61,037	60,450
Net operating cash generated by operations before impact of financial expenses and income tax cash payments (A)	5.1.14	796,709	859,404	822,714
Change in inventories and work-in-progress – net		(23,074)	(42,327)	(42,858)
Change in trade receivables – net		180,442	(195,976)	(190,900)
Change in trade payables		(8,097)	177,432	182,009
Change in other operating assets and liabilities – net		(17,177)	17,660	17,810
Change in working capital requirements (B)		132,094	(43,211)	(33,939)
Taxes paid (C)	5.1.14	(82,765)	(114,049)	(106,660)
Interest paid		(71,053)	(62,729)	(62,155)
Interest received		4,641	3,540	3,554
Net financial interest paid (D)		(66,412)	(59,189)	(58,601)
NET CASH GENERATED BY OPERATING ACTIVITIES (A+B+C+D)		779,626	642,955	623,514
II – Cash-flows from investing activities				
Acquisitions of property, plant and equipment	3.1.3	(434,327)	(328,718)	(315,523)
Acquisitions of intangible assets	3.1.3	(208,452)	(165,561)	(164,840)
Disposals of property, plant and equipment	4.5 a	4,842	20,638	16,351
Disposals of intangible assets	4.5 a	996	1,338	1,338
Net change in advances to suppliers of fixed assets		74,131	14,471	14,492
Government grants received		1,172	688	688
Net cash used in operations-related investing activities (E)		(561,639)	(457,144)	(447,494)
FREE CASH-FLOW (A + B + C + D + E)		217,988	185,811	176,020

<i>In thousands of euros</i>	Notes	2018	2017 published	December 31, 2017 restated ⁽¹⁾
Acquisitions of shares in subsidiaries and associates, investments in associates and joint ventures, and related investments ⁽³⁾		(369,543)	(21,419)	(21,419)
Acquisitions of Investments in non-listed equity instruments ⁽⁴⁾	5.1.6	(3,000)	-	-
Acquisitions of long-term Investments in listed equity instruments and in funds ⁽⁶⁾		(1,000)	(32,874)	(32,874)
Proceeds from disposals of shares in subsidiaries and associates	4.5 a	200,166	10,678	10,678
Disposal of Investments in non-listed equity instruments ⁽⁵⁾	4.5 a	-	159,424	159,424
Disposal of long term Investments in listed equity instruments and in funds ⁽⁶⁾	4.5 a	-	36,842	36,842
Impact of changes in scope of consolidation -Cash and cash equivalents contributed by companies entering the scope of consolidation	2.4	26,847	747	747
Impact of changes in scope of consolidation – Cash and cash equivalents from companies leaving the scope of consolidation	2.6 – 5.1.15	-	(5,179)	(5,179)
Impact of changes in scope of consolidation – Borrowings contributed by companies entering the scope of consolidation		-	-	-
Net cash from financial investing activities (F)		(146,530)	148,219	148,219
NET CASH FROM INVESTING ACTIVITIES (E+F)		(708,169)	(308,925)	(299,275)
III – Cash-flows from financing activities				
Increases/reductions in share capital and premiums		(145)	(90)	(89)
Purchases/sales of treasury stock		(70,715)	(41,955)	(41,955)
Dividends paid to Burelle SA ⁽⁷⁾		(58,238)	(42,592)	(42,592)
Dividends paid to other shareholders ⁽⁸⁾		(42,317)	(30,253)	(30,256)
Increase in financial debt		385,283	507,371	507,391
Repayment of borrowings		(306,390)	(110,236)	(110,574)
Net cash provided by (used in) financing activities (G)		(92,522)	282,245	281,925
Assets held for sale (and discontinued operations) (H) ⁽⁹⁾	5.1.15	15,059	-	12,271
Effect of exchange rate changes (I)		(7,228)	(10,515)	(10,415)
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E + F + G + H + I)		(13,232)	605,761	608,020
Net cash and cash equivalents at beginning of period	5.1.12.2 – 5.2.7.5	924,884	323,882	316,864
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5.1.12.2 – 5.2.7.5	911,652	929,643	924,884

(1) The 2017 financial statements have been restated reflecting the application of IFRS 5 to the Environment Division.

(2) This item includes the revaluation of €255,000 thousand of HBPO's 33.33% equity shares held prior to the acquisition based on its fair value (see Notes 2.3.1.2 "Accounting treatment of HBPO takeover" and 4.6 "Other Operating Income and Expenses").

(3) See Note 2.3.2 in the "Significant events of the period" the Group's acquisition of Mahle-Behr's 33.33% equity stake in HBPO on June 26, 2018 for €369,762 thousand.

(4) See in "Significant events of the period", Note 2.3.2 related to the Group's acquisition of Tactotek shares for €3,000 thousand.

(5) Relates to the sale of the Faurecia Exterior Systems business recognized as "Assets and liabilities held for sale" amounting to €159,424 thousand at December 31, 2017, and to €156,771 thousand at June 30, 2017 (see Notes 4.6-a).

(6) Relates to securities in listed companies recorded under "Long-term investments in listed equity instruments and in funds" (see Notes 4.6-a and 5.1.5.2).

(7) The full amount of the dividend paid to Burelle SA in the two periods was paid by Compagnie Plastic Omnium.

(8) In 2018, the dividend paid to other shareholders of €40,584 thousand (compared with €29,681 thousand in 2017) was paid by Compagnie Plastic Omnium, bringing the total dividends paid by Compagnie Plastic Omnium to €98,822 thousand (compared with €72,272 thousand in 2017). See Note 5.2.2 "Dividends voted and paid by Compagnie Plastic Omnium".

(9) The amounts in this section for 2018 and 2017 "restated" correspond to the "Cash-flow result of Environment Division".

4.2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors approved the consolidated financial statements for the year ended December 31, 2018 for the Plastic Omnium Group on February, 13, 2019, which will be submitted to the Combined Shareholders' Meeting on April 25, 2019.

PRESENTATION OF THE GROUP

Compagnie Plastic Omnium, which was set up in 1946, is governed by French law. The bylaws set its duration until April 24, 2112. It is registered in the Lyon Trade and Companies Register under number 955 512 611 and its registered office is at 19, boulevard Jules Carteret, 69007 Lyon, France.

The terms "Compagnie Plastic Omnium", "the Group" and "the Plastic Omnium Group" refer to the group of companies comprising Compagnie Plastic Omnium and its consolidated subsidiaries.

The Plastic Omnium Group is a global leader in the transformation of plastic materials for the automotive market for body parts modules, stockage storage systems and fuel supply systems (Industries Division) and front-end modules (Modules Division).

The Group sold the business of the Environment Division on December 18, 2018 (see Note 2.6.1 "Disposal of the Environment business" in the "Significant events of the period"). As the Environment Division is a separate business sector, the profit after tax of this discontinued activity is presented on a single line for 2018 and 2017 has been restated in the same way in accordance with IFRS 5 "Non-current Assets Held for sale and discontinued operations".

The "restated" concept is used for all footnotes to the 2017 income statement.

At December 31, 2018, the entire Group revenue was generated from automotive business.

Furthermore, the acquisition of control of HBPO, the world leader in front-end modules, in the 2018 fiscal year, led the Group to organize its businesses around two operating segments:

- **Plastic Omnium Industries:** production activities, with significant investments in plants and long cycles;
 - **Intelligent Exterior Systems**, dedicated to complex body and intelligent body systems, replacing the former "Auto Exterior" terminology,
 - **Clean Energy Systems**, dedicated to clean energy storage systems, replacing the former "Fuel Systems" terminology;
- **Plastic Omnium Modules:** module assembly

Plastic Omnium Group shares have been traded on the Paris Stock Exchange since 1965. The Group has been traded on Eurolist subfund A of since January 17, 2013 and is listed on the SBF 120 and the CAC Mid 60 indices. The main shareholder is Burelle SA, which held 58.51% of the Group's shares at December 31, 2018 (59.42% excluding treasury stock).

The unit of measurement used in the Notes to the consolidated financial statements is thousand of euros, unless otherwise indicated.

NOTE 1 ACCOUNTING POLICIES, ACCOUNTING RULES AND PRINCIPLES

1.1 Accounting policies, accounting rules and methods

The accounting policies used to prepare the consolidated financial statements are those applied by the Group at December 31, 2017, except for IFRS 15 "Income from activities drawn from contracts with customers" and IFRS 9 "Financial Instruments" applied by the Group as of January 1, 2018. They comply with IFRS standards and interpretations as adopted by the European Union at December 31, 2018 and available on the website:

http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

IFRS includes the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as well as the International Financial Reporting Interpretations Committee (IFRIC). These accounting principles do not differ significantly from mandatory standards and interpretations as of December 31, 2018, as published by the IASB.

The Group has not anticipated the application of standards, interpretations and amendments that are not mandatory at December 31, 2018.

Standards, interpretations and amendments applicable after January 1, 2019:

The Group has been applying IFRS 16 "Leases" since January 1, 2019. This standard published in early 2016 by the IASB with a date of application on January 1, 2019 was backed by the European Union on October 31, 2017. The impact on the Group of the application of this standard is an increase in property, plant and equipment and of the financial debt of around €220 million at January 1, 2019, mainly linked to property leases. This estimate was made on all tangible assets worth more than €5,000 leased by the Group's subsidiaries. Future rents have been discounted using discount rates specific to each entity. The impact covers more than 80% of the rental contracts (mainly factories, warehouses).

The Group's processes have been adapted for effective application in the Group's financial statements as of January 1, 2019.

1.1.1 Consolidation principles

Companies in which the Group holds more than 50% of the voting rights enabling it to exercise exclusive control or when the governance arrangements allow the Group to have power over the companies, are fully consolidated. Companies in which the Group holds less than 50 per cent but over which the Group exercises control in substance are also fully consolidated.

Companies over which the Group exercises joint control with other shareholders, regardless of the percentage of the holding, treated as "joint ventures" insofar as the Group has no joint operations, in addition to the companies over which the Group exercises significant influence (significant influence is assumed when the Group holds more than 20% of the voting rights in a company), and classified as "Interests in associates" are accounted for using the equity method.

The Group mainly reviews the following elements and criteria in order to assess whether joint control or significant influence is exercised over an entity:

- governance: representation of the Group on governance Boards and committees, majority rules, veto rights;
- the determination of the substantive or protective rights granted to shareholders, particularly related to the relevant businesses of the entity, namely those that have a significant impact on the variable return of the entity;
- the consequences of a conflict resolution clause;
- the right/exposure of the Group to the variable returns of the entity.

1.1.2 Non-controlling interests

Non-controlling interests represent the share of interest, which is not held by the Group. They are presented as a separate item in the income statement and under equity in the consolidated balance sheet, separately from the profit and equity attributable to owners of the parent.

Non-controlling interests may be either measured at fair value on the acquisition date (*i.e.* with a share of goodwill) or for their share in the fair value of identifiable net assets acquired. This choice can be made on a transaction-by-transaction basis. HBPO minority interests are valued on the basis of the fair value of identifiable net assets acquired.

Changes in a parent's ownership interest in a subsidiary that do not change control are recognized as equity transactions. For example, in the event of an increase (or decrease) in the percentage ownership interest of the Group in a controlled entity, without change in control, the difference between the acquisition cost of (or transfer price) and the carrying amount of the share of net assets acquired (or sold) is recognized in equity.

The changes that trigger a takeover have the following consequences.

- a theoretical sale of the historically held equity holding, with an income statement at the date of acquisition;
- accounting for business combinations an application of IFRS 3 "Business Combinations".

In the 2018 financial year, the acquisition of additional 33.33% stake from Mahle Behr and the take-over of HBPO had the aforementioned consequences above (see Notes 1.1.4 and 2.3.1).

1.1.3 Sector information

Segment information is presented on the basis of the sectors identified in the Group's internal reporting and notified to the management in order to decide on the allocation of resources and to analyze performance.

As a consequence of the takeover of HBPO and the disposal of the Environment business, the Group is managed according to two operating segments:

- Industries, which combines the body parts business (Intelligent Exterior Systems Division) and the fuel storage and supply systems (Clean Energy Systems Division); and
- Modules, for the HBPO front-end modules business.

1.1.4 Business combinations

Business combinations are recognized by applying the acquisition method. Identifiable assets, liabilities and contingent liabilities acquired are recognized at their fair value on the purchase date.

The surplus of the sum of the price paid to the seller and, where appropriate, the value of the non-controlling interest in the company acquired against the net balance of the acquired assets and the identifiable liabilities acquired is recognized in goodwill.

Where the takeover is carried out through successive purchases, the consideration also includes the acquisition-date fair value of the acquirer's previously held equity interest in the acquired company. The previously held equity interest is measured at fair value through profit or loss (see Note 2.3.1.2).

Acquisition costs are recorded as expenses.

The fair value adjustments of assets acquired and liabilities assumed are offset against goodwill adjustments on the basis of information obtained during the allocation period, *i.e.* within twelve months of the acquisition. Changes in value after that date are recognized in profit or loss, including any changes in deferred tax assets and liabilities, if they are related to new items that have occurred since the change of control. If they result from new information relating to facts existing at acquisition date and collected during the 12 months following this date, they are an offset to the acquisition's goodwill.

1.1.5 Translation of the financial statements of foreign subsidiaries

Plastic Omnium Group uses the euro as its presentation currency in its financial statements. The financial statements of foreign companies are prepared in their functional currency, *i.e.* in the currency of the economic environment in which the entity operates; usually the functional currency corresponds to the local currency, except for some foreign subsidiaries such as the Mexican subsidiaries which carry out the majority of their transactions in another currency. These financial statements are translated into the Group's presentation currency, as follows:

- translation of balance sheet items, other than equity, at the closing rate;
- translation of income statement items at the average rate for the period;
- translation differences are recognized in consolidated equity.

Goodwill arising from business combinations with foreign companies is recognized in the functional currency of the acquired entity. They are subsequently translated into the Group's presentation currency at the closing rate, with the translation difference recognized in equity.

On disposal of the entire interest in a foreign company, the related translation differences are initially recognized in equity, then reclassified in profit and loss.

1.1.6 Recognition of transactions in foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency at the rate on the transaction date. On the closing date, monetary assets and liabilities are revalued at the rates prevailing at the closing date. Non-monetary assets and liabilities at cost are valued at the historical rates, prevailing at the transaction date (for example, goodwill, tangible assets, inventories, etc.). Non-monetary assets and liabilities at fair value are valued at the rates prevailing at the date when fair value is determined (for example, assets available for sale).

For monetary items exchange rate differences arising from changes in interest rates are recorded in the income statement, as other operating income and expenses, when they are related to operations and as financial income/expense when they are related to financial transactions.

Borrowings in foreign currencies contracted by a subsidiary from the Group and whose repayment is neither planned nor likely in the foreseeable future are considered to be part of the net investment of the Plastic Omnium Group in this foreign business. The corresponding translation differences are recorded in equity.

1.1.7 Revenue/“Revenue from contracts with customers”**SALES OF PARTS**

Sales of parts are recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer, usually upon delivery of the goods, and measured at the fair value of the consideration received, net of discounts, rebates and other taxes on sales and customs duties.

SERVICES AND PERFORMANCE OF SPECIFIC TOOLING**Automotive Business**

The Group has been applying IFRS 15 “Revenue from contracts with customers” since January 1, 2018. In this context, the accounting treatment selected until December 31, 2017 for costs and products related to activities carried out during the project phase of automotive contracts has been amended.

The project phase corresponds to the period during which the Group is working on the development of the part to be produced, on the design and manufacture of specific tooling to be used in production as well as on the organization of future production processes and logistics. It begins with the appointment of the Group for the vehicle and the product concerned and is completed when the normal production volume is reached.

The accounting treatment applied since January 1, 2018 is based on the identification by the Group in most cases of two performance obligations, distinct from the production of parts, under the Design business and certain specific tooling whose control is transferred to clients.

The costs related to performance bonds are recognized in inventories during the project phase and then in expenses when their control is transferred to the client, i.e. when the series is launched. Products related to payments including those explicitly included in the part price, and therefore the negative or positive margin for these performance obligations, are recognized at the start of the series’ life. Payments received prior to the start of the series are recorded in customer advances.

The Group has also examined the concepts specified or introduced by IFRS 15, such as the concept of “agent versus principal”, which does not have an impact on the principles applied until December 31, 2017.

Agreements signed with customers in the context of the development and supply of parts do not meet the criteria of a contract within the meaning of IFRS 15; in general, only firm orders received from customers are analyzed as a contract evidencing a performance obligation. In addition, the practices for issuing orders vary from one manufacturer to another and in some cases these orders are issued just days before delivery. On this basis, it is not relevant to provide information on performance obligations not met at the balance sheet date.

1.1.8 Receivables

Receivables are recorded at their fair value when they are recorded. The fair value generally corresponds to the nominal value of the receivable as long as the sale has been carried out with normal payment terms. Impairment losses are booked to cover expected credit losses and identified risks of non-recovery. The amount of impairment is calculated on a statistical basis for credit risk and counterparty by counterparty on an

individual basis for non-recovery risk. The application of IFRS 9 on financial assets has not had a significant impact on the Group accounts (see Note 5.1.10).

Finance receivables correspond to development and tooling sales for which the Group has signed an agreement enabling customers to pay in installments (for example: “development unit” prices contractually agreed by customers). These receivables have initial payment periods of more than one year and may bear interest in the framework of an asset financing agreement agreed with the customer. The income related to these receivables is recognized in revenue. These finance receivables are deducted when calculating the Group’s net debt.

Sold receivables, which are removed from the balance sheet, meet the following criteria:

- the rights attached to the receivables are transferred to third parties;
- substantially all the risks and rewards of ownership are transferred to third parties;

The risks taken into account are the following:

- credit risk,
- risks related to payment arrears both for the duration and amounts,
- the transfer of interest rate risk, which is fully assumed by the buyer.

1.1.9 Operating margin

Operating margin corresponds to the profit from fully consolidated companies before other operating income and expenses which mainly include:

- gains from disposals of property, plant and equipment and intangible assets;
- impairment losses on intangible assets and property, plant and equipment, including any impairment of goodwill;
- translation differences, corresponding to the difference between the exchange rates used to account for operating receivables and payables and the rates used to account for related settlements;
- income and expenses that are unusual in nature, frequency or amount, such as profits and losses related to changes in scope, the start-up costs of new plants, the costs of restructuring and downsizing costs.

Amortization of contractual customer relationships acquired in business combinations is recognized as a separate item in the operating margin and entered alone on a separate line of the income statement.

The share of profit/(loss) of associates and joint ventures is also recorded in the operating margin as a separate item.

Thus, the Group has an operating margin before amortization of intangible assets acquired in business combinations and the share of profit/(loss) of associates and joint ventures and an operating margin after taking these factors into account.

The operating margin after taking into account amortization of intangible assets related to acquisitions and share of profit/(loss) of associates and joint ventures is the main performance indicator used by the Group.

1.1.10 Research tax credit

The Group benefits from tax credits linked to the research effort of its subsidiaries. These tax credits are included in operating margin under "Net research and Development costs", see Notes 4.1 "Research and Development costs" and 4.2 "Cost of sales, development, selling and administrative costs".

1.1.11 Intangible assets

1.1.11.1 RESEARCH AND DEVELOPMENT COSTS

Development costs incurred during the project phase and related to the execution of the contract with the customer not fulfilling a performance obligation are recognized as intangible assets. These internal and external costs relate to the work on the organization of purchasing, logistics and industrial processes to produce the parts that will be ordered by customers.

These costs are recognized as intangible assets in progress during the development phase and amortized on a straight-line basis over the estimated life of the series production that is generally three years for exterior parts, five years for fuel systems and the Modules business.

The amortization of development hours is booked under Research and Development costs and that of the tooling in gross margin.

These assets are subject to annual impairment tests and then to the value loss index as of their go-live.

Products received from customers related to these costs are recorded in turnover from the start of series life over the production period. Payments received before the start of life are recorded in customer prepayments

The accounting treatment of costs that satisfy a performance obligation is described in Note 1.1.7 "Revenue/Revenue from contracts with customers".

Furthermore, under IFRS 15, only the costs of obtaining contracts that would not exist in the absence of a contract are credited to the assets and depreciated over the expected production period; costs incurred prior to the appointment of the Group, whether or not the contract is obtained, are recognized as an expense for the period.

Other Research and Development costs

The other Research and Development costs are expenses for the financial year.

1.1.11.2 OTHER INTANGIBLE ASSETS

Other intangible assets are measured at cost less accumulated amortization and impairment losses. They are amortized according to the linear method over their estimated useful lives.

In 2018, they mainly included the "Ford-Milan," "Faurecia Exterior Systems business" and "HBPO" contractual customer relationships.

These intangible assets are tested for impairment when there is an indication of loss of value.

1.1.12 Start-up costs

Costs corresponding to start-up phases of large plants, including organizational costs, are expensed as they are incurred. They correspond to the use of new production capacity or techniques. As indicated in Note 1.1.9, pre-start-up costs for new plants are recognized under "Other operating expenses".

1.1.13 Goodwill and impairment tests

Plastic Omnium Group goodwill is not amortized but is tested for impairment at the end of the year, but also during the reporting of the half-yearly accounts in the case of evidence of impairment.

Impairment tests are carried out at the level of the cash generating units (CGU) or groups of cash generating units, which are:

- Industries;
- Modules.

On December 31, 2018, the Group presented its segment information in two "reportable segments", i.e., Industries and Modules (see Note 3 "Sector Information").

The goodwill information follows the same presentation (see Note 5.1.1 on "Goodwill").

The net carrying amount of all assets (including goodwill), comprising each cash-generating unit, is compared to its recoverable amount, i.e. the higher of the fair value less disposal costs and the value in use determined using the discounted cash-flow method.

The cash-flow forecast is based on the Group's medium-term plans, which are prepared for the next four years, revised as necessary to reflect the most recent market conditions. Beyond this timeframe, a terminal value is calculated based on the capitalization of the projected cash-flows for the last year covered by the business plan, using a long-term growth rate that reflects the outlook for the market. These cash-flow projections are then discounted.

The assumptions used to determine the discount rates take into account:

- an industry risk premium;
- an industry financing "spread" to value the cost of debt;
- the rates used by comparable companies in each segment.

Goodwill is measured annually at cost, less any accumulated impairment representing loss of value. Impairments on goodwill are irreversible.

Sensitivity tests with an increase in the discount rate of 0.5% or a reduction of 0.5% in the long-term growth rate or a reduction of 0.5% in the operating margin rate are systematically carried out.

Negative goodwill (badwill) is recorded in the income statement during the year of acquisition.

1.1.14 Tangible fixed assets

GROSS VALUES

Property, plant and equipment are initially recorded at their acquisition cost, at their cost of production when they are manufactured by the company for itself (or subcontracted) or at their fair value for those acquired without consideration.

Property, plant and equipment may be specific tooling developed by the Group in connection with production contracts signed with customers without transfer of control to customers, for which the Group will receive an integrated remuneration in the part price. In this case, the remuneration is recorded in revenue over the series' life.

If fixed assets have been sold or contributed within the Group, any gains and losses are eliminated in the consolidated financial statements.

Fixed assets are later recognized at cost less total depreciation based on life span and total impairment.

Maintenance and repair costs for fixed assets to restore or maintain the future economic benefits that the company can expect in terms of the estimated level of performance at the time of acquisition are recognized as an expense as incurred.

DEPRECIATION

Depreciation is calculated on a straight-line basis over the estimated useful lives:

Buildings and fixtures	10 – 40 years
Presses and transformation machines	7 – 10 years
Machining, finishing and other equipment	3 – 10 years

The Group applies the components approach to its property assets and major functional assemblies.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tested for impairment when decisions are made to cease production or to close a site.

1.1.15 Investment property

The items in the “Investment property” section of the Group’s balance sheet assets are not included in ordinary operations. These assets, which belong to the Group, correspond to real estate:

- not occupied on the balance sheet date and whose use is undecided;
- or held by the Group for their long-term appreciation and which are leased to third parties under operating leases.

The Group may, where appropriate, decide to use all or part of a property whose use is undecided (in which case the relevant part would be reclassified as being occupied) or lease them under one or more operating leases.

Investment property is measured at fair value at the balance sheet date, with changes in fair value recognized in profit or loss. The land on which the buildings are constructed follow the same accounting treatment. An independent appraiser makes regular valuations as part of the year-end closing process. Between two valuations, the Group ensures that the real estate market has not undergone any significant change. The fair value determined by the expert is assessed by direct reference to observable prices in an active market (level 2 fair value).

Properties or parts of properties previously classified under investment property and reclassified as operating property as the Group decides to use them for its own purposes, are recognized at their carrying amount at the date of transfer.

When properties are moved from the “Property, plant and equipment” category to the “Investment property” category, any difference between the carrying amount and the fair value on that date is accounted for as a revaluation.

Future expenditures are capitalized only on the assumption that the future economic benefits associated with the expenditure benefit the Group, for example, by an increase in the performance or effectiveness of the asset concerned.

Assets under finance leases are recognized in property, plant and equipment at the lower of their fair value and the present value of minimum lease payments and depreciated on the basis of Group depreciation rates applicable to the same assets owned outright. They mainly concern leases on industrial buildings and major functional assemblies.

1.1.16 Inventories and work in progress

1.1.16.1 RAW MATERIALS INVENTORIES AND OTHER SUPPLIES

Raw materials and supplies are measured at the lower of cost and net realizable value.

At the end of the financial year, a provision for impairment is recorded when the estimated sales price of the related finished products in the normal course of business, less the residual estimated marketing, production and processing costs, is less than the carrying amount of the raw materials or supplies.

1.1.16.2 FINISHED AND SEMI-FINISHED PRODUCT INVENTORIES

Finished and semi-finished products are valued on the basis of standard production costs, revised annually. Cost includes raw materials and direct and indirect production costs. These costs do not include any administrative overheads or IT not linked to production, Research and Development costs or sales costs. In addition, they do not include the cost of any below-normal capacity utilization.

1.1.16.3 PROJECTS INVENTORIES – TOOLS AND DEVELOPMENT

These inventories correspond to costs incurred by the Group in order to satisfy a performance obligation in connection with automotive projects.

The cost of inventories is compared at the balance sheet date to the net realizable value. If it exceeds the net realizable value, an impairment loss is recorded to bring the inventories to their net realizable value.

1.1.17 Non-current and current borrowings

Current and non-current borrowings are valued using the amortized cost method using the effective interest rate.

1.1.18 Provisions

Provisions are booked when there are obligations to third parties leading to a likely outflow of resources for the benefit of these third parties without at least equivalent value expected for the Group. Losses identified on onerous contracts, i.e. contracts whose unavoidable costs relating to their obligations are greater than the expected economic benefits, are subject to provisions. These provisions are recognized in current or non-current liabilities depending on whether they are short- or medium-long term in nature.

The cost of downsizing plans is recognized in the period in which a detailed plan is drawn up and announced to the employees concerned or their representatives, thus creating a well-founded expectation that the Group will implement this plan.

1.1.19 Provisions for pensions and other post-employment benefits

All Group employees are covered by pensions and other long-term post-employee benefits plans. Pension plans comprise defined contribution plans or defined benefit plans.

1.1.19.1 DEFINED CONTRIBUTION PLANS

The cost of defined contribution plans, corresponding to salary-based contributions to government-sponsored pension and death/disability insurance plans made in accordance with local laws and practices in each country is recognized as an operating expense. The Group has no legal or implicit obligation to pay additional contributions or future benefits. Consequently, no actuarial liability is recorded under these defined contribution plans.

1.1.19.2 DEFINED BENEFIT PLANS

Defined benefit plans mainly concern post-employment benefit plans, which are defined by:

- other pension and supplementary pension plans, mainly in the US and France;
- plans to cover healthcare costs in the US.

Defined benefit plans are subject to provisions for staff benefits calculated on the basis of actuarial valuations carried out by independent actuaries using the projected unit credit method.

These assessments take into account assumptions on:

- retirement dates determined according to the terms of the legislation and in particular for French employees, a voluntary retirement assumption when full benefit rights have been acquired;
- mortality;
- the probability of active employees departing before retirement age;
- estimates of salary increases up to retirement age;
- discount rates and inflation.

When defined benefit plans are funded, the commitments under these plans are deducted from the market value of plan assets at the reporting date. The valuation builds in long-term profitability assumptions of the invested assets calculated on the basis of the discount rate used to value company commitments.

Changes in provisions for defined benefit obligations are recognized over the benefit vesting period, in the income statement under "Operating expenses", except for:

- the effect the reversal of discounting of the commitments recognized in financial expenses;
- actuarial gains and losses on post-employment benefit obligations recognized in equity.

1.1.19.3 OTHER LONG-TERM BENEFITS

Other long-term benefits correspond to long-service awards for French employees.

Actuarial gains and losses on "Other long-term benefit plans" (mainly long-service awards) are recognized immediately in profit or loss.

1.1.20 Government grants

The grants received are recognized as liabilities in the balance sheet; they correspond to grants to finance investments in new sites, production equipment or Research and Development programs.

The grants are reclassified in gross profit over the periods and in the proportions in which the acquired assets are depreciated.

1.1.21 Treasury stock

Treasury stock is recorded as a deduction from equity, regardless of the purpose for which it is being held.

The proceeds from the sale of these securities are recorded directly as an increase in the Group's equity, any gain or loss on the sales have no impact on the income statement for the year.

1.1.22 Share-based payment

Options granted under employee share purchase and subscription plans (at December 31, 2018 there are no stock option plans) are measured at their fair value at the date of grant by the Board of Directors, using the Black & Scholes option pricing model.

The fair value is recognized in "Employee benefits expense" on a straight-line basis over the vesting period, with a corresponding adjustment to reserves.

When options are exercised, the cash amount received by the Group for the exercise price is recorded in cash and cash equivalents with a corresponding adjustment to consolidated reserves.

1.1.23 Financial assets (excluding derivatives)

1.1.23.1 LONG-TERM INVESTMENTS: EQUITY AND FUND

Long-term investments also correspond to shares in listed companies as well as to shares subscribed for in venture capital funds and companies. On the acquisition date, they are measured at fair value plus transaction costs directly attributable to their acquisition.

In accordance with the new IFRS 9 standard, effective January 1, 2018:

- changes in the fair value of listed companies are accounted for using the alternative method provided for by IFRS 9 in "Other comprehensive income in equity" (OCI) without recycling in profit or loss;
- changes in long-term investments in mutual funds and mutual funds are recognized in profit or loss.

The impact of the application of this standard is not material for the Plastic Omnium Group.

1.1.23.2 OTHER FINANCIAL ASSETS

Other financial assets include loans, security deposits and surety bonds. They are measured at amortized cost. Whenever there is objective evidence of impairment, i.e. a negative difference between the carrying amount and the recoverable amount, an impairment provision is recognized through profit or loss. This impairment may be reversed if the recoverable amount subsequently increases.

1.1.24 Derivatives and hedge accounting

In order to manage its interest rate risk, the Group uses OTC derivative instruments. These hedging instruments are valued and recognized in the balance sheet at their fair value.

Changes in the fair value of instruments described as “Cash-flow hedges” are recorded under “Other comprehensive income” (equity) for the efficient parts and in financial income for the inefficient parts.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in profit or loss.

IFRS 9 does not modify the accounting treatment of the different types of hedging used by the Plastic Omnium Group, nor the swap point treatment or the optional nature of hedge accounting. It softens the criteria for the eligibility of hedging instruments and the hedged elements and compliance with the effectiveness criteria. On these bases, and in view of the interest rate and forex risk hedging policy, the Group’s impacts are very limited (see Note 5.2.8.1 on “Interest rate hedges”).

1.1.25 Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash-flows include short-term, highly liquid cash items, readily convertibles into known amounts of cash and subject to a negligible risk of change in value. Cash comprises cash and cash equivalents, short-term deposits and bank balances, with the exception of those authorized to cover short- or medium-term cash needs arising from day-to-day operations. Cash equivalents correspond to short-term investments and are subject to a negligible risk of changes in value in the context of the temporary use of cash surpluses (money market funds, negotiable debt securities, etc.). Changes in the fair value of these assets are recognized in profit or loss.

1.1.26 Assets held for sale and discontinued operations

The following items are classified as “Assets held for sale” on the balance sheet, as soon as the assets or groups of assets are available-for-sale in their current state and the sale is highly probable:

- non-current assets held pending their sale;
- a group of assets held for sale and not for continuing use;
- businesses or companies acquired with a view to subsequent sale.

Liabilities related to these assets, group of assets, businesses and liabilities held for sale are also presented as a separate item under liabilities in the balance sheet, “Liabilities directly related to assets held for sale”.

Assets (or asset groups) classified in this category are no longer depreciated. They are valued at the lower of their carrying amount and selling price, less selling costs. Any impairment losses are recognized by the Group under “Other operating expenses”.

In the balance sheet, data related to “Assets held for sale” shown separately in the financial statements do not give rise to the restatement of prior years in terms of presentation.

In the income statement, the profit/loss (from the period and from the sale) of business operations or entities that meet the definition of a discontinued operation are reported as a separate line item entitled “Net income from discontinued operations” in each of the fiscal years presented.

1.1.27 Income taxes

The Plastic Omnium Group recognizes deferred taxes relating to temporary differences between the carrying amount of assets and liabilities on the balance sheet without discounting.

Deferred taxes are calculated using the carryover method, applying the last tax rate enacted (or the quasi-adopted rate) at the balance sheet date and applicable to the period in which the temporary differences reverse.

Tax credits and deferred tax assets on tax loss carryforwards and temporary differences are only recognized when the probability of their utilization within a relatively short period of time is proven.

1.2 Estimates and judgements

In preparing its financial statements, the Plastic Omnium Group uses estimates and assumptions to assess some of its assets, liabilities, income, expenses and commitments. Senior management reviews these estimates and assumptions periodically. The amounts in the future financial statements of the Group may include changes in estimates or assumptions in the consideration of past experience and changes in economic conditions.

In general, the estimates and assumptions used during the financial year were based on the information available at the balance sheet date. Estimates may be revised depending on changes in the underlying assumptions. These assumptions mainly concern:

Deferred taxes

Recognition of deferred tax assets depends on the probability of sufficient taxable earnings being generated to permit their utilization. This leads the Group to make regular estimates of future taxable earnings, particularly as part of the medium-term plans established within the Group. These estimates take into account the recurring or non-recurring nature of certain losses, expenses, etc.

Provisions

PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

In the case of defined benefit plans, the Group, assisted by independent actuaries, adopts assumptions (see Notes 1.1.19 and 5.2.6 “Provisions for pensions and other post-employment benefits”) on:

- discount rates for pension and other long-term benefits;
- rates of growth in healthcare costs for the United States;
- employee turnover and future salary increases.

OTHER PROVISIONS

Estimates also cover provisions, particularly those relating to the workforce adjustments, litigation, customer guarantees, legal and tax risks for which in some cases the Legal Department may be required to employ specialized lawyers.

Asset impairment tests

Impairment tests are carried out in particular on goodwill and development costs relating to Automotive projects recognized as intangible assets. As part of these tests, to determine recoverable value,

the concepts of fair value net of disposal costs and value in use obtained by the discounted cash-flow method are used. These tests are based on assumptions on future cash-flows and discount rates. Assumptions that could have a material impact on the financial statements concern, in particular, the discount rates and growth rates.

NOTE 2 SIGNIFICANT EVENTS OF THE PERIOD

2.1 Application of the new IFRS standards applicable from January 1, 2018:

IFRS 15 and IFRS 9, mandatory from January 1, 2018, were applied by Plastic Omnium Group for the first time as of January 1, 2018.



The impacts on the Group's financial statements are shown below and explained in the following notes:

1ST APPLICATION OF IFRS 15 AND IFRS 9: TRANSITION FROM DECEMBER 31, 2017 TO JANUARY 1, 2018 CONSOLIDATED BALANCE SHEET

<i>In thousands of euros</i>	Notes	December 31, 2017	IFRS 15	IFRS 9	January 1, 2018
Assets					
Goodwill		584,685	-		584,685
Intangible assets	5.1.2	497,857	19,679		517,536
Property, plant and equipment		1,410,465	(230)		1,410,235
Investment property		93,263	-		93,263
Equity method and non-consolidated investments		211,490	-		211,490
Other non-current financial assets		86,574	-		86,574
Deferred tax assets		96,663	530		97,193
TOTAL NON-CURRENT ASSETS		2,980,997	19,979	-	3,000,976
Inventories	5.1.8	414,013	274,163		688,176
Finance receivables		42,807	-		42,807
Trade receivables	5.1.10.2	940,084	(124,507)	(1,939)	813,638
Other		354,602	-		354,602
Other financial assets and financial receivables		83,209	-		83,209
Hedging instruments		5,254	-		5,254
Cash and cash equivalents		939,635	-		939,635
TOTAL CURRENT ASSETS		2,779,604	149,656	(1,939)	2,927,321
Assets held for sale		846	-	-	846
TOTAL ASSETS		5,761,447	169,635	(1,939)	5,929,143
Equity and liabilities					
Capital		9,059	-		9,059
Treasury stock		(61,764)	-		(61,764)
Additional paid-in capital		17,389	-		17,389
Consolidated reserves		1,337,759	(4,818)	(1,939)	1,331,003
Net income for the period		425,177	-		425,177
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		1,727,620	(4,818)	(1,939)	1,720,864
Attributable to non-controlling interests		26,614	30		26,644
TOTAL EQUITY		1,754,234	(4,788)	(1,939)	1,747,508
Non-current borrowings		1,323,771	-		1,323,771
Provisions for pensions and other post-employment benefits		106,517	-		106,517
Provisions for liabilities and charges	5.2.5	54,689	826		55,515
Non-current government grants		6,557	-		6,557
Deferred tax liabilities		20,975	-		20,975
TOTAL NON-CURRENT LIABILITIES		1,512,509	826	-	1,513,335
Bank overdrafts		9,993	-		9,993
Current borrowings		381,078	-		381,078
Current debt		4	-		4
Hedging instruments		5,618	-		5,618
Provisions for liabilities and charges	5.2.5	70,944	3,182		74,126
Current government grants		3,948	-		3,948
Trade payables		1,233,221	-		1,233,221
Other operating liabilities (Deferred income)	5.2.9.2	789,898	170,415		960,313
TOTAL CURRENT LIABILITIES		2,494,704	173,597	-	2,668,301
Liabilities related to assets held for sale		-	-	-	-
TOTAL EQUITY AND LIABILITIES		5,761,447	169,635	(1,939)	5,929,143

2.1.1 First application of IFRS 15 “revenue from contracts with customers” and impacts on accounts

The Group has been applying IFRS 15 “Revenue from contract with customers” since January 1, 2018. See Note 1.1.7 “Revenue” in the “Accounting policies, accounting rules and methods”. In this context, the accounting treatment selected through December 31, 2017 for costs and products related to activities carried out during the project phase of automotive contracts has been amended (see Notes 1.1.7 and 1.1.11).

The Group decided to apply the modified retrospective method; the 2017 consolidated financial statements are not restated and the new accounting treatment is applied to projects not completed on January 1, 2018, i.e. automotive contracts whose series had not been launched at December 31, 2017.

The impact of this change in accounting treatment on the opening balance sheet at January 1, 2018 is essentially related to the restatement of the revenue recognized for the current projects through December 31, 2017. As previously indicated, the new accounting treatment provides for the recognition of products relating to performance obligations at the start of the series life.

Hence, invoices to be recorded on these unfinished projects as at December 31, 2017 have been cancelled, in the amount of €125 million, and invoices until that date for contracts whose series’ life has not begun have been recorded as deferred income, in the amount of €170.4 million. In return, the related costs that were no longer in the balance sheet at December 31, 2017 have been restated, i.e. recorded in inventories, in the amount of €274 million, or property, plant and equipment/intangible assets, in the amount of €19.4 million, according to their nature.

These restatements have a non-significant impact on the equity, since no profit or loss has been booked on these projects at December 31, 2017 in accordance with the accounting principles applicable at that date.

The impact on shareholders’ equity of the change in method corresponds to the provisions for losses on the completion of the performance obligations or the tooling sales, and to a lesser extent to the restatement of the acquisition costs of capitalized contracts at December 31, 2017 and the related deferred taxes.

2018: As indicated in the 2017 financial statements, the impact of the application of this new standard has no significant impact on the Group’s revenues and results for 2018. The impact on non-current assets is also insignificant (approximately +€20 million). On the other hand, current assets are significantly impacted as a result of the discontinuation of the recognition of turnover at completion (approximately +€310 million on inventories, -€200 million on receivables, +€130 million on operating debts).

2.1.2 First time application of IFRS 9 “Financial Instruments” and impacts on accounts

The impacts related to the provisions of IFRS 9 “Financial Instruments”, which are mandatory from January 1, 2018 onwards, are not material for the Plastic Omnium Group. See Notes 1.1.8 “Receivables”, 1.1.23 “Other non-current financial assets” and 1.1.24 “Derivatives and hedge accounting” in the “Accounting policies, accounting rules and methods”.

2.2 Creation of a New Energies business dedicated to new energy sources

During the first half of 2018, the Group created a new New Energies business within the Plastic Omnium Clean Energy Systems Division of the Industries segment. It is devoted to business related to future energy sources in the fields of combustion cells and hydrogen propulsion.

2.3 Acquisitions and acquisitions of shares in 2018

2.3.1 Acquisition by the Group of Mahle-Behr’s 33.33% interest in HBPO

2.3.1.1 ACQUISITION INFORMATION

On March 1, 2018, the Plastic Omnium Group signed an agreement with the German group Mahle-Behr to acquire its 33.33% equity stake in the joint venture HBPO until then held equally by Plastic Omnium, Hella and Mahle-Behr.

After it was authorized by the competition authorities, the Plastic Omnium Group finalized the acquisition on June 26, 2018, for a price of €370 million corresponding to the 33.33% Mahle-Behr stake, financed with the Group’s own resources.

The Plastic Omnium Group now holds 66.67% of the HBPO Group. The balance is held by Hella.

The global leader in automotive block-front-end module development, assembly and logistics with a global market share of nearly 17%, HBPO employs 2,200 people. This acquisition enables the Plastic Omnium Group to acquire additional industrial resources to implement its development strategy in the smart and modular body segment.

2.3.1.2 ACCOUNTING TREATMENT OF HBPO TAKEOVER

The acquisition of this additional 33.33% stake and integration procedures described below enabled Plastic Omnium Group to gain control of HBPO. In fact, exchanges with the partner in the weeks following the acquisition and the integration arrangements make it possible to conclude that the rights granted to the partner in the shareholders pact are protective rights.

The integration procedures include the appointment of the CEO of HBPO to the Plastic Omnium Group Management Board, HBPO’s access to Group Guaranteed Financing to replace the former HBPO financings, the application by HBPO of all the Group’s financial processes (reporting, financing, budget), the ongoing alignment of processes (industrial, logistic and technological) and the search for initial synergies.

Given the effective July 2018 takeover, the full consolidation method has been applied since July 1, 2018.

The takeover of HBPO led the Group to reassess the share of 33.33% held before acquisition on the basis of its fair value. The revaluation impact is €255 million in income booked in the Income Statement under "Other operating income and expenses" (see Note 4.6). This gain corresponds to the difference between the carrying amount of the holding at the date of the acquisition and the fair value of the holding (see Note 1.1.4). Fair value was determined on the basis of a multi-criteria approach based on

HBPO's business plan available at the purchase date (discounted cash-flow and multiples method). The long-term growth rate used to extrapolate flows is 1.7%, using a 9% discount rate. The difference between this fair value and the price paid for the additional holding corresponds to the premium that the Plastic Omnium Group agreed to pay to take over HBPO and thus be able to implement its modular development strategy.

REVALUATION OF PLASTIC OMNIUM'S INITIAL 33.33% INTEREST

In thousands of euros

Book value of the share interest (A)	40,000
Fair value of the share interest (B)	295,000
REVALUATION RECOGNIZED IN THE PROFIT AND LOSS ACCOUNT UNDER "OTHER OPERATING INCOME AND EXPENSES" OF THE INITIAL 33.33% HELD BY COMPAGNIE PLASTIC OMNIUM (C) = (B) - (A)	255,000

2.3.1.3 ACQUISITION PRICE FOR HBPO TAKEOVER

The purchase price is broken down as follows:

<i>In thousands of euros</i>	Value of historical participation: 33.33%	Acquisition price of investment acquired from Mahle-Behr: 33.33%	Acquisition price of the takeover: 66.67%
Value of HBPO shares accounted at the equity method as of June 30, 2018	40,000		40,000
Revaluation recognized in the Profit and Loss ("Other operating income and expenses")	255,000		255,000
Acquisition price of investment from Mahle-Behr		369,762	369,762
ACQUISITION PRICE FOR HBPO TAKEOVER	295,000	369,762	664,762

2.3.1.4 PROVISIONAL PURCHASE PRICE ALLOCATION

The takeover of HBPO is accounted in accordance with IFRS 3R "Business Combinations", based on an acquisition price of Mahle-Behr shares for €370 million and €295 million for the historical interest held, in particular,

within the establishment of an opening balance sheet at July 1, 2018 which is based on the fair value of HBPO acquired assets and liabilities (see Note 2.3.1.5).

PROVISIONAL ALLOCATION OF THE PURCHASE PRICE

<i>In thousands of euros</i>	Attributable to the Group Plastic Omnium	Non-controlling interest attributable to Hella	Assets and liabilities acquired at 100%
ACQUISITION PRICE RELATED TO THE TAKEOVER	A	664,762	
Assets and liabilities acquired	B	68,539	98,570
Adjustment of acquired assets:	C	71,428	104,281
Customers contracts		79,333	119,000
Trademark		5,467	8,200
Deferred tax		(19,093)	(28,640)
Joint-ventures owned by HBPO		5,721	5,721
ASSETS AND LIABILITIES ACQUIRED MEASURED AT FAIR VALUE – ATTRIBUTABLE TO THE GROUP	D^{PG}=B^{PG}+C^{PG}	139,967	139,967
Assets and liabilities acquired measured at fair value – Attributable to non-controlling interests Hella	D ^{MIN} =B ^{MIN} +C ^{MIN}	62,884	62,884
Assets and liabilities acquired measured at fair value	D= D^{PG} + D^{MIN}		202,851
PARTIAL GOODWILL	E=A-D^{PG}	524,795	

Minority interests that constitute a share of current interests and confer a proportional share in HBPO's net assets to the partner Hella in the event of liquidation are assessed on the basis of their share of the net assets (partial goodwill method).

2.3.1.5 OPENING BALANCE SHEET OF HBPO

The provisional opening balance sheet on July 1, 2018 is presented below. In accordance with IFRS 3R, this balance sheet will be finalized within twelve months of the date of the acquisition:

<i>In thousands of euros</i>			July 1, 2018
	Assets and Liabilities acquired	Adjustments	Assets and Liabilities recognized
ASSETS			
Goodwill		524,795	524,795
Other intangible assets ⁽¹⁾	53,233	127,200	180,433
Property, plant and equipment	63,883		63,883
Investments in associates and joint ventures	9,546	5,721	15,267
Non-current financial assets	3,523		3,523
Deferred tax assets	11,594		11,594
TOTAL NON-CURRENT ASSETS	141,779	657,716	799,495
Inventories	59,053		59,053
Trade receivables	236,214		236,214
Other receivables	48,479		48,479
Other financial assets and financial receivables	297		297
Cash and cash equivalents	26,847		26,847
TOTAL CURRENT ASSETS	370,890	-	370,890
TOTAL ASSETS	512,669	657,716	1,170,385
EQUITY AND LIABILITIES			
Consolidated reserves	68,539	596,223	664,762
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	68,539	596,223	664,762
Attributable to non-controlling interests	30,031	32,853	62,884
TOTAL EQUITY	98,570	629,076	727,646
Non-current and current borrowings			-
Provisions for pensions and other post-employment benefits	963		963
Provisions for liabilities and charges	890		890
Deferred tax liabilities	254	28,640	28,894
TOTAL NON-CURRENT LIABILITIES	2,107	28,640	30,747
Non-current and current borrowings	22,964		22,964
Provisions for liabilities and charges	5,197		5,197
Trade payables	230,614		230,614
Other operating liabilities	153,217		153,217
TOTAL CURRENT LIABILITIES	411,992	-	411,992
TOTAL EQUITY AND LIABILITIES	512,669	657,716	1,170,385
Gross debt	(19,144)	-	(19,144)
Net cash and cash equivalents	26,847	-	26,847
Net debt	7,703	-	7,703

(1) Of which HBPO brand and customer contracts (see Note 2.3.1.2).

2.3.1.6 CONTRIBUTION OF HBPO TO THE PLASTIC OMNIUM GROUP INCOME STATEMENT

The contribution of the HBPO activity to the main aggregates in the 2018 Group Income Statement is presented below:

<i>In thousands of euros</i>	HBPO 2018 contribution	
	Totals	%
Consolidated revenue	956,863	100.0%
Operating margin ⁽¹⁾	32,481	3.4%
Profit from continuing operations before income tax and after share of profits of associates and joint ventures	31,402	3.3%

(1) Of which, €8,731 thousand related to the equity-accounting of HBPO for the first half of 2018.

If the takeover of HBPO had been realized on January 1, 2018, the following aggregates of the Group would have been

- sales: €8,260 million;
- operating margin: €628 million;
- income from continuing operations before tax and after share of income from associates and joint ventures: €670 million.

2.3.2 Holding in the Finnish company Tactotek OY

In February 2018, the Group took a 4.43% equity stake in preferred shares in the Finnish plastronics company Tactotek OY in the amount of €3 million. The company specializes in the manufacture of radars, sensors integrated in vehicle bodies.

In the absence of significant influence or control exercised by the Plastic Omnium Group, Tactotek OY is not consolidated. The acquired securities are recorded in the balance sheet under "Investments in non-listed equity instruments" (see Note 5.1.7.1).

The change in fair value of this asset is recognized in profit or loss (see Note 2.1.2 on the first application of IFRS 9 "Financial Instruments").

2.4 Monitoring of 2017 acquisitions and acquisitions of investments

The previous year's acquisitions have evolved as follows:

2.4.1 Monitoring of the acquisition of Swiss Hydrogen by the Clean Energy Systems Division

Swiss Hydrogen, specializing in the design and production of energy management and control solutions for combustion battery systems dedicated to mobility ("balance of plant/BOP") based in Fribourg, was acquired on December 18, 2017.

During the first half of 2018, a non-material adjustment was made to the acquisition price of Swiss Hydrogen and therefore goodwill was recorded.

The final goodwill amounted to €8.9 million at December 31, 2018.

2.4.2 Monitoring of the acquisition of Optimum CPV BVBA by the Clean Energy Systems Division

The Belgian company Optimum CPV BVBA, specialized in the design and production of tanks in filament composite for the storage of pressurized hydrogen and based in Zonhoven, was acquired on December 18, 2017.

During the first half of 2018, a non-material adjustment was made to the acquisition price of Optimum CPV BVBA and therefore goodwill was recorded.

The final goodwill amounts to €4.8 million at December 31, 2018.

2.4.3 Investment in the venture capital company Aster

In 2017, the Plastic Omnium Group, as a co-sponsor, signed a €20 million subscription commitment in the framework of a fundraising operation of €240 million by the venture capital company Aster.

Aster supports the growth of innovative start-ups in energy, greentech for energy transition, innovative materials, intelligent transport systems, digital transformation, new industrial models and the internet of things, primarily in Europe and the United States.

At December 31, 2018, the amount paid by the Plastic Omnium Group amounted to €1.5 million, including €1 million in 2018. This is recognized as an asset on the balance sheet under "Long-term investments in equities and funds" (see Note 5.1.7.1).

The change in fair value is recognized in the income statement (see Note 2.1.2 on the first-time application of IFRS 9 "Financial Instruments").

2.5 Monitoring of investments and site openings**2.5.1 Investments in production capacity: Greer and Smyrna plants in the United States**

The construction of the Greer and Smyrna plants in the US ended.

GREER PLANT, SOUTH CAROLINA, UNITED STATES

Construction of the Greer plant in South Carolina in the United States, launched during the first half of 2017, ended in July 2018. This plant is designed to deliver all major painted exterior body parts for carmaker BMW's X3, X4, X5 and X6 models, as well as future models of the BMW plant. The Greer plant is part of the Intelligent Exterior Systems Division of the Industries segment. It will also supply carmakers Volvo in South Carolina and Daimler in Alabama.

The Greer plant is the first plant in the history of the Group (pilot plant) that will operate on "4.0" technology. It will lead to further improvements in industrial processes, parts quality, robotization, standardization and competitiveness.

SMYRNA PLANT, TENNESSEE, UNITED STATES

Construction of the Smyrna plant in Tennessee in the United States for the Clean Energy Systems Division of the Industries segment, began in the first half of 2017 and was completed in March 2018. This plant, has been producing fuel systems for a Japanese manufacturer since August 2018.

2.5.2 Investments in production capacity: plant in Hlohovec in Slovakia for the production of body parts

The construction of the new plant in Hlohovec in Slovakia for body parts (Intelligent Exterior Systems Division of the Industries segment), which will supply the plant of carmaker Jaguar Land Rover (which also set up in Slovakia, in Nitra), started in the second half of 2017 and is continuing. Work will be completed in the first half of 2019, when production will begin.

2.5.3 Construction of the innovation and high-tech activity center: Δ-Deltatech

The construction of an innovation and high-tech activity center for new energies, Δ-Deltatech, in Brussels, Belgium decided by the Group in the second half of 2016, began in early 2018. The opening is planned in early 2019.

2.5.4 Construction of a technical center in Wuhan in China for Clean Energy Systems in the Industries segment – ω-Omegatech

In order to support its growing activities in Asia, and reduce the use of the α-Alphatech center in France in Compiègne (department of the Oise) and of outsourcing, the Group launched a technical center construction project in Wuhan in China, near its current plant specialized in the manufacture of fuel systems. The center will include technical premises for the development of new fuel tank projects and new part validation tests, a fuel test laboratory, a mechanical laboratory and a prototype development workshop.

Construction began in the third quarter of 2018 and will end in the first quarter of 2019.

2.5.5 Expansion and reinforcement of advanced tools at the international R&D center for body components and modules: Σ-Sigmattech

As part of its overall strategy for responding to new challenges arising from the preparation of the vehicle of the future and the advent of the connected, autonomous and cleaner car, the Group launched an extension and digitization program for its international R&D center, Σ-Sigmattech, at the end of 2017.

The program will provide the center with resources in mechatronics, connected systems, virtual reality and collaborative robots.

2.6 Disposals of companies, property assets and site closures at December 31, 2018

2.6.1 Disposal of the Environment business

On September 20, 2017, Compagnie Plastic Omnium announced its disposal project of the Environment Division, which specializes in waste management products and services intended primarily for local authorities and businesses to focus on the global development of its automotive activities. It employs 1,800 people and has an R&D center and six plants in Europe (France, Germany and Spain).

Its activities cover:

- containers: household waste receptacles, bins, composters, underground and semi-underground containers;
- associated services: maintenance, washing, surveys and implementation, data management, etc.;
- urban furniture: waste disposal areas, playgrounds, equipment for parks and streets.

As of June 30, 2018, taking into account the progress of the disposal process and the probability that the sale would take place in the following 12 months, the Group decided to apply IFRS 5 by reclassifying this activity in "Non-current assets held for sale and discontinued operations".

The IFRS 5 accounting treatment applied from June 2018 to the entities in the Environment Division led to a specific line item for the Division on the presentation of the consolidated income statement for 2017 and 2018.

A "sale purchase agreement" was signed on October 26, 2018 between the Plastic Omnium Group and the consortium Latour Capital/Bpifrance (French public investment bank).

On December 18, 2018, Compagnie Plastic Omnium sold the Environment Division to the consortium Latour Capital/Bpifrance (French public investment bank) for €199.4 million.

The "Net profit after tax from discontinued operations" presented in the consolidated income statement of €1,494 thousand includes:

- the activity of the Environment Division net of inter-company transactions with the Group, from January 1 to November 30, 2018 for +€11,964 thousand; and
- the net loss after tax on the sale of this business for -€10,470 thousand as of December 31, 2018.

The summary statements of the Environment Division sold are presented here after:

BALANCE SHEET – ENVIRONMENT DIVISION:

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
ASSETS		
Goodwill	98,527	96,151
Other intangible assets	10,791	11,375
Property, plant and equipment	54,851	52,931
Other non-current financial assets	(2,651)	109
Deferred tax assets	14,021	13,276
Inventories	41,563	36,884
Finance receivables	311	1,009
Trade receivables	75,961	44,711
Other receivables	17,023	12,884
Other financial assets and financial receivables	26	(9,947)
Cash and cash equivalents ⁽¹⁾	20,903	4,759
TOTAL ASSETS	331,326	264,142
EQUITY AND LIABILITIES		
Consolidated reserves	188,348	163,535
Borrowings and financial debt ⁽¹⁾	25,637	739
Provisions and Government grants	15,311	26,105
Deferred tax liabilities	297	174
Bank overdrafts	144	52
Trade payables	72,547	48,475
Other operating liabilities	29,042	25,062
TOTAL LIABILITIES	331,326	264,142

(1) The closing positions include the borrowing of €25 million from Compagnie Plastic Omnium repayment at closing.

- The Environment Division is a separate operating segment meeting the discontinued operations criteria. The presentation in the 2018 and 2017 income statements shows a single amount which includes the total profit or loss after tax of the discontinued operations.

INCOME STATEMENT – ENVIRONMENT DIVISION:

<i>In thousands of euros</i>	2018	%	2017	%
CONSOLIDATED SALES (REVENUE)	309,706	100.0%	335,476	100.0%
Cost of goods and services sold	(245,154)	-79.2%	(261,955)	-78.1%
GROSS PROFIT	64,552	20.8%	73,521	21.9%
Net Research and Development costs	(2,124)	-0.7%	(2,050)	-0.6%
Selling costs	(18,444)	-6.0%	(20,292)	-6.0%
Administrative expenses	(23,144)	-7.5%	(24,961)	-7.4%
OPERATING MARGIN	20,840	6.7%	26,218	7.8%
Other operating income	-	-	-	-
Other operating expenses	(6,143)	-2.0%	(1,891)	-0.6%
Financing costs, net	(642)	-0.2%	(720)	-0.2%
Other financial income and expenses	33	0.0%	(356)	-0.1%
PROFIT BEFORE INCOME TAX	14,088	4.5%	23,251	6.9%
Income tax	(2,124)	-0.7%	(3,245)	-1.0%
NET INCOME	11,964	3.9%	20,006	6.0%

KEY AGGREGATE OF THE CASH-FLOW STATEMENT – ENVIRONMENT DIVISION:

<i>In thousands of euros</i>	2018	2017 restated
Cash-flows from Operating activities	9,880	19,441
Cash-flows from Investing activities	(10,502)	(9,650)
Cash-flows from Financing activities	5,127	318

2.6.2 Disposal of the Group's Equity shares in Plastic Recycling SAS

At the end of February 2018, the Plastic Omnium Group and Derichebourg, which co-owned Plastic Recycling SAS equally, sold their equity shares to Veolia Propreté.

The transaction resulted in a +€0.4 million profit for the Plastic Omnium Group, and sale proceeds of €0.8 million.

2.7 Monitoring of disposals of companies in 2017

2.7.1 Monitoring of the disposal of the Automotive Division's Truck business on June 30, 2017

In accordance with the sale contract, the process for determining any price adjustments between the two parties is still ongoing at December 31, 2018. No significant price revisions are expected.

2.8 Financing operations

2.8.1 A new private placement *Schuldscheindarlehen*

On December 21, 2018, the Group set up a new *Schuldscheindarlehen* financing facility at 1,6320% interest rate, for private investors abroad, notably in Germany, China, France, Belgium, Switzerland and Austria for an amount of €300 million and 7 years of maturity.

The features of this financing facility are given in Note 5.2.7.2 "Borrowings: private placement notes and bonds".

2.8.2 End of the 2012 Euro PP private placement

The private placement of a total of €250 million by the Group in 2012 expired on December 12, 2018. See Notes 5.2.7.2 "Borrowings: private placement notes and bonds" and 5.2.7.5 "Reconciliation of gross and net debt".

2.8.3 Term of the negotiable medium-term note agreed on July 13, 2015

The negotiable medium-term note of €10 million subscribed by the Group with a credit institution expired on July 11, 2018. See Notes 5.2.7.3 "Loans, negotiable debt securities and other financial assets" and 5.2.7.5 "Reconciliation of gross and net debt".

2.9 Changes on the equity capital of Compagnie Plastic Omnium

2.9.1 Compagnie Plastic Omnium share capital reduction

The Compagnie Plastic Omnium Board of Directors meetings of July 19, 2018 and October 30, 2018 decided, respectively, to cancel 1,100,613 treasury shares (0.74% of share capital) and 1,300,000 treasury shares (0.87% of the share capital previously reduced). The two transactions took effect on July 25 and November 8, 2018.



The share capital of Compagnie Plastic Omnium consists of a par value of €0.06, thus bringing the amount to €8,913,966.42. See Note 5.2.1.1 “Capital of Compagnie Plastic Omnium”.

At December 31, 2018, these transactions brought the interest of the parent company, the Burelle SA holding company, to 58.51% of the share capital before cancellation of the treasury stock.

2.10 Evolution of the international economy and impacts on the Group’s accounts

2.10.1 Hyperinflation in Argentina and Impacts on the Group’s Financial Statements

Argentina has been in deep financial turmoil since 2018 marked by a significant inflation of +47.6% over the year, resulting in a sharp erosion of Argentina’s bond prices on the secondary market, a surge in long-term interest, resulting in a sharp depreciation of the country’s currency, the Argentine peso. The euro/peso exchange rate in Argentina stood at €1 for 22.4 Argentine peso as at December 31, 2017 and €1 for 43.1 Argentine peso as at December 31, 2018.

The National Institute of Statistics in Argentina announced the recession of the Argentine economy in mid-December 2018. Since the end of 2018, Argentina has been considered a hyperinflationary country.

IAS 29 “Financial Reporting in Hyperinflationary Economies” therefore applies to entities whose functional currency is the Argentine peso. The provisions of this standard have been applied as from January 1, 2018 to the three entities of the Group whose functional currency is the Argentine peso:

- all non-monetary assets and liabilities have been adjusted for inflation by application of a general price index, so that they are expressed in the unit of measurement in effect at the end of the year;
- the income statement has been restated to correct the inflation observed during the year.

At December 31, 2018, the Group valued the assets of the three subsidiaries Plastic Omnium Auto Inergy Argentina SA (Clean Energy Systems), Plastic Omnium Argentina and Plastic Omnium Automotive Argentina (Intelligent Exterior Systems) for following amounts:

- -€4,575 thousand by income in “Other operating income and expenses” (see Note 4.6); and
- +€8,852 thousand by shareholders’ equity.

See the impacts in Note 5.1.3 “Property, plant and equipment other than investment properties”.

In accordance with IFRS, the Group’s financial statements in euros are not restated for 2017.

2.10.2 Exit of the United Kingdom from the European Union and impact on the Group – Brexit

The exit of the United Kingdom from the European Union (EU), Brexit or British Exit, voted by the British on June 23, 2016 in a referendum, takes effect on March 29, 2019. Until this date, the United Kingdom remains a member of the European Union.

The economic consequences for both the United Kingdom and companies with subsidiaries in the country are not yet fully known, as long as the exit of the European Union is not effective. Moreover, since the vote, the effects on the UK economy are not significant enough despite fluctuations in the pound sterling.

Since the 2016 closing, the price of the pound at the following periods has evolved as follows:

- December 31, 2016: €1 is exchanged for 0.886 pound;
- December 31, 2017: €1 is exchanged for 0.887 pound;
- December 31, 2018: €1 is exchanged for 0.895 pound.

The Group operates in the United Kingdom through its two companies, Plastic Omnium Automotive Ltd and HBPO UK Ltd, which has been fully consolidated since July 2018 following the HBPO Group takeover.

As the activity of these companies is essentially carried out on the territory, there should not be a significant direct impact. However, impairment tests were performed on the long-term assets of these companies on the basis of a hypothetical decline in turnover of 20%; they lead to the conclusion that there is no impairment of assets.

The combined turnover and results of these two companies over the last three years represent respectively:

	2016	2017	2018
As a percentage of Group sales	6.83%	6.16%	6.11%
As a percentage of the Group Net Income	1.61%	0.90%	3.11%

NOTE 3 SEGMENT INFORMATION

3.1 Information by operating segment

The Group uses the concept of “Economic revenue” for its operational management, which corresponds to the consolidated sales of the Group and its joint ventures at their ownership percentage: Yanfeng Plastic Omnium, a Chinese leader in exterior body parts and BPO major player in the Turkish market for exterior equipment.

Since the takeover of HBPO (world leader in body block-front-end modules) in July 2018, the Group has organized its automotive business around two operating segments (see Note on the “Group Presentation”):

- Industries; and
- Modules.

The columns in the tables below show the amounts of each sector. The “Unallocated items” column groups together inter-segment eliminations and amounts that are not allocated to a specific sector (in particular, holding company activity) by allowing for the reconciliation of segment data with the Group’s financial statements. Financial results, taxes and the share of profit/(loss) of associates are monitored at Group level and are not allocated to the sectors. Transactions between sectors are carried out on an arm’s length basis.

3.1.1 Income statement by operating segment

	2018			
	Industries	Modules	Unallocated items ⁽²⁾	Total
<i>In thousands of euros</i>				
Economic sales (revenue)⁽¹⁾	6,833,613	1,410,321	-	8,243,934
<i>Including Sales from joint ventures at the Group’s percentage stake</i>	545,840	453,458	-	999,298
Sales to third parties	6,287,808	956,863	(35)	7,244,636
Sales between segments	(35)	-	35	-
Consolidated sales (revenue)	6,287,773	956,863	-	7,244,636
<i>% of segment revenue – Total</i>	86.8%	13.2%		100.0%
Operating margin before amortization of intangible assets acquired in business combinations and before share of profit of associates and joint ventures	545,376	31,290	-	576,666
<i>% of segment revenue</i>	8.7%	3.3%		8.0%
Amortization of intangible assets acquired in business combinations	(9,681)	(8,773)	-	(18,454)
Share of profit/(loss) of associates and joint ventures ⁽³⁾	41,925	9,964	-	51,889
Operating margin	577,619	32,481	-	610,100
<i>% of segment revenue</i>	9.2%	3.4%		8.4%
Other operating income	281,394	(1,522)	-	279,872
Other operating expenses	(166,050)	560	-	(165,490)
<i>% of segment revenue</i>	1.8%	-0.1%		1.7%
Finance costs, net				(69,116)
Other financial income and expenses, net				(1,088)
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX AND AFTER SHARE IN ASSOCIATES AND JOINT VENTURES				654,278
Income tax				(112,996)
Net income after income tax from continuing operations				541,283
Net income after income tax from discontinued operations				1,494
NET INCOME				542,777

(1) Economic sales (revenue) correspond to the sales of the Group and its joint ventures consolidated at their percentage of ownership.

(2) “Unallocated items” correspond to inter-segment eliminations and amounts that are not allocated to a specific segment (for example, holding company activities and Environment Division’s discontinued operations, sold in December 2018; see Note 2.6.1 “Significant Events of the period”). This column is included to enable segment information to be reconciled to the Group’s financial statements.

(3) See in “Significant Events of the period”, Note 2.3.1 related to the acquisition of the 33.33% equity stake in HBPO from Mahle-Behr on June 26, 2018.



	2017			
<i>In thousands of euros</i>	Automotive	Environment	Unallocated items ⁽²⁾	Total
Economic sales (revenue)⁽¹⁾	7,665,142	335,476	-	8,000,618
<i>Including Sales from joint ventures at the Group's percentage stake</i>	<i>1,232,141</i>	-	-	<i>1,232,141</i>
Sales to third parties	6,433,078	335,543	(144)	6,768,477
Sales between segments	(77)	(67)	144	-
Consolidated sales (revenue)	6,433,001	335,476	-	6,768,477
<i>% of segment revenue – Total</i>	<i>95.0%</i>	<i>5.0%</i>		<i>100.0%</i>
Operating margin before amortization of intangible assets acquired in business combinations and before share of profit of associates and joint ventures	578,326	21,149	-	599,475
<i>% of segment revenue</i>	<i>9.0%</i>	<i>6.3%</i>		<i>8.9%</i>
Amortization of intangible assets acquired in business combinations	(20,264)	-	-	(20,264)
Share of profit/(loss) of associates and joint ventures	61,746	-	-	61,746
Operating margin	619,808	21,149	-	640,957
<i>% of segment revenue</i>	<i>9.6%</i>	<i>6.3%</i>		<i>9.5%</i>
Other operating income	36,770	-	-	36,770
Other operating expenses	(87,453)	(8,477)	-	(95,930)
<i>% of segment revenue</i>	<i>-0.8%</i>	<i>-2.5%</i>		<i>-0.9%</i>
Finance costs, net				(63,946)
Other financial income and expenses, net				(2,817)
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX AND AFTER SHARE IN ASSOCIATES AND JOINT VENTURES				515,035
Income tax				(84,548)
NET INCOME				430,487

(1) Economic sales (revenue) correspond to the sales of the Group and its joint ventures consolidated at their percentage of ownership.

(2) "Unallocated items" correspond to inter-segment eliminations and amounts that are not allocated to a specific segment (for example, holding company activities and Environment Division's discontinued operations, sold in December 2018; see Note 2.6.1 "Significant Events of the period"). This column is included to enable segment information to be reconciled to the Group's financial statements.

3.1.2 Balance sheet aggregate data by operating segment

In thousands of euros Net amounts	December 31, 2018			
	Industries	Modules	Unallocated items	Total
Goodwill	490,935	524,795	-	1,015,730
Intangible assets	545,196	176,870	6,084	728,150
Property, plant and equipment	1,548,607	74,881	29,540	1,653,028
Investment property	-	-	93,263	93,263
Inventories	685,168	51,941	-	737,109
Trade receivables	659,608	141,347	14,345	815,300
Other	275,176	30,948	64,488	370,612
Finance receivables (C) ⁽¹⁾	24,267	-	-	24,267
Current accounts and other financial assets (D)	(1,015,045)	3,444	1,111,372	99,771
Long-term investments in listed equity instruments and in funds - FMEA 2 (F)	135	-	28,048	28,183
Hedging instruments (E)	-	-	1,898	1,898
Net cash and cash equivalents (A) ⁽²⁾	124,407	65,105	722,140	911,652
TOTAL SEGMENT ASSETS	3,338,454	1,069,331	2,071,178	6,478,963
Borrowings (B)	146,303	4,425	1,612,659	1,763,387
SEGMENT LIABILITIES	146,303	4,425	1,612,659	1,763,387
SEGMENT NET DEBT = (B - A - C - D - E - F)⁽³⁾	1,012,539	(64,124)	(250,799)	697,616

In thousands of euros	December 31, 2017 published			
	Automotive	Environment	Unallocated items	Total
Goodwill	486,160	98,525	-	584,685
Intangible assets	475,979	11,391	10,487	497,857
Property, plant and equipment	1,308,836	53,053	48,576	1,410,465
Investment property	-	-	93,263	93,263
Inventories	377,020	36,993	-	414,013
Trade receivables	886,624	46,369	7,091	940,084
Other	280,004	12,674	61,924	354,602
Finance receivables (C) ⁽¹⁾	50,200	1,865	-	52,065
Current accounts and other financial assets (D)	(561,801)	1,082	693,730	133,011
Long-term investments in listed equity instruments and in funds - FMEA 2 (F)	149	-	27,365	27,514
Hedging instruments (E)	-	298	4,956	5,254
Net cash and cash equivalents (A) ⁽²⁾	142,121	4,758	782,763	929,642
TOTAL SEGMENT ASSETS	3,445,292	267,008	1,730,155	5,442,455
Borrowings (B)	144,113	740	1,565,618	1,710,471
SEGMENT LIABILITIES	144,113	740	1,565,618	1,710,471
SEGMENT NET DEBT = (B - A - C - D - E - F)⁽³⁾	513,444	(7,263)	56,804	562,985

(1) At December 31, 2018, "Finance receivables" included €1,763 thousand shown in the balance sheet under "Other non-current financial assets" against €9,258 thousand at December 31, 2017, and €22,504 thousand reported under "Finance receivables - current portion" against €42,807 thousand at December 31, 2017.

(2) Net cash and cash equivalents as reported in the Statement of Cash-flows. See also 5.1.12.2 "Net cash and cash equivalents at end of period".

(3) See Notes 5.2.7.1 "Definition of debt instruments within the Group" and Note 5.2.7.5 "Reconciliation of gross and net debt".

3.1.3. Other information by operating segment

<i>In thousands of euros</i>	2018			Total
	Industries	Modules	Unallocated items	
Acquisitions of intangible assets	193,428	11,084	3,940	208,452
Capital expenditure including acquisitions of investment property	413,978	17,560	2,789	434,327
Depreciation and amortization expense ⁽¹⁾	(338,341)	(22,044)	(5,708)	(366,093)

<i>In thousands of euros</i>	2017			
	Automotive	Environment	Unallocated items	Total
Acquisitions of intangible assets	162,344	721	2,496	165,561
Capital expenditure including acquisitions of investment property	310,153	13,195	5,370	328,718
Depreciation and amortization expense ⁽¹⁾	(292,398)	(14,736)	10,962	(296,172)

(1) This item corresponds to depreciation, amortization and impairments of property, plant and equipment and intangible assets, including the amortization of intangible assets (primarily contractual customer relationships and, to a lesser extent, brands) acquired in business combinations.

3.1.4 Revenue – Information by geographic region and by country of sales

The information given in the following tables corresponds to the revenue generated by the subsidiaries in the marketing regions or market countries as indicated below:

3.1.4.1 INFORMATION BY MARKET REGION

<i>In thousands of euros</i>	2018	
	Totals	%
France	650,513	7.9%
North America	2,148,874	26.1%
Europe excluding France	3,753,041	45.5%
South America	193,168	2.3%
Africa	83,627	1.0%
Asia	1,414,711	17.2%
ECONOMIC REVENUE	8,243,934	100%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	999,298	
CONSOLIDATED REVENUE	7,244,636	

<i>In thousands of euros</i>	2017 restated	
	Totals	%
France	665,655	8.7%
North America	2,035,525	26.6%
Europe excluding France	3,306,382	43.1%
South America	261,363	3.4%
Africa	78,065	1.0%
Asia	1,318,152	17.2%
ECONOMIC REVENUE	7,665,142	100%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	1,232,141	
CONSOLIDATED REVENUE	6,433,001	

3.1.4.2 INFORMATION FOR THE FIRST TEN CONTRIBUTING COUNTRIES

<i>In thousands of euros</i>	2018	
	Totals	%
Germany	1,438,895	17.5%
United States	1,204,342	14.6%
Mexico	828,612	10.1%
China	793,531	9.6%
Spain	675,348	8.2%
France	650,513	7.9%
United Kingdom	526,503	6.4%
Slovakia	401,077	4.9%
South Korea	289,963	3.5%
Czech republic	180,053	2.2%
Other	1,255,097	15.1%
ECONOMIC REVENUE	8,243,934	100%
Including revenue from joint ventures at the Group's percentage stake	999,298	
CONSOLIDATED REVENUE	7,244,636	

<i>In thousands of euros</i>	2017 restated	
	Totals	%
United States	1,354,692	17.7%
Germany	1,312,714	17.1%
China	720,847	9.4%
France	665,655	8.7%
Spain	662,104	8.6%
Mexico	610,811	8.0%
United Kingdom	497,374	6.5%
South Korea	276,453	3.6%
Slovakia	235,963	3.1%
Brazil	153,547	2.0%
Other	1,174,980	15.3%
ECONOMIC REVENUE	7,665,142	100%
Including revenue from joint ventures at the Group's percentage stake	1,232,141	
CONSOLIDATED REVENUE	6,433,001	

3.1.4.3 INFORMATION BY AUTOMOTIVE MANUFACTURER

	2018	
	Totals	% of total Automotive revenue
Automotive manufacturers <i>In thousands of euros</i>		
Volkswagen-Porsche	2,025,392	24.6%
PSA Peugeot Citroën	946,716	11.5%
General Motors	929,886	11.3%
Ford	697,110	8.5%
Renault/Nissan/Mitsubishi	592,924	7.2%
TOTAL – MAIN MANUFACTURERS	5,192,028	63.0%
Other automotive manufacturers	3,051,906	37.0%
TOTAL AUTOMOTIVE – ECONOMIC REVENUE	8,243,934	100.0%
Including revenue from joint ventures at the Group's percentage stake in Automotive revenue sub-total	999,298	
TOTAL AUTOMOTIVE – CONSOLIDATED REVENUE	7,244,636	

	2017 restated	
	Totals	% of total Automotive revenue
Automotive manufacturers <i>In thousands of euros</i>		
Volkswagen-Porsche	1,636,856	21.4%
PSA Peugeot Citroën	962,140	12.6%
General Motors	940,273	12.3%
Ford	731,096	9.5%
Renault/Nissan/Mitsubishi	615,660	7.9%
TOTAL – MAIN MANUFACTURERS	4,886,025	63.7%
Other automotive manufacturers	2,779,117	36.3%
TOTAL AUTOMOTIVE – ECONOMIC REVENUE	7,665,142	100%
Including revenue from joint ventures at the Group's percentage stake in Automotive revenue sub-total	1,232,141	
TOTAL AUTOMOTIVE – CONSOLIDATED REVENUE	6,433,001	

3.2 Non-current assets by country

<i>In thousands of euros</i>	France	Europe excluding France	North America	Asia	South America	Others ⁽¹⁾	Total
December 31, 2018							
Goodwill	213,273	714,923	78,546	-	8,988	-	1,015,730
<i>including translation adjustment</i>	-	2,568	984	-	1,525	-	5,077
Intangible assets	93,232	391,430	166,299	65,692	7,293	4,204	728,150
Property, plant and equipment	182,782	651,407	553,987	217,472	33,065	14,315	1,653,028
<i>including capital expenditure for the year</i>	29,411	187,208	149,367	54,053	5,356	8,932	434,327
Investment property	93,263	-	-	-	-	-	93,263
TOTAL NON CURRENT FIXED ASSETS	582,550	1,757,760	798,832	283,164	49,346	18,519	3,490,171

(1) The section "Others" includes South Africa and Morocco.

<i>In thousands of euros</i>	France	Europe excluding France	North America	Asia	South America	Others ⁽¹⁾	Total
December 31, 2017							
Goodwill	227,605	274,624	74,993	-	7,463	-	584,685
<i>including translation adjustment</i>	-	(32)	(10,185)	(10)	1,075	-	(9,152)
Intangible assets	72,375	235,172	141,066	44,078	2,980	2,186	497,857
Property, plant and equipment	209,014	556,345	416,873	187,079	34,367	6,787	1,410,465
<i>including capital expenditure for the year</i>	34,259	118,032	127,076	39,041	8,493	1,817	328,718
Investment property	93,263	-	-	-	-	-	93,263
TOTAL NON CURRENT FIXED ASSETS	602,257	1,066,141	632,932	231,157	44,810	8,973	2,586,270

(1) The section "Others" includes South Africa and Morocco.

3.3 Property, plant and equipment by operating segments (excluding investment property)

<i>In thousands of euros</i>	Industries	Modules	Unallocated items	Total
December 31, 2018				
Property, plant and equipment owned outright – net value	1,535,374	74,881	29,540	1,639,795
Property, plant and equipment owned outright under operating leases where the Group is lessor – net value ⁽¹⁾	-	-	-	-
Property, plant and equipment leased under finance leases where the Group is lessee – net value ⁽²⁾	13,233	-	-	13,233
TOTAL PROPERTY, PLANT AND EQUIPMENT (EXCLUDING INVESTMENT PROPERTY) – CONSOLIDATED FINANCIAL STATEMENTS	1,548,607	74,881	29,540	1,653,028

<i>In thousands of euros</i>	Automotive	Environment	Unallocated items	Total
December 31, 2017				
Property, plant and equipment owned outright – net value	1,288,330	41,577	48,576	1,378,483
Property, plant and equipment owned outright and under operating leases where the Group is lessor – net value ⁽¹⁾	-	11,476	-	11,476
Property, plant and equipment leased under finance leases where the Group is lessee – net value amount ⁽²⁾	20,506	-	-	20,506
TOTAL PROPERTY, PLANT AND EQUIPMENT (EXCLUDING INVESTMENT PROPERTY) – CONSOLIDATED FINANCIAL STATEMENTS	1,308,836	53,053	48,576	1,410,465

(1) The sum of “Property, plant and equipment owned outright and leased under operating leases where the Group is lessor” and “Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor” corresponds to the value of “Property, plant and equipment leased under operating leases where the Group is lessor” (see corresponding sub-section of Note 5.1.3).

(2) See sub-section “Property, plant and equipment leased under finance leases where the Group is lessee” in Note 5.1.3.

NOTE 4 NOTES TO THE INCOME STATEMENT

The application of IFRS 5 “Non-Current Assets held for sale and Discontinued Operations” to the Environment Division requires the presentation in the 2017 Income Statement of a single amount comprising the total profit or loss after tax of this discontinued operation. Accordingly, published data of 2017 have been restated.

4.1 Research and Development costs

The percentage of Research and Development costs is expressed in relation to the amount of turnover.

<i>In thousands of euros</i>	2018	%	2017 restated	%
Research and Development costs after developments sold	(230,664)	-3.2%	(220,399)	-3.4%
Grants received	792	0.0%	103	0.0%
Capitalized development costs	118,969	1.6%	130,194	2.0%
Amortization of capitalized development costs	(107,112)	-1.5%	(89,642)	-1.4%
Research tax credit	13,696	0.2%	11,783	0.2%
NET RESEARCH AND DEVELOPMENT COSTS	(204,319)	-2.8%	(167,961)	-2.6%

4.2 Cost of sales, development, selling and administrative costs

<i>In thousands of euros</i>	2018	2017 restated
Cost of sales includes:		
Raw materials (purchases and changes in inventory) ⁽¹⁾	(4,895,917)	(4,095,985)
Direct production outsourcing	(11,515)	(10,905)
Utilities and fluids	(96,865)	(97,542)
Employee benefits expense	(669,484)	(659,528)
Other production costs	(363,853)	(402,102)
Depreciation	(174,544)	(155,742)
Provisions for liabilities and charges	27,721	15,917
TOTAL	(6,184,457)	(5,405,888)
Research and Development costs include:		
Salaries, expenses and employee benefits expense	(208,303)	(187,608)
Depreciation, amortization and provisions	(117,802)	(103,595)
Other	121,786	123,242
TOTAL	(204,319)	(167,961)
Selling costs include:		
Salaries, expenses and employee benefits expense ⁽²⁾	(27,034)	(28,239)
Depreciation, amortization and provisions	(638)	(100)
Other	(9,761)	(12,537)
TOTAL	(37,433)	(40,876)
Administrative costs include:		
Salaries, expenses and employee benefits expense ⁽²⁾	(142,958)	(140,590)
Other administrative expenses	(86,642)	(94,581)
Depreciation	(12,018)	(10,302)
Provisions for liabilities and charges	(143)	453
TOTAL	(241,761)	(245,020)

(1) Including charges, reversals and provisions for impairment on inventories amounting to:

- - €4,708 thousand in 2018;
- - €1,283 thousand in 2017.

(2) See, in "Significant events of the period", Note 2.5.1 on the implementation of the Competitiveness and Employment Tax Credit-CICE for French entities in the Consolidated Financial Statements at December 31, 2017.

4.3 Staff costs

<i>In thousands of euros</i>	2018	2017 restated
Wages and salaries	(778,468)	(758,619)
Payroll taxes ⁽¹⁾	(201,177)	(200,862)
Non-discretionary profit-sharing	(15,782)	(16,519)
Share-based payments	(2,528)	(3,327)
Pension and other post-employment benefit costs	(7,497)	(2,804)
Other employee benefits expenses	(47,575)	(33,830)
TOTAL EMPLOYEE BENEFITS EXPENSE EXCLUDING TEMPORARY STAFF COSTS	(1,053,027)	(1,015,961)
Temporary staff costs	(129,868)	(132,097)
TOTAL EMPLOYEE BENEFITS EXPENSES	(1,182,895)	(1,148,058)

(1) This item includes social contributions on stock purchase and subscription plans for an amount of:

- none in 2018 (because there was no stock-option plan);
- - €954 thousand (of which -€101 thousand for executive directors) in 2017.

4.4 Amortization of intangible assets acquired in business combinations

This item corresponds essentially to:

- the amortization over nine years of contractual customer relationships recognized in 2011 on Ford's fuel tank business in the United States;
- the amortization over six years of contractual customer relationships recognized during the acquisition on July 29, 2016 of the Faurecia Group Exterior Systems business;
- And the amortization over seven years for customer relationships and over fifteen years for the brand recognized with the takeover of HBPO in 2018.

<i>In thousands of euros</i>	2018	2017 restated
Amortization of Brands	(448)	(350)
Amortization of Contractual customer relationships	(18,006)	(19,914)
TOTAL AMORTIZATION OF INTANGIBLE ASSETS ACQUIRED IN BUSINESS COMBINATIONS	(18,454)	(20,264)

4.5 Share of profit/(loss) of associates and joint ventures

The associates Chengdu Faway Yanfeng Plastic Omnium, Dongfeng Plastic Omnium Automotive Exterior are included in the YFPO joint ventures.

Share of profit/(loss) of associates and joint ventures is broken down as follows:

<i>In thousands of euros</i>	2018 % Interest	2017 restated % Interest	2018	2017 restated
JV HBPO GmbH and its subsidiaries ⁽¹⁾	33.33%	33.33%	8,341	14,187
HBPO – SHB Automotive Modules (Samlip)	33.33%	16.67%	1,518	854
HICOM HBPO Sdn Bhd	26.66%	13.33%	105	25
JV Yanfeng Plastic Omnium and its subsidiaries	49.95%	49.95%	39,363	45,557
BPO AS	49.98%	49.98%	7,769	9,232
Plastic Recycling SAS ⁽²⁾	50.00%	50.00%	18	(37)
EPO-CellTech	23.00%	23.00%	(5,226)	(8,072)
TOTAL SHARE OF PROFIT/(LOSS) OF ASSOCIATES AND JOINT VENTURES			51,888	61,746

(1) The 33.33% in HBPO shown corresponds to the Group's equity shares before the acquisition of an additional 33.33% stake in HBPO from the German group Mahle-Behr the June 26, 2018. See Note 2.3.1 in "Significant Events of the period".

(2) The Group sold its financial investment in Plastic Recycling in February 2018. The share of profit/(loss) in 2018 represents profit/(loss) in the Group's financial statements at the time of the sale. See Note 2.6.2 in "Significant events of the period".

4.6 Other operating income and expenses

<i>In thousands of euros</i>	2018	2017 restated
Pre-start-up costs at new plants ⁽¹⁾	(20,217)	(5,521)
Reorganization costs ⁽²⁾	(28,182)	(40,401)
Impairment of non-current assets ⁽³⁾	(41,071)	(3,823)
Provisions for charges ⁽⁴⁾	(3,598)	(17,947)
Litigation ⁽⁵⁾	(4,527)	(8,526)
Foreign exchange gains and losses on operating activities ⁽⁶⁾	(13,958)	(9,787)
Fees and expenses related to changes in the scope of consolidation ⁽⁷⁾	(268)	(19,416)
Reduction of the purchase price of the Faurecia Exterior Systems business ⁽⁸⁾	-	43,733
Full consolidation – Modules ⁽⁹⁾	255,000	-
Deconsolidation impact ⁽⁹⁾	450	(3,677)
Impact of the 1 st implementation of Competitiveness and Employment Tax Credit-CICE for French entities ⁽¹⁰⁾	-	13,548
Gains/losses on disposal of Investments in listed equity instruments and in funds ⁽⁹⁾	-	1,905
Argentina hyperinflation ⁽¹¹⁾	(4,575)	-
Impairment of investments and financial receivable ⁽¹²⁾	(9,139)	-
Other ⁽¹³⁾	(13,874)	(1,277)
Gains/losses on disposals of non-current assets ⁽⁹⁾	(1,660)	(6,079)
TOTAL OPERATING INCOME AND EXPENSES	114,382	(57,269)
• <i>of which total other operating income</i>	279,872	34,394
• <i>of which total other operating expense</i>	(165,490)	(91,662)

At December 31, 2018:**(1) Pre-start costs for new plants:**

All of the costs incurred in 2018 relate to Intelligent Exterior Systems factories in the Industries Division (mainly the Greer plants in the United States, Hlohovec in Slovakia and San Luis Potosi in Mexico).

(2) Reorganization costs:

Reorganization costs mainly relate to significant restructuring in the Intelligent Exterior Systems Division: continued reorganization of the German Faurecia Automotive Exteriors plants acquired in 2016 and closure of the Norcross plant in the United States.

(3) Impairment of non-current assets:

Impairments of non-current assets mainly correspond to:

- -€22,290 thousand for production assets and Intelligent Exterior Systems projects: Faurecia Automotive Exteriors Germany sites acquired in 2016, Lozorno and Gliwice in Poland and Anderson in the United States;
- -€18,600 thousand for project assets following program production discontinuation decisions and to volume downward revisions of Clean Energy Systems plants in the following countries: Belgium, Mexico, Poland, China and United States.

(4) Provisions for charges:

This heading mainly includes provisions for quality disputes and sales price differences with several car manufacturers.

(5) Litigation:

This heading mainly corresponds to provisions for commercial disputes with several car manufacturers.

(6) Foreign exchange gains and losses on operating activities:

Virtually all of the foreign exchange losses on 2018 are realized in the Automotive segment and covers various currencies including the dollar, the Argentine peso (see Note 2.10.1 "Hyperinflation in Argentina and the impacts on the Group's accounts" in the "Significant events of the period" of the period), the Mexican peso and the renminbi.

(7) Fees and ancillary costs related to changes in scope:

These are costs relating to the various external growth transactions in progress or recently completed, including the acquisition of the additional 33.33% stake in HBPO (see Note 2.3.1 in the "Significant events of the period").

(9) Perimeter change of scope for Modules:

See Note 2.3.1.2 "Accounting treatment of the HBPO takeover" in "Significant events of the period".

(11) Hyperinflation in Argentina:

See Note 2.10.1 "Hyperinflation in Argentina and Impacts on the Group's Accounts" in the "Significant events of the period".

(12) Impairment of securities and financial receivables:

These are impairments of equity securities and shares in non-consolidated funds and the impairment of a financial receivable resulting from a court decision.

(13) Other:

Non-material amounts taken individually

At December 31, 2017:**(1) Pre-start-up costs at new plants:**

Costs incurred in 2017 concerned the construction of new plants, including, for the Intelligent Exterior Systems Division of the Industries segment, Greer in the United States and San Luis Potosi in Mexico (see Note 2.2 "Investments and site openings" in the consolidated accounts published at December 31, 2017).

(2) Reorganization costs:

Reorganization costs related to the significant restructuring of the Intelligent Exterior Systems Division.

(3) Impairment of non-current assets:

This item included impairments mainly on assets of the Automotive Division and the reversal of the provision for impairment on the assets of Herford following the sale of the Sulo Emballagen GmbH industrial and office buildings in Germany.

(4) Provisions for charges:

The provisions corresponded to several quality and tax risks.

(5) Disputes:

This item concerned legal fees and expenses relating to several disputes involving the Environment Division.

(6) Foreign exchange gains and losses on operating activities:

Almost all foreign exchange losses were borne by the Industries segment and covered various currencies including the Argentine peso, the Brazilian real and the Chinese renminbi. Losses on all currencies break down as follows:

- 56.8% for the Intelligent Exterior Systems Division of the Industries segment; and
- 43.2% for the Clean Energy Systems Division of the Industries segment.

(7) Impacts of acquisitions: related fees and expenses:

These included fees for the external growth transactions completed in 2017 and the external growth transactions initiated in the previous year.

(8) Reduction of the acquisition price of the Faurecia Exterior Systems business:

See the final price in Notes 2.1.1.3 "Final agreement between Plastic Omnium and Faurecia on the acquisition price of the Faurecia Exterior Systems business" and 2.1.1.4 "Accounting treatment of the acquisition in Plastic Omnium's accounts" in the consolidated accounts of December 31, 2017.

(9) The section "Impact of the first implementation of the Competitiveness and Employment Tax Credit-CICE for French entities":

See Note 2.5.1 on the implementation of the Competitiveness and Employment Tax Credit-CICE for French entities in the "Significant events of the period" of the consolidated accounts at December 31, 2017.

(10) Others:

Non-material amounts taken individually.

(a) Income from disposals of non-current assets

The breakdown of the disposals of non-current assets given below is used to explain the impact on non-current operating income of transactions in non-current assets and reconcile them with changes in the statement of cash-flows:

- the amount of disposals of property, plant and equipment and intangible assets in the statement of cash-flows is comprised of the amount of the income on disposals of fixed assets in “Other income and expenses, net”; and
- the amount of the capital gain or loss on disposals of fixed assets in the statement of cash-flows consists of the amount in the income statement for disposals of fixed assets in “Other operating income and expenses”. The details are as follows:

In thousands of euros	2018		2017 restated	
	Disposal proceeds	Gain/loss	Disposal proceeds	Gain/loss
Disposals of intangible assets	996	(6,743)	1,338	964
Disposals of property, plant and equipment ⁽¹⁾	4,842	5,083	16,351	(2,475)
Disposals of Long-term Investments in listed equity instruments and in funds ⁽²⁾	-	-	36,842	1,905
TOTAL FROM DISPOSALS OF NON-CURRENT ASSETS AND OF LONG-TERM INVESTMENTS IN LISTED EQUITY INSTRUMENTS AND IN FUNDS	5,838	(1,660)	54,531	394
Disposals of non-current financial assets	200,166	450	170,102	(21,932)
Shares in Faurecia Exterior Systems business, not retained by the Group ⁽³⁾			159,424	(2,395)
Shares in Truck business entities			10,678	(19,537)
Disposal of Environment Division ⁽⁴⁾	199,379	-		
Shares in Plastic Recycling ⁽⁵⁾	767	492		
Other shares sold	20	(42)		
TOTAL PROCEEDS FROM DISPOSAL OF NON-CURRENT FINANCIAL ASSETS (SEE TABLE ABOVE)	200,166	450	170,102	(21,932)
TOTAL	206,004	(1,210)	224,633	(21,538)

2018

- (1) Losses on disposal of fixed assets mainly concern Spain for the Clean Energy Systems Division.
(4) Disposal of Environment Division
(5) Sale in February 2018 of the Group's stake in Plastic Recycling. See Note 2.6.2 in “Significant events of the period”.

2017

- (1) Losses on disposals mainly concerned the disposal of the office buildings of the Environment Division's Sulo Emballagen company in Herford, Germany (see Note 2.3.3 in the “Significant events of the period”) and the disposal of the Norcross plant in the United States, from the Auto Exterior Division renamed “Intelligent Exterior Systems” (see Note 2.3.5 in the “Significant events of the period”).
(2) The Group disposed of securities of the listed companies shown on the balance sheet at December 31, 2016 under “Other available-for-sale financial assets” (renamed “Investments in listed equity instruments and in funds”).
(3) Disposals of Faurecia Exterior Systems securities, reclassified in 2016 under “Assets held for sale” for €159,605 thousand, price correction for the disposal of the Spanish site for -€181 thousand and disposal of the truck business entities for the difference.

4.7 Net financial income

In thousands of euros	2018	2017 restated
Finance costs	(61,927)	(53,437)
Interest cost of post-employment benefit obligations ⁽¹⁾	(2,311)	(2,145)
Financing fees and commissions	(4,878)	(7,643)
FINANCE COSTS, NET	(69,116)	(63,225)
Exchange gains or losses on financing activities	1,709	(13,358)
Gains or losses on interest rate and currency hedges ⁽²⁾	(1,976)	10,811
Other ⁽³⁾	(821)	85
OTHER FINANCIAL INCOME AND EXPENSES, NET	(1,088)	(2,462)
TOTAL	(70,204)	(65,687)

- (1) See Note 5.2.6.5 on the “Changes in net balance sheet amounts”.
(2) See Notes 5.2.8.1.3 on the “Impact of hedging on the Income statement” and 5.2.8.2.2 on the “Impact of unsettled foreign exchange currency hedges on income and equity”.
(3) In 2018, this section includes an impairment of the UCITS for an amount of -€822 thousand. See the Note 5.2.7.3 “Loans, negotiable debt securities and other financial assets”.

4.8 Income tax

4.8.1 Income tax recorded in the income statement

The income tax expense breaks down as follows:

<i>In thousands of euros</i>	2018	2017 restated
CURRENT TAXES ON CONTINUING ACTIVITIES	(92,446)	(98,603)
Current income tax (expense)/income	(87,209)	(93,965)
Tax (expense)/income on non-recurring items	(5,237)	(4,638)
DEFERRED TAXES ON CONTINUING ACTIVITIES	(20,550)	17,301
Deferred tax (expense)/income on timing differences arising or reversed during the period	(18,179)	4,084
Effect of changes in tax rates or the introduction of new taxes	(2,371)	13,217
INCOME TAX ON CONTINUING ACTIVITIES RECORDED IN THE CONSOLIDATED INCOME STATEMENT	(112,996)	(81,302)

4.8.2 Income tax analysis – Tax proof

The analysis of the income tax expense reveals the following factors:

<i>In thousands of euros</i>	2018		2017 restated	
	Totals	% ⁽¹⁾	Totals	% ⁽¹⁾
Consolidated profit on continuing activities before tax and share of profit/(loss) of associates and joint ventures (A)	602,391		430,038	
French standard tax rate (B)		34.43%		34.43%
THEORETICAL TAX EXPENSE (C) = (A) X (-B)	(207,403)		(148,062)	
Difference between the theoretical tax expense and the current and deferred tax expense excluding tax assessed on net interim profit on continuing activities (D)	94,407	15.7%	66,760	15.5%
Tax credits	33,582	5.6%	38,195	8.9%
Permanent differences between accounting profits and taxable profits	74,562	12.4%	(5,035)	-1.2%
Change in unrecognized deferred taxes	(33,900)	-5.6%	11,803	2.7%
Impact on deferred tax of a tax rate change	(2,371)	-0.4%	13,217	3.1%
Impact of differences in foreign tax rates	29,043	4.8%	13,807	3.2%
Value-added tax contribution	(6,401)	-1.1%	(7,128)	-1.7%
Other impacts	(108)	-0.02%	1,901	0.4%
TOTAL CURRENT AND DEFERRED TAX EXPENSE ON CONTINUING ACTIVITIES (E) = (C) + (D)	(112,996)		(81,302)	
EFFECTIVE TAX RATE ON CONTINUING ACTIVITIES (-E)/(A)		18.8%		18.9%

(1) Percentage expressed in relation to the consolidated profit on continuing activities before tax and share of profit/(loss) of associates and joint ventures (C).

The Group's effective tax rate is 18.8% in 2018 (18.9% in 2017).

In 2018, the actual income tax expense is €113 million for a theoretical tax of €207 million, based on a tax rate of 34.43%.

In 2017, the tax recognized is a charge of €81 million for a theoretical tax of €148 million, based on a tax rate of 34.43%.

The difference between the tax recognized and the theoretical tax is mainly explained:

- for €34 million by using specific tax reductions or credits mainly in North America, Asia and France (€38 million at December 31, 2017);
- for €29 million in the impact of more favorable tax rates, mainly in Asia (China, Thailand), in the United-States and Europe (excluding France and Belgium) (€14 million at December 31, 2017);
- for -€34 million by the effect of losses or other assets generated in the year but not recognized, net of those previously not activated but used or recognized in the year (€12 million at December 31, 2017);

- for €75 million by permanent differences between accounting profits and taxable profits such as taxable dividends, mainly derived from the revaluation of HBPO shares held by the Group (-€5 million at December 31, 2017; (see Note 2.3.1.2 "Accounting treatment of HBPO takeover");
- for -€6 million by contribution to the added value of (-€7 million tax at December 31, 2017) companies; and
- for -€2 million as a consequence of changing tax rates. In 2017, the impact of the change in tax rate was €13 million, explained by the effect on the Group's deferred tax liabilities and by the United States' approval of a 21% tax rate against 35% previously, offset by the approval in France a tax rate of 28.92% (against 34.43%) applicable to assets in 2020.

4.9 Net profit attributable to non-controlling interests

The net profit attributable to non-controlling interests corresponds to the share of minority interests in the profit/loss of fully consolidated entities controlled by the Group. It breaks down as follows:

<i>In thousands of euros</i>	2018	2017 restated
JV HBPO GmbH and its subsidiaries	4,845	-
Beijing Plastic Omnium Inergy Auto Inergy Co. Ltd	1,007	1,919
Plastic Omnium Auto Inergy Manufacturing India Pvt Ltd	920	1,178
DSK Plastic Omnium Inergy	2,776	2,302
DSK Plastic Omnium BV	(67)	(89)
TOTAL ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	9,481	5,310

4.10 Earnings per share and diluted earnings per share

Net profit attributable to owners of the parent	2018	2017 restated
Basic earnings per share (<i>in euros</i>)	3.63	2.88
Diluted earnings per share (<i>in euros</i>)	3.61	2.86
Net income from discontinued activities		
Basic earnings per share from discontinued activities (<i>in euros</i>)	0.01	0.14
Diluted earnings per share from discontinued activities (<i>in euros</i>)	0.01	0.13
Net income of continuing activities		
Basic earnings per share of continuing activities (<i>in euros</i>)	3.62	2.74
Diluted earnings per share of continuing activities (<i>in euros</i>)	3.60	2.73
Weighted average number of ordinary shares outstanding	150,297,547	151,901,377
• Treasury stock	(3,267,977)	(4,251,559)
Weighted average number of ordinary shares, undiluted	147,029,570	147,649,818
• Impact of dilutive instruments (stock options)	540,227	1,046,202
Weighted average number of ordinary shares, diluted	147,569,797	148,696,020
Weighted average price of the Plastic Omnium share during the period		
Weighted average share price	34.57	34.26

NOTE 5 NOTES TO THE BALANCE SHEET

As stated in the introduction, the Group applied IFRS 5 to the assets and liabilities of the Environment Division (held for sale) on June 30, 2018. Therefore, the assets and liabilities intended for sale were entered on different consolidated balance sheet assets and liabilities lines at June 30, 2018. In accordance with IFRS 5, this presentation is not applied to the 2017 data provided for comparison.

5.1 Assets**5.1.1 Goodwill**

For the 2018 fiscal year, the assumptions for impairment tests carried out at the level of the cash generating units (CGU) (see Note 1.1.13) or groups of cash generating units (business segments) are Industries and Modules:

- a growth rate of 1.5% to infinity; and
- a 9.0% after-tax discount rate.

These assumptions are identical to those used for the 2017 fiscal year.

The tests conducted do not lead to the recording of any impairment of the Group's goodwill at December 31, 2018. An increase in the discount rate of 0.5% or a reduction of 0.5% in the long-term growth rate or a decrease of 0.5% in the operating margin rate would have no impact on the test results.

In the Industries and Modules CGUs, only unreasonable assumptions could jeopardize the test results. Unreasonable assumptions means a negative long-term growth rate combined with a discount rate increased by more than two points.

Goodwill

In thousands of euros

	Gross value	Impairments	Net value
GOODWILL AT JANUARY 1, 2017	579,958	-	579,958
IFRS 5 reclassifications	255	-	255
Sale of the Truck business from the Intelligent Exterior Systems Division	(245)	-	(245)
Goodwill on the acquisition of new companies in the Clean Energy Systems Division of the Industries segment	13,869	-	13,869
Translation differences	(9,152)	-	(9,152)
GOODWILL AT DECEMBER 31, 2017	584,685	-	584,685
Removal of goodwill linked to Environment Division ⁽¹⁾	(98,525)	-	(98,525)
Goodwill adjustment on the acquisition of new companies in the Fuel Systems Division of the Automotive segment ⁽²⁾	(303)	-	(303)
Goodwill on HBPO acquisition ⁽³⁾	524,795	-	524,795
Translation differences	5,078	-	5,078
GOODWILL AT DECEMBER 31, 2018	1,015,730	-	1,015,730

(1) See Note 2.6.1 "Disposal of the Environment business" in the section "Significant events of the period".

(2) See Note 2.4 "Monitoring of 2017 acquisitions and investments" in the section "Significant events of the period".

(3) See Note 2.3.1 "Acquisition by the Group of Mahle-Behr's 33.33% interest in HBPO" in the section "Significant events of the period".

Hereafter, goodwill by reportable segment:

Goodwill by reportable segment

In thousands of euros

	Gross value	Impairments	Net value
Industries	490,935	-	490,935
Modules	524,795	-	524,795
VALUE AT DECEMBER 31, 2018	1,015,730	-	1,015,730
Automotive	486,160	-	486,160
Environment	98,525	-	98,525
VALUE AT DECEMBER 31, 2017	584,685	-	584,685

5.1.2 Goodwill and intangible assets

As regards intangible assets, the impact of the first-time application of IFRS 15 is presented below. No detail is provided on the impact on property, plant and equipment since the amount is immaterial.

<i>In thousands of euros</i>	Goodwill	Patents and licenses	Software	Development assets	Contractual customer relationships	Other	Total
CARRYING AMOUNT PUBLISHED AT DECEMBER 31, 2017	584,685	26,478	21,998	411,594	37,294	493	1,082,542
IFRS 15 at January 1, 2018	-	-	-	19,679	-	-	19,679
ADJUSTED CARRYING AMOUNT AT JANUARY 1, 2018	584,685	26,478	21,998	431,273	37,294	493	1,102,221
Capitalized development	-	-	-	118,969	-	-	118,969
Increases	-	691	5,939	82,853	-	-	89,483
Disposals – net	-	(6,477)	(46)	(2,702)	-	-	(9,225)
Newly-consolidated companies ⁽¹⁾	524,492	8,200	4,726	48,617	119,000	-	705,035
Changes in scope of consolidation (deconsolidation) ⁽²⁾	(98,525)	(8,552)	(1,116)	(1,203)	-	(521)	(109,917)
Other reclassifications	-	2,234	634	(2,918)	-	-	(50)
Depreciation for the period	-	(4,269)	(11,978)	(107,111)	(18,007)	30	(141,335)
Impairments recognized and reversed	-	(4,258)	-	(17,760)	-	-	(22,018)
Translation adjustment	5,078	31	46	5,329	231	-	10,715
CARRYING AMOUNT AT DECEMBER 31, 2018	1,015,730	14,078	20,203	555,347	138,518	2	1,743,879

(1) Acquisition of Mahle-Behr's 33.33% interest in HBPO – See Note 2.3.1 in the "Significant events of the period".

(2) Sale of Environment Division – See Note 2.3.1 in the "Significant events of the period".

<i>In thousands of euros</i>	Goodwill	Patents and licenses	Software	Development assets	Contractual customer relationships	Other	Total
CARRYING AMOUNT ADJUSTED AT JANUARY 1, 2017	579,958	25,825	23,720	375,738	58,340	698	1,064,279
Capitalised development	-	-	-	130,360	-	-	130,360
Increases	-	1,788	5,134	28,271	8	-	35,201
Disposals – net	-	(1,152)	(74)	(1,364)	-	-	(2,590)
Newly-consolidated companies ⁽¹⁾	13,869	1,399	1,055	2,340	-	-	18,663
Changes in scope of consolidation (deconsolidation)	(245)	(1)	(27)	(9,660)	-	-	(9,933)
Reclassifications according to IFRS 5	255	1	83	1,401	-	266	2,006
Other reclassifications	-	2,108	4,460	(3,933)	-	(422)	2,213
Depreciation for the period	-	(2,802)	(12,097)	(90,189)	(19,914)	(38)	(125,040)
Impairments recognized and reversed	-	(587)	-	(2,033)	-	-	(2,620)
Translation adjustment	(9,152)	(101)	(256)	(19,337)	(1,140)	(11)	(29,997)
CARRYING AMOUNT PUBLISHED AT DECEMBER 31, 2017	584,685	26,478	21,998	411,594	37,294	493	1,082,542

(1) Recognition of goodwill related to acquired companies: Swiss Hydrogen SAS (€8,999 thousand) and Optimum CPV BVBA (€4,870 thousand).

<i>In thousands of euros</i>	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Analysis of carrying amount at December 31, 2017							
Cost	584,685	53,052	146,250	876,092	173,111	1,017	1,834,207
Accumulated amortization	-	(25,452)	(124,252)	(462,397)	(135,817)	(524)	(748,442)
Accumulated impairment (losses)	-	(1,122)	-	(2,101)	-	-	(3,223)
CARRYING AMOUNT PUBLISHED AT DECEMBER 31, 2017	584,685	26,478	21,998	411,594	37,294	493	1,082,542
IFRS 15 at January 1, 2018	-	-	-	19,679	-	-	19,679
CARRYING AMOUNT ADJUSTED AT JANUARY 1, 2018	584,685	26,478	21,998	431,273	37,294	493	1,102,221
Analysis of carrying amount at December 31, 2018							
Cost	1,015,730	45,102	145,698	1,126,897	293,303	2	2,626,732
Accumulated amortization	-	(26,766)	(125,495)	(551,806)	(154,785)	-	(858,852)
Accumulated impairment	-	(4,258)	-	(19,743)	-	-	(24,001)
CARRYING AMOUNT AT DECEMBER 31, 2018	1,015,730	14,078	20,203	555,348	138,518	2	1,743,880

<i>In thousands of euros</i>	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Analysis of carrying amount at January 1, 2017							
Cost	531,078	49,705	135,440	769,231	176,563	1,281	1,663,298
Accumulated amortization	(1)	(23,345)	(111,720)	(393,421)	(118,223)	(583)	(647,293)
Accumulated impairment (losses)	-	(535)	-	(72)	-	-	(607)
CARRYING AMOUNT AT JANUARY 1, 2017	531,077	25,825	23,720	375,738	58,340	698	1,015,398
Analysis of carrying amount at December 31, December 31, 2017							
Cost (excluding IFRS 5 reclassifications)	584,685	53,052	146,250	876,092	173,111	1,017	1,834,207
Reclassifications IFRS 5	(255)	(83)	(603)	(17,626)	-	(2,579)	(21,146)
Accumulated amortization (excluding IFRS 5 reclassifications)	-	(25,452)	(124,252)	(462,397)	(135,817)	(524)	(748,442)
Reclassifications IFRS 5	-	82	520	15,995	-	2,314	18,911
Accumulated impairment (excluding IFRS 5 reclassifications)	-	(1,122)	-	(2,101)	-	-	(3,223)
Reclassifications IFRS 5	-	-	-	229	-	-	229
CARRYING AMOUNT PUBLISHED AT DECEMBER 31, 2017	584,685	26,478	21,998	411,594	37,294	493	1,082,542

5.1.3 Property, plant and equipment excluding investment property

Property, plant and equipment owned or leased by the Group mainly pertain to factories and Research and Development centers.

These plants and Research and Development centers break down as follows by number:

Number of plants and Research and Development centers <i>In units</i>	December 31, 2018			December 31, 2017
	Included from HBPO	Environment exit	Other changes	
Western Europe	6	(6)		54
Eastern Europe	5			18
North America	4			20
Asia	9		1	49
South America				8
Africa				2
TOTAL	24⁽¹⁾	(6)	1	151
<i>of which total plants managed under joint ventures</i>	<i>(24)⁽¹⁾</i>			45

(1) Following the takeover of HBPO in July 2018, the plants of the Modules Division previously in joint venture are now under fully consolidated companies.

Asset breakdowns over the two periods are such that no plant represents a significant proportion of total tangible assets over each period.

<i>In thousands of euros</i>	Land	Buildings	Tech. eq. & tool.	Assets under construction	Other	Total
CARRYING AMOUNT AT JANUARY 1, 2018	89,086	415,478	509,421	236,811	159,669	1,410,465
Acquisitions	17,157	25,001	73,705	276,535	41,929	434,327
Disposals	(5,702)	(7,488)	(491)	-	(749)	(14,430)
Newly-consolidated ⁽¹⁾	-	7,185	26,437	11,794	18,498	63,914
Changes in consolidation scope (disposals) ⁽²⁾	(2,217)	(5,394)	(24,283)	(4,532)	(16,712)	(53,138)
Impact of IFRS 15 application	-	-	(131)	-	(128)	(259)
Other reclassifications ⁽³⁾	8,211	61,660	91,873	(196,843)	34,943	(156)
Adjustment to fair value ⁽⁴⁾	98	446	2,380	-	43	2,967
Impairments recognized and reversed	-	571	(3,454)	-	(12,238)	(15,121)
Depreciation for the period	(1,377)	(28,002)	(98,899)	-	(59,341)	(187,619)
Translation adjustment	261	3,622	4,789	3,150	256	12,078
CARRYING AMOUNT AT DECEMBER 31, 2018	105,517	473,079	581,347	326,915	166,170	1,653,028

"Tech. eq. & tool.": technical equipment and tooling.

At December 31, 2018

- (1) See note 2.3.1 in "Transactions for the Period" relating to the acquisition of a 33.33% holding by Mahle-Behr in HBPO.
- (2) See note 2.6.1 in "Transactions for the Period" relating to the disposal of the Environment Division.
- (3) The other reclassifications stem from the revaluation of property, plant and equipment by shareholders' equity following the hyperinflation on the Argentine peso for €1,693 thousand (see note 2.10.1 in the "Transactions for the Period") and a reclassification in depreciation of property, plant and equipment of the restructuring provision in Germany in the Industries cluster for an impairment of -€1,800 thousand.
- (4) The fair value adjustments of €2,967 thousand are related to the effects of the hyperinflation experienced by the Argentine peso posted in profit (see note 2.10.1 in "Transactions for the Period").

<i>In thousands of euros</i>	Land	Buildings	Tech. eq. & tool.	Assets under construction	Other	Total
CARRYING AMOUNT AT JANUARY 1, 2018	86,619	440,770	504,842	173,567	147,791	1,353,589
Acquisitions	6,334	12,878	56,604	205,856	47,046	328,718
Disposals	(1,704)	(4,515)	(5,003)	15	(2,909)	(14,116)
Entering the consolidation scope ⁽¹⁾	-	-	551	-	136	687
Changes in consolidation scope (disposals) ⁽²⁾	(1,892)	(15,298)	(13,936)	(4,669)	(4,278)	(40,073)
IFRS 5 reclassifications ⁽³⁾	3,373	16,521	5,742	2,362	4,558	32,556
Other reclassifications ⁽⁴⁾	2,021	18,511	76,994	(124,432)	18,149	(8,757)
Impairments recognized and reversed	-	(4,217)	14,138	-	(745)	9,176
Depreciation for the period	(1,618)	(28,037)	(101,754)	-	(46,279)	(177,688)
Translation adjustment	(4,047)	(21,135)	(28,757)	(15,888)	(3,800)	(73,627)
CARRYING AMOUNT AT DECEMBER 31, 2017	89,086	415,478	509,421	236,811	159,669	1,410,465

"Tech. eq. & tool.": technical equipment and tooling.

At December 31, 2017

- (1) The tangible investments shown in the statement of cash-flows correspond to the amount of acquisitions of property, plant and equipment excluding investment property for €328.718 thousand, against €220.712 thousand in the December 31, 2017.
- (2) See the Note "Monitoring at December 31, 2017 of transactions covered by IFRS 5 at December 31, 2016" for the breakdowns.
- (3) Practically all depreciations of buildings, technical equipment, tooling and other property, plant and equipment concerned the assets of the Automotive Division's Composites business in France and in China as well as the assets of Faurecia (Brazil) business.
- (4) The net balance of an amount of -€8,757 thousand is due to "Intangible assets" reclassifications.

MINIMUM LEASE PAYMENTS RECEIVABLE UNDER SUBLEASES OPERATING LEASES AND/OR SUBLEASES MAINTENANCE

<i>In thousands of euros</i>	December 31, 2018 ⁽¹⁾	December 31, 2017
Due within one year		34,059
Due in one to five years	None	72,550
Due in more than five years		32,405
TOTAL		139,014

(1) The lease payments receivable under non-cancellable operating leases only concerned the Environment Division.

- Property, plant and equipment leased under finance leases where the Group is lessee

These assets, which are included in the previous tables (of this same note) on property, plant and equipment, correspond to plants, Research and Development centers and industrial production equipment.

CHANGE IN CAPITAL ASSETS UNDER THE SCOPE OF LEASE FINANCING AGREEMENTS

<i>In thousands of euros</i>	Land and Buildings	Technical equipment and tooling	Total
Gross value at December 31, 2018	17,486	17,814	35,300
Accumulated depreciation, impairment and provisions at December 31, 2018	(16,293)	(5,773)	(22,067)
NET CARRYING AMOUNT AT DECEMBER 31, 2018⁽¹⁾	1,193	12,041	13,233
Gross value at December 31, 2017	25,345	18,266	43,611
Accumulated depreciation, impairment and provisions at December 31, 2017	(19,404)	(3,700)	(23,104)
NET CARRYING AMOUNT AT DECEMBER 31, 2017⁽¹⁾	5,940	14,566	20,506

(1) See Note 3.3 "Property, plant and equipment (excluding investment property) by operating segment".

CHANGES IN PAYMENTS AND DISCOUNTED VALUE RELATING TO ASSETS SUBJECT TO LEASE FINANCING AGREEMENTS

<i>In thousands of euros</i>	Minimum payments at December 31, 2018	Discounted value at December 31, 2018
Due within one year	2,652	2,400
Due in one to five years	8,506	9,216
Due in more than five years	-	-
NET CARRYING AMOUNT AT DECEMBER 31, 2018⁽¹⁾	11,158	11,616

<i>In thousands of euros</i>	Minimum payments at December 31, 2017	Discounted value at December 31, 2017
Due within one year	3,216	2,741
Due in one to five years	10,350	9,700
Due in more than five years	1,985	1,971
NET CARRYING AMOUNT AT DECEMBER 31, 2017⁽¹⁾	15,551	14,412

(1) See Note 5.2.7.5 "Reconciliation of gross and net debt".

5.1.4. Property, plant and equipment by category (excluding investment property)

<i>In thousands of euros</i>	Cost	Depreciation	Impairment	Total
December 31, 2018				
Property, plant and equipment owned outright	3,434,236	(1,763,520)	(30,921)	1,639,795
Owned property, plant and equipment leased under operating leases where the Group is lessor ⁽¹⁾	-	-	-	-
Property, plant and equipment leased under finance leases where the Group is lessee ⁽²⁾	35,300	(21,988)	(79)	13,233
TOTAL PROPERTY, PLANT AND EQUIPMENT (EXCLUDING INVESTMENT PROPERTY)	3,469,536	(1,785,508)	(31,000)	1,653,028

<i>In thousands of euros</i>	Cost	Depreciation	Impairment	Total
December 31, 2017				
Property, plant and equipment owned outright	3,110,498	(1,715,655)	(15,514)	1,379,329
Owned property, plant and equipment leased under operating leases where the Group is lessor ⁽¹⁾	52,242	(39,898)	(868)	11,476
Property, plant and equipment leased under finance leases where the Group is lessee ⁽²⁾	43,611	(23,034)	(70)	20,506
TOTAL PROPERTY, PLANT AND EQUIPMENT (EXCLUDING INVESTMENT PROPERTY)	3,206,351	(1,778,587)	(16,453)	1,411,311
<i>IFRS 5 reclassifications</i>	<i>(3,917)</i>	<i>3,071</i>	<i>-</i>	<i>(846)</i>
TOTAL PROPERTY, PLANT AND EQUIPMENT (EXCLUDING INVESTMENT PROPERTY) – CONSOLIDATED BALANCE SHEET	3,202,434	(1,775,516)	(16,453)	1,410,465

(1) The sum of "Property, plant and equipment owned outright and leased under operating leases where the Group is lessor" and "Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor" corresponds to the value of "Property, plant and equipment leased under operating leases where the Group is lessor".

(2) See sub-section "Property, plant and equipment leased under finance leases where the Group is lessee".

5.1.5 Investment property

The item "Investment property" is unchanged from December 31, 2017. It includes:

- a complex of 33,000 sq.m. office buildings located in Lyon Gerland, 82% of the space of which is rented to a third party and 3% is used by the Group;
- as well as an undeveloped land in the Lyon region.

<i>In thousands of euros</i>	Land	Buildings	Total
Lyon Gerland office complex	12,700	80,563	93,263
FAIR VALUE AT DECEMBER 31, 2018 AND DECEMBER 31, 2017	12,700	80,563	93,263

Investment property-related income and expenses are as follows:

<i>In thousands of euros</i>	2018	2017
Income from investment property rentals	6,899	6,592
Investment property direct operating expenses	(1,423)	(1,226)

5.1.6 Non-consolidated interests and Investments in associates and joint ventures accounted by the equity method

NON-CONSOLIDATED INTERESTS

The non-consolidated securities amount to €0.2 million at December 31, 2018 (€0.3 million at December 31, 2017) and relate to:

- non-significant shell companies, dormant companies;
- and the acquisition of shares over the period, whose small stake does not allow the Group to exercise at least a notable influence (Tactotek OY).

In the context of the first time application of IFRS 9 "Financial Instruments", the Group opted to recognize changes in value of non-consolidated companies in the income statement (see Note 2.1.2.).

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES ACCOUNTED BY THE EQUITY METHOD

Investments in associates and joint ventures correspond to investments by the Group in the following companies:

<i>In thousands of euros</i>	2018 % interest	2017 % interest	December 31, 2018	December 31, 2017
JV HBPO GmbH and its subsidiaries ⁽¹⁾	-	33.00%	-	36,407
HBPO – SHB Automotive Modules (Samlip) ⁽⁴⁾	33.33%	16.67%	16,141	4,661
HICOM HBPO Sdn Bhd ⁽¹⁾	26.66%	13.33%	466	93
JV Yanfeng Plastic Omnium and its subsidiaries	49.95%	49.95%	159,850	146,153
BPO AS	49.98%	49.98%	14,221	16,057
Plastic Recycling SAS ⁽²⁾	50.00%	50.00%	-	258
ΞPO-CellTech	23.00%	23.00%	2,319	7,545
TOTAL OF INVESTMENTS IN ASSOCIATES AND JOINT VENTURES			192,997	211,174
Financial investments in Tactotek OY ⁽³⁾			-	-
Othe Investments in non-listed equity instruments			225	316
TOTAL OF NON-LISTED EQUITY INSTRUMENTS			225	316
TOTAL OF INVESTMENTS IN ASSOCIATES AND JOINT VENTURES AND IN NON-LISTED EQUITY INSTRUMENTS			193,222	211,490

(1) See Note 2.3.1 in "Significant events of the period" on the Group's June 26, 2018 acquisition of the German group Mahle-Behr 33.33% in HBPO. The Group took control of HBPO, whose entities are fully consolidated. Only the two companies whose stake does not allow control are accounted by the equity method.

(2) Plastic Recycling SAS was sold in February 2018. See Note 2.6.2 on the disposal of this company in the "Significant events of the period".

(3) Acquisition, in February 2018, of an equity stake in the Finnish company Tactotek OY impaired at the end of the year. See Note 2.3.2 in "Significant events of the period".

Investments in these entities include goodwill by segment and for the following amounts:

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Goodwill in associates and joint ventures – Industries segment ⁽¹⁾	13,625	17,948
Goodwill in associates and joint ventures – Modules segment ⁽²⁾	-	5,493
TOTAL GOODWILL IN ASSOCIATES AND JOINT VENTURES	13,625	23,441

The change over the period mainly corresponds to:

(1) the impairment of ΞPO-CellTech Goodwill;

(2) the divestment of goodwill related to HBPO entities is due to the full consolidation of HBPO, following the Group's takeover in July 2018 (see Note 2.4.2 in "Significant events of the period").

In view of the individual contribution of less than 10% of joint ventures and companies associated with the Group's main financial indicators, the summary balance sheet and income statement aggregates below are those of the consolidated companies and joint ventures:

In 2018:

- the joint venture YFPO and its subsidiaries after elimination of internal transactions;
- the Samlip associate of HBPO; and
- the joint-venture BPO.

In 2017:

These figures were published on December 31, 2017.

- the joint venture YFPO and its subsidiaries before elimination of internal transactions;
- the associates Chengdu Faway Yanfeng Plastic Omnium, Dongfeng Plastic Omnium Automotive Exterior of YFPO;
- the HBPO and its subsidiaries before elimination of internal transactions;
- the Samlip and Hicom associates of HBPO; and
- the joint-venture BPO.

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Non-current assets	252,090	530,965
Current assets	952,428	1,556,210
TOTAL ASSETS	1,204,517	2,087,175
Shareholders' equity	275,727	639,793
Non-current liabilities	8,400	12,397
Current liabilities	920,390	1,434,985
TOTAL EQUITY AND LIABILITIES	1,204,517	2,087,175
Revenue	1,399,610	3,950,724

5.1.7 Non-current financial assets

The financial assets recognized under this item correspond to Long-term investments in equities and funds as well as other assets such as deposits and bonds grouped according to the following distinctions:

5.1.7.1 LONG-TERM INVESTMENTS IN EQUITIES AND FUNDS

- Investments in listed companies, funds or equivalents and investments in securities of listed companies, including funds invested in the Aster venture capital company;

- The Group's investments in the FMEA 2 fund as part of the support of the Automotive Division sub-contractors and in shell companies.

In the context of the first time application of IFRS 9 "Financial Instruments" (see note 2.1.2 in the "Significant events of the period"), the Group opted to recognize changes in the value of listed shares and investments funds, such as Aster, Tactotek OY and FMEA funds, in non-recyclable profit or loss.

<i>In thousands of euros</i>	December 31, 2018			December 31, 2017		
	Subscribed amounts	Non-called-up amounts	Net	Subscribed amounts	Non-called-up amounts	Net
Contributions to the FMEA 2 fund ⁽¹⁾	-	-	829	-	-	1,512
Financial investments in listed securities ⁽¹⁾	-	-	25,719	-	-	25,353
Investment in the venture capital company Aster ⁽²⁾	20,000	(18,500)	1,500	20,000	(19,500)	500
Other	-	-	135	-	-	149
LONG-TERM INVESTMENTS IN LISTED EQUITY INSTRUMENTS AND IN FUNDS			28,183			27,514

(1) Contributions to the FMEA 2 fund and investments in shares in listed companies are listed with long-term financial receivables in Note 5.2.7.5 "Reconciliation of gross and net debt".

(2) Payment of €1 million during the first half of 2018. See Note 2.4.3 of the "Significant Events of the period".

5.1.7.2 OTHER NON-CURRENT FINANCIAL ASSETS

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Loans	1,979	2
Deposits and bonds	33,846	49,758
Other receivables	4	42
OTHER NON-CURRENT ASSETS AND FINANCIAL RECEIVABLES (SEE NOTE 5.2.7.5)	35,829	49,802
Finance receivables related to Environment finance leases (see Note 6.4.1)		856
Finance receivables related to Automotive contracts (see Note 6.4.1) ⁽¹⁾	1,763	8,402
NON-CURRENT FINANCIAL RECEIVABLES (SEE NOTE 5.2.7.5)	1,763	9,258
TOTAL	37,592	59,060

(1) See Note 6.4.1 on Current and other non-current financial receivables.

"Deposits and bonds" mainly concern deposits linked to leased offices and sold receivables sales programs.

5.1.8 Inventories

<i>In thousands of euros</i>	December 31, 2018	January 1, 2018	IFRS 15 at January 1, 2018⁽¹⁾	December 31, 2017
Raw materials and supplies				
At cost (gross)	190,377	144,991	-	144,991
Net realizable value	180,667	134,802	-	134,802
Molds, tooling and engineering				
At cost (gross)	431,360	415,950	274,163	141,787
Net realizable value	426,623	415,362	274,163	141,199
Other work in progress				
At cost (gross)	-	67	-	67
Net realizable value	-	67	-	67
Maintenance inventories				
At cost (gross)	63,432	59,199	-	59,199
Net realizable value	54,934	49,180	-	49,180
Goods				
At cost (gross)	1,754	9,927	-	9,927
Net realizable value	1,361	8,822	-	8,822
Semi-finished products				
At cost (gross)	43,311	41,781	-	41,781
Net realizable value	40,746	38,582	-	38,582
Finished products				
At cost (gross)	35,656	44,391	-	44,391
Net realizable value	32,778	41,361	-	41,361
TOTAL, NET	737,109	688,176	274,163	414,013

(1) See, in "Significant events of the period", Note 2.1.1 "1st time application of IFRS 15".

5.1.9 Current financial receivables

<i>In thousands of euros</i>	December 31, 2018		December 31, 2017	
	Undiscounted values	Carrying amount	Undiscounted values	Carrying amount
Current financial receivables (see Note 5.2.7.5)	22,504	22,504	42,631	42,807
of which Environment Division finance lease receivables			833	1,009
of which Automotive Division finance receivables ⁽¹⁾	22,504	22,504	41,798	41,798
Other current financial assets and financial receivables (see Note 5.2.7.5)	63,942	63,942	83,209	83,209
of which "Current accounts"	-	-	1,344	1,344
of which "Negotiable debt securities"	14,003	14,003	24,011	24,011
of which "UCITS" or mutual funds ⁽²⁾	49,185	49,185	50,007	50,007
of which "Other" ⁽³⁾	754	754	7,847	7,847
TOTAL CURRENT FINANCIAL RECEIVABLES	86 446	86 446	125 840	126 016

(1) See Note 5.1.7.2 on Other non-current financial assets.

(2) The change corresponds to an impairment of short-term investment securities. See Note 5.2.7.3 "Loans, negotiable debt securities and other financial assets" for the principal amount.

(3) See Note 5.2.7.3 on the characteristics of the investment in UCITS (Undertaking for Collective Investment in Transferable Securities) carried out by the Group in 2017 as part as its cash management.

5.1.10 Trade and other receivables**5.1.10.1 SALE OF RECEIVABLES**

Compagnie Plastic Omnium and some of its European and United States subsidiaries have set up several receivables sales programs with French banks. These programs have an average maturity of more than two years.

These non-recourse programs transfer substantially all the risks and rewards of ownership to the buyer of the sold receivables; for these programs, only the non-material dilution risk is not transferred to the buyer.

Receivables sold under these programs, which are therefore no longer included in the balance sheet, totaled €347 million at December 31, 2018 against €341 million at December 31, 2017 (this amount included €22 million as of December 31, 2017 related to the Environment Division, sold in December 2018).

5.1.10.2 TRADE RECEIVABLES – COST, IMPAIRMENT AND CARRYING AMOUNTS

<i>In thousands of euros</i>	December 31, 2018			December 31, 2017		
	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
Trade receivables	820,132	(4,833)	815,300	944,886	(4,802)	940,084
1 st application of IFRS 15 ⁽¹⁾				(124,507)		(124,507)
1 st application of IFRS 9 ⁽²⁾					(1,939)	(1,939)
TRADE RECEIVABLES AT JANUARY 1, 2018				820,379	(6,741)	813,638

(1) See, in "Significant events of the period", Notes 2.1 and 2.1.1 on the 1st time application of IFRS 15 at January 2018.

(2) See, in "Significant events of the period", Notes 2.1 and 2.1.2 on the 1st time application of IFRS 9 at January 2018.

The Group has not identified significant unfunded customer risk over the two periods.

5.1.10.3 OTHER RECEIVABLES

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Sundry receivables	101,949	95,389
Prepayments to suppliers of tooling and prepaid development costs	70,713	58,265
Prepaid and recoverable income taxes	97,810	93,048
Other prepaid and recoverable taxes	82,613	101,209
Employee advances	3,129	2,342
Prepayments to suppliers of non-current assets	14,398	4,349
OTHER RECEIVABLES	370,612	354,602

5.1.10.4 TRADE AND OTHER RECEIVABLES BY CURRENCY

In thousands of currency units		December 31, 2018			December 31, 2017		
		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	619,258	619,258	52%	706,031	706,031	55%
USD	US dollar	306,508	267,692	23%	336,820	280,847	22%
CNY	Chinese yuan	618,348	78,519	7%	703,206	90,104	7%
GBP	Pound sterling	29,418	32,887	3%	63,968	72,099	6%
Other	Other currencies		187,175	16%		145,605	11%
TOTAL			1,185,912	100%		1,294,686	100%
Of which:							
• Trade receivables			815,300	69%		940,084	73%
• Other receivables			370,611	31%		354,602	27%
1 st application of IFRS 15						(124,507)	
1 st application of IFRS 9						(1,939)	
TOTAL AT JANUARY 1, 2018						1,168,240	
Of which:							
• Trade receivables						813,638	70%
• Other receivables						354,602	30%

Sensitivity tests on movements in currencies under “Trade and other receivables” give the following results:

In thousands of currency units		Sensitivity tests on receivables at December 31, 2018						Sensitivity tests on receivables at December 31, 2017					
		Local currency		Increase all currencies		Decrease all currencies		Local currency		Increase all currencies		Decrease all currencies	
				+10%	+20%	-10%	-20%			+10%	+20%	-10%	-20%
		Base	Exchange rate	%	%	%	%	Base	Exchange rate	%	%	%	%
EUR	Euro	619,258	1.00000	50%	47%	55%	58%	706,031	1.00000	52%	50%	57%	60%
USD	US dollar	306,508	0.87336	24%	25%	21%	20%	336,820	0.83382	23%	24%	20%	19%
CNY	Chinese yuan	618,348	0.12698	7%	7%	6%	6%	703,206	0.12813	7%	8%	7%	6%
GBP	Pound sterling	29,418	1.11791	3%	3%	3%	2%	63,968	1.12710	6%	6%	5%	5%
Other	Other currencies			16%	18%	15%	14%			12%	12%	11%	10%
TOTAL IN EUROS		1,185,911		1,242,577	1,299,243	1,129,247	1,072,581	1,294,686		1,353,551	1,412,417	1,235,821	1,176,955
Of which:													
• Trade receivables		815,300		854,257	893,214	776,344	737,387	940,084		982,827	1,025,570	897,342	854,599
• Other receivables		370,611		388,320	406,029	352,903	335,194	354,602		370,724	386,847	338,479	322,356
1 st application of IFRS 15								(124,507)		(128,929)	(133,351)	(120,084)	(115,662)
1 st application of IFRS 9								(1,939)		(1,939)	(1,939)	(1,939)	(1,939)
TOTAL IN EUROS AT JANUARY 1, 2018								1,168,240		1,222,683	1,277,127	1,113,798	1,059,354
Of which:													
• Trade receivables								813,638		851,959	890,280	775,319	736,998
• Other receivables								354,602		370,724	386,847	338,479	322,356

Foreign exchange sensitivity tests on “Trade receivables and other receivable” and “Trade payables and other operating liabilities by currency” show a low sensitivity of this item to variations in exchange rates (see Note 5.2.9.3).

5.1.11 Deferred taxes

As noted in Note 1.1.27 of the accounting rules and principles, deferred tax assets on tax loss carryforwards, temporary differences and tax credits are assessed according to their probability of future use. For this purpose, estimates were made as part of the closing of the accounts and led to the recognition of assets based on probable use within a relatively short period of time reflecting a prudent approach given the current economic environment.

The Group applied IFRS 15 and IFRS 19 on January 1, 2018. The only impact on deferred taxes result from application of IFRS 15 and relate to the recognition of losses on contracts upon termination. The net impact at January 1, 2018 of €0.5 million in deferred tax assets.

Deferred taxes are broken down as follows:

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Property, plant and equipment	(51,920)	(49,370)
Post-employment benefit obligations	26,098	28,596
Provisions for liabilities and charges	33,463	35,699
Financial instruments	612	43
Tax loss carryforwards and tax credits	122,937	139,011
Other	(18,424)	2,867
Impairment of deferred tax assets	(91,793)	(81,158)
TOTAL	20,973	75,688
Of which:		
• <i>Deferred tax assets</i>	101,691	96,663
• <i>Deferred tax liabilities</i>	80,718	20,975

Unrecognized tax assets in respect of tax losses in the December 31, 2018 amount to €85 million, against €76 million in the December 31, 2017 and have the following characteristics:

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Evergreen tax loss carryforwards	69,301	63,640
Tax loss carryforwards available for more than 5 years	12,628	9,647
Tax loss carryforwards available for up to 5 years	846	1,823
Tax loss carryforwards available for up to 4 years	730	271
Tax loss carryforwards available for up to 3 years	535	81
Tax loss carryforwards available for less than 3 years	828	604
TOTAL	84,868	76,066

The change in the financial year is essentially due to variations in Brazil, Germany, Poland and Slovakia.

5.1.12 Cash and cash equivalents**5.1.12.1 CASH AND CASH EQUIVALENTS**

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Cash at bank and in hand	903,485	762,731
Short-term deposits	12,851	176,904
TOTAL CASH AND CASH EQUIVALENTS ON THE BALANCE SHEET	916,336	939,635

Cash and cash equivalents break down as follows:

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Cash and cash equivalents of the Group's captive reinsurance company	33,689	30,902
Cash and cash equivalents in countries with exchange controls on remittances and transfers ⁽¹⁾	84,380	86,138
Cash equivalents	798,267	822,594
TOTAL CASH AND CASH EQUIVALENTS ON THE BALANCE SHEET	916,336	939,635

(1) The countries in "regions with exchange controls on remittances and transfers" include Brazil, China, India, Chile, Argentina and South Korea.

The different categories of the above table are presented in the current assets in the absence of any general restriction on these amounts.

5.1.12.2 NET CASH AND CASH EQUIVALENTS AT END OF PERIOD

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Cash and cash equivalents	916,336	939,635
Short-term bank loans and overdrafts	(4,684)	(9,993)
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD IN THE STATEMENT OF CASH-FLOWS	911,652	929,642

5.1.13 Statement of cash-flows – Acquisitions and disposals of financial assets, non-controlling interests and related investments

5.1.13.1 ACQUISITIONS OF EQUITY INTERESTS, NON-CONTROLLING INTERESTS AND RELATED INVESTMENTS

The Group's financial acquisitions are broken down into two categories, which analysis as follows:

a – acquisitions of shares in subsidiaries and associates, investments leading to a change in control, equity investments in associates, joint ventures and related investments

These are recorded under "Cash-flows from investments" in the Consolidated Cash-flows statement.

At December 31, 2018:

The amount of €369.6 million under the heading "Acquisitions of equity investment of integrated companies and takeover" corresponds to:

- the acquisition of the 33.33% stake in HBPO for €369.8 million (see Note 2.3.1 in the "Significant events of the period"); and
- reductions of purchase prices of the companies Swiss Hydrogen and Optimum CPV BVBA for -€0.2 million (see Notes 2.4.1 and 2.4.2 in the "Significant events of the period").

At December 31, 2017:

The amount of €21.4 million under "Acquisitions of shares in subsidiaries and associates" corresponded to:

- the acquisition of the following two companies:
 - Swiss Hydrogen for €12.8 million, and
 - Optimum CPV BVPA for €6.1 million (of which €1 million recognized in financial liabilities as a guarantee for liabilities);

- the subscription in 2017 to the capital increase of the Israeli company EPO-CellTech for an amount of €2.5 million.

5.1.13.2 DISPOSAL OF SHARES IN SUBSIDIARIES AND ASSOCIATES AND NON-CONTROLLING INTERESTS

Disposals of shares in subsidiaries and associates

Disposals of shares in subsidiaries and associates are recognized under "Cash-flows from investments" in the Consolidated statement of cash-flows.

2018: The Group sold:

- at the end of February 2018, the company Plastic Recycling SAS for an amount of €0.8 million (see Note 2.6.2 in the "Significant events of the period"); and
- on December 18, 2018, the Environment Division for an amount of €199.4 million (see Note 2.6.1 in the "Significant events of the period").

2017: On June 30, 2017, the Group sold truck parts business for €10.7 million.

5.1.14 Consolidated funds and proportionate share of funds from operations of associates and joint ventures, after taxes and interest paid, net of dividends paid

The Group uses the concept of "Funds from operations", which includes all companies within the scope of consolidation whose activities were monitored and managed during the period for the determination of certain major aggregates.

The disposal of the Environment Division on December 18, 2018 and the "2017 restated" presentation with the Environment Division as "Non-current assets held for sale and discontinued operations" in accordance with IFRS 5, do not cover the effective management scope of all companies over the period.

For the sake of completeness of information, the presentation of the “funds from operations” covers in the same table, the different approaches:

- the funds from operations – with the disposal of the Environment Division in 2018;
- the “funds from operations – vision with integration of the financial data of the Environment Division” in 2017; and

- the “funds from operations – Vision Environment Division in IFRS 5” in 2017 (“Restated 2017”).

The consolidated cash-flow from operations and the share of cash-flow from associates and joint ventures after tax and interest paid, net of dividends paid, are as follows:

Consolidated financial statements	2018	2017	2017 restated
Funds from operations	796,709	859,404	822,714
Tax paid	(82,765)	(114,049)	(106,660)
Interest paid	(66,412)	(59,189)	(58,601)
FUNDS FROM OPERATIONS AFTER PAYMENT OF TAXES AND INTEREST	647,532	686,167	657,453
Associates and joint ventures ⁽¹⁾			
SHARE OF FUNDS FROM OPERATIONS	85,939	95,433	95,433
Share of tax paid	(17,024)	(16,470)	(16,470)
Share of interest received/paid	1,490	1,134	1,134
Elimination of dividends paid	(40,973)	(32,401)	(32,401)
SHARE OF FUNDS FROM OPERATIONS AFTER PAYMENT OF TAXES AND INTEREST RECEIVED, NET OF DIVIDENDS PAID	29,432	47,696	47,696
TOTAL EXCLUDING THE ENVIRONMENT DIVISION	676,964		705,149
Funds from operations after payment of taxes and interest – Environment Division	19,821		
TOTAL INCLUDING THE ENVIRONMENT DIVISION	696,785	733,863	

(1) The proportionate share of associates and joint ventures in the Group’s operating cash-flow includes HBPO until the takeover.
See Note 2.3.1 “Acquisition by the Group of the 33.33% interest of Mahle-Behr in HBPO” in the “Significant events of the period”.

5.1.15 Monitoring of transactions at December 31, 2018, which were classified under IFRS 5

“Assets and Liabilities held for sale” are measured based on the best estimate of realizable values. The differences between realizable values and net carrying amounts in cases where they are negative result in a depreciation over the period.

December 31, 2018, the breakdown of “Assets and Liabilities held for sale” is provided in the following table.

At December 31, 2018 as the previous year, are always booked under IFRS 5:

- the Clean Energy Systems technical center in Compiègne, (Oise)
- the Clean Energy Systems technical center in Laval, fully depreciated.

In thousands of euros	December 31, 2018	December 31, 2017
	Amount	Amount
Compiègne technical center in the Oise department	846	846
of which Land	167	167
of which Buildings, equipment, building improvements, fixtures and fittings	679	679
ASSETS HELD FOR SALE	846	846
NET ASSETS HELD FOR SALE	846	846

5.2 Liabilities

5.2.1 Shareholders' equity

5.2.1.1 CAPITAL OF COMPAGNIE PLASTIC OMNIUM

<i>In euros</i>	December 31, 2018	December 31, 2017
Share capital for the period at January 1	9,058,603	9,148,603
Capital reduction during the year	(144,637)	(90,000)
SHARE CAPITAL AT END OF PERIOD, MADE UP OF ORDINARY SHARES WITH A PAR VALUE OF €0.06 EACH OVER THE TWO PERIODS	8,913,966	9,058,603
Treasury stock	137,456	198,364
TOTAL SHARE CAPITAL NET OF TREASURY STOCK	8,776,511	8,860,239

The registered shares registered on behalf of the same holder for at least two years shall have double voting rights.

Capital structure at December 31, 2018

The Compagnie Plastic Omnium Boards of Directors' of July 19, 2018 and October 30, 2018 decided, respectively, to cancel the 1,100,613 treasury shares (i.e. 0.74% of share capital) and 1,300,000 treasury shares (i.e. 0.87% of the share capital previously reduced). The two transactions took effect on July 25, 2018 and November 8, 2018 respectively.

The share capital of Compagnie Plastic Omnium consists of a par value of €0.06, thus bringing the amount to €8,913,966.42.

The share capital of Compagnie Plastic Omnium dropped from 150,976,720 shares to 149,866,107 shares with a par value of €0.06 on July 25, 2018, and then to 148,566,107 shares with a par value of €0.06 on November 8, 2018, representing a total of €8,913,966.42.

At December 31, 2018, Compagnie Plastic Omnium holds 2,290,930 of its own shares, i.e. 1.54% of the share capital, against three 3,306,070 or equal to 2.19% of the share capital at December 31, 2017.

Capital structure at December 31, 2017

On July 20, 2017, the Board of Directors of Compagnie Plastic Omnium decided to cancel 1,500,000 treasury shares, i.e. 0.98% of the share capital with effect from August 14, 2017.

The share capital of Compagnie Plastic Omnium decreased from 152,476,720 shares to 150,976,720 shares with a par value of €0.06, representing a total value of €9,058,603.20.

At December 31, 2017, Compagnie Plastic Omnium held 3,306,070 treasury shares, i.e. 2.19% of the share capital, against 4,226,467 shares or 2.77% of the share capital at December 31, 2016.

5.2.1.2 DETAIL OF "OTHER RESERVES AND RETAINED EARNINGS" IN THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In thousands of euros</i>	Actuarial gains/(losses) recognized in equity	Cash-flow hedges – interest rate instruments	Cash-flow hedges – currency instruments	Fair value adjustments	Retained earnings and other reserves	Attributable to owners of the parent
AT DECEMBER 31, 2016	(49,848)	(1,120)	(172)	19,200	1,200,279	1,168,339
Movements of 2017	(1,885)	494	1,697	(962)	198,885	198,229
AT DECEMBER 31, 2017	(51,733)	(626)	1,525	18,238	1,399,164	1,366,568
1 st application of IFRS 15					(4,818)	(4,818)
1 st application of IFRS 9					(1,939)	(1,939)
AT JANUARY 1, 2018	(51,733)	(626)	1,525	18,238	1,392,407	1,359,811
Movements of 2018	1,707	(1,230)	(2,806)	366	259,761	257,798
AT DECEMBER 31, 2018	(50,026)	(1,856)	(1,281)	18,604	1,652,168	1,617,609

5.2.1.3 DETAIL OF “CHANGES IN SCOPE OF CONSOLIDATION AND RESERVES” IN THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The acquisition of control at 66.67% of HBPO consolidated by full consolidation has no impact on the Group’s “Share” reserves, but leads to recognition of minority interests.

<i>In thousands of euros</i>	Shareholders' equity		Total equity
	Attributable to owners of the parent	Attributable to non-controlling interests	
None	-	-	-
OTHER CHANGES IN SCOPE OF CONSOLIDATION AT DECEMBER 31, 2017	-	-	-
Takeover of HBPO with Hella non-controlling interests integration	-	62,884	62,884
OTHER CHANGES IN SCOPE OF CONSOLIDATION AT DECEMBER 31, 2018	-	62,884	62,884

5.2.2 Dividends voted and paid by Compagnie Plastic Omnium

<i>In thousands of euros</i> Dividend per share in euros Number of shares, in units	December 31, 2018		December 31, 2017	
	Number of shares in 2017	Dividend	Number of shares in 2016	Dividend
Dividend per share (in euros)		0.67 ⁽¹⁾		0.49 ⁽¹⁾
Total number of shares outstanding at the end of the previous year	150,976,720		152,476,720	
Total number of shares held in treasury on the ex-dividend date	3,481,820 ⁽²⁾		4,981,805 ⁽²⁾	
Total number of shares held in treasury at the year-end (for information)	3,306,070 ⁽²⁾		4,226,467 ⁽²⁾	
Dividends on ordinary shares		101,154		74,713
Dividends on treasury stock (unpaid)		(2,333) ⁽²⁾		(2,441) ⁽²⁾
TOTAL NET DIVIDEND		98,822		72,272

(1) In 2018, Compagnie Plastic Omnium paid a dividend of 0.67 per share on the 2017.

In 2017, Compagnie Plastic Omnium paid a dividend of 0.49 per share on profits from the 2016.

(2) **At December 31, 2018:** 3,306,070 of treasury shares were taken into account at December 31, 2017 to determine the provisional total dividend. The number of treasury shares at the time of the dividend's payment in 2018 amounted to 3,481,820 shares, increasing the dividends attached to these shares from €2,215 thousand to €2,333 thousand.

At December, 31, 2017: 4,226,467 treasury shares were taken into account at December 31, 2016 to determine the provisional total dividend. On the ex-dividend date for the first half of 2017, this number amounted to 4,981,805 shares, increasing the dividends attached to these shares from €2,071 thousand to €2,441 thousand.

It will be proposed to the Combined Shareholders' Meeting on April 25, 2019, the distribution of a dividend of €0.74 per share in respect of the 2018 (total amount of €109,938.918 thousand for 148,566,107

outstanding shares before the decrease of treasury shares at December 31, 2018).

5.2.3 Share-based payments

2018: no new stock options plan was opened on the 2018 financial year.

2017: see the consolidated financial statements for the year ended December 31, 2017.

OUTSTANDING OPTIONS AT THE END OF THE YEAR AND CHARGE FOR THE PERIOD OF OPTION

The vesting period is four years par

Outstanding options <i>In euros</i> <i>In units for the number of options</i>	Options outstanding at January 1, 2018	Revalu- ations/ adjustments	Increases		Decreases		Options outstanding at December 31, 2018	
			Options granted during the period	Options forfeited during the period	Options exercised during the period	Cost for the period	Total	Of which, options exercisable at December 31, 2018
MARCH 21, 2012 PLAN								
Number of options	574,012			(14,000)	(419,750)		140,262	140,262
Share price at the grant date	7.3						7.3	
Exercise price	7.38						7.38	
Term	7 years						7 years	
Unrecognized cost at period-end	-						-	
Remaining life	1.25 year						0.25 year	
AUGUST 7, 2013 PLAN								
Number of options	687,160			(21,000)	(395,860)		270,300	270,300
Share price at the grant date	17.71						17.71	
Exercise price	16.17						16.17	
Term	7 years						7 years	
Unrecognized cost at period-end	-						-	
Remaining life	2.6 years						1.6 year	
AUGUST 6, 2015 PLAN								
Number of options	1,169,000			(51,000)			1,118,000	None
Share price at the grant date	26.33						26.33	
Exercise price	24.72						24.72	
Term	7 years						7 years	
Unrecognized cost at period-end	2,986,630			(442,680)		(1,589,969)	953,981	
Remaining life	4.6 years						3.6 years	
MARCH 10, 2017 PLAN								
Number of options	552,500			(24,000)			528,500	None
Share price at the grant date	33.71						33.71	
Exercise price	32.84						32.84	
Term	7 years						7 years	
Unrecognized cost at period-end	3,205,924			(210,961)		(938,336)	2,056,627	
Remaining life	6.2 years						5.2 years	
TOTAL EXPENSE FOR THE FISCAL YEAR						€(2,528,305)	IN EUROS	

5.2.4 Grants

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Grants recognized in non-current liabilities	6,323	6,557
Grants recognized in current liabilities	3,994	3,948
TOTAL GRANTS RECOGNIZED AS LIABILITIES	10,317	10,505

5.2.5 Provisions

<i>In thousands of euros</i>	December 31, 2017	IFRS 15 1 st application on January 1, 2018 ⁽¹⁾	Charges	Utilizations	Releases of surplus provisions	Environment's Disposal	Other reclassifications	Actuarial gains/(losses)	Consolidation of modules ⁽²⁾	Translation adjustment	December 31, 2018
Customer warranties	27,403	-	16,534	(4,122)	(13,255)	(2,212)	(936)	-	3,378	108	26,898
Reorganization plans ⁽³⁾	15,905	-	8,296	(10,928)	(27)	(300)	2,616	-	425	(549)	15,438
Taxes and tax risks ⁽⁴⁾	8,548	-	4,446	(4,111)	(2,083)	(667)	230	-	-	-	6,363
Contract risks ⁽⁵⁾	47,650	4,008	23,858	(37,412)	(14,262)	-	5,779	-	43	(10)	29,654
Claims and litigation	11,172	-	938	(5,214)	(2,883)	(113)	442	-	-	(65)	4,277
Other ⁽⁶⁾	14,955	-	2,796	(625)	(512)	(633)	(9,953)	-	2,240	(186)	8,082
PROVISIONS FOR LIABILITIES AND CHARGES	125,633	4,008	56,868	(62,412)	(33,022)	(3,925)	(1,822)	-	6,086	(702)	90,712
Provisions for pensions and other post-employment benefits ⁽⁷⁾	106,517	-	11,281	(1,477)	-	(11,871)	-	(2,285)	964	2,055	105,184
TOTAL	232,150	4,008	68,149	(63,889)	(33,022)	(15,796)	(1,822)	(2,285)	7,050	1,353	195,896

(1) 1st application of IFRS 15 (see Note 2.1.1 in the "Significant events of the period").

(2) Regarding the impacts of the HBPO's acquisition.

(3) Regarding the impacts of restructuring in the Intelligent Exterior Systems division sites.

(4) Regarding the reversal of provisions for tax audits.

(5) Regarding the impacts of loss-making contracts and losses on completion in the Industries segment.

(6) The "Others" sub-section includes individually insignificant amounts.

(7) The actuarial difference corresponds to the revaluation of the US hedging assets.

<i>In thousands of euros</i>	December 31, 2016	Charges	Utilizations	Releases of surplus provisions	Reclassifications according to IFRS 5 ⁽⁵⁾	Other reclassifications	Actuarial gains/(losses) ⁽⁴⁾	Changes in scope of consolidation (derecognition) ⁽⁶⁾	Translation adjustment	December 31, 2017
Customer warranties	19,985	16,557	(7,899)	(941)	-	-	-	-	(299)	27,403
Reorganization plans ⁽¹⁾	10,752	13,098	(7,500)	(263)	-	-	-	-	(182)	15,905
Taxes and tax risks	298	8,250	-	-	-	-	-	-	-	8,548
Contract risks ⁽²⁾	80,480	13,047	(39,320)	(7,701)	17,239	94	-	(15,879)	(310)	47,650
Claims and litigation	4,986	8,211	(1,557)	(825)	848	(146)	-	(275)	(70)	11,172
Other ⁽³⁾	15,092	2,292	(1,070)	(535)	-	52	-	-	(877)	14,955
PROVISIONS FOR LIABILITIES AND CHARGES	131,593	61,455	(57,346)	(10,265)	18,087	-	-	(16,154)	(1,738)	125,633
Provisions for pensions and other post-employment benefits	109,718	8,424	(3,375)	-	9,990	-	(2,427)	(10,601)	(5,212)	106,517
TOTAL	241,311	69,879	(60,721)	(10,265)	28,077	-	(2,427)	(26,755)	(6,950)	232,150

(1) Regarding the reorganization of an Automotive Division site in Germany.

(2) Regarding provisions for ongoing tax audits in the Automotive Division.

(3) Regarding the impacts of loss-making contracts and losses on completion in the Automotive Division.

(4) The "Others" sub-section included individually insignificant amounts.

(5) Regarding provisions for companies classified in "Assets & Liabilities held for sale" in 2016 and actually sold in 2017. The two columns "Reclassifications according to IFRS 5" and "Change in scope of consolidation" are related.

(6) The actuarial difference corresponded to the combined effect of the decrease in rates in the United States and the increase in rates in France.

5.2.6 Provisions for pensions and other post-employment benefits

Post-employment benefits

The generic term “post-employment benefits” covers both pension and other employee benefits.

Provisions for pensions

Provisions for pensions mainly concern:

- end of career benefits;
- supplementary pension plans; and
- healthcare coverage plans.

In France, supplementary pension plans only concern executive directors and consist end of career benefits (IFC). Supplementary pension plans, when they affect the other geographical regions, concern all employees.

Plans for the payment of healthcare costs mainly concern North America Zone (United States).

Other long-term employee benefits

Other long-term employee benefits cover long-service awards and other long-service awards within the Group.

Post-employment benefit plans are subject to the regulations applicable in each country. The benefits recognized in the financial statements are therefore not a function of the number of employees by region.

The regions identified and presented are those for which the regulations are consistent allowing data to be aggregated. Where no such aggregation is possible, no reference actuarial rate is given as a discrepancy in the parameters is too great to calculate an average. Similarly, sensitivity tests are carried out on significant, homogeneous and regional data.

5.2.6.1 ACTUARIAL ASSUMPTIONS

The main actuarial assumptions used to value post-retirement and long-term benefits are the following:

	December 31, 2018		December 31, 2017	
	France	United States	France	United States
	Managers and non-managers		Managers and non-managers	
Minimum age for receiving a full pension	60-62 years	65 years	60-62 years	65 years
Age from which no reduction applies	65-67 years		65-67 years	
Discount rate – post-employment benefits	1.60%	4.25%	1.60%	3.75%
Discount rate – length-of-service awards	1.30%		1.10%	
Inflation rate	1.70%		1.70%	
Rate of future salary increases	2.70%	3.50%	2.70%	3.50%
Rate of growth in healthcare costs		8.25%		7.50%
Expected long-term rate of return on pension plan assets	1.60%	4.25%	1.00%	3.75%

Annual rate of discounting of post-employment benefits

The Group uses, as a reference, the rate of bonds issued by good quality (AA) commercial and industrial companies and with maturity equal to the length of the commitment being valued.

Inflation rates

In France, benefits are linked to inflation rates. The impact of inflation rates is not material in the United States.

Average rate of future salary increases

The average rates of future salary increases are weighted between “managers” and “non-executive” staff and the age of employees.

The expected long-term return on pension plan assets

These rates are based on long-term market forecasts and take account of each plan’s asset allocation.

For other foreign subsidiaries, rate differentials are determined based on local conditions.

5.2.6.2 CHANGES IN BALANCE SHEET COMMITMENTS AND BENEFIT COSTS CORRESPONDING TO THE DEFINED BENEFIT PLANS

The balance sheet amounts for these benefits are as follows:

<i>In thousands of euros</i>	Post-employment benefit plans			Other long-term benefits			Total		
	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2018	December 31, 2017	December 31, 2016
Projected benefit obligation at January 1	154,399	150,173	135,123	4,323	4,876	5,678	158,722	155,051	140,802
Service cost	9,560	11,108	8,929	232	263	658	9,792	11,371	9,587
Interest cost	3,846	3,626	3,881	46	44	94	3,892	3,670	3,975
Curtailments, settlements and other		632	(1,579)		(65)	(239)		567	(1,818)
Actuarial gains and losses	(4,801)	1,172	12,411	(117)	(466)	197	(4,918)	706	12,608
<i>Of which, experience adjustments</i>	<i>2,009</i>	<i>(1,715)</i>	<i>705</i>	<i>(74)</i>	<i>(327)</i>	<i>(137)</i>	<i>1,935</i>	<i>(2,042)</i>	<i>568</i>
Benefits paid from plan assets	(979)	(368)	(711)	5	21	5	(974)	(347)	(706)
Benefits paid by the Company	(700)	(1,920)	(2,050)	(121)	(324)	(436)	(821)	(2,244)	(2,486)
Change in scope		(9,703)	572	(0)	(898)	(163)	(0)	(10,601)	409
Consolidation of Modules	964						964		
IFRS 5 Reclassifications	(11,421)	9,057	(9,057)	(1,157)	933	(933)	(12,578)	9,990	(9,990)
Translation adjustment	3,616	(9,378)	2,654	23	(61)	15	3,639	(9,439)	2,669
Projected benefit obligation at December 31	154,484	154,399	150,173	3,233	4,323	4,876	157,717	158,722	155,049
<i>Change in projected benefit obligation</i>	<i>85</i>	<i>4,226</i>	<i>15,050</i>	<i>(1,090)</i>	<i>(553)</i>	<i>(802)</i>	<i>(1,005)</i>	<i>3,671</i>	<i>14,247</i>
Fair value of plan assets at January 1	52,206	45,331	38,811				52,206	45,331	38,811
Return on plan assets	1,581	1,392	1,328				1,581	1,392	1,328
Employer contributions	1,179	6,655	4,996				1,179	6,655	4,996
Actuarial gains and losses	(2,480)	3,568	(459)				(2,480)	3,568	(459)
Benefit payments funded by plan assets	(829)	(514)	(405)				(829)	(514)	(405)
IFRS 5 Reclassifications	(707)						(707)		
Translation adjustment	1,583	(4,226)	1,060				1,583	(4,226)	1,060
Fair value of plan assets at December 31	52,533	52,206	45,331				52,533	52,206	45,331
<i>Change in fair value of plan assets</i>	<i>327</i>	<i>6,875</i>	<i>6,520</i>				<i>327</i>	<i>6,875</i>	<i>6,520</i>
EXCESS OF PROJECTED BENEFIT OBLIGATION OVER PLAN ASSETS = NET PROVISION RECORDED IN THE BALANCE SHEET	101,951	102,194	104,842	3,233	4,323	4,876	105,184	106,517	109,718
• of which France	43,372	47,720	50,026	2,283	3,047	3,496	45,655	50,767	53,522
• of which Europe excluding France	9,303	9,927	10,947	428	827	880	9,731	10,754	11,827
• of which United States	38,296	35,224	34,842	522	449	500	38,818	35,673	35,342
• of which other regions	10,980	9,323	9,027				10,980	9,323	9,027

The present value of partially hedged commitments amounted to €105,450 thousand at December 31, 2018, including €13,844 thousand for French plans and €73,230 thousand for the United States plans. As of December 31, 2017, the present value of partially funded liabilities amounted to €99,903 thousand, including €12,712 thousand for France and €70,221 thousand for the United States plans.

In 2018:

The decrease in the value of the commitments is related to the disposal of the Environment Division and the increase in the discount rate in the United States.

In 2017:

The decline in the value of commitments is mainly linked to the increase in the discount rate in Europe.

5.2.6.3 ANALYSIS OF NET OBLIGATIONS BY REGION

Details of net obligations by region are presented in the table below:

	December 31, 2018				December 31, 2017			
	France	Europe excluding France	United States	Other	France	Europe excluding France	United States	Other
<i>In thousands of euros</i>								
Post-employment benefit plans								
Length-of-service awards payable on retirement	40,638	1,854		10,980	46,378	738		9,323
Supplementary pension plans	2,734	7,449	34,808		1,342	9,189	31,968	
Healthcare plans			3,488				3,256	
Total post-employment benefit obligations	43,372	9,303	38,296	10,980	47,720	9,927	35,224	9,323
Other long-term benefits	2,283	428	522		3,047	827	449	
Total other post-employment benefit obligations	2,283	428	522		3,047	827	449	
NET OBLIGATIONS RECOGNIZED IN THE BALANCE SHEET	45,655	9,731	38,818	10,980	50,767	10,754	35,673	9,323

	December 31, 2018		December 31, 2017	
	France	United States	France	United States
Average maturity of obligations In years	13	19	12	21
Amount of obligations (<i>In thousands of euros</i>)	52,121	73,230	57,362	70,221
of which:				
Retirees obligations	-	5,175	-	2,263
Vested deferred obligations	-	5,464	-	3,203
Active obligations	52,121	62,590	57,362	64,755

5.2.6.4 SENSITIVITY TESTS OF RETIREMENT OBLIGATIONS

The sensitivity tests on retirement obligations on the main external variable, the discount rate, in 2018 and in 2017 show the following impacts:

	December 31, 2018					December 31, 2017				
	Basis	Increase		Decrease		Basis	Increase		Decrease	
		Amount	%	Amount	%		Amount	%	Amount	%
<i>In thousands of euros</i>										
France										
Effect on service cost and interest cost	4,170	4,155	-0.37%	4,185	0.36%	4,687	4,663	-0.52%	4,711	0.51%
Effect on projected benefit obligation	52,121	50,090	-3.88%	53,143	1.98%	57,362	55,568	-3.12%	59,229	3.26%
United States										
Effect on service cost and interest cost	6,328	6,221	-1.69%	6,440	1.78%	7,329	7,162	-2.28%	7,496	2.27%
Effect on projected benefit obligation	73,230	69,984	-4.43%	76,637	4.65%	70,221	66,835	-4.82%	73,784	5.08%



5.2.6.5 CHANGES IN NET BALANCE SHEET AMOUNTS OF THE BENEFITS

Changes in net balance sheet positions related to the full range of benefits are as follows:

	Post-employment benefit plans			Other long-term benefits			Total		
	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2018	December 31, 2017	December 31, 2016
<i>In thousands of euros</i>									
Net projected benefit obligation at January 1	102,194	104,842	96,312	4,323	4,876	5,679	106,516	109,718	101,991
Expense/income for the year									
Service cost	9,560	11,108	8,929	232	263	658	9,792	11,371	9,587
Curtailments, settlements and other		632	(1,579)		(65)	(239)		567	(1,818)
Benefits paid by the Company	(700)	(1,920)	(2,050)	(121)	(324)	(436)	(821)	(2,244)	(2,486)
Actuarial gains and losses			(8)	(153)	(431)	269	(153)	(431)	261
Benefit payments funded by assets	(150)	146	(307)	5	21	5	(145)	167	(302)
Employer contributions	(1,179)	(6,655)	(4,996)				(1,179)	(6,655)	(4,996)
NET NON-RECURRING POST-EMPLOYMENT BENEFIT PLAN COSTS RECORDED IN OPERATING EXPENSES⁽¹⁾	7,530	3,311	(11)	(37)	(536)	256	7,493	2,775	245
Interest cost	3,846	3,626	3,881	46	44	94	3,892	3,670	3,975
Expected return on plan assets	(1,581)	(1,392)	(1,328)				(1,581)	(1,392)	(1,328)
INTEREST COSTS OF POST-EMPLOYMENT BENEFIT OBLIGATIONS⁽²⁾	2,265	2,234	2,553	46	44	94	2,311	2,278	2,647
Balance sheet impact									
Change in scope	964	(9,703)	572		(898)	(163)	964	(10,601)	409
IFRS 5 reclassification	(10,714)	9,057	(9,057)	(1,157)	933	(933)	(11,871)	9,990	(9,990)
Actuarial gains and losses	(2,321)	(2,396)	12,878	36	(35)	(72)	(2,285)	(2,431)	12,806
Translation adjustment	2,032	(5,152)	1,594	23	(61)	15	2,055	(5,213)	1,609
BALANCE SHEET IMPACT	(10,039)	(8,194)	5,987	(1,098)	(61)	(1,153)	(11,137)	(8,255)	4,835
NET PROJECTED BENEFIT OBLIGATION AT DECEMBER 31	101,950	102,194	104,842	3,234	4,323	4,876	105,184	106,516	109,718

(1) No expense recognized as other operating income and expenses for 2018 versus €65 thousand for 2017.

(2) See Interest costs of post-employment benefit obligations in Note 4.7 on "Net Financial Income".

5.2.6.6 HEALTHCARE COST SENSITIVITY TESTS IN THE UNITED STATES

The following table shows the impact of a 1-point change in the rate of growth of health care costs in the United States:

	December 31, 2018		December 31, 2017	
	Increase	Decrease	Increase	Decrease
<i>In thousands of euros</i>				
Effect on provisions for post-employment benefit obligations	651	(298)	500	(633)

5.2.6.7 BREAKDOWN OF PLAN ASSETS BY CATEGORY

The funded plan assets at fair value – mainly in the United States – break down as follows by category:

	December 31, 2018	December 31, 2017
<i>In thousands of euros</i>		
Equities	24,854	25,083
Bonds	15,019	15,252
Real estate	856	598
Other	11,803	11,274
TOTAL	52,533	52,206

5.2.6.8 CONTRIBUTIONS PAID IN RESPECT OF DEFINED CONTRIBUTION PLANS

Contributions paid in respect of defined contribution plans amounted to €14,014 thousand in 2018 compared with €11,594 thousand in 2017.

5.2.7 Non-current borrowings

5.2.7.1 DEFINITION OF DEBT INSTRUMENTS WITHIN THE GROUP

Net debt is an important notion for the day-to-day management of Plastic Omnium cash. It is used to determine the Group's debit or credit position outside of the operating cycle. Net debt is determined as:

- long-term borrowings:
 - drawdowns on lines of credit,
 - private placement notes,
 - bonds;
- less loans, negotiable debt securities and other long-term financial assets (see Note 5.2.7.3 "Loans, negotiable debt securities and other financial assets");

- plus short-term loans;
- plus overdraft facilities;
- less cash and cash equivalents.

5.2.7.2 BORROWINGS: PRIVATE PLACEMENT NOTES

In 2018

New *Schuldscheindarlehen* private placement of €300 million:

On December 21, 2018, the Group issued a private placement of €300 million for private investors, without "covenants" or "ratings", mainly foreign (Germany, China, France, Belgium, Switzerland, Austria) and French, whose characteristics are reflected in the summary table below (see Note 2.8.1 in "Significant events of the period"). This placement at 1.6320% interest rate has a maturity of 7 years.

Maturity of Europp private Placement:

The private placement of a total of €250 million in 2012 by the Group matured on December 12, 2018. See Note 2.8.2 "Transactions in the period" and Note 5.2.7.5 "Gross financial debt and net financial debt".

At December 31, 2018

The main features of the bonds and private placements as at December 31, 2018 are summarised in the following table:

December 31, 2018	Private bond of 2013	<i>Schuldscheindarlehen</i> private placement of 2016	Private placement bond issue of June 2017	<i>Schuldscheindarlehen</i> private placement of 2018
Issue – Fixed rate (in euros)	500,000,000	300,000,000	500,000,000	300,000,000
Annual interest rate/coupon	2.875%	1.478%	1.25%	1.6320%
	European investors	International (Asia, Germany, Netherlands, Switzerland, Luxembourg, Belgium) and French investors	European investors	International (Germany, China, France, Belgium, Switzerland, Austria) and French investors
Features	No "covenants" and "ratings"			
Maturity	May 29, 2020	June 17, 2023	June 26, 2024	December 21, 2025

5.2.7.3 LOANS, NEGOTIABLE DEBT SECURITIES AND OTHER FINANCIAL ASSETS

Other financial assets include loans, security deposits and surety bonds and negotiable debt securities and mutual funds holding cash and bonds (UCITS – Undertaking for Collective Investment in Transferable Securities). They are valued at amortized cost. Whenever there is any objective evidence of impairment – i.e. a negative difference between the carrying amount and the recoverable amount – an impairment provision is recognized through profit or loss. This impairment is reversed if the amount recovered is favorable.

Other financial assets also include short-term investment securities that do not meet the criteria for the equivalent of cash equivalents. These

assets are measured at their fair value at the closing date, and changes in fair value are recognized in net financial income. In 2018, a depreciation was recognized for an amount of -€822 thousand.

In 2015, the Group subscribed to four negotiable medium-term notes with a credit institution and in 2017, the Group invested in UCITS holding medium-term government bonds and cash, one of which matured this year.

Negotiable medium-term notes agreed on July 13, 2015:

The negotiable medium-term note of €10 million subscribed by the Group expired on July 11, 2018. See Note 2.8.3 in the "Significant events of the period" and Note 5.2.7.5 "Reconciliation of gross and net financial debt".

The summary is presented in the table below:

Negotiable medium-term note	Classified as current financial receivables ⁽¹⁾			UCITS ⁽²⁾
				December, 14 and 29, 2017
Subscription date	February 24, 2015	July 13, 2015	February 24, 2015	
Nominal (in euros)	5,000,000	4,000,000	5,000,000	50,006,265
Depreciation				(821,810) ⁽³⁾
Maturity	February 25, 2019	July 15, 2019	February 24, 2020	
	Not available for four quarters following the subscription date		Not available for eight quarters following the subscription date	Indeterminate
Quarterly coupon:			Sets the first eight quarters following the issue	
Fixed rate	Sets the first four quarters following the issue		3-month Euribor + spread as of the ninth quarter	
Variable rate	3-month Euribor + spread as of the fifth quarter			N/A
TOTAL AT DECEMBER 31, 2018			€14,000,000	€49,184,455

(1) See Note 5.1.9 on "Current financial receivables".

(2) UCITS: Undertaking for Collective Investment in Transferable Securities.

(3) Relates to the impairment of the UCITS in 2018 (see Note 4.7 "Net Financial Income").

5.2.7.4 UTILIZATION OF MEDIUM-TERM CREDIT LINES

At December 31, 2018 as at December 31, 2017, the Plastic Omnium Group had access to several confirmed bank lines of credit exceeding the Group's requirements.

At December 31, 2018, the amount of these confirmed bank lines of credit amounted to €1,264 million with an average maturity of four years, compared with €1,349 million at December 31, 2017.

5.2.7.5 RECONCILIATION OF GROSS AND NET DEBT

In thousands of euros	December 31, 2018			December 31, 2017		
	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion
Finance lease liabilities	11,616	2,400	9,216	14,412	2,741	11,671
Bonds and bank loans	1,747,410	120,815	1,626,595	1,690,437	378,337	1,312,100
of which the <i>Schuldscheindarlehen private placement 2018</i> ⁽¹⁾	298,841	148	298,693	-	-	-
of which the bond issue in 2017	499,148	3,545	495,603	498,180	3,339	494,841
of which the bond issue in 2013	507,072	8,546	498,526	506,067	8,546	497,521
of which the <i>EuroPP bond issue</i> ⁽²⁾	-	-	-	249,964	249,964	-
of which the <i>Schuldschein private placement 2016</i>	301,393	2,393	299,000	301,173	2,393	298,780
of which bank lines of credit	140,956	106,183	34,773	135,053	114,095	20,958
Non-current and current borrowings (+)	1,759,026	123,215	1,635,811	1,704,849	381,078	1,323,771
Other current debt (+)	31	31		4	4	
Hedging instruments - liabilities (+) ⁽³⁾	4,330	4,330		5,618	5,618	
Total borrowings (B)	1,763,387	127,576	1,635,811	1,710,471	386,700	1,323,771
Long-term Investments in listed equity instruments and in funds (-) ⁽⁴⁾	(28,183)		(28,183)	(27,514)		(27,514)
Other financial assets (-)	(60,096)	(22,504)	(37,592)	(101,867)	(42,807)	(59,060)
of which non-current financial receivables ⁽⁵⁾	(35,829)		(35,829)	(49,802)		(49,802)
of which trade accounts receivable ⁽⁵⁾⁽⁶⁾	(24,267)	(22,504)	(1,763)	(52,065)	(42,807)	(9,258)
Other current financial assets and financial receivables (-) ⁽⁶⁾	(63,942)	(63,942)		(83,209)	(83,209)	
of which negotiable debt securities and UCITS or mutual funds ⁽⁷⁾	(63,188)	(63,188)		(74,018)	(74,018)	
Hedging instruments - assets (-) ⁽³⁾	(1,898)	(1,898)		(5,254)	(5,254)	
Total financial receivables (C)	(154,119)	(88,344)	(65,775)	(217,844)	(131,270)	(86,574)
GROSS DEBT (D) = (B) + (C)	1,609,268	39,232	1,570,036	1,492,627	255,430	1,237,197
Cash and cash equivalents (-) ⁽⁸⁾	916,336	916,336		939,635	939,635	
Short-term bank loans and overdrafts (+)	(4,684)	(4,684)		(9,993)	(9,993)	
NET CASH AND CASH EQUIVALENTS AS RECORDED IN THE STATEMENT OF CASH-FLOWS (A)⁽⁹⁾	(911,652)	(911,652)		(929,642)	(929,642)	
NET DEBT (E) = (D) + (A)	697,616	(872,420)	1,570,036	562,985	(674,212)	1,237,197

(1) See Notes 2.8.1 on the new private placement in the "Significant events of the period" and 5.2.7.2 "Bonds: private placements and private bonds".

(2) See Notes 2.8.2 on the "Maturity of the 2012 EuroPP Private placement" in the Significant events of the Period and 5.2.7.2 "Bonds: Private Placements and Private Bonds".

(3) See Note 5.2.8 "Interest rate and foreign exchange hedges".

(4) See Note 5.1.7.1 "Long-term Investments in listed equity instruments and in funds".

(5) See 5.1.7.2 "Other non-current financial assets".

(6) See Note 5.1.9 "Current financial assets" and 5.2.7.3 for the principal amount.

(7) See Notes 2.8.3 on the "Maturity of the July 13, 2015 Medium-term Note" in the Significant events of the Period and 5.2.7.2 "Bonds: Private Placements and Private Bonds".

(8) See Note 5.1.12.1 "Cash and cash equivalents - Gross value".

(9) See Note 5.1.12.2 "Net cash and cash equivalents at close".

5.2.7.6 ANALYSIS OF GROSS DEBT BY CURRENCY

The table below shows the gross financial debt after taking into account the swaps transactions that allowed the conversion of the euro into foreign currency.

<i>As a % of total debt</i>	December 31, 2018	December 31, 2017
Euro	72%	74%
US dollar	18%	18%
Chinese yuan	5%	3%
Pound sterling	4%	4%
Brazilian real	1%	1%
Other currencies(1)	-	-
TOTAL	100%	100%

(1) "Other currencies" concerns various currencies, which, taken individually, account for less than 1% of total financial debt over the two periods.

5.2.7.7 ANALYSIS OF GROSS DEBT BY TYPE OF INTEREST RATE

<i>As a % of total debt</i>	December 31, 2018	December 31, 2017
Hedged variable rates	-	-
Unhedged variable rates	6%	7%
Fixed rates	94%	93%
TOTAL	100%	100%

5.2.8 Interest rate and currency hedges

In thousands of euros	December 31, 2018		December 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	-	(486)	-	(3,400)
Exchange rate derivatives	1,898	(3,844)	5,254	(2,218)
TOTAL BALANCE SHEET	1,898	(4,330)	5,254	(5,618)

5.2.8.1 INTEREST RATE HEDGES

Interest rate hedges included swaps. The objective is to hedge the Plastic Omnium Group against the increase in interest rates to which it is exposed for its financing.

At December 31, 2018:

- the total notional amount of derivative instruments used to manage interest rate risks (swap) amounts to €105 million (swaps) as at December 31, 2017;

The Group has no longer any “Cash-flow hedges”.

Instruments that do not qualify for hedge accounting are nevertheless part of the Group’s interest rate hedging strategy, which is financed at variable rates, particularly in the context of its sales of receivables.

The fair value of derivatives is recognized in the assets and liabilities in the consolidated balance sheet under “Hedging instruments”.

For derivatives that qualify for hedge accounting under IFRS:

- the effective portion of the change in fair value of the derivatives to hedge future periods is recognized in equity (“Other comprehensive income”);
- it is reclassified to the income statement in the same period as the hedged cash-flows (i.e. Interest payments) affect profit;
- the time value of options is excluded from the hedging relationship. Changes in the time value of options and the ineffective portion of the gain or loss on the hedging instrument are recognized in profit or loss.

Changes in fair value of instruments that do not qualify for hedge accounting are recognized directly in financial income.

5.2.8.1.1 PORTFOLIO OF DERIVATIVES

In thousands of euros	December 31, 2018			December 31, 2017		
	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities
Interest rate derivatives (fair value)	(486)	-	(486)	(3,400)	-	(3,400)
TOTAL FAIR VALUE AND OUTSTANDING PREMIUMS		-	(486)		-	(3,400)

Composition of interest rate derivatives portfolio:

In thousands of euros	December 31, 2018									
	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI ⁽¹⁾	Nominal	Maturity	Reference interest rate	Outstanding premiums	Nature of derivative	
Swaps	(486)	-	(486)	-	105,000	February 2019	1-month EURIBOR	N/A	Non qualified	
TOTAL	(486)	-	(486)	-	105,000			N/A		

In thousands of euros	December 31, 2017									
	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI ⁽¹⁾	Nominal	Maturity	Reference interest rate	Outstanding premiums ⁽²⁾	Nature of derivative	
Swaps	(3,400)	-	(3,400)	-	105,000	February 2019	1-month EURIBOR	N/A	Non qualified	
TOTAL	(3,400)	-	(3,400)	-	105,000			N/A		

(1) OCI: Other comprehensive income.

5.2.8.1.2 AMOUNTS RECOGNIZED IN EQUITY UNDER "OTHER COMPREHENSIVE INCOME"

The amounts below are expressed in gross value before tax.

<i>In thousands of euros</i>	Balance before tax recorded in OCI⁽¹⁾ at December 31, 2017	Change in fair value of derivatives	Amount reclassified in profit and loss over the period	Fair value adjustments reclassified in profit or loss December 31, 2018
Effect of August 2010 and February 2012 restructuring of the derivatives portfolio ⁽²⁾	1,020	-	(803)	217
Effect of June 2013 restructuring of the derivatives portfolio	(1,900)	-	1,628	(272)
Effect of the rate hedging of Schuldschein maturing in 2025		(1,823)	8	(1,815)
TOTAL	(880)	(1,823)	833	(1,870)

<i>In thousands of euros</i>	Balance before tax recorded in OCI⁽¹⁾ at December 31, 2016	Change in fair value of derivatives	Amount reclassified in profit or loss in the period	Fair value adjustments reclassified in profit or loss December 31, 2017
Effect of August 2010 and February 2012 restructuring of the derivatives portfolio ⁽²⁾	1,824	-	(804)	1,020
Effect of June 2013 restructuring of the derivatives portfolio	(3,530)	-	1,630	(1,900)
TOTAL	(1,706)	-	826	(880)

(1) OCI: Other Comprehensive Income.

(2) Restructuring of derivatives portfolio to extend maturity of hedging instruments.

5.2.8.1.3 IMPACT OF HEDGING ON THE INCOME STATEMENT

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Effective component of hedging instruments related to derivatives portfolio (<i>hedging of accrued interest over the period</i>)	(2,970)	(3,260)
Reclassification in profit or loss of accumulated gains and losses following past restructurings ⁽¹⁾	(825)	(826)
Reclassification in profit or loss of accumulated gains and losses related to interest rate hedging	(8)	-
Time value of caps	-	299
Changes in fair value of instruments that do not qualify for hedge accounting	2,898	3,022
TOTAL⁽²⁾	(905)	(765)

(1) See Note 5.2.8.1.2 "Foreign exchange hedge Instruments", the amounts reclassified in profit or loss.

(2) See "Gains or losses on interest rate and currency hedges" in Note 4.7 "Net financial income".

See also the impact of currency hedges in Note 5.2.8.2.

5.2.8.2 CURRENCY HEDGES

The Group uses derivatives to hedge its exposure to currency risk.

Since 2016, the Group has opted for a policy to hedge the highly probable future transactions in foreign currencies of its entities. Hedging instruments implemented in this respect are forward purchases of foreign currency. The Group has applied to these instruments the accounting treatment of cash-flow hedges as planned: instruments are valued at fair value and changes in value are recognized in equity for the effective portion. These amounts recognized in equity are reported in profit or loss when the hedged cash-flows affect the income.

Instruments are valued at fair value and changes in value and their settlement are recognized in equity.

At December 31, 2018, the fair value of the instruments implemented and thus recognized was -€1,946 thousand of which -€1,695 thousand was recognized in equity.

Changes in the fair value of other currency hedging instruments are recognized in net financial income.

5.2.8.2.1 Portfolio of currency hedges

	December 31, 2018				December 31, 2017			
	Fair value (in € thousands)	Nominal (in Currency thousands)	Medium-term exchange rate Currency/Euro	Exchange rate at December 31, 2018 Currency/Euro	Fair value (in € thousands)	Nominal (in Currency thousands)	Medium-term exchange rate Currency/Euro	Exchange rate at December 31, 2017 Currency/Euro
Net sell position (net buy position if <0)								
USD/EUR – Forward exchange contract	(1,241)	(198,990)	1.1708	1.1450	+2,216	(45,780)	1.1492	1.1993
JPY/EUR – Forward exchange contract	(4)	(329,595)	126.0400	125.8500	-	-	-	-
HUF/EUR – Forward exchange contract	-	-	-	-	(19)	(283,982)	316.8402	310.3300
CLP/EUR – Forward exchange contract	-	-	-	-	(1)	+222,832	742.7733	-
KRW/EUR – Forward exchange contract	(6)	(1,615,763)	1,283.4758	1,277.9300	(6)	(2,225,591)	1,281.7979	1,279.6100
KRW/USD – Forward exchange contract	(19)	(3,036,296)	1,123.9282	1,115.8000	-	-	-	-
KRW/JPY – Forward exchange contract	+2	(282,598)	10.0373	10.1809	-	-	-	-
KRW/CNY – Forward exchange contract	(4)	(794,457)	162.9103	162.1331	-	-	-	-
USD/EUR – Forward currency swap	(542)	(303,300)	1.1482	1.1450	+2,739	(228,000)	1.1834	1.1993
GBP/EUR – Forward currency swap	(91)	(25,000)	0.8974	0.8945	(519)	(48,000)	0.8980	0.8872
CHF/EUR – Forward currency swap	(11)	(3,940)	1.1301	1.1269	-	-	-	-
RUB/EUR – Forward currency swap	+60	(108,000)	76.8650	79.7153	(76)	(127,670)	72.8100	69.3920
CNY/EUR – Forward currency swap	(22)	(398,000)	7.9579	7.8751	-	-	-	-
CNY/USD – Forward currency swap	(68)	(92,403)	6.9003	6.8778	(1,300)	(398,000)	8.0525	7.8044
TOTAL	(1,946)				+3,036			

5.2.8.2.2 Impact of unsettled foreign exchange hedges on income and equity

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Impact of change in foreign exchange hedging portfolio on income (ineffective portion) ⁽¹⁾	(1,071)	11,587
Impact of change in foreign currency hedging portfolio on equity (effective portion)	(3,911)	2,403
TOTAL	(4,982)	13,990

(1) See "Gains or losses on interest rate and currency hedges" in Note 4.7 "Net financial income".
See also Note 5.2.8.1.3 "Impact of hedging on the income statement".

5.2.9. Operating and other liabilities

5.2.9.1 TRADE PAYABLES

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Trade payables	1,444,192	1,146,885
Due to suppliers of fixed assets	170,797	86,336
TOTAL	1,614,989	1,233,221

5.2.9.2 OTHER OPERATING LIABILITIES

<i>In thousands of euros</i>	December 31, 2018	January 1, 2018	1 st application of IFRS 15	December 31, 2017
Accrued employee benefits expense	155,985	156,558		156,558
Accrued income taxes	38,797	31,741		31,741
Other accrued taxes ⁽¹⁾	122,494	125,574		125,574
Other payables	254,299	260,760		260,760
Customer prepayments – Deferred revenues ⁽²⁾	355,831	385,680	170,415	215,265
TOTAL	927,406	960,313	170,415	789,898

(1) This account includes the Competitiveness Tax Credit (CICE) which is recognized as a reduction in personnel costs.

(2) See Note 2.1.1 in “Significant events of the period” related to the first application of IFRS 15.

5.2.9.3 TRADE PAYABLES AND OTHER OPERATING LIABILITIES BY CURRENCY

<i>In thousands of currency units</i>	Liabilities at December 31, 2018			Liabilities at December 31, 2017		
	Local currency	Euro	%	Local currency	Euro	%
EUR Euro	1,390,737	1,390,737	55%	1,138,805	1,138,805	56%
USD US dollar	684,139	597,502	24%	538,656	449,142	22%
GBP Pound sterling	117,196	131,014	5%	118,456	133,512	7%
CNY Chinese yuan	1,010,547	128,322	5%	878,575	112,574	6%
BRL Brazilian real	146,333	32,928	1%	174,635	43,957	2%
Other Other currencies		261,892	10%		145,129	7%
TOTAL		2,542,395	100%		2,023,119	100%
Of which:						
Trade payables		1,614,989	64%		1,233,221	61%
Other operating liabilities		927,406	36%		789,898	39%
1 st application of IFRS 15					170,415	
1 st application of IFRS 9					-	
TOTAL AT JANUARY 1, 2018					2,193,534	
Of which:						
Trade payables					1,233,221	56%
Other operating liabilities					960,313	44%

Sensitivity tests on changes in foreign exchange rates of "Trade payables and other liabilities" give the following results:

		Sensitivity tests on liabilities at December 31, 2018						Sensitivity tests on liabilities at December 31, 2017					
		Increase - all currencies			Decrease - all currencies			Increase - all currencies			Decrease - all currencies		
		Base	+10%	+20%	-10%	-20%	Base	+10%	+20%	-10%	-20%		
<i>In thousand of currency units</i>		Local currency	Conversion rate	%	%	%	%	Local currency	Conversion rate	%	%	%	%
EUR	Euro	1,390,737	1.0000	52%	50%	57%	60%	1,138,805	1.0000	54%	52%	59%	62%
USD	US dollar	684,139	0.8734	25%	26%	22%	21%	538,656	0.8338	23%	24%	21%	19%
GBP	Pound sterling	117,196	1.1179	5%	6%	5%	5%	118,456	1.1271	7%	7%	6%	6%
CNY	Chinese yuan	1,010,547	0.1270	5%	6%	5%	4%	878,575	0.1281	6%	6%	5%	5%
BRL	Brazilian real	146,333	0.2250	1%	1%	1%	1%	174,635	0.2517	2%	2%	2%	2%
Other	Other currencies			12%	11%	10%	9%			8%	9%	7%	6%
TOTAL IN EUROS		2,542,395		2,657,561	2,772,727	2,427,229	2,312,063	2,023,119		2,111,554	2,199,985	1,934,690	1,846,258
Of which:													
	Trade payables	1,614,989		1,688,145	1,761,301	1,541,833	1,468,677	1,233,221		1,287,126	1,341,030	1,179,316	1,125,411
	Other operating liabilities	927,406		969,416	1,011,426	885,396	843,386	789,898		824,428	858,955	755,374	720,847
1 st application of IFRS 9													
1 st application of IFRS 15								170,415		177,439	184,373	163,572	156,638
TOTAL AT JANUARY 1, 2018								2,193,534		2,288,993	2,384,358	2,098,262	2,002,896
Of which:													
	Trade payables							1,233,221		1,287,126	1,341,030	1,179,316	1,125,411
	Other operating liabilities							960,313		1,001,867	1,043,328	918,946	877,485

Foreign exchange sensitivity tests on "Trade payables and other liabilities" and "Trade and other receivables" show an insignificant net sensitivity to exchange rate fluctuations as of December 31, 2018. (See Note 5.1.10).

NOTE 6 CAPITAL MANAGEMENT AND MARKET RISKS

Compagnie Plastic Omnium has set up a global cash management system with its subsidiary Plastic Omnium Finance, which manages liquidity, currency and interest rate risks on behalf of all subsidiaries. The market risks strategy, which may result in entering balance sheet and off-balance sheet commitments, is approved every quarter by the Chairman and Chief Executive Officer.

6.1 Capital management

The Group's objective is to have, at all times, sufficient financial resources to enable it to carry out its current business, fund the investments required for its development and also to respond to any exceptional events.

In thousands of euros

	December 31, 2018	December 31, 2017
Net debt ⁽¹⁾	697,616	562,985
Equity (including non-current government grants)	2,188,321	1,760,791
GEARING RATIO	31.88%	31.97%

(1) See Note 5.2.7.5 "Reconciliation of gross and net debt".

This is achieved through the use of capital markets, leading to capital and financial debt management.

As part of its capital management strategy, the Group pays dividends to its shareholders and may make adjustments in line with changes in economic conditions.

The capital structure may be adjusted by paying ordinary or special dividends, through share buybacks and cancellation of treasury stock, returning a portion of capital to shareholders or issuing new shares and/or securities giving rights to capital.

The Group uses the gearing ratio, corresponding to the ratio of consolidated net debt to equity, as a ratio of the Group's net debt. The Group includes in net debt all financial liabilities and commitments, other than operating payables, bearing interests, less cash and cash equivalents and other financial assets, other than operating receivables, such as marketable securities and loans. At December 31, 2018 and December 31, 2017, the gearing ratio was as follows:

None of the Group's bank loans or financial liabilities contains covenants providing for early repayment in the event of non-compliance with financial ratios.

As part of its capital management, the liquidity account shows the following positions:

- at December 31, 2018:
 - 110,583 securities (shares),
 - and €9,035 in cash.

An additional contract of €3 million for the liquidity agreement was concluded with Kepler Cheuvreux (responsible for monitoring the purchase and sale on behalf of the Group of its shares on the Euronext Paris market) on January 28, 2019;

- at December 31, 2017:
 - 9,500 securities (shares), and
 - €3,552,108 in cash.

AGEING ANALYSIS OF NET RECEIVABLES

<i>In thousands of euros</i>	At December 31, 2018						
	Total outstanding	Not yet due	Due and past due	Less than 1 month	1-6 months	6-12 months	More than 12 months
Industries	659,608	602,083	57,525	30,926	14,368	6,131	6,100
Modules	141,347	138,916	2,431	1,811	620	-	-
Unallocated items	14,345	14,341	4	4	-	-	-
TOTAL	815,300	755,340	59,960	32,741	14,988	6,131	6,100

<i>In thousands of euros</i>	At December 31, 2017						
	Total outstanding	Not yet due	Due and past due	Less than 1 month	1-6 months	6-12 months	More than 12 months
Automotive	886,624	772,123	114,501	73,557	23,287	13,186	4,471
Environment	46,369	36,849	9,520	4,995	3,792	654	79
Unallocated items	7,091	7,091	-	-	-	-	-
TOTAL AT DECEMBER 31, 2017	940,084	816,063	124,021	78,552	27,079	13,840	4,550
1 st application of IFRS 15	(124,507)	(124,507)	-	-	-	-	-
1 st application of IFRS 9	(1,939)	-	(1,939)	-	-	-	(1,939)
TOTAL AT JANUARY 1, 2018	813,638	691,556	122,082	78,552	27,079	13,840	2,611

The risk of non-recovery is low and involves only a non-material amount of receivables more than twelve months past due.

6.2 Commodities risk – Exposure to plastics risk

Plastic Omnium's business requires the purchase of large quantities of plastic, steel, paint and other raw materials subject to price changes that could have an impact on its operating margin.

To limit the risks associated with price fluctuations, the Group has negotiated price indexation clauses with most of its automotive customers or, failing that, regularly renegotiates selling prices.

In view of these measures, the Group considers that the price changes of the raw materials do not have a material impact on its operating margin.

6.3 Credit risk

Credit risk covers customer credit risk and bank counterparty risk.

6.3.1 Customer risk

At December 31, 2018, 7.4% of the Group's trade receivables were past due, versus 13.2% at December 31, 2017. Trade receivables break down as follows:

6.3.2 Bank counterparty risk

The Group invests its cash surplus with first class banks and/or in leading securities.

6.4 Liquidity risk

The Group must have at all times sufficient financial resources to finance the current business and the investments required to support its development, but also to withstand any exceptional events.

This objective is mainly achieved by using medium-term lines of credit with banking institutions but also by short-term bank resources.

The cash position of the Group is monitored daily for each Business Division and at central level, and a weekly summary report is submitted to the Chairman and Chief Executive Officer and the Chief Operating Officers.

6.4.1 Other long-term financial receivables – carrying amounts and undiscounted values

Undiscounted values can be reconciled to the information in the rating table 6.4.2 on “Liquidity risks by maturity”.

	December 31, 2018		December 31, 2017	
	Undiscounted finance receivables	Carrying amount	Undiscounted finance receivables	Carrying amount
<i>In thousands of euros</i>				
DUE IN ONE TO FIVE YEARS	1,876	1,767	10,100	9,153
Other receivables (see Note 5.1.7.2)	-	4	42	42
Finance receivables related to Environment finance leases (see Note 5.1.7.2)			799	709
Finance receivables related to Automotive contracts (see Note 5.1.7.2)	1,876	1,763	9,259	8,402
DUE BEYOND FIVE YEARS	-	-	156	147
Other receivables (see Note 5.1.7.2)	-	-	-	-
Finance receivables related to Environment finance leases (see Note 5.1.7.2)			156	147
TOTAL	1,876	1,767	10,256	9,300

6.4.2 Liquidity risk by maturity

Liquidity risk by maturity is calculated on the basis of the undiscounted contractual cash-flows of financial liabilities. The liquidity risk analysis shows the following:

<i>In thousands of euros</i>	At December 31, 2018			
	December 31, 2018	Less than 1 year	1 to 5 years	More than 5 years
Financial assets				
Available-for-sale financial assets – Equity interests	215	-	215	-
Other available for sale financial assets	28,183	-	28,183	-
Other financial assets	35,829	-	35,829	-
Finance receivables ⁽¹⁾	24,380	22,504	1,876	-
Trade receivables ⁽²⁾	815,300	809,200	6,100	-
Other current financial assets and financial receivables	63,942	63,942	-	-
Hedging instruments	1,898	1,898	-	-
Cash and cash equivalents	916,336	916,336	-	-
TOTAL FINANCIAL ASSETS	1,886,083	1,813,880	72,203	-
Financial liabilities				
Non-current borrowings ⁽³⁾	1,762,934	29,955	924,231	808,748
Bank overdrafts	4,684	4,684	-	-
Current borrowings ⁽⁴⁾	126,754	126,754	-	-
Other current debt	31	31	-	-
Hedging instruments	4,330	4,330	-	-
Trade payables	1,614,989	1,614,989	-	-
TOTAL FINANCIAL LIABILITIES	3,513,722	1,780,743	924,231	808,748
FINANCIAL ASSETS AND FINANCIAL LIABILITIES – NET⁽⁵⁾	(1,627,639)	33,137	(852,028)	(808,748)

(1) Undiscounted amounts (see Notes 5.1.9 “Current financial receivables” and 6.4.1 “Other long-term financial receivables”).

(2) “Trade receivables” includes €59,960 thousand past due at December 31, 2018 against €124,021 thousand at December 31, 2017. See Note 6.3.1 on “Customer credit risk”.

(3) “Non-current borrowings” includes the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

(4) “Current borrowings” includes the amounts reported in the balance sheet and interest due within one year.

(5) See Note 5.2.7.4 on confirmed medium-term credit lines compared to usage. In 2018 and 2017, the confirmed and unused bank lines largely covered the Group’s cumulative medium-term financing requirements.

At December 31, 2017

In thousands of euros

	December 31, 2017	Less than 1 year	1 to 5 years	More than 5 years
Financial assets				
Available-for-sale financial assets – Equity interests	316	-	316	-
Other available for sale financial assets	27,514	-	27,514	-
Other financial assets	49,802	-	49,802	-
Finance receivables ⁽¹⁾	53,103	42,889	10,058	156
Trade receivables ⁽²⁾	940,084	935,534	4,550	-
Other current financial assets and financial receivables	83,209	83,209	-	-
Hedging instruments	5,254	5,254	-	-
Cash and cash equivalents	939,635	939,635	-	-
TOTAL FINANCIAL ASSETS	2,098,917	2,006,521	92,240	156
Financial liabilities				
Non-current borrowings ⁽³⁾	1,427,177	11,332	599,713	816,133
Bank overdrafts	9,993	9,993	-	-
Current borrowings ⁽⁴⁾	393,796	393,796	-	-
Other current debt	4	4	-	-
Hedging instruments	5,618	5,618	-	-
Trade payables	1,233,221	1,233,221	-	-
TOTAL FINANCIAL LIABILITIES	3,069,810	1,653,964	599,713	816,133
FINANCIAL ASSETS AND FINANCIAL LIABILITIES – NET⁽⁵⁾	(970,893)	352,557	(507,473)	(815,977)

(1) Undiscounted amounts (see Notes 5.1.10 “Current financial receivables” and 6.4.1 “Other long-term financial receivables”).

(2) “Trade receivables” includes €90,036 thousand past due at December 31, 2017, against €49,521 thousand at December 31, 2016. See Note 6.3.1 on “Customer credit risk”.

(3) “Non-current borrowings” includes the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

(4) “Current borrowings” includes the amounts reported in the balance sheet and interest due within one year.

(5) See Note 5.2.7.4 on confirmed medium-term credit lines compared to usage in 2017 and 2016, the confirmed and unused bank lines largely cover the Group’s cumulated medium-term financing requirements.

6.5 Currency risks

Plastic Omnium’s business is based for the most part on local plants: by producing locally what is sold locally, the Group has little exposure to currency fluctuations, except for the translation of financial statements.

The Group’s policy is to minimize the currency risk arising from transactions that will result in future payment or future revenue. If a transaction does give rise to a material currency risk, it is hedged with a forward currency contract. The subsidiary involved places this hedge with the central treasury or, with the latter’s approval, locally.

6.6 Interest rate risk

Interest rate risk relates to the possibility of an increase in variable rates for variable rate debt, which would adversely affect net financial income. Interest rate risk is managed on the basis of the Group’s consolidated debt with the main objective of maintaining a durably low consolidated financing cost in light of the Group’s profitability.

At December 31, 2018 as at December 31, 2017, the Group’s core funding was at fixed rates (see Notes 5.2.7.7 “Analysis of debt by type of interest rate” and 5.2.8.1 “Interest rate hedges”).

Financial transactions, particularly interest rate hedges, are carried out with a panel of leading financial institutions. A competitive bidding process is carried out for any significant financial transactions and the diversification of resources and satisfactory participants is a selection criterion.

Sensitivity to interest rate changes

At December 31, 2018, an increase of 1% in interest rates on variable rate debt would lead to a net increase of €1.4 million in interest expense after taking into account the impact of hedging instruments compared with an increase of €1.3 million (of the interest expense after taking into account the impact of hedging instruments for a 1% increase in the interest rate on variable rate debt) at December 31, 2017.

At December 31, 2018, a 1% decrease in interest rates on floating rate debt would lead to a decrease of €1.4 million in the cost of interest after taking into account the impact of hedging instruments compared with a decrease of €1.3 million (of interest expense after taking into account the impact of hedging instruments for a 1% decrease in the interest rate on variable rate debt) at December 31, 2017.

6.7 Additional information about financial assets and liabilities

Most derivatives are traded over-the-counter for which there are no listed prices. Therefore, their valuation is based on models commonly used by traders to evaluate these financial instruments (models for discounting future cash-flows or option valuation models).

Financial assets and liabilities by category and fair value break down as follows:

In thousands of euros	2018									
	At amortized cost	At fair value				Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobservable market data (level 3)
		Through the income statement	Through shareholders' equity (AFS) ⁽²⁾	Through shareholders' equity (CFH) ⁽³⁾						
Assets										
Available-for-sale financial assets – Equity interests	-	-	215	-	215	215	-	-	-	-
Available-for-sale financial assets	-	-	28,183	-	28,183	-	27,514	-	-	669
Other non-current financial assets	37,592	-	-	-	37,592	-	-	-	-	-
Finance receivables	22,504	-	-	-	22,504	-	-	-	-	-
Trade receivables	815,300	-	-	-	815,300	-	-	-	-	-
Other current financial receivables	13,935	50,007	-	-	63,942	-	50,007	-	-	-
Hedging instruments	-	1,898	-	-	1,898	-	-	1,898	-	-
Cash and cash equivalents	-	916,336	-	-	916,336	-	-	939,635	-	-
Liabilities										
Non-current borrowings ⁽¹⁾	1,635,811	-	-	-	1,635,811	-	-	-	-	-
Bank overdrafts	4,684	-	-	-	4,684	-	-	-	-	-
Current borrowings	123,215	-	-	-	123,215	-	-	-	-	-
Other current debt	31	-	-	-	31	-	-	-	-	-
Hedging instruments	-	8,021	(3,691)		4,330	-	-	4,330	-	-
Trade payables	1,614,989	-	-	-	1,614,989	-	-	-	-	-

In 2018, just as in 2017, there was no transfer between fair value levels.

In thousands of euros Assets	2017								
	At amortized cost	At fair value			Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobservable market data (level 3)
		Through the income statement	Through share- holders' equity (AFS) ⁽²⁾	Through share- holders' equity (CFH) ⁽³⁾					
Available-for-sale financial assets – Equity interests	-	-	316	-	316	316	-	-	-
Available-for-sale financial assets	-	-	27,514	-	27,514	-	27,514	-	-
Other non-current financial assets	59,060	-	-	-	59,060	-	-	-	-
Finance receivables	42,807	-	-	-	42,807	-	-	-	-
Trade receivables	940,084	-	-	-	940,084	-	-	-	-
Other current financial receivables	33,202	50,007	-	-	83,209	-	50,007	-	-
Hedging instruments	-	5,254	-	-	5,254	-	-	5,254	-
Cash and cash equivalents	-	939,635	-	-	939,635	-	-	939,635	-

In thousands of euros
Liabilities

Non-current borrowings ⁽¹⁾	1,323,771	-	-	-	1,323,771	-	-	-	-
Bank overdrafts	9,993	-	-	-	9,993	-	-	-	-
Current borrowings	381,078	-	-	-	381,078	-	-	-	-
Other current debt	4	-	-	-	4	-	-	-	-
Hedging instruments	-	8,021	-	(2,403)	5,618	-	-	5,618	-
Trade payables	1,233,221	-	-	-	1,233,221	-	-	-	-

(1) See Note 5.2.7.5 "Reconciliation of gross and net debt". This includes "Finance lease liabilities" and "Bonds and bank loans".

(2) AFS: Available-for-sale.

(3) CFH: Cash-flow Hedge.

In 2018, as in 2017, there was no transfer between fair value levels.

The fair value of financial assets and liabilities at amortized cost was close to the carrying amount, except for current and non-current debt.

In thousands of euros	Balance sheet values at December 31, 2018			Fair value at December 31, 2018		
	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion
Bonds and bank loans ⁽¹⁾⁽²⁾	1,747,410	120,815	1,626,595	1,729,473	120,880	1,608,593

In thousands of euros	Balance sheet values at December 31, 2017			Fair value at December 31, 2017		
	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion
Bonds and bank loans ⁽¹⁾	1,690,437	378,337	1,312,100	1,734,589	387,243	1,347,346

(1) See Note 5.2.7.5 "Reconciliation of gross and net debt".

(2) The significant variation in bond issues between 2018 and 2017 is due to the new bond issued by Compagnie Plastic Omnium on June 17, 2017 (see Note 2.8.1 in the "Significant events of the period").

Methods for measuring fair value:

- the fair value of listed bonds is determined on the basis of quoted prices (level 1). The fair value of other borrowings is determined for each loan by discounting future cash-flows at a rate corresponding to the Euribor yield curve at year-end, corrected for the Group's credit risk (level 2);
- the fair value of monetary and non-monetary UCITS is measured according to their last known net asset value (level 1). The fair value of interest rate products (certificates of deposit, time-deposit accounts, negotiable medium-term notes, etc.) is based on discounted future cash-flows (the principal and interest) for the remaining duration of the product on the balance sheet date (level 2) (certificates of deposit, term deposits, negotiable medium-term notes, etc.) (nominal and interest). The discount rate used in this framework is the market rate matching the maturity and products' characteristics;
- other non-current financial assets and finance receivables: items consisting mainly of finance receivables recorded on the basis of a discounted value when their maturity is more than one year;
- most of the derivatives are traded over-the-counter on which there are no listed prices. As a result, their valuation is based on models commonly used by traders to evaluate financial instruments using discounted cash-flow models or option valuation models (level 2).

NOTE 7 ADDITIONAL INFORMATION

7.1 Headcount at end of year

	December 31, 2018			December 31, 2017			Changes/ Total
	Excluding temporary	Temporary	Total	Excluding temporary	Temporary	Total	
France	2,994	553	3,547	3,703	867	4,570	-22%
%	13.1%	13.4%	13.2%	17.5%	19.8%	17.9%	
Europe excluding France	11,294	1,835	13,129	10,210	2,112	12,322	7%
%	49.5%	44.6%	48.8%	48.3%	48.3%	48.3%	
North America	4,978	650	5,628	3,761	596	4,357	29%
%	21.8%	15.8%	20.9%	17.8%	13.6%	17.1%	
Asia and South America ⁽¹⁾	3,546	1,074	4,620	3,453	802	4,255	9%
%	15.5%	26.1%	17.2%	16.3%	18.3%	16.7%	
TOTAL⁽²⁾	22,812	4,112	26,924	21,127	4,377	25,504	6%

(1) The "Asia and South America" region includes Turkey, South Africa and Morocco.

(2) The headcount linked to the disposal of the Environment Division represents a total of 1,795 employees in 2018. In 2017, it represented a total of 1,824 employees.

7.2 Off-balance sheet commitments

7.2.1 Commitments granted/received

In thousands of euros	At December 31, 2018				
	Total	On intangible assets	On property, plant and equipment	On financial assets and liabilities	Other non-financial current assets/liabilities
Surety bonds granted ⁽¹⁾	(37,087)	-	(21,386)	(11,453)	(4,248)
Commitments to purchase assets ⁽²⁾	(48,618)	(504)	(48,114)	-	-
Debt collateral (mortgages) granted to third parties	-	-	-	-	-
Other off-balance sheet commitments	-	-	-	-	-
TOTAL COMMITMENTS GIVEN	(85,705)	(504)	(69,500)	(11,453)	(4,248)
Surety bonds received ⁽³⁾	6,390	-	6,390	-	-
TOTAL COMMITMENTS RECEIVED	6,390	-	6,390	-	-
TOTAL COMMITMENTS - NET	(79,315)	(504)	(63,110)	(11,453)	(4,248)

In thousands of euros	At December 31, 2017				
	Total	On intangible assets	On property, plant and equipment	On financial assets and liabilities	Other non-financial current assets/liabilities
Surety bonds granted ⁽⁴⁾	(15,141)	-	(2,760)	(556)	(11,825)
Commitments to purchase assets ⁽⁵⁾	(55,455)	-	(55,455)	-	-
Debt collateral (mortgages) granted to third parties ⁽⁶⁾	(3,221)	-	-	(3,221)	-
Other off-balance sheet commitments	(340)	(298)	-	-	(42)
TOTAL COMMITMENTS GIVEN	(74,157)	(298)	(58,215)	(3,777)	(11,867)
Surety bonds received	320	-	-	-	320
TOTAL COMMITMENTS RECEIVED	320	-	-	-	320
TOTAL COMMITMENTS - NET	(73,837)	(298)	(58,215)	(3,777)	(11,547)

At December 31, 2018:

- (1) The surety bond given are mainly related to:
- €19.8 million for paint line of Plastic Omnium Auto Exteriors S.R.O.;
 - €6.0 million on financial assets and liabilities of HBPO Germany GmbH to Deutsche Bank and €5.2 million of Compagnie Plastic Omnium SA to Société Générale Frankfurt;
 - €4.1 million on other non-financial current assets/liabilities of Plastic Omnium Equipamientos Exteriores SA to BNP Spain.
- (2) The commitments to purchase assets are mainly related to:
- €34.4 million of Plastic Omnium Auto Inergy (USA) LLC;
 - €3.5 million of Plastic Omnium Auto Inergy Mexico SA de CV.
- (3) The surety bonds received are mainly related to:
- €6.7 million of Crédit Agricole CIB pour Plastic Omnium Auto Exteriors S.R.O.

At December 31, 2017:

- (4) The surety bond given are mainly related to:
- €5.6 million other non-financial current assets/liabilities of Plastic Omnium Sistemas Urbanos SA and €3.8 million of Compania Plastic Omnium SA to BNP Spain.
- (5) The commitments to purchase assets are mainly related to:
- €45.2 million of Plastic Omnium Auto Inergy (USA) LLC.
- (6) The amount in "Debt collateral (mortgages)" granted to third parties corresponded to a mortgage of €3.2 million from Compagnie Plastic Omnium SA.

7.2.2 Operating leases where the Group is lessee

<i>In thousands of euros</i>	December 31, 2018	December 31, 2017
Minimum lease payments under non cancelable operating leases		
<i>Due within one year</i>	57,158	54,718
<i>Due in one to five years</i>	122,351	97,327
<i>Due beyond five years</i>	50,317	28,283
TOTAL	229,826	180,328

7.3 Related party transactions**7.3.1 Compensation paid to senior executives and corporate officers**

The directors are, in accordance with IAS 24 "Persons with the authority and responsibility for planning, directing and controlling the activities" of Compagnie Plastic Omnium and its subsidiaries.

No new equity option plans were granted in 2018.

The total amount of compensation paid to members of the Board of Directors and Senior Executives is presented in the table below:

<i>In thousands of euros</i>	Paid or payable by...	2018	2017
Directors' fees	Paid by Compagnie Plastic Omnium	166	155
Directors' fees	Paid by companies controlled by Compagnie Plastic Omnium (excl. Compagnie Plastic Omnium) and by Burelle SA	397	404
Gross compensation	Payable by the Plastic Omnium Group	6,751	6,889
Supplementary pension plans	Payable by the Plastic Omnium Group ⁽¹⁾	-	878
	Payable by the Plastic Omnium Group	498	786
	Cost spread over the vesting period	498	685
Cost of stock option plans	Social contributions related to the new plan over the period ⁽²⁾	-	101
TOTAL COMPENSATION		7,811	9,112

(1) No supplementary pension plan has been taken out during 2018.

(2) No new stock option plan in 2018.

7.3.2 Transactions with Sofiparc SAS, Burelle SA and Burelle Participations SA

<i>In thousands of euros</i>	At December 31, 2018:								
	Direct and indirect costs	Royalties and management fees	Financial income and expenses	Current accounts	Deposits	Trade payables	Trade receivables	Other receivables	Other debtors
Sofiparc SAS	-	(5,842)	2	-	886	-	2	-	36
Burelle SA	2	(7,903)	8	-	-	2,319	8	-	11
Burelle Participations SA	-	-	8	-	-	-	8	-	-

<i>In thousands of euros</i>	At December 31, 2017:								
	Restated			Published					
	Direct and indirect costs	Royalties and management fees	Financial income and expenses	Current accounts	Deposits	Trade payables	Trade receivables	Other receivables	Other debtors
Sofiparc SAS	-	(5,907)	5	-	1,185	-	-	-	2
Burelle SA	2	(7,891)	12	-	-	2,460	-	-	11
Burelle Participations SA	-	-	6	-	-	-	-	-	-

7.4 Fees paid to the Statutory Auditors

In thousands of euros	2018		
	Mazars	EY	Total
AUDIT SERVICES	(1,763)	(2,314)	(4,078)
of which:			
• <i>Compagnie Plastic Omnium</i>	(431)	(376)	(807)
• <i>Subsidiaries</i>	(1,332)	(1,938)	(3,271)
FEES OTHER THAN CERTIFICATION OF ACCOUNTS⁽¹⁾	(174)	(1,071)	(1,245)
of which:			
• <i>Compagnie Plastic Omnium</i>	(127)	(84)	(211)
• <i>Subsidiaries</i>	(47)	(987)	(1,034)
TOTAL	(1,937)	(3,385)	(5,323)

In thousands of euros	2017		
	Mazars	EY	Total
AUDIT SERVICES	(2,130)	(1,954)	(4,084)
of which:			
• <i>Compagnie Plastic Omnium</i>	(416)	(424)	(840)
• <i>Subsidiaries</i>	(1,714)	(1,530)	(3,244)
FEES OTHER THAN CERTIFICATION OF ACCOUNTS⁽¹⁾	(168)	(602)	(770)
of which:			
• <i>Compagnie Plastic Omnium</i>	(78)	(288)	(366)
• <i>Subsidiaries</i>	(90)	(314)	(404)
TOTAL	(2,298)	(2,556)	(4,854)

(1) The "Fees other than certification of accounts" are related to the review of the consolidated social, environmental and societal information provided in the management report, the certificates, the agreed procedures, and due diligence.

7.5 Consolidating entity

Burelle SA holds 59.42% of Compagnie Plastic Omnium, after the cancellation of Compagnie Plastic Omnium's treasury stock (58.51% before cancellation of treasury stock), and fully consolidates the Company.

Burelle SA – 19, boulevard Jules-Carteret
69342 Lyon Cedex 07

7.6 Subsequent events

No event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at December 31, 2018 has occurred since the closing date.



LIST OF CONSOLIDATED COMPANIES AT DECEMBER 31, 2018

Legal name	Reportable segment				December 31, 2018			December 31, 2017			
	Industries	Modules	Environment	Unallocated	Method of consolidation	% control	% interest	Method of consolidation	% control	% interest	Tax group
France											
COMPAGNIE PLASTIC OMNIUM SA				*	Parent company			Parent company			1 - a
PLASTIC OMNIUM SYSTÈMES URBAINS SAS	cp2018		*		FC	100	100	FC	100	100	1 - b
METROPLAST SAS	cp2018		*		FC	100	100	FC	100	100	1 - b
LA REUNION VILLES PROPRES SAS	cp2018		*		FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM CARAÏBES SAS	cp2018		*		FC	100	100	FC	100	100	1 - b
INERGY AUTOMOTIVE SYSTEMS FRANCE SAS		*			FC	100	100	FC	100	100	1 - a
PLASTIC RECYCLING SAS	c2018	*			EM_lfrs_2014	50	50	EM_lfrs_2014	50	50	
PLASTIC OMNIUM AUTO EXTÉRIEUR HOLDING SA	x2017f		*		FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO EXTÉRIEUR SERVICES SAS			*		FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM GESTION SNC				*	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM FINANCE SNC				*	FC	100	100	FC	100	100	1 - a
LUDOPARC SAS	cp2018		*		FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM AUTO EXTERIORS SA		*			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO INERGY SAS		*			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO INERGY MANAGEMENT SAS		*			FC	100	100	FC	100	100	1 - a
BEAUVAIS DIFFUSION SAS	d2018		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM AITO EXTÉRIEUR SA	x2017e		*		FC	100	100	FC	100	100	1 - a
TECHNIQUES ET MATÉRIELS DE COLLECTE - "TEMACO" SAS	cp2018		*		FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM COMPOSITES SA	ca2017		*		FC	100	100	FC	100	100	1 - a
MIXT COMPOSITES RECYCLABLES - MCR SAS	c2017		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM ENVIRONNEMENT HOLDING SAS	cp2018		*		FC	100	100	FC	100	100	1 - b
SIGNALISATION FRANCE SA				*	FC	100	100	FC	100	100	1 - b
SULO FRANCE SAS	d2018		*		FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM AUTO INERGY SERVICES SAS		*			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO INERGY FRANCE SAS		*			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM MANAGEMENT 4	i2017		*		FC	100	100	FC	100	100	
South Africa											
PLASTIC OMNIUM AUTO INERGY SOUTH AFRICA (PROPRIETARY) Ltd		*			FC	100	100	FC	100	100	

Legal name	Reportable segment				December 31, 2018			December 31, 2017			Tax group
	Industries	Modules	Environment	Unallocated	Method of consolidation	% control	% interest	Method of consolidation	% control	% interest	
Germany											
PLASTIC OMNIUM GmbH				*	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM AUTO COMPONENTS GmbH	*				FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM ENTSORGUNGSTECHNIK GmbH	cp2018		*		FC	100	100	FC	100	100	2 - a
PLASTIC OMNIUM AUTO INERGY GERMANY GmbH	*				FC	100	100	FC	100	100	2 - b
HBPO BETEILIGUNGSGESELLSCHAFT GmbH	bc2018	*			FC	66.67	66.67	EM_ifrs_2014	33.33	33.33	
HBPO RASTATT GmbH	bc2018	*			FC	66.67	66.67	EM_ifrs_2014	33.33	33.33	
HBPO GERMANY GmbH	bc2018	*			FC	66.67	66.67	EM_ifrs_2014	33.33	33.33	
HBPO GmbH	bc2018	*			FC	66.67	66.67	EM_ifrs_2014	33.33	33.33	
PLASTIC OMNIUM ENVIRONNEMENT GmbH	cp2018		*		FC	100	100	FC	100	100	2 - a
ENVICOMP SYSTEMLOGISTIK GmbH	cp2018		*		FC	100	100	FC	100	100	2 - a
WESTFALIA INTRALOG GmbH	cp2018		*		FC	100	100	FC	100	100	2 - a
SULO UMWELTECHNIK GmbH	cp2018		*		FC	100	100	FC	100	100	2 - a
PLASTIC OMNIUM COMPOSITES GmbH	ca2017	*			FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM SYSTEMS GmbH	cp2018		*		FC	100	100	FC	100	100	2 - a
HBPO INGOLSTADT GmbH	bc2018	*			FC	66.67	66.67	EM_ifrs_2014	33.33	33.33	
HBPO REGENSBURG GmbH	bc2018	*			FC	66.67	66.67	EM_ifrs_2014	33.33	33.33	
SULO EA GmbH	d2018		*		FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM AUTOMOTIVE EXTERIORS GmbH	*				FC	100	100	FC	100	100	2 - bi
HBPO VAHINGEN Enz GmbH	b2017 - bc2018	*			FC	66.67	66.67	EM_ifrs_2014	33.33	33.33	
Argentina											
PLASTIC OMNIUM AUTO INERGY ARGENTINA SA	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM SA	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE ARGENTINA	*				FC	100	100	FC	100	100	
Belgium											
PLASTIC OMNIUM NV	cp2018		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM ADVANCED INNOVATION AND RESEARCH NV	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY BELGIUM SA	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE BELGIUM	*				FC	100	100	FC	100	100	
OPTIMUM CPV BVBA	b2017	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM NEW ENERGIES SA	a2018	*			FC	100	100	-	-	-	

Legal name	Reportable segment				December 31, 2018			December 31, 2017			Tax group
	Industries	Modules	Environment	Unallocated	Method of consolidation	% control	% interest	Method of consolidation	% control	% interest	
Brazil											
PLASTIC OMNIUM AUTO INERGY	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM DO BRASIL Ltda	*				FC	100	100	FC	100	100	
HBPO BRASIL AUTOMOTIVE SERVICOS Ltda	bc2018	*			FC	66.67	66.67	EM_lfrs _2014	33.33	33.33	
Canada											
HBPO CANADA INC.	bc2018	*			FC	66.67	66.67	EM_lfrs _2014	33.33	33.33	
Chile											
PLASTIC OMNIUM SA	cp2018		*		FC	100	100	FC	100	100	
China											
PLASTIC OMNIUM COMPOSITES (JIANGSU) Co. Ltd	c2017	*			FC	100	100	FC	100	100	
WUHAN PLASTIC OMNIUM AUTO INERGY Co. Ltd		*			FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM_lfrs _2014	49.95	49.95	EM_lfrs _2014	49.95	49.95	
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING Co. Ltd		*			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS CONSULTING (BEIJING) Co. Ltd		*			FC	100	100	FC	100	100	
BEIJING PLASTIC OMNIUM AUTO INERGY Co. Ltd		*			FC	60	60	FC	60	60	
CHONGQING YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR FAWAY Co. Ltd		*			EM_lfrs _2014	49.95	25.47	EM_lfrs _2014	49.95	25.47	
GUANGZHOU ZHONGXIN YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR TRIM Co. Ltd		*			EM_lfrs _2014	49.95	25.47	EM_lfrs _2014	49.95	25.47	
CHENGDU FAWAY YANFENG PLASTIC OMNIUM Co. Ltd		*			EM	24.48	24.48	EM	24.48	24.48	
HBPO CHINA Co. Ltd	c2018 - bc2018	*			FC	66.67	66.67	EM_lfrs _2014	33.33	33.33	
YANFENG PLASTIC OMNIUM (SHANGHAI) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM_lfrs _2014	49.95	49.95	EM_lfrs _2014	49.95	49.95	
DONGFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM	24.98	24.98	EM	24.98	24.98	
GUANGZHOU PLASTIC OMNIUM AUTO INERGY Co. Ltd		*			FC	100	100	FC	100	100	
SHENYANG PLASTIC OMNIUM AUTO INERGY Co. Ltd		*			FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM YIZHENG AUTOMOTIVE EXTERIOR SYSTEM Co. Ltd		*			EM_lfrs _2014	49.95	49.95	EM_lfrs _2014	49.95	49.95	
PLASTIC OMNIUM HOLDING (SHANGHAI) Co. Ltd				*	FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM (SHENYANG) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM_lfrs _2014	49.95	49.95	EM_lfrs _2014	49.95	49.95	

Legal name	Reportable segment				December 31, 2018			December 31, 2017			Tax group
	Industries	Modules	Environment	Unallocated	Method of consolidation	% control	% interest	Method of consolidation	% control	% interest	
YANFENG PLASTIC OMNIUM NINGBO AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*				EM_ifrs_2014	49.95	49.95	EM_ifrs_2014	49.95	49.95	
YANFENG PLASTIC OMNIUM WUHAN AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*				EM_ifrs_2014	49.95	49.95	EM_ifrs_2014	49.95	49.95	
NINGBO PLASTIC OMNIUM AUTO INERGY Co. Ltd	*				FC	100	100	FC	100	100	
HBPO CHINA BEIJING Co. Ltd	bc2018	*			FC	66.67	66.67	EM_ifrs_2014	33.33	33.33	
YANFENG PLASTIC OMNIUM HARBIN AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*				EM_ifrs_2014	49.95	49.95	EM_ifrs_2014	49.95	49.95	
CHONGQING PLASTIC OMNIUM AUTO INERGY Co. Ltd	*				FC	100	100	FC	100	100	
CHANGCHUN HUAZHONG YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIORS Co. Ltd	b2017	*			EM_ifrs_2014	24.98	24.98	EM_ifrs_2014	24.98	24.98	
YANFENG PLASTIC OMNIUM HANGZHOU AUTO EXTERIOR SYSTEMS Co. Ltd	b2017	*			EM_ifrs_2014	49.95	49.95	EM_ifrs_2014	49.95	49.95	
South Korea											
SHB AUTOMOTIVE MODULES	bc2018	*			EM_ifrs_2014	34.34	34.34	EM_ifrs_2014	16.67	16.67	
PLASTIC OMNIUM Co. Ltd	*				FC	100	100	FC	100	100	
HBPO PYEONGTAEK Ltd	bc2018	*			FC	66.67	66.67	EM_ifrs_2014	33.33	33.33	
HBPO ASIA HQ Ltd	bc2018	*			FC	66.67	66.67	EM_ifrs_2014	33.33	33.33	
Spain											
COMPANIA PLASTIC OMNIUM SA	d2018			*	FC	100	100	FC	100	100	3
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA	*				FC	100	100	FC	100	100	3
PLASTIC OMNIUM SISTEMAS URBANOS SA	cp2018		*		FC	100	100	FC	100	100	3
PLASTIC OMNIUM AUTO INERGY SPAIN SA	*				FC	100	100	FC	100	100	3
PLASTIC OMNIUM COMPOSITES ESPANA SA	*				FC	100	100	FC	100	100	3
HBPO AUTOMOTIVE SPAIN SL	bc2018	*			FC	66.67	66.67	EM_ifrs_2014	33.33	33.33	
PLASTIC OMNIUM COMPONENTES EXTERIORES SL	d2018	*			FC	100	100	FC	100	100	3
PLASTIC OMNIUM AUTOMOTIVE ESPANA	*				FC	100	100	FC	100	100	3i

Legal name	Reportable segment				December 31, 2018			December 31, 2017			Tax group
	Industries	Modules	Environment	Unallocated	Method of consolidation	% control	% interest	Method of consolidation	% control	% interest	
United States											
PLASTIC OMNIUM AUTO EXTERIORS LLC	*				FC	100	100	FC	100	100	4
PLASTIC OMNIUM Inc.				*	FC	100	100	FC	100	100	4
PLASTIC OMNIUM INDUSTRIES Inc.				*	FC	100	100	FC	100	100	4
PLASTIC OMNIUM AUTO INERGY (USA) LLC	*				FC	100	100	FC	100	100	4
HBPO NORTH AMERICA Inc.	bc2018		*		FC	66.67	66.67	EM_lfrs_2014	33.33	33.33	
AUTOMOTIVE EXTERIORS LLC	*				FC	100	100	FC	100	100	4
Hungary											
HBPO MANUFACTURING HUNGARY Kft	bc2018		*		FC	66.67	66.67	EM_lfrs_2014	33.33	33.33	
HBPO AUTOMOTIVE HUNGARIA Kft	bc2018		*		FC	66.67	66.67	EM_lfrs_2014	33.33	33.33	
India											
PLASTIC OMNIUM AUTO EXTERIORS (INDIA) PVT Ltd	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY INDIA PVT Ltd	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY MANUFACTURING INDIA PVT Ltd	*				FC	55	55	FC	55	55	
Israel											
EPO-CellTech	f2017	*			EM_lfrs_2014	50	23	EM_lfrs_2014	50	23	
Japan											
PLASTIC OMNIUM KK	*				FC	100	100	FC	100	100	
Malaysia											
HICOM HBPO SDN BHD	bc2018		*		EM	26.66	26.66	EM	13.33	13.33	
Morocco											
PLASTIC OMNIUM AUTO INERGY (MOROCCO) SARL	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTÉRIEUR	a2017f	*			FC	100	100	FC	100	100	
Mexico											
PLASTIC OMNIUM INDUSTRIAL AUTO EXTERIORES RAMOS ARIZPE SA DE CV	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY MEXICO SA DE CV	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV	c2017	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM SISTEMAS URBANOS SA DE CV	cp2018		*		FC	100	100	FC	100	100	
HBPO MEXICO SA DE CV	bc2018		*		FC	66.67	66.67	EM_lfrs_2014	33.33	33.33	
PLASTIC OMNIUM MEDIO AMBIENTE SA DE CV	cp2018		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INDUSTRIAL SRL DE CV	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY INDUSTRIAL SA DE CV	*				FC	100	100	FC	100	100	
HBPO SERVICES MEXICO SA DE CV	bc2018		*		FC	66.67	66.67	EM_lfrs_2014	33.33	33.33	

Legal name	Reportable segment				December 31, 2018			December 31, 2017			
	Industries	Modules	Environment	Unallocated	Method of consolidation	% control	% interest	Method of consolidation	% control	% interest	Tax group
HBPO MANAGEMENT SERVICES MEXICO SA DE CV	bc2018	*			FC	66.67	66.67	EM_lfrs _2014	33.33	33.33	
Netherlands											
PLASTIC OMNIUM BV	cp2018		*		FC	100	100	FC	100	100	5
PLASTIC OMNIUM ENVIRONMENT BV	cp2018		*		FC	100	100	FC	100	100	5
DSK PLASTIC OMNIUM BV		*			FC	51	51	FC	51	51	
PLASTIC OMNIUM AUTO INERGY NETHERLANDS HOLDING BV		*			FC	100	100	FC	100	100	
Poland											
PLASTIC OMNIUM AUTO INERGY POLAND Sp Z.O.O		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORS Sp Z.O.O		*			FC	100	100	FC	100	100	
SULO Sp Z.O.O	cp2018		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO Sp Z.O.O		*			FC	100	100	FC	100	100	
Czech republic											
HBPO CZECH S.R.O.	bc2018	*			FC	66.67	66.67	EM_lfrs _2014	33.33	33.33	
SULO S.R.O.	cp2018		*		FC	100	100	FC	100	100	
Romania											
PLASTIC OMNIUM AUTO INERGY ROMANIA SRL		*			FC	100	100	FC	100	100	
United Kingdom											
PLASTIC OMNIUM AUTOMOTIVE Ltd		*			FC	100	100	FC	100	100	6
PLASTIC OMNIUM URBAN SYSTEMS Ltd	cp2018		*		FC	100	100	FC	100	100	6
SULO MGB Ltd	cp2018		*		FC	100	100	FC	100	100	6
HBPO UK Ltd	bc2018	*			FC	66.67	66.67	EM_lfrs _2014	33.33	33.33	
Russia											
OOO STRAVROVO AUTOMOTIVE SYSTEMS		*			FC	100	100	FC	100	100	
DSK PLASTIC OMNIUM INERGY		*			FC	51	51	FC	51	51	
Singapore											
SULO ENVIRONMENTAL SYSTEMS PTE Ltd	cp2018		*		FC	100	100	FC	100	100	
Slovakia											
PLASTIC OMNIUM AUTO EXTERIORS S.R.O.		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY SLOVAKIA S.R.O.		*			FC	100	100	FC	100	100	
HBPO SLOVAKIA S.R.O.	bc2018	*			FC	66.67	66.67	EM_lfrs _2014	33.33	33.33	
PLASTIC OMNIUM AUTOMOTIVE SLOVAKIA S.R.O	d2017	*			FC	100	100	FC	100	100	
Sweden											
PLASTIC OMNIUM AB	cp2018		*		FC	100	100	FC	100	100	



Legal name	Reportable segment				December 31, 2018			December 31, 2017			Tax group
	Industries	Modules	Environment	Unallocated	Method of consolidation	% control	% interest	Method of consolidation	% control	% interest	
Switzerland											
PLASTIC OMNIUM AG	cp2018		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM RE AG				*	FC	100	100	FC	100	100	
SWISS HYDROGEN	b2017	*			FC	100	100	FC	100	100	
Thailand											
PLASTIC OMNIUM AUTO INERGY THAILAND Co. Ltd		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE Co. Ltd		*			FC	100	100	FC	100	100	
Turkey											
BPO AS		*			EM_lfrs_2014	50	49.98	EM_lfrs_2014	50	49.98	

Consolidation method and special features:

FC: Full consolidation

EM: Companies that were already consolidated by the equity method before the application of the new consolidation standards at January 1, 2014

EM_lfrs_2014: Companies consolidated by the equity method since the application of the new consolidation standards at January 1, 2014

Movements for the period:

Creation of companies:

a2018 Companies created in 2018

a2017f Companies being formed in 2017, created in 2018

a2017 Companies created in 2017

Acquisition of companies:

b2018 Companies acquired in 2018

b2017 Companies liquidated in 2018

Takeover of a business line with full consolidation:

bc2018 Takeover of HBPO at June 26, 2018

Disposal of companies:

c2018 Companies disposed in 2018

c2017 Companies disposed in 2017

Disposal of sites and/or businesses and activities of Business Divisions

cp2018 Disposal of the Environment Division in 2018

ca2017 Disposal of sites and/or businesses in 2017

Merging of companies:

d2018 Companies merged in 2018

d2017 Companies merged in 2017

Liquidation of companies:

e2018 Companies liquidated in 2018

Change in the percentage of Plastic Omnium ownership:

f2017 Capital increase for "EPO-CellTech" in 2017

Activation of companies:

i2018 Companies activated during 2018
i2017 Companies activated during 2017

Change in company name:

x2018 Companies whose name was changed in 2018
x2017 Companies whose name was changed in 2017
x2017e Plastic Omnium Auto Exterior SA is the new name of Plastic Omnium Vernon SAS
x2017f Plastic Omnium Auto Exterior SA is the new name of Plastic Omnium Auto Exterior SA

Tax group:

1 - a Plastic Omnium France
1 - b Plastic Omnium France Environnement Holding
2 - a Germany Systèmes Urbains
2 - b Germany Plastic Omnium Gmbh
2 - bi Companies included in 2017 in the German tax group Plastic Omnium Gmbh
2 - c Germany Plastic Omnium Environnement
3 Spain
3i Companies included in the Spain tax group in 2017
4 United States
5 Netherlands
6 United Kingdom
7-a Germany HBPO

4.2.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

FOR THE YEAR ENDED DECEMBER 31, 2018

To the Annual General Meeting of the Shareholders of Plastic Omnium,

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Compagnie Plastic Omnium for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 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 Accounts 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 those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw your attention to the matter set out in Note "2.1. Application of new IFRS applicable from January 1, 2018 " to the consolidated financial statements, which describes the change in methods and impact on the Company's consolidated financial statements of the first-time application of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments".

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 relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

VALUATION OF REVENUE

Notes 1.1.7 "Revenue"/"Revenue from contracts with customers" and 1.1 "Accounting policies, accounting rules and principles" in the notes to the consolidated financial statements.

Revenues for the year ended December 31, 2018 in the income statement for Compagnie Plastic Omnium amount to €7,245 million.

KEY AUDIT MATTER

Parts revenue is recognized when the significant risks and rewards of the ownership of the goods are transferred to the buyer, usually upon delivery of the goods, and measured at the fair value of the consideration received, after deducting discounts, rebates and other sales taxes and customs duties.

Regarding the revenue from services and tooling, as indicated in Note 1.1.7 "Revenues / Revenue from Contracts with Customers", since January 1, 2018 the Group has been applying IFRS 15.

- The new accounting treatment is based on the Group's identification of two performance obligations, separate from the production of parts, which are the Design of the parts business and certain specific tools, for which control is transferred to customers;
- Revenue related to "lumps sums" payments and contractually stated amounts that will be paid via part price ("PPA") that are explicitly identified in the contracts, and the negative or positive margin related to these performance obligations are recognized at the start of series production. Costs related to performance obligations are recognized as inventory during the project phase and then expensed when their control is transferred to the customer, i.e. at the start of series production.

We have considered revenue recognition and the analysis performed by the Group in regards to the first-time application of IFRS 15 as a key audit matter given:

- The volume of accounting entries related to sales of goods and the numerous ongoing discussions between the Group and its customers on prices;
- Judgments to be made by Management of the Group to estimate the incurred and projected costs related to the project phase that could lead to an incorrect revenue related to the services rendered and the production of tools.

OUR RESPONSE

We analyzed the process and identified key controls implemented by Management regarding revenue recognition and tested their effectiveness by sampling.

In order to assess the recognition of revenue related to the sale of goods, we conducted tests on a sample of contracts by:

- comparing the sale prices applied to the deliveries of parts with the contractual prices;
- examining the credit notes issued during the period.

In order to corroborate the level of progress and the recognition of the turnover related to services and tooling, we conducted tests on a sample of contracts by:

- comparing the sales prices applied to services and tooling at the start of the series life with the contractual prices;
- examining revenue and costs allocated to performance obligations.

We assessed the conformity of the methodology applied by the Group with IFRS 15 and the impact of the new accounting treatment on revenue and operating margin of the Group as it relates to fiscal year 2018 by analyzing a sample of contracts.

EVALUATION OF FIXED ASSETS RELATIVE TO DEVELOPMENT COSTS

Note 1.1.11 "Intangible assets", and note 1.2 "Use of estimates" of the notes to the consolidated financial statements.

As of December 31, 2018, fixed assets related to development costs for Compagnie Plastic Omnium amount to €555 million.

KEY AUDIT MATTER

- Development costs incurred during the project phase and related to the execution of the contract concluded with the customer that do not meet a performance obligation are posted as intangible assets. These internal and external costs relate to work on the organization of purchasing, logistics and industrial processes in order to produce the parts that will be ordered by customers.

- These costs are recognized as fixed assets in progress during the development phase and amortized on a straight-line basis over the estimated duration of the series production, generally three years for exterior parts, five years for fuel systems and the Modules activity.
- These fixed assets are subject to annual impairment tests and when there are indications of impairment loss at the start of the series life.
- The valuation of capital assets related to development costs is considered a key audit matter due to judgments to be made by Management to determine:
 - the costs to be incurred in the development phase;
 - the recoverable value of these assets, based on forecasts of future sales volumes.

OUR RESPONSE

Our work consisted in:

- acknowledging the process of identifying capitalized development costs;
- reviewing the estimated development costs incurred for the Automotive projects;
- reviewing the depreciation method used in light of changes in market conditions and performing arithmetical checks.

We also considered the relevance of the impairment indicators used by the Group at the closing date and, when appropriate, we examined the impairment tests performed.

ACCOUNTING TREATMENT FOR CHANGES IN SCOPE

KEY AUDIT MATTER

As stated in note 2.3.1 "Acquisition by the Group of Mahle-Behr's 33.3% equity stake in HBPO" of the notes to the consolidated financial statements:

- On March 1, 2018, Plastic Omnium Auto Exteriors SA and Mahle-Behr signed a "Sale and Purchase Agreement" ("SPA") whereby Mahle-Behr sold its 33.3% stake in HBPO, provided the Group obtained approval from the competition authorities. On June 26, 2018, the Group finalized this acquisition for a purchase price of €370 million. Following this acquisition, the Group now owns 66.67% of HBPO and Hella 33.33%.
- Following exchanges with the partner and taking into account the integration procedures achieved in the weeks following the acquisition, the Plastic Omnium Group concluded that it exercised control over HBPO.
- This transaction resulted in (i) a fair value revaluation of the previously held securities generating a capital gain of €255 million in profit and (ii) posting at fair value of HBPO's assets acquired and liabilities assumed and provisional goodwill of €525 million. The Group had a period of twelve months from the date of acquisition to adjust the value of HBPO's acquired assets and liabilities.
- As indicated in note 2.6.1 "Sale of the Environment business" of the notes to the consolidated financial statements, a "sale purchase agreement" was signed on October 26, 2018 between the Plastic Omnium Group and the consortium Latour Capital/Bpifrance (French public investment bank)".

The "Net profit after tax of discontinued operations" presented in the consolidated income statement of €1.5 million includes:

- in accordance with IFRS 5, the activity of the "Environment" Division net of inter-company transactions with the Group, from January 1 to December 18, 2018 for +€11.964 million;
- and the net tax loss on the sale of this business for -€10.47 million.

These changes in scope and accounting treatment are a key audit matter due to their significance, complexity and judgments that Management has had to exercise.

OUR RESPONSE

The work we did consisted mainly of:

- reviewing the shareholders' pact and HBPO's terms of consolidation and reviewing the Group's analysis of control against IFRS 10 criteria for HBPO control;
- reviewing the methodology used to identify the assets acquired and liabilities assumed and their valuation at fair value, including our valuation experts in our audit team,
- reviewing the assumptions used to value the fair value of customer contracts and the HBPO brand and the fair value of previously held securities.

As part of the disposal of the Environment Division, we examined the accounting entries for the disposal of the scope of consolidation and the disposal profit.

SPECIFIC VERIFICATIONS

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by French laws and regulations of the information relating to the Group given in the management report of the Board of Directors.

We have no comments to make as to their fairness and consistency with the consolidated financial statements.

We state that the consolidated statement of extra-financial performance pursuant to article L. 225-102-1 of the French Commercial Code is part of the Group's management report, it being stated that, in accordance with the provisions of article L. 823-10 of this Code, the information contained in this statement have not been verified by us for accuracy or consistency with the consolidated financial statements.

INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as Statutory Auditors for Plastic Omnium by the General Meeting of December 28, 1977 for MAZARS and of April 29, 2010 for ERNST & YOUNG et Autres.

As at December 31, 2018, MAZARS and ERNST & YOUNG et Autres were in the forty second and ninth year of total uninterrupted engagement respectively. Previously, ERNST & YOUNG Audit had been a statutory auditor since 2001.

RESPONSIBILITIES OF MANAGEMENT AND CORPORATE GOVERNANCE OFFICERS IN THE CONSOLIDATED FINANCIAL STATEMENTS

It is the responsibility of management to prepare consolidated accounts that present a true and fair view in accordance with the IFRS as adopted in the European Union, as well as to implement the internal control that it deems necessary for the preparation of consolidated financial statements. No material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating the ability of the Company to continue as a going concern, to present in these accounts, where appropriate, the necessary information relating to the continuity of operations and operations apply the going concern accounting policy unless it is intended to wind up the company or cease trading.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.



As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE ACCOUNTS COMMITTEE

- We submit a report to the Accounts Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Accounts Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Accounts Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Accounts Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-la-Défense, February 13, 2019

The Statutory Auditors

French original signed by

ERNST & YOUNG et Autres
Gilles PUISSOCHET

MAZARS
Juliette DECOUX



2018 Statutory accounts

AFR

5.1	COMMENTS ON THE STATUTORY ACCOUNTS	230	5.7	STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	250
	Balance sheet	230		For the year ended december 31, 2018	250
	Earnings performance	230		Opinion	250
5.2	INCOME STATEMENT	231		Basis for our opinion	250
5.3	BALANCE SHEET	232		Justification of our assessments - key audit matters	250
	Assets	232		Valuation of equity investments and receivables related to equity investments	250
	Liabilities	233		Specific verifications	251
5.4	NOTES TO THE STATUTORY ACCOUNTS	234		Information on other legal and regulatory requirements	252
	Significant events of the year	234		Responsibilities of management and corporate governance officers regarding the annual financial statements	252
	Accounting policies	234		Statutory auditors' responsibilities for the audit of the annual financial statements	252
	Notes to the balance sheet	237		Report to the audit committee	253
	Notes to the income statement	243	5.8	SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS AND COMMITMENTS	254
	Other disclosures	246		Agreements and commitments submitted to the approval of the annual general meeting	254
5.5	FIVE-YEAR FINANCIAL SUMMARY	247		Agreements and commitments already approved by the annual general meeting	254
5.6	SUBSIDIARIES AND AFFILIATES	248			
	Supplier and customer payment terms as referred to in Article D. 441-4 of the French Commercial Code	249			

5.1 COMMENTS ON THE STATUTORY ACCOUNTS

BALANCE SHEET

The main changes in the balance sheet involved the following items:

- the sale on December 18, 2018 of its subsidiary Plastic Omnium Environment BV to the consortium Latour Capital/Bpifrance (cf. Note C);
- the issue of a *Schuldschein* private placement of €300 million on December 21, 2018 to replace the private bond issue of €250 million issued October 4, 2012.
- inter-group financing of the increased participation of the Plastic Omnium group in its subsidiary HPBO.

At December 31, 2018, Compagnie Plastic Omnium ended the year with positive net cash of €257.1 million, positive net cash of €20.5 million at December 31, 2017.

EARNINGS PERFORMANCE

Compagnie Plastic Omnium posted operating revenue of €49.7 million in 2018, compared with €43.9 million in 2017. This revenue can be broken down as follows:

- €30.1 million in trademark license fees from subsidiaries;
- €12.8 million in rents.

Net operating profit came to €2.2 million in 2018, compared with a loss of €17.1 million in 2017.

Net financial income for Compagnie Plastic Omnium was €211.4 million, versus €99 million in 2017. The change was largely due to:

- dividends from subsidiaries of €206.5 million in 2018, versus €104.6 million in 2017;
- net provision reversals of €14 million in 2018 on equity securities, versus net provisions of €8.7 million in 2017.

After factoring in €6 million of exceptional non-operating income, net income before tax in 2018 amounted to €219.7 million, compared with €94.2 million in 2017.

Income tax yielded taxable income of €12.1 million in 2018, compared with €17.6 million in 2017.

As a result, the net profit for 2018 was €231.8 million, compared with €111.7 million in 2017.

No non-deductible overhead expenses were added back to taxable income during 2018, in application of Articles 223 *quater* and 223 *quinquies* of the French General Tax Code.

5.2 INCOME STATEMENT

<i>In thousands of euros</i>	Notes	2018	2017
NET SALES⁽¹⁾		12,818	11,841
Provision reversals and expense transfers		6,760	2,447
Other operating revenue ⁽¹⁾		30,094	29,706
TOTAL OPERATING REVENUE	J	49,672	43,994
Purchases and other external charges	K	(37,616)	(48,394)
Taxes other than on income		(1,599)	(1,294)
Payroll taxes		(117)	(118)
Depreciation, amortization and provisions	L	(5,025)	(7,308)
Other expenses		(3,105)	(3,995)
TOTAL OPERATING EXPENSES		(47,462)	(61,109)
NET OPERATING INCOME (LOSS)		2,210	(17,115)
NET FINANCIAL INCOME	M	211,441	98,966
INCOME BEFORE NON-OPERATING ITEMS		213,651	81,851
Non-operating items	N	6,015	12,318
Income before tax		219,666	94,169
Corporate income tax before provisions	O	12,131	17,559
Net income		231,797	111,728
<i>(1) Net sales and other operating revenue</i>		42,912	41,547

5.3 BALANCE SHEET

ASSETS

	Notes	2018			2017
		Gross values	Depreciation, amortization and provisions	Net amounts	Net amounts
<i>In thousands of euros</i>					
Non-current assets					
Intangible assets	A	995	944	51	6,526
Property, plant and equipment	B	94,266	15,589	78,677	81,839
Investments	C	1,456,857	2,433	1,454,424	1,714,991
TOTAL NON-CURRENT ASSETS		1,552,118	18,966	1,533,152	1,803,356
Current assets					
Prepayments to suppliers	D	45	0	45	22
Trade receivables	D	8,168	0	8,168	7,462
Other receivables	D	1,236,932	10,294	1,226,638	665,448
Cash and cash equivalents	E	239,712	1,546	238,166	430,052
TOTAL CURRENT ASSETS		1,484,857	11,840	1,473,017	1,102,984
Prepaid expenses	F	933	0	933	1,083
Deferred charges (debt issuance costs)	F	6,617	0	6,617	4,736
Bond redemption premiums	F	3,376	0	3,376	4,690
Translation loss on FX payables and receivables	F	236	0	236	97
TOTAL		3,048,137	30,806	3,017,331	2,916,946

LIABILITIES

<i>In thousands of euros</i>	Notes	2018	2017
Shareholders' equity			
Share capital	G	8,914	9,059
Additional paid-in capital	G	17,389	17,389
Other reserves	G	983,668	1,055,235
Net income for the year		231,797	111,728
Tax-regulated provisions	G	738	694
TOTAL EQUITY		1,242,506	1,194,105
Provisions for contingencies and charges	H	71,093	67,913
Liabilities			
Bonds		1,614,631	1,564,810
Bank borrowings	I	0	3,290
Other borrowings	I	22,500	24,170
Trade payables	I	13,724	15,964
Accrued taxes and payroll costs	I	9,841	4,498
Other liabilities	I	43,024	42,181
TOTAL LIABILITIES	I	1,703,720	1,654,913
Prepaid expenses and accrued income-liabilities		12	15
TOTAL		3,017,331	2,916,946

Note: Net cash and cash equivalents of Compagnie Plastic Omnium of +€257.1 million in 2018 (including medium- and long-term loans) versus +€20.5 million in 2017.

5.4 NOTES TO THE STATUTORY ACCOUNTS

<i>In thousands of euros</i>	2018	2017
Financial position		
Shares	8,914	9,059
Shareholders' equity	1,242,506	1,194,105
Net cash and cash equivalents	257,059	20,464
Net non-current assets	1,533,152	1,803,356
TOTAL ASSETS	3,017,331	2,916,946
Businesses		
Operating revenue	49,672	43,994
Net operating income (loss)	2,210	(17,115)
Income before non-operating items	213,651	81,851
Non-operating items	6,015	12,318
NET INCOME	231,797	111,728
EARNINGS PER SHARE (IN EUROS)	1.6	0.7

SIGNIFICANT EVENTS OF THE YEAR

On December 18, 2018, Compagnie Plastic Omnium sold its subsidiary Plastic Omnium Environment BV to the consortium Latour Capital/Bpifrance (cf. Note C).

On December 21, 2018 Compagnie Plastic Omnium issued a *Schuldscheindarlehen* private placement of €300 million to replace the bond issue of €250 million which matured on December 12, 2018.

The company Plastic Omnium financed the increased participation of the Plastic Omnium Group in its subsidiary HBPO.

ORGANIZATIONAL CHART

In addition to the disposal of the environment business mentioned above, Compagnie Plastic Omnium invested €51 million in a capital increase for its subsidiary Plastic Omnium Auto Exteriors by contributing the equity interest represented by its shares in its subsidiary Plastic Omnium Equipamientos Exteriores SA, as part of the simplification of the corporate legal structure in Spain.

CHANGE IN SHARE CAPITAL

The Company undertook two capital reductions in 2018.

- In accordance with the authorization granted by the Combined Shareholders' Meeting of April 28, 2016, the Board of Directors, at its meeting of July 19, 2018, decided to carry out a capital reduction on July 26, 2018 amounting to €66,636.78 corresponding to the cancellation of 1,110,613 shares each with a par value of €0.06. The capital was reduced to €8,991,969.42 and is divided into 149,866,107 shares, each with a par value of €0.06.

- At its meeting of October 30, 2018 the Board of Directors decided to carry out a capital reduction on November 8, 2018 amounting to €78,000 corresponding to the cancellation of 1,300,000 shares each with a par value of €0.06. The capital was reduced to €8,913,966.42 and is divided into 148,566,107 shares, each with a par value of €0.06.

ACCOUNTING POLICIES

The financial statements of Compagnie Plastic Omnium have been prepared in accordance with the provisions of the French Commercial Code and the French General Accounting Plan (ANC regulation 2014-03 of June 5, 2014 amended by No. 2018-07 of December 10, 2018). The annual financial statements incorporate Regulation 2015-05 of the French Accounting Standards Board (ANC) relating to forward financial instruments and hedging transactions.

The accounting conventions for preparing and presenting the Company Statutory accounts have been applied in compliance with the following basic assumptions:

- going-concern;
- consistency of accounting principles;
- separation of accounting periods.

The basic method used for the items presented in the accounts is the historical cost method.

The accounting policies used to prepare the 2018 financial statements are the same as those used in 2017. The significant accounting policies applied are described below:

Property, plant and equipment

Property, plant and equipment are initially recognized at cost and depreciated on a straight-line basis over their estimated useful lives, as follows:

- Buildings 20-40 years;
- Fixtures and fittings 10 years;
- Office equipment and furniture 5-10 years.

When the component approach is applied, the Company uses different depreciation periods for each significant part of the same fixed assets when one of these components has a different useful life from the main asset of which it is a component.

Equity investments and related receivables

Gross values of investments in subsidiaries and affiliates are initially recognized at cost or transfer value. If applicable, a provision for impairment will be booked when the value in use or the probable realization value is lower than the net book value.

Value in use is determined by taking into account the share of net equity and profit outlook in view of current market conditions as set out in the subsidiaries' medium-term business plans.

Related receivables are valued at their par value. Depreciation is recorded where the inventory value is less than the carrying amount. Related receivables are impaired through a provision by taking into account the overall situation and the likelihood of non-recovery.

Treasury stock

The Company has been authorized by shareholders to purchase its own shares to (i) maintain a liquid market for its shares under a liquidity contract with an investment firm, (ii) reduce the share capital by canceling shares, (iii) cover current or future stock option or stock grant plans for employees and corporate officers of the Group, or (iv) hold in treasury for subsequent delivery in exchange or payment for acquisitions.

The accounting classification of treasury stock depends on its final purpose:

- treasury shares held to pay for external growth acquisitions, reduce share capital or maintain stock liquidity are classified as investments;
- treasury shares held for the exercise of current stock option plans or for future plans still pending allocation are recognized as short-term investment securities;

- treasury shares are measured in line with their accounting classification (investments, stock option plans, acquired under liquidity contract) using a FIFO (first in, first out) method.

The gross value equals the acquisition price, and treasury shares are valued at the average market price of the latest month. Impairment is recognized where the gross value is higher than the carrying amount. For shares allocated to covering stock option plans, their fair value is the lower of the exercise price of the options granted.

For shares otherwise classified, market value is determined on the basis of the average quoted stock market price during the month before the balance sheet date.

Receivables

Receivables are valued at their nominal value. Depreciation is recorded where the inventory value is less than the carrying amount. Receivables are depreciated through provisions that take into account possible recovery problems.

Short-term investment securities

The short-term investment securities are valued by securities category (shares held to maintain stock liquidity, unallocated treasury stock, other short-term investment securities), using a FIFO (first in, first out) method.

When necessary, they are impaired, calculated for each line of similar securities.

For securities that represent listed securities, the impairment is booked to bring their value to the closing price.

Cash and cash equivalents

These include cash, and other items with a similar nature to cash, on hand and at the bank, as well as warrants that may be redeemed at any time after they have been subscribed.

Cash and cash equivalents are valued at their nominal value.

Foreign currency transactions

At closing, monetary items in foreign currencies are converted on the balance sheet at the exchange rates in effect at the closing date as an offset to items in "Translation differences – Assets/Liabilities" on the balance sheet, except for hedges, in which case revaluations are carried in net financial income and are offset by the impacts recognized on the hedging instrument. Unrealized foreign exchange gains are not recognized in accounting income.

A provision for foreign exchange losses is recognized for the total amount of unrealized losses, except for the following situations:

- in the case of a hedge, the provision is recognized only for the amount of unhedged exposure;
- when unrealized gains or losses on foreign exchange relate to transactions in a single currency maturing in the same accounting period, the provision is limited to the excess of the losses over the gains, based on the overall foreign exchange position.

Bank accounts in foreign currencies are valued on the balance sheet at the exchange rate in effect at the closing date as an offset to foreign exchange gain or losses.

Financial instruments and hedging instruments

The Company may at times use currency derivative to hedge the currency risk on loans granted to Group companies. Realized foreign exchange gains or losses on these derivatives are recognized in financial income to match those of the hedged items.

Unrealized gains and losses on foreign exchange are recognized in financial assets and liabilities as offsets to the income statement, to show on the balance sheet their exact correspondence with the monetary items in hedged currencies.

Swaps are spread in the income statement under financial income/expense over the hedging term.

At December 31, 2018, the Company does not hold any derivative instrument that does not qualify as a hedge.

Provisions for contingencies and charges

Provisions for contingencies are recognized when:

- the Company is bound by a legal or implicit obligation resulting from past events;
- a likely outflow of resources, without any equivalent benefit, is required to extinguish the obligation;
- the amount of the provision can be reliably measured.

Non-current and current borrowings

Debts are recognized at their nominal reimbursement value. They are not discounted.

Issuance costs and redemption premiums incurred at the time of borrowing are recognized as assets and spread over the life of the bond using the compound interest rate method.

Revenue

Revenue is booked to profit (loss) if it is:

- realized, i.e. if the principle and amount are certain;
- and it was acquired during the year.

Corporate income tax before provisions

The Company is the parent company of the tax consolidation group that it constitutes with its subsidiaries.

The subsidiaries of the tax consolidation scope contribute the amount that they would have had to pay if there was no consolidation to the Group's tax consolidation tax expense.

The additional tax savings or expense resulting from the difference between the tax owed by consolidated subsidiaries and the tax resulting from the determination of the overall profit/loss is recorded by the parent company.

Non-operating items

Non-operating income and expenses include exceptional items, as well as items qualified as exceptional in their nature under accounting law, primarily income from non-current asset disposals.

NOTES TO THE BALANCE SHEET

A – INTANGIBLE ASSETS

<i>In thousands of euros</i>	2017	+	-	2018
Patents, trademarks and licenses	7,457		6,462	995
TOTAL, GROSS	7,457	0	6,462	995
Accumulated amortization	(931)	(13)		(944)
TOTAL, NET	6,526	(13)	(6,462)	51

Changes in this item reflect the disposal of a trademark as part of the sale of the Environment business.

B – PROPERTY, PLANT AND EQUIPMENT

<i>In thousands of euros</i>	2017	+	-	2018
Land	2,287			2,287
Buildings	85,789			85,789
Fixtures and fittings	3,967	64	2,023	2,008
Office equipment and furniture	3,680	515	43	4,152
Property, plant and equipment in progress	2	28		30
Prepayments to suppliers of non-current assets	0			0
TOTAL, GROSS	95,725	607	2,066	94,266
Accumulated amortization	(13,886)	(3,769)	2,066	(15,589)
TOTAL, NET	81,839	(3,162)	0	78,677

Compagnie Plastic Omnium mainly owns two real estate complexes located in:

- Nanterre, France: a multipurpose office complex that it leases to Group companies;
- Lyon Gerland: An office complex leased mainly to non-Group companies.

C – INVESTMENTS

<i>In thousands of euros</i>	2017	+	-	2018
Shares in subsidiaries and affiliates	1,126,342	25	171,653	954,714
Other long-term investments	30,703	3,243	7,390	26,556
Loans	578,228	54,520	157,161	475,587
TOTAL, GROSS	1,735,273	57,788	(336,204)	1,456,857
Provisions for impairment	(20,282)	(1,883)	19,732	(2,433)
TOTAL, NET	1,714,991	55,905	(316,472)	1,454,424

Changes in shares in subsidiaries primarily reflect the disposal of the subsidiaries Plastic Omnium Environment BV and Plastic Omnium Recycling, plus the capital increase of its subsidiary Plastic Omnium Auto Exteriors through the contribution of equity rights mentioned in "Significant events of the period." The latter company is the holding company of virtually all of the companies in the IES Division (Intelligent Exterior Systems).

Compagnie Plastic Omnium also recognized in its financial statements the impacts of the merger between its two subsidiaries, when Plastic Omnium Equipamientos Exteriores SA absorbed Compania Plastic Omnium SA.

Other long-term investments mainly comprise:

- €20 million commitment in the Aster IV professional equity fund of Aster Capital Partners SAS.
- 110,583 treasury shares allocated to market-making valued at €2.2 million after provisions for impairment of €1.4 million.

Loans consist of medium- and long-term financing provided to entities of Plastic Omnium Group.

On the basis of impairment tests carried out for the 2018 closure, the provision for impairment of the securities of the subsidiary, Plastic Omnium GmbH, was reversed.

The list of subsidiaries and affiliates is presented as follows:

Subsidiaries	Share capital and currency	% interest
PLASTIC OMNIUM AUTO EXTERIORS SA - 19, boulevard Jules-Carteret - 69007 Lyon - France	EUR 87,156,000	100.0%
PLASTIC OMNIUM AUTO INERGY SAS - 19, boulevard Jules-Carteret - 69007 Lyon - France	EUR 119,796,330	100.0%
PLASTIC OMNIUM GESTION SNC - 19, boulevard Jules-Carteret - 69007 Lyon - France	EUR 2,011,500	100.0%
PLASTIC OMNIUM FINANCE SNC - 19, boulevard Jules-Carteret - 69007 Lyon - France	EUR 247,500	100.0%
PLASTIC OMNIUM MANAGEMENT 3 SAS - 19, boulevard Jules-Carteret - 69007 Lyon - France	EUR 37,500	100.0%
PLASTIC OMNIUM MANAGEMENT 4 SAS - 19, boulevard Jules-Carteret - 69007 Lyon - France	EUR 37,500	100.0%
PLASTIC OMNIUM GmbH - Romanstrasse 35 - 80639 Munich - Germany	EUR 13,500,000	100.0%
PLASTIC OMNIUM RE AG - Schochenmühlestrasse 2 - 6340 Baar - Switzerland	CHF 16,167,000	100.0%
PLASTIC OMNIUM INC. - 1209 Orange Street, Wilmington, Delaware 19801 - United States	USD 60,100	100.0%
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING CO. LTD 3502, Block 2, 391 Guiping Road - Xuhui District - Shanghai - PR China	EUR 250,000	100.0%
PLASTIC OMNIUM HOLDING (Shanghai) CO. LTD RM 3501, F35 Building 2 N° 391 Guiping Road Shanghai - PR China	EUR 70,000,000	100.0%
Affiliates		
BPO AS - Y. Yalova Yolu 8 km, Panayir - Bursa - Turkey	TRL 5,000,000	50.0%

D - RECEIVABLES

<i>In thousands of euros</i>	2018	Maturity date Less than 1 year	Maturity date More than 1 year
Prepayments to suppliers	45	45	
Trade receivables	8,168	8,168	
Tax receivables	59,263	18,374	40,889
Short-term loans - Current accounts	1,160,959	1,160,959	
Other receivables	6,416	6,416	
TOTAL, NET	1,234,851	1,193,962	40,889

Trade receivables mainly consisted of €4.4 million of accrued income of companies of the Compagnie Plastic Omnium Group, including €2.4 million in royalties and €1.6 million for the re-invoicing of patent protection costs.

Tax receivables primarily include:

- €34.9 million of research tax credits from consolidated subsidiaries;
- €17.2 million of competitiveness and employment tax credits from subsidiaries consolidated in the fiscal years 2015 to 2018;
- €3.9 million of unallocated tax withholding;
- €2.4 million of deductible VAT.

Amounts received as competitiveness and employment tax credits will be used by wholly-owned subsidiaries in accordance with Article 244 *quater* C of the French General Tax Code.

The change of financial receivables primarily reflects the intra-Group financing of the increased investment by the Compagnie Plastic Omnium Group in the subsidiary HBPO.

Other receivables mainly refer to tax current accounts owed by various companies belonging to the tax group headed by Compagnie Plastic Omnium.

E – CASH AND CASH EQUIVALENTS

<i>In thousands of euros</i>	2017	+	-	2018
Short-term investment securities	54,376		8,119	46,257
Other short-term investment securities	238,075	42	169,069	69,048
Bank accounts	137,601		13,194	124,407
TOTAL, GROSS	430,052	42	(190,382)	239,712
Provisions for short-term investment securities	0	(1,546)		(1,546)
TOTAL, NET	430,052	(1,504)	(190,382)	238,166

The item “Short-term investment securities” includes 2,180,347 treasury shares allocated to various stock option plans in the gross amount of €46,257 thousand. A provision for impairment of €0.7 million was recognized in respect of the shares held and not allocated to stock purchase plans and not yet granted.

At December 31, 2018, Compagnie Plastic Omnium had granted the following stock options:

- 140,262 stock options approved by the Board of Directors on March 6, 2012 acting on authorization granted at the Extraordinary Shareholders’ Meeting of April 28, 2011;
- 270,300 stock options approved by the Board of Directors on July 23, 2013 acting on authorization granted at the Extraordinary Shareholders’ Meeting of April 25, 2013;

- 1,118,000 stock options approved by the Board of Directors on July 21, 2015 acting on authorization granted at the Extraordinary Shareholders’ Meeting of April 25, 2013;
- 528,500 stock options approved by the Board of Directors on February 22, 2017 acting on authorization granted at the Extraordinary Shareholders’ Meeting of April 28, 2016.

The item “Other short-term investment securities” totaling €69 million consists of €50 million in mutual funds, €14 million in negotiable medium-term notes and €5 million in short-term investments. The mutual funds are covered by an impairment provision of €0.8 million.

F – PREPAID EXPENSES AND ACCRUED INCOME

<i>In thousands of euros</i>	2018	2017
Prepaid expenses	933	1,083
Deferred charges (debt issuance costs)	6,617	4,736
Bond redemption premiums	3,376	4,690
Translation loss on FX payables and receivables	236	97
TOTAL, NET	11,162	10,606

Redemption premiums and issuance costs of bonds are spread over the life of the bonds using the compound interest rate method. The increase during the period is attributable to the issuance of the €300 million *Schuldschein* (cf. Note I).

G – CHANGE IN EQUITY

<i>In thousands of euros</i>	2017	+	-	2018
Shares	9,059		145	8,914
Additional paid-in capital	17,389			17,389
Revaluation reserve	245			245
Legal reserve	1,501			1,501
Other reserves	8,956			8,956
Carried forward	1,044,534	111,728	183,296	972,966
Net income for the year	111,728	231,797	111,728	231,797
Tax-regulated provisions	693	45		738
TOTAL	1,194,105	343,570	295,169	1,242,506

At December 31, 2018, share capital amounted to €8,913,966.42, consisting of 148,566,107 shares of €0.06 each.

The number of shares held as treasury shares totals 2,290,930 and represents 1.54% of the Company’s capital.

Movements for the year concerning treasury shares were as follows:

<i>In number of shares</i>	Number as at 01/01/2018	Purchases	Sales	Cancellation of shares	Number as at 12/31/2018
Treasury stock allocated to external growth	200,000	2,110,000		(2,310,000)	0
Treasury stock allocated to stock option plans	3,096,570		(815,610)	(100,613)	2,180,347
Treasury stock allocated to liquidity contracts	9,500	932,578	(831,495)		110,583
TOTAL	3,306,070	3,042,578	(1,647,105)	(2,410,613)	2,290,930

<i>In value In thousands of euros</i>	Amount at 1/1/2018	Purchases	Sales	Cancellation of shares	Gross value at 12/31/2018
Treasury stock allocated to external growth	7,038	76,812		(83,850)	
Treasury stock allocated to stock option plans	54,377		(7,349)	(771)	46,257
Treasury stock allocated to liquidity contracts	350	34,834	(31,591)		3,593
TOTAL	61,765	111,646	(38,940)	(84,621)	49,850

H – PROVISIONS FOR CONTINGENCIES AND CHARGES

Provisions for contingencies and charges	2017	+	Utilized (-)	Surplus (-)	2018
Provisions for foreign exchange losses	97	237		97	237
Provisions for other contingencies	8,658			1,900	6,758
Provisions for taxes (see Note O)	59,158	4,940			64,098
TOTAL	67,913	5,177	0	(1,997)	71,093

Compagnie Plastic Omnium recognized a provision for income taxes of €4.9 million to reflect the use by the tax group of tax losses that might subsequently be used by its subsidiaries, bringing the amount of this provision to €64.1 million at December 31, 2018.

Compagnie Plastic Omnium also reversed a provision for financial risks of €1.9 million in light of the improved negative net position of one of its subsidiaries.

I – LIABILITIES

<i>In thousands of euros</i>	2018	Maturity date Less than 1 year	Maturity date 1 and 5 years	Maturity date More than 5 years
Bonds	1,614,631	14,631	800,000	800,000
Bank borrowings	-	-		
Other borrowings	22,500	20,843	1,657	
TOTAL NET FINANCIAL LIABILITIES	1,637,131	35,474	801,657	800,000
Trade payables	13,724	13,724		
Accrued taxes and payroll costs	9,841	9,841		
Other liabilities	43,024	9,463	33,561	
TOTAL	1,703,720	68,502	835,218	800,000

Net financial liabilities

Bonds

The private bond of €250 million issued October 4, 2012 was redeemed on its maturity date of December 12, 2018. It was replaced by a €300 million *Schuldscheindarlehen* December 21, 2018.

The key features of bonds issued are as follows:

Bond issue of May 21, 2013

Bond issue	Euro Bond
Issuance amount (<i>in euros</i>)	500,000,000
Maturity	May 29, 2020
Annual coupon – Fixed rate	2.875%
Listed	Euronext Paris

Schuldschein private placement of June 16, 2016

Private placement notes	Schuldschein
Issuance amount (<i>in euros</i>)	300,000,000
Maturity	June 17, 2023
Annual coupon – Fixed rate	1.478%

Bond issue of June 26, 2017

Bond issue	Euro Bond
Issuance amount (<i>in euros</i>)	500,000,000
Maturity	June 26, 2024
Annual coupon – Fixed rate	1.250%
Listed	Euronext Paris

Schuldschein private placement of December 21, 2018

Private placement notes	Schuldschein
Issuance amount (<i>in euros</i>)	300,000,000
Maturity	December 21, 2025
Annual coupon – Fixed rate	1.632%

The accrued interest payable on loans totaled €14.6 million at December 31, 2018.

Bank borrowings

Borrowings and other financial debts consist largely of the remaining financial commitment to the Aster VI fund of €18.5 million at December 31, 2018, security deposits received of €1.7 million and of €1.2 million of currency hedges.

Portfolio at December 31, 2018

Currency <i>In thousands of euros</i>	Nominal Currency	Fair value Assets	Fair value Liabilities	Fair value
CNY/EUR	350,000	130	(228)	(98)
USD/EUR	113,300	57	(939)	(882)
TOTAL		187	(1,167)	(980)

Portfolio at December 31, 2017

Currency <i>In thousands of euros</i>	Nominal Currency	Fair value Assets	Fair value Liabilities	Fair value
CNY/EUR	350,000	87	(742)	(655)
GBP/EUR	48,000		(517)	(517)
USD/EUR	113,300	2,415	(487)	1,928
TOTAL		2,502	(1,746)	756

Trade payables, tax and other liabilities

Compagnie Plastic Omnium is the parent company of a tax consolidation group with debt amounting to €8.8 million.

Other liabilities mainly relate to tax current accounts with the other corporate members of the tax group for €42 million (including €41.5 million relating to tax credits).

Accrued expenses

<i>In thousands of euros</i>	Amount
Other bonds, accrued interest	14,632
Bank borrowings and liabilities	0
Net financial liabilities	0
Trade payables	11,066
Other liabilities	594
TOTAL	26,292

Forward financial instruments and hedging transactions

The currency swaps portfolio, created to hedge foreign-currency loans granted to subsidiaries stood as follows:

Related companies

Balance sheet items

In thousands of euros

	Related parties
Assets	
Shares in subsidiaries and affiliates	954,677
Loans	475,365
Trade receivables	7,770
Short-term loans – Current accounts	1,160,959
Other receivables	5,997
Liabilities	
Trade payables	3,266
Other liabilities	42,360

NOTES TO THE INCOME STATEMENT

J – NET SALES AND OTHER OPERATING REVENUE

Total operating revenue excluding expense transfers and provision reversals breaks down as follows:

<i>In thousands of euros</i>	2018	2017
BY BUSINESS SEGMENT		
Rental payments and other expenses re-invoiced	12,818	11,841
License and service fees	30,033	29,587
TOTAL	42,851	41,428
BY REGION		
France	18,064	16,983
International	24,787	24,445
TOTAL	42,851	41,428

K – PURCHASES AND OTHER EXTERNAL CHARGES

<i>In thousands of euros</i>	2018	2017
General management services	1,765	1,765
Overheads and headquarters expenses	1,405	1,486
Professional fees	12,426	18,453
Advertising, print collateral and publication	4,332	5,824
Travel and entertainment	1,757	1,398
Bank charges	5,830	7,378
Other purchases and external charges	10,101	12,090
TOTAL	37,616	48,394

Professional fees mainly arose from external growth projects or the disposal of subsidiaries.

L - DEPRECIATION, AMORTIZATION AND IMPAIRMENT**Change in depreciation***In thousands of euros*

	2017	+	-	2018
Trademarks, patents and software	931	13		944
Land development	620	225		845
Buildings	9,965	3,122		13,087
Fixtures and fittings	2,626	180	2,023	783
Office equipment and furniture	675	242	43	874
TOTAL	14,817	3,782	2,066	16,533

Changes in provisions for impairment*In thousands of euros*

	2017	+	-	2018
ON ASSETS				
Investments	20,282	1,883	19,732	2,433
Other receivables	8,271	5,626	3,603	10,294
Cash and cash equivalents		1,546		1,546
TOTAL	28,553	9,055	23,335	14,273
ON LIABILITIES				
Tax-regulated provisions	694	45		739
Provisions for contingencies and charges	67,913	5,176	1,997	71,092
TOTAL	68,607	5,221	1,997	71,831

M - NET FINANCIAL INCOME*In thousands of euros*

	2018	2017
Dividend income	206,480	104,586
Other financial income and expenses	250	244
Interest income and expense	(8,762)	(2,053)
Net gain on disposal of short-term investment securities	0	(2)
Foreign exchange gains and losses	(516)	4,918
Provision charges and reversals	13,989	(8,727)
TOTAL	211,441	98,966

Dividend income includes €98.5 million in dividends from French subsidiaries and €108 million received from international subsidiaries.

The decrease in interest expense was related to the reduction in loans granted to subsidiaries.

The net provision reversal refers mainly to the provision for impairment of the equity held in one of its subsidiaries.

N – NON-OPERATING ITEMS

<i>In thousands of euros</i>	2018		
	Income	Expenses	Net
On revenue transactions		446	(446)
On disposals of intangible assets	4,600	6,462	(1,862)
On disposals of non-current financial assets	182,346	171,653	10,693
Other non-operating income and expenses	2,480	1,934	546
Provision charges and reversals	2,753	5,669	(2,916)
TOTAL	192,179	186,164	6,015

Disposals of intangible and financial assets principally refer to the disposal of the Environment business.

Other non-operating income represents a gain on the sale of treasury stock.

Related companies

Income statement items

In thousands of euros

	Related parties
Income	
Net sales and other operating revenue	33,611
Financial income	239,213
Non-operating income	
Expenses	
Operating expenses	(17,335)
Interest cost	(508)
Non-operating expenses	(1,300)

O – Corporate income tax

<i>In thousands of euros</i>	2018 Results		
	Current portion	Non-operating items	Net
* Income before tax	213,651	6,015	219,666
* Tax adjustments	(206,452)	(9,473)	(215,925)
= Tax base	7,199	(3,458)	3,741
Theoretical tax (27.37%)	(1,970)	946	(1,024)
INCOME AFTER TAX AT STANDARD RATE	211,681	6,961	218,642
Impact of Group relief			20,014
Addition to provisions for taxes			(4,940)
Other impacts			(2,943)
TOTAL CORPORATE INCOME TAX			12,131
INCOME AFTER TAX			231,797

Compagnie Plastic Omnium is the parent company of a tax consolidation group comprising 16 entities.

The impact of the tax consolidation for 2018 was income of €20.1 million.

During the year, Compagnie Plastic Omnium recognized a €4.9 million provision for taxes to reflect the use by the tax group of tax losses likely to be used in the future by its subsidiaries.

The tax group has tax loss carryforwards totaling €126.6 million (excluding the loss from the widened basis of €4.1 million), equivalent to future tax savings of €34.6 million.

Unrecognized deferred tax assets and liabilities excluding tax loss carryforwards, calculated at a tax rate of 27.37%, broke down as follows at December 31, 2018:

<i>In thousands of euros</i>	2018
Translation adjustment on FX payables 2018	4
Translation adjustment on FX receivables 2018	(65)
Net deferred tax asset	(61)

OTHER DISCLOSURES

OFF-BALANCE SHEET COMMITMENTS

Commitments given

<i>In thousands of euros</i>	2018
Guarantee ⁽¹⁾	295,372
Collateral	-
TOTAL	295,372

(1) Guarantees given to banks on behalf of subsidiaries as part of their financing.

Loans and advances to senior executives

No loans or advances were made to senior managers as defined in Article L. 225-43 of the French Commercial Code.

Management compensation

The total compensation paid to the Board of Directors in 2018 amounted to €631,653.

Subsequent events

No significant events have occurred since December 31, 2018 that would be likely to have a material impact on the Company's business, financial position, results or assets.

Other

The identity of the parent company consolidating the financial statements of Compagnie Plastic Omnium: Burelle SA - 19, boulevard Jules-Carteret - 69342 Lyon Cedex 07.

At December 31, 2018, Burelle SA held 58.51% of the capital of Compagnie Plastic Omnium (% excluding treasury stock).

5.5 FIVE-YEAR FINANCIAL SUMMARY

<i>In thousands of euros</i>	2014	2015	2016	2017	2018
1 – Capital at year end					
a) Share capital	9,215	9,215	9,149	9,058	8,914
b) Shares outstanding	153,576,720	153,576,720	152,476,720	150,976,720	148,566,107
c) Convertible bonds outstanding	0	0	0	0	0
2 – Revenue and profit/(loss) for the year					
a) Total operating revenue	40,542	38,395	40,230	43,994	49,672
b) Profit before tax, depr., amort. & provisions	186,503	223,159	171,273	(11,484)	210,014
c) Corporate income tax	7,595	11,041	3,372	17,559	12,131
d) Profit after tax, dep., amort & provisions	184,324	222,893	46,670	111,728	231,797
e) Dividends distributed ⁽¹⁾	56,823	62,966	74,714	98,821	109,939
3 – Per share data⁽¹⁾					
a) Profit after tax, before depreciation, amortization and provisions	1.26	1.33	1.15	0.04	1.50
b) Profit after tax, depr., amort. & provisions	1.20	1.45	0.31	0.74	1.56
c) Dividend paid per share	0.37	0.41	0.49	0.67	0.74
4 – Employees					
a) Number of employees	0	0	0	0	0
b) Total payroll	0	0	0	0	0
c) Social Security and other employee benefits	0	0	0	0	0

(1) Before deducting dividends in respect of Treasury shares at the date of the Shareholders' Meeting, which do not carry dividend rights.

5.6 SUBSIDIARIES AND AFFILIATES

Subsidiaries	Share capital	% interest
PLASTIC OMNIUM AUTO EXTERIORS SA 19, boulevard Jules-Carteret – 69007 Lyon – France	EUR 87,156,000	100.0%
PLASTIC OMNIUM AUTO INERGY SAS 19, boulevard Jules-Carteret – 69007 Lyon – France	EUR 119,796,330	100.0%
PLASTIC OMNIUM GESTION SNC 19, boulevard Jules-Carteret – 69007 Lyon – France	EUR 2,011,500	100.0%
PLASTIC OMNIUM FINANCE SNC 19, boulevard Jules-Carteret – 69007 Lyon – France	EUR 247,500	100.0%
PLASTIC OMNIUM MANAGEMENT 3 SAS 19, boulevard Jules-Carteret – 69007 Lyon – France	EUR 37,500	100.0%
PLASTIC OMNIUM MANAGEMENT 4 SAS 19, boulevard Jules-Carteret – 69007 Lyon – France	EUR 37,500	100.0%
PLASTIC OMNIUM GmbH Romanstrasse 35 – 80639 Munich – Germany	EUR 13,500,000	100.0%
PLASTIC OMNIUM RE AG Schochenmühlestrasse 2 – 6340 Baar – Switzerland	CHF 16,167,000	100.0%
PLASTIC OMNIUM INC. 1209 Orange Street, Wilmington, Delaware 19801 – United States	USD 60,100	100.0%
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING CO. LTD 3502, Block 2, 391 Guiping Road – Xuhui District – Shanghai – PR China	EUR 250,000	100.0%
PLASTIC OMNIUM HOLDING (Shanghai) CO. LTD RM 3501, F35 Building 2 N° 391 Guiping Road Shanghai – PR China	EUR 70,000,000	100.0%

Affiliates

BPO AS Y. Yalova Yolu 8 km, Panayir – Bursa – Turkey	TRL 5,000,000	50.0%
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In thousands of euros

	Subsidiaries	Affiliates
Carrying amount of shares held		
• Gross	950,484	4,231
• Net	950,446	4,231
Loans and advances granted	1,481,339	0
Dividends received	199,777	6,702

SUPPLIER AND CUSTOMER PAYMENT TERMS AS REFERRED TO IN ARTICLE D. 441-4 OF THE FRENCH COMMERCIAL CODE

Invoices received or issued but not paid and overdue as of the closing date (Table pursuant to Article D. 441-4 of the French Commercial Code)

	Article D. 441 I. - 1° of the French Commercial Code: Invoices received and unpaid at the reporting date which are past due					Article D. 441 I. - 2° of the French Commercial Code: Invoices issued and unpaid at the reporting date which are past due					Total (1 day and over)		
	0 days (as reference)	1 to 30 days	31 to 60 days	61 to 90 days	at 91 days and over	Total (1 day and over)	0 days (as reference)	1 to 30 days	31 to 60 days	61 to 90 days		at 91 days and over	
(A) Portion past due													
Number of invoices in question						48						31	
Total amount of invoices in question		68	12	13	16	109	2	4	502	1,654		2,162	
(state if VAT incl. or VAT excl.)		€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	
Percentage of total purchases in the period		0.1%				0.2%							
(state if VAT incl. or VAT excl.)		€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT							
Percentage of year's revenue										1%	3.2%	4.2%	
(state if VAT incl. or VAT excl.)							€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	€000 inc. VAT	
(B) Invoices excluding (A) involving disputed or non-recognized liabilities and receivables													
Number of invoices excluded						0						0	
Total amount of invoices excluded						0.00						0.00	
(state if VAT incl. or VAT excl.)													
(C) Reference payment periods used (contractual or legal periods – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)													
Payment periods used in calculating late payments		30 days from invoice date – 30 days from the end of the month					45 days from invoice date – 45 days from the end of the month					60 days from invoice date	Upon receipt



5.7 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

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

FOR THE YEAR ENDED DECEMBER 31, 2018

To the Shareholders of the Annual General Meeting of Compagnie Plastic Omnium.

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Compagnie Plastic Omnium for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OUR 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 those standards are further described in the Statutory Auditors' responsibilities for the audit of the financial statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 paragraph 1, of Regulation (EU) no. 537/2014 or in the French Code of ethics for statutory auditors.

JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements for the year, as well as how we addressed those risks.

The matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we did not provide a separate opinion on specific items of the financial statements.

VALUATION OF EQUITY INVESTMENTS AND RECEIVABLES RELATED TO EQUITY INVESTMENTS

Note "Accounting principles and methods – Equity investments and related receivables", note "C – Investments" and note "L – Depreciation, amortization and impairment" of the notes to the financial statements.

The equity investments shown on the Compagnie Plastic Omnium balance sheet stood at €955 million as of December 31, 2018 (€952 million net value).

KEY AUDIT MATTERS

- A provision for impairment is made when the value in use or the likely realizable value is lower than Net book value.
- Value in use is determined by taking into account the share of net equity and profit outlook in view of current market conditions as set out in the subsidiaries' medium-term business plans.
- The valuation of equity investments is considered to be a key audit matter given the importance of equity investments in the balance sheet and because of the judgments to be made by management to estimate the profit outlook of the subsidiaries.

OUR RESPONSE

Our work consisted in:

- Comparing the net book value of equity securities with the net equity of these companies;
- Assessing the existence of indication of impairment by
 - interviewing the Group's Finance Department on the results and profit outlook of the different companies,
 - assessing the minutes of the meetings of the Board of Directors of Compagnie Plastic Omnium.
- Assessing, when applicable, the valuation methodology and the arithmetical accuracy of the calculation of the recoverable value and verifying the consistency of assumptions used with the economic environment at the reporting and closing dates.

SPECIFIC VERIFICATIONS

We also carried out, in accordance with the professional standards applicable in France, the specific verifications provided for in French law and regulations.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND OTHER DOCUMENTS SENT TO SHAREHOLDERS ON THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

We have no observations to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to the shareholders with respect to the financial position and the financial statements sent to shareholders.

We state that the information related to payment terms mentioned in article D. 441-4 of the French Commercial Code is accurate and consistent with the financial statements.

Regarding the information related to items that your company believes likely to have an impact in the event of a public offering or exchange offer, provided in accordance with the provisions of article L. 255-37-5 of the French Commercial Code, we verified the consistency of this information in the documents which have been sent to us. Based on this work, we have no comment to make about the information.

REPORT ON CORPORATE GOVERNANCE

We confirm the existence, in the Board of Directors report on corporate governance, the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (Code de commerce).

With regard to the information provided pursuant to the provisions of Article L. 225-37-3 of the French Commercial Code (Code de commerce) on compensation and benefits paid to corporate officers and the commitments made in their favor, we verified their consistency with the financial statements or with the data used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we certify the accuracy and truthfulness of the information.

OTHER INFORMATION

In accordance with the law, we have ensured that the various information relating to the acquisition of equity interests and control and the identity of the holders of the capital or voting rights have been communicated to you in the management report.

INFORMATION ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Compagnie Plastic Omnium by the Annual General Meeting held on December 28, 1977 for Mazars and on May 15, 2001 for "Ernst & Young et Autres" (under the name "Ernst & Young Audit" on May 15, 2001 until April 29, 2010).

As at December 31, 2018, Mazars and Ernst & Young et Autres were in the forty-second year and ninth year of total uninterrupted engagement respectively.

Previously, ERNST & YOUNG Audit was the Statutory Auditor since 2001.

RESPONSIBILITIES OF MANAGEMENT AND CORPORATE GOVERNANCE OFFICERS REGARDING THE ANNUAL FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the board of directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the french commercial code, our statutory audit does not include assurance on the viability of the Company or the quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout this audit. Furthermore it:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the audit committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the audit committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the french commercial code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-la-Défense, February 13, 2019

The Statutory Auditors

ERNST & YOUNG et Autres
Gilles PUISSOCHET

MAZARS
Juliette DECoux

5.8 SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS AND COMMITMENTS

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

To the Annual General Meeting of Compagnie Plastic Omnium

In our capacity as statutory auditors of your company, we hereby present to you our report on related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to assess the relevance of these agreements and commitments prior to their approval.

We are also required, where applicable, to inform you in accordance with article R. 225-31 of the French Commercial Code of the continuation of the implementation, during the year ended December 31, 2018, of the agreements and commitments previously approved by the annual general meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE ANNUAL GENERAL MEETING

In accordance with article L. 255-40 of the French Commercial Code, we have been notified of the agreements or commitments authorized during the year ended December 31, 2018 which have the prior approval of your Board of Directors.

WITH THE COMPANY PLASTIC OMNIUM AUTO INERGY S.A.S. OF WHICH MR LAURENT BURELLE IS ALSO CHAIRMAN, YOUR COMPANY DIRECTLY HOLDS 100% OF THE SHARE CAPITAL OF PLASTIC OMNIUM AUTO INERGY S.A.S.

NATURE AND PURPOSE

Termination of the royalty agreement for assignment of trademark with Plastic Omnium Auto Inergy S.A.S.

CONDITIONS

In consideration of this termination at your company's initiative, the two companies agree on an indemnity aiming to offset the harm suffered by Plastic Omnium Auto Inergy S.A.S. As at 31 December 2018, Plastic Omnium Auto Inergy S.A.S. had invoiced an amount of €1,300,000 to your company in respect of this termination.

MOTIVES JUSTIFYING THE INTEREST IN THE AGREEMENT BY YOUR COMPANY

Your company supported this agreement in the following manner:

Following the new organization of Plastic Omnium around its two automotive business lines and the change in corporate form underway, your company and Plastic Omnium Auto Inergy S.A.S. agreed on December 15, 2018 to cancel the concession agreement for the brand "Plastic Omnium Auto Inergy" with effect from July 1, 2018.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

AGREEMENTS AND COMMITMENTS AUTHORIZED IN PRIOR YEARS

a) whose implementation was continued during the year ended december 31, 2018

In accordance with article R. 225-30 of the French Commercial Code (Code de Commerce), we have been notified that the implementation of the following agreements and commitments, which were approved by the Annual General Meeting in prior years, continued during the year ended December 31, 2018.

WITH BURELLE SA, OF WHICH MR. JEAN BURELLE IS CHAIRMAN, WHICH DIRECTLY HOLDS A 58.51% STAKE IN PLASTIC OMNIUM'S SHARE CAPITAL**PERSONS CONCERNED**

Mr. Laurent Burelle and Mr. Paul Henry Lemarié, Executive CEOs, and Mrs. Éliane Lemarié and Mrs. Félicie Burelle, Directors.

Burelle SA invoices Plastic Omnium for General Management services according to re-invoicing agreements. This agreement was reviewed during meetings of the Plastic Omnium Board of Directors on February 24, 2016, July 26, 2016 and October 26, 2016 during which it was decided to change the way in which the incentive paid by Burelle SA to Mr. Laurent Burelle, Mr Jean Burelle and Mr Paul Henry Lemarié is determined, and then re-invoiced to Plastic Omnium.

The agreement describes the facilitation and coordination services for all of Plastic Omnium's businesses provided by the Group's General Management.

CONDITIONS

Burelle SA invoices Plastic Omnium for the executive services according to re-invoicing agreements.

As at December 31, 2018, your Company recorded an expense of €1,764,948 for Group executive services.

WITH YANFENG PLASTIC OMNIUM AUTOMOTIVE SYSTEMS CO. LTD, YOUR COMPANY INDIRECTLY HOLDS A 49.95% STAKE IN YANFENG PLASTIC OMNIUM AUTOMOTIVE SYSTEMS CO. LTD**PERSON CONCERNED**

Mr. Jean-Michel Szczerba, Director.

This license fee and technical support agreement was authorized by the board of directors on February 26, 2013 and ratified by the annual general meeting of April 25, 2013. Its purpose is the use of your Company's trademarks.

CONDITIONS

0.25% of the revenues of the company benefiting from the agreement.

TERM

The agreement has a term of thirty years.

As at December 31, 2018, your company recorded a revenue corresponding to billing fees to be invoiced to Yanfeng Plastic Omnium Automotive Systems Co. Ltd in the amount of €1,975,631.

WITH BPO-B.PLAS PLASTIC OMNIUM OTOMOTIV PLASTIK YAN SANAYI A.S, YOUR COMPANY HOLDS 50% OF THE VOTING RIGHTS IN B.PLAS-PLASTIC OMNIUM OTOMOTIV PLASTIK**PERSON CONCERNED**

Mr. Jean-Michel Szczerba, Director.

This license fee and technical support agreement was authorized by the board of directors on February 26, 2013 and ratified by the annual general meeting of April 25, 2013. Its purpose is the use of designs, models, industrial processes, know-how and technical assistance services from your company. The agreement had a term of five years, and is automatically renewed. This agreement was signed on December 21, 2001.

CONDITIONS

The fee rate amounts to 1.5% of BPO-B.PLAS-Plastic Omnium Otomotiv Plastik's net sales of licensed products.

As at December 31, 2018, your company invoiced BPO-B.PLAS-Plastic Omnium Otomotiv Plastik an amount of €420,377.



WITH PLASTIC OMNIUM AUTO INERGY SAS OF WHICH MR. LAURENT BURELLE IS ALSO PRESIDENT. YOUR COMPAGNY DIRECTLY HOLDS 100% OF THE SHARE CAPITAL OF PLASTIC OMNIUM AUTO INERGY SAS

AUTHORIZATION

This agreement was authorized by the board of directors on March 15, 2011 and ratified by the General Meeting of April 28, 2011.

Your company has expressed an interest in disposing of the portfolio of brands held by Plastic Omnium Auto Inergy SAS, and in the meantime has applied to be granted a license in its favor for a trademark license for manufacture or have manufactured, and/or sell or have sold the products covered by all the Brands.

CONDITIONS

0.1% of the revenue of all the entities of the Inergy division.

DURATION

The agreement took effect on September 1, 2010 and ends no later than December 31, 2012. Unless otherwise requested by the parties, this agreement continues.

At December 31, 2018, Plastic Omnium Auto Inergy invoiced your company €1,282,314 with respect to the concession payment for the period January 1 through June 30, 2018.

b) Which were not implemented during the year ended December 31, 2018

In addition, we have been notified that the following agreements and commitments in prior years, were not implemented during the year ended December 31, 2018

WITH BURELLE SA HOLDS 58.51% OF YOUR COMPANY'S SHARE CAPITAL

PERSONS CONCERNED

Mr. Jean Burelle, Chairman, Mr. Laurent Burelle and Mr. Paul Henry Lemarié are Chief Operating Officers and Mrs. Éliane Lemarié and Félicie Burelle are directors.

This agreement was authorized by the board of directors on December 11, 2003 and ratified by the general meeting of April 22, 2004. This agreement relates to a supplementary pension plan granted to corporate officers, who are employees of the Company, by which these latter are granted an additional pension of 10% of their current compensation. Part of the related cost paid by Burelle SA is theoretically allocated to Compagnie Plastic Omnium on the basis of the same ratio as that used to calculate its share of management fees.

As at December 31, 2018, no invoice was made by the Company Burelle S.A. to your company, as there was no payment related to this supplementary pension plan.

Paris-La-Défense, February 13, 2019

The Statutory Auditors

ERNST & YOUNG et Autres
Gilles PUISSOCHET

MAZARS
Juliette DECOUX



Relations with the financial community and shareholding structure

6.1	FINANCIAL COMMUNICATION	258
6.1.1	Institutional investors	258
6.1.2	Individual shareholders	258
6.2	THE PLASTIC OMNIUM SHARE	259
	Fact sheet	259
6.2.1	Trading data	259
6.2.2	Shareholder dividends	259
6.2.3	Trends in the price and volume of transactions in Compagnie Plastic Omnium shares	260
6.2.4	Shareholder structure of Compagnie Plastic Omnium	261

6.3	FINANCIAL COMMUNICATION AND SHAREHOLDERS' TIMETABLE	261
6.3.1	Financial communication timetable	261
6.3.2	Shareholders' timetable	261



6.1 FINANCIAL COMMUNICATION

The Investor Relations Department acts as liaison between the Group and the financial community, composed of institutional investors including socially responsible investors (SRI) and bond-holders, financial analysts, and individual shareholders. The Investor Relations Department provides all these market participants with accurate, precise and fairly-presented information in real time to keep them informed of the Group's strategies, businesses, financial results, and medium-term objectives.

Plastic Omnium makes two areas dedicated to "Investors" and "Shareholders" available to the financial community on its website www.plasticomnium.com. The website also contains the Group's regulatory information, including its Registration Document, the "Trend and Performance" report, the CSR report ("Commitments and Achievements"), the half-year financial report, all of the Group's press releases and its financial and investor presentations. On the "Shareholders' Meeting" page, a section entitled "Shareholders" contains all documents relating to the General Shareholders' Meeting. All of this information is also available on smartphone or tablet through an app that Plastic Omnium launched in January 2018. This application may be downloaded via the App Store for iPhones and iPads or Google Play for Androids.

6.1.1 INSTITUTIONAL INVESTORS

The Investor Relations Department communicates with the financial community, upon each release of annual and half-year results as well as during numerous meetings held throughout the year at the Group's headquarters for investors and financial analysts, and during roadshows, and conferences organized by brokers. This year, more than 40 roadshows were organized in 18 different countries and 26 cities attended by over 1,100 investors and financial analysts. In addition, the Group organized an Investor Day at its global R&D center for clean energy systems, α -Alphatech, in Compiègne, on December 13, 2018, to present the Group's strategy for profitable and independent growth.

6.1.2 INDIVIDUAL SHAREHOLDERS

At December 31, 2018, the Plastic Omnium Group had more than 28,000 individual shareholders. Since 2016, Plastic Omnium strengthened its individual investor communications strategy by holding site visits. This year, around twenty individual shareholders were able to visit the international R&D center, Σ -Sigmatech, in Saint-Julie (France), which provided an opportunity for shareholders to learn about the Group's extensive expertise in industrial processes and innovation, with various workshops such as injection molding, crash tests, pedestrian impact and weather resistance tests. In addition, in 2018 the Group resumed its attendance at individual Shareholder Meetings. During 2018, Plastic Omnium attended two such meetings: one in Lyon in March and one in Strasbourg in October. These two meetings, attended by around 750 people, were an opportunity for the Group to describe its businesses, its strategy, its areas for development and innovation and its CSR commitments, and to respond to various questions posed by shareholders.

The Investor Relations Department provides individual shareholders with two Shareholder letters, published in March for the annual results and in September for the half-year results, as well as a Shareholder's Guide. All of these documents may be found in the "Shareholders" section of the Group's website.

At the end of 2018, Plastic Omnium received the Bronze Award for best individual shareholder services of the SBF 120 companies, awarded by the financial magazine *Le Revenu*. This award recognizes all the work of the Plastic Omnium Investor Relations Department over a three-year period, as well as its introduction, during the past year, of electronic voting (VotAccess), enabling shareholders to cast their votes online prior to the General Meeting of Shareholders.

6.2 THE PLASTIC OMNIUM SHARE

FACT SHEET

ISIN code: FR0000124570

Par value: €0.06

Eligible for the Deferred Settlement Service (SRD)

BNP Paribas Securities Services is the registrar for shares held in registered form. The issuers' service can be reached at +33 (0)826 109 119. There you may obtain all share performance data. For all other requests, Shareholders' Services can be contacted on the following toll free number: +33 (0)800 777 889.

Kepler Cheuvreux was appointed to intervene in the purchase and sale of the shares on behalf of Plastic Omnium on the Euronext Paris market. The terms and conditions were set out in a liquidity agreement dated December 5, 2014, with regard to its ordinary shares (Paris - ISIN code FR0000124570). On January 28, 2019, Plastic Omnium made an additional contribution of €3 million to the liquidity agreement, increasing its overall budget to €6 million.

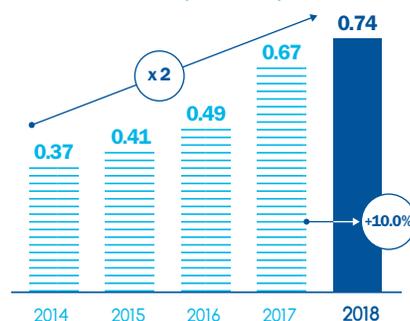
6.2.1 TRADING DATA

Price as at December 31, 2018	€20.17 per share
Average closing price of the last 30 trading sessions in 2018	€21.83 per share
Highest price in 2018	€41.82 per share on 05/21/2018
Lowest price in 2018	€18.715 per share on 12/10/2018
Year on year increase as at December 31, 2018	
Plastic Omnium	-46.8%
SBF 120	-11.7%
CAC Mid 60	-20.5%
Market capitalization as at December 31, 2018	€2,996,578,378

6.2.2 SHAREHOLDER DIVIDENDS

Dividend per share proposed to the Shareholders' Meeting of April 25, 2019: €0.74.

CHANGE IN DIVIDEND PER SHARE (IN EUROS) OVER FIVE YEARS:



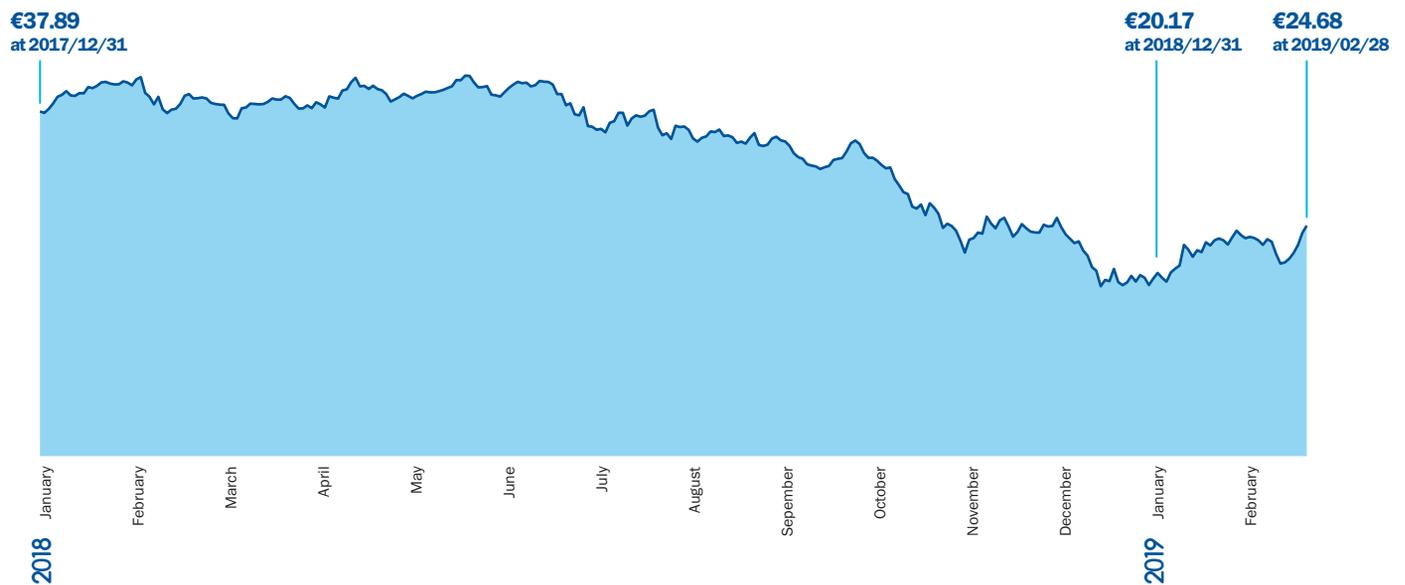
Dividends must be claimed within five years. Unclaimed dividends are paid back to the *Caisse des Dépôts et Consignations*.



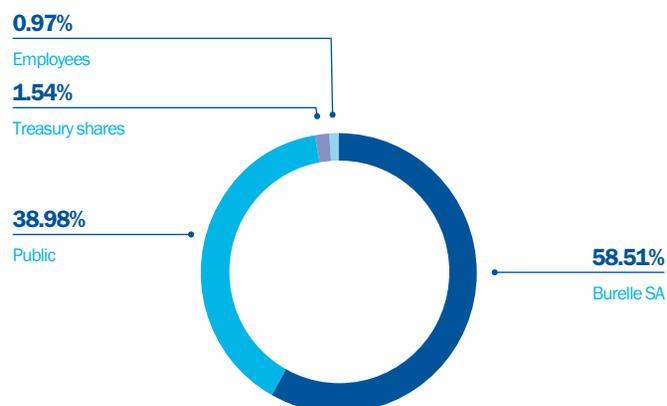
6.2.3 TRENDS IN THE PRICE AND VOLUME OF TRANSACTIONS IN COMPAGNIE PLASTIC OMNIUM SHARES

	Highest price (in euros)			Lowest price (in euros)			Transaction volume (daily average)		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
January	30.605	32.69	41.41	27.830	29.9	37.73	324,906	203,065	156,769
February	30.055	33.35	41.66	25.880	31.605	37.71	306,916	195,292	222,521
March	31.185	34.14	39.56	28.925	32.605	37.13	255,508	222,702	209,048
April	30.370	35.91	41.59	28.475	33.31	38.32	193,075	234,786	224,990
May	29.970	36.49	41.82	27.965	33.075	39.33	162,434	226,307	142,882
June	30.820	33.66	41.24	24.450	31.935	36.21	248,444	207,801	214,701
July	28.555	33.42	38.08	25.135	31.655	34.87	216,069	241,599	249,185
August	28.750	32.87	35.9	27.530	31.545	34.1	112,144	120,205	185,035
September	29.530	36.195	34.7	27.580	32.375	31.57	215,978	179,667	243,427
October	30.200	36.585	32.01	29.480	35.44	22.4	184,416	148,505	372,417
November	28.945	36.72	26.35	27.675	33.735	23.44	180,723	154,735	259,376
December	30.485	38.08	23.63	28.175	35.545	18.715	175,949	156,433	404,854

TRENDS IN THE PLASTIC OMNIUM SHARE PRICE FROM JANUARY 2018 TO FEBRUARY 2019



6.2.4 SHAREHOLDER STRUCTURE OF COMPAGNIE PLASTIC OMNIUM



6.3 FINANCIAL COMMUNICATION AND SHAREHOLDERS' TIMETABLE

6.3.1 FINANCIAL COMMUNICATION TIMETABLE

Publication of the annual results for 2018	February 14, 2019
Publication of revenue for the first quarter of 2019	April 23, 2019
Publication of the half-year results for 2019	July 19, 2019
Publication of revenue for the third quarter of 2019	October 24, 2019

6.3.2 SHAREHOLDERS' TIMETABLE

Shareholders' Meeting	April 25, 2019
Ex-dividend	May 2, 2019
Dividend payment date	May 6, 2019
Shareholders' Meeting	Second half 2019

Registrar: BNP Paribas Securities Services – Tel.: +33 (0) 826 109 119.



RELATIONS WITH THE FINANCIAL COMMUNITY AND SHAREHOLDING STRUCTURE
Financial communication and shareholders' timetable



Shareholders' Meeting

7.1	AGENDA	264	7.4	STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND OTHER SECURITIES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS	279
7.1.1	Ordinary resolutions	264			
7.1.2	Extraordinary resolutions	264			
7.2	TEXT OF THE RESOLUTIONS SUBMITTED FOR APPROVAL BY THE COMBINED SHAREHOLDERS' MEETING ON APRIL 25, 2019	265	7.5	STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE RESERVED FOR MEMBERS OF THE COMPANY'S SAVINGS PLAN	281
7.2.1	Ordinary resolutions	265			
7.2.2	Extraordinary resolutions	267	7.6	REPORT OF THE TRANSFORMATION COMMISSIONER ON THE TRANSFORMATION OF COMPAGNIE PLASTIC OMNIUM INTO A EUROPEAN COMPANY (SOCIETAS EUROPAEA)	282
7.3	BOARD OF DIRECTORS' REPORT ON THE RESOLUTIONS PRESENTED TO THE COMBINED SHAREHOLDERS' MEETING ON APRIL 25, 2019	273	7.7	COMPAGNIE PLASTIC OMNIUM DRAFT BYLAWS AT APRIL 25, 2019	283
7.3.1	Report of the Board of Directors on the resolutions presented at the Ordinary Shareholders' Meeting	273			
7.3.2	Report of the Board of Directors on the resolutions presented at the Extraordinary Shareholders' Meeting	275			



7.1 AGENDA

7.1.1 ORDINARY RESOLUTIONS

- First resolution: Approval of the financial statements for the year ended December 31, 2018
- Second resolution: Appropriation of net income and determination of the dividend
- Third resolution: Related-party agreements and commitments entered into during the fiscal year – Approval of a new agreement with the company Plastic Omnium Auto Inergy SAS – Statutory Auditors' report
- Fourth resolution: Statutory Auditor report on related-party agreements and commitments –Related-party agreements concluded in previous years and continued throughout the year
- Fifth resolution: Approval of the consolidated financial statements for the year ended December 31, 2018
- Sixth resolution: Authorization to be granted to the Board of Directors to buy back the Company's shares pursuant to the provisions of Article L. 225-209 of the French Commercial Code, duration of the authorization, purposes, terms, ceiling
- Seventh resolution: Renewal of the term of office as director of Mrs. Amélie Oudéa-Castéra
- Eighth resolution: Amount of attendance fees allocated to the members of the Board of Directors
- Ninth resolution: Approval of the principles and criteria pertaining to determining, distributing and awarding the fixed, variable and exceptional components of the total compensation and benefits in kind to executive directors
- Tenth resolution: Approval of the compensation components paid or awarded in respect of the year ended December 31, 2018 to Mr. Laurent Burelle, Chairman and Chief Executive Officer
- Eleventh resolution: Approval of the compensation components paid or awarded to Mr. Paul Henry Lemarié, Chief Operating Officer, in respect of the year ended December 31, 2018
- Twelfth resolution: Approval of the compensation components paid or awarded in respect of the year ended December 31, 2018 to Mr. Jean-Michel Szczerba, Co-Chief Executive Officer and Chief Operating Officer

7.1.2 EXTRAORDINARY RESOLUTIONS

- Thirteenth resolution: Delegation of authority granting the Board of Directors powers to issue ordinary shares and/or equity securities with preferential subscription rights, giving access to other equity securities, or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company, the duration of the delegation, the maximum nominal amount of the capital increase and whether to launch a public offer for unsubscribed shares
- Fourteenth resolution: Delegation of authority granting the Board of Directors powers to issue ordinary shares and/or equity securities without preferential subscription rights, giving access to other equity securities or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company by way of a public offer and/or as consideration for securities as part of a public exchange offer, the duration of the delegation, the maximum nominal amount of the capital increase, the issue price, ability to limit the amount of subscriptions or distribute unsubscribed shares
- Fifteenth resolution: Delegation of authority granting the Board of Directors powers to issue ordinary shares and/or equity securities without preferential subscription rights, giving access to other equity securities, or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company, by way of a public offering referred to in Section II of Article L. 411-2 of the French Monetary and Financial Code, duration of the delegation, the maximum nominal amount of the capital increase, the issue price, ability to limit the amount of subscriptions or distribute unsubscribed shares
- Sixteenth resolution: Delegation of authority granting the Board of Directors the power to increase the number of shares to be issued, with or without preferential subscription rights, under the thirteenth through fifteenth resolutions, up to a maximum of 15% of the initial issue
- Seventeenth resolution: Delegation of authority granting the Board of Directors powers to increase the share capital by issuing ordinary shares and/or securities giving access to Company shares without preferential subscription rights reserved for members of a company savings plan pursuant to Articles L. 3332-18 *et seq.* of the French Labor Code, the duration of the delegation, the maximum nominal amount of the capital increase, the issue price, option to grant free shares in application of Article L. 3332-21 of the French Labor Code
- Eighteenth resolution: Approval to transform the corporate form of the Company by adopting the European company form and the terms of the transformation project
- Nineteenth resolution: Approval of the Company's bylaws under its new form as a European company
- Twentieth resolution: Modification of Company bylaws to enable the appointment of a director to represent Employees – Insertion of Article 11 *bis* "Directors representing Employees" in the Company bylaws
- Twenty-first resolution: Powers to carry out formalities

7.2 TEXT OF THE RESOLUTIONS SUBMITTED FOR APPROVAL BY THE COMBINED SHAREHOLDERS' MEETING ON APRIL 25, 2019

7.2.1 ORDINARY RESOLUTIONS

FIRST RESOLUTION: APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

After having read the Company financial statements for the year ended December 31, 2018, the report of the Board of Directors and the Statutory Auditors' report on the annual financial statements for the year ended December 31, 2018, and voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, the Shareholders' Meeting approves the annual financial statements for the year ended December 31, 2018 as presented, showing a net profit of €231,797,048, as well as the transactions reflected in said financial statements or described in said reports.

SECOND RESOLUTION: APPROPRIATION OF NET INCOME AND DETERMINATION OF THE DIVIDEND

The Shareholders' Meeting, voting in accordance with the quorum and majority conditions for Ordinary Shareholders' Meetings and noting the results for the year ended December 31, 2018 show a net profit of €231,797,048 and that retained earnings totaled €972,964,807, decides to appropriate the net sum of €1,204,761,855 as proposed by the Board of Directors, namely:

In euros

Total amount to be appropriated	1,204,761,855
Appropriation:	
Net dividend distributed for 2018	109,938,919
Carried forward	1,094,822,936
Total appropriated	1,204,761,855

Consequently, the Shareholders' Meeting set the net dividend for 2018 at €0.74 per share. As a reminder, for individual shareholders resident for tax purposes in France, who do not opt for withholding at the flat rate of 30%, this dividend is eligible for the 40% tax relief resulting from the provisions of Article 158-3-2° of the French General Tax Code. The dividends for individual shareholders are subject to withholding at 12.8%.

The ex-dividend date will be May 2, 2019.

The dividend will be paid on the date set by the Board of Directors, *i.e.* May 6, 2019.

Compagnie Plastic Omnium shares held in treasury on the dividend payment date will be stripped of dividend rights and the related dividends will be credited to retained earnings.

In accordance with the law, the Shareholders' Meeting notes that, after deducting dividends not paid on treasury stock, dividends for the last three years were as shown in the table below.

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, the following table summarizes the amount of dividends and other income distributed in respect of the three preceding fiscal years, as well as their eligibility for the 40% tax relief, provided for in Article 158-3-2° of the French General Tax Code, where applicable, for individual shareholders resident in France for tax purposes.

Year	Number of shares with dividend rights	Dividend per share	Income eligible for the tax relief provided for in Article 158-3-2° of the French General Tax Code		Income not eligible for the tax relief provided for in Article 158-3-2° of the French General Tax Code	
			Dividends	Other income	Dividends	Other income
2015	147,589,746	0.41	60,511,796	–	–	–
2016	147,494,915	0.49	72,272,508	–	–	–
2017	147,494,900	0.67	98,821,583	–	–	–

**THIRD RESOLUTION: RELATED-PARTY AGREEMENTS AND COMMITMENTS ENTERED INTO DURING THE FISCAL YEAR – APPROVAL OF A NEW AGREEMENT WITH THE COMPANY PLASTIC OMNIUM AUTO INERGY SAS – STATUTORY AUDITORS' REPORT**

After having read the special report of the Statutory Auditors on related-party agreements and commitments referred to in Article L.225-38 of the French Commercial Code, the Shareholders' Meeting approves the agreement concluded in 2018 and mentioned in the said report.

FOURTH RESOLUTION: STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS – RELATED-PARTY AGREEMENTS CONCLUDED IN PREVIOUS YEARS AND CONTINUED THROUGHOUT THE YEAR

After having read the special report of the Statutory Auditors on related-party agreements and commitments referred to in Article L.225-38 of the French Commercial Code, the Shareholder's Meeting notes the information mentioned therein regarding the continuation during the current year, of agreements signed in the course of previous years.

FIFTH RESOLUTION: APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

After having read the Board of Directors report and the Statutory Auditors' report on the consolidated financial statements, and voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, the Shareholders' Meeting approves the consolidated financial statements for the year ended December 31, 2018 as presented, as well as the transactions reflected in these financial statements or summarized in these reports and which resulted in Group share net profit of €533,296 thousand.

SIXTH RESOLUTION: AUTHORIZATION TO BE GRANTED TO THE BOARD OF DIRECTORS TO BUY BACK THE COMPANY'S SHARES PURSUANT TO THE PROVISIONS OF ARTICLE L. 225-209 OF THE FRENCH COMMERCIAL CODE, DURATION OF THE AUTHORIZATION, PURPOSES, TERMS, CEILING

After having read the Board of Directors' report, and voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, the Shareholders' Meeting authorizes the Board of Directors to purchase the Company's shares under the terms and conditions set forth in the provisions of Article L. 225-209 *et seq.* of the French Commercial Code in order:

- to use an investment service provider to maintain the secondary market or the liquidity of Plastic Omnium's shares, via a liquidity agreement complying with the AMAFI Code of Ethics accepted by the AMF;
- to cover stock option and/or bonus share (or similar) plans awarded to Group employees and/or corporate officers and all allocations of shares as part of a company or group savings (or similar) plan, or for purposes of Company profit-sharing and/or any other form of allocation of shares to Group employees and/or corporate officers;
- to retain the shares acquired and use them later on for exchange or in payment for any external growth transactions, with the understanding that shares purchased for this purpose may not exceed 5% of the Company's capital;
- to potentially cancel the shares purchased, in accordance with the authorization to be granted by the Shareholders' Meeting of April 26, 2018 in its twenty-second extraordinary resolution;
- to implement all market practices currently accepted or accepted in the future by the market authorities;

and as per the following terms:

- the maximum number of shares that may be purchased by the Company may not exceed 10% of share capital on the date of this decision, *i.e.* a maximum number of 14,856,610 shares as of this date;
- the shares may not be repurchased at a price of more than €60 per share. In the event of a transaction affecting capital, in particular, stock splits or reverse stock splits or free share allocations, the aforementioned amount will be adjusted in the same proportion (coefficient of the ratio between the number of shares comprising the equity capital before the transaction and the number of shares after the transaction).

At December 31, 2018, the Company held 2,290,930 treasury shares. If these shares were to be canceled or used, the maximum amount that the Company would be allowed to spend would be €891,396,600 for the purchase of 14,856,610 shares.

Shares may be purchased, sold or transferred using any method, including by purchasing blocks of shares, on the stock market or over the counter. Transactions may be made at any time, except during a public offer period concerning the Company.

This authorization takes effect at the end of this Shareholders' Meeting and is valid for a period of eighteen months from this date. It cancels and replaces the authorization granted by the Combined Shareholders' Meeting of April 26, 2018 in its fifth resolution for the unused portion.

Unless it takes this action itself, the Shareholders' Meeting authorizes the Board of Directors to adjust the aforementioned maximum number of shares and maximum purchase price as necessary to take into account the impact on the share price of any change in the par value of the shares or any capital increase by incorporation of reserves and bonus share issues, any stock split or reverse stock split, any return of capital or any other capital transaction, within the aforementioned limits of 10% of share capital and €891,396,600.

The shareholders grant full powers to the Board of Directors to use this authorization, to conclude any agreements, carry out any filing and other formalities, notably with the *Autorité des Marchés Financiers* or any other authority that may replace it, and, more generally, take all necessary action.

SEVENTH RESOLUTION: RENEWAL OF THE TERM OF OFFICE AS DIRECTOR OF MRS. AMÉLIE OUDÉA-CASTERA

After having read the Board of Directors' report, and voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, the Shareholders' Meeting decides to renew the Director mandate of Mrs. Amélie Oudéa-Castéra for a three-year term. Her term of office will expire at the close of the Shareholders' Meeting to be held in 2022 to approve the 2021 financial statements.

EIGHTH RESOLUTION: AMOUNT OF ATTENDANCE FEES ALLOCATED TO THE MEMBERS OF THE BOARD OF DIRECTORS

Voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, the Shareholders' Meeting decides to increase the total annual amount of attendance fees to be allocated to the Board of Directors from €640,000 to €690,000

This decision applies from the current year until a new amount is set.

NINTH RESOLUTION: APPROVAL OF THE PRINCIPLES AND CRITERIA FOR DETERMINING, DISTRIBUTING AND AWARDED THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL COMPENSATION AND BENEFITS IN KIND TO EXECUTIVE DIRECTORS

Voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, the Shareholders' Meeting, pursuant to Article L.225-37-2 of the French Commercial Code, approved the principles and criteria used to determine, distribute and award the fixed, variable and exceptional components of total compensation and benefits in kind that may be granted to executive directors in respect of their terms

of office, as detailed in the report on corporate governance, referred to in Articles L. 225-100 and L. 225-102 of the French Commercial Code, presented in the Registration Document.

TENTH RESOLUTION: APPROVAL OF THE COMPENSATION COMPONENTS PAID OR AWARDED IN RESPECT OF THE YEAR ENDED DECEMBER 31, 2018 TO MR. LAURENT BURELLE, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Shareholders' Meeting, pursuant to Articles L. 225-37-2 and L. 225-100 of the French Commercial Code, voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approved the fixed, variable and exceptional components of the total compensation and benefits in kind paid or allocated to Mr. Laurent Burelle in respect of year ended December 31, 2018, in recognition of his position as Chairman and CEO, as presented in the Company's report on corporate governance referred to in Article L. 225-37 of the same Code.

ELEVENTH RESOLUTION: APPROVAL OF THE COMPENSATION COMPONENTS PAID OR AWARDED TO MR. PAUL HENRY LEMARIÉ, CHIEF OPERATING OFFICER, IN RESPECT OF THE YEAR ENDED DECEMBER 31, 2018

The Shareholders' Meeting, pursuant to Articles L. 225-37-2 and L. 225-100 of the French Commercial Code, voting in accordance with the

quorum and majority requirements for Ordinary Shareholders' Meetings, approved the fixed, variable and exceptional components of the total compensation and benefits in kind paid or allocated to Mr. Paul Henry Lemarié in respect of the year ended December 31, 2018, in recognition of his position as Chief Operating Officer, as presented in the Company's report on corporate governance referred to in Article L. 225-37 of the same Code.

TWELFTH RESOLUTION: APPROVAL OF THE COMPENSATION COMPONENTS PAID OR AWARDED IN RESPECT OF THE YEAR ENDED DECEMBER 31, 2018 TO MR. JEAN-MICHEL SZCZERBA, CO-CHIEF EXECUTIVE OFFICER AND CHIEF OPERATING OFFICER

The Shareholders' Meeting, pursuant to Articles L. 225-37-2 and L. 225-100 of the French Commercial Code, voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approved the fixed, variable and exceptional components of the total compensation and benefits in kind paid or allocated to Mr. Jean-Michel Szczerba in respect of the year ended December 31, 2018, in recognition of his position as Chief Operating Officer, Co-Chief Executive Officer as presented in the Company's report on corporate governance referred to in Article L. 225-37 of the same Code.

7.2.2 EXTRAORDINARY RESOLUTIONS

THIRTEENTH RESOLUTION: DELEGATION OF AUTHORITY GRANTING THE BOARD OF DIRECTORS POWERS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS, GIVING ACCESS TO OTHER EQUITY SECURITIES, OR GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES GIVING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY, THE DURATION OF THE DELEGATION, THE MAXIMUM NOMINAL AMOUNT OF THE CAPITAL INCREASE AND WHETHER TO LAUNCH A PUBLIC OFFER FOR UNSUBSCRIBED SHARES

The Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' report, voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, and pursuant to the provisions of Articles L. 225-127 to L. 225-129-6, L. 225-132, L. 225-134, L. 228-91 and L. 228-92 of the French Commercial Code:

1. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to issue, on one or more occasions and in the quantities and at the times it deems appropriate, either in euros, a foreign currency or any other account unit established on the basis of a series of currencies, ordinary shares and/or equity shares, with preferential subscription rights, giving access to other equity securities, or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company;
2. sets the limit of the amounts of the authorized issues in the event the Board of Directors makes use of this delegation of authority as follows:

- the total amount of capital increases that may be realized, immediately or in the future, pursuant to this delegation is limited to a nominal amount of one million euros or the equivalent value of this amount on the date the issue is decided upon in the event of an issue in another currency or in an account unit established on the basis of a series of currencies, it being specified that this amount would be included in the nominal amount of the capital increases that could be carried out pursuant to the fourteenth, fifteenth and sixteenth resolutions subject to their adoption by the Shareholders' Meeting;
 - to this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital;
 - the total amount of debt securities of the Company that could result from this delegation will be limited to a nominal amount of seven hundred and fifty million euros or the equivalent of this amount on the date the issue is decided upon for the foreign currency equivalent, it being specified that this amount would be included in the nominal amount of the debt securities that could be issued pursuant to the fourteenth, fifteenth and sixteenth resolutions of this Shareholders' Meeting, subject to their adoption by the Shareholders' Meeting;
3. sets the period of validity of this delegation at twenty-six months from the date of this Shareholders' Meeting and notes that this delegation supersedes as of this date any earlier delegation with the same purpose;

4. in the event the Board of Directors makes use of this delegation:

- decides that shareholders could, in accordance with the law, exercise their preferential subscription rights. In addition, the Board of Directors may introduce a reducible subscription right for shareholders which they could exercise in proportion to their subscription rights and within the limit of their requests,
- decides that, if irreducible and, where applicable, reducible subscriptions do not absorb the entire ordinary share or security issue as defined above, the Board of Directors may, use in the order it considers appropriate, each or some of the options provided for in Article L. 225-134 of the French Commercial Code,
- notes that, when necessary, this delegation of authority automatically waives, in favor of holders of securities giving future access to Company shares that may be issued pursuant to this resolution, the shareholders preferential subscription rights to the shares to which these securities would give entitlement;

5. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to implement this delegation of authority and, in particular to determine the conditions concerning the conditions of the issue, its subscription and settlement, to report the completion of any resulting capital increases carried out and to amend the bylaws accordingly, and to:

- set, if necessary, the conditions applied to exercising the rights attached to ordinary shares or securities giving access to the share capital, or debt securities to be issued and determines the terms for the exercise of rights (rights to conversion, exchange or redemption as the case may be, including delivery of Company assets such as securities already issued by the Company),
- decide, in the event of an issue of debt securities, including securities giving entitlement to the allocation of debt securities referred to in Article L. 228-91 of the French Commercial Code, whether these be subordinated or not (and, where relevant, their level of subordination in accordance with the provisions of Article L. 228-97 of the French Commercial Code) and determine their interest rate (fixed or variable rate of interest, zero coupon or indexed), their term and the conditions under which such securities could give access to the capital of the Company,
- on the Board's sole initiative, charge all capital increase costs to the corresponding issuance premiums, and deduct from these premiums the sums necessary to raise the legal reserve to one-tenth of the new capital after each capital increase,
- set and make all adjustments intended to take account of the impact of transactions involving the capital of the Company, in particular in the event of a change in the par value of the share, an increase in the share capital by incorporation of reserves, the allocation of free shares, a stock split or a reverse stock split, the distribution of reserves or of any other assets, the redemption of capital or any other transaction affecting shareholders' equity, and to set the terms under which all rights of holders of securities giving access to share capital will be preserved and modifies the bylaws accordingly,
- and, in general, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, takes all measures and decisions and carries out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto or resulting from the increases in share capital carried out.

FOURTEENTH RESOLUTION: DELEGATION OF AUTHORITY GRANTING THE BOARD OF DIRECTORS POWERS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, GIVING ACCESS TO OTHER EQUITY SECURITIES OR GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES GIVING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY BY WAY OF A PUBLIC OFFER AND/OR AS CONSIDERATION FOR SECURITIES AS PART OF A PUBLIC EXCHANGE OFFER, THE DURATION OF THE DELEGATION, THE MAXIMUM NOMINAL AMOUNT OF THE CAPITAL INCREASE, THE ISSUE PRICE, ABILITY TO LIMIT THE AMOUNT OF SUBSCRIPTIONS OR DISTRIBUTE UNSUBSCRIBED SHARES

The Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' report, voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, and pursuant to the provisions of Articles L. 225-127 to L. 225-129-2, L. 225-129-5 and L. 225-129-6, L. 225-134 to L. 225-148, L. 228-91 and L. 228-92:

1. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to issue, on one or more occasions and in the quantities and at the times it deems appropriate, either in euros, or a foreign currency or any other account unit established on the basis of a series of currencies, by way of a public offer, ordinary shares and/or equity securities, without preferential subscription rights, giving access to other equity securities, or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company; public offerings made pursuant to this resolution, may be associated, in the context of one issue or several issues carried out simultaneously, with the offerings mentioned in Section II of Article L. 411-2 of the French Monetary and Financial Code and decided in accordance with the fifteenth resolution submitted to this Shareholders' Meeting;
2. sets the limit of the amounts of the authorized issues in the event the Board of Directors makes use of this delegation of authority as follows:
 - the total amount of capital increases that may be realized, immediately or in the future, pursuant to this delegation is limited to a nominal amount of one million euros or the equivalent value of this amount on the date the issue is decided upon in the event of an issue in another currency or in an account unit established on the basis of a series of currencies, it being specified that this amount would be included in the nominal amount of the capital increases that could be carried out pursuant to the thirteenth, fifteenth and sixteenth resolutions subject to their adoption by the Shareholders' Meeting,
 - to this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, in order to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital,
 - the total amount of debt securities of the Company that could result from this delegation will be limited to a nominal amount of seven hundred and fifty million euros or the equivalent of this amount on the date the issue is decided upon for the foreign currency equivalent, it being specified that this amount would be included in the nominal amount of the debt securities that could be issued pursuant to the thirteenth, fifteenth and sixteenth resolutions of this Shareholders' Meeting, subject to their adoption by the Shareholders' Meeting;
3. sets the period of validity of this delegation at twenty-six months from the date of this Shareholders' Meeting and notes that this delegation supersedes as of this date any earlier delegation with the same purpose;

4. decides to waive shareholders' preferential subscription rights to the securities covered by this resolution, while allowing the Board of Directors', under the terms of Article L. 225-135, paragraph 5 of the French Commercial Code, to use the option to grant to the shareholders, for a certain period of time and on terms to be determined by the Board of Directors in compliance with the applicable law and regulations and, for some or all of the issue carried out, a priority subscription period which does not constitute a negotiable right. It must be exercised in proportion to the quantity of shares owned by each shareholder and may be supplemented by a reducible subscription right;
5. decides that, if irreducible and, where applicable, reducible subscriptions do not absorb the entire issue of shares or securities as defined above, the Board of Directors may use, in the order it considers appropriate, each or some of the options provided for in Article L. 225-134 of the French Commercial Code;
6. notes that, when necessary, this delegation of authority automatically waives in favor of holders of securities giving future access to Company shares that may be issued pursuant to this resolution, the shareholders preferential subscription rights related to shares to which these securities would give entitlement;
7. decides that, in accordance with Article L. 225-136 of the French Commercial Code:
 - the issue price of shares shall be at least equal to the minimum authorized price as defined by law in force at the time this delegation is used,
 - the issue price of the securities giving access to the capital shall be such that the sum received immediately by the Company, to which is added, if applicable, the amount likely to be received subsequently by the Company for each share issued as a result of the issuance of these securities, at least equal to the subscription price minimum defined in the preceding paragraph,
 - the conversion, redemption and more generally the transformation into shares of each security giving access to the capital shall take into account the nominal value of said securities which shall be such as to ensure that the amount of shares issued would enable the Company to receive a per-share value at least equal to the minimum subscription price as defined for the issue of shares in the same resolution;
8. decides, in the event securities are issued as consideration for securities tendered as part of a public exchange offer, to confer upon the Board of Directors, in accordance with provisions laid down in Article L. 225-148 of the French Commercial Code and within the limits set above, the necessary powers to draw up the list of securities tendered to the public exchange offer, determine the terms and conditions of the issue, the exchange parity and, where applicable, the amount of any cash balance to be paid; and establish the procedures for the issue;
9. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to implement this delegation of authority and, in particular to determine the conditions concerning the conditions of the issue, its subscription and settlement, to report the completion of any resulting capital increases carried out and to amend the bylaws accordingly, and to:
 - set, if necessary, the conditions applied to exercising the rights attached to ordinary shares or securities giving access to the share capital, or debt securities to be issued and determines the terms for the exercise of rights (rights to conversion, exchange or redemption as the case may be, including delivery of Company assets such as securities already issued by the Company),
 - decide, in the event of an issue of debt securities, including securities giving entitlement to the allocation of debt securities referred to in Article L. 228-91 of the French Commercial Code, whether these be subordinated or not (and, where relevant, their level of subordination in accordance with the provisions of Article L. 228-97 of the French Commercial Code) and determine their interest rate (fixed or variable rate of interest, zero coupon or indexed as the case maybe), their term and the conditions under which such securities could give access to the capital of the Company or companies in which it directly or indirectly owns more than half of the capital,
 - on the Board's sole initiative, charge all capital increase costs to the corresponding issuance premiums, and deduct from these premiums the sums necessary to raise the legal reserve to one-tenth of the new capital after each capital increase,
 - set and make all adjustments destined to take account of the impact of transactions involving the capital of the Company, in particular in the event of a change in the par value of the share, an increase in the share capital by incorporation of reserves, the allocation of free shares, a stock split or a reverse stock split, the distribution of reserves or of any other assets, the redemption of capital or any other transaction affecting shareholders' equity, and to set the terms under which all rights of holders of securities giving access to share capital will be preserved and modifies the bylaws accordingly,
 - and, in general, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, takes all measures and decisions and carries out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto or resulting from the increases in share capital carried out.

FIFTEENTH RESOLUTION: DELEGATION OF AUTHORITY GIVING THE BOARD OF DIRECTORS POWERS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, GIVING ACCESS TO OTHER EQUITY SECURITIES, OR GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES GIVING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY, BY WAY OF AN OFFERING REFERRED TO IN SECTION II OF ARTICLE L. 411-2 OF THE FRENCH MONETARY AND FINANCIAL CODE, TO DETERMINE THE MAXIMUM NOMINAL AMOUNT OF THE CAPITAL INCREASE AND THE ISSUE PRICE, AND TO CHOSE WHETHER TO LIMIT THE AMOUNT OF SUBSCRIPTIONS OR DISTRIBUTE NON-SUBSCRIBED SHARES

The Shareholders' Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' report, voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, and pursuant to the provisions of Articles L. 225-127 to L. 225-129-2, L. 225-129-5 and L. 225-129-6, L. 225-134 to L. 225-148 as well as L. 228-91 and L. 228-92:

1. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to issue, on one or more occasions and in the quantities and at the times it deems appropriate, by way of an offering as referred to in Section II of Article L. 411-2 of the French Monetary and Financial Code, either in euros, a foreign currency or any other account-unit established on the basis of a series of currencies, ordinary shares and/or equity shares, without preferential subscription rights, giving access to other equity securities, or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company. Offers covered by Section II Article L. 411-2 of the French Monetary and Financial Code and decided pursuant to this resolution may be associated, in the context of one issue or several issues carried out simultaneously, with the public offerings decided pursuant to the eighteenth resolution submitted to this Shareholders' Meeting.

The Board of Directors may, under the conditions fixed by law, delegate powers to decide to proceed with, or postpone, a share issue;

2. sets the limit of the amounts of the authorized issues in the event the Board of Directors makes use of this delegation of authority as follows:

- the nominal amount of capital increases that may be realized pursuant to this delegation is limited to one million euros or the equivalent value of this amount on the date the issue is decided upon in the event of an issue in another currency or in an account unit established on the basis of a series of currencies, it being specified that this amount would be included in the nominal amount of the capital increases that could be carried out pursuant to the thirteenth, fourteenth and resolutions subject to their adoption by the Shareholders' Meeting,
- to this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital,
- the total amount of debt securities of the Company that could result from this delegation would be limited to a nominal amount of seven hundred and fifty million euros or the equivalent of this amount on the date the issue is decided upon for the foreign currency equivalent, it being specified that this amount would be included in the nominal amount of the debt securities that could be issued pursuant to the thirteenth, fourteenth and sixteenth resolutions of this Shareholders' Meeting, subject to their adoption by the Shareholders' Meeting.

Moreover, in accordance with the provisions set forth in Article L. 225-136 of the French Commercial Code, all issues of equity securities will be capped at 10% of equity capital and assessed at the date of issue;

3. sets the period of validity of this delegation at twenty-six months from the date of this Shareholders' Meeting and notes that this delegation supersedes as of this date any previous delegation with the same purpose;

4. decides to waive preferential subscription rights of shareholders within the context of this resolution;

5. notes that, when necessary, this delegation of authority automatically waives in favor of holders of securities giving future access to Company shares that may be issued pursuant to this resolution, the shareholders' preferential subscription right to shares to which these securities would give entitlement;

6. decides that, in accordance with Article L. 225-136 of the French Commercial Code:

- the issue price of shares shall be at least equal to the minimum authorized price as defined by law in force at the time this delegation is used,
- the issue price of the securities giving access to the capital shall be such that the sum received immediately by the Company, plus, where applicable, the amount likely to be received subsequently by the Company for each share issued as a result of the issuance of these securities, shall be at least equal to the subscription price minimum defined in the preceding paragraph,

- the conversion, redemption and more generally the transformation into shares of each security giving access to the capital will take into account the nominal value of said securities which shall be such to ensure that the amount of shares issued would enable the Company to receive a per-share value at least equal to the minimum subscription price as defined for the issue of shares in the same resolution;

7. decides that, if subscriptions do not absorb the entire issue of securities, the Board of Directors may use, in the order it considers appropriate, one or both of the following options;

- limit the issue to the amount of the subscriptions on the condition that, in the case of ordinary share or security issues where the main security is a share, such amount is equal to at least three-quarters of the initial amount of the issue,
- freely allocate all or some of the unsubscribed shares;

8. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to implement this delegation of authority and, in particular to determine the conditions concerning the conditions of the issue, its subscription and settlement, to report the completion of any resulting capital increases carried out and to amend the bylaws accordingly, and to:

- set, if necessary, the conditions applied to exercising the rights attached to ordinary shares or securities giving access to the share capital, or debt securities to be issued and determines the terms for the exercise of rights (rights to conversion, exchange or redemption as the case may be, including delivery of Company assets such as securities already issued by the Company),
- decide, in the event of an issue of debt securities, including securities giving entitlement to the allocation of debt securities pursuant to Article L. 228-91 of the French Commercial Code, whether these be subordinated or not (and, where relevant, their level of subordination in accordance with the provisions of Article L. 228-97 of the French Commercial Code) and determines their interest rate (fixed or variable rate of interest, zero coupon or indexed), and the terms and the conditions under which such securities could give access to the share capital,
- on the Board's sole initiative, charge all capital increase costs to the corresponding issuance premiums, and deduct from these premiums the sums necessary to raise the legal reserve to one-tenth of the new capital after each capital increase,
- set and make all adjustments intended to take account of the impact of transactions involving the capital of the Company, in particular in the event of a change in the par value of the share, an increase in the share capital by incorporation of reserves, the allocation of free shares, a stock split or a reverse stock split, the distribution of reserves or of any other assets, the redemption of capital or any other transaction affecting shareholders' equity, and to set the terms under which all rights of holders of securities giving access to share capital will be preserved and modifies the bylaws accordingly,
- and, in general, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, takes all measures and decisions and carries out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto or resulting from the increases in share capital carried out.

SIXTEENTH RESOLUTION: DELEGATION OF AUTHORITY GRANTING THE BOARD OF DIRECTORS THE POWER TO INCREASE THE NUMBER OF SHARES TO BE ISSUED, WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, IN THE EVENT OF A CAPITAL INCREASE CARRIED OUT UNDER RESOLUTIONS 13 TO 15, IT BEING NOTED THAT THE AMOUNT OF THESE INCREASES BE CAPPED AT 15% OF THE INITIAL INCREASE

Having considered the Board of Directors' report and the Statutory Auditors' report, voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, and pursuant to the provisions of Article L. 225-135 of the French Commercial Code, the Shareholders' Meeting:

1. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to increase the number of shares or securities to be issued in the event of a capital increase, with or without preferential subscription rights, at the same price as that of the initial issue, within the same time-frame and subject to the same limitations provided for by applicable regulations at the date of the issuance (currently, within thirty days of the subscription closure date and for up to 15% of the initial issue) and pursuant to the resolution upon which the issue was decided;
2. sets the period of validity of this delegation at twenty-six months from the date of this Shareholders' Meeting and notes that this delegation supersedes as of this date any previous delegation with the same purpose.

SEVENTEENTH RESOLUTION: DELEGATION OF AUTHORITY GRANTING THE BOARD OF DIRECTORS POWERS TO INCREASE THE SHARE CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES GIVING ACCESS TO COMPANY SHARES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN PURSUANT TO ARTICLES L. 3332-18 ET SEQ. OF THE FRENCH LABOR CODE, THE DURATION OF THE DELEGATION, THE MAXIMUM NOMINAL AMOUNT OF THE CAPITAL INCREASE, THE ISSUE PRICE, OPTION TO GRANT FREE SHARES IN APPLICATION OF ARTICLE L. 3332-21 OF THE FRENCH LABOR CODE

After having read the Board of Directors' report and the Statutory Auditors' report on the application of Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labor Code, the Shareholders' Meeting:

- authorizes the Board of Directors, if it deems it appropriate and on its sole decision, to increase the share capital on one or several occasions by issuing ordinary shares or securities reserved for employees and managers who are members of one or more savings plans of the Company and/or any French or foreign companies affiliated to it under the terms of Articles L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labor Code;
- waives, in favor of these persons, shareholders' preferential subscription rights to shares that could be issued pursuant this delegation;
- sets the validity period of this delegation at twenty-six months as of this Shareholders' Meeting;
- caps the nominal amount of the capital increase(s) that may be carried out under this authorization at 3% of the share capital on the date the Board of Directors decides to carry out this capital increase, this ceiling being independent and separate from the ceilings set by any other authorizations to increase the share capital. To this amount shall be added, if necessary, the additional amount of ordinary shares that may be issued in order to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of securities giving access to the Company's share capital;
- decides that the price of shares to be issued under this delegation, may not be less than 20%, or (30% when the lock-up period provided

for in Articles L. 3332-25 and L. 3332-26 of the French Labor Code is equal to or more than ten years,) the average opening share price over the last twenty trading sessions preceding the Board of Director's decision to increase the capital and issue the corresponding number of shares; or exceed this 20-day average;

- decides that, pursuant to Article L. 3332-21 of the French Commercial Code, the Board of Directors may freely allocate to beneficiaries defined in the first paragraph above, existing or to be issued shares, or other existing or to be issued securities giving access to the share capital of the Company in respect of (i) the contribution that may be paid pursuant to the regulations of the employee savings plan of the Company or of the Group and/or (ii) if applicable, the discount;
- acknowledges that this delegation cancels any prior delegation with the same purpose.

The Board of Directors may decide whether or not to implement this authorization, and take all steps and carry out all formalities as necessary.

EIGHTEENTH RESOLUTION: APPROVAL TO TRANSFORM THE CORPORATE FORM OF THE COMPANY INTO A EUROPEAN COMPANY FORM AND THE TERMS OF THE TRANSFORMATION PROJECT

The Shareholders' Meeting, voting in accordance with the quorum and majority requirements for Extraordinary Meetings, after having reviewed:

- the Board of Directors' report;
- the project to transform the corporate form of the Company into a European company, drawn up by the Board of Directors on February 14, 2018 and submitted to the registry of the commercial court in Lyon on December 14, 2018;
- the Board of Directors' report dated February 14, 2018 explaining and justifying the legal and economic aspects of the transformation and indicating the consequences for shareholders and employees of adopting the corporate form of a European company, with a copy of the draft bylaws of the new European corporate form attached; and
- the report of the Company, Orfis, the commissioner appointed to oversee the transformation on November 22, 2018, by order of the presiding judge of the Commercial Court of Lyon.

After acknowledging that:

- the Company fulfilled all the conditions required pursuant to Council EC Regulation n° 2157/2001 dated October 8, 2001 relative to EU company bylaws, and in particular those referred to in Articles 2 §4 and 37 of said regulation, as well as Article L. 225-245-1 of the French Commercial Code, relative to the transformation of a limited liability company into a European company;
- the transformation of Plastic Omnium into a European company will not lead to its dissolution or the creation of a new legal person;
- after the transformation, the name of the Company, Plastic Omnium, will be followed by "European company" or "SE";
- the duration of the Company, as well as its purpose and headquarters will remain unchanged;
- the Company's social capital and number of shares at a par value of €0.06 per share remain unchanged and Plastic Omnium shares will continue to be admitted for trading on the regulated Euronext index in Paris;
- the adoption of the EU corporate form will have no impact on the duration of the current fiscal year, and the financial statements for the ongoing year will be prepared, presented and controlled under the conditions set out in the Company's bylaws under its new form and the provisions related to European companies in the French Commercial Code;



SHAREHOLDERS' MEETING

Text of the resolutions submitted for approval by the Combined Shareholders' Meeting on April 25, 2019

- the terms of office of all of the Company's directors, as well as its statutory and alternative auditors will continue under the same conditions and for the same period remaining as those applicable prior to the registration of the Company as an European company;
- all authorizations and delegations of authority and powers conferred on the Board of Directors of the Company in its present form as a public limited company by all of the Company's Shareholders' Meetings and which are in force on the day of the registration of the Company under the European corporate form will automatically benefit the Board of Directors of the Company under its new European corporate form;
- pursuant to Articles L. 228-65 and L. 225-244 of the French Commercial Code, the transformation of the corporate form of the Company into a European company and the terms of the transformation were approved by the Shareholders' Meeting of bondholders who were convened, by second notice, on February, 8 2019 in respect of the following bonds: ISIN FR0011502830, 2.875% coupon, May 2020 maturity; ISIN FR0013264066, 1.25% coupon, June 2024 maturity;
- In accordance with Article 12§2 of the above-mentioned regulation, the registration of the European company may only take place once the procedure relating to the involvement of employees, as provided for in Articles L. 2351-1 *et seq.* of the French Labor Code, has been completed; that this condition was fulfilled by the signing on June 22, 2018 of an agreement with the special negotiating group;

decides on the Board of Directors' proposal to transform the corporate form of the Company into a European company (*Societas Europaea*), approves the terms of the transformation, and notes that the Company's transformation into a European company will take effect as from the date it is registered as a European company at the Lyon Trade and Companies Registry.

NINETEENTH RESOLUTION: APPROVAL OF THE COMPANY'S BYLAWS UNDER ITS NEW FORM AS A EUROPEAN COMPANY

The Shareholders' Meeting, voting in accordance with the quorum and majority requirements for Extraordinary Meetings, after having reviewed:

- the Board of Directors' report;
- the project to transform the corporate form of the Company into a European company, drawn up by the Board of Directors on February 14, 2018 and submitted to the registry of the commercial court in Lyon on December 14, 2018;
- the Board of Directors' report dated February 14, 2018 explaining and justifying the legal and economic aspects of the transformation and indicating the consequences for shareholders and employees of adopting the European corporate form, including a copy of the draft bylaws of its new European corporate form in the notes.

adopts, subject to the condition precedent that the previous resolution be adopted article by article then as a whole, the text of the bylaws of the Company in its new form as a European company.

These bylaws, a copy of which is included in the notes to the minutes of this Shareholders' Meeting, will become effective on completion of the transformation of the Company into a European company upon its registration as such.

TWENTIETH RESOLUTION: MODIFICATION OF COMPANY BYLAWS TO ALLOW FOR THE APPOINTMENT OF DIRECTORS TO REPRESENT EMPLOYEES – INSERTION OF ARTICLE 11 BIS – “DIRECTORS REPRESENTING EMPLOYEES” IN THE COMPANY BYLAWS

The Shareholders' Meeting, voting in accordance with the quorum and majority requirements for Extraordinary Meetings, after having reviewed the report of the Board of Director's decides to insert an Article 11 *bis* – “Director representing employees”, the text of which reads as follows:

Article 11 *bis* – “Director representing employees”

- Pursuant to Article L. 225-27-1 of the French Commercial Code, the Board of Directors includes two directors representing employees of the Group. If the number of directors appointed by the Shareholders' Meeting, other than those representing employees appointed in accordance with Article L. 225-23 of the French Commercial Code, falls below thirteen, the number of directors representing employees would be reduced to one upon expiry of the term of office of said directors.

The term of office of directors representing employees is 3 years.

In the event a director representing employees vacates his/her seat on the Board, the vacancy shall be filled in accordance with the terms set forth in Article L. 225-34 of the French Commercial Code.

As an exception to the rule provided for under Article 11 “Administration” of the present bylaws concerning directors appointed by the Shareholders' Meeting, directors representing employees are not required to hold a minimum number of shares

Appointment procedures

The appointment procedures for directors representing employees are as follows:

1. one of whom is appointed by the France Group Committee;
2. “the other by the European Works Council

The directors representing employees must satisfy the appointment conditions in accordance with the applicable legal and regulatory provisions”

TWENTY-FIRST RESOLUTION: POWERS TO CARRY OUT FORMALITIES

The Shareholders' Meeting grants full powers to the bearer of an original, a copy or an extract of the minutes of the meeting to carry out any and all legal filings and formalities.

7.3 BOARD OF DIRECTORS' REPORT ON THE RESOLUTIONS PRESENTED TO THE COMBINED SHAREHOLDERS' MEETING ON APRIL 25, 2019

7.3.1 REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS PRESENTED AT THE ORDINARY SHAREHOLDERS' MEETING

APPROVAL OF THE 2018 PARENT COMPANY FINANCIAL STATEMENTS (FIRST RESOLUTION)

The first resolution submits for your approval the parent company financial statements for the year ended December 31, 2018 which resulted in a profit of €231,797,048 compared with €111,728,344 in 2017.

APPROPRIATION OF NET INCOME AND DETERMINATION OF THE DIVIDEND FOR 2018 (SECOND RESOLUTION)

The second resolution concerns the appropriation of net income and determination of the dividend for the year ended December 31, 2018.

In euros

Retained earnings at December 31, 2018 of	972,964,807
And net income for the year ended December 31, 2018 stood at	231,797,048
Total amount to be appropriated	1,204,761,855

The Board of Directors proposes to the Shareholders' Meeting a net dividend for the financial year ended December 31, 2018 of €0.74 per share, i.e. an increase of 10%, compared to the previous year's dividend.

Upon payment, the dividend attributable to treasury shares held by the Company will be transferred to "Retained earnings".

If the Shareholders' Meeting approves this proposal, shares will trade ex-dividend as of May 2, 2019 at midnight (Paris time) and the dividend will be paid on May 6, 2019.

For individual shareholders resident for tax purposes in France, who do not opt for withholding at the flat rate of 30%, this dividend is eligible for the 40% tax relief resulting from the provisions of Article 158-3-2° of the French General Tax Code. The dividends for individual shareholders are subject to withholding at 12.8%.

As a reminder, the following dividends have been distributed over the past three years.

Year	Number of shares with dividend rights	Dividend per share	Income eligible for the tax relief provided for in Article 158-3 -2° of the French General Tax Code		Income not eligible for the tax relief provided for in Article 158-3 -2° of the French General Tax Code	
			Dividends	Other income	Dividends	Other income
2015	147,589,746	0.41	60,511,796	-	-	-
2016	147,494,915	0.49	72,272,508	-	-	-
2017	147,494,900	0.67	98,821,583	-	-	-

The Board of Directors recommends that this amount be appropriated as follows:

In euros

Total amount to be appropriated	1,204,761,855
Appropriation: Net dividend distributed for 2018	109,938,919
Carried forward	1,094,822,936
Total appropriated	1,204,761,855

STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS CONCLUDED OR CONTINUED DURING THE YEAR (THIRD AND FOURTH RESOLUTION)

The purpose of the third and fourth resolutions, in compliance with Article L. 225-38 of the French Commercial Code, is to acknowledge the agreements mentioned in the special report of the Statutory Auditors on related-party agreements concluded by Compagnie Plastic Omnium during 2018. In this respect, we bring to your attention the fact that a third-party agreement was concluded during the financial year ended December 31, 2018. We propose that you approve it. In addition, please note that agreements concluded in previous years were continued in 2018.



APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2018 (FIFTH RESOLUTION)

The fifth resolution submits for your approval the consolidated financial statements for the year ended December 31, 2018, which show a Group share of consolidated net profit of €533,296 thousand.

AUTHORIZATION TO THE BOARD OF DIRECTORS TO BUY BACK THE COMPANY'S SHARES (SIXTH RESOLUTION)

At the Shareholders' Meeting of April 26, 2018, the shareholders authorized the Company to buy back its own shares under the following terms and conditions:

Maximum purchase price	€60 per share
Maximum shares that may be held	10% of share capital
Maximum investment in the buyback program	€905,860,320

Between April 26, 2018 and January 31, 2019, the Company:

- purchased 1,972,088 shares for an overall amount of €69,893,635.14, *i.e.* €35.44 per share; 559,153 of these shares were purchased under the liquidity agreement, and 1,412,935 were purchased outside of this agreement;
- sold 474,243 shares as part of the liquidity agreement for a total disposal value of €17,248,011.15, *i.e.* €36.37 per share.

Details of these transactions and a description of the authorization submitted to your vote can be found in the section entitled "Share buyback program" in the Board of Directors' management report.

The authorization to buy back the shares of the Company granted by the Shareholders' Meeting on April 26, 2018 expires on October 25, 2019.

You are being asked to grant the Board of Directors a new authorization to buy back the shares of the Company for a further period of 18 months.

Share buybacks allow an investment service provider to make a market in the Company's shares under a liquidity contract complying with the Code of Ethics issued by the *Association Française des Marchés Financiers* (AMAFI), while the subsequent cancellation of shares improves our return on equity and earnings per share.

Share buybacks can also be used for external-growth transactions, as well as to implement stock option and free share programs reserved for employees and/or executive directors, and all market practices permitted by the market authorities.

The Board at Directors may not use this authorization during the course of a takeover bid for the Company's shares.

We are seeking to renew this authorization on the following terms:

Maximum purchase price	€60 per share
Maximum shares that may be held	10% of share capital
Maximum investment in the buyback program	€891,396,600

RENEWAL OF A DIRECTOR'S TERM OF OFFICE (SEVENTH RESOLUTION)

The proposal that Mrs. Amélie Oudéa-Castéra's term of office as director, which expires in 2019, be renewed for a period of three years is submitted to the Shareholders' Meeting.

A graduate of the Paris Institute of Political Studies (IPS) and the ESSEC business school, She attended ENA, graduating in April 2004 and became a Public Auditor with the French Court of Auditors (Cour des Comptes), where she was subsequently appointed Legal Counselor and Public Rapporteur, reporting on the status and outlook of public finances.

In 2008, Mrs. Amélie Oudéa-Castéra joined the AXA Group, where she performed cross-divisional assignments for the Group CFO. In 2010, she became Director of Strategic Planning and, in 2011 was appointed Director of Marketing, Brand and Services for AXA France then extended her scope of responsibility to include digital business. In 2015, Mrs. Amélie Oudéa-Castéra was appointed Deputy CEO of AXA Particuliers/Professionnels, the retail entity of AXA France, while retaining the responsibility of digital business, brand and partnerships of AXA France. In July 2016, she was appointed Director of Marketing and Digital for the entire AXA Group.

Since January 2018, Mrs. Amélie Oudéa-Castéra has chaired the *Rénovons le sport français* (Let's renew French sports) association, and has been Executive Director of E-commerce, Data and Digital Transformation at Carrefour since November 2018.

In the five years of her directorship, her attendance rate at meetings has been 100%.

If the Shareholders' Meeting votes to approve the proposed renewal, Mrs. Oudéa-Castéra's term of office will expire at the end of the Shareholders' Meeting called in 2022 to approve the 2021 financial statements.

Upon the recommendations of the Appointments Committee, the Board of Directors considers that Mrs. Oudéa-Castéra qualifies as an independent director in accordance with the recommendations of the AFEP-MEDEF Code.

AMOUNT OF ATTENDANCE FEES (EIGHTH RESOLUTION)

The eighth resolution proposes that the Shareholders' Meeting increase the amount of attendance fees allocated to members of the Board of Directors to €690,000 as of 2019.

APPROVAL OF PRINCIPLES AND CRITERIA FOR FIXING, DISTRIBUTING AND AWARDED THE COMPONENTS OF COMPENSATION OF EXECUTIVE DIRECTORS (NINTH RESOLUTION)

The ninth resolution asks the Shareholders' Meeting to vote on the principles and criteria for fixing, distributing and awarding the components making up the compensation of the Chairman and Chief Executive Officer and the Chief Operating Officers pursuant to Article L. 225-37-2 of the French Commercial Code, the details of which can be found in chapter 2 of this Registration Document.

APPROVAL OF THE COMPONENTS OF COMPENSATION PAID OR AWARDED IN RESPECT OF 2018 TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER, AND THE CHIEF OPERATING OFFICERS (TENTH TO TWELFTH RESOLUTIONS)

The tenth, eleventh and twelfth resolutions ask the Shareholders' Meeting to vote on the components of compensation paid or awarded in respect of

2018 to Mr. Laurent Burelle, Chairman and Chief Executive Officer, to Mr. Paul Henry Lemarié, Chief Operating Officer and Mr. Jean-Michel Szczerba, Co-Chief Executive Officer and Chief Operating Officer. Details of the proposed compensation can be found as presented in chapter 2 of the Registration Document.

7.3.2 REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS PRESENTED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

DELEGATION OF AUTHORITY GRANTING POWERS TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES, WITH PREFERENTIAL SUBSCRIPTION RIGHTS, GIVING ACCESS TO OTHER EQUITY SECURITIES, OR GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES GIVING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY(13TH RESOLUTION).

The delegation of authority granting powers to the Board of Directors by the Shareholders' Meeting of April 27, 2017, to issue securities with shareholders' preferential subscription rights, expires on June 28, 2019.

The purpose of the 13th resolution is to renew this delegation of authority so that the Board of Directors may continue have the flexibility, if needed, to carry out share issues that are best adapted to the market.

This delegation of authority concerns issues, with preferential subscription rights, of ordinary shares and/or equity securities giving access to other equity or other debt securities and/or securities giving access to the equity shares to be issued by the Company for a consideration or free of charge, pursuant to Article L. 228-91 of the French Commercial Code.

It would be renewed for another twenty-six month period as of this Shareholders' Meeting and, as such, cancel and replace all previous delegations of authority with the same purpose.

In the event of an issue of securities giving future access to new shares, the decision of the Shareholders' Meeting would waive shareholders' rights to subscribe to any shares that might be obtained from the securities initially issued.

This authorization would be renewed for a maximum nominal amount of the capital increases that may be carried out immediately or in the future under this delegation of one million euros, it being specified that this amount would be included in the nominal amount of capital increases that could be carried out under the fourteenth, fifteenth and sixteenth resolutions.

To this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital.

This delegation of authority would also cover the authorization to issue, under the conditions specified above, securities giving access to debt securities for a maximum nominal amount of €750 million, it being specified that this amount would be included in the nominal amount of

debt securities that could be issued pursuant to the fourteenth, fifteenth and sixteenth resolutions.

On these bases, the Board of Directors would be authorized to proceed with these issues, on one or more occasions, in the best interests of the Company and its shareholders, and could, in accordance with the law, establish a subscription right for shareholders on a reducible basis.

The Board of Directors would be authorized to issue warrants of Company shares by subscription offer as well as the free allocation of new shares to owners of old ones.

In addition, the Board of Directors would have the power to charge all share issue costs incurred pursuant to this resolution to the amounts of the corresponding capital increase premiums, and to deduct from these premiums the sums necessary to constitute the legal reserve.

DELEGATION OF AUTHORITY GIVEN POWERS TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES WITHOUT PREFERENTIAL RIGHTS, AND GIVING ACCESS TO OTHER EQUITY SECURITIES OR ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES GIVING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, BY WAY OF A PUBLIC OFFERING AND/OR AS CONSIDERATION FOR SECURITIES AS PART OF A PUBLIC EXCHANGE OFFER (14TH RESOLUTION)

The fourteenth resolution would confer powers on the Board of Directors to issue, without preferential subscription rights, and on one or more occasions, ordinary shares and/or equity securities giving access to other equity securities or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company, by way of a public offering, of one million euros, it being specified that this amount would be included in the nominal amount of capital increases that could be carried out under the thirteenth, fifteenth and sixteenth resolutions.

To this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital.



This resolution would also enable the Board of Directors to issue, under the conditions specified above, securities giving access to debt securities for a maximum nominal amount of €750 million, it being specified that this amount would be included in the nominal amount of debt securities that may be issued pursuant to the thirteenth, fourteenth and sixteenth resolutions.

In accordance with the same conditions as those provided for under the thirteenth resolution and subject to the following:

- the issue price of the shares issued directly will be at least equal to the minimum provided for by applicable regulatory provisions on the day of the issue, *i.e.* the weighted average of the last three trading days on the Euronext Paris market prior to the date the price is determined, minus the 5% discount permitted by law, after adjusting the average, if applicable, to take account of the difference between the vesting dates, it being specified that in the case of share warrant issues, the amount received by the Company upon subscription will be taken into account in the calculation;
- the issue price of the securities giving access to the capital shall be such that the sum received immediately by the Company, plus, where applicable, the amount likely to be received subsequently by the Company for each share issued as a result of the issuance of these securities, be at least equal to the subscription price minimum defined above;
- in addition, the conversion, redemption and more generally the transformation of convertible bonds, reimbursable or otherwise transformable into shares, will take into account the par value of said bond in the form of a number of shares such that the amount received by the Company for each share is at least equal to the minimum subscription price for each share issued.

On the basis of these elements, the Board of Directors would have the power to determine the issue price of securities and, where applicable, the terms of payment of the debt securities, in the best interests of the Company and the shareholders and taking account of all the parameters involved.

The Board of Directors would have the power to charge all share issue costs incurred pursuant to this resolution to the amounts of the corresponding capital increase premiums, and to deduct from these premiums the sums necessary to constitute the legal reserve.

Pursuant to the fifth paragraph of Article L. 225-135 of the French Commercial Code, the Board of Directors may grant shareholders, for a specific period of time and subject to conditions determined by the Board in compliance with applicable legal and regulatory provisions, and for all or part of any issue, a priority subscription right which does not constitute a negotiable right and must be exercised in proportion to the quantity of shares owned by each shareholder.

The decision of the Shareholders' Meeting would automatically waive shareholders' rights to subscribe to any shares that might be obtained from the securities giving access to the Company's share capital.

In the event of an issue of securities carried out for the purpose of remunerating shares tendered in the context of a public exchange offer, the Board of Directors would have, within the limits set out above, the necessary powers to draw up the list of securities to be tendered for the exchange and determine the issue conditions, the exchange parity and, if applicable, the amount of the cash payment to be paid, and the terms of the issue.

This delegation would be valid for a period of twenty-six months as of this Shareholders' Meeting and, as such, cancel and replace all previous delegations of authority with the same purpose.

DELEGATION OF AUTHORITY GRANTING POWERS TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS GIVING ACCESS TO OTHER EQUITY SECURITIES, OR GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES GIVING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY BY WAY OF A PUBLIC OFFERING REFERRED TO IN SECTION II OF ARTICLE L. 411-2 OF THE FRENCH MONETARY AND FINANCIAL CODE (FIFTEENTH RESOLUTION)

The fifteenth resolution would confer powers on the Board of Directors to issue, without preferential subscription rights, on one or more occasions, ordinary shares and/or equity securities giving access to other equity securities or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company by way of a public offering referred to in Section II of Article L. 411-2 of the French Monetary and Financial Code, for a maximum nominal amount of one million euros, it being specified that this amount would be included in the nominal amount of capital increases that could be carried out under the thirteenth, fourteenth and sixteenth resolutions.

To this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital.

This resolution would also enable the Board of Directors to issue, under the conditions specified above, securities giving access to debt securities for a maximum nominal amount of €750 million, it being specified that this amount would be included in the nominal amount of debt securities that could be issued pursuant to the thirteenth, fourteenth and sixteenth resolutions and under the same terms applied to security issues that may be carried out pursuant to the thirteenth resolution, subject to the following:

- the issue price of the shares issued directly will be at least equal to the minimum provided for by applicable regulatory provisions on the day of the issue, *i.e.* the weighted average of the last three trading days on the Euronext Paris market prior to the date the price is determined, minus the 5% discount permitted by law, after adjusting the average, if applicable, to take account of the difference between the vesting dates, it being specified that in the case of share warrant issues, the amount received by the Company upon subscription will be taken into account in the calculation;
- the issue price of the securities giving access to the capital shall be such that the sum received immediately by the Company, plus, where applicable, the amount likely to be received subsequently by the Company for each share issued as a result of the issuance of these securities, be at least equal to the subscription price minimum defined above;

- in addition, the conversion, redemption and more generally the transformation of convertible bonds, reimbursable or otherwise transformable into shares, will take into account the par value of said bond in the form of a number of shares such that the amount received by the Company for each share is at least equal to the minimum subscription price for each share issued.

On the basis of these elements, the Board of Directors would have the power to determine the issue price of securities and, where applicable, the terms of payment of the debt securities, in the best interests of the Company and the shareholders and taking account of all the parameters involved.

If subscriptions, including those of shareholders if applicable, do not absorb the entire issue, the Board of Directors would be authorized, in the order it determines, (i) to limit the issue to the amount of the subscriptions on the condition that, in the case of ordinary share or security issues where the main security is a share, such amount is equal to at least three-quarters of the initial amount of the issue, and (ii) to freely distribute all or part of the unsubscribed securities.

The Board of Directors would have the power to charge all share issue costs incurred pursuant to this resolution to the amounts of the corresponding capital increase premiums, and to deduct from these premiums the sums necessary to constitute the legal reserve.

The decision of the Shareholders' Meeting would automatically waive shareholders' rights to subscribe to any shares that might be obtained from the securities giving access to the Company's share capital.

This delegation would be valid for a period of twenty-six months as of this Shareholders' Meeting and, as such, cancel and replace all previous delegations of authority with the same purpose.

DELEGATION OF AUTHORITY GIVING THE BOARD OF DIRECTORS THE POWER TO INCREASE THE NUMBER OF SHARES TO BE ISSUED, WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, IN THE EVENT OF A CAPITAL INCREASE CARRIED OUT UNDER THE THIRTEENTH THROUGH FIFTEENTH RESOLUTIONS, UP TO A MAXIMUM OF 15% OF THE INITIAL ISSUE (SIXTEENTH RESOLUTION)

As permitted by law, the sixteenth resolution would enable the Board of Directors to meet excess demand or deal with market volatility, as well as to decide in the context of capital increases with or without preferential subscription rights carried out under the thirteenth, fourteenth and fifteenth resolutions, to increase the number of securities to be issued at the same price as in the initial issue, within the time and limits provided for by the applicable regulations.

This over-allotment option would enable the Board of Directors to issue, within thirty days of the closing of the subscription period, an additional amount of securities capped at 15% of the initial issue, at the same price and within the same limits of the nominal amount provided for in the thirteenth, fourteenth and fifteenth resolutions.

This delegation would be valid for a period of twenty-six months as of this Shareholders' Meeting, and renews the previous delegation given to the Board of Directors with the same purpose approved by the Shareholders'

Meeting of April 27, 2017, which expires in June 2019 and, as such, cancels and replaces all previous delegations of authority with the same purpose.

DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES GIVING ACCESS TO CAPITAL WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS RESERVED FOR MEMBERS OF THE COMPANY SAVINGS PLAN, PURSUANT TO ARTICLES L. 3332-18 ET SEQ. OF THE FRENCH LABOR CODE (SEVENTEENTH RESOLUTION)

The Company is required to vote every three years on a resolution to carry out a capital increase reserved for members of a company savings plan.

In accordance with Article L. 3332-19 of the French Labor Code, the issue price may not exceed the average share price over last twenty trading sessions preceding the decision to set the opening date of the subscription period. It can also not be more than 20% lower than this average, unless the lock-up period for subscribed shares is at least ten years, in which case the issue price cannot be lower than 30% of this average.

The Shareholders' Meeting is therefore requested to delegate to the Board of Directors, within the limit of 3% of the share capital, the power to decide to carry out this capital increase.

This delegation is valid for a period of twenty-six months as of this Shareholders' Meeting and, as such, cancels and replaces all previous delegations of authority with the same purpose.

TRANSFORMATION FROM A PUBLIC LIMITED LIABILITY COMPANY INTO A EUROPEAN COMPANY (EIGHTEENTH AND NINETEENTH RESOLUTIONS)

In the eighteenth and nineteenth resolutions, we propose to you to transform the form of the Company into a European company. The purpose of the eighteenth resolution is to approve the transformation of the Company into a European company in accordance with the terms and conditions laid down in the transformation plan adopted by the Board of Directors on February 14, 2018. The purpose of the nineteenth resolution is to approve the Company's bylaws under its new European corporate form. Draft of Company's bylaws can be found as presented in chapter 7.7 of the Registration Document.

On February 14, 2018, the Board of Directors drafted a report on the project to transform the Company into a European company. The purpose of this report is to explain and justify the legal and economic aspects of the transformation into a European company and to indicate the consequences of this transformation on the situation of shareholders, creditors and employees, in accordance with the provisions of Article 37 (4) of EU Regulation n° 2157/2001 dated October 8, 2001 relative to the status of the European company.

This report is available at the Company's administrative headquarters (1, allée Pierre-Burelle – 92300 Levallois-Perret) and can be consulted on the Company's website at: www.plasticomnium.com.



SHAREHOLDERS' MEETING

Board of Directors' report on the resolutions presented to the Combined Shareholders' Meeting on April 25, 2019

INSERTION OF ARTICLE 11 BIS "DIRECTORS REPRESENTING EMPLOYEES" IN THE COMPANY BYLAWS (TWENTIETH RESOLUTION)

The 20th resolution proposes to amend the bylaws to determine the conditions under which directors representing the employees would be appointed.

Directors elected by the employees would be elected for three years as of the date of the Ordinary General Shareholders' Meeting held after the date the results of the election are announced that the Company is obliged to hold in accordance with the conditions of new Article 11 bis of the bylaws

Their terms of office shall come to an end after the Ordinary General Shareholders' Meeting ruling on the financial statements of the previous year, or if their employment contract is terminated, or in the case of

dismissal under the conditions laid down by the legal and regulatory provisions in force, or for any other reason provided for by law for administrators appointed by the General Meeting.

In the event that the position of director elected by the employees becomes vacant, the vacant position would be filled in accordance with the provisions of Article L. 225-34 of the French Commercial Code.

POWERS OF ATTORNEY TO CARRY OUT FORMALITIES (TWENTY-FIRST RESOLUTION)

The purpose of the twenty-first resolution is to authorize the bearer of an original, a copy or an extract of the minutes of the Shareholders' Meeting to carry out any and all legal filings and formalities in relation to the execution of the decisions of this Shareholders' Meeting.

7.4 STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND OTHER SECURITIES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS

COMBINED SHAREHOLDERS' MEETING OF APRIL 25, 2019

Thirteenth, fourteenth, fifteenth and sixteenth resolutions

To shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby present our report on the proposals for delegation to the Board of Directors of various issues of shares and/or securities, transactions upon which you are called to vote.

On the basis of its report, your Board of Directors proposes:

- that it be authorized, for a period of twenty-six months, to decide on the following transactions and to set the definitive conditions for these issues and proposes, where relevant, to cancel or maintain your preferential subscription right:
 - issue – with preferential subscription rights – of ordinary shares and/or equity securities giving access to other equity securities or debt securities and/or securities giving access to equity securities to be issued by the Company (13th resolution):
 - it being specified that, in accordance with Article L. 228-93 of the French Commercial Code, the securities to be issued may give access to equity securities to be issued by the company and/or by any company which directly or indirectly owns more than half of the company's share capital or of which the company directly or indirectly owns more than half of the share capital;
 - issue – without preferential subscription rights – of ordinary shares and/or equity securities giving access to other equity securities or debt securities and/or securities giving access to equity securities to be issued by the Company, by means of a public offering, it being specified that these securities may be issued as payment for securities tendered to the Company in the context of a takeover bid for securities meeting the conditions laid down by Article L. 225-148 of the Commercial Code (14th resolution);
 - issue – without preferential subscription rights – of ordinary shares and/or equity securities giving access to other equity securities or debt securities and/or securities giving access to equity securities to be issued by the Company, by way of tenders referred to in section II of Article L. 411-2 of the French Monetary and Financial Code (Code monétaire et financier) and within the annual limit of 10% of the share capital (15th resolution):
 - it being specified that, in accordance with Article L. 228-93 of the Commercial Code, the securities to be issued may give access to equity securities to be issued by the company and/or by any company which directly or indirectly owns more than half of the company's share capital or of which the company directly or indirectly owns more than half of the share capital;

The total nominal amount of the capital increases likely to be carried out immediately or in the future may not exceed €1 million by virtue of the 13th, 14th and 15th resolutions. The total nominal amount of debt securities likely to be issued may not exceed €750 million by virtue of the 13th, 14th and 15th resolutions.

These ceilings take into account the additional number of securities to be created within the framework of the implementation of the delegations referred to in the 13th, 14th and 15th resolutions, in accordance with Article L. 225-135-1 of the French Commercial Code, if you adopt the 16th resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our responsibility to give our opinion on the fairness of the financial information taken from the financial statements, on the proposed cancellation of preferential subscription rights, and on certain other information concerning these transactions, presented in this report.

We have performed the procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying the contents of the Board of Directors' report on these transactions and the method of determining the issue price of the equity securities to be issued.



SHAREHOLDERS' MEETING

Statutory Auditors' report on the issue of shares and other securities without preferential subscription rights

Subject to subsequent examination of the conditions of the issues that may be decided, we have no matters to report as to the method of determining the issue price of the equity securities to be issued, set out in the Board's report by virtue of the 14th, 15th and 16th resolutions

Furthermore, since this report does not specify the method of determining the issue price of the equity securities to be issued as part of the implementation of the 13th resolution, we are not able to give our opinion on the choice of computational elements of this issue price.

Since the definitive conditions under which the issues may be made have not been set, we do not express an opinion on them.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, on the use of these delegations by the Board of Directors in the case of issues of equity securities giving access to other equity securities or debt securities, in the case of issues of securities giving access to equity securities to be issued and in the case of issues of shares without preferential subscription rights.

Paris La-Défense, March 8, 2019

The Statutory Auditors

ERNST & YOUNG et Autres
Gilles PUISSOCHET

MAZARS
Juliette DECoux

7.5 STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE RESERVED FOR MEMBERS OF THE COMPANY'S SAVINGS PLAN

GENERAL MEETING, 25 APRIL 2019

Seventeenth resolution

To shareholders,

In our capacity as auditors of your company and in execution of the mission provided for in articles L. 228-92 and L. 225-135 and following the French Commercial Code, we present to you our report on the proposal of delegation to the Board of Directors the jurisdiction to decide an issue of shares and / or securities giving access to the capital with the cancellation of the preferential subscription rights reserved for members of a company's savings plan for a maximum amount of 3% of the share capital , an operation on which you are called to vote.

This process is subject to your approval pursuant to the provisions of articles L. 225-129-6 of the French Commercial Code and L. 3332-18 and following the Labor Law.

The Board of Directors propose to you, on the basis of their report, for a period of twenty six months the competence to decide an increase in capital and to remove the preferential subscription right to the common shares to be issued. Where applicable, the Executive Board will be responsible for setting the final terms and conditions of the issue.

It is the responsibility of the governing body to prepare a report in accordance with articles R. 225-113 of the French Commercial Code. It is up to us to give our opinion on the sincerity of the figures drawn from the accounts, on the proposal to abolish the preferential subscription right and on certain other information concerning the issue, given in this report.

We have implemented those procedures which we considered necessary in light of professional guidance issued by the National Auditing Body in this mission. These procedures consisted in verifying the information contained in the Executive Board's Report related to this operation and the methods used to determine the price of capital securities to be issued.

Subject to further consideration of the conditions for the issue that would be decided, we have no comments to make on how to determine the issue price of the capital securities to be issued in the Council's Report of Directors.

The final conditions in which the issue would be realized is not fixed, we do not express an opinion on them and, consequently, on the proposal to cancel the preferential subscription rights which is made.

In accordance with article R. 225-116 of the French Commercial Code, we will prepare an additional report, if any, when these authorizations are used by the Board of Directors in the event of the issue of shares or securities which are equity securities giving access to other equity securities and in the event of the issue of securities giving access to equity securities to be issued.

Paris-La-Défense, March 8, 2019

The Auditors

ERNST & YOUNG et Autres
Gilles PUISSOCHET

MAZARS
Juliette DECoux



7.6 REPORT OF THE TRANSFORMATION COMMISSIONER ON THE TRANSFORMATION OF COMPAGNIE PLASTIC OMNIUM INTO A EUROPEAN COMPANY (SOCIETAS EUROPAEA)

EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 25, 2019

Eighteenth resolution

To the Shareholders,

In compliance with the engagement as transformation auditor entrusted to us by the Amending Ordinance of the Presiding Judge of the Lyon Commercial Court dated 6 December 2018 concerning the transformation of COMPAGNIE PLASTIC OMNIUM into a European company, or Societas Europaea, we have prepared this report pursuant to the provisions of Article 37 of EU Regulation n°2157/2001 of the Council dated 8 October 2001 related to the status of the European company and article L.225-245-1 of the French Commercial Code.

This transaction has been approved by your Board of Directors' meeting of 14 February 2018 subject to its approval by your Shareholders' Meeting. It will be subject to the prior approval of bondholders' meetings.

We have prepared this report for the purpose of expressing an opinion on the amount of your company's net assets in relation to share capital plus those reserves that may not be distributed under the law or bylaws.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement.

These procedures consisted of verifying that the amount of net assets is at least equal to the amount of share capital plus those reserves that may not be distributed under the law or bylaws. This verification consisted in particular of assessing the potential impact of events that have occurred between the date of the last annual financial statements and the date of our report on the carrying amount of the items used to determine the amount of net assets.

On the basis of our work and on the date of our report, we attest that the amount of net assets is at least equal to the amount of share capital plus those reserves that may not be distributed under the law or bylaws.

Villeurbanne, 3 January 2019

The Transformation Auditor

ORFIS
Christophe VELUT

7.7 COMPAGNIE PLASTIC OMNIUM DRAFT BYLAWS AT APRIL 25, 2019

ARTICLE 1 - FORM

The Company, initially incorporated as a French public limited company (*société anonyme*), has been transformed into a SE (*Societas Europaea* or "SE") by the decision of the Extraordinary Shareholders' Meeting of April 25, 2019.

It is governed by the Community and national provisions in force (hereafter together, the "**Law**"), as well as by these bylaws.

ARTICLE 2 – COMPANY NAME

The name of the Company is:

COMPAGNIE PLASTIC OMNIUM SE

In all acts and other documents issued by the Company, the company's name will be preceded or followed by the legibly written words "SE" or the abbreviation "S.E." and the amount of its share capital.

ARTICLE 3 - PURPOSE

The Company's purpose is:

- process all forms of plastic, metal and other raw materials in order to manufacture all types of products and articles for all uses, particularly industrial;
- manage its property and capital assets;
- acquire, build, lease, develop, improve and exploit any land or buildings;
- acquire any equity or other interest in any company, enterprise or other entity, in France or abroad, irrespective of its corporate purpose in whatsoever form and in particular by acquiring or subscribing for any form of security, equity interest or other right in such entities;
- manage its investment portfolio of equity interests and securities;
- carry out all works and services relating to general administration and building maintenance (other than acting as a building manager);
- and in general, make any transaction (commercial, industrial, financial or related to property and capital assets) directly or indirectly linked to the Company's purpose, or that could be relevant to it or could make the purpose easier to achieve.

The Company may, both in France and abroad, create, acquire, use or grant licenses to use all trademarks, brands, commercial names, designs, models, patents and manufacturing processes related to the above purpose.

It may act directly or indirectly, on its own behalf or for a third party, in any country. It may do so either alone or with any other persons or companies in a partnership, joint venture, consortium or company, and may make any transaction within the scope of its corporate purpose.

ARTICLE 4 – REGISTERED OFFICE

The registered office is at 19, boulevard Jules Carteret, Lyon (69007).

It may be transferred to any other location in France, by the decision of the Board of Directors, subject to the ratification of this decision by the next Ordinary Shareholders' Meeting. It may be transferred to any other Member State of the European Union by the decision of the Extraordinary Shareholders' Meeting and, if necessary, the general meetings of bondholders, subject to the provisions of the Law.



ARTICLE 5 - TERM OF THE COMPANY

The term of the Company, initially set at 99 years, starting from its registration in the Trade and Companies Register, has been extended by 99 years by the decision of the Combined Shareholders' Meeting of April 25, 2013. Consequently, the term of the Company will expire on April 24, 2112, unless dissolved early or extended.

ARTICLE 6 - SHARE CAPITAL

The share capital is set at €8,913,966.42. It is divided into 148,566,107 shares, each in the same category and with a par value of €0.06.

ARTICLE 7 - FORM OF SHARES

- 1) The shares are in registered or bearer form, as the holder may choose.
- 2) The Company is authorized to ask at any time the central depository administering its securities for information pursuant to the Law regarding the identification of holders of bearer securities that grant, immediately or at a future date, voting rights at shareholder meetings as well as the number of securities held by each of them and, where applicable, the restrictions on said securities.

Furthermore, the Company may legally request, under conditions set by the Law, the identity of its shareholders and the number of securities held by each when it believes that some holders, whose identity has been revealed, are holders on behalf of third parties.

The Company may ask any legal entity which holds more than 2.5% of the Company's equity capital or voting rights to disclose the identity of the persons holding directly or indirectly more than a third of the share capital of this legal entity or voting rights at its General Meetings.

ARTICLE 8 - RIGHTS ATTACHED TO EACH SHARE

- 1) The rights and obligations attached to the share shall be transferred to any owner thereof.
- 2) Each share gives the right to a proportional amount, in number and nominal value of the existing shares, of the Company's assets, profits and liquidation dividend.
- 3) Any time it is required to own a certain number of shares to exercise a right, it is the responsibility of owners who do not hold this number to group together to form the required number of shares.
- 4) Voting rights attached to the share shall belong to the beneficiary of the bare legal title of the shares both at Ordinary Shareholders' Meetings and at Extraordinary Shareholders' Meetings.
- 5) All shares that comprise or will comprise the share capital will be treated equally for taxation purposes. Consequently, all taxes and duties which, for whatever reason, may become due in the event of a reimbursement of capital carried out during the Company's life or on its liquidation, will be divided equally among all shares comprising the share capital, in such a way that the amount attributed to each of these shares shall be the same for all, by taking into account the par value of each share.

ARTICLE 9 - SALES OF SHARES

Shares may be freely sold.

ARTICLE 10 - PAYMENT FOR SHARES

- 1) The amount of shares issued in a capital increase shall be payable in cash under the terms and conditions approved by the Board of Directors.
- 2) Capital calls are announced to subscribers and shareholders fifteen days before the payment date by registered letter addressed to each shareholder or by a notice in a legal announcements newspaper published in the location of the registered office.
- 3) Any delay in the payment of amounts due on the unpaid amount of shares will automatically result in the payment of interest 5% per annum for each day of delay, from the due date, without the need for any formalities whatsoever, and without prejudice to any personal action the Company may take against the defaulting shareholder and measures for compulsory enforcement provided for by the Law.

ARTICLE 11 - ADMINISTRATION

The Company is administered by a Board of Directors which sets the strategies for the Company's business and ensures their implementation.

Subject to the powers expressly granted to Shareholder Meetings and within the limits of the corporate purpose, it deals with all issues affecting the running of the Company and, as a result of its deliberations, regulates matters concerning the Company.

Prior authorization of the Board of Directors is required for the following transactions:

- deposits, sureties and guarantees given by the Company, under conditions set by article L. 225-35 of the French Commercial Code;
- related-party agreements, under conditions set by Article 13 of these bylaws.

The Board of Directors carries out the controls and verifications that it deems necessary.

The Board of Directors, appointed in accordance with the Law, is composed of three to eighteen members, natural persons or legal entities. This may be increased under conditions provided by the Law.

During their term of office, all directors must hold at least 900 shares.

Directors are appointed for three years and may be re-appointed.

The duties of a Director end after the Ordinary Shareholders' Meeting called to approve the financial statements of the prior financial year and held in the year during which the Director's term of office expires.

The number of directors who are natural persons and acting as permanent representatives of a legal entity, who are older than 75 years, may not exceed half (rounded up to the next whole number) of the current directors.

Members of the Board of Directors must not disclose, even after the end of their duties, information in their possession regarding the Company which, if disclosed, would be likely to harm the Company, except where such disclosure is required or accepted by the legal or regulatory provisions in force or is in the public interest.

ARTICLE 11 BIS - DIRECTORS REPRESENTING EMPLOYEES

Pursuant to Article L. 225-27-1 of the French Commercial Code, the Board of Directors includes two directors representing employees of the Group. In the event that the number of directors appointed by the Shareholders' Meeting, other than those representing employees appointed in accordance with Article L. 225-23 of the French Commercial Code, falls below thirteen, the number of directors representing employees will be reduced to one upon expiry of the term of office of said directors.

The term of office of directors representing employees is three years.

In the event a director representing employees vacates his/her seat on the Board, the vacancy shall be filled in accordance with the terms set forth in Article L. 225-34 of the French Commercial Code.

As an exception to the rule provided for under Article 11 "Administration" of these bylaws concerning directors appointed by the Shareholders' Meeting, directors representing employees are not required to hold a minimum number of shares.

Appointment procedures:

The appointment procedures for directors representing employees are as follows:

- 1) one is appointed by the Group Works Council France;
- 2) the other is appointed by the European Company employee representation body.

Directors representing employees must fulfill the appointment conditions according to the relevant legal and regulatory provisions.



ARTICLE 12 - PROCEEDINGS OF THE BOARD OF DIRECTORS

The Directors may convene meetings of the Board of Directors by any means, including verbally. Board meetings may be held in any location chosen by the person convening the meeting.

The Board of Directors meets as often as the Company's interests require and at least once every three months.

A Director may represent another Director at a meeting of the Board of Directors. However, any single Director may not represent more than one other Director in any one Meeting. Except where the French Commercial Code requires the actual presence or representation of Directors, they may participate in Board meetings by any videoconference or telecommunications means, under conditions in compliance with the regulations.

The Board of Directors may only validly deliberate if at least half of its members are present or represented. Decisions are taken by the majority of members present or represented. In the event of a tied vote, the Chairman has a casting vote.

Minutes of meetings will be prepared and copies or excerpts of the proceedings will be certified in accordance with the Law.

The Board may appoint committees and will determine their composition and purpose. The members of these committees are responsible for examining the questions that the Chairman or the Board submits to them for their opinion after review.

ARTICLE 13 - RELATED-PARTY AGREEMENTS

Pursuant to Article L. 229-7-6 of the French commercial code, the provisions of article L. 225-35 to L. 225-42-1 of the French Commercial Code are applicable to the Company's agreements.

ARTICLE 14 – CHAIRMAN AND EXECUTIVE DIRECTORS

The Board of Directors shall elect one of its members as Chairman.

The Chairman organizes and directs the work of the Board of Directors and reports on said work to the Shareholders' Meeting. The Chairman oversees the proper running of the Company's decision-making bodies and, in particular, ensures that directors are able to carry out their duties.

Either the Chairman of the Board of Directors or another natural person appointed by the Board of Directors as Chief Executive Officer is responsible for running the Company.

The Board of Directors chooses in a free and majority vote one of the two modes of supervision and can at any moment by a majority vote modify its choice.

The Board of Directors may, in accordance with the law, appoint one or more natural persons as Chief Operating Officer to assist either the Chairman, if he assumes the office of Chief Executive Officer, or the Chief Executive Officer. There can be no more than five Chief Operating Officers.

If the Chairman of the Board of Directors is responsible for running the Company, the powers of the Chairman and those of the Chief Executive Officer are set out by the Law.

These powers may be limited by the Board of Directors in accordance with the Company's decision-making structures.

The Board of Directors determines, in accordance with the law, the scope and duration of the powers conferred on the Chief Operating Officers. Chief Operating Officers have the same powers as the Chief Executive Officer with regard to third parties.

The age limit for the position of Chairman of the Board, Chief Executive Officer and Chief Operating Officer shall be ninety years.

ARTICLE 15 - COMPENSATION OF DIRECTORS

The Board of Directors freely distributes among its members the directors' fees that may be allocated to it by the Shareholders' Meeting.

A larger share may be allocated to those Directors who are members of committees, provided for in Article 12.

The Board of Directors may allocate exceptional compensation to Directors in certain cases and under conditions provided by the Law.

ARTICLE 16 - STATUTORY AUDITORS

The Ordinary Shareholders' Meeting appoints one or more Principal Statutory Auditors to the duties determined by the Law. They are appointed for six financial years in compliance with the eligibility requirements provided by the Law. They may be re-appointed.

The appointed Statutory Auditors may be natural persons or legal entities. They must be registered with an association of certified accountants.

The Ordinary Shareholders' Meeting may appoint, under the same conditions and for the same term, one or more Alternate Auditors. The Alternate Auditors will replace the Statutory Auditor in the event of refusal, unavailability, resignation or death. This appointment is required if the principal Statutory Auditor is a natural person or a single-owner company in accordance with the Law.

ARTICLE 17 – SHAREHOLDERS' MEETINGS

- 1) Shareholders' Meeting are convened and deliberate under the conditions provided by Law, it being recalled that for the calculation of the majority, the votes cast do not include those attached to shares for which the shareholder has not voted, has abstained or the vote is blank or void.
- 2) The meetings take place at the registered office or in any other place stated on the notice convening the meeting.
- 3) Any owner of shares may participate, in person or by proxy, in the meetings, on proof of identity and registration of the shares in its name or in the name of an intermediary registered for its account in accordance with Article L.228-1 of the French Commercial Code, at the end of the second business day, Paris time, prior to the Meeting, either in the registered security accounts kept by the Company, or in the bearer security accounts kept by the usual intermediary. This registration in the bearer accounts must be proved by the filing of a participation statement within the same deadline and at the place stipulated in the meeting notice.
- 4) Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in the absence of the Chairman, by a Director specially delegated by the Board. Otherwise, the Shareholders' Meeting itself is to elect its Chairman.
- 5) Minutes of the Shareholders' Meeting are taken and copies are certified and prepared in accordance with the Law.

POSTAL VOTING (INCLUDING ELECTRONIC) AND BY PROXY:

- 6) Any shareholder may use a postal vote under the conditions set by the Law. The postal voting form, to be valid, must be received by the Company at least two days before the Shareholders' Meeting, along with proof of share registration or a participation statement as indicated above.
Furthermore, the shareholder may use the electronic voting form offered on the website of the company appointed for this, if received by the company the day before the meeting no later than 3:00 p.m. Paris time. This electronic form includes an electronic signature under the conditions provided in this article.
- 7) Shareholders may be represented by another shareholder, their spouse or by the partner with whom they have signed a civil partnership. They may also be represented by any other natural person or legal entity of their choosing. The notification of the appointment and revocation of a proxy may be made electronically.
- 8) The postal voting form and proxy given by a shareholder are signed by the shareholder, where applicable, by a secure electronic signature within the meaning of Article 1367 of the French Civil Code, or by an electronic signature approved by the Board of Directors consisting of the use of a reliable identification method guaranteeing the link between the electronic signature and the document to which it is attached.

PARTICIPATION IN SHAREHOLDER MEETINGS BY TELEVISUAL MEANS

- 9) If the Board of Directors allows it at the time the Shareholder meeting is convened, shareholders may participate in the Shareholders' Meeting by video conference or by any other telecommunication means, including by internet, which enables identification under the conditions and in accordance with the terms set by the regulations in force.
- 10) Shareholders using these means are deemed to be present for the purposes of calculating the quorum and majority.
- 11) Each member of the Meeting has as many votes as he/she holds or represents. Furthermore, a double voting right, regarding the portion of capital they represent, is granted to all paid-up shares, for which proof is provided of registration in the name of the same shareholder for at least two years. This right is granted, in the event of capital increases through incorporation of reserves, profits or issuance premiums, to the bonus shares allotted in respect of registered shares carrying double voting rights which will also carry double voting rights as from the date of issue. Any share whose ownership is transferred loses this double voting right; nevertheless, the transfer through succession, liquidation of the joint property held between spouses or the inter vivos donation to a spouse or relative entitled to inherit, does not lose the acquired right and does not interrupt the two-year period. The merger of the Company has no effect on the double voting rights which may be exercised at the acquiring company if allowed by this company's bylaws.



ARTICLE 18 – STATUTORY ACCOUNTS

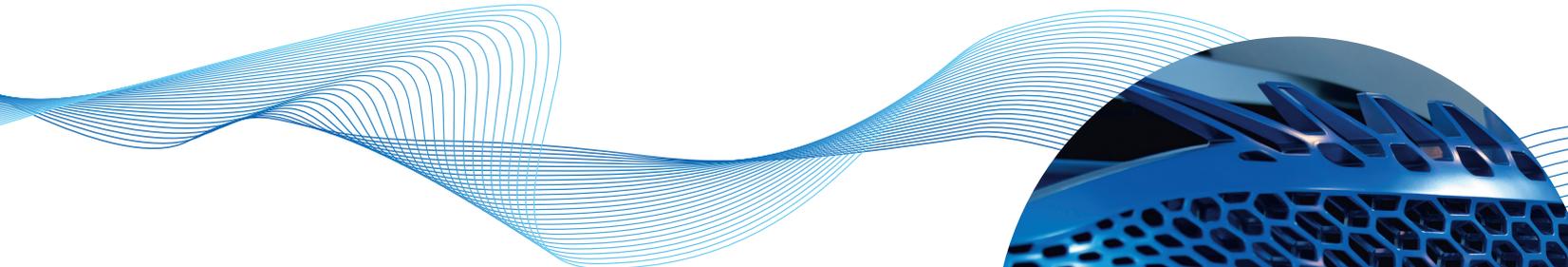
- 1) Each financial year begins on January 1 and ends on December 31 of the same year.
- 2) The profits or loss from the financial year derive from the difference between the income and expenses of the year, after deduction of amortization and provisions, as calculated in the income statement.
- 3) The profits or loss for the financial year are reduced, where applicable, by prior losses, and after first deducting at least five per cent to form a reserve fund called the "legal reserve". This deduction is no longer mandatory once the legal reserve reaches one-tenth of the share capital.
- 4) If there is balance remaining, the Shareholders' Meeting decides either to distribute it, carry it forward, or add it to one or more reserve items to which it governs the purpose and use.
- 5) After acknowledging the existence of available reserves, the Shareholders' Meeting may decide to distribute amounts drawn from these reserves. In this case, the decision expressly indicates the reserve items from which the withdrawals are to be made.
- 6) The Shareholders' Meeting is able to grant to shareholders, for all or part of the dividend or interim dividends distributed, an option between payment of the dividend or interim dividend in cash or in shares.

ARTICLE 19 – DISSOLUTION

- 1) Upon dissolution of the Company decided by the Extraordinary Shareholders' Meeting, one or more liquidators shall be appointed by the Shareholders' Meeting under the quorum and majority conditions provided for the Ordinary Shareholders' Meetings. These appointments terminate the terms of office of the Directors and the Statutory Auditors.
- 2) The liquidator represents the Company. The liquidator shall be invested with the widest powers in order to sell the assets, even by private agreement. The liquidator is responsible for paying creditors and distributing the available balance.
- 3) Net assets remaining after reimbursement of shares at their par value shall be distributed among shareholders in proportion to their stake in the share capital.

ARTICLE 20 - DISPUTES

Any disputes that arise during the existence of the Company or during its liquidation, either between the Company and the Shareholders, or between the Shareholders themselves relating to the Company's business shall be under the jurisdiction of the competent courts.



Other information



8.1	GENERAL INFORMATION ABOUT THE COMPANY	290	CROSS-REFERENCE TABLES	295
	General information	290	Registration cross-reference table	295
8.2	LIST OF REGULATED INFORMATION PUBLISHED DURING THE LAST 12 MONTHS	293	Annual financial report cross-reference table	297
8.3	PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT <small>AFR</small>	294	Management report cross-reference table	298
	Appointment of the person responsible for the Registration Document containing the Annual Financial Report	294	GLOSSARIES	299
	Declaration by the person responsible for the Registration Document	294	Financial glossary	299
			Technical and sustainable development glossary	301



OTHER INFORMATION

General information about the Company

8.1 GENERAL INFORMATION ABOUT THE COMPANY

GENERAL INFORMATION

COMPANY NAME AND REGISTERED OFFICE

The full company name is Compagnie Plastic Omnium. Its registered office is located at 19, boulevard Jules-Carteret, 69007 Lyon, France, and its administrative headquarters is at 1, allée Pierre-Burelle, 92300 Levallois-Perret, France.

REGISTRATION PARTICULARS - WORLDWIDE DIRECTORY OF LEIS

The Company is registered in the Lyon Trade and Companies Registry under number 955 512 611 and registered in the worldwide directory of LEIs (Legal Entity Identifier) under code 9695001VLC2KYXXODW73.

LEGAL FORM AND GOVERNING LAW

Compagnie Plastic Omnium, created in April 1946, is a public limited company under French law (*société anonyme*) with a Board of Directors. It is governed by the French Commercial Code.

TERM

The Company's term will run until April 24, 2112.

FISCAL YEAR

The Company's accounting period runs for twelve months, from January 1 to December 31.

CORPORATE PURPOSE (ARTICLE 3 OF THE BYLAWS)

"The Company's corporate purpose is to:

- process all forms of plastic, metal and other raw materials in order to manufacture all types of products and articles for all uses, particularly industrial;
- manage its property and capital assets;
 - acquire, build, lease, develop, improve and exploit any land or buildings;
 - acquire any equity or other interest in any company, enterprise or other entity, in France or abroad, irrespective of its corporate purpose in whatsoever form and in particular by acquiring or subscribing for any form of security, equity interest or other right in such entities;
 - manage its investment portfolio of equity interests and securities;
 - carry out all works and services relating to general administration and building maintenance (other than acting as a building manager);
 - and in general, make any transaction (commercial, industrial, financial or related to property and capital assets) that is linked, directly or indirectly, to the Company's purpose; or that could be relevant to it; or that could make the purpose easier to achieve.

The Company may, both in France and abroad, create, acquire, use or grant licenses to use all trademarks, brands, commercial names, designs, models, patents and manufacturing processes related to the above purpose.

It may act directly or indirectly, on its own behalf or for a third party, in any country. It may do so either alone or with any other persons or companies in a partnership, joint venture, consortium or company, and may make any transaction within the scope of its corporate purpose."

GENERAL MANAGEMENT (ARTICLE 13 OF THE BYLAWS)

The Board of Directors shall elect one of its members as Chairman.

The Chairman organizes and directs the work of the Board of Directors and reports on said work to the Shareholders' Meeting. He oversees the proper running of the Company's decision-making bodies and, in particular, ensures that directors are able to carry out their duties.

Either the Chairman of the Board of Directors or another natural person appointed by the Board of Directors as Chief Executive Officer is responsible for running the Company.

The Board of Directors chooses in a free and majority vote one of the two modes of supervision and can at any moment by a majority vote modify its choice.

The Board of Directors may, in accordance with the law, appoint one or more natural persons as Chief Operating Officer to assist either the Chairman, if he assumes the office of Chief Executive Officer, or the Chief Executive Officer. There can be no more than five Chief Operating Officers.

The powers of the Chairman of the Board of Directors, if he is responsible for running the Company, and those of the Chief Executive Officer are set out by law.

His powers may be limited by the Board of Directors in accordance with the Company's decision-making structures.

The Board of Directors determines, in accordance with the law, the extent and duration of the powers conferred on the Chief Operating Officers. Chief Operating Officers have the same powers as the Chief Executive Officer with regard to third parties.

The age limit for the position of Chairman of the Board of Directors shall be eighty years and the age limit for the positions of Chief Executive Officer and Chief Operating Officer shall be seventy-five years.

CONSULTATION OF DOCUMENTS RELATING TO THE COMPANY

Documents that must be made available to the public (Company's bylaws, reports from the Statutory Auditors, reports from the Board of Directors and past financial information relating to Compagnie Plastic Omnium and its subsidiaries, including that included in this financial report) may be consulted, while they remain valid, at the registered office of Compagnie Plastic Omnium and also at its administrative registered office (1, allée Pierre-Burelle, 92300 Levallois-Perret, France). Some of these documents may also be available in electronic format on www.plasticomnium.com.

This Registration Document and the Compagnie Plastic Omnium activity report are both available in English.

THE ROLE OF COMPAGNIE PLASTIC OMNIUM IN RELATION TO ITS SUBSIDIARIES

Compagnie Plastic Omnium is a holding company with the following role:

- to hold shares in the holding companies for each business line. These holding companies own, directly or indirectly, shares in the operating subsidiaries;
- to finance Group subsidiaries to provide them with optimal market conditions, either directly or *via* Plastic Omnium Finance (the Group's central corporate treasury);
- to grant Group subsidiaries the right to use the brands it owns. This is subject to a license fee paid by the licensees (see the Statutory Auditors' report on related-party agreements).



STATUTORY AUDITORS

Statutory Auditors

The financial statements of Compagnie Plastic Omnium are audited by two sets of Principal Statutory Auditors, in compliance with Article L. 225-228 of the Code de commerce.

	Current appointment			
	Date of 1 st appointment	Last renewal date	Term of office	End of current term
Principal Statutory Auditors				
Mazars Statutory Auditor, member of the Compagnie Régionale de Versailles, represented by Juliette Decoux 135, boulevard Haussmann 75008 Paris	November 28, 1977	April 28, 2016	6 fiscal years	
Ernst & Young and others Statutory Auditor, member of the Compagnie Régionale de Versailles, represented by Gilles Puissochet 41, rue Ybry 92200 Neuilly-sur-Sine	April 29, 2010	April 28, 2016	6 fiscal years	OGM approving the financial statements of 2021 which will be held in 2022.
Alternate Auditors				
Gilles Rainaut 60, avenue du Général-Leclerc 92100 Boulogne-Billancourt	April 29, 2010	April 28, 2016	6 fiscal years	
AUDITEX Tour Ernst & Young 11, allée de l'Arche 92400 Courbevoie	April 29, 2010	April 28, 2016	6 fiscal years	

Remuneration of Statutory Auditors and members of their network paid by the Group

See Note 7.4 to the consolidated financial statements given in Chapter 5 of this Registration Document

AGREEMENTS ENTERED INTO BY THE COMPANY WHICH WOULD CHANGE OR END IF CONTROL OF THE COMPANY CHANGED

The bonds issued in October 2012, May 2013 and June 2017 include a clause allowing the investor to demand redemption or repurchase of his bond(s) if control over the Company changes. There is a similar clause in most other Group financing contracts.

AGREEMENTS WHICH, IF IMPLEMENTED, COULD EITHER PROVOKE A CHANGE OF CONTROL OF THE COMPANY, OR COULD DELAY, POSTPONE OR PREVENT SUCH A CHANGE

There is currently no bylaw, charter, regulation or provision that could delay, postpone or prevent a change of control.

MATERIAL CONTRACTS

On June 26, 2018, Compagnie Plastic Omnium acquired the German group Mahle's 33.33% shareholding in the HBPO joint venture, up to then

held by Plastic Omnium, Hella and Mahle-Behr. Plastic Omnium now holds 66.67% of HBPO.

HBPO is the world leader in the development, assembly and logistics of automotive front-end modules with 20% of worldwide market shares.

On December 18, 2018, Compagnie Plastic Omnium sold its subsidiary Plastic Omnium Environment BV to the consortium Latour Capital/Bpifrance (French public investment bank). The Environment business is the European leader in the containerization of waste.

There are no other material contracts apart from those agreed in the normal course of business.

The Company's material financial contracts are described in Note 5.2.7.2 to the consolidated financial statements.

DEPENDENCE

Compagnie Plastic Omnium is not currently dependent on any patents or manufacturing processes owned by third parties or on any special supplying contracts.

In the sector of the automotive industry in which Compagnie Plastic Omnium operates, sub-contractors do not generally define the specifications for sub-contracted parts. When, exceptionally, sub-contractors are able to do so, the Group's policy is to define contractually the arrangements for the sub-contractor to transfer the design work, in order to be able to be used with other services.

8.2 LIST OF REGULATED INFORMATION PUBLISHED DURING THE LAST 12 MONTHS

Nature of the information	References for the publications or releases
Business and results	
1 st quarter revenue, 2018	April 24, 2018
First half 2018 results	July 20, 2018
3 rd quarter revenue, 2018	October 25, 2018
Full-year results, 2018	February 14, 2019
Share performance	
Half-year balance sheet 2018 from the liquidity agreement	July 5, 2018
Full-year balance sheet 2018 from the liquidity agreement	January 28, 2019
Declaration of transactions involving treasury stock	March 19, March 26, April 3, April 9, April 30, May 7, July 30, August 6, August 13, August 20, August 27, September 3, September 10, September 17, 2018, February 25, 2019
Declaration of voting rights	April 4, May 3, June 4, July 3, August 27, September 4, October 5, November 6, December 4 of 2018, January 7, February 4, March 4, 2019
Shareholders' Meeting: legal documents	
Description of the share buyback program	April 4, 2018
Professional fees of the Statutory Auditors – 2017	April 4, 2018
Report on Corporate Governance and Internal Control – 2017	April 4, 2018
Public availability of documents prior to the Annual Shareholders' Meeting of April 26, 2018	April 4, 2018
Draft update of corporate bylaws	April 4, 2018
Public availability of the 2018 GM Notice of Meeting in the French Official Bulletin of Legal Notices (BALO)	April 4, 2018
Regulated and permanent information	
2018 interim results report in French	July 20, 2018
2018 interim results report in English	July 20, 2018
2018 Registration Document in French	March 12, 2019
2018 Registration Document in English	March 12, 2019
Plastic Omnium becomes an official sponsor of Race for Water	May 31, 2018
Plastic Omnium earns two distinctions – from CLEPA and from its customer HYUNDAI for its intelligent fuel system for rechargeable hybrid vehicles.	June 14, 2018
Plastic Omnium adds to its position in HBPO, the world leader in front-end modules	June 26, 2018
Planned disposal of the Environment Division	July 19, 2018
Capital reduction (cancellation of treasury stock) (0.74%)	July 26, 2018
Clean, connected mobility the central focus of the Plastic Omnium booth at the World Automotive show	October 2018
Capital reduction (cancellation of treasury stock) (0.87%)	November 08, 2018
Partnership between Plastic Omnium and Brose to develop an innovative door system	December 12, 2018
Continued strategy of profitable growth: Free cash-flow, cost reductions and manufacturing excellence to accelerate innovation and increase technological content	December 13, 2018
Plastic Omnium sells its Environment business to the consortium Latour Capital/BPI France	December 18, 2018
Laurent Burelle succeeds Jean Burelle as Chairman and CEO of Burelle SA	December 19, 2018
Plastic Omnium issues €300 million of 7-year Schuldscheindarlehen	December 21, 2018
Plastic Omnium and HELLA sign a strategic partnership on integrated car body lighting	January 21, 2019

The press releases have been posted on the website of the French Financial Market Authority (*Autorité des Marchés Financiers*) and can be viewed on the Plastic Omnium website, www.plasticomnium.com.



OTHER INFORMATION

Person responsible for the Registration Document

8.3 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

AFR

APPOINTMENT OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT CONTAINING THE ANNUAL FINANCIAL REPORT

Laurent Burelle, Chairman and CEO of Compagnie Plastic Omnium

DECLARATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Laurent Burelle, CEO

I state, after having taken all reasonable measures in this regard, that the information contained in this registration document is, to my knowledge, is factual and does not contain any material omission that would alter its content.

I state that, to my knowledge, the financial statements are prepared in accordance with the applicable accounting standards and give a true picture of the assets, the financial situation and the results of the Company and its consolidated entities, and that the management report included in this document presents an accurate picture of the business development, results and financial situation of the Company and its

consolidated entities and that it describes the main risks and uncertainties that they face.

I obtained from the statutory auditors a completion letter, in which they indicated they have verified the information on the financial situation and the financial statements shown in this document and they have read the rest of the document,

Levallois, March 11, 2019

Laurent Burelle
Chairman and Chief Executive Officer

CROSS-REFERENCE TABLES

REGISTRATION CROSS-REFERENCE TABLE

Subject	Page numbers in the Registration Document
1. Responsible person	294
2. Statutory Auditors	292
3 Selected financial information	22-23
4. Risk factors	33-40
5. Information about the issuer	
5.1 – Company history and development	24-25
5.1.1 – Business and trade name of the issuer	290
5.1.2 – Issuer’s place of registration and number	290
5.1.3 – Term of the issuer	290
5.1.4 – Issuer’s registered office and legal form, legislation governing its business activities, country of origin, address and telephone number of its registered office	back cover
5.1.5 – Material events in the development of the issuer’s business activities	24-25, 27-28, 149-158
5.2 – Main investments	
5.2.1 – Investments made	23, 27-28, 131, 154-155
5.2.2 – Ongoing investments	154-155
5.2.3 – Investments to be made	132
6. Overview of business activities	
6.1 – Main business activities	28-29, 159-160
6.2 – Main markets	28-29, 162-164
6.3 – Extraordinary events	N/A
6.4 – Degree of dependence on patents, licenses, industrial, trade or financial agreements or on new manufacturing processes	286
6.5 – Competitive positioning	28-29
7. Organisation chart	
7.1 – Description of the Group	26
7.2 – List of major subsidiaries	26, 216-222, 248
8. Property, plant and equipment	
8.1 – Existing or planned material property, plant and equipment and any major spending relating thereto	131, 154-155, 175-178
8.2 – Environmental issues that could influence the use, by the issuer, of its property, plant and equipment	112-118
9. Review of financial position and results	
9.1 – Financial position	128-132
9.2 – Net operating income (loss)	128-131
9.2.1 – Material factors with a significant impact on net operating income (loss)	33-36
9.2.2 – Explanation of changes in revenue or income	128-130
9.2.3 – Strategy or factors of a governmental, economic, budgetary, monetary or political nature having had, or that could have in the future, a direct, or indirect, material impact on the issuer’s transactions	33-36



Subject	Page numbers in the Registration Document
10. Cash-flow and capital	
10.1 – Equity capital	131
10.2 – Source and amount of cash-flows	140-141
10.3 – Information on the issuer's borrowing conditions and financing structure	76, 197-200
10.4 – Information about any restriction on the use of equity capital or any restriction that could have a direct, or indirect, material influence on the issuer's operations	N/A
10.5 – Information on expected financing sources for planned investments	N/A
11. Research and Development, patents and licenses	30-33
12. Trends	
12.1 – Main trends affecting production since the end of the last fiscal year	132
12.2 – Commitments likely to have a material impact on the issuer's outlook	N/A
13. Profit forecasts or estimates	N/A
14. Administrative, governing and supervisory bodies and senior management	
14.1 – Administrative and governing bodies	42-60
14.2 – Conflicts of interest in terms of administrative and governing bodies	55-56
15. Compensation and benefits	
15.1 – Amount of compensation and benefits in kind	61-68
15.2 – Total amount of sums set aside or recognized in order to pay pensions, and other post-employment benefits	64-65, 193-194
16. Operation of administrative and governing bodies	
16.1 – Expiry date of current terms of office	43
16.2 – Service contract binding members of administrative bodies	56
16.3 – Audit Committee and Compensation Committee information	59-60
16.4 – Compliance with current corporate governance	61
17. Employees	
17.1 – Number of employees	101-102, 212
17.2 – Non-discretionary profit-sharing and stock options	70, 191
17.3 – Agreement on non-discretionary profit-sharing	N/A
18. Major shareholders	
18.1 – Shareholders owning over 5% of share capital	76
18.2 – Existence of different voting rights	71
18.3 – Direct or indirect ownership or control of the issuer	76
18.4 – Agreement, known to the issuer, which could lead to a future change in its control	292
19. Related-party transactions	214, 254-256
20. Financial transactions involving the assets, financial position and results of the issuer	
20.1 – Historical financial reporting	22-23, 133-222, 229-249
20.2 – <i>Pro forma</i> financial reporting	N/A
20.3 – Financial statements	133-222
20.4 – Audit of historical annual reporting	224-228, 250-253
20.5 – Date of latest financial reporting	293
20.6 – Interim financial reporting	N/A
20.7 – Dividend distribution policy	259
20.8 – Legal arbitration procedures	35
20.9 – Material change in the financial or commercial position since the end of the last fiscal year	N/A

Subject	Page numbers in the Registration Document
21. Additional information	
21.1 – Share capital	71-76, 234, 247
21.2 – Constitution and bylaws	290
22. Material contracts	292
23. Information from third parties, expert statements and declaration of interests	N/A
24. Documents accessible to the public	291
25. Information on affiliates	248

ANNUAL FINANCIAL REPORT CROSS-REFERENCE TABLE

Subject	Page numbers in the Registration Document
1. Statutory accounts 2018	230-249
2. Consolidated financial statements 2018	133-223
3. Management report (French Monetary and Financial Code)	
Analysis of business development	24-25
Analysis of results	127-131
Analysis of the financial position	28-29, 127-131
Risk factors and control	33-40
Subsequent events	132
4. Statement of responsibility for the annual financial report	288
5. Information on Statutory Auditors' fees	215
6. Statutory Auditors' report on the 2018 financial statements	250-253
7. Statutory Auditors' report on the 2018 consolidated financial statements	224-228
8. Special report of the Statutory Auditors on related party agreements and commitments	254-256
9. Report from the Chairman of the Board of Directors on corporate governance	42-77



MANAGEMENT REPORT CROSS-REFERENCE TABLE

Subject	Page numbers in the Registration Document
Information on the Group's results of operations in 2018	
1. The Company's position and results of operations during the year	28-29, 127-131
2. Significant events of the year 2018	27-28, 131, 149-158
3. Information on Research and Development	30-33
4. Outlook and Post-balance Sheet Events	131
Statutory accounts 2018	
5. Comments on the Statutory Accounts	230
6. Balance Sheet	232-233
7. Income Statement	231
8. Five-Year Financial Summary	247
9. Subsidiaries and affiliates	248
10. Supplier and customer payment terms as referred to in Article D. 441-4 of the French Commercial Code	249
Risk factors	
11. Business risks (operational, industrial and environmental risks)	33-34
12. Credit and/or counterparty risk (customers, suppliers, liquidity)	34-35
13. Market risks (Foreign exchange, rates, raw materials prices)	35
14. Legal risks (intellectual property, quality, compliance with competition law)	35-36
15. Tax risk	36
16. Insurance and Risk Coverage	36
17. Internal control risks	37-40
Corporate governance	
18. List of the corporate offices and positions held in any company by each corporate officer during the year	44-52
19. Compensation and benefits paid to each corporate officer during the year	61-71
20. Breakdown of fixed and variable elements of compensation and benefits and their calculation criteria	62-66
21. Description of the share buyback program	74-76
22. Information on stock-options and awards of free shares	69-71
23. Transactions completed by senior managers, and persons closely related to them, in the Company's shares	69
Social, environmental and societal information	
24. Information on the way in which the Group addresses the environmental, social and societal consequences of its activity	80-118
25. CSR challenges and key performance indicators	85-95
26. Report of the independent third-party	122-124
Information regarding the share capital	
27. Information related to the breakdown of the share capital and Treasury stock – Description of the share buyback program	74-76
28. Changes made during the year in the composition of share capital	76
29. Information regarding the equity capital	71-76, 261
30. Information about shareholders	76
31. Trading data	259-260
32. Change in dividends per share over five years	259

GLOSSARIES

FINANCIAL GLOSSARY

A

AMF (French Financial Markets Authority)	Financial institution and French independent administrative authority whose role is to set the operating and ethics rules of the markets, monitor the markets and protect investors and shareholders.
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B

Broker	Intermediary between a buyer and a seller, the broker facilitates trades between different traders or asset managers.
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C

Capital expenditures and projects	Corresponds to acquisitions of property, plant and equipment and intangible assets, net of disposals, the net change in advances to suppliers of fixed assets and investment subsidies received (see Cash-flow Statement in Section 4.7, line E of Part II and Note I.5 to the consolidated financial statements, line E: "Net cash used in operations").
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Consolidated sales (revenue)	Does not include the share of joint ventures, consolidated by using the equity method, in accordance with IFRS 10-11-12, or the revenue of Plastic Omnium Environnement, pursuant to IFRS 5 as of January 1, 2018.
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E

EBITDA	Corresponds to the operating margin which includes the share of profit of associates and joint ventures before allowances for depreciation and operating provisions.
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Economic revenue	Corresponds to consolidated revenue, plus revenue from the Group's joint ventures, consolidated at their percentage of ownership: BPO (50%), YFPO (49.95%) and HBPO (33.33%) until its global integration on July 1, 2018. The figure reflects the operational and managerial realities of the Group.
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Equities	Negotiable security representing a fraction of a company's share capital. Equities grant certain rights to its shareholders. The share may be held in registered or bearer form.
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Euronext Paris	Market operator which organizes, manages and develops the Paris securities markets. It performs a market regulatory function (financial transactions, monitoring of brokers) through delegation of the AMF.
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Ex-dividend date	The date on which the share's dividend is paid. The dividend amount is deducted from the closing price on the day preceding the ex-dividend date. The dividend will then be received by the shareholder on the payment date. On the ex-dividend date, the opening price theoretically loses the equivalent value of the dividend from its closing price of the day before.
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F

Float	Portion of the equity capital available to the public and used in stock market trading. Plastic Omnium's float was 39.98% at December 31, 2018%.
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Freecash-flow	Corresponds to the operating cash-flow, less tangible and intangible investments net of disposals, taxes and net interest paid +/- the change in working capital requirements (cash surplus from operations).
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G

Gearing	The net debt rate (net debt/shareholders' equity) is the ratio which measures a company's level of indebtedness in relation to its shareholders' equity.
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I

IFRS (International Financial Reporting Standards)	International accounting standards established by the IASB (International Accounting Standards Board). Since January 1, 2005, the preparation of consolidated financial statements is mandatory for all listed companies in Europe to facilitate the comparison of their financial positions.
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M

Market capitalization	Value of all the shares of a company on the market at a given time. It is equal to the stock market price multiplied by the number of shares comprising the equity capital of the Company.
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N

Net debt	Includes all long-term borrowings, short-term borrowings and bank overdrafts less loans, marketable debt instruments and other non-current financial assets, and cash and cash equivalents.
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Net dividend per share	Share of the net income of a company distributed to shareholders. Its amount is voted on by shareholders at the Shareholders' Meeting, after approval of the annual financial statements and on the recommendation of the Board of Directors.
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Net profit – Group share	The profit or loss of the Company is obtained by adding the operating margin, other income and expenses, net financing expenses, net income after tax of discontinued, or being discontinued, operations and by deducting net income tax and earnings payable to minority shareholders.
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O

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

P

Par value Initial value of a share set in the bylaws of a company. The share capital of a company is the product of the par value of the share multiplied by the total number of shares.

Q

Quorum Minimum percentage of shares present or represented and having the right to vote, necessary for the Shareholders' Meeting to legally deliberate.

R

Roadshow Institutional investor meetings during which the Company's senior managers and/or the "Investor relations" team communicates their net income, their markets and their strategy.

ROCE (Return on capital employed) Return on capital employed: is the ratio of the operating margin compared to the sum of shareholders' equity and net financial debt.

S

Share buyback Transaction where a company buys its own shares on the market, up to a threshold of 10% of its share capital and after authorization by the shareholders given at the Shareholders' Meeting shares bought back are not included in the calculation of earnings per share and do not receive dividends.

Shareholders' equity The shareholders' equity is the financial resources of the Company (excluding debt) and is comprised of share capital, reserves, net income for the year and operating subsidies.

Shareholder of an administered registered share Equities held in administered registered form are registered with the listed company, but their management remains with the financial intermediary who remains the preferred contact for all transactions.

Shareholder of bearer shares Shares are held in an account opened with a financial intermediary (bank, broker).

Shareholder of pure registered share Equities held in pure registered form are held with the listed company, who has delegated the management of them to its financial intermediary.

SRD (Deferred Settlement Service) Paid service enabling, for the most liquid shares, to defer the payment for orders and delivery of shares until the last stock market day of the month.

SRI Socially responsible investor Socially responsible investment includes, in addition to the usual financial criteria, environmental, social and governance (ESG) criteria in the analysis and investment process.

Subscription option (Stock option) It gives the right to subscribe for, at a price fixed in advance and during a pre-determined period, shares of a company.

T

Treasury stock Treasury shares represent the portion of the share capital held by the Company which issued them. They do not have voting rights and do not receive dividends.

Treasury shares A portion of the Treasury stock held by a company, regulated and capped at 10%.

TECHNICAL AND SUSTAINABLE DEVELOPMENT GLOSSARY

A	
ACT FOR ALL	Plastic Omnium's CSR Program
C	
Circular Economy	The circular economy is an economic concept that is notably inspired by the ideas of the green economy, the economy of use or the economy of functionality, the performance economy and industrial ecology. It aims to produce goods and services whilst significantly limiting the consumption and waste of raw materials, and the use of non-renewable energy sources.
CMR	Carcinogenic, Mutagenic and Reprotoxic substance.
Composite	A composite material is an assembly of at least two immiscible components (but with a high penetration ability) with properties that complement each other. This process enhances the material's performance for certain uses (lightness, rigidity, etc.).
CO2	Carbon dioxide, or carbon gas, mainly from the combustion of hydrocarbons and coal (industry, energy generation, transport, etc.).
CSR (Corporate Social Responsibility)	CSR for Plastic Omnium is structured around three focus areas with the aim of becoming the leading partner for sustainable mobility: <ul style="list-style-type: none"> • sustainable production; • attention to employees; • responsible entrepreneurs.
F	
Fuel cell	This is an electrochemical device that produces electricity by reverse electrolysis of water.
G	
GHG (Greenhouse gases)	Greenhouse gases (GHG) are gas components that absorb the infrared radiation emitted by the Earth's surface, and contribute to the greenhouse effect. Their increased concentration in the Earth's atmosphere is one of the factors causing global warming.
GRI (Global Reporting Initiative)	A not-for-profit organization that aims to develop directives applicable worldwide with respect to corporate sustainable development policies and reporting. www.globalreporting.org
I	
ISO 14001	International environmental management system standard.
ISO 50001	International energy management system standard.
H	
HSE (Health, Safety and Environment)	A function that deals with workplace Health, Safety and Environment issues.
Hybrid	This is a general operating principle which consists of combining an electrical engine (often reversible as a generator) with a combustion engine to propel a vehicle.
Hydrogen	"Hydrogen vehicle" refers to any type of transport that uses the chemical transformation of hydrogen as a propulsion energy source.
Hydro-soluble paint	Paint that uses water and not solvents as thinners.
N	
NOx	Comprising nitrogen and oxygen and including nitric acid and nitrogen dioxide gases. NOx are mainly produced by the combustion of hydrocarbons.
O	
OHSAS 18001/ISO 45001	International workplace health and safety management system standard.
Open Innovation	Plastic Omnium has chosen an "open innovation" approach. Its three main focuses are environmental sustainability, or how to move towards clean propulsion systems; the autonomous car and the shared vehicle, or how to integrate the new IT, data capture and processing technologies; and industrial performance (4.0 plant) or how to use data to create the most efficient production and logistics technologies while developing employees' skills.
R	
RobecoSAM	RobecoSAM (Sustainable Asset Management): an asset manager specializing in sustainable investments and the analysis of non-financial corporate performance (environmental, social, governance, etc.). The quality of the analysis produced has led it to create and manage jointly with Standard and Poors the Dow Jones Sustainability Indexes, a family of indexes that assess the sustainable performance of the 2,500 largest companies ranked in the Dow Jones Global Total Stock Market Index. www.sustainability-index.com



S

SCR (Selective Catalytic Reduction)	Through the injection of the additive AdBlue®, this technology reduces NOx emissions (nitrogen oxides which have adverse health effects) by 95%.
SVHS (Substance of Very High Concern)	SVHS are chemical substances that fall into one of the following categories: carcinogens, mutagens, or reproductive toxins, persistent, bioaccumulative and toxic substances, very persistent and very bioaccumulative substances, substances that can disrupt the endocrine system.
T	
Tf1	Workplace accident frequency rate with lost time: number of workplace accidents with lost time multiplied by 1 million, divided by the number of hours worked (including temporary staff).
Tf2	Workplace accident frequency rate with and without lost time: number of workplace accidents with and without lost time multiplied by 1 million, divided by the number of hours worked (including temporary staff).
Tg (severity rate)	Severity rate of workplace accidents: number of days lost as a result of accidents multiplied by one thousand, divided by the number of hours worked (including temporary staff).
Thermosetting	Polymer that hardens under heat. The constituting molecules connect to each other, making the polymer more rigid. Plastic Omnium uses this material in automotive parts for its lightness and resistance properties.
Thermoplastic	A thermoplastic material is one that softens (we sometimes observe fusion) repeatedly when heated above a certain temperature, but which becomes hard again below that temperature.
TOP Planet	Energy management system applicable to all subsidiaries and joint ventures controlled by Plastic Omnium.
Top Safety	System to manage the security of people and property applicable to all subsidiaries and joint ventures controlled by Plastic Omnium.
V	
VOCs	Volatile Organic Compounds: VOCs comprising carbon, oxygen and hydrogen are easily found in gas form in the atmosphere. They are mainly the result of solvent evaporation.

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