2020

Universal Registration Document

Integrated Report
Annual Financial Report

CHARGEURS
High Emotion Technology®

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Integrated Report
Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French language version of this Universal Registration Document was filed on March 17, 2021, with the French Financial Markets' Authority (AMF), as the competent authority under (EU) Regulation 2017/1129, without prior approval as allowed by Article 9 of the Regulation.

The Universal Registration Document may be used as a prospectus for a public offer of financial instruments or the admission of financial instruments for trading on a regulated market, provided that it is accompanied by an information memorandum (or listing particulars) and, if necessary, summary and detailed descriptions of all the amendments made to the Universal Registration Document. In this case, the prospectus comprising the Universal Registration Document and the information memorandum or listing particulars is submitted to the AMF for approval in accordance with (EU) Regulation 2017/1129.


EXPERIENCE
BRITISH WILDLIFE

Integrated Report Purpose

With its entrepreneurial DNA, Chargeurs plans to become the champion of niche technologies and services by building the markets of tomorrow and extending their boundaries. This Integrated Report presents the Group's businesses, its history and how we create long-term value for our stakeholders.

It illustrates the agility and operating efficiency the Group has demonstrated to rise to the challenges the health crisis has presented. It also presents the main lines of the Leap Forward 2025 strategic plan which aims to provide a roadmap for medium-term Group development in an ever-changing world.

This report is the result of the combined work of all the Group's Executive Committee members and is managed by the Financial Communications Department. Thanks to the inclusion of financial and non-financial data, it presents the actions carried out by the Group and its performance in all areas, to provide meaning and coherence to its corporate mission.

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GOVERNANCE

Vision

Creating global leaders in niche technologies and high value-added services

Chargeurs develops disruptive, highly innovative and distinctive products and services in highly technical global niche segments. Our technological solutions have one thing in common: they ensure the success of our customers by enhancing their performance.

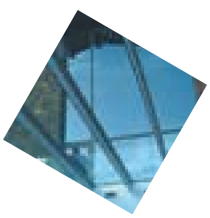
Chargeurs at a glance:

Chargeurs is a world leader in niche technologies and services, offering integrated, high value-added solutions to its B2B and B2C customers.

Active in 90 countries with nearly 2,500 employees, the Group, whose global signature is High Emotion Technology®, develops its manufacturing and technological expertise across a range of sectors including premium materials protection, fashion and luxury goods, museum services and healthcare. Whether by protecting premium surfaces, enhancing textile structure and comfort, offering unique visitor experiences or protecting your health, Chargeurs creates value in each of its markets by constantly pushing their boundaries. Chargeurs' solutions are designed to meet the environmental and societal challenges faced by our planet to enhance customer performance and support us in our daily lives.

FIVE BUSINESSES WITH UNIQUE EXPERTISE:

Chargeurs Protective Films



offers industrial customers – in construction, electronics and even household appliances – temporary protective films for fragile surfaces.

Chargeurs*PCC Fashion Technologies

targets major international brands in luxury goods, men and women's fashion, sportswear and casual wear. It designs technical clothing fabric, including interlining to provide structure and flexibility.

Chargeurs Luxury Materials

provides the finest, softest and most resistant wool fibers in the world and is the leading player in global trading of premium wool products.

Chargeurs Museum Solutions

creates captivating and immersive visitor experiences for cultural centers and museums, retailers and brands, offering them full-integrated turnkey solutions.

Chargeurs Healthcare Solutions

designs high technology solutions for personal healthcare protection and their well-being, in public and medical sectors as well as for private players and individuals.

€822 m
Revenue in 2020

Nearly
150 years
of history

Active in
5
continents

Nearly
2,500
employees

18
production facilities

16
R&D centers worldwide

“ In 2020, Chargeurs bucked the negative impacts suffered by many manufacturing companies, transforming an unprecedented crisis into a remarkable success and a platform for its future development.

MICHAËL FRIBOURG,
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

2020 demonstrated the efficiency and sustainability of Chargeurs’ business model

2020 once and for all demonstrated the efficiency of Chargeurs’ business and manufacturing model. Faced with health protection equipment shortages, the Group responded immediately to address a triple industrial, logistical and commercial challenge by creating Chargeurs Healthcare Solutions. In addition to the Group’s ability to repurpose its production facilities and mass produce personal protective equipment, Chargeurs enhanced the quality of its logistics organization to distribute such essential products within extremely tight deadlines in an effort to fight the pandemic. In this respect, the crisis revealed the extent to which logistics–an area of activity so often overlooked by some companies–represents a decisive and differentiating strength at Chargeurs enabling us to provide the best possible customer service. The excellent performance of the Group’s historical business lines, which globally remained profitable in 2020, is largely owing to their capacity to support their customers around the world and in all circumstances. These achievements were capped off by the commercial success of the Lainière Santé™ product offering, both with key accounts and the general public. The **lainiere-sante.com** commercial website, which currently attracts more than a million single visitors, has converted nearly 80,000 customers. In 2020, the website generated revenue in excess of €10 million. Moreover, after less than one year in existence, Lainière Santé™ masks were named “Product of the year” in France’s *Elu produit de l’année* awards. Along with gowns and hand sanitizer, masks were donated to healthcare professionals, and above all, to the disenfranchised and under-privileged through charities in France including *Apprentis d'Auteuil, Emmaüs France* and *Œuvre de Secours aux Enfants*. Driven forward by solidarity and excellence, in 2020, Chargeurs bucked the negative trend suffered by most manufacturing companies, transforming an unprecedented crisis into a remarkable success and a platform for its future development.

Chargeurs Museum Solutions and Chargeurs Healthcare Solutions: two new profitable growth drivers for the Group

Set up in just a few months, Chargeurs Healthcare Solutions, the industrial champion of the healthcare industry, showcases the agility and boldness that are integral parts of the Group's DNA. It follows the creation a few months earlier of Chargeurs Museum Solutions, the world champion of museum experiences, a market delivering structural growth in excess of 10% per year. Chargeurs Museum Solutions' activities operate as a unique portfolio in a highly fragmented market. Its activities are driven by the emergence of innovative museum structures and the growth in new tourist destinations that are home to many new cultural projects. Art galleries, company foundations and museums dedicated to the sciences, health, history, the environment, etc. are places that contribute to the knowledge economy and equally meet visitors' growing aspirations in experiential luxury through their use of the most innovative and immersive modern technology. The two new business lines complement our historical activities which demonstrated their resilience in 2020, and provide Chargeurs with an effective, broader and more diversified portfolio of activities. Our portfolio capitalizes on reduced sensitivity to business cycles, enabling all our stakeholders to benefit from greater visibility. Together, and more than ever, these activities combined illustrate the leading and visionary role the Group aims to fulfill in the niche technologies and services it is developing.

More significant value creation potential in 2021

Since its creation in October 2015, Colombus Holding, the Chargeurs group's main shareholder controlled by Groupe Familial Fribourg, has repeatedly increased its stake in the Group. This strengthened capital structure further consolidates the Chargeurs group's value creation strategy from a long-term standpoint, supported by an entrepreneurial and family-run model of capitalism, which we uphold. Over a five-year period, this responsible management has been reflected in 10 successful acquisitions, nearly €100m of investment in our business lines–half of which are in our French industrial areas of excellence–a new iconic marketing signature High Emotion technology® and the development of a recognized CSR strategy. All of these initiatives put together have made us stronger, representing genuine profitability potential for each and every one of our business lines which remains intact despite the health crisis. Leap Forward 2025, our new strategic growth program and successor to Game Changer (2017-2020), marks a new chapter in the Group's development. It aims to complete the "embedded performance" potential of investments already made in our business lines. The program also seeks to continue the ramp-up of the consolidation in our niche businesses by rolling out a strategy to acquire industrial and service champions in the preferred context of family-to-family transactions. The execution of this program by a strengthened leadership team is expected to set Chargeurs on a high growth trajectory. By 2025, the Group should generate revenue of approximately €1.5 billion and recurring operating profit of €150 million. Leap Forward 2025 is structured by a solid family-based model of capitalism, sustainably and ambitiously cementing Chargeurs' global leader position in high value-added technological, product and service niches.

> "Leap Forward 2025 is structured around a solid family-based model of capitalism, sustainably and ambitiously cementing Chargeurs' global leader position in high value-added technological, product and service niches."

Group fundamentals and values

Within the Chargeurs group, each decision is guided by our core values of reliability, passion, commitment and boldness. These are the watchwords that have been steering our actions from the outset wherever we operate.

4 core values

Reliability

Historically, to meet our commitments, the Chargeurs Réunis teams together strove to meet tight turnaround deadlines, independent of disruptions and other unforeseen circumstances that may arise in sea travel. This concept of reliability is with us today in the care we take with our industrial processes, but also in relation to our products and services, which are subject to rigorous and continuous quality assurance. Lastly, our reliability is reflected in our compliance with tight delivery deadlines and the ever-present desire to meet even the most demanding requirements of our customers.

Commitment

In 1889, Chargeurs opened the first post office in Libreville, consolidating its business in western Africa.
This distinctive growth model, based on close management of international business is a key feature of Group culture. The model now leverages a network of local talents and partners, recruited and trained locally to ensure its understanding of the specific challenges in its market locations. As such, Chargeurs has improved its responsiveness by offering its customers a range of products and services that fully meet their needs.

Passion

Above all, the passion of a job well done. The passion that drives all Group teams to work daily to develop products and solutions that are perfectly in line with the needs and expectations of our customers. Thanks to leading-edge expertise and a continuous desire to anticipate the needs of tomorrow's world, the Group is a driver of innovation as it was in 1935, at the dawn of sea and air travel. Passion also involves constantly striving for a better future.

Boldness

During times of uncertainty or during historic upheavals, Chargeurs has always managed to adopt a level-headed approach while remaining adventurous, nurturing agility which today is the hallmark of the Group's business. This ability to overcome obstacles translates to a proactive approach, focusing on continuous improvement of its manufacturing base, enhancing its portfolio of products and services and seeking new growth drivers by geography or sector with confidence in the talent of its teams.

Innovation and heritage since 1872

Since its founding in 1872, the Chargeurs group has consistently stayed one step ahead of the major shifts in the French economy. Its current performance is led by a culture of constant innovation, backed by a sincere commitment to remaining true to its heritage.

1872

CREATION OF A GLOBAL GROUP

French banker and businessman, Jules Vignal, creates Compagnie des Chargeurs Réunis in 1872. The transatlantic shipping line operates the first regular services between France and Latin America, followed by services between France and its empire in Africa and Asia.

1945 1970

CHARGEURS RÉUNIS EXPANDS ACROSS THE WORLD

Chargeurs Réunis creates the UTA airline and Causse-Walon, a specialty overland transportation company. The Group also diversifies by investing in non-industrial businesses, such as tourism, chemicals, finance and insurance. Later, these interests are gradually sold.

1980 1990

DIVERSIFICATION INTO TEXTILES, PLASTICS AND THE MEDIA

Jérôme Seydoux, a French captain of industry who is the largest shareholder in Pricel, one of Europe's leading textile groups, acquires a controlling stake in Chargeurs Réunis. He contributes Pricel's assets and makes Chargeurs the spearhead of a new industrial adventure for more than 30 years. Chargeurs acquires a controlling interest in the Prouvost industrial empire and diversifies into media by taking over Pathé, investing in BSkyB, creating the La Cinq television station and purchasing the Libération newspaper. At the same time, Chargeurs disposes of its assets in maritime shipping, air transportation and overland transportation.

1996 2014

REFOCUSING ON SPECIALTY MATERIALS

In 1996, Jérôme separates the manufacturing businesses from the media empire, in what will become France's first spin-off transaction. Retaining its lead shareholders, Jérôme Seydoux and Eduardo Malone, Chargeurs strategically refocuses on high value-added technical businesses where it holds global leadership positions. In 2008, the remaining garment-making businesses are sold, contributing to Group debt shedding, which in turn accelerated its innovation strategy.

since 2015

TRANSITION IN OWNERSHIP AND CHANGE IN SCALE

Jérôme Seydoux and Eduardo Malone sell their equity interest to Colombus Holding SAS, an investment company founded by Michaël Fribourg and dedicated to supporting the future of Chargeurs. Michaël Fribourg transitions the Group to a unique, distinctive excellence model, considerably strengthens the balance sheet, leads targeted acquisitions and deploys the Game Changer operational excellence plan. Chargeurs then successfully upscales its operations to become the global champion in high value-added niche markets.

2020

2 new business lines

Creation of Chargeurs Museum Solutions, world leader in museum services and Chargeurs Healthcare Solutions, a benchmark player in personal protective equipment (PPE). The Group is continuing to expand in niche markets and confirmed the relevance of its business model against the backdrop of the current economic and health crisis sparked by the Covid-19 pandemic.

Our transformational achievements reflecting the Group's change of scale

2016

BUILDING DISTINCTIVE ENTREPRENEURIAL DNA

The Chargeurs share joins the B compartment of Euronext Paris: This transfer, which reflects the increase in stock market value of the Group linked to improved financial performance, takes Chargeurs to a new dimension.

Implementation of Chargeurs' Business Standards, the keys to success: These provide Chargeurs with a distinctive DNA in tune withexpansion, drivingperformance, innovation and efficiency in all its processes.

Commercial launch of 40 gauge ultra-thin interlinings: extraordinarily fine and light, these fabrics adapt perfectly to the satins and lace used in women's fashions today.

2017

BECOMING A WORLD LEADER IN HIGH VALUE-ADDED NICHES

Launch of the Game Changer operational optimization plan, built on four strategic pillars – Sales & Marketing, Production Excellence, Innovation and Talent Management, Chargeurs carries out investment in staff, industrial assets and operations to strengthen its presence throughout the value chain.

Creation of Chargeurs Protective Specialty Machines within the Chargeurs Protective Films business line: created from the acquisitions of laminator producers Omma, Walco and Somerra, CPSM becomes the world leading specialist in protective films for surfaces (machine + film) enabling CPF to expand its service offering for its customers.

Launch of the upscale Nativa™ label, delivering the stand-out quality and "responsible" supply requirements of luxury goods, ready-to-wear fashion brands and the ethical aspirations of today's consumers.

Signature of the United Nations (UN) Global Compact: Chargeurs became one of the most innovative global companies in terms of sustainable development and made its CSR policy the central focus of its business model.

2018

CONSOLIDATING LEADERSHIP IN NEW INTERNATIONAL MARKETS

Acquisition of PCC Interlining, a US interlining specialist, rounding out the Group's geographical reach and diversifying its business model, to become the world leader in interlining.

Acquisition of Leach, UK leader in high-end visual communication solutions: Chargeurs is active at all stages of the value chain in this expanding industry, transforming its leadership in technical substrates to become a designer of global visual experience solutions.

2019

TRANSITIONING WITH LANDMARK ACHIEVEMENTS FOR THE FUTURE OF THE GROUP

Launch of a new 4.0 production line at CPF, the Techno Smart Coating 1 (TSC1), which does not emit any CO_2 into the atmosphere: offering disruptive features, it increased production capacity to meet growing demand worldwide for protective films and enhance the profitability prospects of this business line.

Creation of the Chargeurs Creative Collection, an international network of subsidiaries and autonomous partners, with a new comprehensive rangeof museum heritage and visitor experience solutions.

New marketing signature, High Emotion Technology®, enabling the Group's business lines to strengthen their brand identity with customers to boost their premium credentials with a view to gaining market share.

2020

A STRATEGIC VISION AND MANUFACTURING AGILITY TO WIN NEW MARKETS

Creation of Chargeurs Museum Solutions (CMS), which, thanks to its manufacturing arm, Senfa, and its services arm, Chargeurs Creative Collection, strengthened by the acquisition of D&P, the largest US platform of integrated museum solutions, and Hypsos, an interior fit-out company that implements end-to-end solutions, provides the broadest new museum development and existing museum restructuring solutions.

Creation and sustainable organization of Chargeurs Healthcare Solutions (CHS), an industrial and solidarity-based solution to the global health crisis: Chargeurs has embarked upon an investment program of close to €10 million to ensure the long-term sustainability of this business, providing healthcare independence in its locations.

2020

highlighted Chargeurs' unrivaled manufacturing agility and deep-rooted entrepreneurial spirit

1. French industrial plants, Lainière de Picardie and Senfa, repurpose their assets for the mass production of innovative healthcare products. Lainière Santé™ face masks comply with the specifications of the French defense procurement agency and the French national organization for standardization (AFNOR) standards.

2. Throughout the world, teams are ramping up to meet the urgent need for health equipment.

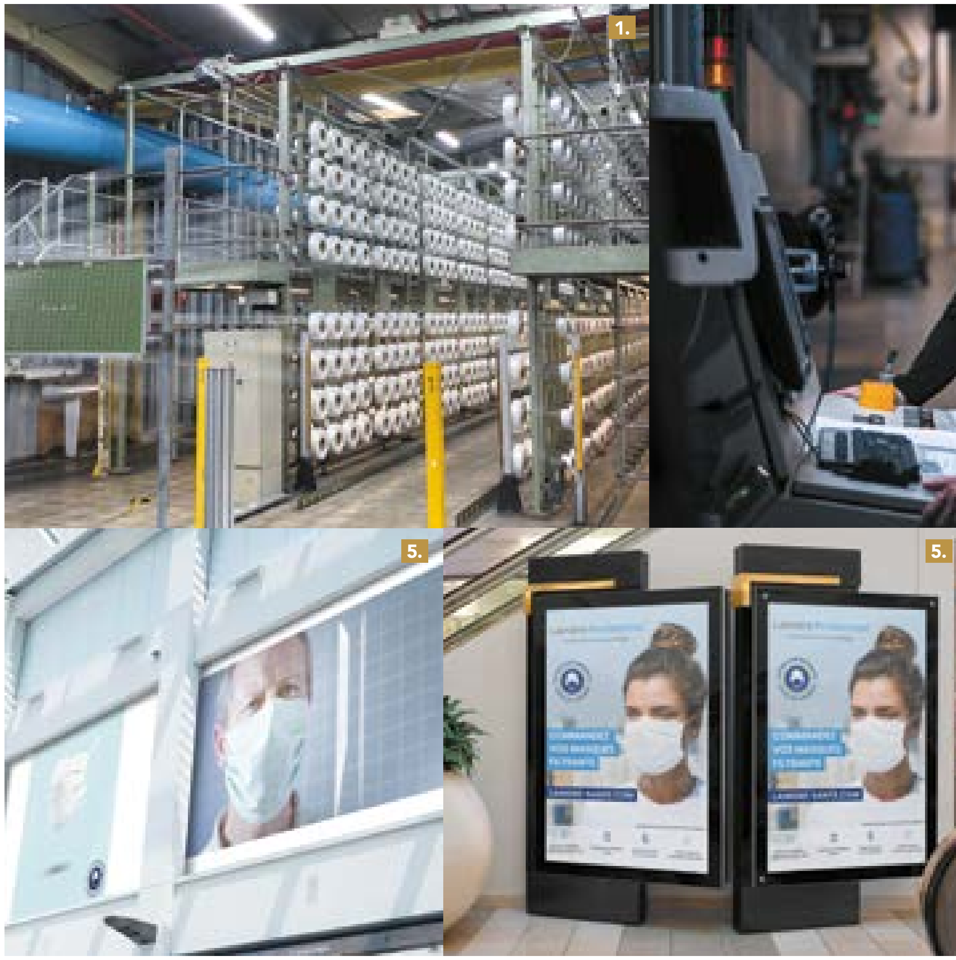
3. Michaël Fribourg, Chief Executive Officer and Joëlle Fabre-Hoffmeister, Group General Secretary, meeting Senfa employees at the height of the health crisis.

4. Chargeurs Protective Films' Novacel plant was categorized as a company of strategic interest, pursuing its business and the development of disinfectant and anti-microbial solutions.

5. Lainière Santé™ masks in an impactful advertising campaign.

6. An e-commerce retail website **www.lainiere-sante.com** is created to promote the Lainière Santé™ brand to consumers.

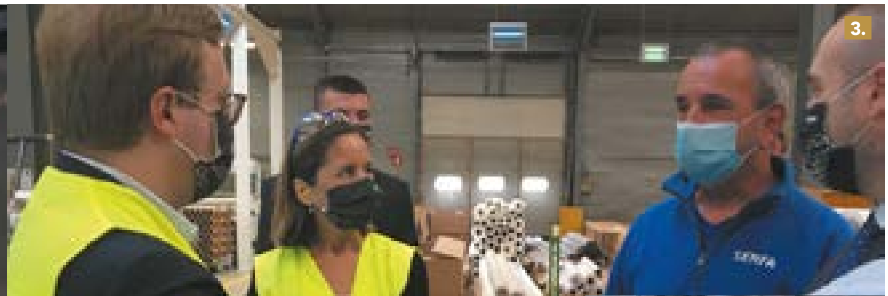
7. Production lines for FFP2 and surgical masks are rolled out to meet high filtration needs to stem the spread of the virus.



Chargeurs Healthcare Solutions (CHS)

an effective response to the health crisis

Active in China, the Group rapidly became aware of the scale and seriousness of the health crisis. In this part of the world first, and then throughout the rest of the world, Group employees had to adapt to lockdown measures. Right from the start of the crisis, Chargeurs understood that the health backdrop was serious and that all economic players had their role to play. Thanks to significant investment in recent years aimed at boosting the strength of its operations, the Group was well equipped to tackle the health and economic crisis.



An immediate operational response

Faced, on the one hand, with a sharp slowdown in the interlining business linked to the impact of lockdowns on the fashion industry, and, on the other hand, with shortages of personal protective equipment (PPE) putting public health at risk, Chargeurs rapidly decided to shift its manufacturing base and logistics to produce personal protective equipment for major public and private institutions, large international accounts as well as small and mid-sized companies and private individuals.

Thanks to its expertise in knitting and coating, and Quality and Logistics assurance against the backdrop of a widespread standstill in transport infrastructures, an autonomous production sector was born.
The exceptional engagement of Group employees to ensure business continuity, on the one hand, and to provide mass production in France, Europe and Asia, on the other, was key. Unprecedented cooperation between R&D, logistics, and even marketing teams enabled the design and marketing of health solutions in record time.

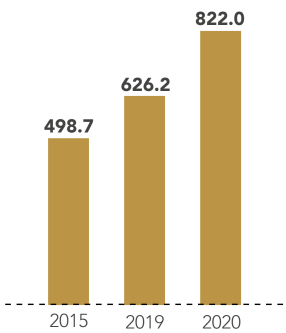
Solidarity supported by a stronger entrepreneurial spirit

Commitment is a corporate value that Chargeurs fully expressed during the Covid-19 pandemic, leveraging its industrial expertise to tackle the health crisis.
In addition, solidarity took the form of donations of masks and hand sanitizer to healthcare professionals and charities such as *Emmaüs, Les Apprentis d'Auteuil* and *l'Oeuvre de Secours aux Enfants*.

To ensure the sustainability of this new business, the Group rolled out an investment program of close to €10m to develop domestic production of surgical and FFP2/N-95 masks in three European countries and in the US.

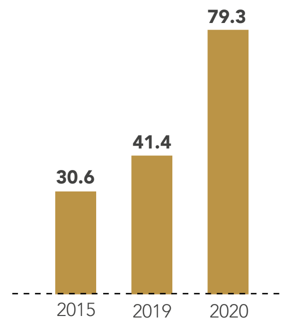
These investments will contribute to ensuring the healthcare independence of these regions, which is now considered essential for many public and private sector players.

Remarkable 2020 financial performance



Revenue

CAGR*: +10% since 2015

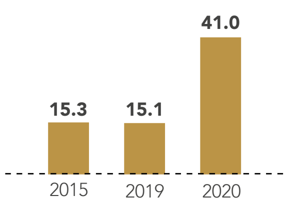


Recurring Operating Profit

CAGR*: +20% since 2015

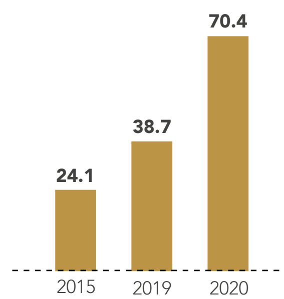
FINANCIAL DATA

(in €m)



Attributable net profit

CAGR*: +21% since 2015



Cash flows provided by operating activities, before changes in net working capital

CAGR*: +23% since 2015

* *Compound Annual Growth Rate*

A governance that takes full account of non-financial indicators that have continuously improved since 2018

Our non-financial performance indicators in 2020:

SAFETY
3.8%
Occupational accident frequency rate (versus 10.17% in 2019)

SUSTAINABLE PRODUCTS
15%
revenue generated from sustainable products and services (versus 7% in 2019)

CO_2
−2%
CO_2 emissions in equivalent metric tonnes per million sq. meters of production (Mm^2)

WATER
−28%
water consumption in cubic meters per million sq. meters of production (Mm^2)

TRANSPARENT AND ETHICAL PRINCIPLES GUIDING GROUP STRATEGY

GENDER EQUALITY
28%
of the Group's Top 50 executives are women

GOUVERNANCE
50%
Independent Board members

SOCIETY
100%
of employees protected against Covid-19 (provision of protective equipment)

ENVIRONMENT
−15%
VOC emissions (volatile organic compounds) per million sq. meters of production

3 historic leading business lines worldwide

Temporary surface protection, interlining and wool, inherited from the merger of Pricel in 1981 with the Lainière de Roubaix, have been setting the pace of Group life for decades. Chargeurs succeeded in accelerating the development and expanding the international reach of these three business lines by anticipating changes in production methods and consumer trends throughout the world.

Chargeurs Protective Films

Chargeurs Protective Films is the world leader in the design, development and sale of solvents enabling the production of self-adhesive films to protect fragile surfaces during manufacturing processes, transportation and fitting. Plastic sheets, stainless steel, aluminum, pre-coated metals and PVC profiles are all materials whose appearance must remain impeccable and can be protected by film developed by CPF. The range of industries served is very extensive, covering construction, electronics and household appliances and is being steadily expanded to include other applications and sectors.

Within this business line, Chargeurs Protective Specialty Machines has, since 2017, included three specialist companies in the design and production of film applicators for temporary surface protection, offering their customers as well as those Chargeurs Protective Films an all-in-one protective film and coating solution. The combination of protective film and specific adhesive, and application by high-precision laminator machines, requires high-tech expertise and seamless coordination between the Group's R&D and marketing teams.

€270.4m
2020 revenue

International reach covering
85 countries

Chargeurs*PCC Fashion Technologies

Chargeurs*PCC Fashion Technologies is a global expert in the production of interlining used in clothing for women and men. Interlining is the only technical garment fabric that gives clothing its shape and structure. It is mainly used to make jackets, coats and shirts. Thermobonding is generally used to attach the interlining between the fabric lining and its exterior layer.

The increasing technicality of garments is driving demand from the world's leading luxury and fashion brands, including *ready-to-wear* and *fast-fashion* players, whileGreen innovation is creating new end-markets. Our Group's responsiveness to shifts in fashion industry trends and the qualityof our logistics functions are key differentiating factors in this competitive market.

€131.8m
2020 revenue

More than
6,000
customers worldwide

Chargeurs Luxury Materials

Chargeurs Luxury Materials supplies the finest, softest and most resistant merino wool fibers in the world.
Its expertise lies in selecting the best raw wool from producers worldwide, acting as the only wool trader capable of offering wool from every producing region to its prestigious customer base, who rank among the world's most prestigious brands.

The main finished product of CLM is "Wool Top" a long staple, worsted wool used to spin yarn for both the knitting and weaving industries.

Wool Top is made from raw or greasy wool which is washed, carded and then combed. These processes are carried out in combing mills in the United States, Uruguay, Argentina and China. It is then the turn of marketing teams to deliver the right solution to each customer, whatever the location.
At each stage of the value chain, animal welfare and environmental standards are upheld; traceability of wool is guaranteed by the Nativa™ label thanks to *blockchain technology*.

€64.6m
2020 revenue

Leading **brands**
partner up with Nativa™:
Stella McCartney, Napapijri, and many more

2 new innovative business lines

2020 saw the creation of two champions in their respective niche markets: Chargeurs Museum Solutions, world leader in museum services, a market delivering strong structural growth and Chargeurs Healthcare Solutions, a new champion born from Chargeurs' entrepreneurial DNA.

€51.6m
2020 revenue

1 large museum
is opened every week the world over

Met Studio worked closely with the Singapore Bicentennial Office to create "from Singapore to Singaporean: the bicentennial experience." The flagship exhibit is a breakthrough project for Met Studio.

Chargeurs Museum Solutions

Founded in early 2020, after a series of five acquisitions carried out since 2018, Chargeurs Museum Solutions (CMS) has become the world-leading supplier of turnkey solutions for museum-quality exhibit services. CMS is composed of an industrial division, Senfa, which specializes in functionalizing technical textiles, and Chargeurs Creative Collection, the global standard-setter in museum services. CMS' teams elevate their global footprint to meet the diverse needs of major public and private cultural institutions. Their expertise includes end-to-end project planning (including museum installation and design), as well as the creation of immersive and technological experiences with the accompanying audiovisual and editorial content. Together, CMS' subsidiaries are involved in some of the most iconic museum projects around the world, from the United States to Asia, through to the Middle East and Europe.

Experiential luxury market

Chargeurs Museum Solutions operates in a market delivering structural growth, which benefits from increased investment in countries leveraging the visitor experience to boost their regional and international appeal.
Structural growth in cultural leisure, the knowledge economy and experiential luxury, linked to transformations in the world tourism market with the emergence of new destinations, offer even more opportunities for development in addition to diversification. The increasing aspirations of visitors for immersive experiences are encouraging museums across the globe to reinvent their museum experiences. Increased key customer needs to coordinate their projects, adding value to the one-stop-shop approach offered by CMS.
Creativity, inspiration and technology are the fundamentals of this new experiential luxury market.

The Lainière de Picardie plant, located in the north of France, redeployed its production facility to mass produce protective masks in the fight against Covid-19.

Chargeurs Healthcare Solutions

€303.6m
2020 revenue

Lainière Santé™
face masks
named "Product of the year " in France's 2021 *Elu produit de l'année* ("Product of the year") awards

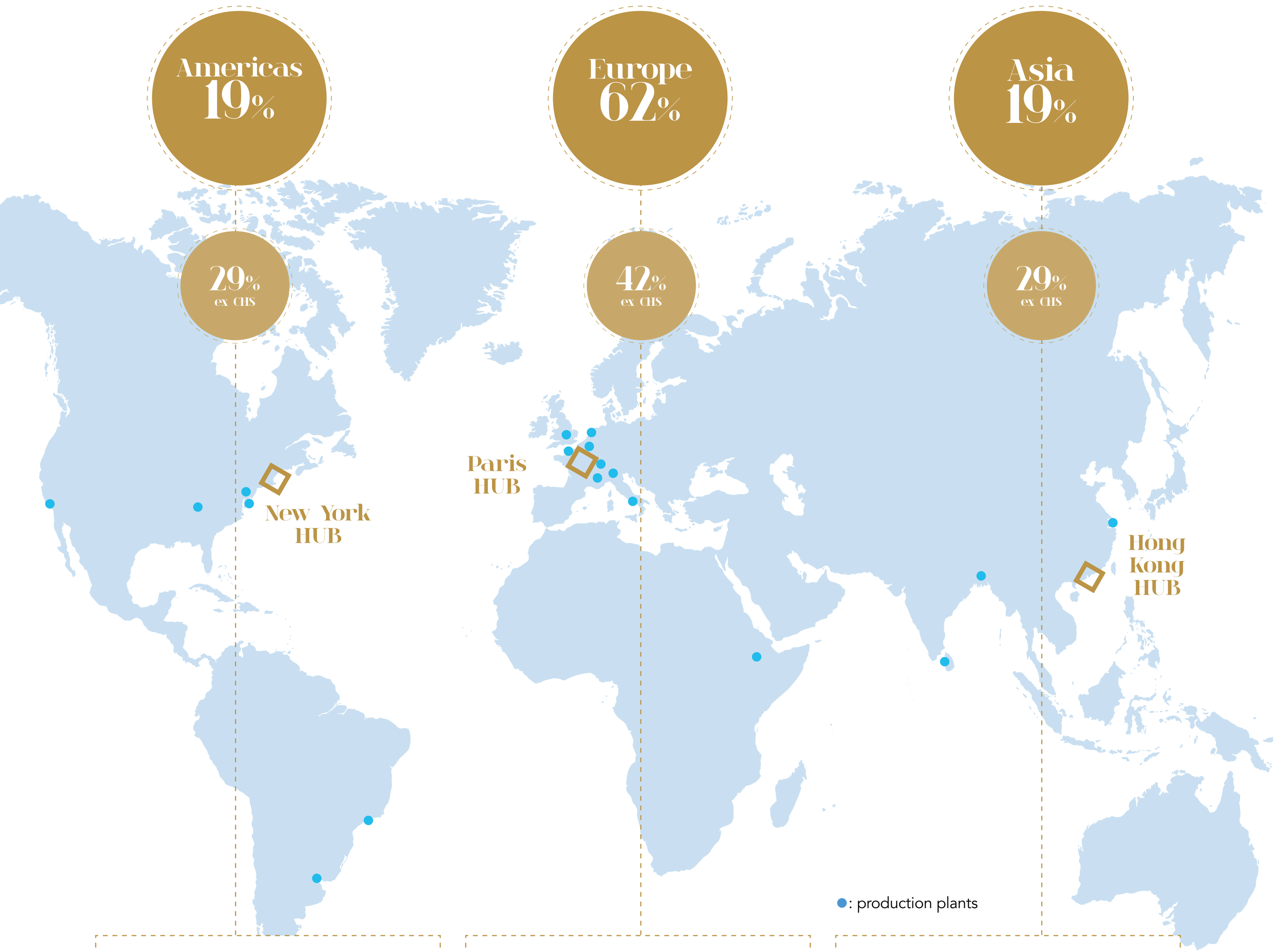
Created in record time to address the urgent healthcare needs engendered by the Covid-19 health crisis, Chargeurs Healthcare Solutions (CHS) designs high-technology healthcare and personal protective solutions. Its comprehensive range of personal protection equipment (PPE) and innovative disinfectant solutions, benefits from synergies with the expertise of CFT*PCC, CPF and CMS. The marketing model is based on a multi-channel approach targeting B2B customers – major public and private institutions, key international accounts, small and medium-sized companies – as well as B2C customers via its e-commerce website **lainiere-sante.com** which has been a resounding success. Targeting both the healthcare industry and the general public, customer satisfaction is a primary concern for this business line. It offers products, modern customer service and a digital order process, together with related services such as inventory control and optimization as well as collection and recycling of used products. As an industrial champion of premium technologies and services, Chargeurs Healthcare Solutions is dedicated to providing customer satisfaction while also protecting the environment.

Creating a sustainable business

A capex program for an overall amount of close to €10m will increase domestic production of surgical and FFP2/N-95 masks in three European countries and in the US. The program fulfills the growing ambition of key accounts (public and private) to have a domestic and secure supply of high-quality and reliable products, adding value to the autonomous high-quality production segment developed by CHS. Moreover, sales opportunities linked to the traceability offer and recycling capabilities have now been developed by CHS. Expanding its business into the complementary hygiene and beauty sector, in early 2021, Chargeurs Healthcare Solutions announced the proposed acquisition of Fournival Altesse, the specialist in high-end Made in France hairbrushes. This acquisition will enable the business line to expand into top-of-the-range healthcare, wellness and hygiene products while bolstering its distribution channels, including via pharmacies as well as selective distribution and travel retail.

Worldwide presence

Chargeurs boasts a strong international footprint, a key strategic strength for seizing all development opportunities around the world, thanks to nearly 2,500 employeess in 38 countries on five continents. Global locations and breakdown in revenue by region is as follows:



Americas
- Employees: 401
- Production plants: 6
- Distribution centers: 13
- Offices: 9

Europe
- Employees: 1,083
- Production plants: 8
- Distribution centers: 15
- Offices: 14

Asia
- Employees: 744
- Production plants: 4
- Distribution centers: 12
- Offices: 17

Strategy

The Game Changer program reflects the Group's change of scale as industrial world leader in high value-added niche markets.

With Leap Forward 2025, Chargeurs plans to strengthen its leadership by excelling in customer experience and improving its operating profitability. The significant investment that has already been made and the robustness of its business model will support the Group's ambitions as part of this program.

Global challenges as new opportunities

Chargeurs' strategy reflects a complex, volatile world that is being reshaped by profound economic, technological, social and environmental change.

5 GLOBAL CHALLENGES

CHARGEURS' STRENGTHS

Premiumization continues to gain momentum

Premium markets are widening their Non-recurring income with commodities. Purchasing behavior is increasingly determined by total cost of ownership analyses, which tend to heighten the appeal of branded products.

Chargeurs brands are recognized for their reliability and quality. They set the standard of excellence in their businesses. This premiumization strategy is helping to drive continuous improvement in our manufacturing capabilities. The new "iconic" marketing approach is further strengthening the positioning of our products and services.

Increased contribution from integrated solutions

The usage value of a manufacturing product is all the more appreciated when it is accompanied by good service levels. The supplier is no longer a mere producer but rather a provider of turnkey solutions.

The move up the value chain with targeted acquisitions enabled the Group to get closer to end customers, to meet their regional, operational and environmental challenges. Thanks to its multi-business, multi-country expertise, Chargeurs addresses increasing demand for integrated solutions from its B2B and B2C customers.

We develop niche and high value-added products and services that improve our customers' performance and success. We are leveraging our four core values – Reliability, Passion, Commitment and Boldness – to be forward-thinking in our ecosystem..

OUR
MISSION

The supply chain is becoming more complex

Globalization is causing fragmentation of manufacturing and supply chains. Managing deliveries is becoming more and more of an issue as customers opt for just-in-time systems to optimize inventory.

Chargeurs has deployed a global, regionally based manufacturing and marketing organization that not only supports highly responsive manufacturing but also positions teams on the front lines, listening carefully to customer needs and capturing emerging trends. The successes of CHS illustrate the competitive advantage Chargeurs enjoys in terms of logistics.

All businesses are going digital

Digital transformation and the emergence of connected products is leading companies to completely revamp their production processes and, more generally, all of their business processes.

Thanks to Chargeurs' culture of innovation, we can proactively respond to these emerging customer needs with bundled, end-to-end solutions.
The successful launch of the new Techno-Smart 4.0 production line has positioned the Protective Films business on the cutting edge of global industrial innovation.

CSR at the service of the circular economy

Environmental and societal change have varying long-term impacts on companies. Access to resources, climate change and appropriate use of talent are issues that are tackled on a daily basis. They impact both the design of products and services and how they are sold.

As a responsible company, Chargeurs is active at all stages of the production chain to recycle the products that it sells. Increasing the efficiency of use of resources and reducing its environmental impact while at the same time increasing the well-being of individuals is a challenge tackled by each of the Group's different business lines.

Game Changer transformed Chargeurs

Launched in September 2017, the Game Changer plan was designed in collaboration with all of Chargeurs' teams worldwide. It is giving Chargeurs the resources to be a Game Changer in its niche industrial markets, by leveraging the Chargeurs' Business Standards.

PRODUCTION

- Improving the performance of our production assets
- Rationalizing our production costs
- Reducing our non-quality costs

SALES AND MARKETING

- Developing the "soft skills" of our sales teams
- Improving customer intimacy
- Developing new marketing tools

TALENT MANAGEMENT

- Implementing the new Excellence Training program
- Accelerating our Young Talents & Seasoned Managers program
- Optimizing our organizational structure

INNOVATION

- Reviewing our addressable adjacent markets
- Accelerating the development of break-through innovations
- Upscaling our innovation capabilities, footprint and network

4 drivers for faster growth and higher margins

- **optimizing production processes** and cost structures, to continuously improve productivity in each business;
- **developing talents and diversifying** skills, to support the premiumization of our products and services;
- **enhancing the sophistication of our sales and marketing methods,** to make them customer-focused and service-oriented;
- **developing innovation capabilities,** in particular by identifying inter-business synergies to increase the number of game-changing innovations.

The ongoing success of Chargeurs' Business Standards

Chargeurs' management model is adapted to its global presence on international markets and decentralized by business. The Group shares its clear vision and encourages the careful, continuous implementation of a strategy of excellence through the Chargeurs Business Standards. Thanks to meticulous management practices and specifically tailored systems, the Group fosters operational discipline and employee engagement in every aspect of its businesses across the globe.

Ongoing optimization of Chargeurs' Business Standards

Secure the Group's lasting success

- A stable, methodical reference shareholder, committed to the very long term
- A targeted, accretive acquisition and diversification strategy
- Low net debt and long-term financial resources

Sell more and better

- Micro-segment currently served markets and enter new niches
- Focus on large accounts and high-potential emerging customers
- Encourage customers to specify our products, gain market share

Innovate and make a difference in everything we do

- A unique culture of innovation for a new generation of products and services
- Continuous deployment of Chargeurs' Business Standards
- An unrivaled strategy of sustainable competitiveness

Improve production and customer service

- Extend our sales, manufacturing and logistics presence worldwide
- Re-engineer and premiumize our production plants and distribution units
- Systematically deploy productivity and cost reduction programs

Leap Forward 2025

Leap Forward 2025 is an exemplary strategic development program, serving the profitable growth of Chargeurs over the long term. Taking over from the Game Changer optimization program which supported the Group's change of scale, the Leap Forward 2025 strategic plan is based on the combination of two major strategic areas – embedded performance (like-for-like growth) generated from investments, on the one hand, and from acquisitions on the other, to enable Chargeurs to generate full-year revenue and recurring operating profit in excess of €1.5bn and €150m respectively by end-2025. Ambitious yet realistic, this plan aims to tap into the substantial profitability potential that the Group benefits from in its different business lines. Such potential will be harnessed and completed with an active, preemptive and controlled strategy targeting high-potential acquisitions.

FOCUS ON LEAP FORWARD 2025:

TARGETS

2020 → 2025

Performance	Embedded performance = Like-for-like	Embedded performance + acquisitions
Revenue	€1bn	€1.5bn
Recurring operating profit	€100m	€150m

"EMBEDDED" PERFORMANCE IN ALL BUSINESS LINES

EMBEDDED PERFORMANCE

- **Investment made in the Game Changer program**
  - Improved performances linked to capex
  - Reserve of income and cost synergies linked to acquisitions
- **Relevant positioning of offerings**
  - Premium positioning
  - Environmentally responsible product and solution offering
- **Preservation of asset base during the crisis**
  - Full capacity to benefit from the recovery across all industries
- **Highly committed management and employees**
  - Strengthened leadership team
  - New generation of business line managers

PERFORMANCE DRIVERS

- **Technology, innovation and environment**
- **Accelerating sales momentum**
  - Customer focus
  - Cross-selling
  - Driver of "product & service" packages
- **Modernizing distribution**
  - Systematic multi-channel rollout

IMPACTS BY 2025

- Return to a high like-for-like growth trajectory
- Optimized operating profitability
- Strong cash generation

With a shared performance and growth-driving strategy for all business lines, Leap Forward is structured into two core initiatives:

- Constant optimization of industrial and logistical performance
- Continuous improvement of our product offer
- Strengthening of customer culture in all our processes

- Entrepreneurial agility and ability to immediately seize new opportunities
- Identification of "hidden" assets in the company and possible synergies between Group entities

Fully integrated into our communication, induction and in-house training programs, MARCH and SPRINT are part of a shared corporate culture which will enable our Group to capitalize on its hidden assets.

Our CSR policy

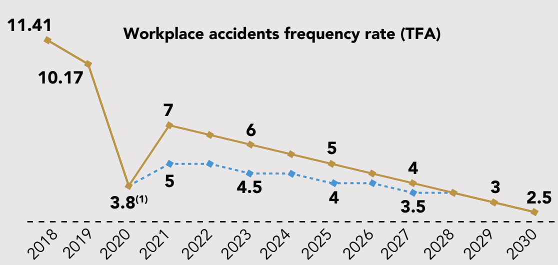
Far from weakening our commitment to our dynamic CSR policy, 2020 confirmed the relevance of the choices made with our teams to strengthen the sustainable nature of our performance, with a resolutely responsible strategy, providing confidence to all of our stakeholders.

In 2016, as part of the Group's strategic restructuring, Chargeurs developed a network of nearly 25 active CSR representatives, which has since been strengthened. Today, they meet each month to extend the Group's CSR approach for which they act as both ambassadors and creators.

Our key performance indicators, aligned with the United Nations' Sustainable Development Goals enable the Group to measure the progress of our committed approach.

8 DECENT WORK AND ECONOMIC GROWTH

SDG 8.8 Protect labor rights, promote safe and secure working environments and ensure that all workers are protected.



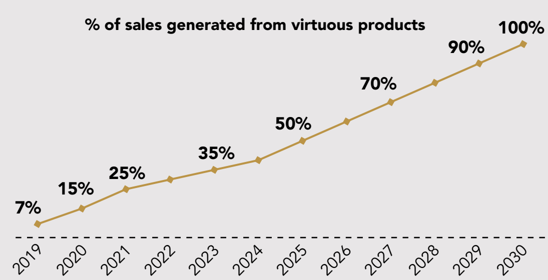
Goals determined in 2019
Potential trajectory improvement from 2020 performance
(1) See page 101 for more informations

SAFETY

Our demanding safety requirements have led to a steady decline in the work accident frequency rate since 2018. The 2019 accident frequency rate was much lower than the 33.5% average for all areas of business (Source: French Social Security)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG 9.4 By 2030, modernize our infrastructure and adapt our industries to make them more sustainable, via more streamlined use of resources and increased reliance on environmentally-friendly industrial processes and technologies.



SUSTAINABLE PRODUCTS

We are broadening our range of virtuous products, creating environmental, social and societal value for Chargeurs and our customers. They accounted for 15% of revenue in 2020.

Methodology

A strategy in line with the Group's values

- Group values: Reliability, Passion, Commitment and Boldness
- Collaborative, committed, ambitious, cross-functional and unifying strategy

Solid and supportive strategic pillars

- Robust, engaged corporate governance
- Our employees: committed to the cause
- A vigilant and exacting customer base

Clearly-defined priorities

- Developing the circular economy
- Making procurement more responsible
- Supporting our employees

Targeted Sustainable Development Goals (SDGs)

- Guaranteeing the safety of our employees
- Making sustainability a top business priority
- Becoming more carbon efficient
- Sustainably managing water resources

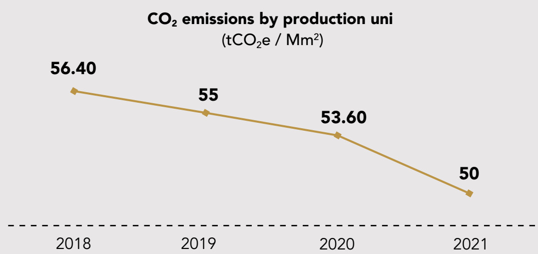
Commitments

Signatory of the United Nations Global Compact since June 2017: CSR strategy in line with Sustainable Development Goals (SDGs)

Gaïa performance: For the third year in a row, Chargeurs was included in the Gaia sustainable development index, with a score of 77/100, moving up to the 42nd place in the ranking out of a possible 230.

Sustainability-linked Euro PP (sustainability targets out to 2027)

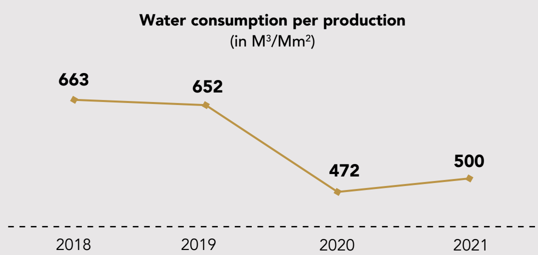
SDG 13.2 Integrate climate change measures into national policies, strategies and planning.



CO_2

Chargeurs is committed to the promotion of sustainable industry by ensuring production site carbon emissions are kept under control.

SDG 6.5 By 2030, implement integrated water resources management at all levels.



WATER

Water management procedures for production sites are implemented to reduce consumption, wastage and pollution. Water consumption is down 30% since 2018.

Innovation at Chargeurs...

As a technological leader and service provider, Chargeurs is at the leading edge of progress in niche markets. Faced with increasingly demanding societal players, the Group has launched several transformational product programs in an effort to enhance their performance and sustainability.

To succeed in this respect, the Group is building on the incremental innovative capacity of its R&D teams and their ability to adapt. Through close attention to customer requirements, they can fine-tune their product offering to best suit customer needs and expectations.

...reflects Group values within each business line

PASSIONATE

Employees at Chargeurs Creative Collection, deliver their expertise in visual experiences with each project they carry out. The development of the Sheikh Abdullah Al-Salem cultural center in Kuwait required close to 10,000 work hours from teams who built an exhibition made up of 1,400 graphic installations using 175 different techniques. Among the projects involved, there are hanging textile 3.0m x 12.5m banners, light boxes, printed Corian, printed acrylics, wall coverings and reverse-printed scratch-resistant acrylics.

BOLD

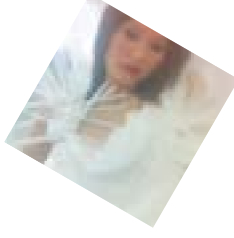
Chargeurs meets demand from B2B market players but is also increasingly targeting B2C players. Lixi, Leach's digital brand launched in early 2020, offers lightboxes for personal home deco. Three lightbox types are on offer: LixiGlow, LixiCanvas, LixiRefresh. For example, LixiGlow illuminates any room, thanks to an embedded sheet of LED lights, transforming photos into genuine wall art.

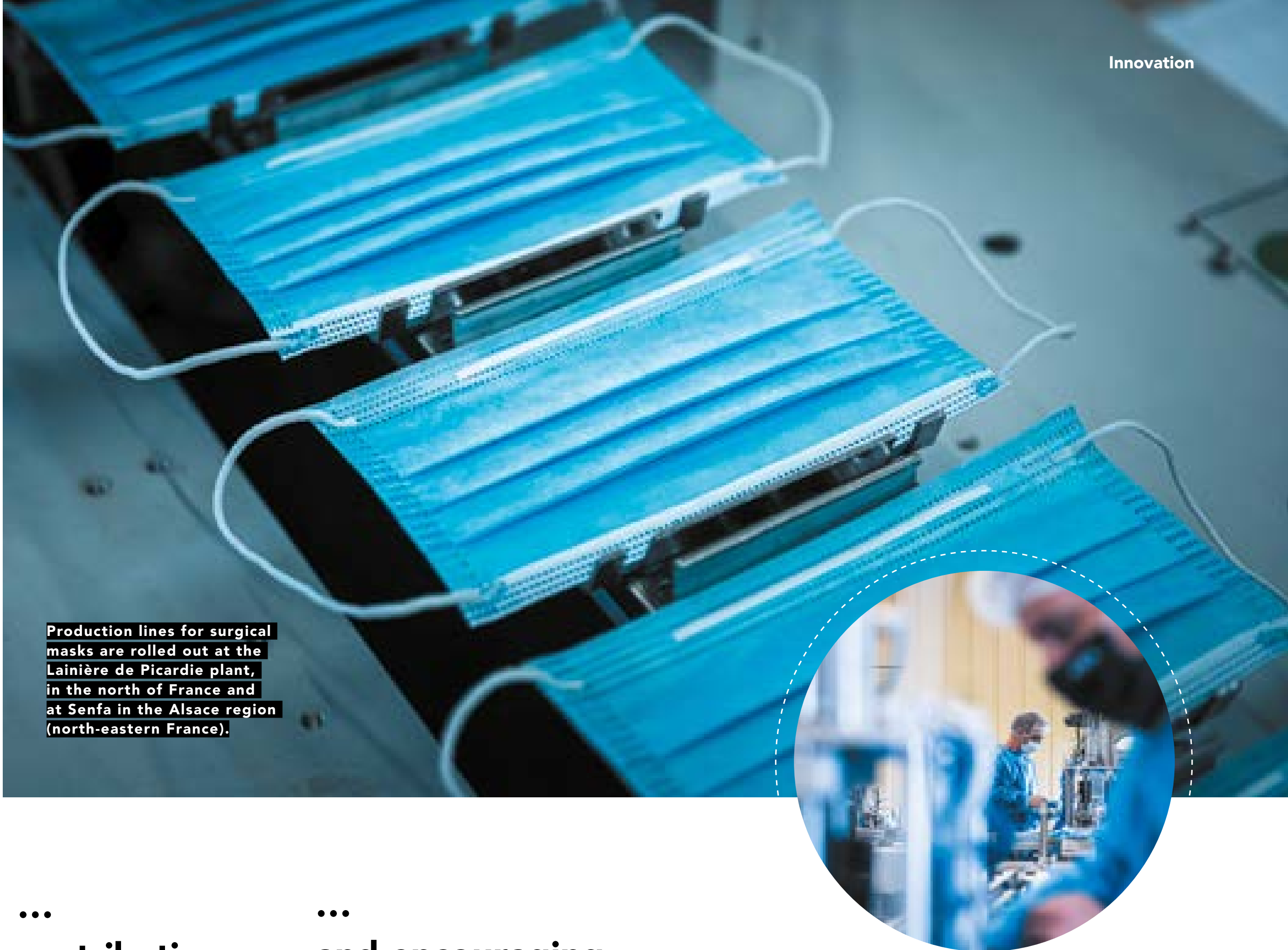
COMMITTED

The R&D teams of Chargeurs*PCC Fashion Technologies (CFT*PCC) develop responsible high-tech innovations. After the end-2019 launch of its eco-friendly interlining range, Sustainable Fifty, which was renamed Sustainable 360™ in early 2020, they developed *Lainière Performance Silver range*, using silver yarn technology to ensure products are anti-microbial and anti-odor.

RELIABLE

The Clean Touch transparent adhesive and anti-microbial film developed by Chargeurs Protective Films (CPF) prevents all contact contamination of surfaces. Silver ions stored in the film act to disrupt the cellular functions of bacterial virus proteins, ensuring 99.9% elimination. The film can be used to protect lift buttons and door handles in public areas.





Production lines for surgical masks are rolled out at the Lainière de Picardie plant, in the north of France and at Senfa in the Alsace region (north-eastern France).

… contributing to Group strategy

The Leap Forward 2025 plan has made innovation the central focus of its premiumization, diversification and internationalization strategy. Technological scouting involves close cooperation between the different Chargeurs business lines and will enable Chargeurs to win new markets and new regions. Convinced that its entrepreneurial mindset drives its abilityto repurpose its businesses, the Group continuously encourages idea sharing to develop the markets of the future.

… and encouraging business lines to work together

Cooperation between the different Groupentities enabled the creation of Charguers Healthcare Solutions (CHS) in record time. Innovations developed in the healthcare industry (masks, anti-microbial film, etc.) are the result of synergies between the production units of Lainière de Picardie, Senfa, Leach and Novacel.
The successes achieved represent key incentives to pursue cross fertilization between the Group's different business lines.

EPFL

Chargeurs and the Lausanne EPFL science and technology institute Chargeurs has stepped up its innovation strategy by forming a partnership with the Lausanne Ecole Polytechnique (EPFL) in Switzerland, one of the most dynamic and cosmopolitan science and technology institutes in Europe. Chargeurs has set up two dedicated innovation offices at EPFL, covering all its business lines. This partnership is aimed at forging close ties between research and industry to enable Group engineers to leverage their innovations and EPFL to increase the industrial applications linked to its research literature.

16
16 R&D centers worldwide

Nearly **50**
full-time employees specialized in innovation

A selective approach to acquisitions

Since 2015, Chargeurs has completed targeted acquisitions, thereby creating champions in high value-added niche markets. These deals, almost entirely carried out with family-owned companies as was the case for Chargeurs, have allowed the Group to round out its positions at each stage of the value chain, expand its regional footprint and provide additional services to complement its existing product offering.

THE GROUP'S ACQUISITIONS POLICY USES PRECISE METHODOLOGY:

1 Conducting market analysis

- Identifying strong structural growth trends
- Seeking out opportunities in fragmented markets
- Building high barriers to entry
- Capitalizing on potential synergies

2 Analyzing target companies

- Establishing strong market positions
- Delivering robust and recognized brands
- Generating recurring revenues through a solid customer base
- Creating reliable cultural convergence

3 Assessment

- Focus on return on capital employed
- Sustainable revenues
- Anticipated accretive earnings impact for the business line or the Group
- Vigorous EBITDA and cash flow growth

4 Consolidation

- Intensive preparatory work before the acquisition
- Sharp focus on integration of teams and unlocking synergies
- Keeping managers in place to ensure continuity of operations
- Enhanced supervision of projects

FINANCIAL CRITERIA

- PROFITABLE ACQUISITION TARGET: NO TURNAROUND STORIES
- UPSIDE POTENTIAL FOR HIGH-PERFORMING ASSETS
- VALUE-ACCRETIVE IMPACT ON THE GROUP
- MEETING REASONABLE DEBT REQUIREMENTS FOR THE GROUP

ACQUISITIONS TO ASSUME LEADING POSITIONS IN OUR NICHE MARKETS

Chargeurs Protective Films

Main Tape (2016), Walco, Omma, Asidium (2017) These acquisitions led to the creation of Chargeurs Protective Specialty Machines (CPSM), a business model with a clear customer service focus, and strengthened Chargeurs positions in the US. Chargeurs Protective Films (CPF) becomes a global player, offering not only protective films but also protective tapes, paper and machines for its customers.

Chargeurs*PCC Fashion Technologies

PCC (2018), acquisition of the No. 1 US player in interlining with a *fabless* business model and established geographical footprint (Asia and the US) with CFT's historic businesses as well as world-leading logistics. This acquisition promoted Chargeurs to the worldwide leading position in interlining

Chargeurs Museum Solutions

Chargeurs Museum Solutions (2019-2020) Thanks to its recent acquisitions, the Group has rolled out a unique global offer made up of independent subsidiaries and partners dedicated to museums, exhibitions and the brand environment. Active at all stages of the value chain, CMS allows visitors to marvel at a bold museum exhibit or an impressive performance. This market for the construction of new museums or the restructuring of existing ones benefits from a very strong pace of growth that is somewhat immune to economic trends.

Interviews with Audrey Petit and Gustave Gauquelin

AUDREY PETIT
Interim General Manager of Chargeurs*PCC Fashion Technologies and Chief of Staff to the Chairman – Chief Strategy Officer, Head of Growth

GUSTAVE GAUQUELIN
Executive Vice-President, Chief Operating Officer

From Game Changer to Leap Forward 2025, a value creation strategy embedded in reality

How has the Game Changer plan enabled the Group to change scale?

Audrey Petit • The Game Changer plan, steered by Michaël Fribourg significantly modernized Chargeurs. Built around production, talent management, innovation and sales & marketing, multiple investments were made which considerably enhanced the value of Group assets. These business lines, currently spearheaded by a new generation of managers, benefit from new strengths: broadened geographical and sectoral reach, resolutely premium positioning, which reduces sensitivity to economic cycles, lowered breakeven linked to the increased portion of services in added value, as well as a longer average order cycle.

The Group has also updated its CSR approach, which is now firmly incorporated into our strategy, achieving concrete progress. After being included in the Gaïa index of the top 70 SME and medium-sized companies with the best ESG credentials from 2018, Chargeurs climbed 25 places in 2020 to move up to 42nd position in the index out of a total of 230 leading companies.

This modernization which enabled us to confirm or create leading positions for our business lines in niche markets also led to much greater customer recognition. Strengthened by its innovation, which is embodied in the global marketing signature High Emotion Technology®, and high service quality, Chargeurs is the technological partner of choice for more than 10,000 exacting B2B customers for whom the Game Changer plan sustainably strengthened relationships of trust.

"Chargeurs is the technological partner of choice for more than 10,000 exacting B2B customers for whom the Game Changer plan sustainably strengthened business confidence."
AUDREY PETIT

"The core of the Leap Forward 2025 plan is to activate 'embedded performance' of our business lines, genuine profitability potential thanks to capital expenditure and external growth carried out by the Group in recent years."
GUSTAVE GAUQUELIN

What were the main takeaways for Chargeurs from the health and economic crisis?

Gustave Gauquelin **•** The Group's ability to emerge stronger from 2020 demonstrates two things. First, the fundamental quality of our business lines and the relevance of our investment decisions in the years preceding the crisis. For instance, the PCC acquisition in 2018, thanks to the particularly agile business model of this entity, protected the earnings-generation power of the entire CFT*PCC business line. Investment in the techno-smart production line at CPF in Italy in 2019 accelerated the recovery in the second half, resulting in market share gains. Second, it reflects the spirit of responsibility and boldness that are characteristic of family-owned companies where short-term decisions are never made without considering the Group's long-term vision. This, in my view, is the major lesson we have learned with the rapid creation of CHS.

Audrey Petit **•** The very tense health crisis backdrop was also a source of self-revelation. Indeed, the successful creation of CHS is the result of a combination of three factors. First is, without doubt, the commitment and adaptability of the managers and employees of our Group who moved very fast up the learning curve in a business area that was new to them.

We then elevated our Group's ability to identify the embedded assets to serve these new markets. In just a few days, Chargeurs successfully adjusted manufacturing bases at LPBC and Senfa to ensure mass production of textiles for the production of reusable masks, to manufacture and manage tens of millions of surgical masks in our Chargeurs*PCC partner plants in China, and even through harnessing the expertise of Novacel in physical chemistry for the production of anti-microbial solutions. Chargeurs also succeeded in leveraging its logistics base – a genuine hidden asset that has now been activated by the Group – to deliver all of these products within extremely tight deadlines.

Lastly, the success of CHS is a joint one: that of Chargeurs*PCC, and of CMS as well as CPF. It served as a showcase for Chargeurs' ability to create synergies between its different business lines. By building on the sense of belonging to the Group, these synergies also strengthened our employees' commitment to our Group, creating a truly virtuous circle.

What does the Leap Forward 2025 program involve?

Gustave Gauquelin **•** The major investments carried out as part of the Game Changer plan, both industrially and in terms of external growth, provided our business lines with genuine profitability potential before the crisis hit. Given that, in 2020, Chargeurs not only succeeded in maintaining all of its economic assets but also in generating growth with the creation of two new business lines – CHS and CMS – this "embedded performance" was further enhanced.

Central to our Leap Forward 2025 plan is the completion of our embedded performance potential by vigorously pursuing the green transition of our businesses, with a focus on two main areas. The first is the technological and innovative content of our activities, and the second is to boost marketing momentum particularly through the constant optimization of our distribution networks.

To achieve this, we will roll out a shared Group-wide strategy to drive performance and growth for all of our business lines, which will be included in our in-house training programs, based on two pillars: MARCH and SPRINT.

The MARCH component reflects a constant and methodological ambition to optimize our industrial and logistics performance, strengthening our customer-centric culture instilled in all our processes.

SPRINT covers a different dimension, which is specific to Chargeurs' unique entrepreneurial DNA. It involves management's ability to mobilize our "embedded" or "hidden" assets effectively and swiftly, together with unlocking any potential synergies between the different Group entities, to rapidly and efficiently seize new commercial opportunities. From this standpoint, the emergence of CHS can be considered as a genuine and successful case study of the SPRINT approach, leveraging a low capital intensive model with an increasing focus on services. This is Chargeurs' business model in 2021.

The acceleration in like-for-like growth stemming from this embedded performance will be further bolstered by continued external growth efforts, with a preference for family-to-family transactions. In particular, this strategy will involve build-up efforts for our different business lines, specifically at CMS and CHS, without ruling out any other niche business identified as a potential strong driver of value creation.

Our model for creating shared value

Global leadership positions in high value-added niche technologies, products and services.

Our resources

Workforce
- Nearly 2,500 employees
- 31% of women
- 25 languages spoken

Financial
- 1.2 Net debt/EBITDA (leverage ratio)
- €53m in acquisitions
- Long-term shareholders including Colombus Holding SAS, the main shareholder

Manufacturing
- €14.9m in investments
- 18 production facilities

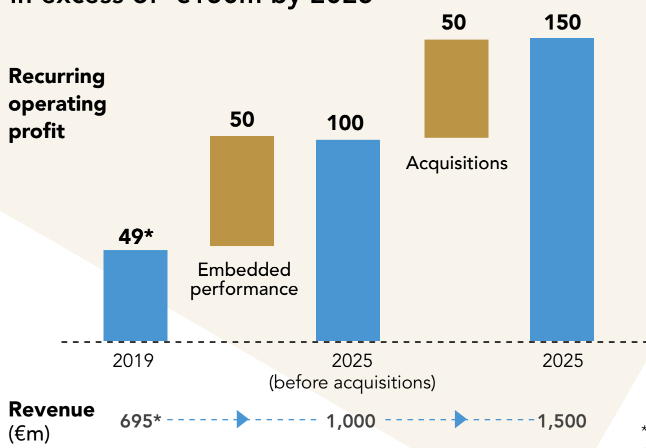
Environmental
- 282,853 MWh consumed
- 823,511 m³ of water consumed

Intellectual
- 16 R&D laboratories
- 0.8% investment in employee training

Social/Societal
- A strong and determined CSR response
- A committed foundation – Chargeurs Philanthropies

OUR AMBITION

Recurring operating profit target in excess of €150m by 2025



A self-funded programme, with no extra debt burden

Maintenance of an active dividend policy
Normalization of capital expenditure
Maintenance of low financial leveragee

** pro forma 2019 adjusted revenue and recurring operating profit for the four acquisitions carried out by CMS in 2019 and 2020*

Our value creation model

Chargeurs Protective Films (CPF)
World No. 1

Chargeurs*PCC Fashion Technologies
World No. 1

Chargeurs Luxury Materials (CLM)
World No. 1

Chargeurs Museum Solutions (CMS)
World No. 1

Chargeurs Healthcare Solutions (CHS)
Benchmark player

Workforce

- +133 employees
- 94% permanent contracts
- 28% of the Group's top 50 executives are women

Financial

- €822.0m in revenue
- €79.3m in recurring operating profit
- IRR per share since November 2015: +26.4%

Manufacturing

- High-tech proprietary technologies
- Developing employment in local economies

Environmental

- CO_2 emissions/Mm^2 of production: -2%
- Water consumption/Mm^2 of production: -28%
- Total amount of waste (t/Mm^2): +6%

Intellectual

- Partnerships with leading academic institutions such as the Lausanne EPFL science and technology institute as well as ESMT Berlin
- Blockchain innovation to protect textile certification
- 13 hrs training per employee

Social/Societal

- Partnerships between Nativa™, the eco-responsible label, and the largest global brands
- 100% of full-time employees benefit from health insurance
- Donations of masks and hand sanitizer to hospitals, nursing homes and non-profit organizations

Risk management

Chargeurs operates in a constantly changing environment. As a result, it is exposed to risks which, if they were to occur, could negatively impact its business, results of operations, financial position, image and/or outlook. Each year, the risk profiles to which the Group is exposed are reassessed in linewith changes in internal and external risks. The year 2020 is a perfect example of the unpredictability of such risks. 2020 saw the entire world undergo a health crisis, calling on economic players to protect their assets to tackle a completely unprecedented situation.

The following matrix summarizes the risks to which the Group is exposed and classifies them according to their impact and the probability that they will occur:

POTENTIAL IMPACTS ON THE GROUP

POTENTIAL IMPACTS ON THE GROUP / PROBABILITY OF OCCURRENCE	LOW	MEDIAN	HIGH
HIGH	Industrial and business continuity risks Sourcing and supply risks		
MEDIAN	Employee safety and health risks	Human resources and change management risks Brand image damage risks via the media and social networks Product safety and quality risks Employee safety and health risks Technology and cyberattack risks	Currency risks Environmental risks
LOW	Liquidity risks	Acquisition and integration risks Risks linked to changes in raw material costs	

PROBABILITY OF OCCURRENCE

● Strategic risks ● Operating risks ● Financial risks

The internal control and risk management system is based on a three-tier structure. It aims to promote a culture of risk management at all levels of the Group.

For more information, see section 2.3 Internal control procedures and risk management in chapter 2 of the Universal Registration Document.

LEVEL 1

Covered by each employee and their management in their day-to-day activities

LEVEL 2

Covered by the Executive Committee, the Group Chief Compliance Officer, the Data Protection Officer and the Support Functions in their areas of expertise: definition of guidelines and assistance to operational staff in the implementation process

LEVEL 3

Covered by the Audit Committee and the Board of Directors: assessment of risk management system operations and contribution to its improvement

Governance

Based on a decentralized model, each of the Group's business linesis led by a full executive committee which reports to Top Management, acting as a central driver of Group growth and its transformation. In line with the Group's change of scale, Executive Management has been significantly strengthened to drive global strategy and different projects.

The presence of a main family shareholder, Colombus Holding SAS, itself controlled by Groupe Familial Fribourg, a highly engaged investor that plays an active role in the Group's governance.

New headquarters at 7 Rue Kepler, 75116 Paris

Robust, engaged corporate governance supporting a long-term strategy

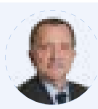
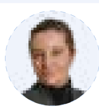
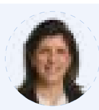
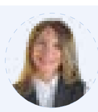
BOARD OF DIRECTORS

Membership of the Board of Directors at 12/31/2020.

50%
representation of women on the Board
Change from 2 to 3 women directors in May 2019, increasing the representation of women on the Board to 50%, above the legal threshold

50%
percentage of Independent Directors
Alignment of independence criteria on the Board with those of MiddleNext in March 2020

98%
attendance rate for the Board of Directors

		Age	Audit committee	Compensation Committee	Acquisitions Committee	Date first elected /appointed	Current term expires
Michaël Fribourg *Director* *Chairman and Chief Executive Officer*		38			Chairman	BOARD MEETING 10/30/2015	2021 AGM 2021 BOARD MEETING (Chairman) 2023 BOARD MEETING (CEO)
Colombus Holding SAS, *represented by Emmanuel Coquoin*		60	Member		Member	2015 Board meeting	2022 AGM
Isabelle Guichot *Independent Director*		56	Chair			2016 AGM	2022 AGM
Cécilia Ragueneau *Independent Director*		47		Chair		2017 AGM	2023 AGM
Nicolas Urbain *Director**		60		Member	Member	2015 Board meeting	2023 AGM
Maria Varciu *Independent Director*		48	Member			2019 AGM	2022 AGM
Georges Ralli *Non-Voting Director*		72	Non-Voting Director			2016 AGM	2022 AGM

** Mr. Nicolas Urbain's appointment as director was approved at the Annual General Meeting of May 6, 2019.*

8 MEETINGS BOARD OF DIRECTORS

5 AUDIT COMMITTEE MEETINGS

4 REMUNERATION COMMITTEE MEETINGS

1 ACQUISITIONS COMMITTEE MEETING

EXECUTIVE COMMITTEE

Executive Committee
at February 1, 2021.

MICHAËL FRIBOURG
Chairman and Chief
Executive Officer

OLIVIER BUQUEN
Group Chief Financial Officer

GUSTAVE GAUQUELIN
Chief Operating Officer

JOËLLE FABRE-HOFFMEISTER
Group Secretary General,
Chief Compliance Officer and
Group CSR Strategy Manager

AUDREY PETIT
Interim General Manager
of Chargeur*PCC Fashion
Techologies and Chief Strategy
Officer, Head of Growth

SAMPIERO LANFRANCHI
General Manager of Chargeurs
Museum Solutions, and Special
Advisor to the Chairman

ÉTIENNE PETIT
Executive Vice-President,
Transformation, Acquisitions
and Innovation and Special
Advisor to the Chairman

RICHARD MARCHANT
General Manager, Chargeurs
Protective Films

CARINE DE KOENIGSWARTER
Global Head of Communications
Chief of Staff to the Chairman and Chief
Executive Officer
Group Philanthropy Ambassador

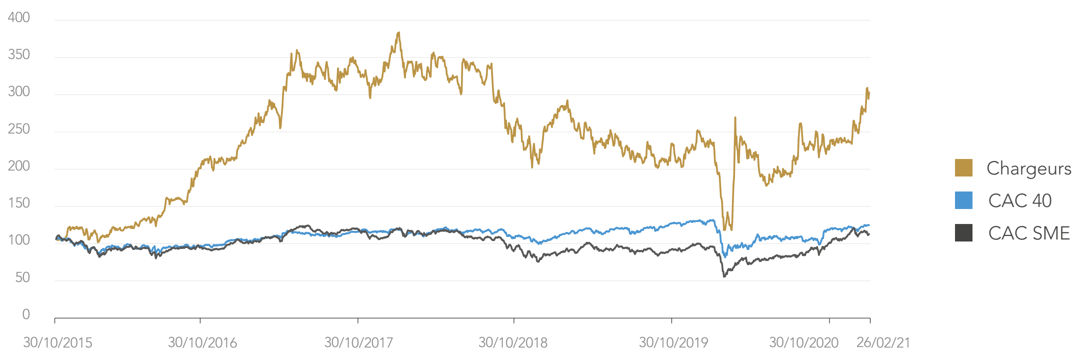
FEDERICO PAULLIER
General Manager,
Chargeurs Luxury Materials

DENIS NOHARET
General Manager, Chargeurs
Healthcare Solutions EMEA

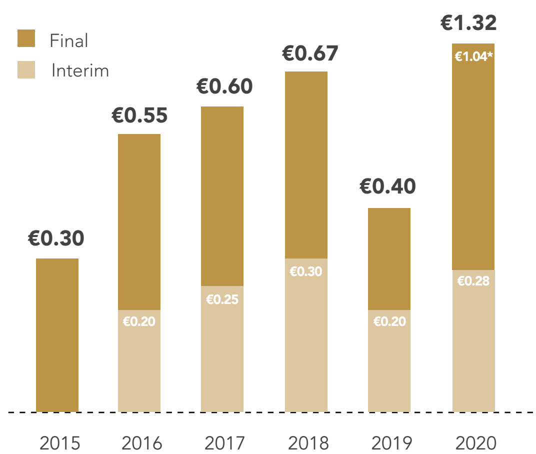
Member of the Select Executive Committee.

Stock market performance since October 30, 2015

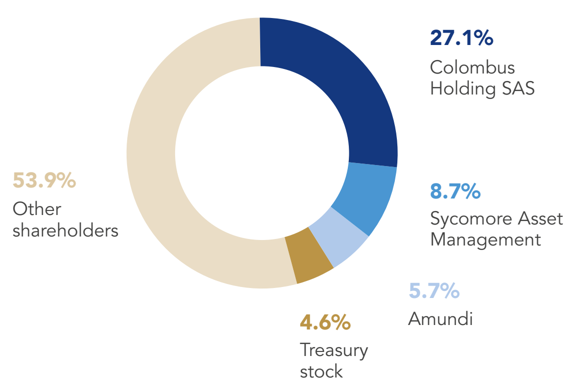
Since the transition in ownership that took place at end-October 2015, the Chargeurs share price has significantly risen risen, with an annualized return of +26.4%. This remarkable stock market performance is a tribute to the success of the Group's transformation strategy implemented through the Game Changer program and its solidity in difficult contexts.



Chargeurs vs. CAC 40 and CAC PME



Dividends paid since 2015



Shareholder structure at 12/31/2020

** proposed at the April 8, 2021 Annual General Meeting*

01.

Business overview

Chargeurs Protective Films

Chargeurs Protective Films is the global leader in surface protection, offering highly technical films that protect the quality of fragile surfaces at every stage in the manufacturing process (bending, stamping, profiling, etc.), as well as during handling, transportation and fitting. Its films are specifically used to protect surfaces that must always look perfect regardless of how they have been handled, such as glass, stainless steel, aluminum, pre-coated metals, PVC profiles and more.

Created from physico-chemistry, Chargeurs Protective Films' expertise consists in designing and developing adhesive films by developing film profiles and solvents best suited to the surfaces to be protected and their production process. Chargeurs Protective Films' comprehensive range of products and services provide impeccable protection for the most fragile surfaces against smudging and scratching, while improving their heat and stress resistance during production and surface priming before final painting. By preserving a product's surface appearance throughoutthe manufacturing process as well asthrough participating in the materials transformation process, Chargeurs Protective Films also helps customers significantly lower their production costs.

The surface protection market

The surface quality protection market is structurally growing, in step with world economic development.

Protective solutions are in demand for an extremely broad range of surfaces in a wide variety of sectors, from construction to electronics and household appliances. They are also needed for an increasingly diverse array of materials, including glass, copper, zinc and rough or irregular surfaces that require a very high level of expertise. Leveraging its expertise in bespoke surface protection solutions and customer support services, Chargeurs Protective Films is demonstrating its powerful ability to drive continuous innovation by deploying a differentiation strategy to push back the boundaries of the business.Today, its markets are being broadened to include new uses, new types of protectable surfaces and new and unique features (low-noise unwinding, compatibility with laser cutting and deep drawing manufacturing processes and recyclability).

Adapting to the increasing digitalization trend of the B2B offer in Asia, particularly in China, Chargeurs Protective Films is accelerating its online sales strategy around the world. Its network of agents and distributors as well as its local sales teams ensure

Chargeurs Protective Specialty Machines

Within this business line, Chargeurs Protective Specialty Machines has, since 2017, included three specialized in the design and production of film applicators for temporary surface protection – Asidium, Walco and Omma – offering their customers an all-in-one protective film and coating solution. The combination of protective film and specific adhesive, and application by high-precision laminator machines, requires high-tech expertise and seamless coordination between the Group's R&D and marketing teams.

RICHARD MARCHANT
GENERAL MANAGER,
CHARGEURS PROTECTIVE FILMS

"After showing strong resilience in 2020, our ambition is now to transform our leadership in temporary surface protection into a designer of integrated solutions that create value for our customers."

the success of the innovative distribution channel.

Chargeurs Protective Films' competitive strengths

As the global market leader, Chargeurs Protective Films develops the most comprehensive range of highly engineered self-adhesive films on the market, from unique and proprietary combinations of polyethylene films and adhesives, the quality of which is decisive for the quality of the finished product. The adhesive must be deposited using a coating process in a very thin, even layer, ensuring that the film is absolutely flat and distortion free, so as not to damage the protected surface.

In addition, since 2017, Chargeurs Protective Specialty Machines is constantly improving its industrial competitiveness, with the rollout of its laminators offer and the 2019 start-up in Italy of the new techno-smart coating line, which represents a truly game-changing innovation at the leading edge of the fourth industrial revolution. The design of this production line, which emits no CO_2 emissions intothe atmosphere, significantly contributes to Chargeurs Protective Films' responsible innovation strategy. In this respect, Oxygen, the new range of 100% recyclable and 92% bio-sourced surface protection films, like all the other ranges, meets the growing expectations of customers in terms of respect for the environment.

Lastly, Chargeurs Protective Films' global production and distribution network is a strategic asset, positioning it close to customers in each region and enabling it to meet their needs with fast local service, thus standing out from the competition. This proximity gives the business a competitive headstart and unprecedented flexibility, not only to innovate with customers, but also to proactively adapt to new requirements.

World leader in temporary surface protection

720 employees

€270.4m in 2020 revenue

€17.0m in 2020 recurring operating profit

Beyond-state-of-the-art *manufacturing facilities*

1. Surface analysis

Working with the sales teams, the marketing department identifies and analyzes the needs of the various temporary surface protection markets (stainless steel, pre-coated metals, plastics, glass, etc.). After defining the critical issues, the related technical and financial data are sent to the technical department.

2. Formula development

Drawing on the specifications, the R&D department defines the exclusive formula for each film and adhesive, carefully aligned with market expectations, the features of each surface and the specific uses of the resulting self-adhesive film.

3. Process engineering

Chargeurs Protective Films is highly proficient in coating and extrusion technologies. Coating consists of depositing a calibrated layer of adhesive on film media produced by partners on dedicated machines, based on proprietary Chargeurs formulas. Extrusion consists of producing multi-layer films from thermo-plastic polymers, including one layer that is self-adhesive.

4. Transformation

The surface protection films are then re-rolled or cut to size depending on the end-customer's applications.

5. Quality controls

Chargeurs Protective Films' products comply with the REACH Regulation and other applicable standards. All of the production machinery is inspected regularly, in particular to ensure compliance with environmental standards.

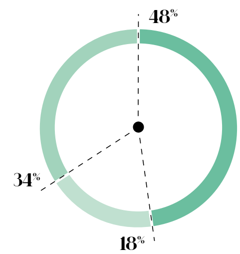
6. Warehousing and supply chain

The rolls of film are inspected, labeled and wrapped before being shipped around the world.

2020 Business Review and outlook

Chargeurs Protective Films (CPF) generated 2020 revenue of €270.4m, reflecting a slight like-for-like decline of -1.8%. Restated for the effect of the Polyethylene (PE) price decline during the year, revenue came out virtually at break-even.
At year-end, the business line recorded a marked recovery in revenue, +8.2% on a like-for-like basis in Q4, driven by strong demand from the construction and household appliance sectors.
As such, the business line demonstrated its resilience and its ability to develop regardless of a negative cycle. CPF even proved to be a manufacturing business essential to the economy with its production sites authorized to continue their activity uninterrupted.
CPF ended 2020 with recurring operating profit of €17.0m, representing 6.3% of revenue. It includes depreciation and amortization linked to the new Techno-Smart production line in Italy, a source of significant business agility and a key strength for winning market share in the very high-end protective films segment.

Breakdown of sales by geography



48%
Europe

18%
Asia

34%
Americas

7
production plants

Focus on

Novacel Store launch

Novacel STORE

Stepping up its B2B strategy, in 2020, Novacel launched its own *e-commerce* store, the Novacel Store. Customers can now purchase protective films 24/7 for their stainless steel, pre-painted metal or aluminum surfaces.

Information on products, prices and delivery times are available on the website. Thanks to a quick and simple ordering process, premium packaging and reliable shipment tracking, Chargeurs Protective Films has bolstered its distribution channels, opening up new market horizons.

CFT*PCC Fashion Technologies expands its commercial footprint in the world of sportswear by offering increasingly effective textile solutions.

Chargeurs*PCC Fashion Technologies

Chargeurs PCC*Fashion Technologies is the global leader in interlinings and other technical textiles for the luxury and fashion industries, providing comprehensive solutions to best-selling menswear and womenswear brands. Thermobonding is generally used to attach this technical fabric, which is vital to giving clothing its shape and structure, to exterior layers. It is mainly used to make coats, jackets, shirts and blouses, etc. It may also be used in industrial applications such as acoustic insulation.

This niche business, which demands a combination of speed, technical aptitude, differentiation and expertise, leverages the capabilities of experts in textiles (for knit interlinings) and chemicals (for the coatings) to create interlinings suitable for the constantly changing array of fabrics. Thanks to its capacity for constant innovation, the business line has established itself as a true designer of iconic solutions, adapting to the ever-changing environment of the fashion industry.
For example, its 40-gauge machine met the challenge of designing and manufacturing an almost invisible interlining, catering to the needs of light and transparent fabrics in women's fashion.

The interlinings market
Chargeurs*PCC Fashion Technologies serves customers in the luxury, ready-to-wear and fast-fashion industries, as well as many more industries. The sophistication of clothing requires more and more innovative interlinings and opens up new markets. Antimicrobial and anti-abrasion technology, elasticity, flame resistance, etc. are all properties that make it possible to design uniforms for the military, police, healthcare workers, etc. This functionalization of interlining goes hand in hand with a need for increased performance to serve the growing sportswear segment—and more recently—the healthcare industry.
The Covid-19 pandemic has created a strong demand for personal protective clothing, which requires advanced chemical and textile expertise.
Technicality and performance are therefore key to standing out in a market where the major fashion brands operate by "specification." They select the products authorized to be used in the manufacture of their garments and refer them totheir stakeholders and specifically the garment manufacturers who are often based in Asia.
In this luxury business, localized

Protection against Covid-19

In 2020, Chargeurs*PCC Fashion Technologies developed its range of Lainière Performance Silver interlinings, using silver yarn technology to give its fabrics anti-microbial and anti-odor functions.

1

AUDREY PETIT
INTERIM GENERAL MANAGER,
CHARGEURS*PCC FASHION TECHNOLOGIES

"Chargeurs*PCC Fashion Technologies was able to count on the unfailing commitment of its employees to navigate a difficult 2020 for the fashion industry. The business line continues to innovate and diversify by developing its interlining ranges and iconic solutions across the globe."

customers solutions are a considerable disruptive strength since they make it possible to provide a tailor-made product, based on strong customer relations. As such, quality and speed of service are optimized
in a market where collections follow one another at an ever-increasing pace.
As such, it is paramount to actively operate in the global luxury hot spots such as Paris, New York and Milan, but also in the new showcases of international fashion in Asia.

Chargeurs*PCC Fashion Technologies' competitive strengths

Chargeurs*PCC Fashion Technologies markets a comprehensive range of highly engineered interlinings that is constantly renewed by the development of new fabrics. Its fully integrated R&D enables the business line to design and offer its customers interlinings that meet their specific needs.
CFT*PCC's active operations across the entire value chain, from warping to quality control, ensure its independence and a reliable offer.
In addition, the business line supports the digitization of fashion thanks to its exclusive partnership with CLO Virtual Fashion, a leader in 3D clothing simulation technology. As such, fashion designers can now directly use Chargeurs' interlinings in their virtual prototypes. The partnership thus signals faster creativity and commercialization for new models with positive environmental benefits through reduced use of physical prototypes.
Finally, the strong customer service culture, aimed at standing out from competitors, has changed scale since the acquisition of PCC Interlining in August 2018.
The merger has generated many synergies in terms of sales and marketing through PCC's leader positioning in technical interlinings for fashion and new players in the *fast-fashion industry.*

World leader in technical textiles for luxury goods and fashion

1,080
employees

€131.8m
2020 revenue

€5.1m
in 2020 recurring operating profit

Technologies and expertise representing high entry barriers

1. Warping

The first stage in the production process. The yarn is wound onto the warping beam fortransfer to the knitting unit.

2. Knitting

Each knitting machine is connected to a computer that checks production and quality in real time. 40 gauge means that the weft comprises 40 stitches per inch.

3. Finishing and dyeing

The substrates are stabilized using a chemical or thermal process, retaining the degree of suppleness needed for its application to the most difficult fabrics. The dyeing unit is used to produce the interlining in the most on-trend colors. More than 60% of our products are dyed.

4. Coating

Small drops of thermo-adhesive resin are applied to the fabric using a perforated cylinder. Infrared readers check that the resin is properly applied. The one-of-a-kind Global Molecular Point (GMP) coating process, which was developed and patented by Chargeurs PCC* Fashion Technologies helps to prevent seepage and significantly increases bond strength when the interlining undergoes thermobonding between the garment fabric and the lining.

5. Total quality control

Quality controls are performed on each production batch at various stages in the process covering the products' quality, stability, bond strength, suppleness and feel.

6. Systematic inspection

Each meter of fabric on the roll is inspected as it leaves the production line. The cutting and packaging/labeling processes are fully computerized. All of the interlining rolls are inspected meter by meter.

7. Global supply chain operations and performance

Once the interlining rolls have been inspected, labeled and packaged, they are cataloged by stock-keeping unit in the warehouse before being shipped around the world.

2020 Business Review and outlook

Chargeurs*PCC Fashion Technologies posted positive recurring operating profit in 2020 despite a decline in revenue to €131.8m, with the fashion and luxury goods sector adversely affected by lockdown measures the world over.

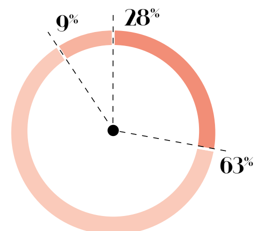
Against this background, the business line enhanced the quality of its service, particularly its ability to support the very rapid surge in e-commerce.

CFT*PCC continued to innovate by launching its new Lainière Performance Silver interlining range—with its anti-microbial functions—as well as the expansion of its eco-friendly Sustainable 360™ line.

Capitalizing on its agile production facilities linked to the acquisition of PCC in 2018, the business line successfully maintained positive profitability at €5.1m, despite the historic decline in orders owing to the crisis.

In addition, throughout the year, the teams worked hard to develop the business' assets in the supply and production phases of the Chargeurs Healthcare Solutions offer.

Breakdown of sales by geography



28% Europe

63% Asia

9% Americas

7 production plants

Focus on

***Sustainable 50* becomes Sustainable 360™**

SUSTAINABLE 360

The Sustainable 50 range of eco-responsible interlinings and products is expanding to become Sustainable 360™, offering an extended range of responsible interlinings, at different price and benefit levels and representing the business line's overall CSR approach, which is a competitive strength. This approach is based on a responsible approach to procurement, environmental protection, the promotion of human rights, labor and safety, and the development of responsible innovation. Against this background, *Sustainable 360™ incorporates highly exacting certification* including: Better Cotton Initiative (BCI), Cotton Leads, Oeko-Tex, Global Recycled Standards, REACH, and Sedex.

Chargeurs Luxury Materials provides the finest, softest and most resistant wool fibers in the world.

Chargeurs Luxury Materials

Chargeurs Luxury Materials supplies the world's finest, softest wool fibers to the most prestigious global brands. CLM is the leader in upscale combed wool and focuses on very high added-value products.

Chargeurs Luxury Materials is specialized in the procurement of the finest greasy wool from carefully vetted sheep producers worldwide. The greasy wool is washed, carded and combed in partner combing mills located in the United States, Uruguay, Argentina and China to form the tops – broad ribbons of fine, pure wool marketed to spinning mills. The Chargeurs Luxury Materials sales teams then track and deliver the right solution to each customer, taking care to match supply and demand. The business model is secured, with contracts hedged with forward contracts. The premium wool quality results from the utmost respect for breeding grounds and animals. Throughout the entire manufacturing process, blockchain technology ensures that the wool is seamlessly traceable "from the sheep to the shop." The Group leveraged blockchain to create Nativa™, a label that guarantees the quality and traceability of wool fibers across the value chain.

Respect for animal welfare

Animal welfare is the first priority for Chargeurs Luxury Materials, which is committed to providing all its customers – as requested – merino wool from sheep that have not had their rump skin removed (a practice known as "mulesing"). Merino wool produced in Argentina, Uruguay and the United States is fully non-mulesing guaranteed.

This label creates value for brands and aims to meet increased consumer demand for sustainable products. Moreover, a number of global labels have been created to certify compliance with these very high quality and sustainability standards: ZQ Merino (developed by New Zealand Merino), Responsible Wool Standard (RWS) and Global Organic Textile Standard (GOTS). The Nativa™ label meets all their criteria and extends compliance by including every stakeholder across the entire value chain.

The wool market

In the luxury wool market, procurement cycles are long and stable, with two or three-year contracts guaranteeing customer loyalty as long as quality remains the same. In other markets, commodity wool, which is purchased from traders leaves buyers with little visibility across the production chain. The wool market is supported by new growth drivers, boosted by demand from China and the buoyant *sportswear* and outdoor

FEDERICO PAULLIER
GENERAL MANAGER,
CHARGEURS LUXURY MATERIALS

"Strengthened by its responsible wool approach, coupled with its global footprint, Chargeurs Luxury Materials provides comprehensive solutions to its customers in terms of wool quality, traceability and their supply chain optimization, with a gradual redirection of its business model towar0ds directly integrated brand services."

clothing markets to which such demand is particularly well suited. The selected and processed wool serves a wide range of sectors including clothing, building, automotive, and interior design. Demand is steadily rising for exceptionally high-quality, fibers with processes that respect the entire chain of stakeholders involved in their creation. Obviously, these features are becoming an important buying criterion for a large number of global brands and shoppers.

Chargeurs Luxury Materials' competitive strengths
Chargeurs Luxury Materials is positioned in highly distinctive premium wool markets, served by a small number of suppliers and growing faster than commodity wool markets. A key source of differentiation are the very long-term relationships nurtured with sheep ranchers and combing mills, sometimes over decades. These close partnerships are the only way that a label as strict as Nativa™ could have been created. Being positioned both globally and locally enables the business to offer a broad range of wool fibers, sourced from six countries with a proud heritage of sheep raising and wool production performance and responsiveness. Chargeurs Luxury Materials is the only trader capable of offering customers merino wool from producing regions dotted around the globe. At the same time, its deep local rootsenable it to carefully monitor conditions on sheep farms and in its partner combing mills, as part of a holistic value chain approach.

World
leader in high-end, certified and traceable fibers

30
employees

€64.6m
2020 revenue

A controlled and responsible value chain

1. Certified sheep farms

Nativa™ is Responsible Wool Standard (RWS) certified, ensuring it produces wool that is fully traceable, sustainable and high-quality. RWS, which is an independent, voluntary standard certifies that sheep are treated in the consideration of animal welfare and ensures that sheep farmers comply with bestpractices in managing and protecting their land.

2. Certified supplies and wool combing

During the fiber transformation stages, RWS certification ensures that wool comes from certified safe farms and can be fully traced through identification and continuous monitoring.

3. Spinning

This stage in the transformation of wool into yarn meets the most stringent environmental criteria, including several chemical input bans.

4. Knitting/ Weaving

Knitting/ weaving oils are naturally sourced.

5. Garment-making

Each stage of wool processing, including garment-making which involves cutting, sewing and fitting, respects both rigorous environmental and social criteria such as the prohibition of child labor and the principle of non-discrimination.

6. Warehousing

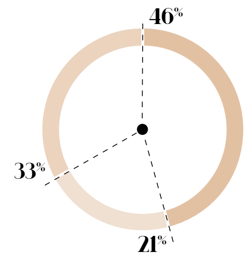
The selected and processed wool serves a wide range of sectors including clothing, building, automotive, and interior design.

1

2020 Business Review and outlook

Chargeurs Luxury Materials (CLM) booked revenue of €64.6m. The business line suffered from the impact of a widespread slowdown in the fashion and luxury goods sector and a sharp decline in average wool prices in 2020 due to lackluster demand, which was a major contributing factor to the revenue decline.
However, Chargeurs Luxury Materials has successfully enhanced its commercial potential and strengthened its premium customer base image by ramping up its marketing, stepping up its business partnerships with Nativa™ and global-reaching brands such as Stella McCartney and Napapijri as well as through certifying new spinning mills.
Nativa™, which offers full wool traceability using blockchain technology, creates value for brands whose top priority is to meet growing consumer demand across the globe for sustainable products.

Breakdown of sales by geography



46%
Europe

21%
Asia

33%
Americas

4
partner combing mills

Focus on
Nativa™

NATIVA
PRECIOUS FIBER

Nativa™ is the most state-of-the-art label internationally.
It guarantees the quality and traceability of wool fibers at every stage of the value chain, from the farms where the sheep are raised and sheered to the clothing items of fashion brands. Nativa™ certifies every step of the supply chain and ensures animal welfare, responsible land management and strict corporate social responsibility.
As part of the United Nations' Global Compact, Chargeurs Luxury Materials undertakes to respect, defend and apply principles relating to human rights, labor, the environment and bribery and influence peddling.
Since its launch in 2017, the label has attracted a large number of internationally renowned brands such as Stella McCartney and Napapijri.

D&P manufactured and installed eight permanent and six temporary exhibits to relocate more than 2,000 objects from the Tennessee State Museum in Nashville, Tennessee to a new building.

Chargeurs Museum Solutions

Chargeurs Museum Solutions is the global leader in construction and exhibit services for museums and cultural institutions. It comprises a manufacturing arm, Senfa Technologies, which specializes in functionalized technical textiles and a services arm – Chargeurs Creative Collection – a unique network of independent partners and subsidiaries providing a complete and integrated range of services focused on design and the creation of immersive visitor experiences.

Senfa, Chargeurs group subsidiary, located in Alsace for more than 45 years, is specialized delivers functionalized textiles for specific applications, such as the shading or uniform diffusion of light, soundproofing or electromagnetic wave (GSM, WiFi) filtering. These functionalities can also be combined to create large advertising displays – as produced by Leach – on which the fabric can diffuse light, be fireproofed and printed in very high resolutions.
In 2018, Chargeurs acquired Leach, the UK leader in visual communication solutions and a gateway to the museum exhibit and retail markets whose vast potential is now being identified.
Between 2019 and early 2020, a series of acquisitions of global players enabled it to move up the value chain in this niche sector. The combination of Design PM and MET Studio (United Kingdom), Hypsos (Netherlands) and D&P (United States) has led to the creation of Chargeurs Creative Collection, a global benchmark for services to cultural institutions. Whether it is project planning or the turnkey delivery of exhibitions and innovative environments, this chain of services is the most comprehensive global offer in the museum heritage and visitor experience market.

A global player to serve culture

Chargeurs Museum Solutions provides its customers with a multi-talented and multi-disciplinary structure (project management, design, layout, creation and exhibit installation), covering all aspects of space creation dedicated to visitors to cultural institutions.

Experiential luxury market
Chargeurs Museum Solutions operates in a market delivering structural growth, which benefits from increased investment in countries leveraging the museum visitor or cultural site visitor experience to boost their regional and international appeal. Structural growth in cultural leisure, the knowledge economy and experiential luxury, linked to a recomposition of the world tourism market with the emergence of new destinations, offer even more opportunities for development in addition to diversification. The increasing aspirations of visitors for immersive experiences are encouraging museums across the globe to reinvent their museum experiences. Creativity, inspiration and technology are the fundamentals of this new experiential luxury market.

SAMPIERO LANFRANCHI
GENERAL MANAGER AND SPECIAL ADVISOR TO THE CHAIRMAN, CHARGEURS MUSEUM SOLUTIONS

" Cultural institutions foster dialog and progress. Now more than ever, they are needed to elevate customers' regional and global influence and meet the new aspirations of visitors in search of inspiration and experiential luxury. "

Marketing and visual communication, interior design, upscale furnishings, event hosting and disruptive exhibition design are driving growth in this niche market. Cultural institutions are not just repositories of works and artefacts; they are also meeting places and centers of knowledge. All over the world, they are adapting to cultural democratization as well as educational and esthetic challenges, becoming true temples that champion nature, history and creativity. Thanks to the strength of the experiential luxury market, answering many calls for tender and winning many contracts throughout 2020.

Chargeurs Museum Solutions' competitive strengths

Its active operations across the museum project value chain is a real standout strength. This means the business line is in a position to provide its customers with a comprehensive and integrated solutions and services offer, with a focus on the museum experience. This unique structure, including subsidiaries and a network of partners, enables its teams to provide a turnkey service.
All of the subsidiaries integrated into the division have historical expertise in their field and have developed special relationships with their customers over the decades. The success of the projects has extended the customer base, forging long-lasting relationships.
Finally, its sales network and global foothold ensures the business line meets its customers' every needwhile identifying new local opportunities.
To serve its diversification strategyand penetrate new markets, the business line is supported by a range of products and services at the cutting edge of technology in its industries to offer increasingly innovative visitor experiences.

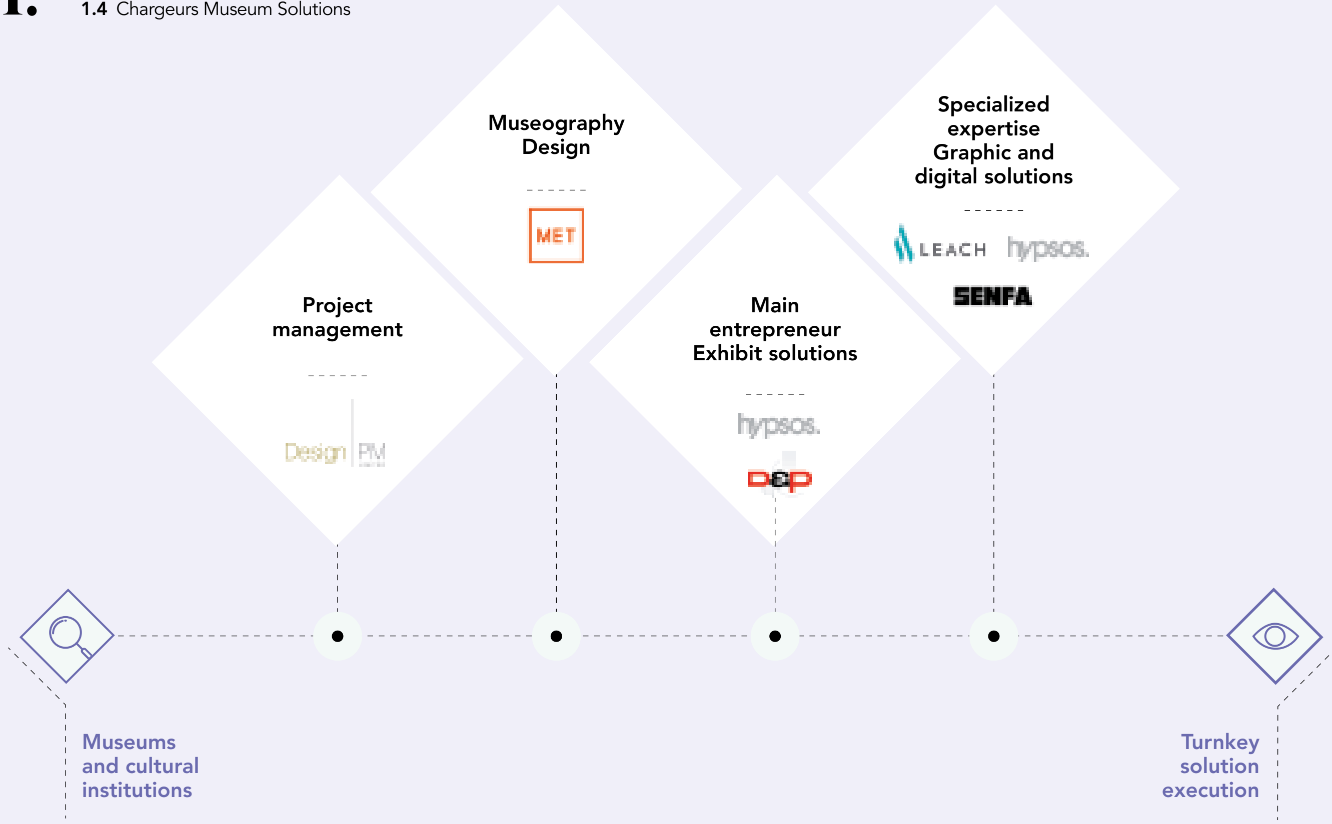
World
leader in museum services

380
employees

€51.6m
2020 revenue

€1.9m
in 2020 recurring operating profit

(1) International museums in the face of the Covid-19 pandemic, UNESCO, 2020.



A global network active across the entire visitor experience value chain

1. Customer project kick-off

The customer (a museum, a cultural institution or a curator) approaches a project management company to support them and design innovative spaces.

2. Project management

Design PM provides customers with strategic consulting, with a focus on scheduling and augmenting the visitor experience. Design PM works with leading premium partners on a range of services, which include: fundraising, feasibility studies, scheduling, preservation, transportation and storage of works, architecture and marketing and public relations.

3. Museography/ Design

MET Studio operates as an experience designer—creating unique narratives and exhibits—and as a technical designer, imagining models, sets, graphics and digital means in an effort to make the environment completely immersive.
At this stage, the skill set contributed by other Chargeurs Creative Collection entities creates genuine added value for the project.

4. Designing spaces

D&P and Hypsos are specialized in the design and installation of innovative spaces. Several services are required to enhance the visitor experience. These include: prefabrication consulting, project management, exhibit engineering/development, prototyping, installation, commissioning, media and lighting systems, etc. Engineers, architects, designers, graphic designers and project managers are on hand to support their customers throughout the process.

5. Graphic and digital solutions

The technical textiles produced by Senfa are used to create the luminous, printed decorative structures produced by Leach. Teams of electronics and optics specialists create the printed textile structure. Hypsos' know-how in the production and coordination of related fixtures and activities such as lighting, audio-visual design and multimedia ensures high-end manufacturing and installation.

6. Turnkey solution execution

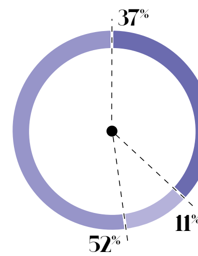
An array of visitor experiences will be brought to life, including: showrooms, exhibitions, museums, cultural centers, stores, exhibits and general attractions.

1

2020 Business Review and outlook

Chargeurs Museum Solutions reported revenue of €51.6m in 2020. Supported by the consolidation of D&P, Hypsos, DPM and MET Studio, with a resulting scope effect of +85.9% for the year, the business line established itself as the world leader of interior design and exhibition design for new and redeveloped museums, a market delivering structural growth of 10% per year. The museum business continued to enjoy very favorable trends due to the growing number of cultural spaces that are being opened, specifically in the Middle East, the United States and Asia.
Thus, the sound profitability of museum heritage businesses offset temporary difficulties faced by the historic businesses.
In 2020, Chargeurs won many museum construction tenders around the world. The latter included some large multiannual contracts which enabled the business line to increase its orderbook and ensure unclouded visibility in the medium term. Furthermore, its industrial assets contributed to the emergence of Chargeurs Healthcare Solutions.

Breakdown of sales by geography



37%
Europe

11%
Asia

52%
Americas

4
production plants

Focus on

"From Singapore to Singaporean: Singapore Bicentennial Experience"

Drawing on its 35-year plus experience as a storyteller and experience creator in experimental design, Met Studio partnered up with the Sinagpore Bicentennial Office to create "From Singapore to Singaporean: The Bicentennial Experience," a landmark project. To celebrate 2,000 years of city-state history, a unique, multi-sensory and immersive 45-minute journey was devised as visitors rediscover an original colonial building in the heart of the city.

Working on the frontlines of the Lainière de Picardie plant in northern France, employees showed their full commitment to the fight against Covid-19.

Chargeurs Healthcare Solutions

Chargeurs Healthcare Solutions (CHS) designs high-tech solutions dedicated to health and personal protection.
Its unique range of products and services targets a diversified customer base and benefits from synergies between the shared expertise of CFT*PCC, CPF and CMS.

By harnessing the expertise of its Lainière de Picardie plant, based in a village in northern France since 1903, and by generating technological and commercial synergies between the Group's different business lines, Chargeurs Healthcare Solutions has cemented its leader position, against a turbulent economic and health backdrop. Its record-breaking structure was developed through a fast understanding of the challenges posed by the shortage of individual equipment resulting from the health crisis and the identification and implementation of solutions to meet them. The latter include prototyping, certification, production and sourcing, quality control, logistics, airlifts and commercial platforms. Such solutions were rolled out in extremely tight deadlines by leveraging the human resources and expertise of the Group's different businesses lines. Chargeurs Healthcare Solutions is positioned as a premium player in the personal protection and wellness market, capable of offering customers comprehensive solutions thanks to its fully integrated offering. This last includes a wide variety of products such as protective masks, gowns, gloves and bactericide protection films and services, providing comprehensive solutions for equipment, traceability, management, stock renewal and recycling. Four major customer segments are served: public state or regional administrations, major corporate accounts and medium-sized companies, the medical sector and private individuals via the **www.lanière-santé.com** website. This determined B2C industry strategy ensures the creation of ever-increasing added value at the service of customers and, ultimately, users of Lainière Santé™ solutions, the CHS brand. Ensuring the sustainability of the business, a capex program of nearly €10m was rolled out to introduced the autonomous and domestic production of surgical and FFP2 masks. A dedicated entity structures the design offering, expanding it and moving it upscale, developing high value-added services to ensure retention of key accounts, including used product recycling.

Highly secure protection for health and wellness

Barrier gestures have become part of everyone's day-to-day lifestyles and are destined to last beyond the Covid-19 pandemic.

The business line’s entry into the personal protection segment in 2020 has also enabled diversification into the complementary industries of hygiene and beauty, which benefit from strong growth prospects. CHS’ proposed acquisition of Fournival Altesse, the specialist in high-end Made in France hairbrushes, is a case in point.

Personal protection market
While the consumption of surgical and FFP2 masks came out to €3.5 million per week in France prior to Covid-19,

DENIS NOHARET
GENERAL MANAGER, CHARGEURS HEALTHCARE SOLUTIONS EMEA

"A champion of the healthcare industry, created at the peak of the Covid-19 crisis, Chargeurs Healthcare Solutions embodies the agility and boldness inherent in Chargeurs' corporate culture. CHS' sales and high profitability have transformed the business line into a long-term growth driver for the Group."

the figure reached 10 million in April 2020 [1]. In a fragmented national market that was made essential by the pandemic, Chargeurs Healthcare Solutions is now a key player.
The business line caters to multiple needs, which include the following: supplying masks, gowns and clothing, gloves, disinfectants and other specialized products. CHS also covers a range of business sectors – medical, industrial, health and wellness, laboratories – and customers – corporate customers, private individuals and public organizations.
With its premium product and service offering, Chargeurs Healthcare Solutions meets exacting demand for upscale and high-tech health solutions. Backed by its chemical and textile expertise, CHS successfully produce surgical masks, respiratory protection masks (FFP) and reusable masks. As such, the business line caters to the diverse needs of the market.

Chargeurs Healthcare Solutions' competitive strengths
With its high-end industry positioning, CHS addresses its customers' pressing need for reliability.
CHS stands out from the competition, through its mask technology which incorporates sustainability and breathability features. Its direct contact with users allows it to get a real sense of the comfort experienced by the mask wearer.
In addition, its collection and recycling services are also distinctive elements, which guarantee customers comprehensive and fully integrated solutions.
Based on a strategy of continuous innovation, the business line has successfully deployed its offer to a diversified customer base.
The marketing model uses a multi-channel approach adapted to B2B and B2C customers via the website **www.lainiere-sante.com,** which has met with great success.
CHS' control of the supply chain means it has the capacity to meet its customers' regular supply needs with flawless reliability. Each production stage is planned and controlled.
To this end, CHS' control provides tremendous leverage to fulfill its medium- and long-term ambitions.

A benchmark player in premium healthcare products

€303.6m
2020 revenue

€63.5m
in 2020
recurring operating profit

(1) Figures from the French Minister of the Minister of the Economy and Finance published on April 27, 2020.

A comprehensive and efficient value chain

1. Analysis of market needs

A detailed and critical analysis of existing needs in the personal protection market is conducted to identify each segment and opportunity.

2. R&D applied to identified needs

R&D teams conduct applied research to the identified market needs, deploying an open innovation strategy and tapping into our existing expertise to discern how CHS can meet the identified demand.

3. Certification

Lainière Santé™ masks comply with the French national organization for standardization (AFNOR) standards. They also meet the recommendations ANSM (French National Agency for Medicine and Health Product Safety), the *Académie de Médecine* (French Academy of Medicine) and have been tested by the *Direction Générale de l'Armement* (French Defense Procurement Agency). Lainière Santé™ masks have also been testedin our own research laboratories.

4. Industrialization

Products are industrialized as of the Research & Development stage. In other words, they undergo large-scale manufactured with precise specifications of the means of production and optimization of production methods. Prototypes and the end-product's production facilities are developed.

5. Offer design and marketing

Right from the industrialization phase, the products are packaged and labeled to ensure they fully meet the expectations of each of the customers served. Each shipped product comes with a user manual.

6. Production

Both machines and humans will manage the production phase from the order booking/design of raw materials to assembly and stitching.

7. Marketing and sales

Masks are marketed and sold to a whole host of players including local and regional governments, key accounts, medium-sized businesses, healthcare players and private individuals. A multi-channel distribution strategy ensures B2B and B2C demand is met.

8. Collection and recycling

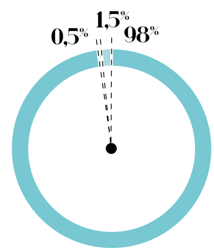
Following the identification of collection partners, initiatives to collect, sort and decontaminate waste are conducted at recycling centers.

2020 Business Review and outlook

The Chargeurs Healthcare Solutions business line, which was created to meet high demand for healthcare products at the start of the pandemic, achieved revenue of €303.6m in 2020.
Revenue was driven in the main by substantial second-quarter volumes in France, at the peak of the health crisis.
Supported by significant volumes, Chargeurs Healthcare Solutions posted high profitability, with an operating margin of 20.9%.

In line with the Group's strategy focused on premiumization, diversification and international expansion, a capex plan amounting to nearly €10m was started to create a sustainable healthcare business offering high value-added products and services. In particular, the plan will ensure the autonomous and domestic production of surgical and FFP2/N-95 masks in France, Europe and the United States.
A dedicated entity is now structuring the product offering, expanding it and moving it upscale.
Following a spectacular 2020 performance, CHS continues to benefit from strong sales trends with existing and new customers. For this reason, CHS is now targeting revenue between the €50m and €100m mark in 2021.
The business line's entry into the personal safety segment in 2020 has also enabled diversification into the complementary industries of hygiene and beauty, which benefit from strong growth prospects. End-January 2021, CHS announced the proposed acquisition of Fournival Altesse, the specialist in high-end Made in France hairbrushes.

Breakdown of sales by geography



98% Europe

0.5% Asia

1.5% Americas

Focus on
Lainière Santé™ face masks named "Product of the year " in France's 2021

ELU PRODUIT DE L'ANNÉE

After less than a year in operation, the Lainière Santé™ brand received France's *Elu produit de l'année* ("Product of the year") award(1) for its reusable masks. This prize, which recognizes the best products on the market based on the opinions of 15,000 consumers, is awarded following real-life testing carried out with a panel of 120 people.
This award fully confirms Chargeurs Healthcare Solutions' strategy to move upscale as well as its multi-channel retail model, which includes e-commerce.

Since it went live in May 2020, the **www.lainiere-sante.com** website has attracted around one million unique visitors, won over 80,000 customers and generated 2020 revenue in excess of €10m. It now ranks among the top 1% of high-performing e-commerce websites in terms of marketing success, an incredible achievement in such a short time.

*(1) The **Elu produit de l'année** ("Product of the Year") logo was created in 1987. It is active in 45 countries, with coverage of more than 3.5 billion consumers.*

Analysis of 2020 consolidated results

1.6.1 Review of the consolidated results for the fiscal year ended December 31, 2020

2020 CONSOLIDATED FINANCIAL STATEMENTS

In €m	2020	2019	2020 vs 2019
Revenue	**822.0**	**626.2**	**+31.3%**
Like-for-like			*+27.5%*
Gross profit	219.0	167.0	+31.1%
As a % of revenue	*26.6%*	*26.7%*	
EBITDA	**102.4**	**60.0**	**+70.7%**
As a % of revenue	*12.5%*	*9.6%*	
Recurring operating profit	**79.3**	**41.4**	**+91.5%**
As a % of revenue	*9.6%*	*6.6%*	
Operating profit	**55.8**	**31.9**	**+74.9%**
Net financial expense	-9.5	-11.5	
Tax	-4.3	-4.9	
Net profit	40.3	15.1	+166.9%
Attributable net profit	**41.0**	**15.1**	**+171.5%**
EARNINGS PER SHARE (€)	**1.79**	**0.66**	**+171.2%**

Revenue for 2020 totaled €822.0m, up 27.5% like-for-like versus 2019 against the backdrop of a historic health and economic crisis. This performance is largely owing to the key contribution of CHS and the robust resilience of the Group's traditional businesses. CPF recorded like-for-like growth of 3.0% in the second half and 8.2% in the fourth quarter of 2020 versus 2019. As well as like-for-like growth, the Group reported a scope effect of 5.1%, stemming from the four acquisitions made in 2019 and 2020–D&P, Hypsos, MET Studio and DPM–to create Chargeurs Museum Solutions, the world leader in museum services. The scope effect largely offset a negative currency effect, mostly linked to the appreciation of the euro against the US dollar.

The Group ended 2020 with recurring operating profit of €79.3m, representing 9.6% of revenue. This was mainly thanks to the high profitability of Chargeurs Healthcare Solutions–20.9% of revenue–and continued overall positive profitability for all other business lines.

Net profit stood at €40.3m for the year. In particular, this includes a donation of €3.4m to a philanthropy fund. It also includes a good financial result and a tax charge benefitting from the recognition of tax loss carryforwards, particularly related to the acquisition of D&P in the United States.

Attributable net profit totaled €41.0m, increasing EPS (earnings per share) to €1.79 in 2020, up 171.2% on 2019.

1.6.2 Financial structure

(in euro millions)	2020	2019
EBITDA	102.4	60.0
Other operating income and expense	(13.0)	(7.0)
Cost of net debt and interest on leases	(12.1)	(10.8)
Income tax paid	(6.4)	(3.3)
Other	(0.5)	(0.2)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES, BEFORE CHANGES IN NET WORKING CAPITAL	**70.4**	**38.7**
Dividends from associates	-	0.1
Change in operating working capital	2.6	(13.3)
OPERATING CASH FLOWS	**73.0**	**25.5**
Acquisition of property, plant and equipment and intangible assets, net of disposals	(10.0)	(24.4)
Acquisitions	(53.2)	(9.6)
Dividends paid in cash	(5.9)	(8.6)
Effect of changes in foreign exchange rates on cash and cash equivalents	(2.2)	(1.5)
Other	(6.0)	(11.6)
TOTAL	**(4.3)**	**(30.2)**
OPENING NET CASH/(NET DEBT) (12/31/2019)	**(122.4)**	**(92.2)**
CLOSING NET CASH/(NET DEBT) (12/31/2020)	**(126.7)**	**(122.4)**

The strong cash flow from operations the improvement in working capital requirement (WCR) enabled the Group to keep its net debt in 2020 at a similar level to that of 2019, and while financing the acquisitions of D&P and Hypsos, Chargeurs continued its capital expenditure (capex) plan and maintained an active dividend policy.

Chargeurs' net debt thus stood at €126.7m at December 31, 2020, versus €122.4m a year earlier. This performance reflects the strong growth in EBITDA, up 70.7% to €102.4m. Cash generated by operations came out at a record level of €70.4m, driven by the excellent performance of CHS coupled with the ability of traditional business lines and CMS' acquisitions to generate positive cash from operations.

The improvement in WCR, down by €20.7m compared with end-2019, at €53.0m, also contributed to the strong cash flow generation. This improvement reflects the positive impact of the consolidation of D&P and currency fluctuations as well as an overall improvement in WCR.

All told, the combination of strong EBITDA growth and the improvement in WCR was reflected in net cash from operating activities of €73.0m, versus €25.5m in 2019.

This enabled the financing of acquisitions amounting to €53.2m–mostly the acquisitions of D&P and Hypsos by CMS–thereby significantly contributing to the creation of a world leader in interior museum design. This cash flow also led to capex, notably the rollout of personal protective equipment (PPE) production lines at CHS in France and the United States.

In light of the above factors, Chargeurs significantly reduced its leverage ratio (net debt/EBITDA) from 2.0x at December 31, 2019, to 1.2x at December 31, 2020. In parallel, the strengthening of the Group's equity, which came out at €236.6m, meant that it was able to lower its gearing ratio (net debt/equity) to 0.5x at end-2020.

1.6.3 2018-2020 capital expenditure

The Group makes investments to encourage growth.

The tables below present the capital expenditure carried out in fiscal 2018, 2019 and 2020:

(in euro millions)	2020	2019	2018
Property, plant and equipment	13.4	23.2	23.1
Intangible assets	1.5	1.7	1.5
TOTAL	14.9	**24.9**	**24.6**

(in euro millions)	2020	2019	2018
Europe	9.3	17.3	21.9
Asia-Oceania-Pacific and Africa	1.9	1.3	1.3
Americas	3.7	6.3	1.4
TOTAL	14.9	**24.9**	**24.6**

During fiscal 2020, the Group carried out €5.8m in investment to develop the Healthcare Solutions business line.

1.6.4 Outlook

Despite the many uncertainties that still currently penalize its activity, Chargeurs is looking to the future with confidence and determination. Looking beyond the expected economic recovery and the positive effects of government stimulus plans on a number of industries served by Chargeurs' business lines, the Group benefits from the fundamental performance drivers to be able to bolster its development in the short-, medium- and long-term.

The many structural investments that have already been made as part of the Game Changer program indeed represent significant "embedded performance" potential and completing this potential is at the core to the Leap Forward 2025 program. The Group also plans to capitalize on its operational and financial strength to participate in the consolidation of its existing business lines and seize other potential opportunities in the preferred context of accretive family-to-family transactions.

Consequently, in a normalized economic environment, the combination of Chargeurs' two key strategic pillars–embedded performance (like-for-like growth), on the one hand, and acquisitions on the other–enables the Group to focus on the following targets:

- recurring operating profit of €100m by 2025 linked to the contribution of embedded performance in each of the business lines (like-for-like growth);
- the acquisition, through external growth, of €50m in recurring operating profit by 2025;
- representing total recurring operating profit of €150m by 2025, linked to the contribution of embedded performance and acquisitions;
- thanks to cash generated both from like-for-like growth and acquisitions, debt leverage was maintained at a low level.

A culture of manufacturing excellence serving high-end, distinctive markets

CHARGEURS' BUSINESS MODEL		CHARGEURS PROTECTIVE FILMS	CHARGEURS*PCC FASHION TECHNOLOGIES
OVERVIEW	Benchmark niche market	Temporary surface protection	Technical fashion textiles
	Sub-segments served	Household appliances, Electronics, Transport, Industries...	Luxury goods, Apparel, fast-fashion, sportswear, *casualwear,*uniforms
	International positioning	World no. 1	World no. 1
STRATEGIC STRENGTHS	Continuous innovation	CleanTouch anti-microbial film	Performance & Athleisure line, Lainiere Performance Silver and Sustainable 360™
	Cutting-edge technologies	Ramp-up of a 4.0 techno-smart production line in Italy	First business use for the ultra-thin technical knitting machine (40-gauge)
	Balanced global industrial footprint	7 sites in Europe and North America	7 sites in Europe, Asia-Oceania, North America, South America
	Worldwide customer base	>3,000	>6,000
	Responsible approach	100% recyclable, 92% biosourced eco-friendly Oxygen range	Extension of the eco-friendly Sustainable 360™ range
	Number of R&D and Quality laboratories	4	7
GLOBAL INTEGRATION	as a % of international revenue	> 90%	> 90%
	Number of countries covered	> 80 countries	> 70 countries
	Number of countries where Chargeurs has business activities	> 80 countries	> 30 countries
HIGH BARRIERS TO ENTRY	Premium customer solutions	Surface protection and manufacturing equipment	Interlining and technical support for clothing
	Extensive customer network for both pre- and after-sales service	> 10 service centers worldwide	> 20 commercial subsidiaries

1

In serving its global high-tech niche markets, Chargeurs is supported by a robust and distinctive business model that nurtures a pioneering spirit:

- the model is robust thanks to a combination of powerful innovation capabilities, a selective marketing strategy and a very long-term core shareholder structure;
- distinctive because, leveraging all the benefits of operating across diverse global economic cycles, Chargeurs deploys standards of excellence that enable it to constantly co-develop solutions with customers.

The following table summarizes, for each business line, the features that make it distinctive and how it has demonstrated the Group's culture of manufacturing excellence:

CHARGEURS LUXURY MATERIALS	CHARGEURS MUSEUM SOLUTIONS	CHARGEURS HEALTHCARE SOLUTIONS	CHARGEURS
Upscale combed wool	Museum services	Upscale personal protective equipment	Leader in high value-added niche markets
Luxury goods, Apparel, *sportswear, footwear, auto sector*	Digital printing, interior furnishings and design, trade conventions and *retail chains,* visitor experiences	Personal protective equipment, management services for healthcare equipment	More than 20 niche sub-segments worldwide
World no. 1	World no. 1	Benchmark player	World leader in niche technologies and services
Full traceability of the wool sold	Creation of innovative, immersive visitor experiences	Range of high-filtration face masks: FFP2 and surgical face masks and non-medical use (UNS1) face protection	Disruptive innovations in all business lines
Use of blockchain to guarantee wool traceability	Leading-edge coating and printing technologies	Rollout of a capex plan amounting of nearly €10m	Investment policy focused on disruptive technologies
4 industrial partnerships North America, South America, Asia	4 industrial sites in Europe and the United States	Rollout of 16 production lines to existing sites in Europe and North America	18 directly owned production facilities 4 industrial partnerships 5 continents
International customers	World-renowned customers: Philips, Manchester United, Smithsonian National Air and Space Museum and many more	> 80,000 customers for the Lainière Santé™ brand	Multiple global customers
Rollout of the *Nativa™* label for certified, traceable premium-grade fibers	Development of comprehensive visual experience solutions from recycled and recyclable materials and design of services to reduce the environmental impact of our solutions and those of our customers	Development of a range of reusable fabric masks, washable 20 times	CSR approach included in our customer solutions
4	1	Synergies with the R&D teams of CFT*PCC, CMS and CHS	16 R&D sites
100%	> 90%	< 5% considering the strong development of CHS in France	> 60%
> 40 countries	> 30 countries	> 10 countries	More than 90 countries covered across five continents
> 10 countries	> 10 countries	> 10 countries	Active in five continents
Premium wool	Functional technical textiles Integrated solutions and services for cultural institutions	Face mask performance and maximum breathability	Integrated solutions for all customers
> 10 commercial subsidiaries	Commercial positioning and close partnerships with key players on five continents	Multichannel B2B and B2C distribution	100% customer-focused service culture

02.
Risk factors and the control environment

Chargeurs operates in a constantly changing environment. Against this background, the Group is exposed to risks which, if they were to occur, could negatively impact its business, results of operations, financial position, image and/or outlook.

This chapter describes the material strategic, operational and financial risks to which Chargeurs believes it is exposed. It also sets out the Group's insurance programs and the internal control system in place for identifying and assessing risks and reducing their probability and potential impact on the Group.

However, Chargeurs cannot provide absolute assurance that all of its risk management objectives will be met and that it will be able to totally eliminate the risks described below. Moreover, other risks and uncertainties of which the Group is unaware or which it does not consider to be material at the date of this document, could negatively impact its business, results of operations, financial position, image and/or outlook in the future.

To address these risks, the Group strives, whenever possible, to proactively prevent them by training employees to deal with contingencies and unforeseen events. The year 2020 is a perfect example of the unpredictability of such risks. 2020 saw the entire world undergo a health crisis, calling on economic players to protect their assets to tackle a completely unprecedented situation.

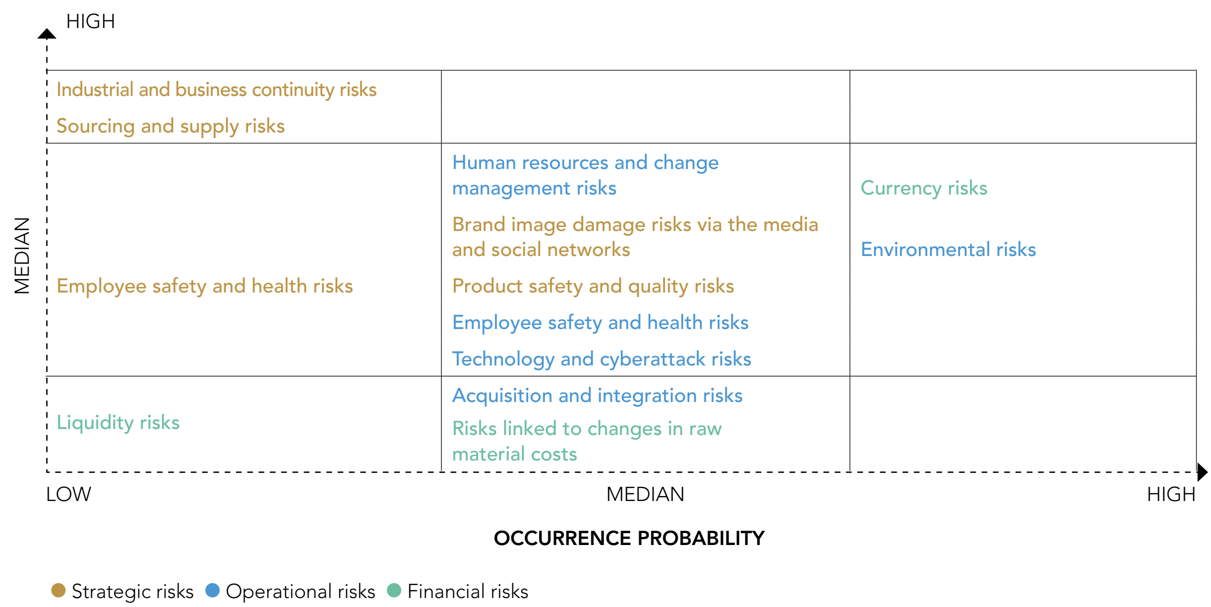
2.1 The main risks to which the Group believes it is exposed

In accordance with French Financial Markets' Authority (AMF) recommendation No. 2014-14:

- the Company reviewed the risks it believed to have a significant adverse effect on its operations, its financial position or its results (including its ability to achieve its objectives). Aside from the risks presented, Chargeurs does not believe there to be any other significant risks;
- the Company carried out a specific review of its liquidity, based on which it considers that it is in a position to meet its upcoming repayment deadlines.

The following matrix summarizes the main risks to which the Group is exposed and classifies them according to their impact and the probability that they will occur.

POTENTIAL IMPACTS ON THE GROUP



Risks to which the Group may be exposed:

STRATEGIC RISKS	Environmental risks
	Technology and cyberattack risks
	Acquisition risks
	Human resources and change management risks
OPERATIONAL RISKS	Industrial and business continuity risks
	Product safety and quality risks
	Employee safety and health risks
	Sourcing and supply risks
	Brand image damage risks via the media and social networks
FINANCIAL RISKS	Liquidity risks
	Risks linked to changes in raw material costs
	Currency risks

IMPACTS OF THE COVID-19 HEALTH CRISIS ON CHARGEURS' MAIN RISK FACTORS

The Covid-19 pandemic increased and materialized some risk factors, particularly in terms of operations including factors linked to employee safety, business continuity and supplies. The pandemic also led to new risk factors to which the Group responded, adopting proactive and protective measures in order to limit its impact.

The main impact of the health crisis is a decline in revenue for some of the Group's traditional businesses, notably textiles and the fashion and luxury goods sector, which were adversely affected by the lockdown. The negative effects of this decline in revenue were successfully offset and surpassed, particularly thanks to the Group's diversification strategy implemented in recent years and its agility to transform its businesses, as illustrated by the creation of Chargeurs Museum Solutions—museum services—and Chargeurs Healthcare Solutions—healthcare protection solutions (see chapter 5 of the Universal Registration Document to learn more about the estimated impacts on the Group's businesses and its outlook).

In parallel, the new businesses and more specifically, Chargeurs Healthcare Solutions, due to the nature of the products concerned (healthcare products), its multi-channel marketing model, which targets B2B and B2C, as well as the Group's resulting increased media exposure, led Chargeurs to heighten vigilance and include two new factors in its risk map. The Group considers that it is currently more exposed to these two new factors, namely product safety and quality risks and Chargeurs' brand image damage risks.

Moreover, against a background of continued uncertainty, financial risks also require special attention and careful management aimed in particular at securing long-term financing and enabling the Group to maintain the roadmap developed as part of its new Leap Forward 2025 program.

2.1.1 STRATEGIC RISKS

ENVIRONMENTAL RISKS

HIGH PROBABILITY OF OCCURRENCE AND MEDIAN POTENTIAL IMPACT ON THE GROUP

Risk identification

The Group could be held liable for environmental damage in relation to:

- the raw materials used to manufacture its products;
- the production facilities it operates, has operated or will operate, which could be a source of pollution or accidents causing bodily harm;
- changing practices and attitudes regarding environmental issues.

The Group is particularly exposed to the risk of chronic pollution and may be required to incur expenses for industrial site clean-ups or decontamination, especially when it ceases operations at a site.

In addition, in every location, the Group's businesses are subject to various and constantly changing environmental regulations that require compliance with increasingly strict environmental and workplace health and safety standards.

Potential impacts on the Group

The Group could find itself in difficulty if it became too dependent on certain raw materials or certain suppliers. Its business could also fall into disrepute in the event of pollution or a major accident at one of its facilities. Lastly, public opinion could turn against the Group if certain materials were to lose favor with consumers, even though its markets are essentially B2B and would feel the impact of such shifts in opinion more gradually.

From a regulatory standpoint, environmental challenges are reflected in stricter regulations. Therefore, Group activities are exposed to the risk of non-compliance with these regulations. Any breach of these regulations could result in fines or other civil, administrative or criminal sanctions, notably the confiscation of the permits and licenses required to operate the activities concerned.

Energy and carbon-related regulations could also have a business impact through their indirect use by our suppliers, particularly shippers.

Risk management

The Group has always paid close attention to environmental and natural hazard risks, as well as to changes in the related legislation.

Raw material inputs are diligently tracked internally, with a focus on their origin and their compliance with a responsible purchasing charter, which is widely distributed across all our businesses. In addition, whenever possible, the Group diversifies its supplier base to avoid over-dependence and forges close partnerships with strategic vendors. The Group's commitment to constant innovation is also helping to mitigate this risk, in that it encourages us to devise continuous improvements in manufacturing processes and substitute components. Because it is attuned to its markets and the latest trends, as described below, the Group takes due care in deploying only the cleanest solutions that are the most protective of the environment in the broadest sense. As we explain in Chapter 3, the Group regularly develops "virtuous" product and service ranges for each of its business lines.

The Group's production facilities have set targets to improve their environmental footprint over the next three years. To limit these environmental risks, the Group has also introduced ISO 14001-compliant environmental management systems in its production facilities.

Chargeurs is particularly focused on continuously improving environmental performance in its most critical domains, such as CO_2 emissions, water resource management, worker safety and sustainable product development. The Group has set progress objectives as outlined in chapter 3 of this Universal Registration Document. Group environmental policy, risks linked to climate change (article L. 225-37-6 of the French Commercial Code), and the environmental performance and certifications of its businesses are described in the Non-Financial Performance Statement in section 3.3 of this Universal Registration Document.

In addition, prevention policies have been strengthened in every facility, based on dedicated audits, in a commitment to deeply embedding a culture of safety across the Group. Examples include the widespread organization of *Safety Days* since 2017, the coordination of applicable recommendations and specific local approaches. Furthermore, any bodily harm or third-party property damage that may be caused by the operation of the Group's production facilities is covered by its liability insurance program.

Corporate business continuity plans are regularly updated and continuously improved.

TECHNOLOGY AND CYBERATTACK RISKS

MEDIAN PROBABILITY OF OCCURRENCE AND MEDIAN POTENTIAL IMPACT ON THE GROUP

Risk identification	Potential impacts on the Group
The Group operates in markets where technology changes rapidly and plays an essential role in its business development. Its businesses utilize a number of technologies whose industrial property rights the Group either owns or is licensed to use. In some cases, these technologies require specific skills from staff. The Group is also exposed to the risk of confidential information being disclosed or a process or technology being copied, either of which could adversely affect its competitiveness. Lastly, changing technology could give rise to a variety of threats to the Group, such as malicious acts, hacking, theft or misappropriation of its data, which represent a major asset that is critical to its competitiveness.	A lack of proficiency in these new technologies or their inadequate management could diminish the Group's competitiveness and become a barrier to entry into new markets. In addition, the Group could find itself unable to develop the innovative products its customers need. Moreover, a cyberattack resulting in a system failure or large-scale interruption and the loss or theft of sensitive data could disrupt the Group's businesses and negatively impact operations, finance and brand image.

Risk management

Chargeurs has a policy of technological innovation, which it applies in each of its business lines in order to meet changing market needs. All of the Group's business lines hone their technical and technological expertise, notably to ensure that they have the requisite in-house skills to manage the technologies they use, as well as to improve productivity and sharpen their competitive edge. As a result, research and development form an integral part of the Group's strategic vision.

Similarly, the Group has embarked on a digital transformation process with a view to delivering innovative solutions to customers and end-users.

Talent management policies are also aimed at retaining employees by giving them access to the effective resources they need to deliver superior job performance. All of these resources, in every aspect of the business, are currently being digitized. As a result, the Group pays careful attention to maintaining and developing employee skills and to ensuring that business-critical technologies are properly used and shared by a sufficient number of employees.

In addition, the Group has strengthened its policy for protecting sensitive data by:

- enhancing its internal procedures and relaying best practice guides worldwide. In the same vein, the Information Technology Charter, which each employee is required to sign, is designed to create a framework for using information systems effectively and to raise staff awareness about information systems risks and the issues of security and confidentiality.
- conducting security audits of information systems and infrastructure in order to assess adequate levels of security and identify the actions required to reduce risk exposure.
- introducing adequate insurance coverage.

ACQUISITION AND INTEGRATION RISKS

MEDIAN PROBABILITY OF OCCURRENCE AND LOW POTENTIAL IMPACT ON THE GROUP

Risk identification	Potential impacts on the Group
Acquisitions represent one of the foundations of Chargeurs' corporate strategy. The Group acquires companies, assets, and/or equity interests in its existing business domains, complementary domains, or completely new domains, as well as in regions where it is seeking to either enter the market or extend its footprint. However, in order to implement this strategy, Chargeurs has to be able to find the right opportunities at the right cost and under the right terms and conditions. Moreover, acquisitions may expose the Group to various risks, notably relating to liabilities or responsibilities associated with the businesses concerned. The ability to generate the expected benefits from each acquisition partly depends on generating synergies and effectively integrating the business operations, employees, products and technology of the acquired companies.	If actual circumstances differ from the assumptions used as the basis for an acquisition, or if the acquired companies are not integrated quickly and efficiently enough, this could adversely affect the value of the acquired goodwill and have an impact on the Group's business, financial position, corporate culture and/or results of operations. The absence of acquisition opportunities or the failure of an acquisition to deliver the expected benefits could jeopardize the success of Chargeurs' strategic plan, in as much as the Group's business model is based in part on external growth. However, up to now, acquisitions carried out by the Group indicate that the risk remains low thanks to the preparatory work in managing risk upstream.

Risk management

Chargeurs' external growth strategy is based on high-value bolt-on acquisitions, which it carries out according to a strict methodology, diligently applied for every potential transaction. It begins by taking all the precautions required at every stage of the acquisition process, from identifying the target to integrating the new organization. These include:

- analyzing the markets concerned, performing due diligence on identified targets and negotiating attractive valuation conditions and obtaining appropriate sellers' warranties.

Chargeurs has also set up an acquisitions audit process which includes:

- multidisciplinary teams made up of qualified experts and leading external consultants;
- reviews, by the Acquisitions Committee of the Board of Directors and subsequently by the entire Board, of acquisition opportunities that represent a significant financial commitment or are of strategic importance to the Group;
- *specific policies* developed at the Group level and dedicated integration teams to ensure, among other things, that they are applied by the new teams. Depending on the size of the teams and their regional coverage, special attention is paid to understanding the Group's policies and amending them based on the persons involved, particularly when business models differ from the Group's own. The Board of Directors also regularly reviews the integration and performance of acquired companies.

At the same time, Chargeurs actively seeks out acquisition opportunities.

HUMAN RESOURCES AND CHANGE MANAGEMENT RISKS

MEDIAN PROBABILITY OF OCCURRENCE AND MEDIAN POTENTIAL IMPACT ON THE GROUP

Risk identification	Potential impacts on the Group
Whether the Group operates in an environment characterized by strong business growth and vibrant labor markets or rather a more uncertain climate experiencing a slowdown in the labor market, it needs to continually adapt its human resources in alignment with Chargeurs' needs and strategy as well as the array of skills required to support the transformation of the Group and its business lines. One of the keys to Chargeurs' success lies in its ability to attract and retain talent, adapt and integrate new skills, and develop its managerial structure and teams in order to help drive the Group's growth and transformation.	At a time of in-depth transformation and disrupted working practices due to Covid-19, the Group may be faced with disorganized operations and the loss of employees, which could hinder the transfer of expertise and delay the completion of key business development projects. Without any support for hiring new employees, the organization could be weakened. In particular, excessively high staff turnover or too many positions left unfilled for too long could have an impact on employee morale and Group productivity. In all these cases, the Group's culture could change, and it is important to ensure that such a shift does not cause imbalances that could penalize performance and sustainability.

Risk management

Talent management is one of the Group's priorities and a core pillar of its Game Changer plan, and as of now, its new Leap Forward 2025 program.

Chargeurs invests in talent at all stages of the employee collaboration process by:

- developing its HR processes so that they match the needs of its business lines and markets;
- enhancing the working environments of all employees, from production line workers to managers (through working time agreements, remote working organization, internal and international mobility, etc.);
- encouraging in-house dialog (e.g., through training programs, seminars and workshops), so that the Group's people fully understand its corporate mission and future developments;
- focusing in particular on the integration of new staff from newly-acquired companies;
- widely communicating its vision and corporate mission, to make the Group attractive to potential hires, current employees and the employees of recently integrated companies;
- issuing the Group's strategic objectives in all its business lines, ensuring consistency between managerial decisions and policy choices.

Talent management policies are described in further detail in the Non-Financial Performance Statement in section 3.5.7 of this Universal Registration Document.

2.1.2 OPERATIONAL RISKS

INDUSTRIAL AND BUSINESS CONTINUITY RISKS

LOW PROBABILITY OF OCCURRENCE AND HIGH POTENTIAL IMPACT ON THE GROUP

Risk identification	Potential impacts on the Group
The Group's production facilities are exposed to industrial risks resulting from their operations, such as fire, explosion and/or machinery breakdown risks. Any accident at a production facility or during the transportation of manufactured goods could lead to production delays or compensation claims for contractual or general liability. Furthermore, business continuity may be affected by unplanned production stoppages, in particular due to raw material or energy supply problems, equipment failure, natural disasters or strikes. Production could also be halted as a result of malicious damage, sabotage or an act of terrorism committed at any of the Group's sites.	Any interruption or delay in the production cycle could prevent the Group from delivering products to customers in accordance with its contractual commitments. In addition to the ensuing liability issues, the Group could ultimately lose these customers, which would have an impact on its business and results of operations. Moreover, repeated accidents or unplanned production shutdowns or any other major insurance event could lead to a change in policy terms, higher premiums or cancellation of the coverage by the insurer due to the increase in risk. As Chargeurs has a broad industrial base, we believe that the occurrence of such risk could have a high impact.

Risk management

The Group has deployed a strategy to prevent and manage industrial risks, so as to proactively respond to their possible occurrence and impact. This strategy is underpinned by the three core processes:

- identifying and anticipating risks: the Group and its business lines regularly update their legal and industrial risk maps, which consist of identifying and assessing risks and prioritizing the corrective actions to be implemented. In addition, on-site safety audits are conducted by specialized external companies when a potential risk is identified;
- an ongoing risk prevention system and appropriate insurance coverage: the Group addresses both technical issues, by improving production facilities, investing in employee safety, etc., and people issues, by instilling a widely embraced safety culture (in particular through the annual Safety Days). It has also taken out property and casualty coverage with leading insurance companies (see section 2.2 of this Universal Registration Document);
- a strict control system: the Group ensures compliance with its safety standards and practices in every production facility, in alignment with each one's particular characteristics, through a three-tier control system (see section 2.3 of this Universal Registration Document) and an appropriate managerial organization, in particular with delegations of responsibility to empower all of the people involved in the process.

In this regard, the Group's major production facilities have undertaken to earn certification in compliance with ISO 9901 for quality management, ISO 14001 for environmental management and ISO 45001 and OHSAS 18001 for safety management. These standards all include risk assessment as a criterion for certification.

More than ever, against the backdrop of an unprecedented global lockdown and restrictive Covid-related measures, business continuity is the Group's main focus. Concrete action is taken, based on the above three core processes which have, in particular, enabled the Group to develop, produce and distribute new healthcare products such as protective masks at the peak of the crisis. As an example, we completely reorganized our production lines to introduce mask manufacturing at our traditional sites in France.

PRODUCT SAFETY AND QUALITY RISKS

MEDIAN PROBABILITY OF OCCURRENCE AND MEDIAN POTENTIAL IMPACT ON THE GROUP

Risk identification	Potential impacts on the Group
The Group could be faced with a product quality issue related to product composition, the manufacturing process, packaging or compliance with applicable standards and regulations. Such risk exposure is heightened with the manufacture and sale of B2B and B2C healthcare products (protective masks, gowns and gloves, anti-bacterial protective films, etc.), which directly impact personal health and safety.	Risk materialization could result in a loss of customers and consumer trust, thereby undermining Chargeurs' reputation and brand image. In addition to the costs of product recalls and the financial consequences that may arise from any claims (individual or collective claims, fines, court rulings), the Group's revenue could also be impacted.

Risk management

The Group pays particular attention to the quality and safety of its products by implementing control measures at all levels of the value chain. These include: design, raw material selection/composition, manufacturing process and quality assurance. Checks are conducted to monitor regulatory changes likely to have an impact on the composition of products and their packaging. More specifically, healthcare products that meet specific standards undergo prior certification and quality assurance before they are marketed. The Group also regularly schedules staff training and audits.

Chargeurs consistently uses the ISO 9001 standard as a benchmark to purchase and assess the quality of its raw materials.

EMPLOYEE SAFETY AND HEALTH RISKS

MEDIAN PROBABILITY OF OCCURRENCE AND MEDIAN POTENTIAL IMPACT ON THE GROUP

Risk identification	Potential impacts on the Group
Because it is engaged in manufacturing activities that are potentially at risk, Chargeurs constantly strives to align the ways in which people act and think in its organization with the reality of its outside business and market environment. In this respect, safety has to address all of the personal risk exposure of our stakeholders, from production to product delivery. In addition to the generic risks intrinsic to any manufacturing activity, the Group is exposed to risks related to the products or processes used in these activities, such as shop floor noise and vibrations, as well as risk related to the use of certain machines or work equipment, the handling of chemicals, road travel, fire or explosion. Lastly, as recent events have shown, health risks can never be ruled out, and any manufacturing business is exposed to a health crisis caused by the spread of a virus or other pathogen in a country or a population.	The Group is exposed to the risk of occupational accidents that could affect its productivity or image and engage its liability, which in turn could have an impact on its operations and financial position. Since 2020, the global Covid-19 health crisis has had an impact on the Group's operations, either by preventing certain employees from coming to work, particularly in production facilities, or by making it difficult to ensure business continuity, due to a decline in orders or restrictions on shipping. However, as the Group succeeded in generating like-for-like growth against a historically unfavorable backdrop, the impact of this risk is estimated at median.

Risk management

Employee safety is always top-of-mind at Chargeurs, which is deeply committed to effectively reducing the exposure of all its stakeholders to occupational and industrial risks.

Accordingly, since the first *Safety Day* was introduced in 2017 to raise risk prevention awareness, the Group has steadily deepened the culture of safety at all of its production facilities and invested in safety management systems and training.

The facilities work in close collaboration with employee representatives to ensure that any risk occurrence is promptly reported and remedial action plans can be effectively deployed.

With regard to the Covid-19 health crisis, a prevention and management plan was widely deployed across the Group and its subsidiaries at the first signs of the disease. The plan, which is continuously updated, is led by the Secretary General and the Executive Vice President, Industrial Performance and Logistics, in an effort to ensure the safety of all employees in accordance with measures recommended by local administrative authorities. In addition, a dedicated work organization has been set up for head office and subsidiary teams to support business continuity and customer deliveries. To limit physical contact as much as possible, anyone whose jobs can be performed at home has been authorized to practice remote working. Internal communications were also ramped up during this period.

These measures enabled the Group to continue its business activities to a great extent, and even step them up in some cases, where regulations permitted, by developing a new range of healthcare solutions. In the interlining business, one of the hardest-hit by the crisis in 2020, only 12,000 hours of partial employment were booked.

SOURCING AND SUPPLY RISKS

LOW PROBABILITY OF OCCURRENCE AND HIGH POTENTIAL IMPACT ON THE GROUP

Risk identification	Potential impacts on the Group
Chargeurs is exposed to the risk of disruption in its supply chain due to a variety of causes, including over-dependence on certain suppliers and accident-related production shutdowns. The Group is particularly dependent on certain raw materials, whose availability is critical to the proper operation of its production units. Similarly, given its global business footprint, serious political, health or climate events could interrupt its operations.	Difficulties in the supply chain may result in a loss of productivity, which could cause a slowdown in production or temporarily prevent the Group from marketing its products. Eventually, supply chain disruptions may lead to a loss of customers, which could impact the Group's business, financial position and results of operations. Lastly, such events could tarnish the Group's reputation and image, which play an essential role in acquiring and retaining customers.

Risk management

The Group places great importance on the proper, seamless operation of its supply chain at every stage in the production process.

In particular, when a single supplier accounts for a significant proportion of a business line's inputs, a master agreement is signed to foster a long-term partnering relationship. For key suppliers, the management of purchasing performance addresses security and continuity of supply, and each business line ensures, as far as possible, that it is not dependent on a single supplier for its critical raw materials.

Moreover, in several, mainly emerging markets, the Group operates through local partners so as to benefit from the support of experienced teams and experts with deep local roots.

These various protective measures are successfully limiting the risk that business and customer deliveries may be interrupted. In this respect, Chargeurs has strengthened its organization over the past two years by introducing global *supply chain* manager positions in its business lines.

BRAND IMAGE DAMAGE RISKS VIA THE MEDIA AND SOCIAL NETWORKS

MEDIAN PROBABILITY OF OCCURRENCE AND MEDIAN POTENTIAL IMPACT ON THE GROUP

Risk identification	Potential impacts on the Group
Due to the extension of the Group's media coverage with the "Lainière Santé™" business (Chargeurs Healthcare Solutions) and the sale of B2C products, Chargeurs could be affected by publications or messages in the media and social networks, of which the content and speed of dissemination could be detrimental to its reputation and brand image. Such attacks may be for information purposes (dissemination of negative consumer opinions, denigration, rumors or publication of false information) or based on the Group's identity (infringement of intellectual property rights).	Any damage to Chargeurs' reputation and brand image could result in a loss of consumer confidence and negatively impact the Group's revenue and its employer brand. However, the BtoC portion of its business remains low, the potential impact of occurrence of this risk is estimated at median.

Risk management

Through its internal and external communications policy, the Group aims to implement effective prevention and monitoring measures:

- increasing employees' awareness of best practices and information risks on social networks;
- protection of intellectual property rights (trademarks, logos, domain names, etc.) and, if necessary, implementation of any appropriate defense action;
- controlled and regular communication to ensure better visibility and information on the Group's activities, particularly as regards CSR.

2

2.1.3 FINANCIAL RISKS

LIQUIDITY RISKS

LOW PROBABILITY OF OCCURRENCE AND LOW POTENTIAL IMPACT ON THE GROUP

Risk identification and description:

The slowdown in economic growth sparked by the Covid-19 pandemic is a source of financial vulnerability for economic players. The extension and deepening of this slowdown in economic growth could lead to a liquidity crisis. In this respect, it should be noted that the Group has a solid financial structure, with long-dated maturities (4.4 at December 31, 2020). However, in an extreme scenario where the global backdrop could deteriorate very significantly, for a long period of time, the Group could be exposed to liquidity risk if, combined with a restriction or curtailment of external sources of funding, it could be faced with imbalances between inflows and outflows linked to a sharp and lasting deterioration in business levels.

All financing must comply with a gearing ratio of less than 1.2. Failure to comply with this ratio could lead to default and lead to early repayments if so required by creditors. The potential risk of occurrence was considered low at December 31, 2020 (ratio = 0.5), but could be heightened in the event of significant external growth transactions made by the Group followed by a deep and lasting economic crisis which could have major negative consequences on Group cash flow and results.

Potential impacts on the Group

Insufficient liquidity could hold back the implementation of the Group's Leap Forward 2025 program and curtail its room for maneuver, in particular relative to like-for-like growth and external growth.

The Company carried out a specific review of its liquidity, based on which it considers that it is in a position to meet its upcoming repayment deadlines.

Risk management

Management of liquidity risk is subject to Group-level management and is based on three main strategies:

- Securing Group financing long term, by constantly ensuring that the Group has sufficient funding to roll out projects and carry out the necessary investments inherent in its activities. At end-2020, Chargeurs launched a Euro PP (private bond placement) for €100m redeemable at a very long-dated maturity (eight years), without leverage covenants. In 2020, the Group also negotiated simplification of drawdown conditions relative to its syndicated loan credit facility, to benefit from full flexibility and ease of use of these remaining credit lines.
- Centralized cash management of the different subsidiaries is ensured thanks to a *cash-pooling* system.
- Diversification of funding sources for its working capital requirement via a factoring program.

Lastly, the Group also had significant financing lines available at end-December 2020 (€141.3m). Details of the latter are provided in notes 18.4 to the consolidated financial statements at December 31, 2020.

RISKS LINKED TO CHANGES IN RAW MATERIAL PRICES:

MEDIAN PROBABILITY OF OCCURRENCE AND LOW POTENTIAL IMPACT ON THE GROUP

Risk identification and description:

As part of its industrial businesses, the Group uses raw materials such as, for example, polyethylene, wool, polyester, polyamide and cotton. As a result, it is exposed to changes or significant unexpected upward movements in prices which cannot always be passed on to selling prices.

Potential impacts on the Group

An increase in raw material prices could lead to an increase in the cost price of products manufactured by the Group, which could have a negative impact on business profitability.

Risk management

The Group closely follows price trends in the raw materials it is exposed to as part of its weekly reporting. In addition, industrial productivity programs are implemented to reduce costs, thereby offsetting the impacts of market volatility. Furthermore, competition between suppliers of raw materials also limits the impact of price increases.

Lastly, a system of indexation of part of the selling price of products manufactured by the Group to the prices of certain raw materials such as polyethylene, for example, has been included in certain sales contracts, limiting the impact on operating profitability. As presented in Chapter 3, Chargeurs carefully selects its suppliers and chosen business sectors. In this connection, in 2020, the Group joined the BCI (Better Cotton Initiative), which partially eliminates risk related to cotton supply.

CURRENCY RISKS

HIGH PROBABILITY OF OCCURRENCE AND MEDIAN POTENTIAL IMPACT ON THE GROUP

Risk identification	Potential impacts on the Group
With global scale since its creation in 1872, the Group operates in international markets with production facilities, customers and suppliers based in many countries around the world. As a result, certain Group subsidiaries may sell in currencies that differ from the one used to pay its suppliers or employees. In addition, the Group's long-term financing is denominated in euros. Sharp fluctuations in exchange rates could jeopardize the business model of these subsidiaries, by increasing their costs or reducing their revenue. The Group also conducts business in countries where recent economic instability has fueled hyperinflation, particularly in Argentina. This instability has led to a significant and lasting change in the value of the local currency.	Sharp fluctuations in exchange rates could significantly impact the Group's profitability (both upwards and downwards). This impact could be temporary if the trend reverses again, but, could be more lasting if that is not the case.

Risk management

When a recurring business activity regularly gives rise to currency risks (mainly in the Chargeurs Protective Films and Fashion Technologies business lines), the Group annually reviews its exposure currency by currency (in particular during the budgeting process) and defines a strategy for hedging the risk over the year ahead. When a one-off, time-limited business activity temporarily gives rise to currency risks, the Group hedges this currency risk when the customer order is booked. Group policies for managing currency risks are described in Note 22.1 to the 2020 consolidated financial statements as of December 31, 2020, in Chapter 5 of this Universal Registration Document.

2.2 Insurance

2.2.1 INSURANCE STRATEGY

With a view to better protecting the men and women of our Group, our assets and revenue, Chargeurs implements a global insurance policy. It includes a global insurance program to manage its exposure to the main risks in this respect :

- personal insurance;
- property damage and consequential business interruption;
- and third-party liability concerning its operations and the products it sells.

These programs are underwritten by leading insurers and are managed by the Group's holding company in coordination with the Insurance Manager of each business line and insurance officers within the subsidiaries.

The prime target of the Group's insurance policy is aimed at optimum risk management. This is ensured via harmonization of coverage for all of the subsidiaries and business lines and thanks to the complementary nature of policies. It enables the Group to obtain a good understanding of insurable risks and existing coverage. It also targets optimization of the overall cost of these risks. Local polices can also be agreed upon outside the scope of the global policy, in particular with a view to rationalizing costs. In this case, the operating entities inform the Group of the content of the policies and the coverage guarantees. In this way, the Group has an exhaustive view of insurance policy coverage to ensure they are in line with identified risks.

The Group makes sure that all newly-acquired companies are included in its insurance programs so that their coverage is appropriate and in line with the Group's insurance strategy.

2.2.2 INFORMATION ABOUT THE MAIN INSURANCE PROGRAMS

The following items are provided for information purposes for the situation at a given date. The may be subject to change to adjust to market conditions and the general situation. It only concerns the Group's main insurance programs and is therefore not exhaustive.

Chargeurs has set up several global insurance programs covering all of its subsidiaries. Local policies are also taken out alongside the "master" group policy whenever required in order to comply with the regulations of a particular country. In such cases, the master policy can be triggered if the local policy does not provide sufficient coverage.

- Third-party liability: this program covers Group subsidiaries for the financial consequences of any third-party liability that could arise in connection with their activities concerning bodily injury or property damage caused to a third party.
- Property damage and business interruption: for Chargeurs Protective Films (CPF) and Chargeurs Precision Custom Coatings (PCC) Fashion Technologies, this program covers any accidental property damage on an "all-risks with specific exclusions" basis, as well as the costs of any business interruption caused by such damage. This approach is part of the Group's policy of favoring global progams. This process forms part of the Group's strategy of using global insurance programs to provide consistent, centrally managed coverage for all of its subsidiaries worldwide, except when this is not possible due to local legislation.

The above policies include:

- Coverage caps and exclusions, in line with market practices.
- Excess loss amounts that are proportionate to the size of the subsidiary's sites and operations.

Chargeurs considers that its insurance coverage is appropriate for the typical risks of its business operations.

Other insurance policies have also been entered into by the Group, notably for the vehicle fleet, transport, personal insurance (particularly employee travel insurance) and cyber insurance.

2.3 Internal control procedures and risk management

2.3.1 DEFINITION AND OBJECTIVES OF INTERNAL CONTROL

To mitigate the potential risks described above, the Group has set up an internal control system aligned with its operations and scope.

This system is particularly aimed at ensuring:

- compliance with laws and regulations;
- implementation of the instructions and guidelines set by top management or the Board of Directors;
- efficient operation of the Company's internal, operational, industrial, commercial and financial processes, particularly those contributing to the safeguarding of its assets;
- reliability of financial reporting.

More generally, internal control contributes to the oversight of the Company's businesses, the effectiveness of its operations and the efficient use of its resources.

By helping to anticipate and manage the Group's risks, internal control plays a key role in conducting and overseeing its various business operations. It cannot, however, provide an absolute guarantee that all risks have been eliminated.

2.3.2 SCOPE OF INTERNAL CONTROL

The Group comprises the holding company's head office, which houses the corporate support functions, and the following five business lines:

- Chargeurs Protective Films (CPF);
- Chargeurs*PCC Fashion Technologies (CFT*PCC);
- Chargeurs Luxury Materials;
- Chargeurs Museum Solutions (CMS);
- Chargeurs Healthcare Solutions (CHS).

The internal control system covers the Group's full scope of consolidation.

2.3.3 INTERNAL CONTROL PARTICIPANTS

The Board of Directors, which is responsible for verifying the efficiency of the internal control and risk management systems, assisted by the **Audit Committee** which, among other tasks, monitors the preparation and control of accounting and financial information.

The Chairman and Chief Executive Officer, who puts in place the organizational structure that he considers to be the most effective for continuously improving the internal control and risk management systems.

The Executive Committee, which plays a central role in the risk management process. Its members discuss and review each decision and transaction that is of strategic importance to the Group.

The Corporate support functions, which comprise several Group-level specialist departments (the Finance Department and the Secretary General's Office, which includes the Human Resources, CSR, Information Systems, Legal and Tax Departments). These functions provide their expertise and support to the business lines and their subsidiaries and employees. Each one has its own remit and is responsible for preparing and implementing the policies defined by the Group.

The **Chief Compliance Officer,** whose main role is to verify that the Group's rules of professional ethics and conduct are respected.

The ***Data Protection Officer,* backed by local correspondents in each business line,** who are responsible for verifying that the Group's information systems are appropriately protected, particularly with regard to personal data, and that the Group complies with the related laws and regulations.

Group employees, who are responsible for continuously verifying that the internal control procedures and processes within their scope of activity are up to date and suggesting changes where appropriate.

2.3.4 INTERNAL CONTROL STRUCTURE

LEVEL 1	LEVEL 2	LEVEL 3
Covered by each employee and their management in their day-to-day activities	Covered by the Executive Committee, the Group Chief Compliance Officer, *the Data Protection Officer* and the Support Functions in their areas of expertise: definition of guidelines and assistance to operational staff in the implementation process	Covered by the Audit Committee and the Board of Directors: assessment of risk management system operations and contribution to its improvement

The internal control and risk management system is based on a three-tier structure. It aims to promote a culture of risk management at all levels of the Group.

2.3.5 OPERATIONAL STRUCTURE

The Chargeurs Group has a decentralized operating model. However, it has head office IT systems enabling it to:

- produce high-quality financial information;
- clearly understand how the different business lines operate and how they contribute to the Group's earnings and cash flows;
- rapidly identify risks.

The Group is engaged in several very different businesses and has operations around the world. To take into account this diversity, organizational measures have been implemented to manage the risks that could have a material adverse effect on earnings, assets and commitments.

The cornerstones of the system are:

- a corporate organization based on empowered, accountable subsidiaries, with each business line's general manager, regional head or subsidiary head managing all operations within their scope of responsibility, in accordance with guidelines and procedures defined by the Group;
- short lines of communication;
- regular reporting on strategic issues;
- systematic coverage of all insurable risks;
- a dedicated insurance team, spearheaded by a corporate Chief Insurance Officer and comprising an Insurance Manager in each business line;
- a strengthened CSR network at the corporate and business line levels.

2.3.6 INFORMATION AND INTERNAL CONTROL SYSTEMS RELATING TO ACCOUNTING AND FINANCIAL REPORTING

All Group companies produce monthly management reporting packages using the same information system and the same accounting standards (IFRS).

The Chargeurs' group is made up of 91 companies fully consolidated in its accounts: the financial information system is based on the monthly income statements and key financial position statement indicators reported by each of the Group's companies.

This system was enhanced in 2019 with an information system capable of tracking HR data for all of the Group's employees.

The monthly results of each subsidiary are reviewed and commented on by the General Manager and Finance Director in standard written format.

These results, together with the updated annual forecasts reflecting the impact of any significant new developments, are reviewed during monthly meetings between the Chairman and Chief Executive Officer and the General Managers of the business lines.

2.3.7 A SYSTEM TO MAP, ANALYZE AND ADDRESS THE MAIN IDENTIFIABLE RISKS

The Group has put in place a risk map, which it regularly updates, in order to identify the risks that could have a material adverse effect on its business, financial position, results of operations and/or ability to achieve its objectives.

IDENTIFICATION

ANTICIPATING RISKS

At the Group level, legal risk map

At the business level, industrial risk map

RISK COVERAGE

AND PREVENTION

- At the Group level: appropriate insurance programs
- At the Business line level: prevention actions carried out in several areas and in particular at the industrial and company level as well as the roll-out of Business Continuity Plans

RISK CONTROL

A STRENGTHENED CONTROL ENVIRONMENT AT THE GROUP LEVEL

- Compliance measures: Code of Conduct, with Whistleblowing procedures, and Ethics Committee
- Harmonization of governance rules within Group companies
- Changes in management organization, with, in particular, the setting up of a chain of delegation of power and greater responsibility assumed by management

The Executive Committee identifies mission-critical issues and designates the most appropriate manager to oversee each one. A specific reporting system is in place so that top management is informed directly, at regular intervals, of the status of these managers' work. There is regular dialog based on the reporting schedules produced monthly by the business line departments.

The issues dealt with generally concern events that could have a material adverse effect on the Group's financial results and its other risk exposure.

The Group uses external consulting firms specialized in economic forecasting to help evaluate macro-economic risks specific to each of its locations.

From time to time, Chargeurs uses the services of specialized firms to either perform key analyses or temporarily support operational teams when critical projects are being implemented.

2.3.8 CONTINUOUS IMPROVEMENT

The Group applies a continuous improvement approach in order to enhance the quality of its internal control and risk management system, and has launched several projects to help achieve this objective since the change in governance that took place in October 2015.

General organization of the Chargeurs group

In recent years, the Group has upgraded its general organization and strengthened its head office teams to keep pace with the growth in business.

Today, Chargeurs is organized by business segment, with five main business lines comprising all of its subsidiaries, and managed by its parent company, Chargeurs SA. As and when warranted by their size, the business lines are organized by operating region, each led by a regional head who reports to the business line General Manager and is responsible for supervising the operations of subsidiaries in their region.

The head office is home to the support departments (see section 2.3.3 of the Universal Registration Document) which, in addition to providing audit and control services as well as expertise and advice to the business lines, ensure the Group-wide implementation of cross-functional programs and processes.

Since 2016, the Group has constantly enhanced its head office teams in close alignment with the growth and strategic direction of its operations. In one example, an internal consulting team comprising three people from a variety of backgrounds was set up in 2016 to support the business lines in their transformation projects, before eventually joining the business line organization. The head office teams were then expanded with capabilities in CSR, information systems, business development and marketing and innovation. In fiscal 2020, the head office teams and Executive Committee were bolstered by the appointment, in chronological order, of a Chief Communications Officer, an Executive Vice President, Industrial Performance and Logistics, a Chief Strategy Officer, Head of Growth, and a Chief Operating Officer.

The Secretary General's Office has also been strengthened with a Deputy Human Resources Manager, tasked with leading the Group's strategic hiring and talent support programs.

Legal risk map

In 2016, the Group commissioned a law firm to update its legal risk map. The work carried out by the law firm was closely monitored by the Company and the Audit Committee, which gave a status report to the Board of Directors in mid-2017.

The overriding aims of the project, in place from the start of 2016, were to identify, analyze and assess the legal risks to which the Group is or could be exposed to in relation to its operations. The project findings – which were presented to the Audit Committee and the Board of Directors on June 2, 2017 – did not identify any material risks other than those described in this section of the Universal Registration Document.

In late 2019, the Group commissioned this same law firm to update its legal risk map by expanding its scope to the newly acquired companies and focusing on Group companies operating in countries considered to be at risk. The mapping process continued throughout 2020, based on the same methodology used for fiscal 2016/2017.

Furthermore, in fiscal 2020, for the purpose of prevention, supported by the exceptional circumstances of the health crisis, the Chargeurs group conducted three audits involving third-party experts and a law firm, with a focus on the legal risks of "Lainière Santé™," the risks related to Covid-19 and on cyber risks. In fiscal 2018, the business lines each updated their industrial risk maps. Another indication of the importance accorded to managing the Group's industrial risks was the appointment, in early 2020, of an Executive Vice President, Industrial Performance and Logistics and, in late 2020, of a Chief Operating Officer, as members of Chargeurs' Executive Committee. Working closely with the Chief Operating Officer on Group performance-related aspects, the Executive Vice President, Industrial Performance and Logistics is notably tasked with overseeing and ensuring the consistency of best practices in the management and control of industrial risks within the Group as well as ensuring the existence of business continuity plans at production facilities.

Corrective measures

Even before the work was completed, the Company started implementing corrective measures to manage or prevent the identified risks. In addition, a tighter risk control and management system has been put in place, notably by designating "risk bearers" at both the corporate and business-line levels.

Compliance measures and procedures

The same law firm also assisted the Company with setting up the compliance programs provided for under French Act 2016-1691 dated December 9, 2016, related to transparency, anti-corruption measures and the modernization of the economy (the "Sapin 2" Act).

As part of this process, in 2017, Ms. Joëlle Fabre-Hoffmeister, the Group Secretary General, was appointed Group Chief Compliance Officer. In this role, her main responsibility is to ensure that the Group's rules of professional ethics and conduct are respected.

The Company has also established a new ethics and conduct system with two cornerstones:

- a Code of Conduct formally setting out the Group's values and principles, as well as the new preventive and enforcement measures in place, notably including a whistle-blower process;
- a dedicated Ethics Committee.

The ethics and conduct system is described in section 4.5 of this Universal Registration Document.

CSR risk monitoring

Chargeurs' subsidiaries use CSR reporting guidelines that were drawn up in 2013, which: It goal is to:

- set out the Group's CSR commitments;
- list the CSR indicators used for Group-wide operations;
- and describe the CSR reporting processes in place within the Group.

In fiscal 2016, the Group further strengthened its commitment to CSR, which was incorporated into its continuous improvement process. As such, CSR became one of the core pillars for successful business growth.

The actions undertaken and the progress achieved in this area, under the leadership of the Group's Secretary General, are described in chapter 3 of this Universal Registration Document.

03.

Non-Financial Performance Statement

The crisis has strengthened our CSR approach

JOËLLE FABRE-HOFFMEISTER
GROUP GENERAL SECRETARY AND
GROUP CSR STRATEGY MANAGER

"Throughout the year which suffered dramatically from the global pandemic, Chargeurs strengthened its CSR commitments and its ability to play a key role in the economy internationally.

The strength of our business model and our innovative capacity enabled us to maintain these advantages and positions in our traditional businesses, despite the backdrop of business disruptions and uncertainties, and even to create new businesses, as presented in Chapters 1 and 2.

All our businesses enabled our Group to make an even greater contribution to a balanced environment. Throughout 2020, Chargeurs stepped up its solidarity actions with its stakeholders, and developed businesses which enabled it to protect employee jobs and continue to serve our customers."

In this Chapter we provide a presentation of progress on our CSR approach, with:

- monitoring of key performance indicators identified in 2019;
- feedback from external and internal stakeholders, internal CSR ambassadors, customers and partners, supporters and co-operators;
- a detailed description of our management of the health crisis through the prism of SDGs.

Health crisis management from the standpoint of the Sustainable Development Goals (SDGs)

Solid governance to act efficiently

- Introduction of weekly monitoring of key Covid-19 indicators during the first wave of infection.
- Creation of a health crisis emergency unit. New rapid and optimized governance. Two weekly meetings with members of the Group's Executive Committee, including, where appropriate, expert contributions to understand developments in the pandemic.

Safety of all the women and men working for our Group

- Distribution of face masks and hand sanitizer to all operators at our production sites as well as donations for them and their families.
- Development of remote working practices: 32% of the workforce benefited from remote working.
- Safety and return to work protocols communicated and displayed at all our sites.
- Feedback during the Safety Day for all sites (October 6, 2020).

Mobilizing resources at the service of the community

- Supporting the emergency needs of local authorities in terms of equipment and logistics.
- Donations to hospitals and nursing homes: 10,000 liters of hand sanitizer, 80,000 face masks during the first wave.
- Production capacity rolled out at the peak of the crisis

Educating employees and boosting cohesion

- Weekly publication of a special in-house newsletter on the health crisis providing useful advice, personal experiences and in particular the mobilization of our global talent.
- *Safety Day* covering Covid risk prevention (October 6, 2020).

Managing health risks and preventing pandemics

- Adaptation of business production lines to meet global emergency needs in terms of supplies and technology, healthcare solutions and personal protective equipment (PPE).
- Innovation to introduce industrial production of masks, gowns and antibacterial protective solutions.

- Maintain activity, jobs (limited use of short-time working)
- Essential sites (Novacel, Boston Tapes)

3.1 Our CSR approach

Chargeurs group's CSR approach is:

Cross-functional and integrated

Our CSR approach is an integral part of all Group entities. It involves commitments from all business lines and all subsidiaries at all levels.

Committed

Our Group is committed to ensuring all actions are in line with the United Nations' Sustainable Development Goals and, in 2017, signed the UN's Global Compact. In this connection, each year, a Communication on Progress is released, reflecting our unwavering commitments.

In 2020, the Group stepped up its commitment to sustainability with the launch of a sustainability-linked Euro PP issue, based on two key pillars of our CSR strategy: the frequency of work accidents, and the share of revenue generated from "sustainable products and services."

Each year, an independent rating agency, EthiFinance (GAIA rating), specialized in SMEs and medium-sized companies, analyzes and assesses the Group's ESG performance. This provides us with an external and independent point of view on our performance, and drives us to continue to challenge ourselves to adopt a more ambitious approach.

Collaborative

Since 2016, our CSR approach has been built around networks of highly-committed representatives in each of our business lines who are fully aware of the challenges faced. They are both ambassadors and designers of our increasingly proactive approach. This network has been broadened and strengthened and now includes almost 25 active members who meet every month to expand our Group's ESG credentials. They are "our ESG family".

[see feedback from our employees page 99.]

The CSR approach is also built around close collaboration with exacting and vigilant external stakeholders. Our customers are the best ambassadors for our products. As a result, Chargeurs works closely with its stakeholders to jointly develop products and services that will give clients an ever-more distinctive competitive advantage, testament of their sustainability.

[see external stakeholders feedback page 112.]

Ambitious

Chargeurs' CSR strategy aims to become more ambitious every year. Chargeurs' historic track record of continuous progress pushes us towards innovation, in the pursuit of excellence. Chargeurs prizes excellence and aims to act as a pioneering leader in each industry in which it operates.

Unifying

ESG is a strong force for internal cohesion, and fosters a sense of belonging, sharing the Chargeurs identity. It enables us to trace our paths together, and unites all the women and men at Chargeurs around the same shared values.

Our Group can now rely on strong pillars to pursue and expand its ESG strategy and implement it successfully.

Solid and committed operating governance

The commitment of the Executive Committee is essential to Group success. The approach is steered and managed at Group headquarters with benchmarks from each of our business lines. Regular presentations are made to the Board of Directors.

Committed employees

The commitment of all of our employees and their awareness of the importance of the challenges we face are essential drivers of our CSR approach. Our employees are the cornerstone of this, as both actors and genuine ambassadors of our approach.

[see feedback from our employees page 99.]

A vigilant and exacting network

Customer satisfaction and the pursuit of high quality are central to our approach, driven by our desire to lead by example.

[See stakeholder feedback page 112.]

Organization and steering of the approach
General Secretary in charge of CSR strategy
CSR manager at headquarters, in charge of coordination and steering of the approach
Full-time CSR managers and ambassadors in all business lines

3.2 Our challenges, our goals

Analysis of ESG risks has been included in the Risks section (Chapter 2).

Environmental challenges:

- Carbon footprint;
- Water management;
- Pollution (air and water);
- Circular economy.

Social challenges:

- Safety of employees;
- Inclusion and diversity;
- Upholding human rights;
- Employee training.

A strategy in line with the Group's values

GROUP VALUES

- A **strategy** that is:
  - cross-functional and integrated
  - committed
  - collaborative
  - ambitious
  - unifying

Solid and supportive strategic pillars

- Solid and committed operating **governance**
- **Committed** employees
- A vigilant and exacting **customer** base

Priority actions to be implemented

- **Developing** the circular economy
- **Championing** responsible purchasing
- **Supporting** our employees

Targeted Sustainable Development Goals (SDGs)

- **Guaranteeing** the safety of our employees
- **Developing sustainable** products that form the cornerstone of our businesses lines
- **Becoming** more carbon efficient
- **Sustainably managing** water resources

The work of structuring and defining Group strategy was broadened from 2016 and in 2019 the Group defined its challenges and priority goals, and in particular four key performance indicators (KPIs).
(See Section 5.)

OUR NON-FINANCIAL PERFORMANCE INDICATORS IN 2020

SAFETY

Occupational accident frequency rate

WATER

Water consumption (by production unit)

CO_2

CO_2 emissions (by production unit)

SUSTAINABLE REVENUE

% of revenue generated by sustainable products and services

3.3 Our performance In the Gaïa Index

Launched 10 years ago, by the independent non-financial rating agency EthiFinance, which provides investors with corporate social responsibility ratings for small and medium-sized companies, the Gaïa index has become the benchmark for sustainable development of midcap companies.

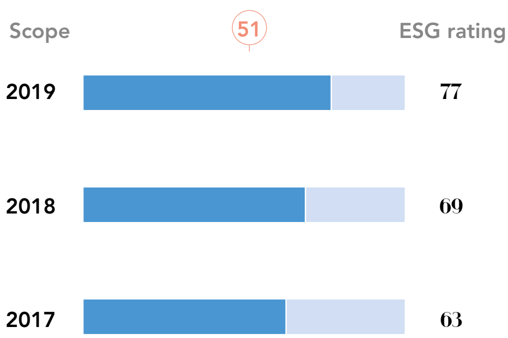
The Gaïa Index rates companies against more than 130 criteria to assess the transparency and maturity of their CSR policies, practices and performance.

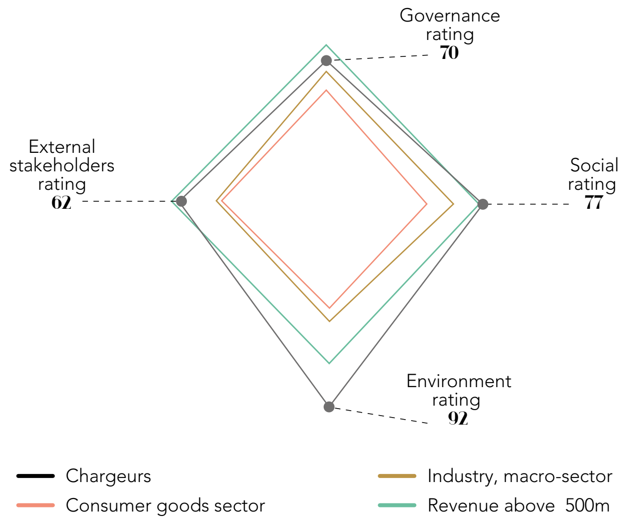
Of the 230 Paris stock exchange-listed companies that were assessed for the index ("the Gaïa panel"), 70 French companies were recognized for their environmental, social and governance performance. This year, Chargeurs was included among their ranks for the third year running.

In 2020, Chargeurs was assigned a score of 77/100 for its 2019 scope, versus the average of 51/100 for the 230 companies in the Gaïa panel. The Group significantly moved up the ranking, to 42nd place, i.e. 25 slots higher than the previous year, illustrating the sustainable ESG efforts rolled out in all business lines.

Chargeurs stood out particularly well for the environment pillar (92/100) thanks notably to excellent management of water, air, land and waste (100/100); as well as for the social policy and characteristics component of the social pillar, also achieving the top score of 100/100.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RATINGS FOR CHARGEURS AND ITS PEERS





This progression did not occur by chance. The recognition of the actions undertaken reflects the commitment of our business lines to the continuous improvement of our obtained ratings.

3.4 Our employees share their experience

CHARGEURS PROTECTIVE FILMS

Sandrine Guibert is Head of Marketing and Innovation at Novacel (Chargeurs Protective Films). CSR has played a pivotal role in her work. *"We have seen that it has become a key challenge for all companies and a decision-making criterion."*

"The first key to success in CSR is sincerity. It is a topic that does not tolerate untruths or ambiguities. Then, innovation is a key pillar: knowing how to innovate and question the status-quo to enact genuine change."

Concerned with the end-of-life of its products, Novacel communicates increasingly with its customers to support them in their waste management.

Novacel is making progress on the challenges faced by climate change, Sandrine Guibert underlined: *"We are making progress on this front, implementing action plans from manufacturing right through to the final product, with a range of R&D tools to promote low-carbon production."*

CPF was particularly committed to reducing its carbon footprint in 2020 and started a wide-scale initiative to optimize product life cycles.

This approach will enable our teams to better communicate with customers on these challenges by offering them the most comprehensive and transparent information on the carbon impact of our products. Further out, the challenge is to design and segment our range in the service of this approach.

CHARGEURS*PCC FASHION TECHNOLOGIES

SUSTAINABLE 360

For Chris Hill, CSR and Quality Manager at Chargeurs-PCC*Fashion Technologies, CSR is above all about *"acting sustainably for humanity and the planet."*

"As a company, we are pro-active in tackling these challenges. Our contribution, as a team, is to ensure that we develop the best ideas."

Management of water resources is a top priority for this business unit. Chris Hill explains: *"There is a whole range of initiatives we can adopt to reduce water consumption, for example using smarter machines."* An estimated 40,000 m^3 in water savings have been made thanks to decisions to upgrade machines.

Furthermore, we have also rolled out novel and very effective projects, such as the Dope Dye process used at the Lainière de Picardie site in France which is a dyeing process for fibers that enables huge water savings without any change in the quality of the interfacing produced.

(See Section 5.3, pages 104 and 107.)

The Dope Dye technique enables a reduction in water use of 70-80% compared with traditional dyeing techniques as well as a 7% saving in energy and a reduction in chemicals used of more than 20%.

Chargeurs*PCC's commitment to better management of water resources is also reflected in its sourcing of Better Cotton Initiative (BCI) cotton, promoting agricultural practices that are more respectful of natural resources.

"We are creating positive impacts for the planet, positive for the people who work with us, as well as achieving attractive results, to the delight of our customers. This is particularly rewarding."

CHARGEURS LUXURY MATERIALS

Chris McKenzie is manager and head of CSR at the CLM business line.

A key pillar of Chargeurs' CSR strategy is the development of sustainable products, such as Nativa™-certified wool. *"We believe it is the best strategy to build the future"* affirmed Chris McKenzie. *"We believe this to be the best strategy for our business to build a future. With big efforts over last few years Nativa™ is increasing year by year!"*

Customers are increasingly keen to tackle the challenges addressed by NATNA™. Chris McKenzie added: *"There is a significant advance in the Nativa awareness of the brands, which is building and providing CLM the confidence of having adopted the proper business strategy for the future sustainability of CLM business."*

Between 2019 and 2020, sales of Nativa™-certified wool increased 52%.

At present, CLM plans to pursue and step up the development of Nativa™. *"Our target is to generate 100% of sales with Nativa™ by 2025 We aim to have 100% of our revenue generated from NATIVA™ 360° businesses. We are developing other projects like offering Recycled wool and Regenerative Agriculture. This will help us meet more of our current and new client's demands."*

[For more detail on these projects, see pages 104 and 107.]

"2020 was a special year with many disruptions, much focus was placed on our responsibility to keep our staff and business safe and that our clients remain confident we can maintain our status on social and ethical responsibilities throughout such crisis."

CHARGEURS MUSEUM SOLUTIONS

from left to right: Sandrine Hornecker, Anthony Mossmann, Christine Wantz,

Sandrine Hornecker is site manager at SENFA in Alsace (north-east France). She underlined:

"CSR is the practical implementation of sustainable development goals at the company level while at the same time remaining economically viable. Therefore, it involves finding a delicate balance and taking initiatives that promote sustainable development and respect the environment but also our employees and our customers and society in general. CSR also means ensuring our industrial activities consume as few resources as possible. We consume water and energy and, as a responsible company, we must find ways to preserve the resources of our planet."

A major objective of the Group's CSR approach is safety, to reduce accident frequency.

Sandrine Hornecker: *"We keep a log of improvements and carry out monthly reviews with an action plan updated every month and appropriate safety awareness communication."*

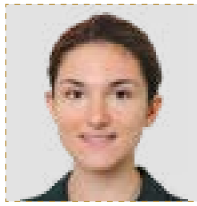
Above all, safety is team work. For **Christine Wantz,** QHSE manager and **Anthony Mossmann**, HSE manager, *"it is an ongoing commitment, something we need to keep in mind every day, at all times."*

Christine Wantz explains: *"For safety, our main focus is prevention, with the target of creating optimum safety conditions for our employees. There is a big communication component, we work at a human level. We must raise awareness and promote responsibility."*

Anthony Mossmann adds: *"At our site, we are faced with various different risks. Risks related to chemicals, machines, sound pollution, as well as thermal, electrical risks and the risk of inhalation of hazardous dust and particles. This range of risks means we must always be compliant with the very latest regulations. Regulations change, and we too must adjust our knowledge and our protection and prevention methods. It is a very dynamic process, involving many different players. It is for this reason that in the area of safety we talk about a management system, a genuine continuous improvement system."*

The team at Senfa works tirelessly to communicate on the different safety issues to keep each and every employee informed. For the Safety Day, Anthony explains: *"We really wanted to make this day personal. We worked to ensure it was fun, educational and collaborative. For instance, we organized a treasure hunt to encourage participants to find their own solutions. And, despite social distancing measures, we managed to get employees involved and received positive feedback."* Christine Wantz commented: *"Another crucial factor was that we worked with a multidisciplinary team to prepare the event. We succeeded in involving every department of our plant."*

CHARGEURS HEALTHCARE SOLUTIONS



From the outset, **Caroline Gay** has been part of the project team in charge of *"repurposing production resources in favor of mask production."* She was responsible for regulatory business and certifications linked to then-emerging Chargeurs Healthcare Solutions business line.

The strategic choice was immediately to ensure the highest quality standards for users.

Commenting on this, Ms. Gay said: *"Right from the start, we began by obtaining certification in line with the new European regulations, which is not yet obligatory, to guarantee the highest quality and ensure the absence of pollutants in masks."* Guaranteeing mask effectiveness and lack of danger is a priority. From March, teams carried out in-depth reviews to ensure mask safety.

The teams were trained and supported by experts. An in-depth review was carried out right from the start, with French laboratories.

[See report by Frédéric Dionnet, CERTAM center for research and innovation, page 112.]

"Right from the start, a specialized firm supported us for technical documentation as well as with the rollout of production, quality controls and traceability. This preparatory work enabled us to create a basic standard at CHS, on which all new products are developed."

CSR takes pride of place within CHS businesses. *"We are increasingly factoring in environmental criteria, such as recyclability, right from the design stage."* A recycling project for marks is also currently under review.

Soon, CHS production at the Lanière de Picardie site (in France) will include melt-blown, a nonwoven fabric with high filtration features. This production on our own site will enable us to be self-sufficient in the manufacturing of filtration media for surgical and FFP2 masks and to increase French and European capacity for this key element of mask production. A genuine strength to tackle future viruses that may appear.

3.5 Our action plans

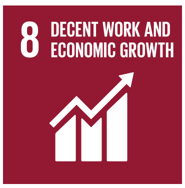
Review of CSR reporting methodology

Reporting campaigns on social, societal and environmental indicators are pivotal to steering CSR policy, both to assess progress made and to drive ongoing and future projects.

90 Close to 90 employees contribute to the reporting.

Social indicators are recorded at sites (with the headcount at December 31, 2020 as the benchmark). Similarly, environmental indicators are recorded at production sites (18 units equivalent to three-quarters of the headcount).

3.5.1 GUARANTEEING THE SAFETY OF OUR EMPLOYEES



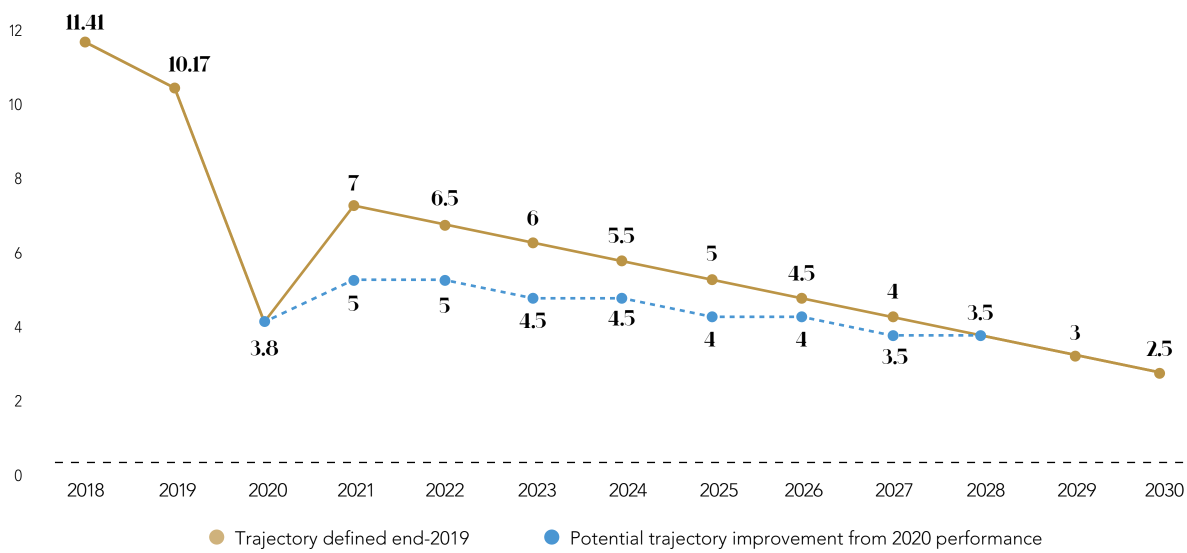
SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 8.8: Protect labor rights, promote safe and secure working environments and ensure that all workers are protected, including migrant workers, in particular women migrants, and those in precarious employment.

Key performance indicator: the occupational accident frequency rate.

2020 results:

- 5.75 for production sites
- 3.8 for the Group as a whole



Employee safety in the workplace is one of the Group's top priorities.

The frequency rate of lost-time work accidents is a particularly closely monitored indicator, with monthly reporting for all production sites.

The results achieved in 2020 are the fruit of efforts carried out during the year, with, in particular, the introduction of enhanced protocols and action plans; but this performance should be viewed with caution considering that activity of our business lines suffered declines in both production and work time. Nevertheless, our performance drives our teams to strive to lower the accident frequency rate even more in 2021 and thereafter.

As a result, the pre-defined trajectory was revised to take advantage of performance during the year.

New on-site based safety approach at Novacel Déville-lès-Rouen

At the Novacel site, a new work accident prevention method, ETSCAF, was introduced in 2020, and has enjoyed remarkable success.

Teams have been supported by a consulting firm specialized in corporate security in this approach that puts employees first.

These efforts were particularly effective, after three accidents during the first half of the year, the number was reduced to just one for the second half, and the length of accident-free time was significantly increased, to 154 consecutive days.

This year, the site obtained ISO 45001 certification, a standard set for organizations keen to enhance worker safety and reduce workplace risks and foster better, safer working conditions.

Safety Day

First held on November 13, 2017, the annual Safety Day highlights Chargeurs' efforts to strengthen its risk prevention policy. The goal of this day, held once a year, is to raise awareness and to encourage all Group entities to review the mandatory notices displayed in their premises as well as their safety instructions, and also to update their staff training and promote a safety culture based on the Bradley Curve.

To reach its zero-accident goal, Chargeurs is committed to instilling a culture of safety at every production plant and will continue to hold Safety Day events to seize every opportunity to move forward in this area. Goal: boost awareness and get each and every employee involved in the continuous improvement process.

Lessons from the 2020 Safety Day: Senfa, setting the example

Last year, the Safety Day took place on October 6, 2020, with a focus on managing and preventing Covid-19-related risks.

Senfa teams took advantage of this event and this theme to boost employee efficiency. The goal was for each employee to adopt these themes at their own level.

A multidisciplinary team steering the project (QHSE, production, communication, HR, management) rallying all site departments.

The team devised multiple-choice questionnaires, one-on-one meetings, and even a treasure hunt for certain site-specific issues. The participants had to find five words by asking questions related to the concept of safety. These key words represent the five values to share to tackle the health crisis:

- Positiveness
- Autonomy
- Responsibility
- Engagement
- Respect.

Each word is linked to examples of what had been done on site and what could still be improved.

The first letters of these values are used in the word PREPARE, sending the message: *"We are prepared for the future."*

The organizing team succeeded with its mission: the sparked employee interest and everyone understood the issues related to Covid-19 safety and risk prevention, all in a fun atmosphere despite social distancing measures. Employees provided the teams with very positive feedback.

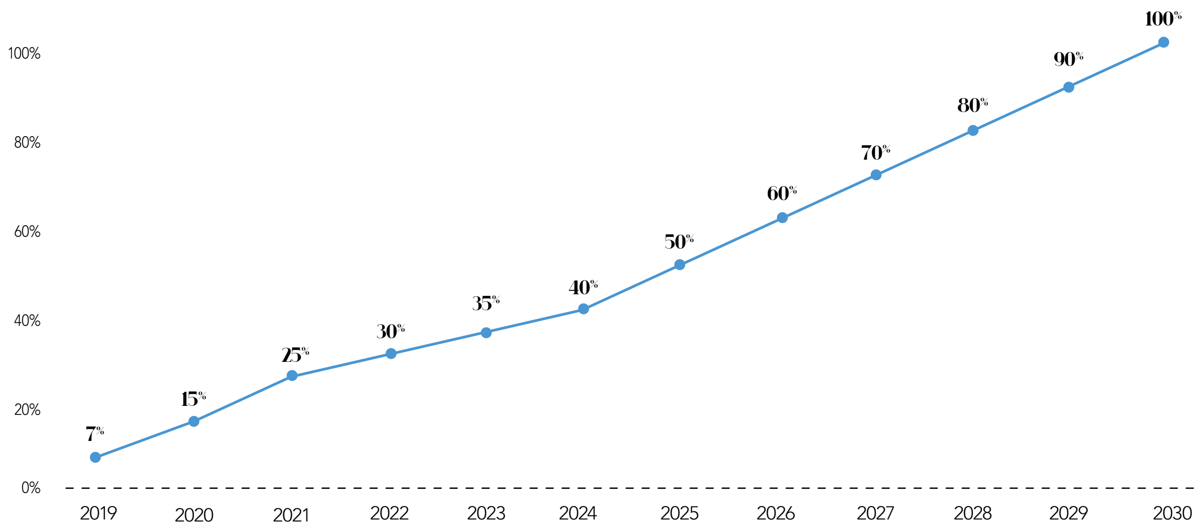
3.5.2 DEVELOPING SUSTAINABLE PRODUCTS THAT FORM THE CORNERSTONE OF OUR BUSINESSES LINES

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 9.4: By 2030, modernize our infrastructure and adapt our industries to make them more sustainable, via more rational use of resources and increased reliance on clean and environmentally-friendly industrial processes and technologies with each country contributing according to their means.

A key performance indicator: the portion of revenue generated from sustainable products and services.



2020 result: 15%.

This goal represents a more transformative CSR approach, with a strong ambition: 100% sustainable products and services by 2030.

TABLE PRESENTING CHARGEURS' SUSTAINABLE PRODUCTS AND SERVICES (BY BUSINESS LINE)

Sustainable products and services are defined as those that contribute to environmental, social and economic progress while also protecting public health.

Business line	Sustainable product	Description	Our value creation model
CFT*PCC	Sustainable 50® range Now the Sustainable 360™ raange	This product range is the first comprehensive collection of interlinings using eco-friendly materials, in particular BCO cotton (100% BCI cotton used from January 1, 2021), hemp, recycled polyester (GRS polyester), and Bemberg tissue (regenerated cellulose fiber made from Asahi Kasei cotton)	Environmental
CPF	OXYGEN range	OXYGEN vegetal: This protective film is produced from more than 80% biosourced plastic (recycled from sugar cane waste). OXYGEN recycled: This film is produced using more than 20% recycled polyethylene. OXYGEN Lean: An innovative extrusion technology that reduces the amount of raw materials used by at least 20%.	Environmental
	Low Noise	Protective films. Unrolling a standard roll of highly-adhesive film creates the same amount of noise as a concert (or a jackhammer, i.e. more than 100 dB). This is critical when an operator is exposed to this noise for one-quarter of work time. Low Noise technology significantly reduces the noise during unrolling (<85 dB).	Social
CLM	Nativa™	Nativa™ is a label that guarantees the quality and traceability of wool fibers at every stage of the value chain, from the farms where the sheep are raised and sheered, to the clothing items of fashion brands. Each link in the Nativa™-certified value chain must comply with the principles defined in its CSR protocols in terms of animal welfare, land management and industrial standards. In this respect, each year, an audit is carried out by an independent firm.	Social, environmentally-friendly and fully traceable
CMS	ALT range ALTERRA ALTIMIS	Technical fabric made from fully recycled materials (each square meter of fabric contains two recycled plastic bottles). The new PEARL range has all the hallmarks of a best seller with a reduced environmental impact of around 25%. ALTERRA won the best product award at the SGIA expo in New Orleans (USA) in 2017.	Environmental
CHS	Lainière Santé™	Lainière Santé designs technical healthcare and personal protection solutions. This comprehensive offering includes hand sanitizers, textile solutions for PPE (reusable fabric masks, masks made from recycled fabric, bactericide protective films).	Societal

Our sustainable product offering is constantly evolving, thanks to our Group's pursuit of excellence and our constant innovation, driven by ever-increasing customer demand for more sustainable products that positively impact our planet.

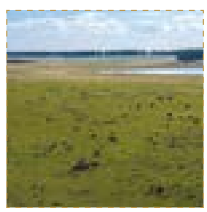
Chargeurs*PCC's Sustainable 50 range, which covers all the business line's high environmental value-added products is a resounding success and was significantly expanded during the year. It was rebranded Sustainable 360™ in November 2020.

At March 2, 2021, the range included 210 products, 40% of which are made from Global Recycled Standard (GRS) polyester, 80% generating water savings and 32% from SMETA-audited sites. All the cotton we use in this range is produced in line with the Better Cotton Initiative (BCI).

At CPF, the success of our Low Noise products was confirmed in 2020, with more than €5 million generated in revenue (up 30% versus 2019).

CLM generates an increasing portion of business with Nativa™-certified fibers. The business line has set a goal of working with 100% Nativa™-certified wool by 2025.

Nativa™ is committed to regenerative agriculture



Thanks to its strong environmental commitment, Nativa™ plans to go a step further in promoting regenerative agriculture. The first pilot project was launched in 2020. The goal is to apply more exacting standards as regards farming practices and animal welfare.

Regenerative agriculture is more respectful of biodiversity and land quality.

It uses the most sustainable agricultural practices, promoting more responsible land use and boosting land carbon sink potential. It increased animal welfare by providing livestock with better living conditions and better nutrition.

To roll out this project, teams worked in partnership with pioneering regenerative agriculture organizations and their recognized standards to certify regenerative farms. The first pilot project was carried out with farms in Australia which were granted the Nativa™ certification.

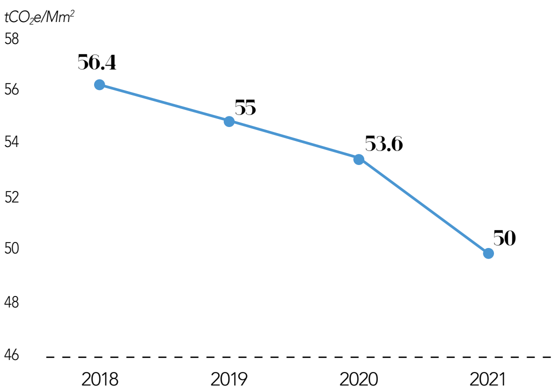
Further out, the goal is to work with more regenerative farms and to train some Nativa™ farmers in such sustainable practices.

3.5.3 IMPROVING OUR CARBON FOOTPRINT

SDG 13: Take urgent action to combat climate change and its impacts.

Goal 13.2: Integrate climate change measures into national policies, strategies and planning.

Key performance indicator: CO_2 emissions (by production unit).



2020 result: 53.6 tCO_2e/Mm^2.

Chargeurs is aware of its own carbon footprint and is constantly striving to enact sustainable positive change to reduce it.

Analysis of product life cycles

With the goal of offering customers information of the environmental impact of its products, each year, CPF carries out life cycle analyses (LCA).

This project was steered with the technical support of a firm specialized in calculating emission levels, with water and energy modelling in particular. It enabled life cycle assessments of more than 100 products representing 80% of revenue at Novacel.

The LCAs enable us to provide enhanced and transparent communication on the environmental impact of our products.

[see comments from Sandrine Guibert at Novacel, and from Mark Broderick at Kingspan, a Novacel customer.]

LCAs were also carried out at Senfa on certain product ranges such as ALTERRA, ALTIMIS and SUBLIMIS.

A comprehensive carbon footprint review at the Group level

To boost its eco-friendly credentials, for 2021, the Group plans to complete a comprehensive review of its carbon footprint, including investigation of Scope 3 emissions. Thereafter, a low-carbon climate strategy will be defined.

This is a key large scale project and will be a determining factor in setting the Group's future climate strategy. It was born of the desire to be able to define a realistic carbon trajectory that would be achievable in the coming years.

The goals of this project are:

- to mobilize employees in the fight against climate change;
- to consolidate a major pillar in Group ESG strategy;
- to identify action drivers to reduce our carbon footprint;
- to become autonomous in assessing and steering our climate strategy/carbon trajectory.

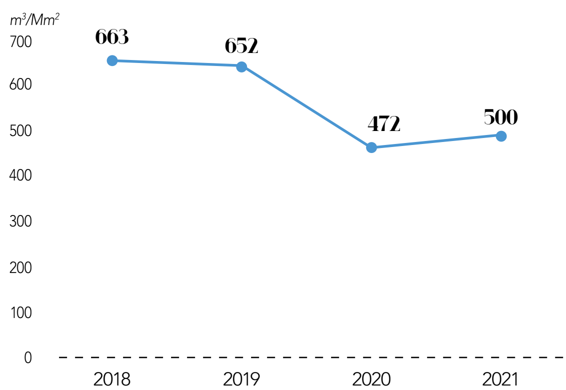
3

3.5.4 REDUCING USE OF WATER RESOURCES

SDG 6: **Ensure availability and sustainable management of water and sanitation for all.**

Goal 6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.

Key performance indicator: water consumption (by production unit).



2020 results: 472 m^3/Mm^2

Water resources are scarce and extremely valuable. Our goal is to reduce our consumption as well as all wastage and pollution.

Technical initiatives to ensure a sustainable reduction in water needs

At several of our production sites, projects have been launched to switch to more efficient machines. Within CFT*PCC, 40,000 m^3 of water are saved on an annual basis thanks to initiatives to upgrade machines. [Comments from Chris Hill page 99.]

These investments to upgrade our equipment enable better management of water resources, reflecting our continuous efforts at all Group levels to combat water wastage.

An innovative dyeing process: Dope Dyeing

A strategic projected to cut water consumption is used in the Dope Dyeing process for fabrics. Use of this process is currently in the testing phase at Lainière de Picardie in France. At this site, water used solely for dyeing accounts for 20% of total water consumption.

With traditional dyeing processes (beam dyeing), it takes 30 liters of water to dye one kilogram of polyester. The Dope Dyeing process involves introducing the dye in liquid form before the thread that makes up the fabric is formed. This means that the water used in the dyeing process can be saved, without affecting the quality of the end-product.

The Dope Dye process enables a reduction in water use of 70-80% compared with traditional dyeing techniques as well as a 7% saving in energy and a reduction in chemicals used of more than 20%.

3.5.5 DEVELOPING THE CIRCULAR ECONOMY

Goal 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and reducing the emissions of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe water reuse on a global scale.

Goal 9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise the industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

Goal 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

Goal 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

As in any manufacturing industry, the Group's operations use natural resources and produce waste. Monitoring and improving the end of life of our products is a major challenge.

Developing the circular economy is an opportunity to transform our business model sustainably and to reduce our environmental impacts, in particular to reduce our carbon emissions.

Transitioning to the circular economy is challenge in terms of innovation. We strive to ensure recyclability of our products right from the design stage, also ensuring they are made with recycled materials, to promote circular use of our resources.

Monitoring and managing waste production indicators

- Hazardous waste: **909 t (-5%)** ;
- Non-hazardous: **10,680 t (+4%)**;
- Recycled waste: **56%**;
- Energy recovery: **14%**;
- Landfill: **11%**;
- Incineration without energy recovery: **18%.**

Producing responsible, recycled masks

A circular economy project is being reviewed for masks. This project was inspired by the observation that used masks are being discarded and are polluting the natural landscape. Added to this, it is our Group's aims to recycle and reuse industrial waste.

The prospective goal is to be able to produce new masks from recycling other masks.

The review of the project was carried out in collaboration with the CETI (*Centre européen des textiles innovants* - the European Center for Innovative Textiles) for materials testing, see CETI testimony page 112, and recycling is carried out by partners.

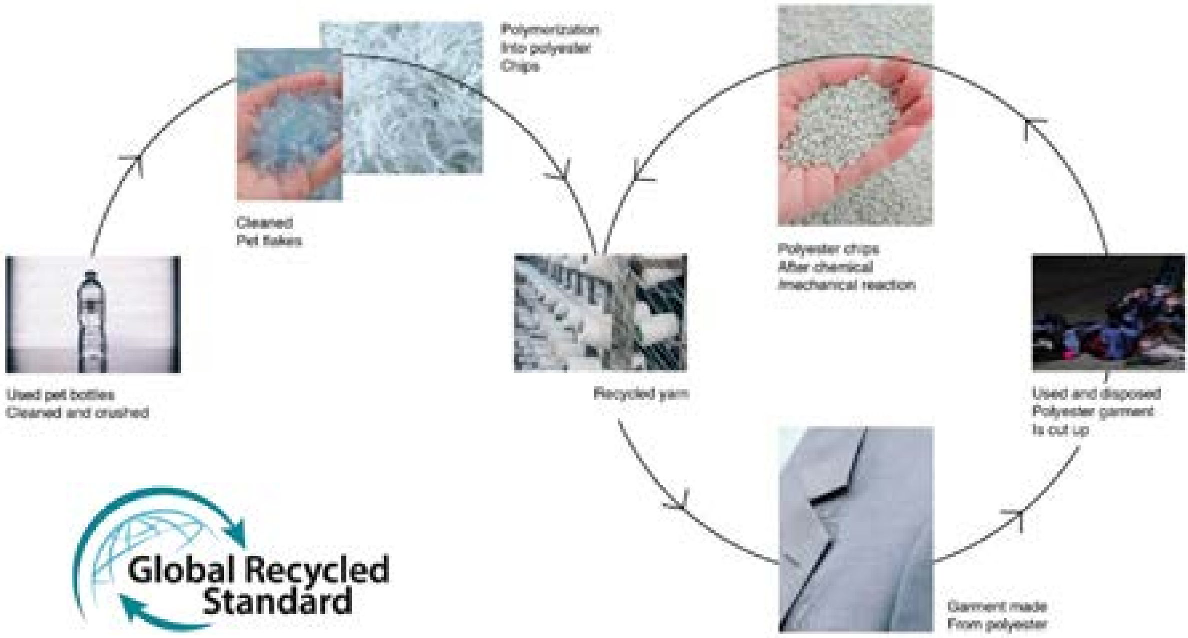
Materials tests are encouraging. There will be two fully-recycled mask types on offer: reusable fabric masks and surgical masks.

Another project, also in the test phase, covers the transformation of disposable surgical masks into plastic pellets, which can then be used as raw materials.

In any case, upstream of these recycling projects, the Group is organized to collect used masks at sites where they have been used to minimize their environmental pollution.

Use of recycled materials at CFT*PCC

40% of the S360 range, formerly S50, is made from Global Recycled Standard (GRS) recycled polyester. The fibers used are created from recycled plastic bottles and polyester clothing items.



Wool recycling at CLM

To further its commitment to sustainable development, CLM aims to extend the life of wool and take full advantage of the exceptional qualities this fiber offers.

Based on this ambition, CLM has developed a wool recycling solution for its partner brands which includes collection of surplus wool, sorting, recycling, spinning and delivery of the recycled thread. As part of the transparency standards for Nativa™, this recycling process is GRS certified and is fully traceable using Nativa™ blockchain technology.

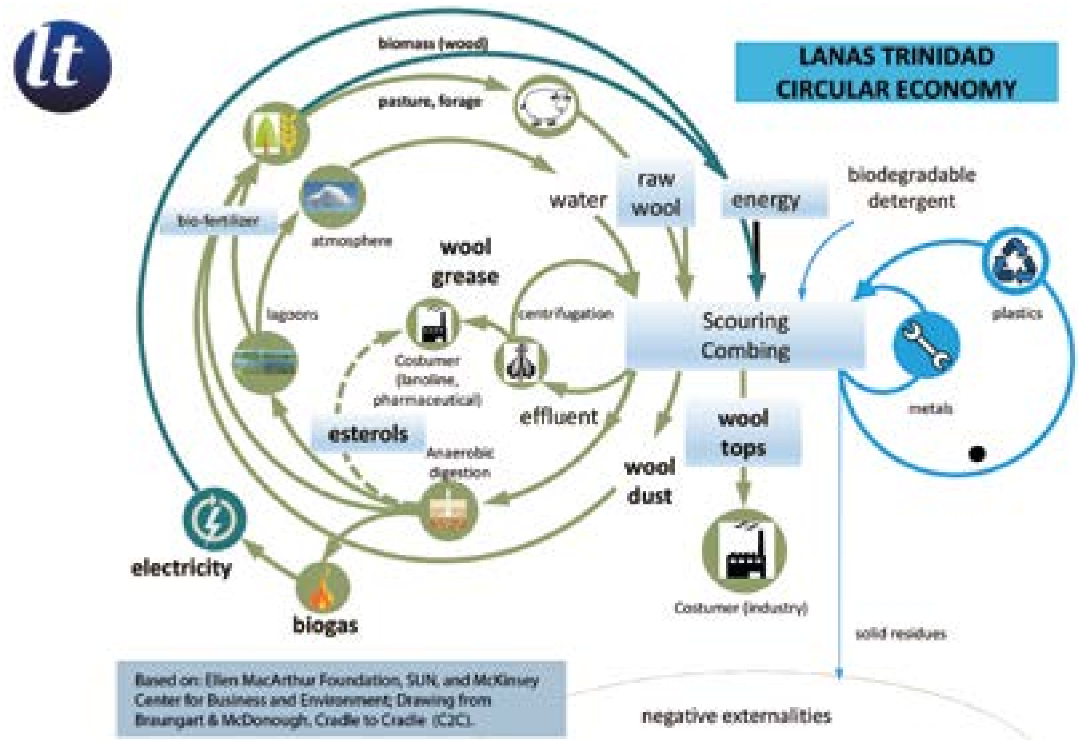
CLM is in the process of concluding initial partnerships with several brands such as Madewell, exchanging information in terms of recycled materials. Recycling is carried out with specialist partners in the Prato region of Italy.

Focus on Lanas Trinidad, a wool combing partner site in Uruguay

Lanas Trinidad has been applying circular economy practices for several years and its achievements have been recognized by the United Nations and the Uruguayan government.

Applying circular economy practices at Lanas Trinidad:

- reduced water consumption, with the collection of one million cubic meters of rain water;
- covers 25-30% of energy needs thanks to the recovery of waste water;
- produces renewable energy thanks to sustainable management of forests and irrigation;
- reuses wool residues and irrigation residues in forage farming.



3.5.6 CHAMPIONING MORE RESPONSIBLE PURCHASING

The way we view our responsibility and our belief that purchasing policies are critical for CSR performance have led the Chargeurs group to actively promote sound, streamlined practices across its supply chain.

This means playing a leadership role and promoting environmentally and socially responsible practices. Much like the Group's own internal oversight mechanism, the Chargeurs Code of Conduct, training, advisory services and skills improvement in this respect require the type of follow-up, dialog and cooperation that is nurtured by close partnerships, i.e., by more than a purely defensive approach linked to risk management. Building these partnerships, which help controls function smoothly, overseeing improvement plans and sharing best practices are all important performance prerequisites that ensure supplier relationships are responsibly managed.

Responsible purchasing charter

A responsible purchasing charter was drawn up in November 2017 and signed by the Group's strategic suppliers.

By signing up to the United Nations Global Compact, the Chargeurs group is committed to promoting and supporting the fundamental CSR principles in its activities. In this spirit, the Chargeurs group offers to work with suppliers to adopt these principles, in line with the following benchmark texts:

- the 1948 Universal Declaration of Human Rights;
- The Conventions of the International Labor Organization in terms of minimum age, child labor, union freedom, right of organization and collective bargaining, ending forced or obligatory labor, promoting equal pay and ending all forms of labor discrimination.

The Responsible Purchasing Charter sets the main lines of our fundamental expectations regarding our suppliers. These principles are the minimum social and environmental requirements we expect of entities involved in the manufacturing of our products to guarantee to our customers that the people who make them are treated decently regardless of where they work. We also expect our suppliers to follow our example in making sustainable commitments in this respect.

Sedex SMETA audits

Chargeurs' production sites have been audited by SMETA (Sedex Members Ethical Trade Audit), a recognized social and ethical audit methodology.

It ensures premium audits, covering all aspects of responsible business practices, including four main CSR pillars:

- Working conditions;
- Health and Safety;
- Environment;
- Business ethics.

In line with the responsible purchasing charter, and SMETA audits, an initial list of Tier 1 strategic suppliers was audited.

These audits will be continued and stepped up in 2021 with more than 25 suppliers.

Better Cotton Initiative

In the pursuit of more responsible raw materials, Chargeurs*PCC has been a member of the Better Cotton Initiative (BCI) since 2019.

The BCI contributes to the success of the United Nations' Sustainable Development Goals (SDGs) for responsible water management and sustainable agriculture. It promotes more responsible agricultural practices. Use of irrigation is limited to ensure better management of water resources. Use of pesticides and chemical fertilizers should be kept to a minimum, to avoid pollution of natural resources, guaranteeing higher quality cotton. Lastly, the BCI guarantees decent working conditions.

From January 2021, 100% of cotton used by CFT*PCC is BCI-licensed.

Teams stepped up supply of BCI-licensed cotton in 2020, with the goal of ensuring compliance with basic human rights by our suppliers. Indeed, following allegations of forced labor and major human rights violations in the Uighur community in the Xinjiang region of China, the BCI halted all activity in the area.

3.5.7 SUPPORTING OUR EMPLOYEES

4 QUALITY EDUCATION

Goal 4.4: By 2030, substantially increase the number of young people and adults with the skills, particularly technical and vocational skills, needed for employment, decent jobs and entrepreneurship.

Onboarding

To sustain the Group's expansion, particular attention is paid to the talented individuals who make it what it is today. Most of the people who work for Chargeurs' business lines are passionate about what they do. Their commitment is needed to ensure that the quality of Group products and services remains high. "Passion" is one of the Group's values, as are "Commitment," "Boldness," and "Reliability." These values, which are shared by everyone in the Group, must be imparted to new employees as soon as they join.

This is why Chargeurs has developed several programs to welcome new staff, guide talented young employees, and help experienced managers to roll out Group strategy on the ground.

The Onboarding and Executive Talents programs spread a corporate culture that prides itself on high standards by exploring concrete operational problems with program participants.

Training

Despite the disrupted backdrop in 2020, training continued at a high level in our different areas of business. In particular, teams were trained in safety, and prepared the launch of the Novacel Academy, as well as adaptations to the Game Changer management training program.

The following numbers reflect this:

- 13 hours of training per employee on average of the total Group workforce;
- 17 hours of training on average for each manager trainee;
- 19 hours of training on average for each non-manager trainee.

Talent sponsorship to develop in 2021 (CMS)

The CMS business line plans to develop talent sponsorship in 2021. This will enable employees to contribute their expertise to non-profit organizations working for cultural promotion and development.

Partnership with ESMT Berlin

Since 2017, in partnership with one of the leading European business schools, ESMT Berlin, Chargeurs has developed an exclusive course for top managers as part of its Game Changer strategic plan.

In particular, this partnership was built with the Hidden Champions Institute of ESMT, with Chargeurs recognized as a Hidden Champion. **Bülent Gögdün** program director at ESMT Berlin. Commenting on the partnership, Mr. Gögdün said: *"A hidden champion is usually a middle-sized company, not well-known by end-users (therefore hidden) and that operates as market leader in its specific field (therefore champion)."*

The training program seeks to not only consolidate and leverage the knowledge of participants, but also to put their knowledge into practice to roll out the Game Changer strategy. The idea was to go a step further than mere training in a bid to deliver immediate impact.

The program was designed as an ideas incubator, with attention to client needs as its starting point. The support provided by ESMT enabled participants to adopt a renewed and more agile mindset using practical tools and methods.

Mr. Gögdün added: *"For me, two main things happened. We could create ideas that support the Game Changer Plan, and participants learned a different way to work."*

"The program involved all managing board members who came to Berlin at the end of the sessions, to listen and challenge the ideas." From these ideas, several were implemented such as the Online Academy at Chargeurs*PCC and Smartech Protection at CPF.

Today, the partnership reinvents itself around exchanges between ESMT and Chargeurs to include the Group's new strategic position Leap Forward. The goal of the next session in 2021 will be to guide employees in the Group's expected evolution by 2025, regarding its ability to enhance its assets and its organic growth.

3.5.8 ENSURING THE SUSTAINABILITY OF OUR EXPERTISE

Novacel Academy

The goal of the Novacel Academy is to sustain and communicate our expertise and knowledge, to train future talents and to create the best teams to guarantee the highest quality of our products.

Anne Loison, Novacel Academy Manager, commented: *"As induction techniques were not taught at schools, we have created our own training programs for the transfer of knowledge specific to Novacel businesses."*

The training modules and the integration plan were developed in-house. Acquisition of the necessary skills is mainly achieved with practice and experience. The training is provided by experienced employees, who share their knowledge and discuss with participants. Participants are also included in workshop teams.

The Novacel Academy was inaugurated on February 1, 2021, and is hosting its first class of professional work/study students for a year of highly skilled training.

Very soon, the Novacel Academy could build on the competencies of pre-qualified employees on-site, with a focus on upskilling. The training course could be rolled out to the different CPF sites. Some courses could also cover customer training.

3

PROFILING OUR GROUP WORKFORCE

Evolving through their activities in an international environment since the Group was founded in 1872, Chargeurs' staff have diversity in their DNA.

2,228
Total employees

25
languages spoken

GENDER EQUALITY

31%
of women employees

31%
of women executives

28%
in the Top 50

Figures on gender equality that remained stable, confirming the Group's ambition to ensure fair representation of women at all levels.

First-time appointment of a woman in charge of a manufacturing site – Sandrine Hornecker, Senfa General Manager.

DISABILITIES

3.3%
of staff in France with disabilities

Chargeurs recognizes the employment challenges presented to people with disabilities. As such, the Group intends to launch initiatives that support access on its sites.

TURNOVER

12%
a declining figure for several years.

SUBSIDIARY-FOCUSED SOCIETAL INITIATIVES

22
initiatives launched by subsidiaries the world over.
Partnerships with schools and environmental non-profit organizations and sponsoring.

3.6 Our stakeholders share their experiences

CHARGEURS HEALTHCARE SOLUTIONS

CERTAM is a center of innovation and technological exchange located near Rouen in Normandy (northern France). The convergence of skillsets prompted them to answer a call for tender from the General Secretary of the French defense procurement agency *(Direction Générale de l'Armement - DGA)* to act as a relevant third-party partner to conduct testing and assessment of the performance of so-called "mass-market" masks (fabric, washable and reusable 50 times).

When the Group decided to redirect production in favor of masks, it turned to CERTAM to conduct the tests needed to deliver high-quality masks.

Frédéric Dionnet, CEO at CERTAM, commented: *"We have three businesses with Chargeurs: a laboratory which provides support to the teams in the design of new products, a rigorous mask certification procedure, and, lastly, a more marketing-focused business to support teams in promoting the product."*

Teams rapidly built up a relationship of mutual trust. *"We are hands-on people and we were able to exchange with hands-on people. We had an easy-going and smooth business relationship. Right away, we wanted to work with the teams. At a human level, we were confident and felt at ease right from the start."* This relationship was strengthened when CERTAM teams visited the Lainière de Picardie plant in December 2020.

CERTAM is committed to CSR practices and, in this respect, has been granted the Ecovadis Gold rating. *"For several years we have been working in favor of the environment. Since we work towards addressing social challenges, it is part of our corporate culture. We foster creativity, it is the basis of innovation and our core business." For Frédéric Dionnet, CSR in mask production is also about keeping French industry alive with production sites such as Lainière de Picardie.*

CHARGEURS*PCC FASHION TECHNOLOGIES

The CETI is positioned as a transformational player in the textile sector promoting circularity and sustainable development. **Isabelle Cornu,** Head of Marketing, Business Developer of Sustainable Innovation, supports companies in their CSR strategies.

Isabelle Cornu explains to us: *" Last year, we started exploring mechanical recycling with CHARGEURS based on the group ambition to internalize recycling facilities for its customers and own leftovers."*

Several tests were carried out on different recycling techniques and different mask types to explore potential solutions. Thermodynamic recycling via densification, is to be tested during the year. This method will enable the transformation of masks into pellets which can then be formed into thread and woven to make fabric or used in unwoven material. Upon completion of these test phases, the CETI will be able to advise the Group on the best solution to adopt.

"There is great dialogue between the teams. Communication is very frequent, and very fluid. It is as if we were all part of the same company, we really felt like we were a Chargeurs laboratory for this particular project."

These tests will also contribute to European research and innovation projects for textile recycling via densification promoting the circular economy for masks.

"CETI is very proud to be part of this sustainable route, matching with it's mission to accelerate circular economy. Each project in this scope help Textile community go behond actual technical barriers."

Tamara Davydova is the founder and creative director of the emerging brand Minimalist, built on circular economy principles.

*"I created Minimalist with a commitment to circularity and purity of design using the best-quality materials. Each garment is designed with the intention of being fully recyclable at the end of its lifecycle. My commitment isn't just to what you see on the outside of a garment; inner components or as I call them "ingredients" are just as important. The Sustainable 360™ line from Chargeurs*PCC allows me to source high-quality sustainable inner components that align with my vision of creating a circular fashion brand."*

*Tamara Davydova wearing the sustainable shoulder pads of Chargeurs*PCC's Sustainable 360™ range*

CLAUDIE PIERLOT

Claudie Pierlot is an iconic Made in France ready-to-wear brand and a long-standing customer and partner of Chargeurs*PCC. For a number of years, the House has focused on sustainable product ranges developed by Chargeurs*PCC.

Amélie Bouché is Sourcing Manager at Claudie Pierlot and has worked as CSR Ambassador for three years on the Claudie Cares project. In particular, the brand aspires to make 80% of its ready-to-wear products eco-designed by 2025. "We care deeply about going a step further with our partners and suppliers to drive forward eco-design."

CLAUDIECARES

Marie-Ange Guesnel works as Production Manager at Claudie Pierlot and is a member of the *Claudie Cares committee*. Marie-Ange contributes to the eco-design of products that will be labeled *Claudie Cares* and monitors progress on sustainable collections for the brand.

*"We started with the Chargeurs*PCC teams by launching eco-designed thermobonding, which enabled us to take a step further than the initial goal we had set since we initiated work on in-house garment supplies, which is particularly challenging."*

Commenting on relations with Chargeurs*PCC teams, Marie-Ange said: *"We are pleased to partner up with Chargeurs. Our professional relationship dates back a long time and there is an attachment to the brand. Our relationship is founded upon genuine trust and we collaborate in a consultancy capacity. What's more, we were supported in our CSR strategy."*

Commenting on the growing influence of CSR on the Claudie Pierlot brand, Amélie said: *"I think that the pandemic we are currently navigating has accelerated consumer awareness of the importance of CSR both on a global and local scale. At Claudie Pierlot, we have spent several years working on such issues. Now really is the time to go one step further in an effort to meet the demands of increasingly informed consumers."*

CHARGEURS PROTECTIVE FILMS

Kingspan

Kingspan is a leading, global building materials supplier based in Ireland, with an ambitious CSR approach ("Planet Passionate"). The relationship between Kingspan and Novacel was strengthened from 2018 to become a genuine partnership, strong at both the local and Group levels.

"In the current context, it is important to have a robust supply chain, with good suppliers who ensure continuity and added value." commented Mark Broderick, Procurement Director.

"I think we have a very very good relationship with Novacel teams, who have been very professional in their approach with us, and who have been working with us on sustainability. I suppose we don't have all the answers, but we are finding a way to have a more sustainable supply chain and sustainable materials and I think the teams are very open and very proactive to get that done."

"We are looking for holistic solutions, to make sure we have a continuous improvement process for the coming years that enhances both our business and the business at Chargeurs as well."

Kingspan is firmly focused on reducing its carbon footprint. In 2020, the Group benefited from Novacel product life cycle reviews, providing comprehensive information on the carbon footprint of each product. "We need to work with our suppliers because they account for the largest share of our carbon footprint."

Kingspan and Novacel are currently working on the most innovative products: *"We are always on the lookout for the most sustainable materials."*

In November 2019, Novacel took part in Kingspan's *"Suppliers Day,"* an event that brought together the most innovative suppliers.

CHARGEURS MUSEUM SOLUTIONS

PROLOGIS

Prologis is a US investment fund specialized in logistics real estate. Active in 19 countries across four continents, Prologis manages more than 4,500 buildings and its business creates around 850,000 jobs.

Francesca Hawken is Marketing Manager for Prologis UK, which manages 22 logistics parks in the United Kingdom.

Leach began providing Prologis with its solutions in early 2019. The teams quickly forged a close relationship, with a focus developing a highly environmentally-friendly offering.

Leach provided innovative screening solutions using the Alterra range using recycled plastic bottles. Leach then successfully provided a cost-effective solution with the use of fully recyclable materials including 750 recycled waste plastic bottles.

"In such an initiative, you must absolutely focus on the environmental value of the products." "We needed solutions and the teams came up with a compelling idea. After several testing phases, it worked really well, and the sustainability of the materials gives us a real competitive edge."

"At Prologis, we pride ourselves on the knowledge that product quality has not been impacted. Working with Leach has proven to us that we did not have to compromise on quality and that we were in a position to charge a reasonable price. It is in everyone's best interests to transition towards more sustainable products."

CHARGEURS LUXURY MATERIALS

Madewell

Madewell is a ready-to wear brand of the USQ group J.Crew. It became one of the group's flagship products with huge success and is positioned in favor of sustainable development.

"Sustainability has become a key focus at Madewell and we believe that all businesses should have a positive impact on the world." said Gonzalo Pertile, CSR manager at J.Crew group.

Gonzalo Pertile tells of the partnership with the CLM teams:

"We started our relationship with Chargeurs about 2 years ago. Since the beginning we aligned on our shared values around sustainability, caring for the planet and our communities, and that's how we began our journey to source responsibly produced wool from certified Nativa™ farms from around the world. Our teams at Madewell work very closely with Chargeurs and we value the strong partnership that we have been able to build. This is a partnership that continues to evolve as we both further our commitments to social and environmental responsibility."

Madewell announced a series of commitments in March 2020. Between now and 2025, 100% of key fibers used in Madewell products will be ethically and sustainable sourced and will not include any virgin plastics. *"Having partners like Chargeurs is essential to the success of our sustainable development strategy."*

The CLM teams accompany the brand in meeting this goal by guaranteeing fibers from farms that take a rigorous approach to animal welfare, responsible land management and ethical working conditions.

Attentive to customers, Madewell aims to increase the transparency of its products. In this connection, Nativa™ provides completely traceable wool from the farm to the end product, thanks to blockchain technology which informs the customer of the different stages of the production chain.

"We are excited to continue partnering with Chargeurs in innovative ways that result in a positive impact for the farmers, the sheep and the environment."

NAPAPIJRI

Napapijri is a key brand of US group VF Corporation. Hermin Uzer, product development manager and Silvia Villa, head of marketing and communication, give us their point of view on the partnership built with CLM.

"From a product perspective, the most valuable part is the clarity on the whole supply chain that Nativa™ has been giving us, the full traceability, the Blockchain in that direction, which helped us choose NATIVA™; this is the biggest difference with other certifications, Nativa™ covers a lot more. " explained Hermin Uzer.

Silvia Villa: *"From a marketing perspective, the support has been amazing, both in Blockchain and the willingness to collaborate has been really a case of co-creation"* She added: *"The openness is really valuable. In the content creation process, it could have been a struggle (for instance) sending a photographer to Patagonia to our farms and actually being able to photograph and interact with two farmers who take care of producing wool for Napapijri, we were able to feature that in our campaign. On top of the valuable product, a lot of added value has to do with the cooperation and support."*

Napapijri and VF Corporation continue with their ever-more ambitious sustainable development strategy. Sourcing ethically produced wool is one of their goals.

"The quality of the product changes based on how we are able to to make things. It goes above and beyond the quality itself."

This strategy is also in line with changing consumer expectations which has intensified since the health crisis. *"Consumers are much more conscious in everything they are buying, there is a mindset change. There is a different sense of responsibility and consciousness. We are being more conscious about the consequences of our choices."*

3.7 Cross-reference table

Main challenges and Group goals	Strategic initiatives	Indicator(s) to watch	2020 results	KPI
Guaranteeing the safety of our employees Legal requirements aside, the Group is committed to progress on	• Strengthened protocols • Safety Day	Occupational accident frequency rate	3.8%	3.8%
Developing sustainable products that form the cornerstone of our business lines Developing high value-added products in the context of environmental, social and societal challenges.	• Developing new ranges, strengthening commitments	% of revenue generated by sustainable products	€124,933,146	15%
Improving our carbon footprint Limiting our impact on climate change primarily means managing our use of energy resources.	• Initiatives to reduce energy consumption at all our production sites • Life cycle analyses and carbon review	Change in carbon emissions by production unit *(million sq. m)*	53.6 tCO_2/ million sq. m	-2%
Reducing use of water resources Guaranteeing controlled use of this rare and precious natural resource.	• Initiatives to reduce energy consumption at all our production sites • New Dope Dye dyeing process	Change in water consumption in cubic meters by production unit	472 m^3/Mm^2	-28%
Developing the circular economy The circular economy produces similar results using less energy, less water, fewer raw materials while generating less waste and less pollution. It also encourages innovation and the development of eco-friendly products.	• Promoting production sites' circularity • Ensuring product recyclability • Designing recycled products	Change in total waste in metric tonnes per production unit	12 tonnes / Mm^2	+6%
Championing more responsible purchasing Ensuring respect for human rights through a strong and effective supply chain and the implementation of responsible practices at each stage in the process is an ongoing challenge for the Group.	• Responsible purchasing charter • SMETA Sedex audits of production sites and a list of suppliers	Number of on-site (supplier) CSR audits performed	6	+6
Supporting our employees Guaranteeing effective training to our employees, onboarding new recruitments, developing and managing talents are all key strengths for our fast-growing Group.	• Training plans for all employees • Developing comprehensive training programs	Change in the number of training hours per employee	13 hours	-32%
Guaranteeing the independence of Board members.		Ratio of Independent Directors	3 Independent Directors	50%
Ensuring director attendance		Director attendance	98%	98%
Ensuring proper representation of women in Group governance.	• Women in management	Percentage of women in the Group's TOP 50 executives	14 women	28%
Ensuring animal welfare.	• Rollout of Nativa audits to guarantee animal welfare	Number of Nativa™ certified farms:	234	234

3.8 Summary table of social indicators

Number of employees	Definition	Measurement unit	12/31/2018	12/31/2019	12/31/2020
Total employees	Employees on payroll at December 31	Employees on permanent and fixed-term contracts	2072	2095	2228
Use of temporary employment	Temporary personnel	% of total workforce on long-term + short-term contracts	2.46%	6.55%	7.59%
Employees by business	Group employees by business	Headquarters	24	24	27
		Protective Films	720	724	721
		PCC Fashion Technologies	1129	1126	1076
		Museum Solutions	175	189	375
		Luxury Materials	24	32	27
Employees by region	Group employees	Europe	955	995	1083
		Of which France	577	599	591
		Asia (incl. Africa/Oceania)	789	778	744
		Americas	328	322	401
	Chargeurs Protective Films	Europe	70%	71%	72%
		Asia (incl. Africa/Oceania)	4%	4%	4%
		Americas	25%	25%	24%
	Chargeurs*PCC Fashion Technologies	Europe	21%	22%	22%
		Asia (incl. Africa/Oceania)	67%	66%	66%
		Americas	12%	12%	12%
	Chargeurs Museum Solutions (CMS)	Europe	100%	100%	76%
		Asia (incl. Africa/Oceania)	0%	0%	0%
		Americas	0%	0%	24%
	Chargeurs Luxury Materials (CLM)	Europe	46%	50%	41%
		Asia (incl. Africa/Oceania)	17%	13%	15%
		Americas	38%	38%	44%
Gender parity	Group employees	Number of men	1,452	1,434	1,535
		Number of women	620	661	693
		Percentage of women	30%	32%	31%
Training hours	Time spent in training	Average training hours per person	17 hours	19 hours	13 hours
Accidents	Frequency rate: number of occupational accidents per million hours worked	Occupational accidents resulting in at least one day lost time	11.41	10.17	3.8
	Severity rate: number of days lost per thousand hours worked	Days lost due to an occupational accident	0.57	0.39	0.16
Payroll costs	Annual payroll costs (in € millions)	Employees of fully consolidated companies worldwide	92.3	98.9	116

3.9 Independent third-party report

REPORT BY THE AUDITING BODY

For the year ended December 31, 2020

To the Shareholders,

As requested by Chargeurs SA (hereinafter the "entity") and in our capacity as an independent third party certified by COFRAC under number 3-1081 (whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial performance statement for the year ended December 31, 2020 (hereinafter the "Statement"), included in the Group management report pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code)

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, which must include a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks and the outcome of said policies, including key performance indicators.

The Statement has been prepared in accordance with the guidelines used by the entity (hereinafter the "Guidelines"), the main elements of which are presented in the Statement.

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 conduct of the profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Report by the independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the consistency of the Statement with the provisions of article R. 225-105 of the French Commercial Code)
- the fairness of the information provided in accordance with article R. 225 105 I and II of the French Commercial Code, i.e., the outcome of the policies, including key performance indicators, and the measures implemented in light of the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the consistency of products and services with the applicable regulations.

Nature and scope of our work

We performed our work in accordance with the standards applicable in France defining the conditions under which the independent third party performs its engagement and with ISAE 3000.

Our work was conducted between January 4, 2021 and February 25, 2021, for a total of around 15 person-days.

We conducted 12 interviews with the people responsible for preparing the Statement.

Our procedures allowed us to assess the consistency of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the labor and environmental risks associated with their activities, and the impact of those risks on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we have assessed that the Statement covers each information category provided for in paragraph III of article L. 225 102 1 in terms of social and environmental criteria as well as regarding upholding human rights and fighting against corruption and tax evasion;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L.; 233-16
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered to be the most important, we implemented:
- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
- tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities [(1)] and covers between 8% and 61% of the consolidated data relating to the key performance indicators and outcomes selected for these tests [(2)].
- – we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important;
- – we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the Statement cannot be totally eliminated.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial information statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Lyon, February 26, 2021

FINEXFI
Isabelle Lhoste
Partner

(1) Main Tape in the US, Etacol in Bangladesh, Novacel and Senfa in France
(2) Selected information listed in the appendix.

APPENDIX: LIST OF CSR INFORMATION THAT WE CONSIDERED TO BE THE MOST IMPORTANT

Key performance indicators and other quantitative indicators:

- Total workforce;
- Arrivals/Departures;
- Number of training hours per employee
- Number of work accidents;
- Amount of water consumed;
- Quantity of electricity consumed;
- Quantity of natural gas consumed;
- Total green house gas emissions;
- Quantity of non-hazardous waste produced;
- Quantity of hazardous waste produced;
- Waste processing;
- Sustainable products and services.

Qualitative information (measures and outcomes):

- Code of Conduct;
- Global Compact support;

04. Corporate governance

This section comprises the Board of Directors' report on corporate governance prepared in accordance with articles L. 225-37 and L. 22-10-20 of the French Commercial Code.

After the Board committees reviewed the matters within their remit, the report was approved by the entire Board on February 17, 2021 and submitted to the Statutory Auditors.

Chargeurs' business model is built upon two main characteristics:

- an organization that operates according to a decentralized model, whereby the parent holding company, Chargeurs, focuses on actively overseeing all of the business lines and subsidiaries, while centrally driving the Group's growth and transformation strategies, and each of the business lines is led and managed by a full executive committee;
- and the presence of a reference family shareholder, Colombus Holding SAS, itself controlled by Groupe Familial Fribourg, a highly engaged investor that plays an active role in the Group's governance and in expressing its long-term vision and corporate mission.

These two fundamentals shape the Group's governance structure and create a corporate culture in which good governance practices figure prominently among the Group's key success factors.

4.1 Corporate governance framework

REFERENCE FRAMEWORK

Chargeurs' Board of Directors has chosen to use the Corporate Governance Code for Small- and Mid-caps published by MiddleNext in September 2016 and available on the MiddleNext website as its reference framework for corporate governance practices and procedures, and particularly for the preparation of this report.

Since changing its governance structure on October 30, 2015 Chargeurs has expanded its corporate governance rules with a view to continually ensuring that its governance practices are aligned with its specific characteristics and needs, based on a set of rules capable of supporting its sustainable business development over time. As part of this continuous improvement process, the Company has relied heavily on the MiddleNext Code, to the extent that today all of the Code's recommendations have been effectively applied.

Board members have also reviewed the Code's "red-flag" issues (*points de vigilance*), i.e. issues that should be addressed to ensure that the governance system operates smoothly. The Directors recognize that the purpose of these red flags is to encourage the Board to consider these issues, without necessarily having to prepare explicit, detailed responses.

Chargeurs' practices and procedures in the areas of risk management and internal control are based on the general principles defined by the French Financial Markets' Authority (Autorité des Marchés Financiers - AMF) in its July 22, 2010 document entitled *"Cadre de référence sur les dispositifs de gestion des risques et de contrôle interne: Guide de mise en oeuvre pour les valeurs moyennes et petites,"* which provides a risk management and internal control framework and guidelines for small- and mid-cap companies.

In recent years, the Company has introduced a number of significant improvements and upgrades to the governance system, including:

- March 2016: **Board** Rules of Procedure
- December 2016: **Preparation of an explanatory guide** to preventing insider trading and misconduct
- 2017: **Pledge to support the UN Global Compact,** deployment of a Code of Conduct and creation of an Ethics Committee
- 2018: **Appointment of a woman to the executive team** at CFT*PCC
- April 2018: **Creation** of an Acquisitions Committee
- May 2019: **Women and Independent Directors each account for half** of all Board members
- December 2019: **Preparation of an explanatory guide** to directors and officers (D&O) liability insurance
- 2020: **Gender equality on the Executive Committee,** with three women members
- March 2020: **Update of the Rules of Procedure** relative to Independent Directors
- December 2020: **Temporary implementation** of an Operating and Safety Committee, in close cooperation with the Board of Directors, as part of the crisis management response to the Covid-19 pandemic

MIDDLENEXT CORPORATE GOVERNANCE CODE RECOMMENDATIONS THAT WERE NOT APPLICABLE OR WERE NOT APPLIED AT DECEMBER 31, 2020

As indicated above, the Company is deeply committed to continuously improving its governance practices and now complies with all the recommendations in the MiddleNext Code.

In particular, on March 4, 2020, the Board of Directors amended its Rules of Procedure to bring its director independence criteria fully into line with the timeframes recommended in the September 2016 revised version of the Code for criteria (i) and (ii). In criterion (i), the length of time in accordance with the timeframes stipulated in the MiddleNext Code of September 2016 during which a Director must not have been an employee or corporate officer was extended to five years from three previously, and in criterion (ii), the number of years during which an Independent Director must not have had significant business relations with the Company or Group was extended to two years. Note, however, that the extension of these timeframes did not affect the status of the Group's Independent Directors, who in practice already met all of the MiddleNext Code's independence criteria.

4.2 Governance structure and Board Committees

Chairman and Chief Executive Officer

Note that following the change in the Company's reference shareholder (Columbus Holding SAS) on October 30, 2015 the Board of Directors opted to change the governance structure by combining the positions of Chairman of the Board and Chief Executive Officer and appointed Mr. Michaël Fribourg to the new position.

Mr. Fribourg serves as:

- Chairman of the Board of Directors, for his term as a member of the Board;
- and Chief Executive Officer, for a period of five years.

The combined position of Chairman of the Board and Chief Executive Officer

Combining the positions of the Board of Directors and Chief Executive Officer was informed by the Board's considered choice of a governance system that reflected Chargeurs' specific characteristics and scale. It was accompanied by the introduction of balanced governance rules:

(i) A unified oversight and executive position is perfectly suited to the responsibilities exercised by Chargeurs, which is a holding company leading a Group operating in five niche segments, each of which has its own General Manager and dedicated executive committee. To this end, the Group's operating procedures and practices are based on a devolved operational organization, with a separate General Manager in each of the five business lines and the whole led and guided by Chargeurs.

This governance structure gives the Group a strong, clear vision of its future prospects and developments, championed by a Chairman and Chief Executive Officer who has a deep, unrivaled understanding of the business lines and the operational challenges they face. It also ensures highly efficient management, business development and reporting through regular, effective and trust-based exchanges between the Chairman and Chief Executive Officer and the business line General Managers. Given the existence of a General Manager and a dedicated executive committee, excessive overlap of management functions is eliminated. This role is also carried out by the Chief Operating Officer, appointed in early fiscal 2021 who also plays a critical role and is responsible for relaying information between headquarters and business lines on the Group's operating and performance aspects.

The Group's organization and Chargeurs' business lines also mean that the Board of Directors must take care to reduce the asymmetry of information with business line executives. In this sense, the Chairman and Chief Executive Officer plays a critical role in relaying information to support the work of the Board of Directors.

Dialog with the Board, as well as with shareholders, through a single point of contact fosters closer relationships and extensive, ongoing communication.

It avoids the juxtaposition of layers and interfaces, while enabling more responsive decision-making – an essential capability in dealing with today's fiercely competitive global marketplace and in supporting the strategic transformation and acquisitions-led growth strategy being impelled by the Chairman and Chief Executive Officer.

(ii) Combining the positions of Chairman and Chief Executive Officer was accompanied by the introduction of checks to ensure a balance of power and good governance. In particular:

- the Chairman and Chief Executive Officer is supported by a management body, the Executive Committee, which meets in limited format to approve any major decisions impacting the Group's operations and in plenary format to provide coordination between the headquarters and the business lines. This link was strengthened in early fiscal 2021 with the appointment of a Chief Operating Officer, the main intermediary between the Chairman and Chief Executive Officer and business line managers on business operating performance aspects. The creation of this new function balances Group governance.;
- restrictions on the powers of the Chairman and Chief Executive Officer by the Board of Directors: the Board must give prior authorization for the acquisition of any company whose shares have been valued at €10 million or more. In practice, the Chairman and Chief Executive Officer keeps the Board of Directors properly informed and seeks its opinion before carrying out any external growth transaction;
- three Board Committees are responsible for preparing the work of the Board in regards to the following areas: audit, governance and Corporate Social Responsibility (CSR) (Audit Committee), compensation (Compensation Committee) and acquisitions (Acquisitions Committee).

Mr. Fribourg's current positions within the Company	Date first elected/appointed	Current term expires
Director	Board meeting 10/30/2015 (appointed by the Board)	2021 AG (ordinary)
Chairman and Chief Executive Officer	Board meeting 10/30/2015	2021 Board meeting (Chairman) 2023 Board meeting (Chief Executive Officer)

Powers of the Chairman and Chief Executive Officer

As Chairman of the Board of Directors, the Chairman and Chief Executive Officer (i) organizes and leads the work of the Board and reports thereon to the shareholders at General Meetings; and (ii) oversees the effectiveness of the Company's governance structures and monitors compliance with generally accepted governance principles and best practices.

As Chief Executive Officer, the Chairman and Chief Executive Officer is responsible for implementing the strategy decided by the Board of Directors and for managing the Company's day-to-day operations.

Restrictions on the Chairman and Chief Executive Officer's powers

In accordance with the Company's bylaws, when the Chairman of the Board also performs the role of Chief Executive Officer, he has the broadest powers to act in all circumstances in the Company's name. He may use these within the limits of the corporate purpose and except for those powers that the law attributes to shareholders in General Meetings and to the Board of Directors. He represents the Company in its dealings with third parties.

Internal restrictions on the Chairman and Chief Executive Officer's powers concern the requirement to obtain the Board of Directors' prior approval before issuing any guarantees that are binding on the Company, except in cases where the Board of Directors has expressly delegated its authority within the limits defined in articles L. 225-35 and R. 225-28 of the French Commercial Code.

BOARD OF DIRECTORS

Membership

A list of the members of the Board of Directors is provided in section 4.3.2 of this Universal Registration Document.

The Board has six Directors, including the Chairman and Chief Executive Officer, as well as a Non-Voting Director *(Censeur)* who attends Board meetings in an advisory capacity.

The Non-Voting Director is responsible for ensuring the strict application of the bylaws and corporate decisions. They are invited to Board meetings and participate in the discussions in an advisory capacity, without their absence affecting the validity thereof.

At the Annual General Meeting of May 6, 2019 shareholders were asked to re-elect Georges Ralli as Non-Voting Director for a final three-year term so that the Group could benefit from his expertise and in-depth knowledge of the Group's businesses and activities at a time when it is undergoing a significant transformation.

They responded by re-electing him with more than 80% of the votes. Nevertheless, given the number of votes against his re-election, the Board of Directors does not intend to maintain a seat for a Non-Voting Director after Mr. Ralli's term of office ends.

In accordance with its Rules of Procedure, which apply all of the criteria recommended by the MiddleNext Code, the Board of Directors assesses the independence of its members by determining whether they:

- are an executive in the Company or the Group or have any particular ties with any of the executives of the Company or the Group;
- are now or in the past five years have been an employee or a corporate officer of the Company or another Group entity;
- are now or in the past two years have been a significant customer, supplier, competitor, service provider or banker of the Company or another Group entity, or for whom the Company or the Group represents a material share of its business;
- have a close family relationship with a corporate officer;
- are now or in the past six years have been a Statutory Auditor of the Company.

Having reviewed each of its members' situations on a case-by-case basis, the Board considers that it has three Independent Directors (Isabelle Guichot, Cécilia Ragueneau and Maria Varciu) as of the date of this Universal Registration Document.

Directors are elected for a term of three years, which is perfectly suited to the Company's operations and requirements. Their terms of office are staggered, as shown in the table in section 4.3.2 of this Universal Registration Document.

Authorization concerning the Board's membership structure during fiscal 2020 approved at the April 28, 2020 Annual General Meeting

At the Annual General Meeting on April 28, 2020 shareholders:

- re-elected Nicolas Urbain as a Director for a three-year term, expiring at the close of the Annual General Meeting to be held in 2023 to approve the financial statements for the fiscal year ending December 31, 2022;
- re-elected Cécilia Ragueneau as an Independent Director for a three-year term, expiring at the close of the Annual General Meeting to be held in 2023 to approve the financial statements for the fiscal year ending December 31, 2022.

These changes were the outcome of a diligent selection process, supervised by the Board of Directors, as shown below:

Determining the profile

- Identify the Company's needs in line with its strategic vision
- Determine the required profile
- Selection criteria: knowledge, skills, non-French national and/or woman to support a more diverse, multi-faceted Board

Candidate search

- Search for candidates matching the defined profile, in particular by using specialized headhunters

Shortlisting

- Careful short-listing based on the vetted criteria

Evaluation

- Interviews and in-depth discussions with the candidates

Decision

- Selection of the candidate by the Board of Directors
- Election/ratification by shareholders at the Annual General Meeting

Induction

- Director participation in seminars organized by the Group
- Meetings with business line General Managers
- On-site visits

Proposed resolution to be submitted to shareholders at the Annual General Meeting of April 8, 2021

The following resolution will be submitted to shareholders at the Annual General Meeting of April 8, 2021:

- the re-election of Mr. Michaël Fribourg as a Director for a three-year term, expiring at the close of the Annual General Meeting to be held in 2024 to approve the financial statements for the fiscal year ending December 31, 2023.

The Company's Directors have diverse professional and personal backgrounds and significant international experience. The names of the members of the Board and their profiles are provided in section 4.3.2 of the Universal Registration Document. These profiles show a range of complementary skills and experience, representing a major asset for the Company.

In accordance with French Financial Markets' Authority (AMF) recommendation 2013-20 issued on November 18, 2013, the Universal Registration Document includes a summary table setting out changes in the Board's membership during fiscal 2020, as well as the independence status of each Director as assessed using the criteria applied by the Board.

The Board does not have any members representing either employee shareholders or employees in general, as the Company's headcount is below the thresholds specified in articles L. 22-10-5 and L. 22-10-7 of the French Commercial Code that trigger the requirement for employee representation.

Professional ethics and conduct, roles and responsibilities and organization of the work of the Board of Directors

The Board of Directors' roles and responsibilities and main operating procedures are set out in the Company's bylaws.

Board of Directors' Rules of Procedure

At its March 14, 2016 meeting, the Board decided to introduce a set of Rules of Procedure that supplement the bylaws by setting out the organizational and operating procedures of the Board and its Committees as well as the rights and obligations of Directors, Non-Voting Directors and members of the Board Committees. The Rules of Procedure have been amended several times to bring them in line with legislation and the MiddleNext Code:

Date	Purpose of the amendment
December 7, 2016	• Compliance with the revised September 2016 version of the MiddleNext Code. • Role of the Audit Committee specified in article L. 823-19 of the French Commercial Code, as amended by French government order No. 2016-315 dated March 17, 2016, relating to audit reform.
March 6, 2018	• Role played by the Board of Directors in relation to succession planning for top executives and other key personnel. • Compliance with French government order No. 2017-1162 dated July 12, 2017 which simplifies and clarifies the disclosure requirements applicable to French companies and introduced a new corporate governance report that now falls within the remit of the Board.
April 16, 2018	• Creation of an Acquisitions Committee.
March 4, 2020	• Compliance with article L. 225-35 of the French Commercial Code, as amended by Act 2019-486 dated May 22, 2019 on business growth and transformation (PACTE Law), which clarified the Board's role and mission by including, in particular, consideration of the Company's labor and environmental issues. • Adoption of the MiddleNext Code timeframes for the two criteria for determining a Director's independence: (i), they must not have been an employee or corporate officer of the Company or its Group in the past five years (instead of three previously), and (ii), they must not have had significant business relations with the Company or Group over the past two years.

The Rules of Procedure correspond to an internal document but substantial extracts are included in this report.

Professional ethics and conduct

Each Director is informed of the obligations arising from their appointment and the rules of professional ethics and conduct applicable to them in accordance with the provisions of the Rules of Procedure and the recommendations outlined in the MiddleNext Code. The Company has not identified any cases of non-compliance with these rules.

To the best of the Company's knowledge, as of the publication date of this Universal Registration Document, there are no conflicts of interest between the duties that the Directors have to the Company and their personal interests or other duties. Likewise, no conflicts of interest were identified during fiscal 2020.

Related-party agreements

Internal Guidelines on related-party agreements and assessment procedure for standard agreements concluded under normal conditions

Regarding regulations governing related-party agreements and commitments, such as those in force pursuant to the PACTE law 2019-486 of May 22, 2019 relative to growth and corporate transformation, the Board of Directors has adopted Internal Guidelines aimed at (i) recalling the applicable regulations covering related-party agreements and commitments and to provide details on the methodology applied internally to characterize the different agreements entered into and (ii) to implement within the Chargeurs group a procedure to regularly assess related-party agreements covering normal operations and concluded under normal conditions.

As part of the procedure introduced by the Company Financial, Legal, Tax or other Supporting Departments may be called upon to assess the recurring and normal nature of regulated third-party agreements before they are signed and, where appropriate, in consultation with the statutory auditors. Each year, before the finalization of accounts for the end of the fiscal year, managers of the relevant departments meet together, in an ad hoc committee meeting, chaired by the Chief Compliance Officer, to draw up the list of related third-party agreements concluded under normal operating conditions by Chargeurs for the fiscal year, those that extend over several years as well as those for which changes have been proposed and any potential observations or analysis justifying their opinion. The conclusions of the ad hoc committee are submitted to the Chief Compliance Officer and the Chairman of the Board of Directors. At least once a year, the Chairman presents to the Board the conclusions of the ad hoc committee and, where deemed necessary, any comments or explanations, as well as the decision of the Board.

Related-party agreements in fiscal 2020 submitted for approval at the April 8, 2021 Annual General Meeting:

Pursuant to the application of the legal provisions provided for in the French Commercial Code, the Board of Directors submits for approval to the Annual General Meeting a related-party agreement that has been the subject of a meticulous supervised procedure, as described below. Its signature was subsequently authorized by the Board of Directors on November 10, 2020 at ordinary market conditions, after an in-depth review procedure and a favorable recommendation from the Audit Committee, it being specified that only the Independent Directors took part in the discussions and vote.

This related-party agreement covers the rental at ordinary market conditions of the offices located at 7 Rue Kepler in Paris (16th district), between Chargeurs SA (the Tenant) and Compagnie Immobilière

Transcontinentale (the Lessor), a company owned by Mr Michaël Fribourg, for a term of nine (9) years, from December 4, 2020 with the Tenant having the right to withdraw from the agreement (the Lease Agreement) at the end of the second three-year period.

The Company rents these offices for its headquarters' activities, which until the signature of the Lease Agreement, were located in a business center at 112 Avenue Kleber in Paris (16th district). The current commercial lease expires on November 30, 2021. Furthermore, combining teams from other business lines under one roof in the new premises will enable us to terminate commercial leases for other Parisian locations.

The Group's expansion in recent years and the development of services provided by Group headquarters for other Group business lines has made it necessary to move to more local premises that better meet our needs. Similarly, the new offices, thanks to their size and layout, enable us to combine all of the Group's personnel in one location, as well as certain management teams which, for business reasons, need to be located in Paris. Moreover, these offices enable Group employees to organize their work time safely under the best conditions possible, particularly during the health crisis that has been with us for a full year now, thanks to the various areas made available to them.

Given the technical constraints involved in bringing the former premises up to standard, the move and the exceptional health circumstances, a transitional period between the two leases was essential to enable teams to move in several stages. During this transitional period, the former Chargeurs premises will be partly used for the needs of our businesses and be sublet to them.

The Lease Agreement meets the criteria for classification as a related-party agreement. The following procedure was implemented:

(i) Prior exchanges within the Audit Committee, with no involvement of linked persons, to review the relevance and economics of the draft agreement overall, bearing in mind that this review by the Audit Committee goes beyond legal provisions in terms of oversight of related-party agreements and therefore is a specific procedure followed for this agreement;

(ii) Presentation by the Chair of the Audit Committee of the project, as well as analysis and assessment by said Chair of the contemplated related-party agreement based on information provided to the members of the Board of Directors, and in particular a review carried out by Cushman & Wakefield, a global independent real estate expert;

(iii) Prior approval from the Board of Directors of the draft agreement, with only Independent Directors taking part in discussions and voting;

(iv) Review of the draft agreement by Statutory Auditors together with their special report on related-party agreements, to be submitted for approval to the Annual General Meeting of Shareholders on April 8, 2021.

Based on the information provided, the Board of Directors observed that the draft agreement was in line with the Company's corporate interests and that the rental price was in line with the price retained by real estate experts, Cushman & Wakefield, based on current market conditions, as assessed by the firm.

The financial terms of the agreement are presented in detail in the Statutory Auditors' special report below. They may be summarized as follows:

- Annual rent: €621,618 excluding tax. This amount includes additional supplementary services related to the provision of furnishings to equip most of the building.

Related-party agreements in fiscal 2020 approved by the April 28, 2020 Annual General Meeting:

It is also noted that the two related-party agreements in respect of fiscal 2020, after following the same meticulous procedure described above, were submitted for approval on an *ex-ante* basis to the Annual General Meeting of Shareholders on April 28, 2020 with 96.45% of the vote.

These two agreements, the financial conditions of which are presented in the Statutory Auditors' special report, were signed on June 18, 2020:

- Sale Agreement between Chargeurs USA, LLC, 100%-held subsidiary of Chargeurs (the Seller) and Foncière Transcontinentale, a company controlled by Mr. Fribourg (the Buyer), covering the offices based in New York (United States) where the registered office of Chargeurs USA LLC is located;
- and Lease Agreement between Foncière Transcontinentale (the Lessor) and Chargeurs USA, LLC (the Tenant) for the same premises.

The execution of the Lease Agreement continued in fiscal 2020.

Organization of the Board's work

The Board of Directors generally meets at least four times a year: twice to examine the interim and annual financial statements, once to review Group strategy in relation to the budget and business plan, and once after the Annual General Meeting to implement the decisions voted by shareholders. At each meeting, the Directors also discuss the Group's business performance, major projects and any matters specifically submitted to the Board.

However, in recent years, the Board's workload has increased considerably and now far exceeds simply monitoring the Group's daily running. Consequently, special Board meetings are held to discuss and review the Company's key strategic projects. In practice, this means that Board meetings may be called at any time depending on the current circumstances and the Directors are fully involved in overseeing the Group's main strategic goals and actions. In this respect, 2020 was a particularly busy year with eight Board of Director meetings, as well as meetings for its specialized Committees (the Audit Committee met five times, the Compensation Committee four times and the Acquisitions Committee once).

Board members regularly meet with Executive Committee members, participate in the Group's strategic seminars and visit key companies in the manufacturing and sales organization.

DIRECTOR ATTENDANCE AT BOARD AND COMMITTEE MEETINGS IN FISCAL 2020

Excluding Board Committee meetings, the Board of Directors met eight times in fiscal 2020, with an average attendance rate of 98%.

	Board of Directors	Audit Committee	Compensation Committee	Acquisitions Committee
Mr. Michaël Fribourg	8/8	N/A	N/A	1/1
Colombus Holding (Represented by Mr. Emmanuel Coquoin)	8/8	5/5	N/A	1/1
Ms. Isabelle Guichot	8/8	5/5	N/A	N/A
Ms. Cécilia Ragueneau	8/8	N/A	4/4	N/A
Mr. Nicolas Urbain	8/8	N/A	4/4	1/1
Ms. Maria Varciu	8/8	5/5	N/A	N/A
Mr. Georges Ralli	7/8	4/5	N/A	N/A
2020 attendance rate	98%	95%	100%	100%

Roles and responsibilities

The Board of Directors determines the Company's business strategy and oversees its implementation.

At its meetings, the Board also regularly reviews and is consulted on the measures put in place by the Company in relation to succession planning for top executives and other key personnel. Succession planning was earmarked as a priority when the governance changes were put in place in October 2015 and has been continued since then in order to anticipate future requirements and adapt the Group's organizational structure in line with its developments and growth.

Executive Committee

In 2016, this focus on succession planning led the Company to expand its Executive Committee by appointing (i) a Secretary General, **Ms. Joëlle Fabre-Hoffmeister**, whose main responsibilities include overseeing the succession planning policy and ensuring the continued excellence of the Group's management teams, and (ii) an Executive Vice-President, International Business Development and Acquisitions.

Since then, the Executive Committee's membership structure has been further strengthened and its profile modernized, with the appointment of new highly experienced members with diverse professional backgrounds in order to help drive the Group's growth. In the same way, several people who sat on the Board in 2017 and 2018 transferred to operational management positions in the business lines.

At present, the Executive Committee is made up of **Mr. Michaël Fribourg**, Chairman and Chief Executive Officer, **Mr. Olivier Buquen,** Chief Financial Officer, **Mr. Gustave Gauquelin,** Chief Operating Officer, **Ms. Joëlle Fabre-Hoffmeister,** Group General Secretary and *Chief Compliance Officer*, **Mr. Etienne Petit,** Executive Vice-President, Transformation, Acquisitions and Innovation, Special Advisor to the Chairman, **Ms. Carine de Koenigswarter,** Global Head of Communications and Chief of Staff to the Chairman and Chief Executive Officer, Mr. Philippe Denoix, Executive Vice President, Industrial Performance & Supply Chain, **Ms. Audrey Petit,** Interim General Manager of Chargeurs*PCC Fashion Technologies and Chief of Staff to the Chairman – Chief Strategy Officer, Head of Growth, **Mr. Richard Marchant,** General Manager, Chargeurs Protective Films, **Mr. Sampiero Lanfranchi,** General Manager, Special Advisor to the Chairman, Chargeurs Museum Solutions, and Advisor to the Chairman, **Mr. Denis Noharet,** General Manager, Chargeurs Healthcare Solutions EMEA, **Mr. Federico Paullier,** General Manager, Chargeurs Luxury Materials. The composition of the Executive Committee is presented in section 4.3.1 of this Universal Registration Document.

before 2015

1989
Federico Paullier
General Manager, Chargeurs Luxury Materials

1999
Laurent Derolez
General Manager
Chargeurs Protective Films

2015

H2 2015
Michaël Fribourg
Chairman and Chief Executive Officer

2016

H1 2016
Joëlle Fabre-Hoffmeister
Group Secretary General and Chief Compliance Officer

H1 2016
Olivier Buquen
International Development Director

2017

H1 2017
Sampiero Lanfranchi
General Manager, Chargeurs Museum Solutions,
Special Advisor to the Chairman

H2 2017
Olivier Buquen
Group Chief Financial Officer

2018

H1 2017
Angela Chan
General Manager,
Chargeurs*PCC Fashion Technologies

2018
Audrey Petit
Chief Strategy Officer
and Head of Business Solutions

2019

2020

H1 2020
Carine De Koenigswarter
Global Head of Communications
Chief of Staff to the Chairman and Chief Executive Officer

H1 2020
Philippe Denoix
Executive Vice President, Industrial Performance & Supply Chain

H2 2020
Gustave Gauquelin
Chief Operating Officer

H2 2020
Audrey Petit
Interim General Manager of Chargeurs*PCC Fashion Technologies
and Chief of Staff to the Chairman –
Chief Strategy Officer, Head of Growth

2021

H1-2021
Etienne Petit
Executive Vice-President, Transformation, Acquisitions and Innovation
Special Advisor to the Chairman

Apart from the composition of the Executive Committee mentioned above, the trend to recruit more women has been intensified in recent years. In 2020, women accounted for 31% of the headcount, up on 2018 and 2017 (30% and 26%) and down on 2019 (32%). This positive shift was especially noticeable in the increase in the percentage of women managers and professionals, increasing from 27% in 2018 to 29% in 2019 and 31% in 2020. It should also be noted that, in 2020, we nominated a woman to the position of industrial site Chief Executive Officer for the first time. Chargeurs is committed to equal treatment, giving women employees access to opportunities and networks and paying special attention in its hiring processes to the diversity of candidates selected in terms of gender, origin or educational background. Half of all Board members are women and two of the Board Committees (the Audit Committee and the Compensation Committee) are chaired by women.

Preparation of Board meetings

Prior to each Board meeting, the Directors receive all of the information and documents they require in order to perform their duties, in the form of a meeting pack that contains the agenda and a presentation of the Company's operations and the various projects submitted for their approval. The meeting pack is provided sufficiently in advance so that the Directors can effectively prepare for the Board's discussions. They may also ask the Chairman and Chief Executive Officer to give them any additional information they may consider useful for carrying out their work. The Chairman and Chief Executive Officer communicates transparently with the members of the Board, keeping them up to date about the Company's operations, business trends and developments and competition.

The Directors also have numerous opportunities to meet and discuss with the General Managers of the Group's business lines, both during the Board meetings dealing with the presentation of their forecast accounts and budget and during visits to Chargeurs' production sites. They may also be invited to attend seminars organized by the Group to deal with strategic issues. In fiscal 2020, owing to the health crisis, meetings and discussions between the different business line General Managers mainly took place remotely.

Other disclosures

To the best of the Company's knowledge, in the past five years (i) none of the members of the Board of Directors have been convicted in relation to fraudulent offenses, (ii) none of the members of the Board of Directors have been associated with any bankruptcies, receiverships or liquidations, (iii) none of the members of the Board of Directors have been subject to any official public incriminations and/or sanctions by statutory or regulatory authorities (including designated professional bodies), and (iv) none of the members of the Board of Directors have been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

To the best of the Company's knowledge, there are no family relationships between any members of the Board of Directors.

No service agreements have been entered into between any Board member or member of Management and the Company or any of its subsidiaries under which that Board or Management member would be granted benefits.

To the best of the Company's knowledge, none of the Board's members have agreed to any restrictions – other than those provided for under the applicable laws and regulations or in the Company's bylaws or the Board's Rules of Procedure – on the sale within a certain timeframe of their shareholding in the Company.

Work of the Board of Directors in 2020

The work of the Board of Directors has been significantly increased and diversified owing to the expansion of the Group, whose scale changed significantly in 2020 with, on the one hand, the acquisition of US company, Design & Production Inc. (Chargeurs Museum Solutions business line) and, on the other, creating and securing the future of the new healthcare business (Chargeurs Healthcare Solutions business line).

This accelerated transformation of the Group involves not only a greater individual, bilateral and collective workload for Board of Directors' members, but also greater responsibilities and a broadening of their scope of intervention. The expertise and experience of the Board Members was particularly useful during 2020 and represented a key strength for the Group.

In 2020, the Board of Directors was extremely active, meeting eight times, with an attendance rate of 98%. The meetings lasted between one and three hours depending on the items on the agenda. The members of the Board were particularly active and committed to the Group's different strategic projects and especially in the ongoing management of the Covid-19 health crisis.

In this respect, at the height of the crisis, the Group's Executive Committee set up an Operating Safety Committee including one Board member to report back to the Board. Meetings of this Committee took place remotely on a regular monthly basis, twice a week, to review the impact on business and the Group's day-to-day operations and ensure appropriate compliance with safety regulations in force regarding the organization of teams and the continuity of decision-making and information sharing activities.

The commitment of the members of the Board of Directors is set to increase further as part of the new Leap Forward 2025 strategic plan. Apart from Advisory Committees, this greater commitment will take two main forms:

- first, an increase in site visit frequency, bearing in mind that the Group's extended geographical reach, with a presence in close to 100 countries, makes these essential visits time consuming given the distances involved and in light of health restrictions:
- second, more frequent exchanges with the members of the Group's Executive Committees, in particular with the Strategic Executive Committee in charge of implementing the Leap Forward 2025 plan which consistently involves one or more committee members in its deliberations every week.

During these meetings the Board, inter alia:

Reviewed the financial and cash flow positions and commitments of the Group	• approved the 2019 parent company and consolidated financial statements, based on which the shareholders at the Annual General Meeting of April 28 2020, approved the Board's recommendation to pay a total per-share dividend of €0.40 for the fiscal year, representing a final dividend of €0.20. • approved the parent company and consolidated financial statements for the first half of 2020, based on which the Board decided to pay an interim dividend of €0.20 per share for fiscal 2020; • examined the provisional 2020 financial statements; • examined the proposal for a new Euro PP issue (€100 million);
Reviewed the Group's strategic objectives, decisions and CSR policy	• reviewed the 2021 budget and long-term plan; • reviewed work carried out on the mapping of legal risks and reviewed risks related to the new Lainière Santé business (Chargeurs Healthcare Solutions) as well as risks linked to the Covid-19 pandemic; • reviewed the launch and organization of the new Chargeurs Healthcare Solutions EMEA business; • reviewed acquisition strategies and opportunities for each business, particularly acquisitions in the Chargeurs Museum Solutions (CMS) business line; • reviewed the Group's CSR objectives and approach.
Corporate governance	• reviewed the Rules of Procedure of the Board of Directors; • evaluated the work and procedures of the Board and its Committees; • set the Chairman and Chief Executive Officer's variable compensation for fiscal 2020, payment of which is subject to shareholder approval, at the April 8, 2021 Annual General Meeting of the fixed, variable and exceptional components of his total compensation package for fiscal 2020 (*ex-post* say-on-pay vote); • reviewed the free share plans set up for certain Group employees and set the associated performance conditions; • reviewed the compensation policy for the Group's key executives; • reviewed the Company's gender equality and equal pay policy.
Other	• approved the transfer of the Company's registered office; • arranged Annual General Meeting invitation and approved reports and resolution proposals; • adopted Internal Guidelines governing related-party agreements and assessment procedure for standard agreements; • examined and approved the three related-party agreement proposals, one of which is submitted for approval to the Annual General Meeting of April 8, 2021 (extraordinary resolution No. 6), with the other two having been approved on an *ex-ante* basis by the Annual General Meeting on April 28, 2020; • implemented the 2020-2021 share buyback program.

As well as attending meetings, Directors are invited to visit several production sites both in and outside France, notably as regards its investment in strategic projects.

Assessment of the Board of Directors

In line with best governance and continuous improvement practices, the Board of Directors conducts a formal annual assessment of its composition, procedures and practices, as well as those of the Board Committees. This internal self-assessment is governed by a formal Company procedure in line with the MiddleNext Code. Led by the Chairman and Chief Executive Officer, the assessment is based on a questionnaire sent to all of the Directors, giving them the opportunity to express their views on the practices and procedures of the Board and its Committees, and to make suggestions for improvement. The Board then devotes an agenda item to reviewing and discussing the outcome of the questionnaire. This initiative, which reflects a constructive approach to improving procedures and practices, was praised by all Directors. The first self-assessment of the Board was conducted in fiscal 2018. It is carried out on an annual basis.

These assessments showed that, overall, the Directors have a very positive view of the membership structure, operating procedures and dynamics of the Board and its Committees. The Directors found the Board's membership structure to be balanced and suited to the Company's needs.

The Directors felt that the Board and its Committees function well, with regular meetings, active members and open and constructive dialog. The Board ensures that all compliance and ethics rules set out in its Rules of Procedure are upheld by all members.

The Directors consider that they have a sufficiently active role to play with regard to the Group's operations and its long-term strategy, and that all of the conditions are met to enable the Board and its Committees to perform their designated roles and responsibilities. In particular, the information provided is considered satisfactory and the presentations by management and their strategic focus are considered sufficient to enable the Board to make informed decisions as to the Group's strategy and future acquisitions.

Similarly, on-site visits, discussions with business line General Managers invited to present their activities to the Board, and participation in Group-run strategic seminars were all deemed to be very positive.

The Directors also put forward proposals regarding the different issues they would like to address in more depth or include on the agenda of the Board or one of its Board Committees. To this end, dedicated meetings may also be organized by the Board or its Committees to review the identified issues in more detail. Lastly, the Directors praised the positive changes that have taken place within the Group in recent years and said they were satisfied with how the Board's self-assessments were conducted.

COMPENSATION COMMITTEE

Membership structure and roles and responsibilities of the Compensation Committee

The Compensation Committee was set up by the Board of Directors at its meeting on December 16, 2015. At December 31, 2020 it had two members: Ms. Cécilia Ragueneau (Independent Director and Chair of the Compensation Committee) and Mr. Nicolas Urbain (Director).

The profiles of the members of the Compensation Committee are provided in section 4.3.2 of this Universal Registration Document.

The membership structure of the Compensation Committee and the experience of each of its members are suited to the Board of Directors' size and requirements.

The Board's Rules of Procedure state that:

"The roles and responsibilities of the Compensation Committee include putting forward proposals and recommendations to the Board of Directors concerning:

- the Company's overall executive compensation policy;
- the compensation packages awarded to executives and the calculation methods used for setting the relevant amounts;
- and more generally, any matters concerning executive compensation submitted to the Committee by the Chairman of the Board of Directors.

The Compensation Committee may use the services of external specialists, at the Company's expense, provided it informs the Chairman of the Board in advance and receives the Board's prior approval."

The Compensation Committee assists the Board in the above-mentioned areas and helps it to set the compensation and benefits of executives so that the Company can retain, motivate and hire the best talent, while ensuring that executive pay is aligned with shareholders' interests and the Company's performance.

The Compensation Committee applies the seven criteria listed in the thirteenth recommendation (R13) of the MiddleNext Code relating to setting and disclosing executive compensation: Completeness, Balance, Benchmark, Consistency, Clarity, Measurement and Transparency.

Work of the Compensation Committee in 2020

The Compensation Committee met four times in 2020, with an attendance rate of 100%.

During these meetings, the Committee reviewed and issued recommendations to the Board on the following matters:

Compensation and benefits of the Chairman and Chief Executive Officer

The Committee issued recommendations to assist the Board with setting the variable portion of the Chairman and Chief Executive Officer's compensation for fiscal 2020 based on the achievement levels of the performance criteria set by the Board and an assessment of Chargeurs' share performance in 2020. Furthermore, the Committee issued proposals to the Board of Directors regarding the compensation and benefits of the Chairman and Chief Executive Officer for fiscal 2021.

All of these recommendations were followed by the Board on December 15, 2020 and February 17, 2021.

Information on the compensation and benefits of the Company's Chairman and Chief Executive Officer is provided in section 4.4.1 of this Universal Registration Document.

Fixed and variable compensation awarded to the General Managers of the Group's business lines

In fiscal 2018, the Group performed the groundwork for updating its compensation policy for the General Managers, based on a comprehensive review of market benchmarks and a detailed analysis of their responsibilities. The findings were presented to the Compensation Committee before deploying the updated principles. Introduced in 2019, the new policy structures the compensation packages for General Managers into two parts, one fixed, calculated on the basis of each profile and reference benchmarks, and the other variable, comprising:

- a portion, of at least 50%, based on the overall performance of their business line, as measured by the criteria approved by the Board of Directors during the budget presentation;
- a portion, of no more than 75%, based on their personal performance, as measured by the priorities defined for the fiscal year.

Directors' compensation

After approval from the Compensation Committee, the Board of Directors invited the Annual General Meeting of Shareholders on April 8, 2021, the Board of Directors propose to the Annual General Meeting of Shareholders on April 8, 2021 pursuant to resolution No. 8, to set the total amount that may be awarded as compensation to Directors at a gross €420,000 for the fiscal year. The Annual General Meeting will also decide on Directors' compensation in 2021 in an *ex-ante* say-on-pay vote (resolution No. 11).

Information on Directors' compensation and benefits is provided in section 4.4.2 of this Universal Registration Document.

AUDIT COMMITTEE

Membership structure and roles and responsibilities of the Audit Committee

In accordance with the provisions of article L. 823-19 of the French Commercial Code, at its meeting on December 3, 2009, the Board set up an Audit Committee.

At December 31, 2020 the Audit Committee had three members: Ms. Isabelle Guichot (Independent Director and Chair), Colombus Holding SAS (Director, represented by Mr. Emmanuel Coquoin) and Ms. Maria Varciu (Independent Director and member since May 6, 2019). The Board's Non-Voting Director, Mr. Georges Ralli, also attends Audit Committee meetings.

Biographies of the Audit Committee members may be found in section 4.3.2 of this Universal Registration Document.

The membership structure of the Audit Committee and the experience of each of its members are suited to the Board of Directors' size and requirements.

When determining the roles and responsibilities of the Audit Committee, the Company referred to the report of the French Financial Markets' Authority (AMF) Working Group on Audit Committees, which was issued in 2010 and can be viewed on the AMF's website at (http://www.amf-france.org).

The Board's Rules of Procedure state that:

"The Audit Committee's roles and responsibilities include:

- monitoring the processes used to prepare financial information and the methods applied for preparing the financial statements and, where necessary, putting forward recommendations on ensuring the integrity of financial information;
- reviewing and analyzing the annual financial statements and reporting to the Board on this review;
- monitoring the effectiveness of the measures put in place related to risk management, internal control, regulatory and operational compliance and respecting the applicable rules on professional ethics and conduct;
- monitoring and participating in the procedure for selecting Statutory Auditors including submitting recommendations (i) in accordance with the provisions of article 16 of EU Regulation No. 537/2014 at the end of the selection procedure for appointing new Statutory Auditors (notably when the existing Statutory Auditors' term has reached the maximum authorized duration); or (ii) on re-appointing existing Statutory Auditors;
- overseeing the work carried out by the Statutory Auditors and giving an opinion on the quality of their engagement, taking into account the observations and conclusions of the French Auditors' Oversight Body (H3C) following its periodic quality controls;
- ensuring compliance with the rules guaranteeing the independence of the Statutory Auditors, and, in particular (i) verifying that the conditions set out in article 6 of EU Regulation No. 537/2014 are respected (compliance with the conditions applicable before accepting or continuing an engagement for a statutory audit, annual confirmation of independence and assessment of any threats to their independence), and (ii) taking the measures required in accordance with paragraph 3 of article 4 of the above EU Regulation if the total fees received by the Statutory Auditors from the Company in each of the last three consecutive fiscal years exceed 15% of those Auditors' total client fees for the year concerned;
- approving any supply of non-audit services by the Statutory Auditors which are authorized in the "Authorized Services Charter" drawn up by the Audit Committee;
- examining the Chairman's report on the membership of the Board of Directors, the preparation and organization of its work, and internal control and risk management procedures;
- and, more generally, regularly reporting to the Board on the Committee's work, notably on the role it plays in relation to monitoring the audit engagements of the Statutory Auditors, and issuing any recommendations concerning the above-mentioned topics and informing the Board on any difficulties it may encounter." "The Audit Committee meets as often as the Committee's Chair deems appropriate and at least twice a year, before the Board meetings held to approve the publication of the Company's interim and annual financial statements. Other meetings may be requested by the Chairman of the Board if he considers it necessary. Agendas for Audit Committee meetings are drawn up by the Committee Chair, or in her absence the Chairman of the Board.

The Committee Chair regularly reports to the Board of Directors on the work of the Audit Committee and promptly informs the Board if any difficulties are encountered."

Work of the Audit Committee in 2020

The Audit Committee met five times in 2020, with an attendance rate of 95%.

During these meetings, the Committee particularly focused on the following:

- examining the process used to prepare the draft parent company and consolidated financial statements for fiscal 2019 and the draft Report on Corporate Governance and Internal Control that were submitted to the April 28, 2020 Annual General Meeting;
- examining the process used to prepare the draft financial statements for the first half of 2020;
- reviewing work carried out on the mapping of legal risks and reviewing risks related to the new Lainière Santé business (Chargeurs Healthcare Solutions) as well as risk linked to the Covid-19 pandemic;
- tracking services other than accounts certification in fiscal 2020;
- examining and approving three related-party agreement proposals, one of which is submitted for approval to the Annual General Meeting of April 8, 2021 (resolution No. 6), with the other two having been approved on an *ex-ante* basis by the Annual General Meeting on April 28, 2020;
- adopting Internal Guidelines governing related-party agreements and assessment procedure for standard agreements;
- reviewing the Group's CSR objectives and approach.

During these meetings, the Audit Committee heard reports from the Group's Secretary General, its Chief Financial Officer, the Statutory Auditors and external mandated by the Company to map or review these risks.

ACQUISITIONS COMMITTEE

Membership structure and roles and responsibilities of the Acquisitions Committee

In view of the Group's proactive external growth strategy, at its April 16, 2018 meeting the Board of Directors decided to set up an Acquisitions Committee.

At December 31, 2020 the Acquisitions Committee had three members: Mr. Michaël Fribourg (Chairman and Chief Executive Officer), Colombus Holding SAS (Director and member of the Audit Committee, represented by Mr. Emmanuel Coquoin) and Mr. Nicolas Urbain (Director and member of the Compensation Committee).

Biographies of the different members of Acquisitions Committee members are presented in section 4.3.2 of this Universal Registration Document.

The membership structure of the Acquisitions Committee and the experience of each of its members are suited to the Board of Directors' size and requirements.

The Board's Rules of Procedure state that:

"The Acquisitions Committee's roles and responsibilities include:

- examining the Group's overall external growth strategy;
- studying, on a case-by-case basis, major acquisition projects or other transactions that are of strategic importance to the Group (alliances, partnerships, divestments, etc.);
- monitoring the progress of the projects referred to in b) above."

"Meetings of the Acquisitions Committee are called solely by the Chairman of the Board of Directors, who draws up their agenda.

The Committee Chair regularly reports to the Board of Directors on the work of the Acquisitions Committee and promptly informs the Board of any difficulties encountered."

Work of the Acquisitions Committee in 2020

The Acquisitions Committee also met on January 22, 2020 for a session dedicated specifically to the acquisition of US leader, D&P Incorporated, the new world champion in museum services. In addition, the acquisition projects led by the Group in fiscal 2020, particularly in the Chargeurs Museum Solutions business, were extensively reviewed by the Board of Directors. They were also regularly discussed by the members of the Acquisitions Committee, who were kept constantly informed of progress on the projects and provided with all the information they needed to analyze them.

4.3 Executive Management, Board of Directors and Board Committees

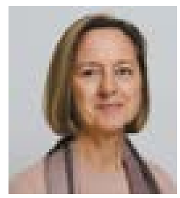
4.3.1 EXECUTIVE MANAGEMENT

Executive Committee

Michaël Fribourg*
Chairman and Chief Executive Officer

Olivier Buquen*
Group Chief Financial Officer

Gustave Gauquelin*
Chief Operating Officer



Joëlle Fabre-Hoffmeister*
Group Secretary General
Chief Compliance Officer

Audrey Petit*
Interim General Manager of
Chargeurs*PCC Fashion Technologies
and Chief of Staff to the Chairman
Chief Strategy Officer, Head of Growt

Sampiero Lanfranchi*
Chief Executive Officer
Chargeurs Museum Solutions,
and Special Advisor
to the Chairman

Étienne Petit*
Executive Vice-President,
Transformation,
Acquisitions and Innovation
Special Advisor to the Chairman

Richard Marchant
General Manager, Chargeurs
Protective Films

Carine De Koenigswarter*
Global Head of
Communications
Chief of Staff to the Chairman
and Chief Executive Officer

Federico Paullier
General Manager, Chargeurs
Luxury Materials

Denis Noharet
General Manager, Chargeurs
Healthcare Solutions EMEA

** Member of the Select Executive Committee*

4.3.2 BOARD OF DIRECTORS AND BOARD COMMITTEES

Members of the Board of Directors and Board Committees at December 31, 2020

Name	Current position within the Company	Date first elected/ appointed	Current term expires	Audit Committee	Compensation Committee	Acquisitions Committee
 Michaël Fribourg	Director	Board meeting 10/30/2015 (appointed by the Board)	2021 AGM	N/A	N/A	Chairman
	Chairman and Chief Executive Officer	Board meeting 10/30/2015	2021 Board meeting (Chairman) 2023 Board meeting (Chief Executive Officer)			
 Colombus Holding SAS, represented by Emmanuel Coquoin	Director	Board meeting 10/30/2015 (appointed by the Board)	2022 AGM	Member	N/A	Member
 Isabelle Guichot	Independent Director	AGM 05/04/2016	2022 AGM	Chair	N/A	N/A
 Cécilia Ragueneau	Independent Director	AGM 04/20/2017	2023 AGM	N/A	Chair	N/A
 Nicolas Urbain	Director	10/30/2015 Board meeting (appointed by the Board)*	2023 AGM	N/A	Member	Member
 Maria Varciu	Independent Director	AGM 05/06/2019	2022 AGM	Member	N/A	N/A
 Georges Ralli	Non-Voting Director	AGM 05/04/2016	2022 AGM	Non-Voting Director	N/A	N/A

* *Appointment of Colombus Holding SAS, Director, represented at the time by Mr. Urbain as permanent representative.*

Changes in Board membership in fiscal 2020

The Annual General Meeting of April 28, 2020 re-elected Mr. Urbain and Ms. Ragueneau as Directors.

Michaël Fribourg

Renewal of term to be proposed to the AGM on April 8, 2021

Chairman and Chief Executive Officer and chair of the Acquisitions Commitee

Current term expires:
Annual General Meeting to be held in 2021

Date of birth:
August 14, 1982

Business address:
7 Rue Kepler – 75116 Paris

Chargeurs shares held:
Mr. Fribourg is one of the main shareholders of Colombus Holding SAS, which owns 6,556,305 Chargeurs shares.

Profile

Mr. Fribourg founded Groupe Familial Fribourg, the controlling shareholder of Colombus Holding, alongside long-term minority institutional investors and several French family offices. He began his career in the cabinet office of Renaud Dutreil (French Minister for Trade, Craft Industry and Small Businesses and Enterprises), where he worked from 2005 to 2006 before joining the French Tax Inspectorate *(Inspection générale des finances)*, where he led several advisory and support projects for the French administration and for the Office of the French President. In 2011, he became Special Advisor to the French Minister for Industry, Energy and the Digital Economy, serving as co-chief of staff. Mr. Fribourg is a graduate of École Normale Supérieure, Institut d'Etudes Politiques de Paris (Sciences-Po) and École Nationale d'Administration. He also holds postgraduate degrees in philosophy and economics, as well as a master's degree in modern humanities. In 2009, he became a member of the French Tax Inspectorate. He is currently a Senior Lecturer at Sciences-Po Paris.

DIRECTORSHIPS AND POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Chairman and Chief Executive Officer
- Chargeurs SA* – Group

Chairman
- Fribourg Investissement SAS – Non-Group
- Fribourg Développement SAS – Non-Group
- Colombus Holding SAS – Non-Group
- Colombus Chase Holding SAS – Non-Group
- Groupe Familial Fribourg SAS – Non-Group
- Colombus Century Holding – Non-Group
- Colombus Premium Holding – Non-Group
- Coleffi – Non-Group
- Colombus BlueSky Holding – Non-Group
- Harwanne Compagnie de Participations industrielles et financières – Non-Group
- Chargeurs Textiles SAS – Group
- Main Tape Company, Inc. (United States) – Group
- Colombus Paramount Holding – Non-Group
- Fribourg Collections – Non-Group
- Fribourg Philanthropies – Non-Group
- Colombus Metropolitan Holding - Non-Group
- Chelsea Real Estate US,Inc - Non-Group

Chief Executive Officer
- Colombus Family Holding SAS – Non-Group
- Chargeurs Media Inc. (United States) – Group

Vice-Chairman and Director
- Lanas Trinidad SA – Group
- Lanera Santa Maria SA – Group

Legal Manager
- Chargeurs Boissy SARL – Group

Director
- Chargeurs Development International (formerly CMI SA) – Group
- Brooklyn Museum – Non-Group
- Chargeurs USA Holding Inc. (formerly Chargeurs Protective Inc.) – Non-Group
- Association Le Millénaire – Non-Group

Other directorships and positions that expired in the last five years

Chairman
- Benext Venture SAS (2018) – Non-Group
- France-Amérique LLC (United States) – Group
- Chargeurs Philanthropies-Excellence française – Group
- EMC2 SAS – Non-Group

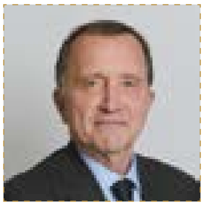
Legal Manager
- Financière Herschel SARL – Non-Group

Director
- NovacelBelgium NV (2017) – Group

Supervisory Board Member
- Groupe JOA – Non-Group

* *Listed company.*

Colombus Holding SAS



Director, member of the Audit Committee and of the Acquisitions Committee

Permanent representative on the Board of Directors: Emmanuel Coquoin (since March 11, 2019)

Current term expires: Annual General Meeting to be held in 2022

Registered Office: 55 Avenue Marceau – 75116 Paris

Business address: 7 Rue Kepler – 75116 Paris.

Profile

For the last nine years, Mr. Coquoin has held the position of Investment Director at Habert Dassault Finance.

He is a graduate of IEP Paris and holds an MBA from INSEAD.

He began his career at Barclays Bank, Paris, as an analyst and subsequently worked in the Corporate Finance division in London as an Associate Director.

DIRECTORSHIPS AND POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Investment Director
- Habert Dassault Finance – Non-Group

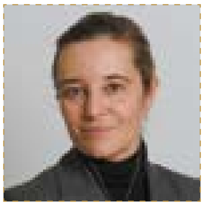
Director
- I-Ten SA – Non-Group
- Atsuke – Non-Group
- Relaxnews – Non-Group
- Crystalchain SAS - Non-Group
- Bloom SAS - Non-Group

Other directorships and positions that expired in the last five years

Non-Executive Director
- Geary LSF* – Non-Group

* *Listed company.*

Isabelle Guichot



Independent Director, Chair of the Audit Committee and member of the Ethics Committee

Current term expires:
Annual General Meeting to be held in 2022

Business address:
2 Rue de Marengo – 75001 Paris

Profile

A graduate of HEC Business School, Ms. Guichot began her career at Cartier International where she held the following positions: Project Manager at Cartier Incorporated in New York (1988-1989) and then Vice Secretary General (1989-1991); Sales Director at Cartier International (1992-1995), Chief Executive Officer of Cartier SA France (1996-1999), President and Chief Executive Officer of Van Cleef & Arpels International (1999-2005) and Lancel (2003-2005). She subsequently served in the following posts in the Pinault Printemps Redoute (PPR) (now Kering) group: Development Director at Gucci Group (2005-2007), President and Chief Executive Officer of Sergio Rossi (2005-2007) and President and Chief Executive Officer of Balenciaga SA (2007-2017). She was also a Member of the Board of Directors of the Kering Foundation. Honors: Ms. Guichot has been named a Knight of the French Legion of Honor and an Officer of the French National Order of Merit. Awards: She won the *Femme en Or* Whirlpool Trophy in 2003 and 2004 and the *Trofémina* Siemens prize in 2005.

DIRECTORSHIPS AND POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Deputy General Manager
- Maje SAS – Non-Group

Other directorships and positions that expired in the last five years

Chairman and Chief Executive Officer
- Balenciaga SA (2017) – Non-Group

Chairman
- Arcades Ponthieu SAS (France) (2017) – Non-Group
- Balenciaga Retail Italia (2017) – Non-Group
- Balenciaga Spain (2017) – Non-Group
- Balenciaga America (2017) – Non-Group

Director
- Kering Foundation (2017) – Non-Group
- Balenciaga UK (2017) – Non-Group
- Balenciaga Asia Pacific Limited (HK) (2017) – Non-Group
- Balenciaga Asia Pacific Limited (Taiwan Branch) (2017) – Non-Group
- Balenciaga Korea (2017) – Non-Group
- Balenciaga Japan (2017) – Non-Group

Legal Manager
- Balenciaga Fashion Shanghai (China) (2017) – Non-Group

Assistant Director
- Balenciaga Logistica (Switzerland) (2017) – Non-Group

4

Cécilia Ragueneau

Independent Director and Chair of the Compensation Committee

Current term expires: Annual General Meeting to be held in 2023

Business address: 7 Rue Kepler – 75116 Paris

Profile

Ms. Ragueneau holds a master's degree in International Business (European Business School), a post-graduate degree in Marketing Studies (University Paris I-Panthéon Sorbonne) and an Executive MBA from the European Institute Of Business Administration (INSEAD – Vivendi Talents Program).

She began her career as a Head of Studies at Cofremca-Sociovision (1995-2000), before joining the Canal+ group in 2000 where she served as Group Marketing Manager (2000-2003), Executive Director of Group Studies (2003-2005), CANAL+ Executive Director of Channel Marketing (2005-2008), CANAL+ Director of New Channel Content (2008-2011) and Chief Executive Officer of itélé (2011-2015).

Ms. Ragueneau then served as Chief Executive Officer of RMC from 2017 to 2018 and as Deputy General Manager of the BVA Group from 2018 to 2019. In 2020, she was appointed Brand and Development Manager of Radio France. Since 2019, she has worked with the French National Broadcasting Authority (Conseil Supérieur de l'Audiovisuel) as part of a committee of experts helping to fight fake news.

DIRECTORSHIPS AND POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Brand and Development Manager
- Radio France – Non-Group

Other directorships and positions that expired in the last five years

Assistant General Manager
- BVA Group (2018-2019)

Chief Executive Officer
- RMC (2017-2018) – Non-Group

Nicolas Urbain

Director, member of the Compensation Committee and the Acquisitions Committee

Current term expires: Annual General Meeting to be held in 2023

Business address: 7 Rue Kepler – 75116 Paris

Profile

Mr. Urbain is currently Chief Executive Officer of EFFICAP II. He holds a post-graduate degree in corporate and tax law from Paris II University and is a certified public accountant.

Mr. Urbain has worked for Clinvest in both Paris and New York and has served in various management positions at companies in the pharmaceutical, services and real estate investment industries. He has also been a financial engineering consultant.

DIRECTORSHIPS AND POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Chief Executive Officer
- EFFICAP II – Non-Group

Chairman of the Board of Directors
- Olinvest SAS – Non-Group
- HRP SAS – Non-Group

Maria Varciu

Independent Director and member of the Audit Committee

Current term expires:
Annual General Meeting to be held in 2022

Business address:
7 Rue Kepler – 75116 Paris

Profile

Ms. Varciu holds an MBA from the Open University Business School (United Kingdom and Romania). She has considerable experience in international commercial management for perfume and high-end cosmetic brands, which she acquired both in France and abroad.

In 2006, she joined IKC (International Kontact Consulting), before working for LVMH's Parfums Givenchy in 2009.

At the end of 2010, she returned to IKC, which had become ID Beauty, to lead the international commercial department. She subsequently took up the position of Vice-President, Brands, in 2015.

DIRECTORSHIPS AND POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Vice-President, Skin Care
- ID Beauty – Non-Group

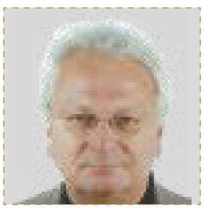
Director – General Manager
- ID Beauty RO SRL (Romania) – Non-Group

Other directorships and positions that expired in the last five years

None

4

Georges Ralli



Non-Voting Director

Current term expires:
Annual General Meeting to be held in 2022

Business address:
IPF Partners – 8, Rue Toepffer – 1206 Geneva (Switzerland)

Profile

Mr. Ralli holds a post graduate diploma in banking and finance from the University of Paris-V, and is a graduate of IEP Paris (economics and finance) and the ICN Business School in Nancy. He joined Crédit Lyonnais in 1970 where he served in a number of management positions until 1981.

In 1982, he became Secretary to the French Commission for Savings Development and Protection, then, from 1982 to 1985, Mr. Ralli managed the Financial Negotiations department of Crédit du Nord (primary equity and bond markets, mergers and acquisitions and proprietary investment).

He joined Lazard in 1986 to help develop its primary equity market business.

In 1989, Mr. Ralli moved to the mergers and acquisitions department. He became managing partner in 1993 and was appointed as co-head of mergers and acquisitions at Lazard LLC in 1999. From 2000 to 2012, George Ralli was General Manager and Deputy Chairman of the Executive Committee of Lazard LLC (United States).

At the same time, he headed up its French branch (Maison Française) until 2009. Until 2012, he was President of the European mergers and acquisitions activities (Maison Lazard) and European asset management and private banking businesses activities (Lazard Frères Gestion and Lazard Wealth Management Europe).

Currently, he is both shareholder and Legal Manager of IPF Partners, an investment fund specialized in the healthcare industry.

In 2017, he was involved in setting up LLC Real Estate Fund SCA, based in Luxembourg.

DIRECTORSHIPS AND POSITIONS HELD IN OTHER COMPANIES

Directorships and positions held

Legal Manager
- IPF Management 1 SARL (Luxembourg) – Non-Group
- IPF Partners SARL (Switzerland) – Non-Group
- Kampos Sarl (Switzerland) – Non-Group
- LLC RE Management SARL (Luxembourg) – Non-Group

Director, Chairman of the Audit and Risks Committee
- ICADE SA* – Non-Group

Other directorships and positions that expired in the last five years

- Vice-Chairman and member of the Board of Directors and Chairman of the Audit Committee of Carrefour* – Non-Group

Director, member of the Audit Committee and Chairman of the Acquisitions Committee
- Chargeurs SA* (term ended 2016) – Group

Director
- Quadrature Investment Managers (term ended 2019) – Non-Group

* *Listed company.*

4.4 Directors' compensation

4.4.1 COMPENSATION AND BENEFITS IN KIND PAID TO CORPORATE OFFICERS

4.4.1.1 Compensation of the Chairman and Chief Executive Officer for fiscal 2020 (*ex-post* say-on-pay vote)

Components of compensation and benefits paid or awarded in 2020

In accordance with the provisions of article L. 22-10-34 I of the French Commercial Code, the following paragraphs set out the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2020 for the duties he performed in this capacity, and which will be submitted for shareholders' approval on an *ex-post* basis at the Annual General Meeting of April 8, 2021 called to approve the 2020 financial statements.

The principles and criteria used for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits in kind payable to the Chairman and Chief Executive Officer in respect of fiscal 2020 were approved on an *ex-ante* basis by a 95.33% vote at the Annual General Meeting of April 28, 2020.

Shareholders should note that:

- The Chairman and Chief Executive Officer is the Chargeurs group's reference shareholder, through Colombus Holding, in which he holds a substantial controlling interest directly and indirectly; his direct and indirect interests make him the Group's leading shareholder;
- for this reason, the Chairman and Chief Executive Officer has a significant personal investment in Chargeurs, representing the equivalent of more than 50 years' annual salary; this illustrates his deep long-term commitment to the Group;
- since he took up his position, Mr. Fribourg has never sold a single Chargeurs share;
- Mr. Fribourg has steadily increased his direct and indirect personal investment in the Group since 2016 (notably by becoming Colombus Holding's main shareholder in 2019 with a substantial controlling interest), paying a premium over the share price quoted on the stock market. In 2020, his personal investment in the Group was maintained at the same level as in 2019. The Chargeurs shares and voting rights held by Colombus Holding SAS at December 31, 2020 are presented in section 6.4 of this Universal Registration Document;
- at his request, Mr. Fribourg does not participate in any performance share or stock option plan or any deferred compensation plan with an equivalent effect;
- at his request, Mr. Fribourg does not participate in any Company pension plan or any other deferred benefit plan with an equivalent effect;
- lastly, the Chairman and Chief Executive Officer does not have an employment contract with the Group.

The Chairman and Chief Executive Officer's compensation package for fiscal 2020 was set by the Board of Directors based on the recommendations of the Compensation Committee.

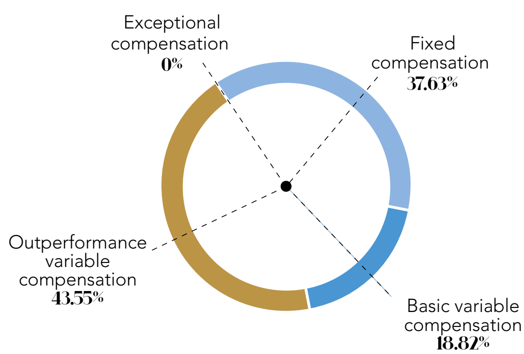
The compensation package comprises a fixed and a variable component.

As in 2019 and prior years, the principles underlying the compensation policy applicable to the Chairman and Chief Executive Officer for 2020 were based on budgetary discipline and alignment of the rules used to determine his compensation with the annual assessment of his personal performance and that of the Group. The policy was designed to take into account (i) the experience and responsibilities of the Chairman and Chief Executive Officer, (ii) the Group's new scale and scope, resulting in particular from its acquisition of Precision Custom Coatings (PCC), which generated additional synergies in new countries for the Group.

The compensation policy applicable to the Chairman and Chief Executive Officer in 2020 was based on the same rules and caps as for 2018 and 2019, with a specific sub-cap for each different criterion added to the overall cap on his variable compensation. Only his fixed compensation, which had been unchanged since fiscal 2016, was raised in 2019 to take into account the Group's increased scale and scope, the Chairman and Chief Executive Officer's experience and responsibilities, and the steady growth in the Group's earnings. This fixed compensation remained unchanged for two fiscal years, i.e. for 2019 and 2020.

The weighting of each component of the Chairman and Chief Executive Officer's compensation for 2020 was as follows:

WEIGHTING OF EACH FIXED AND VARIABLE COMPENSATION COMPONENT DUE FOR 2020



(a) Basic fixed compensation

The Chairman and Chief Executive Officer's basic fixed compensation for 2020 amounted to €525,000 (gross), identical to the amount in 2019. This basic compensation, which was frozen for fiscal 2019 and 2020, has remained 25% below the annualized basic compensation paid under the previous governance system, despite the very substantial increase in the Group's scale, the extended scope of its business lines and the growth in its geographic footprint, from 32 countries in 2015 to 90 in 2020.

(b) Basic variable compensation

The Chairman and Chief Executive Officer's variable compensation for 2020 was contingent on the achievement of quantitative and qualitative objectives, which were appropriately weighted at 60% and 40% respectively.

In 2020, as his performance levels exceeded the triggering threshold set for his quantitative objectives and in view of the Group's consolidated recurring operating profit figure, the Chairman and Chief Executive Officer was eligible for 100% of his basic variable compensation based on quantitative objectives. In addition, the qualitative improvements made under the Game Changer plan resulted in all of the qualitative performance objectives being met and even exceeded, especially in the following areas:

- talent management;
- the Group's "iconic" brand and marketing strategy;
- smart manufacturing;
- innovation;
- increase in the proportion of sustainable products included in the Group's total production, within the meaning of the United Nations' Global Compact Sustainable Development Goal (SDG) No. 9.

The summary table below presents the highlights of fiscal 2020 which were inspired and driven by the Chairman and CEO in each strategic development area of the Game Changer plan and which, in particular, reflect the agility and proactive approach adopted by the Group in the extremely difficult context linked to the Covid-19 health crisis:

Strategic vision	2020 outcomes	Examples
Talent management	• Management of talent against the backdrop of the health crisis (safety and commitment) • Hiring of new talent and implementation of succession plans • Organization optimized • New Incentive Program	• Prevention Plan for employee safety • Exceptional mobilization of employees at the height of the health crisis and signing bonuses • Global Head of Communications, Executive Vice President, Industrial Performance & Supply Chain, Chief of Staff to the Chairman – Chief Strategy Officer and Head of Growth, Senior Vice President, Global Performance • Appointment of a new General Manager of Chargeurs Protective Films, following a retirement
Iconic brand and marketing strategy	• Segments creating new markets • Integrated services and specification	• April 2020 launch of the "Lainière Santé," "Lainière Protection" and "Lainière Health" brands
Smart manufacturing	• Premium production facilities developed • Sites specialized • Supply chain revamped	• New industrial equipment for own mask production (Chargeurs Healthcare Solutions) • Repurposing activities at French production sites for the production of face masks, hand sanitizer, etc.)
Innovation	• Creation of a new business line for healthcare solutions • Strategic partnerships formed	• Development of a new range of healthcare products (masks, gloves, gowns, etc.) • Traceability system and blockchain specific to the business of manufacturing masks • Development of the Lainière Santé B2C activity
Increase in the percentage of sustainable products in total production	• Extension of green ranges • Strengthening of communication on sustainable products	• OXYGEN range (green value added): OXYGEN vegetal, recycled and lean • Sustainable 50® range (green value added) • Nativa™ (green and societal value added) • ALTERRA® (green value added) • SUBLIMIS® (green and societal value added) • Lainière Santé™ (societal value added)

Consequently, the Chairman and Chief Executive Officer was eligible for the full amount of his basic variable compensation contingent on both the qualitative and qualitative objectives, corresponding to 50% of his basic fixed compensation, i.e., €262,500.

(c) Variable compensation for outperformance

On top of this basic variable compensation, for 2020, the Chairman and Chief Executive Officer was eligible for additional variable compensation or variable compensation for outperformance, owing to outstanding results achieved through the new Chargeurs Healthcare Solutions business. The target threshold was exceeded by a wide margin due to the quantitative success measured on a predefined level of 2020 recurring operating profit.

The amount of additional variable compensation linked to this quantitative outperformance came to €367,500 owing to the cap at 140% of the overall basic variable compensation, in turn capped at 50% of the basic fixed compensation.

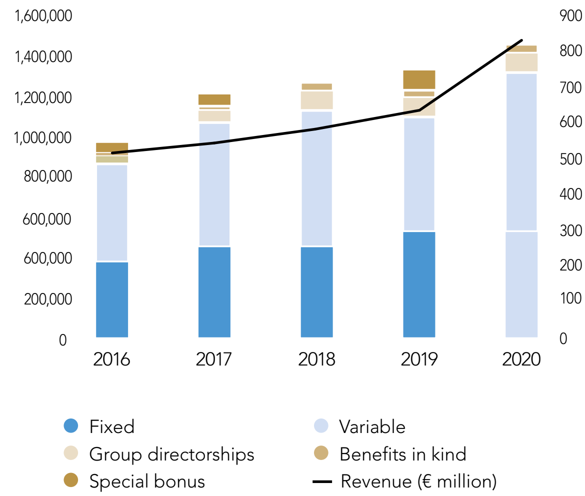
In addition, a portion of the Chairman and Chief Executive Officer's variable compensation for 2020 was specifically based on shareholders' returns. The Shareholders' Returns objective was measured on the basis of achieving either one or both of the following two criteria, which each counted for 50% of the objective:

- If the difference in the Chargeurs share price between the beginning and the end of the fiscal year in question – based on the average closing share price for the last 20 trading days of the year compared with the average closing share price for the first 20 trading days of the year – is 5% higher than the SBF 120, a special bonus of €120,000 is awarded.
- If the dividend amount paid during the fiscal year – based on the average closing share price for the first 20 trading days of the year – is 2% higher than the average for a panel of peer companies, a special bonus of €120,000 is awarded. The Compensation Committee defines peer companies as Danaher, ITW and Griffon (50%); Serge Ferrari, Sioen Guillin and Bolloré (50%).

As the two criteria mentioned in points (i) and (ii) above were met, the Chairman and Chief Executive Officer was eligible for specific additional compensation of €240,000.

The total variable compensation is capped at 150% of his basic fixed compensation. Therefore, despite the significant outperformance recorded in 2020, illustrating the proactive measures led by the Chairman and Chief Executive Officer, against the demanding health crisis backdrop, the cap on compensation effectively played its role. The Chariman and Chief Executive Officer's variable compensation in respect of fiscal 2020 came to a gross total of €787,500, which was significantly lower than the amount for which he would have been eligible without applying the cap considering the performance levels achieved during the year.

Moreover, the Chairman and Chief Executive Officer's total compensation has evolved in line with the Group's revenue since 2016 as shown in the graph below:



In accordance with the provisions of articles L. 22-10-8 II and L. 225-100-2 of the French Commercial Code, the payment of the Chairman and Chief Executive Officer's variable and exceptional compensation for 2020 will be contingent on the shareholders' approval, at the April 8, 2021 Annual General Meeting, of the fixed, variable and exceptional components making up the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for fiscal 2020.

The following table summarizes the various components of the Chairman and Chief Executive Officer's compensation in respect of fiscal 2020:

Type	Theoretical weighting	Performance	Amount (in €)
BASIC ANNUAL VARIABLE COMPENSATION			
Consolidated recurring operating profit	60%	> €79.3m (representing a historic high)	€157,500
Talent management	8%	Talent management during the health crisis (Safety and Commitment/ Hiring of new talent and implementation of succession plans/Optimized Organization/Rollout of an Incentive Program	€105,000
Brand strategy	8%	Segments creating new markets/Integrated Services and Recommendations	
Smart manufacturing	8%	Premium production facilities developed/Sites specialized/ Supply chain revamped	
Innovation	8%	Creation of a new business line for healthcare solutions/Strategic partnerships	
Sustainable products	8%	Extension of green ranges/Strengthening of communication on sustainable products	
Sub-total I	100%	-	€262,500
ANNUAL VARIABLE COMPENSATION FOR OUTPERFORMANCE			
Consolidated recurring operating profit	60.6%	> €79.3m (representing a historic high) Quantitative success of the Chargeurs Healthcare Solutions business	€367,500
Relative share price	19.7%	Criterion met	€120,000
Dividends/Relative share price	19.7%	Criterion met	€120,000
Sub-total II *(including the 140% sub-ceiling)*	100%	-	€607,500
EXCEPTIONAL VARIABLE COMPENSATION			
Equity/debt raising exercises, divestments or acquisitions, stock market performance	100%	Successful creation of the Chargeurs Healthcare Solutions business/ Successful integration of complex acquisitions for the Chargeurs Museum Solutions business line (D&P and Hypsos)	€100,000
Sub-total III	100%	-	€100,000
Sub-total I+II	-	-	**€870,000**
Sub-total I+II+III	-	-	**€970,000**
TOTAL AFTER APPLYING THE 150% CAP	-	-	**€787,500***

* *The Chairman and Chief Executive Officer's variable and exceptional compensation for fiscal 2020 was capped at €787,500 representing 150% of his basic fixed compensation.*

d) Compensation for corporate officer positions in other Group entities

As part of the Group's international and external growth policy, the Chairman and Chief Executive Officer is called upon to conduct business outside France, including specific monitoring of certain subsidiaries with a key strategic role, notably in the United States, where his role has been stepped up. In this respect, as for the preceding fiscal years, 2018 and 2019, and as presented in Table 2 Summary table of compensation awarded to each executive diretor, in section 7 of the 2020 Universal Registration Document, the Chairman and Chief Executive Officer received gross compensation amounting to €96,000 for fiscal 2020 linked to his corporate officer functions.

e) Participation on Chargeurs SA's Board of Directors.

At his request, the Chairman and Chief Executive Officer did not receive any compensation for his participation on Chargeurs SA's Board of Directors, such as the tasks assigned to him pursuant to the Company's bylaws.

f) Benefits in kind in respect of fiscal 2020.

In respect of fiscal 2020, the Chairman and Chief Executive Officer made only limited use of the means of transport at the Group's disposal to facilitate certain business trips, as authorized by the Board of Directors on the recommendation of the Compensation Committee and approved under the shareholders' *ex-ante* say-on-pay vote at the April 28, 2020 Annual General Meeting. The related cost for fiscal 2020 was €17,386, out of an authorized maximum annual amount of €22,000.

The Chairman and Chief Executive Officer is a beneficiary of the same personal protection and travel insurance plans as the Group's employees. The Company has also taken out an unemployment insurance policy on his behalf whose premiums (representing €22,000 in 2019) are subject to payroll taxes and are accounted for as a benefit in kind. The Company has also taken out an unemployment insurance policy on his behalf whose premiums (representing €22,000 in 2019) are subject to payroll taxes and are accounted for as a benefit in kind. The Chairman and Chief Executive Officer did not receive any stock options nor free shares, nor any complementary pension coverage, nor benefits in kind such as a company vehicle.

Ratio between the Chairman and Chief Executive Officer's compensation and Company employees' average and median compensation

In accordance with the provisions of article L. 22-140-9, paragraph 6, the ratio presented below concerns that between the Chairman and Chief Executive Officer's compensation, and, on the one hand, the average compensation of the Company's employees (excluding corporate officers) and on the other, the median compensation of the Company's employees (excluding corporate officers) over the preceding three years.

	2016	2017	2018	2019	2020
Average monthly salary			€19,161	€18,210	€21,151
CEO/Median ratio			17.42	17.89	12.75
CEO/Average ratio			5.4	6.02	5.17
Compensation ratio: Chairman/French minimum wage	29.1	57.2	69.1	72	71

Data from previous years does not allow for relevant ratios.

The table above shows the ratio between the Chairman and Chief Executive Officer's compensation and the French minimum wage ("SMIC") for the last five years.

Draft resolution (*ex-post* say-on-pay vote):

" Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with the provisions of article L. 22-10-34 I of the French Commercial Code the shareholders approve the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2020 as presented in the Board of Directors' corporate governance report."

4.4.1.2 Summary of compensation and benefits awarded to Top Management for fiscal 2020

In accordance with the provisions of article L.22-10-9, I ***et seq.*** of the French Commercial Code and the MiddleNext Code, the tables below are based on the templates provided by the French Financial Markets' Authority (AMF) in its recommendation dated December 22, 2008, (No. 2009-16, as amended on December 17, 2013, December 5, 2014 and April 13, 2015) and the table numbers used are the same as in those templates.

TABLE 1: SUMMARY TABLE OF COMPENSATION AND STOCK OPTIONS AND FREE SHARES AWARDED TO EACH EXECUTIVE DIRECTOR

Chargeurs' executive directors did not receive any multi-annual compensation, stock options or free shares in the fiscal years presented. Consequently, all of their compensation and benefits are presented in Table 2 below.

Since Chargeurs' executive directors did not receive any stock options or free shares, the following tables are not applicable in this Universal Registration Document:

- Table 4: Stock options granted during the fiscal year to each director by the issuer or any other Group entity;
- Table 5: Stock options exercised during the fiscal year by each executive director;
- Table 6: Free shares granted to each director;
- Table 7: Free shares that became available during the fiscal year for each director;
- Table 8: Summary of stock option plans;
- Table 9: Stock options granted to and exercised by the ten employees (not Directors of the Company) who received the greatest number of stock options;
- Table 10: Summary of free share plans.

TABLE 2: SUMMARY TABLE OF COMPENSATION AWARDED TO EACH EXECUTIVE DIRECTOR

Since 2015, at the request of the Chairman and Chief Executive Officer, the Board of Directors has capped his total variable compensation at 150% of his basic fixed compensation.

Depending on the year, this cap can have the effect of significantly reducing the variable compensation paid to the Chairman and Chief Executive Officer, even in years when the Group delivers an exceptionally strong performance or demonstrates above-average resilience to volatile conditions by considerably outperforming its competitors. Strict application of the cap is not offset by any alternative system for the benefit of the Chairman and Chief Executive Officer.

Michaël Fribourg, Chairman and Chief Executive Officer	Fiscal 2018		Fiscal 2019		Fiscal 2020	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€450,000	€450,000	€525,000	€525,000	€525,000	€525,000
Annual variable compensation	€675,000(1)	€615,000	€567,500(1)	€675,000(1)	€787,500	€567,500(1)
Compensation for corporate officer positions in other Group entities	€96,000	€96,000	€96,000	€96,000	€96,000	€96,000
Benefits in kind	€43,120(2)	€21,120(3)	€36,491(2)	€28,142(3)	€44,000(2)	€39,386(3)
Special bonus	€0(5)	€60,000(4)	€100,000(6)	€0(5)	€0(7)	€100,000(6)
TOTAL	**€1,264,120**	**€1,242,120**	**€1,324,991**	**€1,324,142**	**€1,452,500**	**€1,327,886**

(1) The variable compensation amounts of €675,000 due for fiscal 2018 and €567,500 due for fiscal 2019 were paid in fiscal 2019 and 2020 respectively.

(2) These amounts correspond to an unemployment insurance policy whose premiums are subject to payroll taxes and are accounted for as a benefit in kind, personal use of a means of transport at the Group's disposal that may have been used by Top Management to facilitate certain business trips, and personal protection and travel insurance plans taken out on behalf of the Chairman and Chief Executive Officer.

(3) These amounts correspond to an unemployment insurance policy whose premiums are subject to payroll taxes and are accounted for as a benefit in kind, personal use by Top Management of a means of transport at the Group's disposal to facilitate certain business trips (€0 in 2018, €6,142 in 2019 and €17,386 in 2020), and personal protection and travel insurance plans taken out on behalf of the Chairman and Chief Executive Officer.

(4) Corresponding to a special bonus awarded following the success of the Euro PP private placement in June 2017 with very attractive interest rates.

(5) A bonus of €85,000 was awarded to the Chairman and Chief Executive Officer following the successful acquisition of Precision Custom Coatings (PCC) Interlining – a leader in the United States and Asia in technical interlinings – in August 2018. However, this bonus was not paid due to the cap of 150% of basic fixed compensation applied to his total variable compensation.

(6) Corresponding to two special bonuses awarded to the Chairman and Chief Executive Officer for (i) the successful renegotiation of the terms of the Group's financing in early 2019, leading to the unprecedented decision by lenders to cancel certain hard covenants previously applicable to the Group (€40,000), and (ii) the successful completion of acquisitions in the museum services segment along with the transformation of Chargeurs Museum Solutions into the world leader in this segment (€60,000).

(7) Corresponding to two special bonuses awarded to the Chairman and Chief Executive Officer for the acquisitions carried out in 2020 and the successful integration of Design & Productions Inc. (United States) and Hypsos (Netherlands) (€40,000) and in respect of the creation and structuring of the Chargeurs Healthcare Solutions business line (€60,000). However, this bonus was not paid due to the cap of 150% of basic fixed compensation applied to his total variable compensation.

TABLE 11: SUMMARY TABLE OF EXECUTIVE DIRECTORS' INDEMNITIES AND BENEFITS

	Employment contract	Supplementary pension plan	Non-compete clause indemnity	Termination benefit(1)
Michaël Fribourg Chairman and Chief Executive Officer First appointed: Board meeting 10/30/2015 Current term expires: 2021 Board meeting (Chairman) and 2023 Board meeting (Chief Executive Officer) Director First appointed: Board meeting 10/30/2015 Current term expires: 2021 AGM	No	No	Yes(2)	Yes(3)

(1) Mr. Fribourg's termination benefit has been applicable since fiscal 2017.

(2) Considering his roles and responsibilities, Mr. Fribourg has daily access to confidential information about the Company and other Group entities, as well as their customers, which, if disclosed to competitors, could severely harm the Company's interests. Consequently, Mr. Fribourg has given an undertaking that if his duties as either Chief Executive Officer or as Chairman and Chief Executive Officer are terminated (irrespective of the reasons therefor and manner thereof), he will refrain for a period of two years from entering into the service of, or taking any form of direct or indirect interest in, any entity whose business activities compete with the strategic activities of the Chargeurs group. This undertaking applies in the main countries where the Group has premises or an operating presence. As consideration, if Mr. Fribourg leaves office or his roles of Chairman and Chief Executive Officer are separated, the Company will pay him a non-compete indemnity equal to his total gross compensation for the last full fiscal year. For the purpose of calculating this benefit, total gross compensation corresponds to his fixed compensation (including compensation received for his directorships in Group entities) and the full amount of his variable compensation received for the last full fiscal year.

(3) If Mr. Fribourg is removed from office or his term of office is not renewed for whatever reason (including in the event of a transformation, a change in governance structure, the separation of the roles of Chairman and Chief Executive Officer or a merger), except in the event of gross negligence or serious misconduct (within the meaning of French case law), or if he resigns from his office of Chairman and Chief Executive Officer within the Company, he will receive an indemnity equal to his total gross compensation received for the last full fiscal year. For the purpose of calculating this benefit, total gross compensation corresponds to his fixed compensation (including compensation received for his directorships in Group entities) and the full amount of his variable compensation received for the last full fiscal year. The payment of this indemnity is contingent on reaching, during the last full fiscal year, the quantitative objectives for Mr. Fribourg's variable compensation.

4.4.1.3 Compensation policy applicable to the Chairman and Chief Executive Officer for fiscal 2021 (*ex-ante* say-on-pay vote)

Compensation and benefits of the Chairman and Chief Executive Officer for fiscal 2021

In accordance with the provisions of article L. 22-10-8 of the French Commercial Code, the following section sets out the principles and criteria used for determining, allocating and awarding the fixed, variable and exceptional components of the Chairman and Chief Executive Officer's total compensation and benefits for fiscal 2021, which will be submitted for shareholders' approval in an *ex ante* say-on-pay vote at the Annual General Meeting of April 8, 2021.

On the recommendation of the Compensation Committee, the Board of Directors determines the Chairman and Chief Executive Officer's compensation and benefits based on two guiding principles: balance and consistency. The Chairman and Chief Executive Officer's compensation is decided by taking into account the Company's overall interests and the ratio between his compensation and that paid to the other corporate officers and the Company's employees.

Shareholders should note that:

- The Chairman and Chief Executive Officer is the Chargeurs group's reference shareholder, through Colombus Holding, in which he holds a substantial controlling interest; his direct and indirect interests make him the Group's leading shareholder.
- For this reason, the Chairman and Chief Executive Officer has a significant personal investment in Chargeurs, representing the equivalent of more than 50 years' annual salary; this illustrates his deep long-term commitment to the Group.
- Since he took up his position, Mr. Fribourg has never sold a single Chargeurs share.
- Mr. Fribourg has steadily increased his direct and indirect personal investment in the Group since 2016 (notably by becoming Colombus Holding's main shareholder in 2019 with a substantial controlling interest), paying a premium over the share price quoted on the stock market. In 2020, his personal investment in the Group was maintained at the same level as in 2019. The Chargeurs shares and voting rights held by Colombus Holding SAS at December 31, 2020 are presented in section 6.4 of this Universal Registration Document.
- At his request, Mr. Fribourg does not participate in any performance share or stock option plan or any deferred compensation plan with an equivalent effect.
- At his request, Mr. Fribourg does not participate in any Company pension plan or any other deferred benefit plan with an equivalent effect.
- Lastly, the Chairman and Chief Executive Officer does not have an employment contract with the Group.

The underlying principles for the compensation policy applicable to the Chairman and Chief Executive Officer are based on budgetary discipline and aligning the rules used for determining his compensation with the annual assessment of his individual performance and that of the Group. It also aims to take account of his experience and responsibilities, as well as the change in scale of the Group which has developed significantly over the past two years, particularly in 2020.

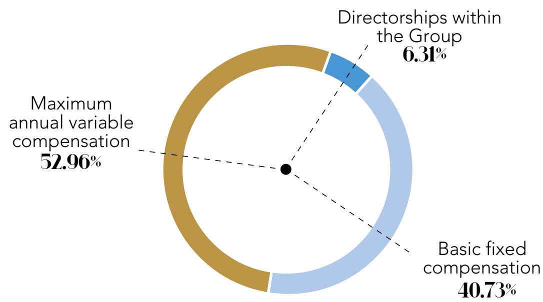
2020 saw remarkable performance (revenue of €822m and recurring operating profit of €79.3m, up respectively by +31.3% and +91.5% compared with 2019), consolidation of the Chargeurs Museum Solutions business line with the acquisitions and successful integration of Design & Production Inc. (US) and Hypsos (Netherlands), as well as success in creating and securing the future of the new healthcare activity, Chargeurs Healthcare Solutions, which, in particular, enabled the Group to maintain (and even increase) its headcount. Against the backdrop of a profound health and economic crisis worldwide, this performance reflects the resilience of the Group and its agility in transforming itself by taking proactive action led by the Chairman and CEO.

While taking account of these changes, the compensation policy for 2021 is based on the same principles and the same rules applied to the compensation policy adopted during the two previous fiscal years:

- The Chairman and Chief Executive Officer's compensation package comprises a fixed and a variable component. The breakdown between the various components reflects the Compensation Committee's decision to maintain an overriding emphasis on variable performance-based compensation that supports the Group's strategic objectives.
- Furthermore, the different criteria used to determine the variable compensation remain subject to specific sub-caps which were introduced in 2019, bearing in mind that the overall cap on variable compensation has been reduced from 150% to 130% of the basic fixed compensation.

THEORETICAL ANNUAL BREAKDOWN

The graph below illustrates the theoretical annual breakdown of the different components of the compensation of the Chairman and Chief Executive Officer, which, as in previous fiscal years, reflects the preponderance of the variable portion compared with the basic fixed portion of his compensation:



(a) Basic fixed compensation

Note that the basic fixed compensation was set at €525,000 (gross) for fiscal 2019 and 2020.

For fiscal 2021, considering the Group's change in scale over the past two fiscal years – (a) revenue up +31.3% since 2019 (€626.2m in 2019, €822m in 2020), (b) diversification of businesses (with the creation of the Chargeurs Museum Solutions business line and its consolidation in 2020 with the acquisitions of Design & Productions Inc. and Hypsos; the creation and organization of the new Chargeurs Healthcare Solutions business line), (c) the increase in the number of countries in which the Group is active commercially (90 countries in 2020, versus 45 before 2019) and (d) the increase in the Group's headcount (2,228 in 2020 versus 2,095 in 2019 and 2,072 in 2018) – and the related constraints, the fixed the fixed annual compensation compensation has been increased to €620,000, an amount that is still below by more than 10% of the basic annualized compensation of the Group's previous governance. The Board of Directors decided to freeze this amount for the subsequent two fiscal years, i.e. 2021 and 2022.

(b) Basic variable compensation

Variable compensation is based on criteria that closely reflect the Group's strategy and ambitions.

The Chairman and Chief Executive Officer's variable compensation for 2021 will be contingent on the following two types of objectives:

- financial objectives, based on the Group's financial performance, notably its consolidated recurring operating profit by business segment;
- and individual non-financial objectives, based on successful implementation of key strategic long-term actions, as assessed by the Compensation Committee.

The Chairman and Chief Executive Officer's basic variable compensation for 2021 is based on quantitative and qualitative objectives, which are appropriately weighted, at 60% and 40% respectively. If the pre-defined threshold tied to the Group's recurring operating profit by business segment is fully reached and the Group's strategic qualitative objectives are met, as assessed by the Compensation Committee, the Chairman and Chief Executive Officer will be eligible for 100% of his basic variable compensation, which represents 50% of his basic fixed compensation.

(c) Variable compensation for outperformance

The variable compensation that could be awarded for 2021 to the Chairman and Chief Executive Officer if he outperforms his targets will be based on the following criteria:

- A criterion based on the Group's intrinsic performance: If the financial objectives are exceeded, as measured by the difference between actual recurring operating profit for 2021 and the threshold that triggers payment of his basic variable compensation, the Chairman and Chief Executive Officer may receive an additional amount of variable compensation, calculated based on a pre-defined formula. The award of this additional variable compensation will be contingent on the Group achieving an ambitious target in terms of recurring operating profit, pre-defined in 2020 when the objectives for 2021 were set.

  The amount of additional variable compensation that would be payable if the financial objectives are outperformed would be capped at 140% of the Chairman and Chief Executive Officer's total basic variable compensation, which itself is capped at 50% of his basic fixed compensation.

- A criterion based on the Group's stock market performance: The Chairman and Chief Executive could receive a special bonus if Chargeurs' share price performs significantly well. The related share performance target for 2021 is based on a criterion of Shareholders' Returns, measured based on two performance conditions which each count for 50% of the bonus and are the same as for 2020 and 2019, namely:
  a) If the difference in the Chargeurs share price between the beginning and the end of the fiscal year in question – based on the average closing share price for the last 20 trading days of the year compared with the average closing share price for the first 20 trading days of the year – is 5% higher than the SBF 120, a special bonus of €120,000 will be awarded.
  b) If the dividend amount paid during the fiscal year – based on the average closing share price for the first 20 trading days of the year – is 2% higher than the average for a panel of peer companies, a special bonus of €120,000 will be awarded. This criterion is directly linked to shareholders' immediate interests.
- In addition to the above, the Board of Directors may award other special bonuses to the Chairman and Chief Executive Officer on a case-by-case basis on the recommendation of the Compensation Committee. Such bonuses may be awarded for particularly successful work related to matters such as raising debt or equity financing for the Group, acquisitions or divestments, or if the Chargeurs share price performs significantly well.

  These bonuses may not exceed €100,000 in fiscal 2021.

For fiscal 2021, all of the variable compensation of the Chairman and Chief Executive Officer will, at his request, be capped at 130% of his basic fixed compensation, down from 150% in previous fiscal years, meaning that his overall variable compensation package remains at a similar level to previous years.

For 2021, the individual qualitative criteria (each with the same weighting) will concern the following five areas, with a new CSR criterion added since 2020:

- talent management;
- definition and implementation of like-for-like growth strategy;
- smart manufacturing;
- innovation;
- increase in the proportion of sustainable products included in the Group's total production, within the meaning of the United Nations' Global Compact Sustainable Development Goal (SDG) No. 9.

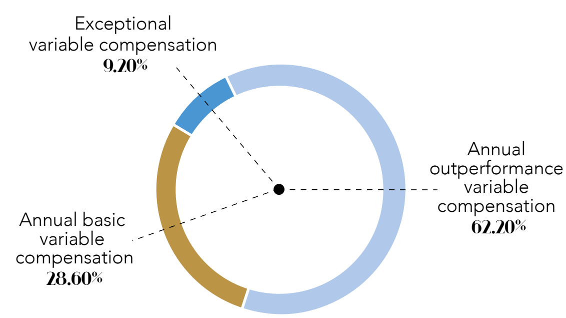
SDG No. 9 (United Nations Sustainable Development Goal) – Target 9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise the industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

The respective weightings of the variable compensation components reflect the preponderance of the quantitative component rewarding outperformance compared with targets for (i) recurring operating profit and (ii) stock market performance. The breakdown reflects the Compensation Committee's choice of maintaining an exacting variable compensation program.

(d) Compensation for corporate officer positions in other Group entities

As part of the Group's international and external growth policy, the Chairman and Chief Executive Officer is called upon to conduct business outside France, including specific monitoring of certain subsidiaries with a key strategic role, notably in the United States, where his role has been stepped up, and, in this respect, will receive gross compensation amounting to €96,000 for fiscal 2021 linked to his directorship functions. Conversely, at his own request, the Chairman and Chief Executive Officer does not receive any compensation for his roles and responsibilities as Chairman of the Board of Directors as set in Chargeurs SA's bylaws (i.e., in relation to organizing the Board's work and operating procedures).

THEORETICAL WEIGHTING OF THE VARIABLE COMPENSATION COMPONENTS (BEFORE APPLYING THE CAP)



(e) Payment of the Chairman and Chief Executive Officer's variable and exceptional compensation

Pursuant to the provisions of article L. 22-10-8 of the French Commercial Code, payment of the Chairman and Chief Executive Officer's variable and exceptional compensation for fiscal 2021 will be contingent on the shareholders' approval – at the Annual General Meeting called to approve the fiscal 2021 financial statements – of the fixed, variable and exceptional components making up the total compensation and benefits in kind paid or awarded to the Chairman and Chief Executive Officer for fiscal 2021.

The above compensation components are summarized in the following table:

Type	Weighting	Maximum bonus *(% of basic fixed compensation)*	Objective
BASIC VARIABLE COMPENSATION			
Consolidated recurring operating profit	60%	30%	Recurring operating profit performance
Talent management Definition and implementation of like-for-like growth strategy Smart manufacturing Innovation Increase in proportion of sustainable products	40%	20%	By reference to the qualitative aspects of the Leap Forward 2025 program
Sub-total I	100%	50%	-
VARIABLE COMPENSATION FOR OUTPERFORMANCE			
Consolidated recurring operating profit	64.4%	70%	Outperformance vs. target consolidated recurring operating profit
Relative share price	17.8%	19.4% (€120,000)	Over the fiscal year, Chargeurs shares outperformed the SBF 120 by 5%
Dividends/Relative share price	17.8%	19.4% (€120,000)	In terms of annual dividend/share price ratio, Chargeurs outperformed its peer group by 2%
Sub-total II	100%	108.8%	-
EXCEPTIONAL VARIABLE COMPENSATION			
Equity/debt raising exercises, divestments or acquisitions, stock market performance	100%	16.1% (€100,000)	Particularly successful equity/debt raising exercises, divestments or acquisitions, exceptionally good stock market performance
Sub-total III	100%	16.1%	-
TOTAL AFTER APPLYING THE 130% CAP	**-**	**130%**	**-**

(f) Directors' compensation

As stated above, at his own request, the Chairman and Chief Executive Officer does not receive any compensation for his roles and responsibilities as Chairman of the Board of Directors as set in the Company's bylaws (i.e., in relation to organizing the Board's work and operating procedures). As in prior fiscal years, and again at his own request, he will not receive any compensation for fiscal 2021 in his capacity as a member of the Board of Directors of Chargeurs SA.

(g) Benefits in kind

In 2021, he may continue to have the personal use of a means of transport at the Group's disposal to facilitate certain business trips. This usage, which is measured on a variable hourly basis, will be booked as a benefit in kind and will be capped at an annual amount of €22,000 to which can be added an amount of €9,669 for the availability of a vehicle at his disposal owing to the health crisis backdrop. In addition, the Chairman and Chief Executive Officer is a beneficiary of the same personal protection and travel insurance plans as the Group's employees. The Company has also taken out an unemployment insurance policy on his behalf whose premiums (representing an annual amount of €21,120) are subject to payroll taxes and are therefore accounted for as benefits in kind.

(h) Commitments given to the Chairman and Chief Executive Officer

At its meeting on March 8, 2017 the Board of Directors approved a non-compete agreement between Mr. Fribourg and the Company which reflects the Group's standard practices. This commitment was approved by the shareholders at the April 20, 2017 Annual General Meeting in accordance with the applicable legislation.

In this respect, considering his roles and responsibilities, Mr. Fribourg has daily access to confidential information about the Company and other Group entities, as well as their customers, which, if disclosed to competitors, could severely harm the Company's interests.

Consequently, Mr. Fribourg has given an undertaking that if his duties as either Chief Executive Officer or as Chairman and Chief Executive Officer are terminated (irrespective of the reasons therefor and manner thereof), he will refrain for a period of two years from entering into the service of, or taking any form of direct or indirect interest in, any entity whose business activities compete with those of the Chargeurs group in the segments of (i) temporary surface protection and (ii) garment interlining. This undertaking applies in the main countries where the Group has premises or an operating presence.

As consideration, if Mr. Fribourg leaves office or his roles of Chairman and Chief Executive Officer are separated, the Company will pay him a non-compete indemnity equal to his total gross compensation for the last full fiscal year. For the purpose of calculating this benefit, total gross compensation corresponds to his fixed compensation (including compensation received for his directorships in Group entities) and the full amount of his variable compensation received for the last full fiscal year.

Also on March 8, 2017 the Board of Directors approved a related-party agreement setting out the benefits that would be payable to Mr. Fribourg by Chargeurs SA in the event that (i) his term of office is not renewed, (ii) he is removed from office, (iii) his roles as Chairman and Chief Executive Officer are separated, or (iv) there is a change in the Company's strategy or control. This agreement, which reflects the Group's standard practices, was approved by the shareholders at the April 20, 2017 Annual General Meeting in accordance with the applicable legislation.

As such, if Mr. Fribourg is removed from office or his term of office is not renewed for whatever reason (including in the event of a transformation, a change in governance structure, the separation of the roles of Chairman and Chief Executive Officer or a merger), except in the event of gross negligence or serious misconduct (within the meaning of French case law), or if he resigns from his office of Chairman and Chief Executive Officer within the Company, he will receive an indemnity equal to his total gross compensation received for the last full fiscal year.

For the purpose of calculating this benefit, total gross compensation corresponds to his basic fixed compensation (including the compensation received for his directorships in Group entities) and the full amount of his variable compensation received for the last full fiscal year.

The payment of this indemnity is contingent on consolidated recurring operating profit for the last full fiscal year representing the minimum amount for Mr. Fribourg's quantitative-based variable compensation to become payable.

Draft resolution (*ex-ante* say-on-pay vote)

" Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chairman and Chief Executive Officer as presented and described in the report of the Board of Directors on corporate governance."

4.4.2 COMPENSATION AND BENEFITS IN KIND PAID TO MEMBERS OF THE BOARD OF DIRECTORS

4.4.2.1 Compensation policy applicable to the members of the Board of Directors for fiscal 2021 (*ex-ante* say-on-pay vote)

In accordance with the provisions of articles L. 22-10-14 and L. 22-10-8 of the French Commercial Code, an annual fixed amount of compensation is awarded to the Board of Directors by the shareholders at the Annual General Meeting.

This amount is allocated among the Directors, including the Non-Voting Director, based on their attendance at meetings of the Board and the Board Committees, apart from the Chairman and Chief Executive Officer, who does not receive any compensation for his role as a Director of the Company.

The Annual General Meeting of May 6, 2019 set the overall maximum annual compensation that can be paid to members of the Board of Directors for their participation in the work of the Board and the Board Committees at €380,000 to partially take account of the arrival of a new Independent Director within the Board. In line with the 2021 compensation policy applicable to members of the Board of Directors that will be submitted to shareholders at the Annual General Meeting on April 8, 2021 and in line with the eighth resolution, the Board of Directors proposes to increase the amount of maximum individual compensation attributable by the Board to each Board member in respect of their directorships, owing to the importance of the work carried out by the Board and the commitment of each of its members. This increase aims to take account of the greater importance of the work of the Board and the strong commitment of each of its members to our constantly-evolving Group.

The work of the Board of Directors has been increased considerably and diversified owing to the expansion of the Group, whose scale changed significantly in 2020 with, on the one hand, the acquisition of US company, Design & Production Inc. (Chargeurs Museum Solutions business line) and, on the other, creating and securing the future of the new healthcare business (Chargeurs Healthcare Solutions business line).

This accelerated transformation of the Group involves a greater individual, bilateral and collective workload for Board of Directors' members of the Board of Directors, with increased responsibilities. The expertise and experience of the Board Members was particularly useful during 2020 and represented a key strength for the Group. In 2020, owing to the large number of projects steered, the Board of Directors and its Committees were very busy. The Board met eight times, excluding Special Committee meetings (five meetings of the Audit Committee, Four meetings of the Compensation Committee and one for the Acquisitions Committee). The content of the work of the Board of Directors and Special Committees is presented in the Report to the Board of Directors on Corporate Governance provided in section 4.2 of this Universal Registration Document.

The commitment of the members of the Board of Directors is set to increase further as part of the new Leap Forward 2025 strategic plan. Apart from Advisory Committees, this greater commitment will take two main forms:

- First, an increase in site visit frequency, bearing in mind that the Group's extended geographical reach, with a presence in close to 100 countries, makes these essential visits time consuming given the distances involved and in light of health; restrictions:
- Second, more frequent exchanges with the members of the Group's Executive Committees, in particular with the Strategic Executive Committee in charge of implementing the Leap Forward 2025 which constantly involves one or more committee members in its deliberations every week.

The compensation awarded to each member of the Board of Directors out of this total amount will be determined based on their attendance at meetings of the Board and the Board Committees. With regard to Board Committees, compensation is booked and paid only for attendance at meetings that are not held on the same day as a Board meeting.

The members of the Board of Directors do not receive any compensation from the Group apart from that allocated to them for their attendance at meetings of the Board and the Board Committees. They do not receive any performance shares or stock options.

The Board of Directors may authorize the reimbursement of travel and other expenses incurred by Board members in the interests of the Company.

If a member of the Board of Directors were to be asked to perform a one-off assignment in the Company's interests, owing to their expertise and role, the compensation allocated to this Board member for this assignment by the Board of Directors would be subject to the approval procedure applicable to related-party agreements.

Draft resolution (*ex-ante* say-on-pay vote)

" Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, the shareholders approve the compensation policy applicable to Company Directors as presented in the Board of Directors' report on corporate governance."

4.4.2.2 Summary table of compensation awarded to the members of the Board of Directors for fiscal 2020

As recommended in the MiddleNext Corporate Governance Code (the "MiddleNext Code"), a summary table is provided below of the compensation paid in the last three fiscal years to the Company's Directors in respect of their participation in the work of the Board and the Board Committees. The members of the Board of Directors did not receive any other form of compensation from the Group.

The total compensation allocated among the members of the Board of Directors for fiscal 2020 amounted to €380,000.

TABLE 3: TABLE OF COMPENSATION RECEIVED BY NON-EXECUTIVE DIRECTORS

Mr. Emmanuel Coquoin	Amount due for fiscal 2018	Amount due for fiscal 2019	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	€68,571	€64,615	€64,681
Other compensation	N/A	N/A	N/A
TOTAL	**€68,571**	**€64,615**	**€64,681**

Ms. Isabelle Guichot	Amount due for fiscal 2018	Amount due for fiscal 2019	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	€42,857	€51,692	€64,681
Other compensation	N/A	N/A	N/A
TOTAL	**€42,857**	**€51,692**	**€64,681**

Ms. Cécilia Ragueneau	Amount due for fiscal 2018	Amount due for fiscal 2019	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	€68,571	€64,615	€64,681
Other compensation	N/A	N/A	N/A
TOTAL	**€68,571**	**€64,615**	**€64,681**

Mr. Nicolas Urbain	Amount due for fiscal 2018	Amount due for fiscal 2019	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	€68,571	€64,615	€64,681
Other compensation	N/A	N/A	N/A
TOTAL	**€68,571**	**€64,615**	**€64,681**

Ms. Maria Varciu	Amount due for fiscal 2018	Amount due for fiscal 2019 (from 05/06/2019 to 12/31/2019)	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	N/A	€38,769	€64,681
Other compensation	N/A	N/A	N/A
TOTAL	**N/A**	**€38,769**	**€64,681**

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Mr. Georges Ralli (Non-Voting Director)	Amount due for fiscal 2018	Amount due for fiscal 2019	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	€51,429	€51,692	€56,595
Other compensation	N/A	N/A	N/A
TOTAL	**€51,429**	**€51,692**	**€56,595**

Draft resolution (first part of the *ex-post* say-on-pay vote)

" Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with the provisions of article L. 22-10-34 II of the French Commercial Code, approves the information mentioned in article L. 22-10-9-I of the French Commercial Code, this section comprises the Board of Directors' report on corporate governance."

4.4.3 FREE SHARE PLAN

Since fiscal 2017, Chargeurs has adopted a policy of granting shares free of consideration to its employees in order to encourage the development of long-term employee share ownership. With a view to more closely involving employees in the Group's performance, and strengthening their commitment to value creation, Chargeurs launched its first free share plan ("performance share plan") in fiscal 2017 for selected Group employees.

At his own request, the Chairman and Chief Executive Officer is not a beneficiary of the performance share plans described below. In addition, no other corporate officer is a beneficiary of these plans. The Board of Directors does not intend to use its authorizations to grant performance shares to corporate officers.

For future performance share plans, the Board of Directors intends to set performance conditions that are similar to those of previous plans:

- quantitative conditions based on Group performance, as measured based on budgeted recurring operating profit;
- and personal performance conditions, corresponding to each beneficiary and their direct contribution to the Leap Forward 2025 plan's success.

The performance targets are ambitious, as illustrated by the vesting rates of the different plans as shown in the summary table below. Reaching all the performance criteria of plan No. 5, which was just as ambitious as previous plans, can be partially attributed to the excellent performance recorded by the Group during fiscal 2020.

Free share grant plans applicable in the Company at December 31, 2020

The table below presents free share grant plans applicable in the Company at December 31, 2020:

	Plan No. 1 (2017)	Plan No. 2 (2018-1)	Plan No. 3 (2018-2)	Plan No. 4 (2019)	Plan No. 5 (2020)	Plan No. 6 (2023)	Plan No. 7 (2023-2)
Annual General Meeting date:	04/20/2017	04/20/2017	04/20/2017	04/20/2017	05/06/2019	05/06/2019	04/28/2020
Board Meeting date:	07/20/2017	09/05/2018	12/10/2018	03/11/2019	12/19/2019	12/19/2019	11/10/2020
Total number of free shares granted, of which:	31,400	44,200	18,000	2,000	13,000	150,000	42,000
Corporate officers	None	None	None	None	None	None	None
Vesting date:	07/20/2018	09/05/2019	12/10/2019	03/11/2020	01/01/2021	01/01/2023	01/01/2023
Holding period end date:	07/20/2019	09/05/2020	12/10/2020	03/11/2021	01/01/2022	01/01/2024	01/01/2024
Number of shares vested at December 31, 2020:	17,000	13,017	0	0	13,000	0	0
Total number of cancelled or lapsed shares:	14,400	31,183	18,000	2,000	0	0	0
Free shares outstanding at December 31, 2020:	0	0	0	0	0	150,000	42,000

Free shares granted by the Board of Directors during the fiscal year ended December 31, 2020

During the fiscal year ended December 31, 2020 the Board of Directors made use of the powers delegated by the Extraordinary General Meeting of April 28, 2020 to implement the following share grant plan:

- Free share grant plan No. 7 (2023-2) by decision of the Board of Directors on November 10, 2020 as follows:
  - Total number of free shares: 42,000;
  - Free share beneficiaries: Talent Executives and Group Senior Executives;
  - Vesting period: Three years from January 1, 2020. Therefore, shares will only be fully vested as of January 1, 2023 if the pre-defined individual quantitative and qualitative performance targets, set by the Board of Directors, are met.

4.5 Code of Conduct and Ethics Committee

Chargeurs has committed to a number of international human rights standards currently in force, including:

- the Universal Declaration of Human Rights;
- the United Nations (UN) Global Compact;
- the UN Guiding Principles on Business and Human Rights;
- the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises;
- the International Labour Organization (ILO) Conventions.

In 2017, Chargeurs decided to strengthen its commitment by pledging to support the UN Global Compact and its ten universally accepted principles, namely that businesses:

1. support and respect the protection of internationally proclaimed human rights;
2. ensure they are not complicit in human rights abuses;
3. uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. uphold the elimination of all forms of forced and compulsory labor;
5. uphold the effective abolition of child labor;
6. uphold the elimination of discrimination in respect of employment and occupation;
7. support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility;
9. encourage the development and diffusion of environmentally friendly technologies;
10. work against corruption in all its forms, including extortion and bribery.

To mark the occasion, Chargeurs brought together all of the values and principles held by the Group and formally enshrined them in its Code of Conduct in order to raise awareness and encourage everyone to apply them in full.

The Code of Conduct can be viewed on the Chargeurs website at www.chargeurs.fr/fr/content/responsabilite-sociale-et-environnementale.

In parallel, an Ethics Committee was created during fiscal 2017.

ROLE OF THE ETHICS COMMITTEE

The role of the Ethics Committee is to define and recommend to the Board of Directors best governance and ethics practices for the Group, and to make sure that the Code of Conduct is properly applied.

Its responsibilities include:

- providing an advisory opinion on any situation that may violate the Code of Conduct;
- expressing a position on the most critical cases, which are submitted to the Committee by the Compliance Officer;
- investigating reported violations under the whistleblowing system and deciding what action needs to be taken: closing the case, adopting appropriate corrective measures or initiating disciplinary and/or legal proceedings;
- providing an advisory opinion on the suitability of the measures adopted by the Group in various situations.

ETHICS COMMITTEE MEMBERSHIP

The Ethics Committee has three members, Ms. Isabelle Guichot and two well-known persons from outside the Group. It is chaired by Mr. Francis Teitgen, honorary president of the Paris Bar Association. The outside members are selected based on their experience, independence and support of humanist values.

The Group's Compliance Officer serves as Secretary and *Rapporteur Général* of the Ethics Committee and presents its members with an analysis of the Group's ethics issues.

If necessary, the Group Chairman and Chief Executive Officer of the Group may, on the initiative of the Chairman of the Ethics Committee, personally participate in Committee meetings.

Ethics Committee members are chosen by the Chairman and Chief Executive Officer of Chargeurs SA and approved by the Board of Directors.

Each member is appointed for a two-year term.

The Ethics Committee is chaired by one of the three selected members, based on the recommendation put forward to the Board of Directors by the Chairman and Chief Executive Officer.

COMPENSATION OF ETHICS COMMITTEE MEMBERS

No compensation is paid to Ms. Guichot for her Ethics Committee membership.

The two Non-Director members receive a fixed fee set by the Board of Directors at the beginning of each year of office. The maximum fee for these Non-Director members was set at €15,000 each for fiscal 2020.

05. Financial and accounting information

5.1 The Group's 2020 consolidated financial statements

5.1.1 2020 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Income

		Year ended December 31	
(in euro million)	Note	2020	2019
Revenue	4	**822.0**	**626.2**
Cost of sales		(603.0)	(459.2)
Gross profit		**219.0**	**167.0**
Distribution costs		(74.2)	(75.1)
Administrative expenses		(60.7)	(46.4)
Research and development costs		(4.8)	(4.1)
Recurring operating profit		**79.3**	**41.4**
Amortization of intangible assets acquired through business combinations		(5.3)	(2.5)
Other operating income	5	-	0.1
Other operating expense	5	(18.2)	(7.1)
Operating profit		**55.8**	**31.9**
Finance costs, net		(11.0)	(9.8)
Other financial expense		(4.6)	(1.7)
Other financial income		6.1	-
Net financial expense	7	**(9.5)**	**(11.5)**
Pre-tax profit for the period		**46.3**	**20.4**
Share of profit/(loss) of associates	13	(1.7)	(0.4)
Income tax expense	8	(4.3)	(4.9)
Profit from continuing operations		**40.3**	**15.1**
Net profit		40.3	15.1
ATTRIBUTABLE TO OWNERS OF THE PARENT		**41.0**	**15.1**
Attributable to non-controlling interests		(0.7)	-
Earnings per share *(in €)*	9	1.79	0.66
Diluted earnings per share *(in €)*	9	1.79	0.66

Consolidated Statement of Comprehensive Income

(in euro million)	Note	Year ended December 31 2020	2019
Net profit		**40.3**	**15.1**
Exchange differences on translating foreign operations	17	(27.5)	3.0
Cash flow hedges		(0.3)	1.3
Total items that may be reclassified subsequently to profit or loss		**(27.8)**	**4.3**
Other comprehensive income/(expense) for the period		(2.8)	(1.2)
Actuarial gains and losses on post-employment benefit obligations	19	0.2	(0.7)
Total items that will not be reclassified to profit or loss		**(2.6)**	**(1.9)**
Other comprehensive income for the period, net		(30.4)	2.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**9.9**	**17.5**
Attributable to:			
Owners of the parent		10.7	17.5
Non-controlling interests		(0.8)	-

The accompanying notes are an integral part of the consolidated financial statements.

5

Consolidated Statement of Financial Position

ASSETS

(in euro million)	Note	12/31/2020	12/31/2019
Intangible assets	10	228.7	173.1
Property, plant and equipment	11	83.1	87.3
Right-of-use assets	12	38.1	25.8
Investments in associates and joint ventures	13	7.0	12.6
Deferred tax assets	8	35.6	33.4
Financial assets	14	8.3	6.7
Other non-current assets		2.0	1.1
Net non-current assets		402.8	340.0
Inventories and work-in-progress	15	139.1	126.1
Long-term contract assets	15	1.8	-
Trade receivables	15	64.1	73.5
Derivative financial instruments	15	1.1	1.4
Miscellaneous receivables	15	45.0	27.8
Short-term tax receivables	15	1.2	1.3
Other short-term financial receivables	14	20.3	-
Cash and cash equivalents	18	209.0	93.9
Net current assets		481.6	324.0
TOTAL ASSETS		**884.4**	**664.0**

EQUITY AND LIABILITIES

(in euro million)		12/31/2020	12/31/2019
Attributable to owners of the parent	9	237.4	232.4
Non-controlling interests		(0.8)	-
Total equity		236.6	232.4
Medium and long-term borrowings	18	309.5	193.5
Medium and long-term lease liabilities	12	27.6	17.3
Deferred tax liabilities	8	5.1	5.7
Pension and other post-employment benefit obligations	19	16.8	18.3
Provisions for other current liabilities	20	0.4	0.4
Other non-current liabilities	21	14.8	7.4
Net non-current liabilities		374.2	242.6
Short-term portion of long-term borrowings	18	38.3	7.5
Short-term portion of lease liabilities	12	10.5	9.1
Short-term portion of provisions for other liabilities	20	17.3	0.7
Trade payables	15	110.8	105.6
Long-term contract liabilities	15	8.3	-
Other payables	15	72.8	44.8
Current income tax liabilities	15	6.3	5.9
Derivative financial instruments	15	1.1	0.1
Short-term bank loans and overdrafts	18	8.2	15.3
Net current liabilities		273.6	189.0
TOTAL EQUITY AND LIABILITIES		**884.4**	**664.0**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

(in euro million)	Note	Year ended December 31 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Pre-tax profit of consolidated companies		46.3	20.4
Adjustments to reconcile pre-tax profit to cash generated from operations		30.5	21.6
• *depreciation and amortization expense*	*10 & 11 & 12*	*28.7*	*21.1*
• *provisions and pension and other post-employment benefit obligations*		*8.5*	*(0.1)*
• *impairment of non-current assets*		*0.2*	*-*
• *fair value adjustments*		*(6.8)*	*0.9*
• *impact of discounting*		*(0.2)*	*0.3*
• *(gains)/losses on disposals of investments in non-consolidated companies and other non-current assets*		*0.2*	*-*
• *exchange (gains)/losses on foreign currency receivables and payables*		*(0.1)*	*(0.6)*
Income tax paid [(1)]		(6.4)	(3.3)
Cash flows provided by operating activities, before changes in net working capital		**70.4**	**38.7**
Dividends from associates	13	-	0.1
Change in operating working capital	15	2.6	(13.3)
Net cash from operating activities		73.0	25.5
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of the cash acquired [(2)]		(53.0)	(9.6)
Acquisition of intangible assets	10	(1.5)	(2.1)
Acquisition of property, plant and equipment	11	(13.4)	(23.2)
Proceeds from disposals of intangible assets and property, plant and equipment		4.9	0.9
Net change in other short-term financial receivables [(3)]	18	(14.2)	-
Other movements		0.3	(0.7)
Net cash used in investing activities		(76.9)	(34.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash dividends paid to owners of the parent		(5.9)	(8.6)
(Purchases)/sales of treasury stock		(0.1)	(9.8)
Proceeds from new borrowings	18	247.3	38.6
Repayments of borrowings	18	(100.5)	(10.3)
Repayments of lease liabilities	12	(10.9)	(9.7)
Change in short-term bank loans and overdrafts	18	(6.4)	(5.6)
Other movements		(1.4)	-
Net cash used in financing activities		122.1	(5.4)
Increase/(decrease) in cash and cash equivalents		118.2	(14.6)
Cash and cash equivalents at beginning of period	18	93.9	110.0
Effect of changes in foreign exchange rates on cash and cash equivalents		(3.1)	(1.5)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**18**	**209.0**	**93.9**

(1) Including a reduction in withholding tax of €6.4m received pursuant to an initial ruling.
(2) Including mainly the acquisitions of D&P and Hypsos during the first half of 2020 (see Note 1.4).
(3) Investment in shares of listed companies.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

(in euro million)	Share capital	Share premium account	Other reserves and retained earnings	Translation reserve	Cash flow hedges	Actuarial gains and losses on post-employment benefit obligations	Treasury stock	Group total	Non-controlling interests	Total
At 12/31/2018	3.7	64.6	182.9	3.1	-	(6.7)	(10.4)	237.2	-	237.2
First-time application of IFRIC 23 (1)			(3.9)					(3.9)		(3.9)
At 01/01/2019 restated	3.7	64.6	179.0	3.1	-	(6.7)	(10.4)	233.3	-	233.3
Issue of share capital	-	4.5	-	-	-	-	-	4.5	-	4.5
Changes in treasury stock	-	-	-	-	-	-	(9.8)	(9.8)	-	(9.8)
Payment of dividends	-	-	(13.1)	-	-	-	-	(13.1)	-	(13.1)
Profit for the period	-	-	15.1	-	-	-	-	15.1	-	15.1
Other comprehensive income/(expense) for the period	-	-	(1.2)	3.0	1.3	(0.7)	-	2.4	-	2.4
At 12/31/2019	3.7	69.1	179.8	6.1	1.3	(7.4)	(20.2)	232.4	-	232.4
Issue of share capital	0.1	4.9	-	-	-	-	-	5.0	-	5.0
Changes in treasury stock	-	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Share-based payment	-	-	0.3	-	-	-	-	0.3	-	0.3
Payment of dividends(2)	-	-	(10.9)	-	-	-	-	(10.9)	-	(10.9)
Profit for the period	-	-	41.0	-	-	-	-	41.0	(0.7)	40.3
Other comprehensive income/(expense) for the period (3)	-	-	(2.8)	(27.4)	(0.3)	0.2	-	(30.3)	(0.1)	(30.4)
AT 12/31/2020	**3.8**	**74.0**	**207.4**	**(21.3)**	**1.0**	**(7.2)**	**(20.3)**	**237.4**	**(0.8)**	**236.6**

(1) Impact of the first-time application of IFRIC 23 – Uncertainty over Income Tax Treatments.

(2) €10.9m paid in respect of the remaining dividend for 2019 and the 2020 interim dividend, of which €5.9m paid in cash and €5.0m paid in shares.

(3) Conversion reserves varied over the fiscal year by €(27.4)m (see Note 17.5). Furthermore, in 2020, the Group included in its consolidated financial statements the effects of the "Amédée Paris" activity for a total amount of €(4.2)m, of which €(3.0)m directly in equity (€(1.8)m for fiscal 2019 and €(1.2)m for previous years) and a financial result of €(1.2)m.

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Chargeurs and its subsidiaries (the Chargeurs group) are structured into five business lines:

- **Chargeurs Protective Films (CPF)** develops, manufactures and markets (i) technical solutions to protect steel, aluminum, plastic and other surfaces during the production process and (ii) laminators for temporary surface protection films **(Chargeurs Protective Specialty Machines, (CPSM));**
- **Chargeurs*Precision Custom Coatings (PCC) Fashion Technologies (CFT)** manufactures and markets garment interlinings;
- **Chargeurs Museum Solutions (CMS)** comprises a services arm – Chargeurs Creative Collection (CCC) – which is a global standard-setter for services to cultural establishments and a manufacturing arm made up of Senfa, which specializes in functionalized technical textiles;
- **Chargeurs Luxury Materials (CLM)** manufactures and markets premium wool tops (Top making);
- **Chargeurs Healthcare Solutions (CHS)** develops, produces and markets technologies and solutions dedicated to health and personal protection.

Chargeurs is a société anonyme governed by the laws of France. Its registered office is located at 7 Rue Kepler, 75116 Paris, France.

Chargeurs' shares are listed on Euronext Paris.

The consolidated financial statements for the year ended December 31, 2020, were approved by the Board of Directors on March 17, 2021, and will be submitted to shareholders for approval at the Annual General Meeting on April 8, 2021.

The Board of Directors has decided to ask shareholders at the April 8, 2021 Annual General Meeting to approve payment of a dividend of €1.32 per share for 2020. A €0.28 interim dividend was paid in October 2020. At this same Annual General Meeting, the shareholders will be asked to approve a stock dividend alternative.

Note 1 SIGNIFICANT EVENTS OF THE YEAR

1.1 Main information regarding the impact of the Covid-19 pandemic on the Group's situation.

Active in Asia with its four production facilities, the Group assessed the full extent of the crisis by adapting its manufacturing in order to comply with barrier gestures and rolling out widescale remote working practices for all eligible support functions. As such, the Group ensured continuity in the operations of its historical businesses and structured its new business line, Chargeurs Healthcare Solutions, in record time. Thanks to a controlled supply chain, no disruptions occurred and suppliers successfully ensured continuity of their services.

Despite the extremely difficult economic backdrop – unrivaled for a century – and by leveraging its structural assets which have been considerably strengthened since 2015, the Group's long-standing businesses showed remarkable resilience in response to the crisis. Overall, they remained profitable.

Protective Films

Chargeurs Protective Films (CPF) generated revenue of €270.4m in 2020, a year-on-year decline of just 2.8%. In light of the current situation, this good performance is mainly due to the ramp-up of the new production line in Italy as well as its extensive range, high-quality service and the business line's global reach, which have ensured constant adaptation to customer needs. Excluding the impact of the fall in polyethylene prices, 2020 revenue was virtually stable on 2019 at constant exchange rates.

Moreover, since the surface protection business has been considered "essential to the economy" in industrialized countries, Protective Films' main production facilities were able to continue their activity, even at the peak of the crisis. The main reason for the decline in profitability is the change in both the product and geography mix, linked to the economic slowdown. However, the decline remains positive overall, despite the extreme crisis scenario.

CPF ended fiscal 2020 with recurring operating profit of €17.0m, representing 6.3% of revenue.

Most importantly, CPF saw its business return to growth as of second-half 2020.

Fashion Technologies

Chargeurs*PCC Fashion Technologies posted 2020 revenue of €131.8m, down 37.4% following lockdown measures adopted in several countries. This led to the closure of stores and an overall contraction in the fashion and luxury goods markets.

In spite of measures to end lockdown in most European countries, the rebound in clothes purchases is moderate. Recurring operating profit was thus penalized, but remained positive at €5.1m.

Luxury Materials

Chargeurs Luxury Materials (CLM) booked revenue of €64.6m in 2020, representing a decline of 35.5%. The brisk momentum in the first two months of the year was stopped in its tracks by the Covid-19 crisis, with the business line weighed down by the overall contraction in the fashion and luxury goods markets and a negative price effect.

In view of these factors, CLM ended 2020 with a €2.3m recurring operating loss.

Museum Solutions

Chargeurs Museum Solutions (CMS) reported full-year revenue of €51.6m, up 38.3% on 2019 and driven by the integration of the latest acquisitions – specifically D&P since February 29, 2020, and Hypsos since April 22, 2020.

At constant scope and exchange rates, revenue was down 47.5%, as the business suffered from volume losses in its historical technical textiles business and delays in executing a number of new museum construction projects and the restructuring of existing museums.

Nevertheless, the positive contributions from the companies acquired over the past year enabled CMS to generate €1.9m in recurring operating profit despite the historically challenging background. It is important to note that so far, no major projects have been canceled as a result of the Covid-19 crisis – there have only been postponements. Throughout the year, the business line continued to actively respond to and win several tenders on the market.

Furthermore, in preparation of the gradual recovery in museum activities and to adapt its offering to the new health situation, CMS has developed high-potential turnkey solutions in sectors such as museums, retail, hospitality and aviation with strong growth prospects for the coming months.

Healthcare Solutions

Against the background of an extreme health crisis, the Group refocused and mobilized its manufacturing facilities for CFT and CMS' textiles businesses as well as its global supply chain in an effort to meet urgent worldwide needs in personal protective equipment (PPE) technologies. To this end, the Group manufactured, commissioned, shipped and delivered large-scale PPE to the general public and private customers, thereby contributing to tackling the pandemic.

The development and production of PPE, including protective masks, gowns, gloves, hand sanitizer, etc., successfully offset the decline in traditional businesses, generating revenue of €303.6m and recurring operating profit of €63.5m. Volumes were particularly high in the second quarter of the fiscal year, owing to the pandemic. This resulted in first-half and second-half revenue of €253.9m and €49.7m respectively.

1.2 Strengthened Group liquidity

Since the start of the crisis in first-half 2020, the Group strengthened its liquidity position through the establishment of new bank financing facilities for €30.0m (including €22.5m, drawn on December 31, 2020).

Moreover, in December 2020, Chargeurs continued to optimize its statement of financial position and long-term resources with a private placement bond (Euro PP), totaling €100m, redeemable at maturity. The loan has an 8-year maturity and pays a coupon of 3.25%. Placement subscribers include: Aviva Investors France, La Banque Postale Asset Management, Aberdeen Standard Investment, SHAM and Klesia Finances.

The sustainability-linked Euro PP incorporates two environmental and social commitments selected from the four pillars on which the Group's CSR strategy is based:

- Reducing work accident frequency;
- Increasing revenue generated by sustainable products.

The financing is not subject to leverage covenants and has a gearing covenant of ≤ 1.2x. As such, the Group has increased its financial headroom and documentation flexibility, showcasing agility under all circumstances.

The transaction extends the average maturity of the Group's drawn debt from 3.3 to 4.4 years.

Thus, at end-December 2020, the Group had significant liquidity, with €209.0m in available cash and €141.3m in confirmed undrawn financing facilities.

Information on Group net debt is presented in Note 18.

In addition, the Group has extended its deconsolidating factoring policy, with the introduction of a deconsolidating factoring contract in the United States. This supplements the program started in Europe in 2019.

1.3 Creation of Chargeurs Healthcare Solutions segment

Capitalizing on the mobilization undertaken at the peak of the health crisis to meet PPE needs, the Group created a fifth business segment in record time: Chargeurs Healthcare Solutions (CHS).

The CHS offer is based, on the one hand, on a full range of products including protective masks, hand sanitizer, gowns, gloves, antimicrobial protective films, etc., and, on the other, on multiple services providing its customers with fully integrated equipment, product traceability and stock management and renewal, with a proprietary blockchain solution that is unique in Europe. The products are marketed under the Lainière Santé™ brand.

The development of the offer draws on the long-standing textiles know-how of the Group's plants, particularly in France, as well as the expertise of PCC and the generated technological and commercial synergies of other Chargeurs business lines. The Group's combined expertise in sourcing and supplies, production, logistics and marketing and sales made it possible to meet all orders booked in all industries (public orders, B2B and B2C).

CHS' mask offer is supported by innovation, using a shared research platform at Lainière de Picardie and Senfa Technologies. The development of reusable protective masks uses nanomembrane filtration technologies with antibacterial and water-repellent treatment, which meet the standards of the French National Organization for Standardization (AFNOR).

The Group also decided to bolster its production, with additional production capacity as part of a capex plan amounting to nearly €8.0m. As such, Chargeurs invested in automatic mask production machines installed in France along with other European countries and the United States. The Group benefitted from monthly production capacity topping the 20 million surgical and FFP2/N-95 mark. Moreover, the Group's various operating segments stepped up in the research, production and marketing and sales of healthcare products.

CHS sells this offer to four market industries to contribute to the health and safety of the general public. The offer focuses on local, regional and central government, key corporate accounts and medium-sized businesses, the healthcare industry and private individuals via the *lainiere-sante.com* website. CHS has expanded its audience reach through the use of a real-time digitized stock system, order shipments and customer service as well as the signing of major national partnerships with all active transport providers in France.

1.4 Acquisitions in the Chargeurs Museum Solutions (CMS) segment

In first-half 2020, the Group acquired a majority stake in two companies, thereby strengthening the CMS business line:

Design & Production Incorporated (D&P)

On February 29, 2020, Chargeurs acquired 100% of the capital of D&P, the US leader in turnkey services for museums. D&P's developed expertise lies in project management, prefabrication consulting, production and implementation of exhibits in the construction of new museums and the restructuring of existing museums. The acquisition enables the Group to consolidate the America's largest integrated solutions platform for museums with a robust and innovative team, which will continue to manage the company's day to day operations.

Goodwill amounted to €48.9m ($55.8m) and remains provisional.

The purchase price allocation and related goodwill calculation will be finalized within 12 months of the respective acquisition dates.

At December 31, 2020, the company contributed €25.6m to the Group's revenue.

Hypsos

On April 22, 2020, the Group acquired a 50.01% stake in the capital of Hypsos, a global interior fit-out company that creates and develops end-to-end design project solutions for all sectors, including corporate, cultural and retail services. Hypsos is based in Amsterdam in the Netherlands.

The Chargeurs group has exclusive control of Hypsos and has fully consolidated the company.

Goodwill totalled €4.4m and remains provisional.

The purchase price allocation and related goodwill calculation will be finalized within 12 months of the respective acquisition dates.

At December 31, 2020, the company contributed €2.9m to the Group's revenue.

1.5 Cash investments

In 2020, the Group invested a portion of its cash in the shares of listed companies for €14.2m (see Note 14).

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The 2020 consolidated financial statements of the Chargeurs group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. Related interpretations can be viewed on the website of the European Commission *https://ec.europa.eu/info/index_en*.

The significant accounting policies applied to prepare the consolidated financial statements are described below. Unless otherwise specified, these policies were applied consistently in all the periods presented.

The consolidated financial statements are presented in millions of euros (€m).

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving the highest degree of judgment or estimation complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

2.2 List of new, revised and amended standards and interpretations

2.2.1 New standards, amendments to existing standards and interpretations whose application was mandatory for the first time in the year ended December 31, 2020

Adopted by the European Union

- Amendments IFRS 3 – Definition of a Business;
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform;
- Amendments to References to the Conceptual Framework in IFRS Standards;
- Amendments to IAS 1 and IAS 8 – Definition of Material;
- Amendments to IFRS 16 – Covid-19-related Rent Concessions;
- Amendments to IFRS 4 – Insurance Contracts – postponement of IFRS 9.

Other new standards, interpretations and amendments to existing standards whose application was mandatory for the first time in the period ended December 31, 2020

None.

The above interpretation and amendments did not have a material impact on Chargeurs' consolidated financial statements for the year ended December 31, 2020.

2.2.2 New standards, amendments to existing standards and interpretations applicable on December 31, 2020, and not early adopted by the Group

Adopted by the European Union

None.

Not yet adopted by the European Union

- IFRS 17 – Insurance Contracts;
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2;
- Several amendments to IFRS 3 – Business Combinations, IAS 16 – Property, Plant and Equipment, IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and 2018-2020 annual improvements;
- Amendment to IFRS 4 – Insurance Contracts – Extension to temporary exemption to apply IFRS 9.

2.3 Accounting policies

2.3.1 Subsidiaries

Subsidiaries are all entities that are directly or indirectly controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Investments that meet the above criteria but which are not material are measured at cost less any impairment.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The directly attributable costs of the business combination are recognized as an expense for the period in which they are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially recognized at their acquisition-date fair values. Goodwill arising on a business combination is measured as the excess of (a) over (b) as follows: (a) the aggregate of: (i) the acquisition-date fair value of the consideration transferred; (ii) the amount of any non-controlling interest in the acquiree (which can be measured either at fair value or based on the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets); (iii) the fair value of any previously held equity interest in the acquiree (as remeasured at the acquisition date with any resulting gain or loss recognized in profit); (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

If the cost of an acquisition is less than the fair value of the Group's share of the net assets of the acquired subsidiary, the difference is recognized directly in the income statement.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated in consolidation.

Accounting policies of subsidiaries have been aligned with the policies adopted by the Group to ensure consistency.

2.3.2 Transactions with non-controlling interests

Sales of shares to non-controlling interests resulting in a loss of control of the subsidiary give rise to gains and losses for the Group that are recorded in the income statement. Sales of shares to non-controlling interests that do not result in a loss of control are treated as an equity transaction with owners and recognized in the statement of changes in equity.

Acquisitions of additional shares in a subsidiary (above 50%) are recognized in the statement of changes in equity.

2.3.3 Associates and joint ventures

Joint arrangements are arrangements of which Chargeurs and one or more other parties have joint control.

The Group has joint control of an arrangement when decisions about the relevant activities require the unanimous consent of Chargeurs and the other parties sharing control.

The Group has significant influence over an entity when it has the power to participate in the financial and operating policy decisions of the entity but does not have control or joint control of those policies, generally accompanying a shareholding representing between 20% and 50% of the voting rights.

Investments in joint ventures (entities of which the Group has joint control) and associates (entities over which the Group has significant influence) are accounted for by the equity method and are initially recognized at cost. The carrying amount of investments in associates and joint ventures includes goodwill (net of any accumulated impairment losses) identified upon acquisition (see Note 2.11).

The Group's share of post-acquisition profits or losses of associates and joint ventures is recognized in the income statement, and its share of post-acquisition movements in equity – which have no impact on profit or loss – is recognized directly in equity.

Cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any unsecured receivables, the Group does not recognize further losses unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associate or joint venture concerned. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment in value of the assets transferred. Accounting policies of associates and joint ventures have been aligned where necessary with the policies adopted by the Group to ensure consistency.

2.3.4 Non-consolidated companies

Distribution companies that have been recently created and/or individually generate less than €3m in annual revenue are not consolidated.

The impact on Group equity of including these companies in the scope of consolidation at December 31, 2020, would not have been material.

2.4 Operating segments

An operating segment is a group of assets and operations corresponding to a management unit. Chargeurs' top management team — which is the Group's chief operating decision maker — has identified five operating segments for the Chargeurs group:

- "Protective Films," which encompasses production and marketing and sales activities relating to the temporary protection of surfaces and laminators;
- "Fashion Technologies," which encompasses the production and marketing and sales of technical textile operations;
- "Museum Solutions," which corresponds to services and production in the museum industry (construction and restructuring of musems) and visitor experience as well as the marketing of technical textile operations for the advertising and interior home and construction design markets;
- "Luxury Materials," which encompasses the marketing and sales of premium combed wool;
- "Healthcare Solutions," which corresponds to the production and marketing and sales of technologies and solutions dedicated to health and personal protection.

The reported segment information also includes a "non-operating" segment that primarily consists of the Group's holding companies.

The segments identified above are those used in the Group's internal reporting system and reported to Chargeurs' top management team for the purposes of making decisions about allocating resources and assessing performance.

A region is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of components operating in other economic environments. Chargeurs operates in three regions: Europe (including the Group's home market, France), the Americas and Asia (including Oceania and Africa).

2.5 Foreign currency translation

2.5.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate (the functional currency).

2.5.2 Transactions and balances.

Foreign currency transactions are translated into each entity's functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement. Gains and losses on foreign currency cash flow hedges are accumulated in equity and reclassified to the income statement when the exchange gain or loss on the hedged item is recognized.

Exchange gains and losses arising from translation of foreign currency receivables and payables are recognized in the income statement, under "Other financial income" or "Other financial expense."

2.5.3 Foreign operations

The results and financial position of all Group entities that have a functional currency other than the euro are translated as follows: (i) items in the statement of financial position are translated at closing exchange rates, (ii) income statement items are translated at average exchange rates for the period, and (iii) all resulting exchange differences are recognized as a separate component of equity under "Translation reserve" or "Non-controlling interests."

Exchange differences arising from the translation of the net investment in subsidiaries with a functional currency other than the euro, and of instruments designated as hedges of such investments, are recorded under "Translation reserve" in equity.

When a foreign operation is sold, the exchange differences accumulated in the translation reserve are reclassified to the income statement and taken into account in determining the gain or loss on sale.

2.5.4 Hyperinflation

As an exception to the principles set out in Note 2.5.3 above, the financial statements of entities operating in a hyperinflationary economy are translated in accordance with the requirements of IAS 29 – Financial Reporting in Hyperinflationary Economies. All non-monetary assets and liabilities as well as equity, comprehensive income (income statement items and other comprehensive income) and cash flows of such entities are restated based on a general price index, and the financial statements are then translated at the period-end exchange rate. Monetary items are not restated.

In Argentina, the cumulative inflation rate for the last three years is over 100 % based on a combination of indices used to measure the country's inflation. Consequently, Chargeurs considers Argentina to be a hyperinflationary economy and has applied the principles of IAS 29 as set out above to its Argentina-based entities.

This accounting treatment did not have a material impact on the Group's consolidated financial statements at December 31, 2020.

2.6 Revenue

2.6.1 Revenue recognition

The Group generates revenue from the manufacture and sale of high value-added products, carried out by its various business lines:

- Protective Films, which supplies the construction, manufacturing and electronics industries with self-adhesive films for the temporary protection of fragile surfaces as well as laminators (machines used for applying surface protection films);
- Fashion Technologies, specialized in the manufacture and sale of interlinings – technical fabrics used in the manufacture of garments;
- Museum Solutions, which produces and sells technical textiles used in the advertising, decoration and interior architecture markets, and offers a full range of museum exhibit solutions;
- Luxury Materials, which buys premium combed wool and sells it to end customers.
- Healthcare Solutions develops, produces, markets and sells technologies and solutions dedicated to health and personal protection. These include: protective masks, hand sanitizer, gowns, gloves, antimicrobial protective films and many more.

The amount recognized in revenue is based on the transaction price set in the contract and corresponds to the amount of consideration that the Group expects to receive in line with the related contractual provisions. The transaction prices applied by the Group do not include any variable amounts requiring the use of estimates.

No financing component is recognized, as the Group's customer contracts do not contain any clauses providing for payment periods in excess of one year.

A receivable is recorded when the Group has performed its obligations, i.e., at the delivery date of the goods, which corresponds to the date on which the Group has an unconditional right to receive the consideration.

Short-term contracts

The Group recognizes revenue when it transfers control of the good or service to the customer, which takes place when the good or service is delivered in accordance with the terms and conditions agreed with the customer. Most of the Group's contracts do not last longer than one year and the transfer of control takes place on a specified date.

Long-term contracts

Long-term contracts correspond to projects carried out as part of the Museum Solutions business line. Such contracts may be structured into several phases, including design, construction and installation.

In accordance with IFRS 15, these services result in the progressive recognition of revenue based on project stage completion. Project stage completion is determined using a cost percentage-of-completion method. Revenue is recognized for each performance obligation based on the percentage of costs incurred to date in relation to the total expected costs of the contract.

Where several separate performance obligations can be identified in a single, specific contract, the total cost of the contract is split between the different obligations in proportion to their respective selling prices. In the event that the sale price of each obligation is not observable, it is estimated on the basis of expected costs plus a mark-up.

If it becomes probable that the cost to complete a contract will exceed its estimated total revenue, the expected loss on completion is immediately expensed in the income statement.

2.6.2 Long-term contract assets and liabilities

The difference between total invoicing and total revenue recognized is recorded in the consolidated statement of financial position as an asset on long-term contracts (when invoicing is less than revenue) or as a liability on long-term contracts (when invoicing is greater than revenue).

2.7 Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA corresponds to the businesses' operating profit (as defined below) restated for the amortization of property, plant and equipment and intangible assets.

2.8 Recurring operating profit

Recurring operating profit is an indicator used by the Group to estimate future underlying performance. It is stated before (i) amortization of intangible assets related to acquisitions, and (ii) other operating income and expense, which correspond to non-recurring items that represent material amounts, are unusual in nature and occur infrequently, thereby distorting assessments of the Group's underlying performance.

Recurring operating profit corresponds to gross profit after distribution costs, administrative expenses and research and development costs.

2.9 Other operating income and expense

Other operating income and expense include non-recurring items that represent material amounts, are unusual in nature and occur infrequently, with the result that they are difficult to predict. They primarily consist of restructuring costs, assets impairment losses, gains and losses on disposal of property, plant and equipment and intangible assets, and acquisition-related costs.

2.10 Earnings per share

Basic earnings per share are calculated by dividing profit attributable to owners of the parent by the weighted average number of shares outstanding, representing the number of shares issued less the average number of Chargeurs' shares held by the Company or its subsidiaries.

Depending on the circumstances and financial market conditions at the year-end, the dilutive effect taken into account for the calculation of diluted earnings per share may result from employee stock options, stock warrants and/or convertible bonds. The dilutive instruments concerned are taken into account as from their grant or issue date, except in cases where their exercise price exceeds the market price of Chargeurs' shares.

2.11 Intangible assets

2.11.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the acquisition-date fair value of the Group's share of the net identifiable assets of the acquired subsidiary. Goodwill arising on acquisitions of subsidiaries is included in "Intangible assets."

Goodwill is tested annually for impairment and is carried at cost less any accumulated impairment losses. Impairment losses recognized against goodwill are irreversible.

The calculation of gains and losses on the disposal of an entity take into account the carrying amount of any goodwill relating to that entity.

Goodwill arising on acquisitions of associates and joint ventures is recorded under "Investments in associates and joint ventures" and is included in the impairment tests carried out on associate companies.

2.11.2 Trademarks, customer relationships and licenses

Separately acquired intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets acquired in a business combination are recognized separately from goodwill if they are (i) controlled by the Group, and (ii) separable, or arise from contractual or other legal rights. Amortization of intangible assets related to acquisitions is recorded on a separate line in the income statement.

Intangible assets with finite useful lives are amortized over their useful lives on a straight-line basis and are tested for impairment if there is an indication that they may be impaired. The useful lives applied are as follows:

- trademarks and licenses: depending on their period of use or protection (between 15 and 20 years);
- customer relationships: up to 20 years.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment at least once a year or whenever there is an indication that they may be impaired.

2.11.3 Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over the estimated useful lives of the software concerned (between three and five years).

Costs associated with developing and maintaining computer software are recognized as an expense as they are incurred.

2.11.4 Development costs

Development costs are capitalized when the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical and financial resources to complete the development;
- its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Capitalized development costs are amortized over the estimated useful life of the asset concerned.

2.11.5 Impairment of intangible assets

Goodwill and other intangible assets with indefinite useful lives are tested for impairment at least once a year and more often where there is an indication that they may be impaired. An impairment loss is recognized if the asset's carrying amount exceeds its recoverable amount (see Note 10).

Any impairment losses recognized against goodwill are irreversible.

The carrying amount of goodwill in the consolidated statement of financial position corresponds to the gross amount less any accumulated impairment losses.

2.12 Property, plant and equipment

Property, plant and equipment (other than land) are stated at cost less depreciation and any accumulated impairment losses. Land is not depreciated and is stated at cost less any accumulated impairment losses. Cost comprises the purchase price, capitalized interest and initial fair value adjustments. Capitalized interest corresponds to interest costs, whether on designated loans or on other designated sources of financing, that arise during the period preceding the date the asset is put into service.

On first-time adoption of IFRS, land and buildings were measured at fair value at January 1, 2004 (the IFRS transition date) based on independent valuations, and said fair values were used as the assets' deemed cost at that date.

The cost of dismantling and removing old assets or restoring the site on which new assets are located is included in the cost of the new assets.

Each significant part of an item of property, plant or equipment whose useful life is different from that of the asset as a whole is recognized and depreciated separately.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life as follows: The main useful lives used, in order to make the valuation of property, plant and equipment consistent, are as follows:

- buildings: 15 to 40 years;
- plant and equipment: 4, 8, 12 or 20 years;
- fixtures and fittings: 5 to 10 years.

2.12.1 Impairment of property, plant and equipment

Impairment tests are performed whenever there is any internal or external indication that the carrying amount of any items of property, plant or equipment may be impaired.

The Group also carries out annual impairment tests by operating segment which includes property, plant and equipment.

If these tests show that the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in addition to accumulated depreciation. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In the absence of an observable market price, the recoverable amount of a cash-generating unit is considered to be equal to the higher of its value in use, corresponding to the discounted future cash flows expected to be generated by the unit, and its fair value less costs to sell. In practice, most calculations are based on value in use.

Gains and losses on the sale of property, plant and equipment are calculated by comparing the sale proceeds with the carrying amount of the sold asset and are recognized in the income statement.

2.13 IFRS 16 – Leases

The Group recognizes a lease when it has the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset throughout the period of use. The Group's leases mainly concern real estate assets (such as industrial buildings, warehouses and offices) but also machinery and equipment.

Leases are recognized in the statement of financial position at the commencement date of the lease, in an amount corresponding to the present value of the future lease payments. This results in the recognition of:

- a "right-of-use asset" under non-current assets; and
- a lease liability representing the obligation to make future lease payments.

2.13.1 Right-of-use assets

At the commencement date of a lease, the right-of-use ("RoU") asset is recognized and measured at an amount equal to the amount of the initial measurement of the lease liability plus (i) any initial direct costs incurred by the lessee, (ii) the initial estimate of any restoration costs, and (iii) any lease payments made to the lessor at or before the commencement date, less any lease incentives received.

The RoU asset is depreciated over the term of the lease, which generally corresponds to the non-cancellable period of the lease taking into account optional periods when it is reasonably certain that an option to extend (or not to terminate) the lease will be exercised. Depreciation of RoU assets is recognized in recurring operating profit.

2.13.2 Lease liabilities

The lease liability is recognized at the commencement date of the lease and measured at the present value of the remaining lease payments at that date. This amount includes (i) fixed lease payments, (ii) variable lease payments that depend on an index or a rate defined in the lease, and (iii) payments relating to extension, purchase, termination or non-renewal options if the Group considers it is reasonably certain such options will be exercised.

If the interest rate implicit in a lease cannot be readily determined, the Group uses its incremental borrowing rate to measure the RoU asset and corresponding lease liability. This rate notably takes into account the Group's borrowing conditions and the economic environment in which the lease was taken out.

After initial recognition, the lease liability is measured at amortized cost using the effective interest method.

The interest expense is recognized in financial expense.

Lease liabilities are presented separately to net debt.

2.13.3 Exemptions

Lease payments under leases of low-value assets and short-term leases are recognized directly in expenses.

2.14 Financial assets and liabilities

2.14.1 Financial assets

The Group classifies its financial assets into the following three categories in accordance with IFRS 9:

- financial assets measured at amortized cost;
- financial assets measured at fair value through other comprehensive income (FVOCI); and
- financial assets measured at fair value through profit or loss (FVPL).

The category of financial asset applied depends on the business model chosen by the Group for managing the asset as well as the asset's contractual cash flow characteristics.

Financial assets measured at amortized cost

These financial assets are held in order to collect their contractual cash flows (the "hold to collect" business model).

On initial recognition they are measured at their acquisition-date fair value, which generally corresponds to the transaction price. Subsequently, if they are not hedged, these assets are measured at amortized cost using the effective interest method.

Financial assets measured at amortized cost primarily correspond to the following statement of financial position items: loans, deposits, other non-current assets and trade and miscellaneous receivables.

Financial assets measured at fair value through other comprehensive income (FVOCI)

The objective of the business model for financial assets measured at fair value through other comprehensive income (FVOCI) is achieved both by collecting contractual cash flows and selling the financial assets (the "hold to collect and sell" business model). These assets are initially recognized and subsequently measured at fair value, with changes in fair value recorded in other comprehensive income. Only interest and dividend income and, in accordance with IAS 21, foreign exchange gains and losses on these assets are recognized in profit or loss. When the financial asset is derecognized, any remeasurement gains or losses accumulated in equity are not recycled to profit or loss.

The value in use is determined based on the most appropriate financial criteria, including the Group's equity in the underlying net assets and the earnings outlook of the company concerned.

Financial assets at fair value through profit or loss (FVPL)

This last category represents the "default" or "residual" category if the requirements to be classified as financial assets at amortized cost or FVOCI financial assets are not met. FVPL assets are financial assets that are held for trading or that are designated as at FVPL on initial recognition.

A financial asset is classified in this category if it was acquired primarily with a view to being sold in the short term or if it does not have any pre-determined contractual cash flows. Derivatives are categorized as held for trading unless they are designated as hedging instruments.

For the Group, FVPL financial assets primarily correspond to derivatives and cash investments in the shares of listed and non-listed companies under the section entitled "Other short-term financial receivables."

Impairment

The Group recognizes impairment based on expected credit losses for financial assets measured at amortized cost.

The amount of impairment recognized is remeasured at each reporting date to reflect changes in the credit risk of a financial instrument since its initial recognition date.

For financial instruments (other than trade receivables), the Group applies the expected credit loss model over their lifetime only when there is a significant deterioration in credit risk. If the credit risk of the financial instrument has not increased significantly since initial recognition, the Group assesses the expected credit losses over the 12 months following the reporting date.

In order to assess changes in credit risk, the Group compares the default risk on the financial instrument at the reporting date with the default risk on the financial instrument at its initial recognition date, taking into account reasonable and supportable information that is available without undue cost or effort at the reporting date and that are indications of significant increases in credit risk since initial recognition.

For trade receivables, the Group applies the simplified approach and recognizes expected credit losses over the assets' expected lives. Under this approach, trade receivables are initially recognized at the amount invoiced to customers, and an expected credit loss allowance is recognized as soon as the receivables are originated in order to take into account the risk of any payment defaults throughout the lives of the receivables. If a credit risk is identified for a particular trade receivable, an impairment loss is recognized, calculated on a case-by-case basis. The amount of the expected credit loss is recognized in the statement of financial position as a deduction from the gross amount of the trade receivable and the impairment loss is recognized in "Distribution costs" in the income statement.

Derecognition

The Group derecognizes a financial asset when the contractual right to receive cash flows from the asset has expired or when the asset and substantially all of the related risks and rewards have been transferred to a third party.

If the Group has retained control of the asset, it continues to recognize the asset to the extent of its continuing involvement; if the Group has not retained control of the asset, it is derecognized. If substantially all the risks and rewards have been neither retained nor transferred, the Group assesses whether or not it has retained control of the asset.

When an asset measured at amortized cost is derecognized, the difference between its carrying amount and the consideration received for the asset is recorded in profit or loss.

2.14.2 Financial liabilities

Financial liabilities include borrowings measured at amortized cost and financial liabilities measured using the fair value option.

Borrowings and other financial liabilities are generally measured at amortized cost using the effective interest method. Operating liabilities have original maturities of less than one year and are stated at nominal value.

The Group's financial liabilities mainly correspond to borrowings (see Note 18), other non-current liabilities, trade payables and other payables in the consolidated statement of financial position.

2.14.3 Fair value disclosures

IFRS 7 requires companies to disclose the technique used to measure financial instruments at fair value, based on the three levels of inputs introduced in the fair value hierarchy. These are: quoted prices in an active market (level 1), directly observable market inputs other than level 1 inputs (level 2), and inputs not based on observable market data (level 3).

The table below shows the fair value hierarchy classification for the Group's financial assets measured at fair value. No financial liabilities are measured at fair value other than derivative instruments.

	Level 1	Level 2	Level 3
Marketable securities	X		
Derivative instruments		X	
Investments in non-consolidated companies			X

2.15 Derivative financial instruments and hedges

Derivative financial instruments are initially recognized, and subsequently measured, at fair value. Gains and losses arising from the fair value remeasurement carried out at the end of each reporting period are recognized in profit or loss unless the derivative is the hedging instrument in a qualifying hedge. Consequently, the recognition of these gains and losses through profit or loss depends on the type of hedge.

The Group uses derivatives to hedge currency and interest rate risks, including forwards, options and interest rate swaps (Note 22).

The Group formally documents the relationship between the hedging instrument and the hedged item at the hedge's inception. The documentation describes the hedging relationship and the entity's risk management and hedging strategy. The description includes the designation of the hedging instrument and hedged item, the nature of the underlying risk that is being hedged and the way in which the entity will assess whether the hedging relationship meets the applicable hedge effectiveness requirements.

A hedging relationship satisfies all of the hedge effectiveness requirements if:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship;
- and the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The Group designates the entire value of forwards and options as hedges.

The Group hedges forecast transactions in foreign currencies, such as sales of products in dollars. Changes in the fair value of derivatives that qualify as hedges of forecast transactions are recognized directly in other comprehensive income and subsequently reclassified to profit or loss in the same period or periods when the transaction is settled and impacts profit or loss.

Changes in the fair value of hedged firm commitments and of currency derivatives that qualify as fair value hedges are recorded in the income statement.

Depending on the circumstances, interest rate swaps are used to convert variable rate debt into fixed rate debt and vice versa. In the first case, gains and losses arising from remeasurement of the swaps at fair value are initially recorded in other comprehensive income and reclassified into profit or loss when the variable rate interest is recognized. In the second case, the gains and losses are recognized directly in profit or loss and the carrying amount of the hedged portion of the underlying debt is adjusted to reflect the rate change.

Changes in the fair value of financial instruments used to hedge currency risks on the Group's net investment in foreign operations that result from changes in exchange rates, are recognized in equity under "Translation reserve," offsetting all or part of the opposite change in the fair value of the underlying net investment caused by changes in exchange rates.

Fair value adjustments to interest rate and currency derivatives classified as held for trading are recognized immediately in the income statement.

2.16 Deferred taxes

Deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base, as follows:

- all deferred tax liabilities are recognized;
- deferred tax assets arising from temporary differences or from tax loss carryforwards are recognized only when it is probable that the differences will reverse or the assets will be recovered in the foreseeable future.

Deferred tax assets and liabilities are adjusted at the year-end for enacted changes in tax rates and tax laws.

Deferred tax assets and liabilities are offset within each company or taxable entity.

2.17 Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined by the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The cost of finished products and work-in-progress includes raw materials, direct production costs and production overheads based on normal capacity utilization rates.

Turnover and obsolescence of inventories are analyzed by segment and category of inventory in order to determine the appropriate level of impairment.

2.18 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost, less any provisions for impairment. Amortized cost is measured by the effective interest method.

The Group applies the simplified impairment method for trade receivables and recognizes expected credit losses over the assets' lifetimes. Expected credit losses are estimated using a provision matrix based on historical default rates and adjusted for specific factors relating to the debtors concerned, current general economic conditions and estimates of future economic conditions that can be obtained at the reporting date without incurring undue cost or effort.

The amount of the provision is recognized in "Distribution costs."

2.19 Cash and cash equivalents

Cash and cash equivalents analyzed in the statement of cash flows correspond to cash in hand, marketable securities and short-term deposits. Cash equivalents are highly liquid instruments with original maturities of less than three months that are not exposed to any material risk of changes in value.

Marketable securities are classified as financial assets at fair value through profit or loss. Short-term bank deposits and cash in hand are classified as loans and receivables and are measured at amortized cost.

Bank overdrafts are recorded under "Short-term bank loans and overdrafts" in current liabilities.

2.20 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or stock options are recorded in equity as a deduction from the issue proceeds, net of tax.

When any Group company purchases Chargeurs' shares (treasury stock), the consideration paid, including directly attributable incremental costs (net of income taxes), is deducted from equity attributable to owners of the parent until the shares are canceled, re-issued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the parent.

2.21 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs. They are subsequently measured at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting date, in which case they are classified as non-current.

2.22 Employee benefits

Obligations for the payment of post-employment benefits and other long-term employee benefits are measured by the projected unit credit method and recognized in accordance with IAS 19R.

The recognized obligation takes into account the fair value of plan assets – for example under insured plans – at the reporting date.

Actuarial gains and losses on post-employment benefit obligations are recognized in other comprehensive income and may not be subsequently reclassified to profit or loss.

Actuarial gains and losses on other long-term employee benefits and length-of-service awards payable to employees on retirement are recognized in the income statement in the period in which they arise.

Gains and losses arising from plan amendments are recognized in the income statement under "Other operating income" or "Other operating expense."

Employee benefit expense is divided into two categories as follows:

- the increase in the provision due to the passage of time, net of the return on plan assets, is recognized as a financial expense. The expected return on plan assets is measured using an interest rate that is the same as the discount rate used for calculating the provision;
- the expense corresponding to service cost is allocated to the relevant operating expense line items by function.

2.23 Provisions

Provisions for site remediation, restructuring costs and legal claims are recognized when (i) the Group has a present legal or constructive obligation as a result of past events, (ii) it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) the amount of the provision can be reliably estimated. Restructuring provisions include lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability concerned. The increase in the carrying amount of provisions to reflect the passage of time is recognized as interest expense.

Note 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements under IFRS requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

The critical accounting estimates and assumptions that could result in a material adjustment to the carrying amount of assets and liabilities during subsequent periods are analyzed below.

3.1 Impairment of goodwill

Goodwill is tested for impairment on an annual basis as described in Note 2.11. The recoverable amounts of cash-generating units (CGUs) are determined based on calculations of value in use, which require the use of estimates (see Note 10).

3.2 Income tax expense

Consequently, deferred tax assets for tax loss carryforwards are only recognized if it is considered probable that there will be sufficient future taxable profit against which the loss can be utilized.

Deferred tax assets are recognized in the accounts to the extent that their recovery is considered probable. The amount of these assets is assessed based on taxable profit projections over a period of five or seven years depending on the tax jurisdiction concerned.

The exercise of judgment is required in assessing the consequences that new events will have on the value of deferred tax assets, notably changes in the estimates of future taxable profit and the timings for utilizing the assets.

In addition, tax positions may depend on interpretations of legislation, and such interpretations may be uncertain.

3.3 Other main estimates

The other main estimates made by management for preparing the consolidated financial statements primarily related to the assumptions used for:

- measuring intangible assets (brands, customer relationships, non-compete clauses, etc.);
- measuring right-of-use assets and lease liabilities;
- provisions for disputes;
- post-employment benefit obligations;
- uncertain tax treatments concerning material amounts;
- impairment of assets;
- provisions for contingencies and charges;
- liabilities related to acquisitions of consolidated companies.

Note 4 SEGMENT REPORTING

4.1 Information by operating segment

In the first half of 2020, the Group created the "Chargeurs Healthcare Solutions" business, which develops, produces, markets and sells solutions dedicated to health and personal protection (see Note 1.3). This business is a reportable operating segment under IFRS 8.

In accordance with the provisions of IFRS 8 "Operating Segments," the segment information presented below is based on internal reporting used by Top Management to assess performance and allocate resources to the various segments.

The Chargeurs group operates in five operating segments. Their performance is presented below.

4.1.1 Income statement by operating segment

Year ended 12/31/2020 *(in euro million)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Non-operating	Consolidated
Revenue[(1)]	270.4	131.8	51.6	64.6	303.6	-	822.0
EBITDA	27.8	11.1	4.9	(2.2)	65.4	(4.6)	102.4
Depreciation and amortization	(10.8)	(6.0)	(3.0)	(0.1)	(1.9)	(1.3)	(23.1)
Recurring operating profit	17.0	5.1	1.9	(2.3)	63.5	(5.9)	79.3
Amortization of intangible assets acquired through business combinations	-	(2.1)	(3.2)	-	-	-	(5.3)
Other operating income and expense (Note 5)	(2.9)	(2.9)	(3.0)	(0.1)	(2.8)	(6.5)	(18.2)
Operating profit	14.1	0.1	(4.3)	(2.4)	60.7	(12.4)	55.8
Net financial expense							(9.5)
Pre-tax profit for the period							46.3
Share of profit/(loss) of associates							(1.7)
Income tax expense							(4.3)
Profit for the period							40.3

(1) During fiscal 2020, the acquisitions carried out by the Group had the following impacts on Museum Solutions' revenue:
– D&P (acquired end-February 2020) contributed €25.6m;
– Hypsos (acquired end-April 2020) contributed €2.9m;
– MET Studio (acquired in December 2019) contributed €2.8m;
– Design PM (acquired in July 2019) contributed €1.5m.

Year ended 12/31/2019 *(in euro million)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Non-operating	Consolidated
Revenue[(1)]	278.1	210.6	37.3	100.2	-	-	626.2
EBITDA	33.1	24.1	4.5	2.8	-	(4.6)	60.0
Depreciation and amortization	(9.5)	(6.6)	(1.7)	(0.1)	-	(0.7)	(18.6)
Recurring operating profit	23.6	17.5	2.8	2.7	-	(5.2)	41.4
Amortization of intangible assets acquired through business combinations	-	(2.1)	(0.4)	-	-	-	(2.5)
Other operating income and expense (Note 5)	(0.1)	(3.7)	(0.6)	(0.1)	-	(2.5)	(7.0)
Operating profit	23.5	11.7	1.8	2.6	-	(7.7)	31.9
Net financial expense							(11.5)
Pre-tax profit for the period							20.4
Share of profit/(loss) of associates							(0.4)
Income tax expense							(4.9)
Profit for the period							15.1

(1) During fiscal 2019, the acquisitions carried out by the Group had the following impacts on Museum Solutions' revenue:
– Design PM (acquired in July 2019) contributed €2.1m;
– the contribution of MET Studio (acquired in December 2019) was not material.

4.1.2 Assets and liabilities by operating segment

12/31/2020 *(in euro million)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Non-operating	Total
Assets[(1)]	220.5	131.9	141.0	53.1	36.1	72.5	655.1
Liabilities[(2)]	97.8	51.5	52.3	26.1	30.8	32.5	291.0
Capital employed	122.7	80.4	88.7	27.0	5.3	40.0	364.1
Capital expenditure	3.9	3.3	0.3	0.1	5.8	1.5	14.9

At 12/31/2019 [(1)] *(in euro million)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Non-operating	Total*
Assets[(1)]	225.7	179.5	67.9	58.8	-	38.2	570.1
Liabilities[(2)]	90.2	66.4	20.7	27.2	-	10.8	215.3
Capital employed	135.5	113.1	47.2	31.6	-	27.4	354.8
Capital expenditure	13.7	4.7	0.7	0.1	-	5.7	24.9

* *Data for 2019 was restated by adding lease liabilities for €26.4m.*
(1) *Excluding cash and cash equivalents and other short-term financial receivables.*
(2) *Excluding equity attributable to owners of the parent, borrowings (long-term borrowings, short-term portion of long-term borrowings and short-term bank loans and overdrafts).*

4.1.3 Additional information

Year ended 12/31/2020 *(in euro million)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Consolidated	Non-operating
Depreciation of property, plant and equipment	(7.4)	(2.9)	(1.5)	(0.1)	(0.1)	(0.5)	(12.5)
Impairment:							
• inventories	(2.6)	(1.5)	(1.1)	(0.1)	(18.6)	-	(23.9)
• trade receivables	(0.2)	(1.3)	(0.1)	-	-	-	(1.6)
Restructuring costs (Note 5)	(1.0)	(2.4)	(0.4)	(0.1)	-	(3.0)	(6.9)

Year ended 12/31/2019 *(in euro million)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Consolidated	Non-operating
Depreciation of property, plant and equipment	(5.8)	(2.6)	(1.2)	-	-	(0.3)	(9.9)
Impairment:							
• inventories	(1.1)	(0.6)	(0.1)	(0.1)	-	-	(1.9)
• trade receivables	-	(0.3)	-	-	-	-	(0.3)
Restructuring costs (Note 5)	-	(0.9)	-	-	-	-	(0.9)

4.2 Information by region and timing of recognition

4.2.1 Revenue

In fiscal 2020, factoring in the healthcare environment and the development of the Healthcare Solutions business, 39.1% of Group revenue was generated in France (approximately 10% in 2019) and 60.9% outside France (more than 90% in 2019).

The business of recently acquired entities within the Museum Solutions business line largely comprised long-term contracts. Revenue is recognized using the percentage-of-completion method.

Revenue by customer location breaks down as follows:

Year ended 12/31/2020 *(in euro million)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Consolidated
Region						
Europe	129.0	36.7	19.3	29.6	297.3	511.9
Asia-Oceania-Pacific and Africa	49.7	83.1	5.7	13.5	1.5	153.5
Americas	91.7	12.0	26.6	21.5	4.8	156.6
TOTAL REVENUE	**270.4**	**131.8**	**51.6**	**64.6**	**303.6**	**822.0**
At a specific date	270.4	131.8	17.0	64.6	303.6	787.4
Percentage-of-completion basis			34.6			34.6
TOTAL REVENUE	**270.4**	**131.8**	**51.6**	**64.6**	**303.6**	**822.0**

Year ended 12/31/2019 *(in euro million)*	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Consolidated
Region						
Europe	139.4	55.9	28.4	50.4	-	274.1
Asia-Oceania-Pacific and Africa	47.9	131.4	6.5	16.4	-	202.2
Americas	90.8	23.3	2.4	33.4	-	149.9
TOTAL REVENUE	**278.1**	**210.6**	**37.3**	**100.2**	**-**	**626.2**
At a specific date	278.1	210.6	37.3	100.2	-	626.2
Percentage-of-completion basis	-	-	-	-	-	-
TOTAL REVENUE	**278.1**	**210.6**	**37.3**	**100.2**	**-**	**626.2**

The main countries where the Group's customers are located are the following:

	Year ended December 31			
(in euro million)	2020		2019	
France	321.6	39.1%	41.0	6.5%
United States	126.2	15.3%	110.0	17.6%
Italy	55.3	6.7%	72.6	11.6%
Mainland China and Hong Kong	57.4	7.0%	74.2	11.8%
Germany	37.1	4.5%	41.2	6.6%
Top 5 countries	597.6	72.7%	339.0	54.1%
Other countries	224.4	27.3%	287.2	45.9%
TOTAL	**822.0**	**100.0%**	**626.2**	**100.0%**

4.2.2 Non-current assets by country of location

The following tables provide an analysis of non-current assets and capital expenditure based on the region in which the assets are located.

NON-CURRENT ASSETS

(in euro million)	12/31/2020	12/31/2019
Europe	178.4	161.4
Asia-Oceania-Pacific and Africa	59.4	68.7
Americas	165.0	109.9
TOTAL	**402.8**	**340.0**

The increase in non-current assets results from the acquisition of Hypsos (Netherlands) in Europe and D&P in the United States.

PURCHASES OF PPE AND INTANGIBLE ASSETS

	12/31/2020			12/31/2019		
(in euro million)	Property, plant and equipment	Intangible assets	Total	Property, plant and equipment	Intangible assets	Total
Europe	7.8	1.5	9.3	15.6	1.7	17.3
Asia-Oceania-Pacific and Africa	1.9	-	1.9	1.3	-	1.3
Americas	3.7	-	3.7	6.3	-	6.3
TOTAL	**13.4**	**1.5**	**14.9**	**23.2**	**1.7**	**24.9**

During fiscal 2020, the Group carried out €5.8m in investment to develop the Healthcare Solutions business line.

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Note 5 OTHER OPERATING INCOME AND EXPENSE

Other operating income and expense can be analyzed as follows:

	Year ended December 31	
(in euro million)	2020	2019
Restructuring costs [(1)]	(6.9)	(0.9)
Acquisition-related expenses[(2)]	(4.0)	(5.8)
Other[(3)]	(7.3)	(0.3)
TOTAL	**(18.2)**	**(7.0)**

(1) At December 31, 2020, the Group had incurred and planned restructuring costs that impact all business lines.
(2) Acquisition-related expenses correspond to costs incurred in connection with the Group's difference business development and growth programs.
(3) The section entitled "Other" mainly includes donation paid to a philanthropy fund for €3.4m, various disputes for €2.1m and €0.5m for fixed asset write-offs.

Note 6 NUMBER OF EMPLOYEES AND PAYROLL COSTS

6.1 Number of employees

The average number of employees of fully consolidated subsidiaries was as follows in 2018 and 2019:

	Year ended December 31	
	2020	2019
Employees in France	588	582
Employees outside France	1,690	1,487
TOTAL EMPLOYEES	**2,278**	**2,069**

The increase in the number of employees is mainly linked to the acquisition of MET and Design PM (acquired in the second half of 2019) as well as D&P and Hypsos (acquired in the first half of 2020).

6.2 Payroll costs

	Year ended December 31	
(in euro million)	2020	2019*
Salaries	85.0	75.7
Payroll taxes	25.2	24.9
Discretionary profit sharing	3.0	2.3
TOTAL	**113.2**	**102.9**

* *2019 figures have been reclassified.*

Note 7 FINANCIAL INCOME AND EXPENSE

	Year ended December 31	
(in euro million)	2020	2019
• Finance costs	(11.0)	(9.8)
Finance costs, net	(11.0)	(9.8)
• Interest on lease liabilities	(1.1)	(1.0)
• Interest expense on employee benefit obligations	(0.2)	(0.3)
• Exchange gains and losses on foreign currency receivables and payables	(1.6)	0.2
• Unrealized capital gains in other short-term financial receivables (1)	6.1	-
• Fair value adjustments to financial instruments	(0.6)	-
• Other	(1.1)	(0.6)
Other financial income and expense	1.5	(1.7)
FINANCIAL INCOME AND EXPENSE	**(9.5)**	**(11.5)**

(1) *Unrealized capital gains recorded at December 31, 2020, in cash investments in shares of listed companies (see Note 14.2).*

Note 8 INCOME TAX

8.1 Income tax

Income tax expense reported in the income statement is analyzed in the table below:

	Year ended December 31	
(in euro million)	2020	2019
Current taxes	(13.4)	(6.1)
Deferred tax liabilities	9.1	1.2
TOTAL	**(4.3)**	**(4.9)**

The table below reconciles the Group's actual tax charge to the theoretical tax charge that would apply based on the weighted average tax rate of the consolidated companies (which is similar to the French tax rate).

(in euro million)	Year ended December 31 2020	2019
Pre-tax profit of consolidated companies	46.3	20.4
Standard French income tax rate	32.02%	34.43%
Tax at the standard rate	(14.8)	(7.0)
Income tax expense for the period	(4.3)	(4.9)
Difference between income tax expense for the period and tax at the standard rate	10.5	2.1
Effect of differences in foreign tax rates	(1.3)	1.4
Effect of permanent differences between book profit and taxable profit	(1.1)	-
Change in tax assets recognized for tax losses:		
• Reversals of valuation allowances on tax loss carryforwards recognized in prior periods(1)	8.7	0.8
• Utilizations of tax loss carryforwards covered by valuation allowances(2)	8.8	2.2
• Effect of unrelieved tax losses	(2.7)	(0.5)
Other(3)	(1.9)	(1.8)
DIFFERENCE BETWEEN INCOME TAX EXPENSE FOR THE PERIOD AND TAX AT THE STANDARD RATE	**10.5**	**2.1**

(1) The €1.5m recognized in fiscal 2020 related to the French tax group's tax loss carryforwards (€0.8m in 2020) and €7.3m related to the American tax group's tax loss carryforwards.
(2) Primarily corresponding to the utilization of the French tax group's tax loss carryforwards (see Note 8.2.2).
(3) The 2020 figure includes expenses relating to the CVAE tax in France, the IRAP tax in Italy, and local state taxes in the United States.

8.2 Deferred tax liabilities

8.2.1 Analysis of the net deferred tax asset

(in euro million)	12/31/2019	Income statement impact	Equity impact	Translation adjustment	Other(1)	12/31/2020
France	24.5	1.5	-	-	0.4	26.4
United States	4.7	7.3	-	(0.5)	(5.8)	5.7
Germany	1.0	(0.0)	-	-	-	1.0
Italy	0.6	0.2	-	-	-	0.8
Other countries	(3.1)	0.1	0.5	0.0	(0.9)	(3.4)
TOTAL	**27.7**	**9.1**	**0.5**	**(0.5)**	**(6.3)**	**30.5**

(1) Primarily including the deferred taxes arising on intangible assets acquired through the business combinations with D&P and Hypsos.

	12/31/2020			12/31/2019		
(in euro million)	Tax loss carryforwards and tax credits	Temporary differences	Total	Tax loss carryforwards and tax credits	Temporary differences	Total
Deferred tax assets						
• recoverable beyond 12 months	35.6	1.6	37.2	32.4	1.1	33.5
• recoverable within 12 months	-	7.5	7.5	-	8.2	8.2
Deferred tax liabilities, net						
• to be settled beyond 12 months	-	(13.4)	(13.4)	-	(12.9)	(12.9)
• to be settled within 12 months	-	(0.9)	(0.9)	-	(1.1)	(1.1)
TOTAL	**35.6**	**(5.1)**	**30.5**	**32.4**	**(4.7)**	**27.7**

8.2.2 Analysis of tax loss carryforwards

No deferred tax assets have been recognized for a significant portion of the evergreen losses of the various tax groups.

Tax loss carryforwards were as follows at December 31, 2020:

(in euro million)	French tax group	US tax group	German tax group[1]	Other countries excluding Group relief	Total tax loss carryforwards
Available until					
2021	-	4.5	-	3.3	7.8
2022	-	6.2	-	-	6.2
2023	-	6.8	-	0.3	7.1
2024	-	6.8	-	0.2	7.0
2025 and beyond	-	49.6	-	8.2	57.8
Evergreen losses	160.7	-	32.4	10.1	203.2
TOTAL TAX LOSS CARRYFORWARDS AT 12/31/2020	**160.7**	**73.9**	**32.4**	**22.1**	**289.1**
o/w recognized	*102.6*	*31.1*	*3.8*	*5.1*	*142.6*
o/w unrecognized	*58.1*	*42.8*	*28.6*	*17.0*	*146.5*
Total tax loss carryforwards at 12/31/2019	192.2	82.4	32.2	12.2	319.0
o/w recognized	*93.0*	*19.1*	*3.9*	*3.8*	*119.8*
o/w unrecognized	*99.2*	*63.3*	*28.3*	*8.4*	*199.2*

(1) The situation concerning the German tax group's tax loss carryforwards was settled in 2019 following a ruling by the German Federal Court that it was contrary to the German Constitution to consider tax loss carryforwards as expired due to a change of shareholding covering between 25% and 50% of an entity's capital.

In some countries (notably the United States and Germany), deferred tax assets can only be recognized for tax loss carryforwards if the company has a stable direct or indirect ownership structure.

Note 9 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit from continuing operations attributable to owners of the parent by the weighted average number of shares outstanding during the period.

Basic earnings per share amounted to €1.79 in 2020.

Diluted earnings per share takes into account (i) the weighted average number of performance shares granted to employees (see Note 17.4), (ii) interim dividends, and (iii) dividends paid in shares. Diluted earnings per share have been restated for the expense recorded in respect of performance shares for €0.3m.

At December 31, 2020, diluted earnings were the same as basic earnings per share, as there was no dilutive impact for fiscal 2020.

	Year ended December 31			
	2020		2019	
(in euro million)	Basic	Diluted	Basic	Diluted
Profit from continuing operations	41.0	41.0	15.1	15.1
Weighted average number of shares	22,851,146	22,851,146	22,882,210	22,882,210
Earnings per share from continuing operations *(in €)*	1.79	1.79	0.66	0.66

Based on a par value of €0.16 per share, shares outstanding represented issued capital of €3,873,797.12 at December 31, 2020.

Note 10 INTANGIBLE ASSETS

10.1 Goodwill

10.1.1 Movements in goodwill

The table below provides a breakdown of goodwill by cash-generating unit (CGU).

(in euro million)	Protective Films	Fashion Technologies	Museum Solutions	Total
12/31/2018	72.1	35.8	18.9	126.8
Additions	-	-	7.2	7.2
Translation adjustment	1.3	0.8	0.6	2.7
Other[(1)]	(0.1)	-	(0.7)	(0.8)
12/31/2019	73.3	36.6	26.0	135.9
Additions	-	-	53.3	53.3
Translation adjustment	(5.7)	(2.8)	(4.3)	(12.8)
Other[(2)]	-	-	0.4	0.4
12/31/2020	**67.6**	**33.8**	**75.4**	**176.8**

(1) Purchase price adjustment for Leach (acquired in 2018).
(2) Goodwill allocation adjustment for MET and Design PM.

Protective Films

The Protective Films segment is managed on a worldwide basis to meet the needs of global customers, and is considered to represent a single cash-generating unit (CGU).

Substantially all of Protective Films' goodwill is measured in US dollars and the appreciation in the dollar against the euro between December 31, 2019 and 2020, resulted in a €5.7m increase in its carrying amount.

Fashion Technologies

The Fashion Technologies segment also has a global management structure that is aligned with local needs.

Fashion Technologies' goodwill is denominated in Bangladesh taka, Hong Kong dollars and US dollars, and the appreciation of these currencies against the euro has resulted in a €2.8m decline in the carrying amount of that segment's goodwill at December 31, 2020.

Museum Solutions

In 2020, Chargeurs continued and finalized the organization of the Museum Solutions operating segment, notably through the acquisition of D&P, a leader in the museum industry in the United States, and Hypsos in the Netherlands. The business line offers a full range of services and products, covering the entire value chain of the museum and visitor experience industry, through its various entities.

The Museum Solutions operating segment is managed on a worldwide basis to meet the needs of global customers, and is considered to represent a single cash-generating unit (CGU).

Changes in goodwill for the period break down as follows:

- DesignPM and MET (acquired in 2019): in 2020, goodwill was adjusted by £0.4m to £6.7m (€7.4m);
- D&P generated provisional goodwill of $55.8m (€48.9m);
- Hypsos generated provisional goodwill of €4.4m.

Museum Solutions' goodwill is denominated in British pounds sterling and US dollars, and the appreciation of these currencies against the euro has resulted in a €4.3m decline in the carrying amount of that segment's goodwill at December 31, 2020.

10.1.2 Goodwill impairment tests

The tests performed at the level of each cash-generating unit (CGU) at December 31, 2020, showed that their recoverable amounts were higher than their carrying amounts, including for goodwill.

10.1.3 Main assumptions used and sensitivity tests

The recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations.

Impairment tests were carried out on the two businesses to which goodwill has been allocated using the five-year cash flow projections contained in the business plans approved by management, as adjusted to comply with IAS 36. Cash flows beyond this five-year period were extrapolated by using the estimated growth rates shown in the table below.

The uncertain economic environment was taken into account in the cash-generating units' (CGUs) business plans, by basing revenue and earnings growth forecasts on conservative estimates. The projections selected by the Group are as follows:

- Protective Films: return to historic levels of business and growth by 2021;
- Fashion Technologies: gradual return to growth as of second-half 2021;
- Museum Solutions: continued sustained growth in line with expected market developments for the construction of new museums and the restructuring of existing museums.

The following method was used:

- a cash flow simulation model was developed based on various market parameters;
- the cash flow simulations were broken down into various scenarios based on different assumptions for WACC, growth rates and/or recurring operating profit, taking into account the probability of each situation occurring.

The final value allocated to the CGUs' goodwill corresponds to the average value of all of the different simulated scenarios.

THE MAIN VALUE-IN-USE ASSUMPTIONS APPLIED WERE AS FOLLOWS:

	2020			2019			
						Museum Solutions	
The main value-in-use assumptions applied were as follows:	Protective Films	Fashion Technologies	Museum Solutions	Protective Films	Fashion Technologies	Senfa	Creative Collection
Average weighted operating margin over the business plan period(1)	11.80%	8.30%	13.10%	12.40%	9.00%	14.40%	13.90%
Perpetuity growth rate(2)	1.00%	1.00%	2.00%	1.00%	1.00%	2.00%	2.00%
Discount rate	7.88%	8.35%	7.24%	8.71%	7.99%	8.87%	8.87%

(1) Recurring operating profit as a % of revenue.
(2) The perpetuity growth rate is equal to or less than the medium- to long-term growth rate for the industry as a whole and for all the segments. The rate is used only for inflation.

Sensitivity tests

Tests were performed to determine the sensitivity of the values obtained to changes in all of the key assumptions presented above. A 100 basis-point increase in the discount rate used to calculate the recoverable amount of goodwill, combined with a 100 basis-point reduction in operating margin (corresponding to changes in the key assumptions that management considers "reasonably possible"), would not lead to the recognition of any impairment losses on the goodwill allocated to any of the Group's cash-generating units (CGUs).

Similarly, the goodwill held by the Chargeurs' CGUs would not be affected if the objectives contained in the five-year business plans were achieved a year later than forecast nor would it be impacted by a 400 basis-point difference in operating margin.

10.2 Other intangible assets

(in euro million)	Trademarks, customers and patents	Development costs	Other	Total
12/31/2018	28.8	0.5	2.0	31.3
Capitalized development costs	-	0.4	-	0.4
Acquisitions	0.1	-	1.6	1.7
Changes in scope of consolidation	6.1	-	-	6.1
Amortization	(2.6)	(0.1)	(0.6)	(3.3)
Other	-	(0.1)	-	(0.1)
Translation adjustment	1.1	-	-	1.1
12/31/2019	33.5	0.7	3.0	37.2
Acquisitions	0.1	-	1.4	1.5
Changes in scope of consolidation	23.0	-	-	23.0
Amortization	(5.4)	(0.1)	(0.8)	(6.3)
Translation adjustment	(3.5)	-	-	(3.5)
12/31/2020	**47.7**	**0.6**	**3.6**	**51.9**

The purchase price allocation processes carried out for the Group's acquisitions of D&P and Hypsos during the fiscal year resulted in the recognition of intangible assets for the following:

- non-compete clauses (€2.9m);
- brands (€3.1m);
- customer portfolios (€17.0m).

Note 11 PROPERTY, PLANT AND EQUIPMENT

Changes in the carrying amount of property, plant and equipment can be analyzed as follows:

(in euro million)	Land	Buildings	Fixtures and fittings	Plant and equipment	Assets under construction	Total
12/31/2018	5.6	8.9	44.7	6.9	14.6	80.7
Transfer linked to IFRS 16[(1)]	**(1.3)**	**(1.1)**	**(8.4)**	**(0.4)**	**-**	**(11.2)**
Acquisitions	0.3	5.4	6.3	0.6	10.6	23.2
Disposals	-	-	(0.3)	-	(0.3)	(0.6)
Amortization	(0.4)	(1.1)	(7.2)	(1.2)	-	(9.9)
Other[(2)]	-	1.4	6.5	2.0	(5.3)	4.6
Translation adjustment	0.2	-	0.4	-	(0.1)	0.5
12/31/2019	4.5	13.5	42.0	7.9	19.5	87.3
Additions[(3)]	0.1	0.7	6.4	1.7	4.5	13.4
Disposals	-	(4.4)	(0.2)	(0.1)	-	(4.7)
Changes in scope of consolidation	-	0.1	0.5	0.4	-	1.0
Amortization	(0.4)	(1.2)	(9.3)	(1.6)	-	(12.5)
Impairment	-	-	-	-	-	-
Other[(2)]	-	0.5	15.6	1.6	(17.3)	0.4
Translation adjustment	(0.2)	(0.4)	(0.9)	(0.2)	(0.1)	(1.8)
12/31/2020	**4.0**	**8.8**	**54.1**	**9.7**	**6.6**	**83.1**

(1) Reclassification of assets held under finance leases at December 31, 2018 to "Right-of-use assets" (see Note 12) due to the first-time application of IFRS 16.
(2) At December 31, 2019, the Group exercised a number of options related to assets held under finance leases. In accordance with IFRS 16, these assets had been reclassified to "Right-of-use assets" at January 1, 2019, (see Note 12).
(3) The Group received a €3.3m grant relating to its new production line in Italy.

Note 12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

12.1 Right-of-use assets

The carrying amounts of right-of-use assets for property, plant and equipment as defined in Note 2.13.1. break down as follows:

(in euro million)	Land	Buildings	Fixtures and fittings	Plant and equipment	Total
12/31/2018	-	-	-	-	-
First-time application of IFRS 16 [(1)]	**0.2**	**12.3**	**10.2**	**-**	**22.7**
Transfer linked to IFRS 16[(2)]	**1.3**	**1.1**	**8.4**	**0.4**	**11.2**
New contracts	0.1	3.0	1.8	-	4.9
End of contracts	-	(0.2)	-	-	(0.2)
Changes in scope of consolidation	-	-	-	-	-
Amortization	-	(3.5)	(4.3)	(0.1)	(7.9)
Impairment	-	-	-	-	-
Other[(3)]	-	(0.1)	(4.5)	(0.3)	(4.9)
Translation adjustment	-	-	-	-	-
12/31/2019	1.6	12.6	11.6	-	25.8
New contracts [(4)]	0.4	10.0	1.7	-	12.1
End of contracts	-	(0.3)	(0.2)	-	(0.5)
Changes in scope of consolidation [(5)]	-	11.5	0.4	-	11.9
Amortization	-	(6.0)	(3.8)	(0.1)	(9.9)
Other	-	-	-	-	-
Translation adjustment	-	(1.1)	(0.2)	-	(1.3)
12/31/2020	**2.0**	**26.7**	**9.5**	**(0.1)**	**38.1**

(1) Impact of definitive first-time application as established in the consolidated financial statements as of December 31, 2019.
(2) Reclassification of assets held under finance leases at December 31, 2018 to "Right-of-use assets" (see Note 11) due to the first-time application of IFRS 16.
(3) At December 31, 2019, the Group exercised a number of options related to assets held under finance leases. In accordance with IFRS 16, these assets had been reclassified to "Right-of-use assets" at January 1, 2019, (see Note 11).
(4) New contracts in France for €4.9m, Asia for €1.9m and the United States for €1.7m.
(5) As part of the Company's external growth strategy, the main changes concern the entities, D&P and Hypsos.

12.2 Lease liabilities

Movements in lease liabilities during the year were as follows:

(in euro million)	12/31/2020	12/31/2019
Leases at 12/31/2019	26.4	
Cash movements:		
Decrease	(10.9)	(9.7)
Non-cash movements:		-
First-time application of IFRS 16	-	22.5
Transfer linked to IFRS 16	-	8.7
New contracts	12.0	5.0
End of contracts	(0.1)	-
Changes in scope of consolidation	12.1	-
Changes in exchange rates	(1.4)	-
Other	-	(0.1)
LEASES AT 12/31/2020	**38.1**	**26.4**

Interest expense on lease liabilities amounted to €1.1m in 2020.

At December 31, 2020, lease liabilities break down as follows by maturity:

(in euro million)	12/31/2020	12/31/2019
Due in less than one year	10.5	9.1
Due in one to two years	7.6	6.8
Due in two to three years	5.0	3.9
Due in three to four years	4.0	2.3
Due in four to five years	3.3	1.6
Due in more than five years	7.7	2.7
TOTAL	**38.1**	**26.4**

Note 13 ASSOCIATE AND JOINT VENTURE INTERESTS

13.1 Companies

Luxury Materials segment

CW Uruguay comprises Lanas Trinidad SA and its subsidiaries.

CW Argentina comprises Chargeurs Wool Argentina and its subsidiary, Peinadura Rio Chubut.

In 2020, Chargeurs sold 31% of its stake in the Chinese company, Zhangjiagang. The sale resulted in the loss of control of Zhangjiagang Yangtse Wool Combing Co. Ltd. and its subsidiary, Yangtse (Australia) PTY Ltd. As of December 31, 2020, these two subsidiaries are no longer accounted for using the equity method and the share retained by the Group is recorded under investments in non-consolidated companies (see Note 14).

Fashion Technologies segment

Following the acquisition of the Precision Custom Coatings (PCC) Interlining group, the Fashion Technologies business line now has two associates: Ningbo Textile Co. Ltd. (25%-held) and Weemeet Korea (20%-held).

Museum Solutions segment

Following the acquisition of the Hypsos group in fiscal 2020, the Museum Solutions business line includes four companies accounted for using the equity method, including Hypsos Leisure Asia LTD.

Movements in associates can be analyzed as follows:

(in euro million)	12/31/2019	Income statement impact	Translation adjustment	Scope changes	Other	12/31/2020
CW Uruguay	7.1	(2.3)	(0.5)	-	-	4.3
CW Argentina	1.3	(0.5)	(0.3)	-	-	0.5
Zhangjiagang Yangtse Wool Combing Co. Ltd.	2.2	1.6	(1.0)	(2.8)	-	-
Total Chargeurs Luxury Materials	**10.6**	**(1.2)**	**(1.8)**	**(2.8)**	**-**	**4.8**
Hypsos Leisure Asia Ltd		(0.1)	(0.1)	0.8	-	0.6
Hypsos Moscow	-	0.1	-	0.1	-	0.2
Total Chargeurs Museum Solutions	**-**	**-**	**(0.1)**	**0.9**	**-**	**0.8**
Total joint ventures	10.6	(1.2)	(1.9)	(1.9)	-	5.6
Wool USA	0.5	(0.5)	-	-	-	-
Ningbo Textile Co Ltd	0.6	-	-	-	(0.1)	0.5
Weemeet Korea	0.9	-	-	-	-	0.9
Total associates	2.0	(0.5)	-	-	(0.1)	1.4
TOTAL ASSOCIATE INTERESTS	**12.6**	**(1.7)**	**(1.9)**	**(1.9)**	**(0.1)**	**7.0**

(in euro million)	12/31/2018	Income statement impact	Dividends	Translation adjustment	12/31/2019
CW Uruguay	6.9	0.1		0.1	7.1
CW Argentina	1.6		(0.1)	(0.2)	1.3
Zhangjiagang Yangtse Wool Combing Co. Ltd.	2.7	(0.6)		0.1	2.2
Total joint ventures	11.2	(0.5)	(0,1)	-	10.6
Wool USA	0.6	(0.1)			0.5
Ningbo Textile Co Ltd	0.5	0.1			0.6
Weemeet Korea	0.8	0.1			0.9
Total associates	1.9	0.1	-	-	2.0
TOTAL ASSOCIATE INTERESTS	**13.1**	**(0.4)**	**(0.1)**	**-**	**12.6**

13.2 Key figures for the main associates

Key figures for material associates are presented below (on a 100% basis):

	For the year ended December 31, 2020				For the year ended December 31, 2019			
	Chargeurs Luxury Materials (CLM)				Chargeurs Luxury Materials (CLM)			
(in euro million)	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd.	Total	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd.	Total
Non-current assets	2.0	1.3	-	3.2	2.5	1.8	4.6	8.9
Current assets	34.0	14.7	-	48.7	38.4	20.6	20.0	79.0
Cash and cash equivalents	0.3	0.5	-	0.8	0.9	0.1	1.4	2.4
Non-current financial liabilities	-	-	-	-	-	-	-	-
Other non-current liabilities	0.1	-	-	0.1	0.1	-	0.2	0.3
Current financial liabilities	22.0	10.6	-	32.6	22.6	13.0	8.6	44.2
Other current liabilities	5.4	4.9	-	10.3	4.9	7.0	12.8	24.7
Total net assets	8.8	1.0	-	9.7	14.2	2.5	4.4	21.1
% interest	50%	50%	-	n.a.	50%	50%	50%	n.a.
Group share	4.3	0.5	-	4.8	7.1	1.3	2.2	10.6
Other			-	-	-	-	-	-
Carrying amount	4.3	0.5	-	4.8	7.1	1.3	2.2	10.6

(in euro million)	For the year ended December 31, 2020				For the year ended December 31, 2019			
	Chargeurs Luxury Materials				Chargeurs Luxury Materials			
	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd (1)	Total	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co. Ltd.	Total
Revenue	20.1	9.3	12.4	41.8	46.4	21.9	16.5	84.8
Depreciation, amortization and impairment	(0.4)	-	(0.8)	(1.2)	(0.4)	-	(0.9)	(1.3)
Finance costs, net	(0.8)	(1.8)	(0.3)	(2.9)	(1.0)	(1.1)	(0.2)	(2.3)
Profit/(loss) from continuing operations	(4.5)	(1.0)	(2.5)	(8.0)	0.2	-	(1.2)	(1.0)
% interest	50%	50%	50%	n.a.	50%	50%	50%	n.a.
GROUP SHARE	**(2.3)**	**(0.5)**	**1.6**	**(1.1)**	**0.1**	**-**	**(0.6)**	**(0.5)**

(1) Profit for the period includes the income from the sale for €2.8m.

13.3 Transactions with associates

In 2020, the main transactions with the Group's associates (Lana Trinidad and Chargeurs Wool Argentina) were as follows:

- purchases recorded in cost of sales for €17.5m;
- trade receivables for €0.3m and trade payables for €6.6m.

Note 14 FINANCIAL ASSETS (NON-CURRENT AND CURRENT)

14.1 Financial assets

Financial assets mainly comprised the following:

- deposits for €7.2m and;
- investments in non-consolidated companies of €1.1m.

The carrying amounts of the Group's main investments in non-consolidated companies can be analyzed as follows:

(in euro million)	12/31/2020	12/31/2019
Interests of over 50%	-	1.8
Interests of between 20% and 50%	-	-
Interests of less than 20%	1.1	-
TOTAL	**1.1**	**1.8**

The Precious Fiber Development (PFD) business was integrated into the Group during fiscal 2020.

In addition, Chargeurs sold 31% of its stake in the Chinese company, Zhangjiagang. This sale resulted in the loss of significant influence over Zhangjiagang Yangtse Wool Combing Co. Ltd and its subsidiary, Yangtse (Australia) PTY Ltd. The Group's retained 19% interest was valued at €1.0m (see Note 13.1).

14.2 Other short-term financial receivables

In 2020, the Group invested a portion of its cash in the shares of listed companies for €14.2m (see Note 14). Financial assets at fair value through profit or loss (FVPL) At December 31, 2020, the change in fair value for a positive amount of €6.1m was reported in financial income and expense (see Note 7). They are included in the determination of net debt (see Note 18).

Note 15 WORKING CAPITAL

15.1 Analysis of change in working capital

(in euro million)	12/31/2019	Change in operating working capital(1)	Other changes	Translation adjustment(2)	Impact of changes in scope of consolidation	12/31/2020
Inventories and work-in-progress	126.1	18.7	(0.2)	(5.6)	0.1	139.1
Long-term contract assets	-	1.1	0.1	-	0.6	1.8
Trade receivables	73.5	(11.3)	-	(3.9)	5.8	64.1
Derivative financial instruments	1.4	(0.9)	0.6	-	-	1.1
Miscellaneous receivables	27.8	15.2	0.4	(0.9)	2.5	45.0
Current income tax receivables	1.3	-	(0.1)	-	-	1.2
Assets	230.1	22.8	0.8	(10.4)	9.0	252.3
Trade payables	105.6	1.4	0.2	(2.3)	5.9	110.8
Derivative financial instruments	0.1	1.0	-	-	-	1.1
Other payables (3)	44.8	25.7	(0.4)	(1.5)	4.2	72.8
Long-term contract liabilities	-	(2.7)	-	(0.6)	11.6	8.3
Current income tax liability	5.9	-	0.4	-	-	6.3
Liabilities	156.4	25.4	0.2	(4.4)	21.7	199.3
WORKING CAPITAL	**73.7**	**(2.6)**	**0.6**	**(6.0)**	**(12.7)**	**53.0**

(1) Reported in the consolidated statement of cash flows under "Net cash from operating activities."
(2) Including €0.3m corresponding to the impact of hyperinflation in Argentina.
(3) Until 12/31/2019, the short-term portion of provisions for other liabilities was presented in the "Other payables" section. The Group changed this presentation by creating a separate line in the statement of financial position. Accordingly, the €0.7m at the start of the period was reclassified from the "Other payables" section to "Short-term portion – Provisions for other liabilities." (see Note 20)

(in euro million)	12/31/2018	Change in operating working capital(1)	Other changes	Translation adjustment(2)	Impact of changes in scope of consolidation	12/31/2019
Inventories and work-in-progress	128.4	(1.8)	(0.9)	0.2	0.2	126.1
Trade receivables	72.4	(1.5)	0.2	0.6	1.8	73.5
Derivative financial instruments	0.7	0.7	-	-	-	1.4
Miscellaneous receivables	20.5	7.4	(0.8)	(0.2)	0.9	27.8
Current income tax receivables	3.2	-	(1.9)	-	-	1.3
Assets	225.1	4.8	(3.3)	0.6	2.9	230.1
Trade payables	116.8	(12.3)	0.1	0.6	0.4	105.6
Derivative financial instruments	0.4	0.1	(0.4)	-	-	0.1
Other payables (3)	41.6	3.7	(0.6)	(1.2)	1.3	44.8
Current income tax liability	1.0	-	4.9	-	-	5.9
Liabilities	159.8	(8.5)	4.0	(0.6)	1.7	156.4
WORKING CAPITAL	**65.3**	**13.3**	**(7.3)**	**1.2**	**1.2**	**73.7**

(1) Reported in the consolidated statement of cash flows under "Net cash from operating activities."
(2) Of which €1.4m corresponding to the impact of hyperinflation in Argentina (see Note 2.5.4).
(3) Until 12/31/2019, the short-term portion of provisions for other liabilities was presented in the "Other payables" section. The Group changed this presentation by creating a separate line in the statement of financial position. Accordingly, the €0.7m at the start of the period was reclassified from the "Other payables" section to "Short-term portion – Provisions for other liabilities." (see Note 20)

15.2 Inventories and work-in-progress

Inventories and work-in-progress can be analyzed as follows:

(in euro million)	12/31/2020	12/31/2019
Gross value		
Raw materials and supplies	43.8	42.6
Finished and semi-finished goods and work-in-progress	123.7	90.1
Other	0.7	0.5
Total – Gross value	168.2	133.2
Provisions for impairment	(29.1)	(7.1)
NET VALUE	**139.1**	**126.1**

(in euro million)	12/31/2020	12/31/2019
Provisions for impairment at January 1	(7.1)	(6.6)
Increase in provisions for impairment of inventories	(24.0)	(2.0)
Reversals of provisions used	1.3	1.2
Reversals of surplus provisions	0.5	0.4
Translation adjustment	0.3	-
Other		(0.1)
PROVISIONS FOR IMPAIRMENT AT DECEMBER 31	**(29.1)**	**(7.1)**

No inventories have been pledged as collateral.

15.3 Trade receivables

(in euro million)	12/31/2020	Not yet due	Past due	12/31/2019	Not yet due	Past due
Trade receivables						
Gross value	69.1	42.4	26.7	76.2	51.4	24.8
Provisions for impairment	(5.0)	(0.1)	(4.9)	(2.7)	(0.7)	(2.0)
NET VALUE	**64.1**	**42.3**	**21.8**	**73.5**	**50.7**	**22.8**

Trade receivables by due date

(in euro million)	12/31/2020	12/31/2019
Less than one month	15.9	16.3
One-to-three months past due	2.5	3.7
Three-to-six months past due	1.8	0.8
More than six months past due	1.6	2.0
NET VALUE	**21.8**	**22.8**

As these receivables are all short term and are not interest bearing, changes in interest rates do not generate any material interest rate risk.

Given their short maturities, their fair value may be considered to be close to their carrying amount.

Customer credit risks are managed on a local, decentralized basis. Provisions for past-due receivables are determined on a case-by-case basis, taking into account the amount recoverable under credit insurance, local practices, the customer's payment history and the total balance due (see Note 22).

15.4 Miscellaneous receivables

(in euro million)	12/31/2020	12/31/2019
Short-term tax receivables	1.2	1.3
Miscellaneous receivables	46.0	27.8
Provisions for impairment	(1.0)	-
NET VALUE	**46.2**	**29.1**

"Miscellaneous receivables" primarily include tax credits, the difference between the nominal amount of receivables sold under no-recourse contracts and the sale proceeds, and supplier advances. The fair value of these assets approximates their carrying amount.

Note 16 FACTORING

Chargeurs SA and a number of its subsidiaries have negotiated with banking and financial institutions the terms and conditions of the Group's factoring programs in Europe and the United States.

The new programs provide for no-recourse sales with the transfer of substantially all of the risks and rewards of ownership of the sold receivables. Only the non-material risk of dilution is not transferred to the purchaser. Consequently, the sold receivables have been derecognized.

The amount of receivables sold under these programs totaled €42.3m at December 31, 2020, versus €59.9m one year earlier.

Note 17 EQUITY

17.1 Share capital

All Chargeurs' shares have been called and are fully paid-up. Changes in the number of shares outstanding in fiscal 2020 were as follows:

Shares outstanding at 12/31/2019	23,848,641
New shares issued following payment of the balance of the dividend for fiscal 2019	154,736
Shares issued in payment of the fiscal 2020 dividend balance	207,855
SHARES OUTSTANDING AT 12/31/2020	**24,211,232**

Based on a par value of €0.16 per share, shares outstanding represented issued capital of €3,873,797.12 at December 31, 2020.

Double voting rights

Chargeurs SA's bylaws provide that shares registered in the name of the same owner for at least two years carry double voting rights. Consequently, in accordance with the provisions of article L.225-124 of the French Commercial Code (*Code de commerce*), holders of said shares are entitled to double voting rights at Chargeurs SA Shareholders' Meetings. At December 31, 2020, a total of 1,073,500 shares carried double voting rights.

17.2 Interim dividends

Payment of an interim dividend for 2020

On September 9, 2020, Chargeurs' Board of Directors decided to pay a €0.28 interim dividend in view of the Group's performance during that year. The interim dividend could be paid either in cash or new shares.

At the end of the option exercise period, which ran from September 18 to October 1, 2020, 207,855 new shares were issued at a unit price of €14.71.

They carry dividend rights immediately and rank pari passu with the Company's existing shares from their issue on October 7, 2020.

At the close of the operation, Chargeurs' share capital amounted to €3,873,797 divided into 24,211,232 ordinary shares with a par value of €0.16 each, all fully paid up and of the same category.

The amount of the interim dividend paid in cash on October 7, 2020, totaled €3.3m.

Payment of a dividend for 2019

In 2019, Chargeurs' Board of Directors decided to pay a dividend in view of the Group's performance during the fiscal year.

An interim dividend of €0.20 per share was paid in 2019 and the balance of €0.20 was paid in 2020, with shareholders given the option of receiving this payment in cash or in the form of shares. In total, 154,736 new shares were issued as payment for the dividend to shareholders who opted for the stock dividend alternative, based on a price per share of €12.77. As a result of this share issue the Company's share capital was raised to €3,840,540 divided into 24,003,377 ordinary shares with a par value of €0.16 each.

The amount of the interim dividend paid in cash on May 26, 2020, totaled €2.6m.

17.3 Treasury stock

Treasury stock comprises Chargeurs SA shares held by the Group, including shares purchased under a share buyback program and a liquidity contract. At December 31, 2020, the Group held 1,167,610 shares in treasury stock (versus 1,153,914 one year earlier), valued at €20.35m.

17.4 Share-based payments

Equity-settled share-based payments are measured at fair value at the grant date using:

- the Black-Scholes model for instruments that do not include a market condition;
- or the Black-Scholes and Monte Carlo models for instruments that include both market and non-market conditions.

The main factors taken into account when measuring the value of the financial instruments concerned are the grant-date share price, expected volatility and a lock-up discount.

By way of the twenty-second resolution (extraordinary resolution) of the April 28, 2020 Annual General Meeting, in accordance with articles L. 225-197-1 *et seq.* of the French Commercial Code, the Company's shareholders authorized the Board of Directors to implement a free share plan by granting 42,000 ordinary shares, benefitting some Company and subsidiary senior executives. In accordance with the provisions of article L. 225-197-1 II of the French Commercial Code, no share may be granted to a beneficiary who holds more than 10% of the Company's share capital at the grant date or for which the grant would increase their interest to more than 10% of the Company's share capital following the acquisition of shares.

On November 9, 2020, the Board of Directors used this authorization to grant a total of 42,000 performance shares distributed to senior executives. These shares are subject to a one-year vesting period that runs from the grant date and will end on January 1, 2023. The shares will only vest if the applicable performance conditions are met and the beneficiary is still a member of the Group at the vesting date.

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	2023 free share grant plan implemented by the Board of Directors on November 9, 2020
Grant date	01/11/2020
Number of beneficiaries	2
Original number of shares granted	42,000
Adjusted number of shares	-
Number of shares still to be granted at December 31, 2020	42,000
Fair value before the lock-up discount on the grant date	€249,261
Fair value after the lock-up discount on the grant date	€211,872

17.5 Translation reserve

Movements in 2020 in the Group's translation reserves by main currency can be analyzed as follows:

(in euro million)	Translation reserves by main currency at 12/31/2019	Change	Translation reserves by main currency at 12/31/2020
US dollar	11.4	(17.2)	(5.8)
Chinese yuan	6.2	(2.1)	4.1
Argentine peso (1)	(13.8)	(1.3)	(15.1)
Hong Kong dollar	3.0	(3.9)	(0.9)
Other	(0.7)	(2.9)	(3.6)
TOTAL	**6.1**	**(27.4)**	**(21.3)**

(1) Including €0.1m corresponding to the impact of hyperinflation in Argentina.

Note 18 LONG- AND SHORT-TERM DEBT, CASH AND CASH EQUIVALENTS

18.1 Net debt

		Cash movements		Non-cash movements			
(in euro million)	12/31/2019	Increase	Decrease	Changes in scope of consolidation(1)	Changes in exchange rates	Other	12/31/2020
Medium and long-term borrowings	201.0	247.3	(100.5)	0.2	(0.2)	-	347.8
Short-term borrowings	12.2	-	(5.3)	-	(0.4)	-	6.5
Bank covenants	3.1	-	(1.1)	-	(0.3)	-	1.7
Total gross debt	216.3	247.3	(106.9)	0.2	(0.9)	-	356.0
Cash and cash equivalents	93.9	112.4	-	5.2	(2.5)	-	209.0
• *Term deposits*	*4.3*	*13.9*	-	*(1.7)*	*0.1*	-	*16.6*
• *Cash at bank*	*89.6*	*98.5*	-	*6.9*	*(2.6)*	-	*192.4*
Other short-term financial receivables (2)	-	14.2	-	-	-	6.1	20.3
NET CASH POSITION/(NET DEBT POSITION)	**122.4**	**120.7**	**(106.9)**	**(5.0)**	**1.6**	**(6.1)**	**126.7**

(1) Reported in the consolidated statement of cash flows under "Acquisitions of subsidiaries, net of the cash acquired."
(2) Cash investment in the shares of listed companies (see Notes 7 & 14.2).

There were no restrictions on the use of the cash and cash equivalents held by the Group at December 31, 2020.

During 2020, the Chargeurs group established three new bilateral bank financing facilities, including two which are short-term (€7.5m) and one which is medium-term (€15.0m).

In December 2020, the Group also raised €100m in private investment (Euro PP) with an 8-year maturity that pays a coupon of 3.25%. The financing is not subject to leverage covenants and has a gearing covenant of ≤ 1.2x.

Moreover, the sustainability-linked Euro PP incorporates two environmental and social commitments selected from the four pillars on which the Group's CSR strategy is based:

- Reducing work accident frequency;
- Increasing revenue generated by sustainable products.

18.2 Change in net debt

(in euro million)	Year ended December 31 2020	2019
EBITDA	102.4	60.0
Other operating income and expense(1)	(13.0)	(7.0)
Cost of net debt and interest on leases	(12.1)	(10.8)
Income tax paid	(6.4)	(3.3)
Other	(0.5)	(0.2)
Cash flows provided by operating activities, before changes in net working capital	70.4	38.7
Dividends from associates	-	0.1
Change in operating working capital	2.6	(13.3)
Operating cash flows	73.0	25.5
Transfer linked to IFRS 16	-	8.7
Acquisition of property, plant and equipment and intangible assets, net of disposals	(10.0)	(24.4)
Acquisitions of subsidiaries, net of cash acquired	(53.2)	(9.6)
Other investing cash flows	0.3	(0.7)
Share buybacks	(0.1)	(9.8)
Cash dividends paid to owners of the parent	(5.9)	(8.6)
Repayment of lease liabilities	(10.9)	(9.7)
Other	(1.4)	(0.1)
Unrealized capital gains in other short-term financial receivables (2)	6.1	-
CHANGE IN NET CASH/(NET DEBT)	**(2.1)**	**(28.7)**
Opening net cash/(net debt)	122.4	92.2
Changes in exchange rates	2.2	1.5
CLOSING NET CASH/(NET DEBT)	**126.7**	**122.4**

(1) This line only includes cash items relating to other non-operating income and expense (see Note 5).
(2) see Notes 7 & 14.2.

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18.3 Financial covenants

The bank financing negotiated in December 2018 and the Euro PP (€222.0m) are not subject to leverage covenants. They are, however, subject to a gearing covenant of ≤1.2x, calculated on a half-yearly basis.

This ratio was respected at December 31, 2020.

The financing negotiated in first-half 2020 is subject to no covenants.

18.4 Debt by maturity and interest rate

18.4.1 Analysis of long-term and medium-term debt by maturity and interest rate

	12/31/2020			12/31/2019		
(in euro million)	Total	Of which fixed rate	Of which variable rate	Total	Of which fixed rate	Of which variable rate
Due in less than one year	38.3	9.1	29.2	7.5	5.4	2.1
Due in one to two years	26.3	6.1	20.2	4.7	2.9	1.8
Due in two to three years	64.7	44.6	20.1	3.1	1.8	1.3
Due in three to four years	35.1	3.6	31.5	41.7	40.5	1.2
Due in four to five years	41.7	41.7	-	62.0	-	62.0
Due in more than five years	141.7	141.7	-	82.0	82.0	-
TOTAL	**347.8**	**246.8**	**101.0**	**201.0**	**132.6**	**68.4**

The carrying amount of fixed-rate debt, after hedging, was €246.8m. The proportion of average debt at fixed rates of interest was 71.0% in 2020 and 66.0% in 2019.

The carrying amount of variable-rate borrowings approximates their fair value in view of the interest rates applied.

18.4.2 Maturities of the Group's confirmed credit facilities

The maturities of the Group's confirmed credit facilities are as follows:

(in euro million)	12/31/2020	Average maturity	12/31/2019	Average maturity
Drawn financing facilities	354.3	4.4	213.2	4.5
Undrawn financing facilities	141.3	3.8	162.0	5.0
TOTAL FINANCIAL RESOURCES CONFIRMED	**495.6**	**4.3**	**375.2**	**4.7**

18.5 Analysis of debt by currency

(in euro million)	12/31/2020	12/31/2019
Euro	346.1	201.3
US dollar	7.5	7.1
Chinese yuan	1.0	2.9
Other	1.4	5.0
TOTAL	**356.0**	**216.3**

Note 19 PENSION AND OTHER LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS CAN BE ANALYZED AS FOLLOWS BY REGION

(in euro million)	France	United States	Italy	Germany	Other	12/31/2020
Present value of obligations – funded plans	1.8	15.4	-	-	-	17.2
Fair value of plan assets	(0.5)	(14.3)	-	-	-	(14.8)
Net present value of obligations – funded plans	1.3	1.1	-	-	-	2.4
Present value of obligations – unfunded plans	7.8	0.5	2.3	2.8	1.0	14.4
NET LIABILITY IN THE STATEMENT OF FINANCIAL POSITION	**9.1**	**1.6**	**2.3**	**2.8**	**1.0**	**16.8**

(in euro million)	France	United States	Italy	Germany	Other	12/31/2019
Present value of obligations – funded plans	1.7	16.7	-	-	-	18.4
Fair value of plan assets	(0.6)	(14.6)	-	-	-	(15.2)
Net present value of obligations – funded plans	1.1	2.1	-	-	-	3.2
Present value of obligations – unfunded plans	8.0	1.5	1.4	2.9	1.3	15.1
NET LIABILITY IN THE STATEMENT OF FINANCIAL POSITION	**9.1**	**3.6**	**1.4**	**2.9**	**1.3**	**18.3**

MOVEMENTS IN PROVISIONS FOR THE PROJECTED BENEFIT OBLIGATION

(in euro million)	12/31/2019	Net expense recognized in the income statement	Benefits paid during the period	Employer contributions	Actuarial gains and losses	Impact of changes in scope of consolidation	Translation adjustment	12/31/2020
Post-employment benefit obligations	16.3	0.9	(1.2)	(0.6)	(0.2)	-	(0.3)	14.9
Post-employment healthcare plans	0.4	-	-	-	-	-	-	0.4
Other long-term benefit obligations	1.6	0.2	(0.3)	-	-	-	-	1.5
NET LIABILITY IN THE STATEMENT OF FINANCIAL POSITION	**18.3**	**1.1**	**(1.5)**	**(0.6)**	**(0.2)**	**-**	**(0.3)**	**16.8**

Post-employment benefits under defined benefit plans correspond to statutory length-of-service awards payable to employees on retirement in France and other plans giving rise to less significant obligations. Other long-term employee benefits consist mainly of jubilee awards.

19.1 Funded plans

Movements in the projected benefit obligation under funded plans were as follows:

(in euro million)	12/31/2020	12/31/2019
Projected benefit obligation at January 1	18.4	17.4
Service cost	0.1	0.1
Interest cost	0.5	0.7
Curtailments and settlements		-
Benefits paid out of plan assets	(1.3)	(1.4)
Actuarial (gains)/losses for the period	1.0	1.4
Translation adjustment	(1.5)	0.2
Change from a funded to an unfunded obligation		-
Other		-
PROJECTED BENEFIT OBLIGATIONS AT DECEMBER 31	**17.2**	**18.4**

Movements in the fair value of plan assets for funded plans were as follows:

(in euro million)	12/31/2020	12/31/2019
Fair value of plan assets at January 1	15.2	13.8
Actuarial (gains)/losses for the period	1.2	1.7
Expected return on plan assets	0.4	0.6
Employer contributions	0.6	0.3
Benefits paid out of plan assets	(1.3)	(1.4)
Curtailments and settlements		-
Translation adjustment	(1.3)	0.2
Reimbursement of plan surpluses	-	-
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**14.8**	**15.2**

5

Breakdown of plan assets:

	12/31/2020	12/31/2019
Money market funds	4%	2%
Equities	52%	52%
Bonds	42 %	44%
Real estate	2%	2%
TOTAL	**100%**	**100%**

19.2 Unfunded plans

Movements in the projected benefit obligation under unfunded plans can be analyzed as follows:

(in euro million)	12/31/2020	12/31/2019
Projected benefit obligation at January 1	**15.1**	**13.8**
Service cost	0.8	0.7
Interest cost	0.1	0.2
Benefits paid out of Company reserves	(1.5)	(0.6)
Actuarial (gains)/losses for the period	-	1.0
Translation adjustment	(0.1)	-
Change from a funded to an unfunded obligation	-	-
Scope changes	-	-
PROJECTED BENEFIT OBLIGATIONS AT DECEMBER 31	**14.4**	**15.1**

19.3 Analysis of the expense recognized in the income statement

The amounts recognized in the income statement for defined benefit plans and other long-term employee benefits can be analyzed as follows:

	Year ended December 31	
(in euro million)	2020	2019
Service cost	0.9	0.8
Interest cost	0.2	0.3
NET EXPENSE RECOGNIZED IN THE INCOME STATEMENT	**1.1**	**1.1**

The service cost is accounted for by function in cost of sales, distribution and administrative expenses, and research and development costs. The interest cost is recognized in financial expense.

19.4 Main actuarial assumptions used, sensitivity tests and projected benefit obligation

The main actuarial assumptions at December 31, 2020 and 2019 were as follows:

	12/31/2020	12/31/2019
Europe:		
Discount rate applied to the projected benefit obligation(1)	0.25%	0.75%
Estimated future salary increases		
• Managers	2.50%	2.50%
• Other employees	2.00%	2.00%
Long-term (underlying) inflation rate	2.00%	2.00%
North America:		
Discount rate applied to the projected benefit obligation(1)	3.26%	3.26%
Probable retirement age	62 to 65 years	62 to 65 years

(1) Discount rates are based on market interest rates for prime corporate bonds.

A 1-point increase or decrease in the estimated growth rate for healthcare costs would not have a material impact on the related projected benefit obligation, service cost or interest cost.

A 1-point increase in the discount rate and inflation rate would have a €(1.7)m negative impact on the projected benefit obligation.

At December 31, 2020, the duration of the Group's employee benefit obligations was between 7 and 21 years.

The Group pays contributions into funded plans and also pays benefits directly under unfunded plans. The total estimated amount of benefits that will be paid under defined benefit plans during the year ending December 31, 2020 is €1.9m.

Note 20 PROVISIONS FOR OTHER CURRENT LIABILITIES

(in euro million)	Long-term provisions	Provisions for other current liabilities	Total
12/31/2018	0.5	0.7	1.2
Additions	0.1	-	0.1
Reversals of provisions used	(0.1)	-	(0.1)
Reversals of surplus provisions	(0.1)	-	(0.1)
12/31/2019	0.4	0.7	1.1
Additions	0.1	16.0	16.1
Reversals of provisions used	(0.1)	-	(0.1)
Reversals of surplus provisions	-	-	-
Scope changes	-	0.6	0.6
12/31/2020	**0.4**	**17.3**	**17.7**

(in euro million)	12/31/2020	12/31/2019
Industrial reorganization	-	-
Losses on completion	0.5	
Provisions for other contingencies	17.2	1.1
TOTAL	**17.7**	**1.1**

In particular, provisions for other contingencies include risks related to supplier disputes (€6.3m) and the risk of litigation (€6.4m).

Cash outflows covered by provisions for other contingencies will amount to €11.3m in 2021 and €6.4m in subsequent years.

Note 21 OTHER NON-CURRENT LIABILITIES

At December 31, 2020, "Other non-current liabilities" include debt linked to the acquisition of consolidated companies for €8.6m and guarantees for €4.4m received in respect of a license.

Note 22 FINANCIAL RISK MANAGEMENT

By virtue of its global footprint, the Chargeurs group is exposed to financial risks in the normal course of business, including:

- market risks (currency risks, interest rate risks and price risks on certain commodities);
- credit risks;
- and liquidity risks.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Derivative instruments are used to hedge certain risk exposures. They are classified at level 2 in the fair value hierarchy, in accordance with IFRS 13 and as explained in note 2.15.

The fair values of derivatives recognized in the statement of financial position can be analyzed as follows:

(in euro million)	12/31/2020	12/31/2019
Assets	1.1	1.4
Liabilities	(1.1)	(0.1)
NET	**-**	**1.3**
• Less than 6 months	0.5	0.6
• More than 6 months	(0.5)	0.7

	12/31/2020		12/31/2019	
(in euro million)	Fair value	Notional amount	Fair value	Notional amount
Assets net of liabilities				
Fair value hedges				
Currency hedges[1]	(0.9)	(20.1)	-	(22.0)
Cash flow hedges				
Currency hedges[1]	0.9	(29.3)	1.3	(27.8)
Interest rate hedges	-	-	-	-
DERIVATIVE INSTRUMENTS – NET ASSET/ (LIABILITY)	**0.0**	**(49.4)**	**1.3**	**(49.8)**

(1) *Notional amounts shown in parentheses correspond to sales of foreign currencies for currency derivatives.*

22.1 Market risks

Market risks are monitored internally using reporting schedules that compare the entities' exposure to identified risks with market value indicators. These indicators are based on data covering foreign currencies and commodity prices that directly or indirectly affect the Group's operations and the value of its assets.

22.1.1 Currency risks

The Group operates internationally (see Note 4), with over 60.9% of revenue generated outside France and more than 37.8% outside Europe. Its exposure to currency risks, which mainly concerns the US dollar and Chinese yuan, relates to future commercial transactions, recognized assets and liabilities denominated in foreign currencies and net investments in foreign operations.

Currency risks arising on future commercial transactions and recognized assets and liabilities denominated in foreign currencies

Group entities mainly use forward contracts to manage these risks as well as call options for its most common foreign currencies (US dollar, Chinese yuan and British pound). External foreign exchange contracts are designated by each business segment as fair value hedges, cash flow hedges or hedges of a net investment in a foreign operation, as appropriate.

The total net notional amount of currency hedges at December 31, 2020 was €49.4m, corresponding to hedges of assets and liabilities and firm commitments of subsidiaries as well as cash flow hedges of net sales and net purchases, mainly in US dollars.

NET NOTIONAL AMOUNTS OF CURRENCY DERIVATIVES BY CURRENCY (NEGATIVE NOTIONAL AMOUNT = NET SELLER POSITION)

	12/31/2020			12/31/2019		
(in euro million)	Notional amount	Statement of financial position	Forecast position	Notional amount	Statement of financial position	Forecast position
US dollar	(36.6)	(19.0)	(17.6)	(39.1)	(19.5)	(19.6)
Chinese yuan	(8.6)	(0.2)	(8.4)	(5.9)	(2.3)	(3.6)
Hong Kong dollar	(0.5)	(0.5)	-			
British pound	(2.7)	(0.5)	(2.2)	(4.0)	(0.4)	(3.6)
Euro	(1.1)	-	(1.1)	(1.2)	(0.2)	(1.0)
Australian dollar	0.1	0.1	-	0.4	0.4	-
TOTAL	**(49.4)**	**(20.1)**	**(29.3)**	**(49.8)**	**(22.0)**	**(27.8)**

The risk management policy for Chargeurs Protective Films (CPF) and Chargeurs*Precision Custom Coatings (PCC) Fashion Technologies (CFT) involves hedging a portion of forecast transactions (mainly export sales) in each major currency for the subsequent twelve months. Forecast transactions are determined during the budget process and the percentage applied is determined in line with the IFRS definition of "highly probable forecast transactions" for hedge accounting purposes.

Chargeurs Luxury Materials' (CLM) main foreign exchange exposures relating to transactions and borrowings in foreign currencies concern the US dollar and the New Zealand dollar. CLM hedges these exposures using forward contracts.

Currency risks arising on net investments in foreign operations

In order to manage exposures to changes in exchange rates for the US dollar and various Asian currencies on a long-term basis, Chargeurs has relocated production facilities to Asia and the dollar zone. Over 50% of its assets are located outside Europe.

22.1.2 Interest rate risk

The Group's interest rate risk management policy is aimed at reducing its exposure to fluctuations in interest rates. It uses interest rate swaps to convert a portion of its variable rate debt into fixed rate debt, which enables it to manage and reduce the volatility of its future cash flows related to interest payments.

A 1-point increase in the interest rate on net debt that is not hedged against interest rate risk would have a €0.5m negative impact on consolidated net financial expense.

22.1.3 Price risk

The Group is exposed to price risk on certain materials that are essential for its production operations.

The Protective Films segment is exposed to risks relating to certain oil byproducts, which it manages via its supplier contracts and sales pricing strategy.

The Fashion Technologies and Healthcare Solutions segments are exposed to fluctuations in the prices of fibers used in its products, a risk it manages by placing suppliers in competition with one another and through its sales pricing strategy.

The Museum Solutions segment is exposed to fluctuations in the prices of chemical raw materials used in its manufacturing process. It manages this risk exposure by having several approved suppliers for its strategic products in order to diversify the related risk.

The Luxury Materials segment systematically matches its fixed-price sale commitments with fixed-price purchase commitments.

22.2 Credit risk

22.2.1 Trade receivables

The Group has no significant concentrations of credit risk. During fiscal 2020, factoring in the highly specific health situation, two customers accounted for 5% of revenue. In addition, the Group obtains protection against receivables risk through credit insurance and letters of credit wherever possible.

The risk of non-recovery of trade receivables is reviewed at each monthly close and provisions for impairment are recognized for the following:

- doubtful receivables: these correspond to receivables for which legal proceedings have been launched. Such receivables are written down in an amount representing their full value excluding tax, less any credit insurance settlements receivable;
- past-due receivables: these correspond to receivables that are not disputed by customers but for which the Group has not yet obtained the related settlement despite several reminders. The impairment recognized on these receivables depends on the payments already received, or which are expected, and any changes in the customer's legal and financial situation.

At December 31, 2020, past-due receivables totaled €21.8m (see Note 15.3).

22.2.2 Country risk

The Group's regional diversity means that it is not significantly exposed to political risks.

At December 31, 2020, four of the five main countries in which the Group's customers are located were rated at least "A" by Standard & Poor's.

The table below shows Standard & Poor's credit ratings for the main countries in which the Group's customers are located (based on the revenue generated with all customers located in each of the countries):

Country	% of total revenue	Credit rating[(1)]
France	39.1%	AA
United States	15.3%	AA+
Mainland China and Hong Kong	7.0%	A+ (China) and AA+ (Hong Kong)
Italy	6.7%	BBB
Germany	4.5%	AAA
Other countries	27.3%	-

(1) Standard & Poor's rating.

22.2.3 Banking counterparty risk

The Group deals only with leading financial institutions for derivative instruments, cash-settled transactions and cash deposits.

22.2.4 Insurance counterparty risk

As part of its overall risk management strategy, Chargeurs has set up insurance policies covering customer default, freight, property and casualty, business interruption, liability and other risks. These policies are taken out with a number of different insurance companies, which were all rated at least "A" by Standard & Poor's at December 31, 2020.

Insured risks	Credit rating [(1)]
Customer default	A+
Freight	A+
Property & casualty	AA-
Liability	A+

(1) Standard & Poor's rating except for Customer default – Fitch rating.

22.3 Liquidity risk

An analysis of the Group's borrowings is provided in Note 18.

The Group manages its liquidity risk via the following three main strategies:

22.3.1 Ensuring that short-term assets exceed short-term liabilities

December 31, 2020

(in euro million)	Total	Due in less than one year	Due in one to five years	Due beyond five years
FINANCIAL ASSETS AND LIABILITIES				
Cash and cash equivalents	209.0	209.0	-	-
Other short-term financial receivables	20.3	20.3		
Medium and long-term borrowings	(309.5)	-	(167.8)	(141.7)
Short-term portion of long-term borrowings	(38.3)	(38.3)	-	-
Short-term bank loans and overdrafts	(8.2)	(8.2)	-	-
Net cash position/(Net debt position)	(126.7)	182.8	(167.8)	(141.7)
Derivative instruments – assets	1.1	1.1	-	-
Deposits	7.2	-	7.2	-
Derivative instruments – liabilities	(1.1)	(1.1)	-	-
Other financial assets and liabilities	7.2	-	7.2	-
SUB-TOTAL – FINANCIAL ASSETS AND LIABILITIES	**(119.5)**	**182.8**	**(160.6)**	**(141.7)**
WORKING CAPITAL				
Trade receivables	64.1	64.1	-	-
Inventories	139.1	139.1	-	-
Trade payables	(110.8)	(110.8)	-	-
Sub-total – operating assets and liabilities	92.4	92.4	-	-
TOTAL FINANCIAL AND OPERATING ASSETS AND LIABILITIES	**(27.1)**	**275.2**	**(160.6)**	**(141.7)**

December 31, 2019

(in euro million)	Total	Due in less than one year	Due in one to five years	Due beyond five years
FINANCIAL ASSETS AND LIABILITIES				
Cash and cash equivalents	93.9	93.9	-	-
Medium and long-term borrowings	(193.5)	-	(112.5)	(81.0)
Short-term portion of long-term borrowings	(7.5)	(7.5)	-	-
Short-term bank loans and overdrafts	(15.3)	(15.3)	-	-
Net cash position/(Net debt position)	(122.4)	71.1	(112.5)	(81.0)
Derivative instruments – assets	1.4	1.4	-	-
Deposits	4.9	-	4.9	-
Derivative instruments – liabilities	(0.1)	(0.1)	-	-
Other financial assets and liabilities	6.2	1.3	4.9	-
SUB-TOTAL – FINANCIAL ASSETS AND LIABILITIES	**(116.2)**	**72.4**	**(107.6)**	**(81.0)**
WORKING CAPITAL				
Trade receivables	73.5	73.5	-	-
Inventories	126.1	126.1	-	-
Trade payables	(105.6)	(105.6)	-	-
Sub-total – operating assets and liabilities	94.0	94.0	-	-
TOTAL FINANCIAL AND OPERATING ASSETS AND LIABILITIES	**(22.2)**	**166.4**	**(107.6)**	**(81.0)**

22.3.2 Forging partnerships with banks while maintaining a diversified lender base

The Group works with over 25 banks and financial institutions, of which the five largest represent 61% of its available credit facilities (see Note 18). At December 31, 2020, depending on the rating agency, the five main banking partners had short-term ratings of at least A-1 and long-term ratings of at least A-.

22.3.3 Applying strict rules for financing arrangements

When negotiating financing arrangements, the Group is particularly careful to ensure that the related documentation minimizes liquidity risk. To this end, specific negotiation standards have been issued and documentation for material financing arrangements has to be validated at several different levels.

Note 23 RELATED-PARTY TRANSACTIONS

The Group has identified the following related parties:

- its joint ventures and associates (see Note 13);
- its senior executives.

23.1 Directors' and senior executives' compensation

(in euro thousands)	Year ended December 31 2020	2019
Compensation paid to directors	380.0	336.0
Compensation awarded to senior executives	1,452.5	1,325.0
Short-term benefits	1 832.5	1,661.0
Post-employment benefits	-	-
Other long-term benefits	-	-
Retirement benefits	-	-
Share-based payments	-	-
TOTAL AWARDED FOR THE PERIOD	**1,832.5**	**1,661.0**

Note 24 FEES PAID TO THE STATUTORY AUDITORS

	Pricewaterhouse-Coopers Audit		Crowe		2020		Pricewaterhouse-Coopers Audit		Crowe		2019	
(in euro million)	Amount excluding VAT	%	Amount excluding VAT	%	Amount excluding VAT	%	Amount excluding VAT	%	Amount excluding VAT	%	Amount excluding VAT	%
Statutory and contractual audit services												
• Parent company	0.2		0.2		0.3		0.2		0.1		0.3	
• Subsidiaries	0.3		0.2		0.5		0.2		0.3		0.5	
Sub-total	0.5	73%	0.4	83%	0.9	77%	0.4	80%	0.4	100%	0.8	89%
Services other than accounts certification (1)												
• Parent company	0.0		-		0.0		-		-		-	
• Subsidiaries	0.1		0.1		0.2		0.1		-		0.1	
Sub-total	0.2	27%	0.1	17%	0.3	23%	0.1	20%	-	0%	0.1	11%
TOTAL	**0.7**		**0.4**		**1.1**		**0.5**		**0.4**		**0.9**	

(1) *Services other than accounts certification (referred to as "SACC" in the French regulations) primarily includes services required under the applicable laws and regulations, services provided in relation to acquisitions and sales of entities, and technical advisory services concerning accounting, tax or any other audit-related matters.*

Note 25 COMMITMENTS AND CONTINGENCIES

25.1 Commercial commitments

At December 31, 2020, Chargeurs and its subsidiaries had given firm commitments to purchase manufacturing assets representing an aggregate amount of €2.3m.

25.2 Guarantees

At December 31, 2019, Chargeurs and its subsidiaries had given guarantees for a total of €18m related to the Group's financing.

25.3 Collateral

At December 31, 2020, Chargeurs and its subsidiaries had granted collateral representing a total of €1.3m.

Note 26 SUBSEQUENT EVENTS

in January 2021, Chargeurs announced that it is in exclusive negotiations with the Gaillard family to acquire Fournival Altesse, the specialist in high-end Made in France hairbrushes. Founded in 1875 in France's Oise region, Fournival Altesse, *Entreprise du Patrimoine Vivant* (a recognized Living Heritage Company in France) sells hairbrush ranges under its own brand and other luxury and cosmetic brands. Its brushes are manufactured in keeping with ancestral craftsmanship tradition and are mostly sold in pharmacies.

This acquisition by Chargeurs Healthcare Solutions (CHS) will enable the business line to expand into top-of-the-range healthcare, wellness and hygiene products while bolstering its distribution channels, including via pharmacies as well as selective distribution and travel retail.

Note 27 MAIN CONSOLIDATED COMPANIES

At December 31, 2020, 91 companies were fully consolidated (compared with 85 in 2019), and 14 were accounted for by the equity method (12 in 2019). During fiscal 2020, all of the assets of Chargeurs Entoilage SA were transferred to Chargeurs SA.

Parent company	Chargeurs SA
France	Chargeurs Boissy SARL – Chargeurs Textiles SAS – Chargetex 35 – Chargeurs Cloud
Germany	Chargeurs Deutschland GmbH – Leipziger Wollkämmerei AG
Switzerland	Chargeurs Développement International
North America	Chargeurs Inc (USA)
Protective Films segment	
Holding company for the segment	Chargeurs Films de Protection SA
France	Novacel SA – Asidium (Somerra)
Italy	Boston Tapes S.p.A. – Boston Tapes Commercial S.r.l. – Novacel Italia S.r.l. – Omma S.r.l
Germany	Novacel GmbH
United Kingdom	Novacel UK Ltd.
Spain	Novacel Iberica S.p.a
Belgium	S.A. Novacel Belgium N.V
North America	Chargeurs Protective Films Inc. (United States) – Novacel Inc. (United States) – Main Tape Inc. (USA) – T.L.C. Inc. (United States) – Walco Machines Company (United States)
Central America	Novacel Mexico S.a de C.v (Mexico)
Asia	Novacel Shanghai Co. Ltd. (China) – Novacel Korea Ltd. (South Korea)
Fashion Technologies segment	
Holding company for the segment	Fitexin
France	Lainière de Picardie BC SAS – Intissel
Italy	Chargeurs Interfodere Italia
Germany	Lainière de Picardie Deutschland GmbH
United Kingdom	Chargeurs Interlining (UK) Ltd.
Portugal	Chargeurs Entretelas (Iberica) Ltd.
Romania	Lainière de Picardie Insertii S.r.l.
North America	Lainière de Picardie Inc. (United States)
South America	Lainière de Picardie Golaplast Brazil Textil Ltda (Brazil) – Entretelas Americanas SA (Argentina) – Lainière de Picardie DHJ Chile SA (Chile)
Africa	Stroud Riley (Proprietary) Limited (South Africa) – ADT Chargeurs Entoilage Tunisia SARL (Tunisia) – Chargeurs Fashion Technologies Ethiopia
Asia	Chargeurs Interlining Limited (HK) – LP (Wujiang) Textiles Co. Ltd. (China) – Lainière de Picardie Korea Co. Ltd. (South Korea) – DHJ Interlining Limited (China) – Etacol Bangladesh Ltd (Bangladesh) – Chargeurs Interlining Singapore PTE Ltd. (Singapore) – Intissel Lanka PVT Ltd. (Sri Lanka) – Lantor Lanka (Sri Lanka) –Intissel China Ltd. (China) – PCC Asia LLC (China) – PCC Guangzhou Trading Co Ltd. (China) – Weemeet Korea (20%) (South Korea) – Ningbo Textile Co Ltd. (25%) (China)
Museum Solutions segment	
Holding company for the segment	Chargeurs Museum Solutions (CMS)
France	Senfa
United Kingdom	A.H Leach & Company Limited – Leach Colour Limited – Design PM Limited – Design PM (International) Limited – MET London Studio Design Ltd. – Oval Partnership (36%) – Hypsos London Ltd.
Asia	MET Studio Design Ltd. HK – MET Studio Singapore Pte Ltd. – Hypsos Leisure Asia LTD. (50%) (Hong Kong)
North America	D&P Incorporated
Netherlands	Hypsos Holding BV – Hypsos National BV – Hypsos International BV – Hypsos BV – Hypsos Russia BV (50%) – Retail is Detail BV (50%)
Russia	Hypsos Moscow (50%)
Luxury Materials segment	
Holding company for the segment	Chargeurs Wool Holding GmbH
France	Chargeurs Wool Eurasia SAS
Italy	Chargeurs Wool Sales (Europe) S.r.l.
New Zealand	Chargeurs Wool NZ Limited
North America	Chargeurs Wool USA Inc. (USA) – USA Wool (35%)
South America	Alvisey (Uruguay) – Nuovalane (Uruguay) – Lanas Trinidad SA (50%) (Uruguay) – Lanera Santa Maria (50%) and its subsidiary, Hart Newco SA (50%) – Chargeurs Wool (Argentina) SA (50%), and its subsidiary, Peinaduria Rio Chubut (25%)
Segment Healthcare Solutions	
France	CHS – EMEA
North America	Lainière Health Inc.

The percentages indicated correspond to Chargeurs' percentage of control at December 31, 2020, for companies that are not almost or entirely wholly owned by the Group.

5.1.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Fiscal year ended 12/31/2020)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of CHARGEURS for the fiscal year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us under the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from January 1, 2020, to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of (EU) Regulation No. 537/2014.

Justification of assessments – Key audit matters

The global crisis resulting from the COVID-19 pandemic has created special conditions in the preparation and auditing of this fiscal year's accounts. The crisis and exceptional measures adopted in the context of a health emergency have had multiple consequences for companies. In particular, it has impacted their business and financing and caused growing uncertainty as regards their future prospects. Some of the protocol, which includes restriction of movement and remote working, has also affected companies' internal organization as well as arrangements for conducting audits.

Against this difficult and fast-changing background, in accordance with the provisions 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 the risks of material misstatement which, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, approved in the context described above, thereby contributing to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of Protective Films, Fashion Technologies and Museum Solutions goodwill

Description of risk

At December 31, 2020, the carrying amount of goodwill was €176.8m, representing 20% of total consolidated assets.

Goodwill, which is presented in Notes 2.11.1 and 10.1 to the consolidated financial statements, represents the difference between the cost of an acquisition and the fair value of the Group's share of the net identifiable assets of the acquired company at the date of acquisition. Goodwill is allocated to the cash generating units (CGUs) to which the acquired companies belong.

In accordance with IAS 36, goodwill is not amortized but is tested for impairment at least once a year and more often if there is an indication that it may be impaired.

Impairment testing is used to ensure that the carrying amount of an asset does not exceed its recoverable amount, which is calculated based on future operating cash flow projections. The main assumptions used to measure the recoverable amount include changes in revenue and margin, the perpetuity growth rate and the discount rate.

We deemed the measurement of the recoverable amount of these assets to be a key audit matter due to their materiality in the Group's financial statements, the judgment required by management in defining the measurement inputs, and the fact that these inputs are inherently dependent on the globalized competitive economic environment in which the Group operates, which in turn was marked by the effects of the Covid-19 pandemic.

How our audit addressed this risk

We made inquiries with management to identify any indications of impairment.

We assessed the method used by management to determine the recoverable amount of each group of cash-generating units (CGUs) in order to assess its compliance with IAS 36. We verified the accuracy of the source data used in the test with regard to the medium-term forecasts prepared by management.

We assessed the reasonableness of the main estimates made, in particular:

- the consistency of revenue and margin rate projections compared with the backdrop of the global health and economic crisis as well as the Group's performance in previous years and the business development measures taken;
- the consistency of the growth rates used with historic data and market performance analyses;
- and with the support of our valuation experts, the consistency of the inputs used to determine the discount rates applied to the cash flow projections with external references.

We examined the valuation models and the sensitivity analyses of the recoverable amount of these assets with the main assumptions used.

We also verified that the notes to the consolidated financial statements provide generally appropriate disclosures.

Measurement of the deferred tax assets of the American and French tax groups

Description of risk

At December 31, 2020, deferred tax assets of €35.6m were carried in the consolidated financial position statement. Details of these assets are disclosed in Note 8.2 to the consolidated financial statements.

The reported amount corresponds to the tax savings expected from the future use of tax losses that may be carried forward for five or seven years, depending on the country. At December 31, 2020, deferred tax assets in the amount of €142.6m (base) had been recognized against total tax loss carryforwards of €289.1m, of which €160.7m concerned the French tax group and €73.9m concerned the American tax group.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available in the short or medium term against which the temporary differences or the tax loss carryforwards can be utilized.

The Group's ability to recover deferred tax assets is assessed by management at the end of each fiscal year. It is mainly based on the ability of the subsidiaries in the tax French and American tax groups to meet the objectives set in the business plans prepared by their management. It also depends on tax regulations applicable in the relevant countries, as well as changes to those regulations, and, in some cases, even when the Group complies with applicable local legislations and regulations, on differing or changing interpretations thereof.

We considered the recoverability of deferred tax assets to be a key audit matter due to the importance of the assumptions and judgments used by management to recognize these assets and to the materiality of their amounts in the consolidated financial statements.

How our audit addressed this risk

We analyzed the assumptions used by management to recognize and measure deferred tax assets and assess their compliance with IAS 12.

With the support of our tax experts, we assessed the probability that the Group will be able to utilize the tax loss carryforwards generated to date, taking into account:

- the existence of deferred tax liabilities related to income taxes levied in the same tax authority that may be used to offset existing tax loss carryforwards before they expire;
- the ability of the Group companies concerned to generate future taxable profit against which the existing tax loss carryforwards can be utilized.

We also assessed the reasonableness of the main data and assumptions on which the future taxable profit projections underlying the accounting and recoverability of deferred tax assets for tax loss carryforwards are based.

Lastly, we assessed the appropriateness of the disclosures on deferred tax assets provided in the notes to the consolidated financial statements.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the management report approved by the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information pertaining to the Group set out in the management report includes the consolidated non-financial performance statement required under article L.225-102-1 of the French Commercial Code. However, in accordance with the provisions of article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Other verifications or information required by law and regulations

Presentation format of the consolidated financial statements to be included in the annual financial report

In accordance with III of Article 222-3 of the French Financial Markets' Authority (Autorité des Marchés Financiers – AMF) General Regulations, your company's management has informed us of its decision to defer application of the single electronic information format as defined in the delegated European regulation No. 2019/815 of December 17, 2018, for fiscal years beginning on or after January 1, 2021. Consequently, this report does not include a concluding statement on compliance with this format in the presentation of the consolidated financial statements to be included in the annual financial report referred to in I of article L.451-1-2 of the French Monetary and Financial Code (Code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Chargeurs by the Annual General Meetings held on April 20, 2017, for Crowe HAF and on April 30, 1996, for PricewaterhouseCoopers Audit.

At December 31, 2020, Crowe HAF and PricewaterhouseCoopers Audit were in the fourth and the twenty-fifth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Gain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Assess the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- Assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- Assess the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements for fiscal 2020 and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of (EU) Regulation No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as specifically defined in 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 any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Levallois-Perret

The Statutory Auditors

PricewaterhouseCoopers Audit	Crowe HAF
	Member of Crowe Global
Dominique Ménard	Marc de Prémare

5.2 2020 Financial Statements of the Parent Company

5.2.1 2020 FINANCIAL STATEMENTS OF THE PARENT COMPANY

Statement of financial position

For the fiscal years ended December 31, 2020 and 2019 *(in €k)*

ASSETS

		2020			2019
(in euro thousands)	Note	Gross	Accumulated depreciation, amortization and provisions	Net	Net
FIXED ASSETS	3				
Intangible assets					
Patents, licenses, trademarks, processes and other rights		1,217	228	989	571
Property, plant and equipment					
Land		-	-	-	-
Buildings		-	-	-	-
Other		1,807	656	1,151	604
Assets under construction		-	-	-	-
Advances and prepayments		-	-	-	-
Investments and other financial assets(1)					
Affiliates	4.2	504,195	37,539	466,656	504,898
Loans to subsidiaries and affiliates	5	24,932	-	24,932	27,528
Other long-term investments		20,612	261	20,351	18,637
Other long-term loans	5	128,510	-	128,510	60,196
Other		308	-	308	104
Total I		681,581	38,684	642,897	612,538
CURRENT ASSETS					
Prepayments to suppliers		9	-	9	89
Trade receivables(2)	5	5,381	380	5,001	2,041
Other receivables(2)	5	36,138	-	36,138	5,688
Marketable securities	9	24,235	-	24,235	25
Cash at bank and in hand		125,763	-	125,763	35,408
Accruals and other assets		-	-	-	-
Prepaid expenses(2)	5	488	-	488	364
Cash instruments		-		-	-
Total II		192,014	380	191,634	43,615
Deferred charges		-	-	-	-
Total III		-	-	-	-
Unrealized translation losses		-	-	-	-
Total IV		-	-	-	-
TOTAL LIABILITIES (I + II + III + IV)		**873,595**	**39,064**	**834,531**	**656,153**
(1) Due within one year		*47,916*	-	*47,916*	*23,659*
(2) Due beyond one year.		-	-	-	-

EQUITY AND LIABILITIES

(in euro thousands)	Note	2020	2019
EQUITY	10		
Share capital		3,874	3,816
Share premium account		74 061	69,086
Revaluation reserve		-	-
Reserves:			
• Legal reserve		400	400
• Untaxed reserves		-	-
• Other reserves		158,007	159,826
Retained earnings		211,408	209,483
Profit(/loss) for the period		(28,605)	11,035
Untaxed provisions		-	-
Provisions for contingencies and charges			
Total I		419,145	453,646
PROVISIONS FOR CONTINGENCIES AND CHARGES	4.1		
Provisions for contingencies		7 046	485
Provisions for charges		-	-
Total II		7,046	485
LIABILITIES (1)	5		
Bonds	12	181,213	80,771
Bank borrowings(2)	12	156,757	110,744
Other borrowings	13	60,252	2,314
Trade payables		1 813	2,128
Accrued taxes and payroll costs		3 455	1,565
Customer prepayments		647	185
Other payables		3,700	4,295
Cash instruments		25	20
ACCRUALS AND OTHER LIABILITIES(1)			
Deferred income		478	-
Total III		408,340	202,022
Unrealized translation gains		-	-
Total IV			
TOTAL LIABILITIES (I + II + III + IV)		**834,531**	**656,153**
(1) Due beyond one year.		*306 705*	*188,640*
Due within one year		*100,706*	*13,382*
(2) Including short-term bank loans and overdrafts		*-*	*-*

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Income statement

At December 31, 2020 and 2019.

(in euro thousands)	2020	2019
OPERATING REVENUES	5 883	4,136
OPERATING EXPENSES		
Purchases of goods and external charges	(8,215)	(8,086)
Taxes other than on income	(236)	(208)
Salaries and wages	(3,969)	(2,252)
Payroll taxes	(1,507)	(728)
Amortization, depreciation and provisions		
• amortization and depreciation of fixed assets	(273)	(117)
• provisions for contingencies and charges	-	-
• debt issuance costs	(650)	(626)
Other expenses	(481)	(410)
Operating profit/(loss)	(9,448)	(8,291)
FINANCIAL INCOME		
From investments in subsidiaries and affiliates (1)		
• shares in subsidiaries and affiliates	89	13,253
• loans to subsidiaries and affiliates	2 986	1,927
From other marketable securities and investments(1)	-	-
Other interest income(1)	2 976	157
Provision reversals and expense transfers	7,652	5,313
Foreign exchange gains	2 347	476
Income from disposals of marketable securities	-	84
	16,050	21,210
INTEREST COST		
Amortization and provisions	(5,063)	(303)
Interest expense (2)	(7,760)	(5,253)
Other financial expense	(32,901)	-
Foreign exchange losses	(2,229)	(530)
Losses on disposals of marketable securities	-	-
	(47,953)	(6,086)
Net financial expense	(31,903)	15,124
Profit before tax and non-recurring items	**(41,351)**	**6,833**
NON-RECURRING INCOME		
From revenue transactions	3,821	36
From capital transactions		
• proceeds from sales of fixed assets	232	272
• other	-	-
Provision reversals and expense transfers	-	6,162
	4,053	6,470
NON-RECURRING EXPENSE		
From revenue transactions	(288)	(95)
On capital transactions		
• carrying amount of assets sold	(119)	(6,452)
• other	-	-
Depreciation, amortization and provisions		
• untaxed provisions	-	-
• other provisions	(3,748)	(284)
	(4,155)	(6,831)
Net non-recurring income/(expense)	(102)	(361)
Profit before tax	**(41,453)**	**6,472**
Income tax benefit	**12,848**	**4,563**
NET PROFIT	**(28,605)**	**11,035**
(1) Of which income from related companies	*3,211*	*15,159*
(2) Of which interest paid to related companies	*(449)*	*(8)*

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS *(IN €M)*

Chargeurs SA is the parent company of the consolidated Chargeurs group.

Note 1 SIGNIFICANT EVENTS OF THE YEAR

1.1 Main information regarding the impact of the Covid-19 pandemic on the Group's situation

Active in Asia with its four production facilities, the Group assessed the full extent of the crisis by adapting its manufacturing in order to comply with barrier gestures and rolling out widescale remote working practices for all eligible support functions. As such, the Group ensured continuity in the operations of its historical businesses and structured its new business line, Chargeurs Healthcare Solutions, in record time. Thanks to a controlled supply chain, no disruptions occurred and suppliers successfully ensured continuity of their services.

Despite the extremely difficult economic backdrop – unrivaled for a century – and by leveraging its structural assets which have been considerably strengthened since 2015, the Group's long-standing businesses showed remarkable resilience in response to the crisis. Overall, they remained profitable.

1.2 Strengthened Group liquidity

Since the start of the crisis in first-half 2020, the Group strengthened its liquidity position by drawing new bank financing facilities negotiated in December 2018 and by establishing new bank financing facilities for €30.0m (including €22.5m, drawn on December 31, 2020).

Furthermore, in December 2020, Chargeurs continued to optimize its statement of financial position and long-term resources with a private placement bond (Euro PP), totaling €100m, redeemable at maturity. The loan has an 8-year maturity and pays a coupon of 3.25%. Placement subscribers include: Aviva Investors France, La Banque Postale Asset Management, Aberdeen Standard Investment, SHAM and Klesia Finances.

The sustainability-linked Euro PP incorporates two environmental and social commitments selected from the four pillars on which the Group's CSR strategy is based:

- Reducing work accident frequency;
- Increasing revenue generated by sustainable products.

The financing is not subject to leverage covenants and has a gearing covenant of ≤ 1.2x. As such, the Group has increased its financial headroom and documentation flexibility, showcasing agility under all circumstances.

1.3 Transfer of all assets and liabilities of Chargeurs Entoilage

On November 20, 2020, Chargeurs Entoilage's assets and liabilities were merged into the accounts of Chargeurs SA. The company was fully held by Chargeurs SA. The transaction was carried out at net book value with no tax impact. The main impacts from an accounting standpoint are presented in Note 3.

1.4 New registered office

In December 2020, Chargeurs transferred its registered office to 7 Rue Kepler, 75116 Paris.

Note 2 ACCOUNTING PRINCIPLES AND POLICIES

Chargeurs' parent company financial statements have been prepared in accordance with the dispositions in articles L. 123-12 to L. 123-28 of the French Commercial Code (*Code de commerce*), and in the 2014 accounting plan set out in regulation 2014-03 of the Autorité des normes comptables (ANC), the French National Accounting Standards Body.

The agreements hereafter were applied in compliance with the the principles of prudence and segregation of accounting periods:

- They are presented on a going concern basis
- and accounting methods have been applied consistently
- from one year to the next except for the changes in methods described below.

2.1 Property, plant and equipment

Property and equipment are stated at cost excluding capitalized interest, or at their transfer value.

For property and equipment that cannot be broken down into separate component parts, depreciation is calculated by the straight-line method based on the estimated useful life of each category of asset, as follows:

- furniture: 10 years;
- computer equipment: 3 years.

2.2 Investments and other non-current financial assets

- Shares in subsidiaries and affiliates are stated at cost. In 2005, Chargeurs elected to recognize the incidental expenses on acquisitions of these shares directly as an expense. Since 2007, these costs have been added back for tax purposes and deferred over five years.

  The cost value of these investments corresponds to their acquisition cost, excluding incidental expenses, or at transfer value. When the individual book value of these shareholdings falls below the gross book value, an impairment loss is recognized for the amount of the difference. Fair value is determined by reference to Chargeurs' equity in the net assets of the companies concerned, taking into account any unrealized capital gains or losses and their profitability and business outlook.

- Other long-term investments are stated at cost excluding incidental expenses, or at their transfer value.

  When the individual book value of these shareholdings falls below the gross book value, an impairment loss is recognized for the amount of the difference. Where appropriate, these investments are written down to their fair value, determined by reference to Chargeurs' equity in the net assets of the companies concerned, adjusted for unrealized capital gains or losses and profitability criteria.

This item also includes Chargeurs' shares acquired through share buyback programs.

2.3 Marketable securities

Marketable securities are stated at the lower of cost and market value on the basis of the average price for the last month of the fiscal year.

2.4 Foreign currency translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the transaction date. Assets and liabilities in foreign currencies are converted at the year-end rates. Gains or losses arising on translation are carried under "Unrealized translation gains" or "Unrealized translation losses." Provision is made for unrealized losses by way of a charge to the income statement, except when they can be set off against unrealized gains in linked transactions.

2.5 Forward currency transactions

Losses or gains arising from forward currency contracts not used as hedges are taken to the income statement in cases where they are settled by taking a reverse position in the same period, whatever the final maturity.

The policy under French GAAP for forward financial instruments and hedging transactions was amended by way of ANC regulation 2015-05 dated July 2, 2015, effective for accounting periods beginning on or after January 1, 2017. This regulation requires the underlying of a hedging instrument to be accounted for in the same way as the instrument itself. From 2016 to 2018, Chargeurs SA used a financial instrument to hedge a loan denominated in US dollars. As the underlying was a financial asset, the currency impacts of the hedge and its underlying were already included in financial income and expense before the new regulation was applied. Consequently, the application of the new regulation since 2017 had no impact on the presentation of Chargeurs SA's financial statements. This financial instrument expired in December 2018.

Note 3 FIXED ASSETS

	At 12/31/2019	Acquisitions/increases	Disposals/decreases	At 12/31/2020
Intangible assets (gross)	0.6	0.6	-	1.2
Property and equipment (gross)	1.1	0.7	-	1.8
INVESTMENTS AND OTHER NON-CURRENT FINANCIAL ASSETS (GROSS)				
Shares in subsidiaries and affiliates (1)	536.7	78.0	110.5	504.2
Loans to subsidiaries and affiliates (2)	27.5	7.0	9.6	24.9
Other long-term loans (3)	60.2	90.6	22.3	128.5
Other long-term investments (4)	20.3	10.0	9.7	20.6
Other (5)	0.1	0.2	-	0.3
TOTAL (GROSS)	**646.5**	**187.1**	**152.1**	**681.6**

(1) *The increases in this item mainly stems from the absorption of shares previously held by Chargeurs Entoilage and transferred to Chargeurs SA following the transfer of all assets and liabilities (Transfert Universel de Patrimoine): Fitexin shares for €65.2m, DHJ Malaysia shares for €10.6m, LP Intissel Morocco shares for €1.5m and miscellaneous shares for €0.7m. Decreases correspond mainly to the withdrawal of Chargeurs Entoilage shares following the TUP for €109.1m. This difference in value creates a technical merger loss (see Note 14.2 page 219). Lastly, the absorption of Precious Fiber Development in 2020 by Fitexin led to the transformation of the shares of the absorbed party into those of the absorbing party, resulting in a €1.4m increase and decrease in the shares.*

(2) *The increase is owing to the establishment of loans to four subsidiaries to replace their short-term bank financing. The decrease is attributable to the partial repayment of loans.*

(3) *Increases in other long-term loans were mainly attributable to (i) a €60.2m loan granted to a subsidiary for financing the Group's external growth and (ii) an aggregate €30.4m in various loans granted to subsidiaries to replace their short-term bank borrowings. The decrease in this item recorded in 2019 corresponds to partial repayments of these loans received during the year.*

(4) *Other long-term investments include (i) 13,334 Chargeurs' shares purchased for €0.2m (gross) with a view to being canceled (with no cancellations carried out in 2020) and (ii) 1,154,276 Chargeurs' shares purchased for €20.1m under the share buyback program. Movements in this item in 2019 corresponded to purchases and sales of Chargeurs' shares under the liquidity contract and the share buyback program.*

(5) *This item includes the security deposit paid to the owners of the Company's registered office. The increase corresponds to the security deposit for the new registered office at 7 Rue Kepler.*

Note 4 PROVISIONS

4.1 Provisions for contingencies and charges

In accordance with regulation 2014-03 of the Autorité des normes comptables (ANC), the French National Accounting Standards Body, the Company records a provision to cover clearly identified contingencies and charges of uncertain timing or amount arising from past or present events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

	At 12/31/2019	Charges for the year	Reversals for the year (used)	Reversals for the year (unused)	At 12/31/2020
Provisions for contingencies	0.5	6.5	-	-	7.0
Provisions for charges	-	-	-	-	-
TOTAL	**0.5**	**6.5**	**-**	**-**	**7.0**
Of which movements included in operating income and expense		-	-	-	
Of which movements included in financial income and expense		*2.8*	-	-	
Of which movements included in non-recurring income and expense		*3.7*	-	-	

The charge for the year corresponds to the provision for the repayment of withholding tax on interest on arrears, the principal of which is recorded under financial income (/loss), and the exceptional income (/loss) relating to the risk of litigation.

4.2 Impairment

	At 12/31/2019	Charges for the year	Reversals for the year	At 12/31/2020
Impairment of investments	33.5	12.1	7.7	37.9
Impairment of miscellaneous receivables	-	0.4	-	0.4
TOTAL	**33.5**	**12.5**	**7.7**	**42.3**
Of which movements included in operating income and expense		-	-	
Of which movements included in financial income and expense		*12.5*	*7.7*	
Of which movements included in non-recurring income and expense		-	-	

- Chargeurs' policy is to classify impairment losses and reversals relating to investments under financial income and expense (see Note 14). However, in accordance with the recommendations issued by the Ordre des experts-comptables, the French National Association of Chartered Accountants, this general rule is not applied to reversals of impairment losses relating to divested shares, which are recorded under non-recurring income.
- Receivables are measured at their nominal value and written down based on the recovery risk as assessed at the year-end.

Note 5 MATURITIES OF RECEIVABLES AND PAYABLES

Total loans and receivables, before impairment, amounted to €194.9m at December 31, 2019, breaking down as follows:

- loans to subsidiaries and affiliates for €24.9m;
- other long-term loans for €128.5m;
- trade receivables for €5.4m;
- miscellaneous receivables for €36.1m.

Maturities of loans and receivables are as follows:

	2020
Due within one year	89.4
Due beyond one year	105.5
TOTAL	**194.9**

Maturities of debt and other payables are as follows:

	2020
Due within one year	101.6
Due in one to five years	164.7
Due beyond five years	142.0
TOTAL	**408.3**

The total includes €181.2m in bond debt, €156.8m in bank borrowings, €60.2m in other borrowings and €10.1m in other payables.

Debt due beyond five years consists of:

- the Euro PP 1, representing €32.0m;
- the Euro PP 3, representing €10.0m;
- the Euro PP 4, representing €100.0m.

Note 6 ITEMS RECORDED UNDER SEVERAL HEADINGS IN THE STATEMENT OF FINANCIAL POSITION

	Gross amounts concerning	
	Related companies	Other investments
Shares in subsidiaries and affiliates and other long-term investments	491.4	12.8
Receivables	181.3	-
Debt and other payables	60.0	-

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Note 7 BREAKDOWN OF ACCRUED INCOME

In 2019, accrued income corresponded to the balance of research tax credits. €1.5m was fully charged to current tax in 2020.

Note 8 ACCRUED EXPENSES

Accrued expenses totaled €5.1m at December 31, 2019, and primarily consisted of professional fees, service costs and various payroll costs.

Note 9 MARKETABLE SECURITIES

Company marketable securities listed in the statement of financial position assets totaled €24.2m. This item consists mainly of shares and term deposits.

Note 10 EQUITY

10.1 Changes in equity

Equity at January 1, 2020 (before appropriation)	442.6
2020 profit appropriated by decision of the Annual General Meeting (AGM) on April 28, 2020	11.0
Equity at January 1, 2020 (after appropriation)	453.6
Profit for the period	(28.6)
Payment of the 2019 cash dividend as approved at the AGM on April 28, 2020	(2.6)
Payment of an interim dividend in cash for 2020 as decided by the Board of Directors on September 9, 2020	(3.3)
EQUITY AT DECEMBER 31, 2020 (BEFORE APPROPRIATION)	**419.1**

10.2 Changes in share capital

	Number of shares	Par value
Shares outstanding at January 1, 2020	23,848,641	€0.16
Payment of the 2019 stock dividend as approved at the AGM on April 28, 2020	154,736	€0.16
Payment of an interim dividend for 2020 as decided by the Board of Directors on September 9, 2020	207,855	€0.16
SHARES OUTSTANDING AT DECEMBER 31, 2020	**24,211,232**	**€0.16**

All Chargeurs' shares have been called and are fully paid-up.

10.3 Share premium account and reserves at December 31, 2020

These items break down as follows:

	2020
Share premium account	74.1
Legal reserve	0.4
Restricted reserve (capital reduction)	164.4
Retained earnings	211.4
Interim dividend	(6.4)
TOTAL	**443.9**

Note 11 DOUBLE VOTING RIGHTS

Chargeurs' bylaws provide that shares registered in the name of the same owner for at least two years carry double voting rights. Consequently, in accordance with the provisions of article L.225-124 of the French Commercial Code (*Code de commerce*), holders of said shares are entitled to double voting rights at Chargeurs Shareholders' Meetings.

At December 31, 2020, 1,073,500 shares carried double voting rights.

Note 12 BONDS AND BANK BORROWINGS

During 2020, the Chargeurs group established three new bilateral bank financing facilities, including two which are short-term (€7.5m) and one which is medium-term (€15.0m).

In December 2020, the Group also raised €100m in private investment (Euro PP) with an 8-year maturity that pays a coupon of 3.25%. The financing is not subject to leverage covenants and has a gearing covenant of ≤ 1.2x.

The sustainability-linked Euro PP—a first in Chargeurs history—incorporates two environmental and social commitments selected from the four pillars on which the Group's CSR strategy is based:

- Reducing work accident frequency;
- Increasing revenue generated by sustainable products.

Note 13 OTHER BORROWINGS

The €60.3m total for this item at December 31, 2020 includes (i) a €1.0m loan granted by Leach and (ii) €55.6m in credit balances within the Group's cash pool. The balance corresponds to loans from several Chargeurs subsidiaries whose sole purpose is to act as financial holding companies.

Note 14 FINANCIAL INCOME AND EXPENSE

14.1 Amortization and provisions

ADDITIONS

	2020
Impairment of Chargeurs Textiles shares	1.4
Impairment of Chargeurs Cloud shares	0.6
Impairment of Chargeurs Media Inc. shares	0.4
On the risk of repayment of the withholding tax	2.7
TOTAL	**5.1**

REVERSALS

	2020
Impairment of Chargeurs Films de Protection shares	6
Impairment of treasury shares	1.6
TOTAL	**7.6**

14.2 Other financial expense

The universal transfer of assets and liabilities on November 20, 2020 between Chargeurs Entoilage and Chargeurs SA generated a technical merger loss of €30.9m. This result reflects the absorption of Chargeurs Entoilage's assets and liabilities, the disposal of Chargeurs Entoilage shares at Chargeurs SA, and the elimination of intercompany payables and receivables.

Note 15 NET NON-RECURRING INCOME/(EXPENSE)

Type	2020	
	Non-recurring expenses	Non-recurring income
Disposal gain on treasury stock	0.1	0.1
Receivables no longer used	0.1	-
Reimbursement of withholding tax and provision (main)	3.7	3.7
Other	0.2	0.2
TOTAL	**4.1**	**4**

Note 16 INCOME TAX BENEFIT

16.1 Analysis of income tax

	2020	2019
Group relief	12.8	4.6
Other	-	-
INCOME TAX BENEFIT	**12.8**	**4.6**

Since January 1, 1996, Chargeurs and most of its French subsidiaries that are at least 95%-owned, directly or indirectly, have filed a consolidated tax return. Under French group relief rules, the losses of certain subsidiaries in the tax group can be set off against the taxable profit of other companies in the Group. The profitable subsidiaries pay Chargeurs SA the amount of tax that would have been due on their profit if they were taxed on a standalone basis, and Chargeurs SA pays the tax due by the tax group.

In 2020, the provision for the risk of repayment of tax benefits to subsidiaries expected to return to profit remained unchanged at €485,000.

The setting off of losses reported by certain subsidiaries against the taxable profits of other subsidiaries resulted in a current tax saving of €12.8m, representing a cash flow benefit.

Non-deductible expenses that are disclosable to shareholders pursuant to articles 223 quater and 39-4 of the French Tax Code and the related tax impact amounted to €3.9m in 2020.

Note 17 COMMITMENTS GIVEN, GUARANTEES AND SURETIES

Guarantees and sureties concern:

- subsidiaries and related companies €14.3m;
- other 0.0.

Note 18 UNRECOGNIZED DEFERRED TAXES

At December 31, 2020, under French group relief rules, Chargeurs had evergreen tax loss carryforwards of €160.8m.

Timing differences between book income and expense and income and expense for tax purposes were not material at end-2020.

Note 19 DIRECTORS' AND SENIOR EXECUTIVES' COMPENSATION

Compensation allocated to directors and senior executives in 2019 amounted to €380,000 and €1,452,500 respectively (including directors' fees paid by subsidiaries).

Note 20 EMPLOYEE BENEFIT OBLIGATIONS

20.1 Retirement benefits

The Company's retirement benefit obligations were measured at December 31, 2020, based on employees' seniority and the probability that they will still be with the Company at their retirement date.

These benefit obligations have not been recorded in the financial statements, as the amounts involved are not material.

The Company's retirement benefit obligations were measured at December 31, 2010 based on years of service and the probability that employees would still be on the Company's payroll at their retirement date.

Note 21 FEES PAID TO THE STATUTORY AUDITORS

Chargeurs SA paid €366,700 in fees to the Statutory Auditors in 2020. Chargeurs also paid €47,000 in respect of a review of a translation completed by the firm Pricewaterhouse Coopers (PwC).

Note 22 SHARE-BASED PAYMENTS

Equity-settled share-based payments are measured at fair value at the grant date using:

- the Black-Scholes model for instruments that do not include a market condition;
- or the Black-Scholes and Monte Carlo models for instruments that include both market and non-market conditions.

The main factors taken into account when measuring the value of the financial instruments concerned are the grant-date share price, expected volatility and a lock-up discount.

By way of the twenty-second resolution (extraordinary resolution) of the April 28, 2020 Annual General Meeting, in accordance with articles L. 225-197-1 *et seq.* of the French Commercial Code, the Company's shareholders authorized the Board of Directors to implement a free share plan by granting 42,000 ordinary shares, benefitting some Company and subsidiary senior executives. In accordance with the provisions of article L. 225-197-1 II of the French Commercial Code, no share may be granted to a beneficiary who holds more than 10% of the Company's share capital at the grant date or for which the grant would increase their interest to more than 10% of the Company's share capital following the acquisition of shares.

On November 9, 2020, the Board of Directors used this authorization to grant a total of 42,000 performance shares distributed to senior executives. These shares are subject to a one-year vesting period that runs from the grant date and will end on January 1, 2023. The shares will only vest if the applicable performance conditions are met and the beneficiary is still a member of the Group at the vesting date.

At December 31, 2020, a provision of €103,720 was booked in respect of these obligations.

Information concerning subsidiaries and affiliates

At December 31, 2020 *(in €k)*

Companies	Share capital	Reserves	% interest	Cost of investment	Carrying amount of investment	Fiscal 2020 revenue before tax [(1)]	Fiscal 2020 profit/(loss) included in equity	Gross dividends received by Chargeurs during fiscal 2020
A. DETAILED INFORMATION CONCERNING EQUITY INVESTMENTS WITH A CARRYING AMOUNT IN EXCESS OF 1% OF CHARGEURS' CAPITAL								
1. Subsidiaries *(at least 50%-owned by Chargeurs)*								
Chargeurs Textiles	31,085	11,183	100	69,480	43,291	-	(6)	1
Chargeurs Films de Protection	139,617	140,786	100	286,266	286,266	-	(11)	-
Fitexin	63,855	977	100	65,224	65,224	116	(3,941)	734
Chargeurs Museum Solutions	10,864	(3,143)	100	10,864	10,864	397	(2,540)	-
Senfa	3,152	4,530	100	34,000	34,000	34,028	931	-
A.H Leach & Company Limited	98	1,006	100	16,749	16,749	167	110	-
Other holding companies	6,830	(1,056)	100	8,084	6,295	0	(598)	0
2. Affiliates *(10% to 50%-owned by Chargeurs)*								
Miscellaneous companies	-	-	-	-	-			
B. AGGREGATE INFORMATION CONCERNING OTHER SUBSIDIARIES AND AFFILIATES								
1. Subsidiaries not listed in A								
French companies	170	(503)	-	96	38	-	(622)	0
Foreign companies	-	-	-	-	-	-	-	-
2. Affiliates not listed in A								
French companies	-	-	-	-	-	-	-	-
Foreign companies	296	8,145	-	671	671	69,540	2,310	-

(1) *The majority of the companies owned by Chargeurs SA are purely holding companies and do not generate any revenue.*

Five-year financial summary *(in €k)*

(in euro thousands)	2020	2019	2018	2017	2016
I – CAPITAL AT DECEMBER 31					
Share capital	3,874	3,816	3,768	3,733	3,675
Number of shares	24,211,232	23,848,641	23,551,755	23,330,597	22,966,144
Number of convertible bonds	-	-	-	-	-
II – RESULTS OF OPERATIONS					
Operating revenue, investment income, interest income and other revenues (excluding tax)	11,819	19,441	26,016	20,393	16,686
Profit/(loss) before tax, amortization, depreciation and provisions	(39,370)	(3,673)	8,314	5,831	7,978
Income tax benefit	12,848	4,563	5,882	6,318	4,327
Net profit	(28,605)	11,035	21,639	56,355	54,364
Total dividends	31,959	9,539	15,780	13,998	12,631
III – PER SHARE DATA					
Earnings per share after tax, before amortization, depreciation and provisions	(1.10)	0.04	0.60	0.52	0.53
Net profit	(1.18)	0.46	0.92	2.42	2.37
Dividend per share	1.32	0.40	0.67	0.60	0.55
IV – EMPLOYEE DATA					
Number of employees	8	10	11	8	3
Total payroll	3,969	2,252	2,150	2,299	1,370
Total paid towards employment benefits (social security, company welfare, etc.)	1,507	728	844	950	538

5.2.2 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

(Fiscal year ended 12/31/2020)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual General Meeting

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying annual financial statements of CHARGEURS for the fiscal year ended December 31, 2020.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2020, and of the results of its operations for the fiscal year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are described in the "Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us under the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from January 1, 2020, to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of (EU) Regulation No. 537/2014.

Justification of assessments – Key audit matters

The global crisis resulting from the COVID-19 pandemic has created special conditions in the preparation and auditing of this fiscal year's accounts. The crisis and exceptional measures adopted in the context of a health emergency have had multiple consequences for companies. In particular, it has impacted their business and financing and caused growing uncertainty as regards their future prospects. Some of the protocol, which includes restriction of movement and remote working, has also affected companies' internal organization as well as arrangements for conducting audits.

Against this difficult and fast-changing background, in accordance with the provisions 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 the risks of material misstatement which, in our professional judgment, were the most significant in our audit of the annual financial statements for fiscal 2020, as well as how we addressed those risks.

These matters were addressed as part of our audit of the annual financial statements as a whole, thereby contributing to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the annual financial statements.

Measurement of shares in subsidiaries and affiliates

Description of risk

Shares in subsidiaries and affiliates amounted to €466,656 at December 31, 2020, representing 56% of assets on the financial position statement.

As indicated in Note 2.2 to the annual financial statements, they are initially recognized at cost or transfer value. An impairment loss is recorded if the fair value of an interest falls below its entry value. Fair value is determined by reference to Chargeurs' equity in the net assets of the companies concerned, taking into account any unrealized capital gains or losses and their profitability and business outlook.

Estimating the fair value of shares in subsidiaries and affiliates requires management to exercise judgment when choosing the data to be used for the estimates, which may be historical or projected.

We deemed the measurement of the fair value of shares in subsidiaries and affiliates to be a key audit matter due to the materiality of these assets in the financial position statement and the inherent uncertainty of certain inputs used to estimate their fair value, in particular forecast data.

How our audit addressed this risk

We assessed the methods used by management to determine the fair value of shares in subsidiaries and affiliates.

For valuations based on forecast data, we examined the projections prepared by management. We assessed the appropriateness of the key assumptions used to measure expected future cash flows, in particular with regard to performance in previous years and the economic context in which the companies operate. We reconciled the main data used for impairment testing with the data derived from the projections prepared by management and the annual financial statements of the entities concerned and examined the impairment tests performed for each of the material equity interests held.

For valuations based on historical data, we examined the consistency of the equity values used with the annual financial statements of the entities concerned and verified that any adjustments to equity were based on documentary evidence.

We also verified that Notes 4.2 and 14.1 provide appropriate disclosures.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the Company's financial position and the annual financial statements.

We attest to the fair presentation and the consistency with the annual financial statements of the information about payment terms referred to in article D. 441-6 of the French Commercial Code.

Corporate Governance Report

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L.225-37-4 and L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.22-10-9 of the French Commercial Code relating to compensation and benefits paid or awarded to corporate officers and any other commitments made in their favor, we have verified its consistency with the annual financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by your Company from controlled companies included in its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L.22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications or information required by law and regulations

Presentation format of the annual financial statements to be included in the annual financial report

In accordance with III of Article 222-3 of the French Financial Markets' Authority (Autorité des Marchés Financiers – AMF) General Regulations, your company's management has informed us of its decision to defer application of the single electronic information format as defined in the delegated European regulation No. 2019/815 of December 17, 2018, for fiscal years beginning on or after January 1, 2021. Consequently, this report does not include a concluding statement on compliance with this format in the presentation of the annual financial statements to be included in the annual financial report referred to in I of article L.451-1-2 of the French Monetary and Financial Code (Code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Chargeurs by the Annual General Meetings held on April 20, 2017, for Crowe HAF and on April 30, 1996, for PricewaterhouseCoopers Audit.

At December 31, 2020, Crowe HAF and PricewaterhouseCoopers Audit were in the fourth and the twenty-fifth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for preparing the annual financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of annual financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements

Objective and audit approach

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions made by users on the basis of such financial statements.

As specified in article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- Identify and assess the risks of material misstatement in the annual financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Gain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Assess the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the annual financial statements;
- Assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- Assess the overall presentation of the annual financial statements and assess whether such 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 any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the annual financial statements for fiscal 2020 and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of (EU) Regulation No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as specifically defined in 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 any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Levallois-Perret

The Statutory Auditor

PricewaterhouseCoopers Audit	Crowe HAF
	Member of Crowe Global
Dominique Ménard	Marc de Prémare

5.3 Statutory Auditors' special report on related-party agreements and commitments

(Annual General Meeting for the approval of the financial statements for the fiscal year ended December 31, 2020)

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments 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 auditing standards applicable in France.

Annual General Meeting

(In our capacity as Statutory Auditors of Chargeurs, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R. 225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R. 225-31 of the French Commercial Code in relation to the implementation during the fiscal year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENT TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

Agreements and commitments authorized and entered into during the fiscal year

Pursuant to article L. 225-40, we were informed of the following agreements and commitments, authorized during the fiscal year, which were authorized in advance by the Board of Directors.

OFFICE LEASE AGREEMENT BETWEEN COMPAGNIE IMMOBILIÈRE TRANSCONTINENTALE SAS AND CHARGEURS SA

Person concerned:

Mr. Michaël Fribourg, Chairman and Chief Executive Officer of Chargeurs, also controls Compagnie Immobilière Transcontinentale. As such, he is indirectly concerned by this agreement.

Nature, purpose and conditions:

On November 10, 2020, your Board of Directors authorized Chargeurs SA to enter into an agreement to lease office space in a building located on 7 Rue Képler in Paris (75116).

The Lease Agreement is entered into for a period of nine (9) years, with an option for Chargeurs SA to unilaterally terminate the Lease Agreement at the end of the second three-year period. Annual rent amounts to €552,000 excluding taxes, with an annual revision indexed to the change in the Cost of Construction Index (CCI), with a guaranteed minimum rent of €552,000 excluding taxes.

For the fiscal year ended December 31, 2020, your company incurred an expense of €47,000.

Reason provided by the Company:

According to your Board of Directors, this agreements will ensure purposefully designed office space for Chargeurs' registered office as well as some of the Group's business line employees in the long term. The new offices, thanks to their size and layout, will enable Chargeurs to successfully combine holding personnel and business line employees in one location, who, for business reasons, need to be located in Paris.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements and commitments approved in prior fiscal years but not implemented during fiscal 2020

We were not informed of any agreement or commitment already approved by the Annual General Meeting which remained in force during the fiscal year.

Agreements and commitments authorized during the fiscal year

Moreover, we were informed of the execution, during the fiscal year, of the following agreements and commitments, already approved by the April 28, 2020 Annual General Meeting based on the Statutory Auditors' special report of April 6, 2020.

OFFICE SALE AGREEMENT BETWEEN CHARGEURS USA LLC AND FONCIÈRE TRANSCONTINENTALE LLC

Person concerned:

Michaël Fribourg, Chairman and Chief Executive Officer of Chargeurs, the sole shareholder of Chargeurs USA LLC. Mr. Fribourg also controls Foncière Transcontinentale LLC. As such, he is indirectly concerned by this agreement.

Nature, purpose and conditions:

On March 4, 2020, your Board of Directors authorized Chargeurs USA LLC to enter into an agreement to sell office space located in the Chelsea Arts Tower in New York to Foncière Transcontinentale LLC for $4,825,000.

The sale agreement also provided for a Lease Agreement to be drawn up simultaneously (in accordance with the terms and conditions set out below).

Reason provided by the Company:

According to your Board of Directors, these agreements will enable the Chargeurs group to continue using this asset for its business activities while maintaining the operational and financial flexibility it needs.

OFFICE LEASE AGREEMENT BETWEEN FONCIÈRE TRANSCONTINENTALE LLC AND CHARGEURS USA LLC

Person concerned:

Michaël Fribourg, Chairman and Chief Executive Officer of Chargeurs, the sole shareholder of Chargeurs USA LLC. Mr. Fribourg also controls Foncière Transcontinentale LLC. As such, he is indirectly concerned by this agreement.

Nature, purpose and conditions:

On March 4, 2020, your Board of Directors authorized Chargeurs USA LLC to enter into an agreement to lease the office space located in the Chelsea Arts Tower in New York from Foncière Transcontinentale LLC.

The Lease Agreement was entered into for a fixed term of seven (7) years and provides for an annual rent of $298,000 including an annual revision of 3%. In addition, the lessor will rebill all common expenses and local taxes to the lessee.

For the fiscal year ended December 31, 2020, Chargeurs USA LLC incurred an expense of €159,000.

Reason provided by the Company:

According to your Board of Directors, these agreements will enable the Chargeurs group to continue using this asset for its business activities while maintaining the operational and financial flexibility it needs.

Neuilly-sur-Seine and Levallois-Perret

The Statutory Auditors

PricewaterhouseCoopers Audit	Crowe HAF
	Member of Crowe Global
Dominique Ménard	Marc de Prémare

5.4 Other financial and accounting information

5.4.1 FIVE-YEAR FINANCIAL SUMMARY

(in euro thousands)	2020	2019	2018	2017	2016
I – CAPITAL AT DECEMBER 31					
Share capital	3,874	3,816	3,768	3,733	3,675
Number of shares	24,211,232	23,848,641	23,551,755	23,330,597	22,966,144
Number of convertible bonds	-	-	-	-	-
II – RESULTS OF OPERATIONS					
Operating revenue, investment income, interest income and other revenues (excluding tax)	11,819	19,441	26,016	20,393	16,686
Profit/(loss) before tax, amortization, depreciation and provisions	(39,370)	(3,673)	8,314	5,831	7,978
Income tax benefit	12,848	4,563	5,882	6,318	4,327
Net profit	(28,605)	11,035	21,639	56,355	54,364
Total dividends	31,959	9,539	15,780	13,998	12,631
III – PER SHARE DATA					
Earnings per share after tax, before amortization, depreciation and provisions	(1.10)	0.04	0.60	0.52	0.53
Net profit	(1.35)	0.46	0.92	2.42	2.37
Dividend per share	1.32	0.40	0.67	0.60	0.55
IV – EMPLOYEE DATA					
Number of employees	8	10	11	8	3
Total payroll	3,969	2,252	2,150	2,299	1,370
Total paid towards employment benefits (social security, company welfare, etc.)	1,507	728	844	950	538

5.4.2 RESULTS OF THE PARENT COMPANY

On March 17, 2021, the Board of Directors approved the financial statements of Chargeurs SA, showing:

- operating revenues of €5,883,000;
- net loss of €28,605,000.

The financial statements were prepared in accordance with the same principles and methods as in prior years.

Operating revenues totaled €5.9m (compared with €4.1m in 2019), and the Company reported an operating loss of €9.4m versus an operating loss of €8.3m for 2019.

Profit before tax and non-recurring items amounted to a loss of €41.4m compared with a profit of €6.8m in 2019. In 2020, Chargeurs SA's net financial expense totaled €41.4m (versus profit of €15.1m in 2019).

After taking into account net non-recurring loss of €0.1m ((€0.4m) in 2019) and a €12.8m income tax benefit, relating mainly to the tax consolidation group which Chargeurs SA heads (€4.6m in 2019), Chargeurs SA ended the year with profit of €28.6m, compared with €11.0m in 2019.

The year-on-year decrease in profit for the period was mainly due to a merger loss in Chargeurs Entoilage in the financial statements of Chargeurs SA for (€32.9m), It is recalled and specified that the change in value from shares in subsidiaries and affiliates, which was automatically recorded in the parent company financial statements during the simplification of the Group's organizational structure, corresponds to historical losses that were already previously booked in the consolidated financial statements (see Note 3 page 215).

The decrease in profit also includes a contraction in revenue of (€13.2m) due to provision reversals for consolidated group shares by Chargeurs SA, net of provisions, amounting to (€2.6m) in 2019 and an increase in Group relief in France for €8.2m.

5.4.3 PAYMENT TIMES FOR TRADE PAYABLES AND RECEIVABLES

Trade payables

A) Invoices received but not paid at the reporting date (past due)

(in euro thousands)	1 to 30 days	31 to 60 days	61 to 90 days	91 and beyond	Total
Number of invoices concerned	25	7	4	6	42
Total amount (incl. VAT) of invoices concerned	595	153	25	59	832
% of total purchases for the year (excl. VAT)	7%	2%	0%	1%	10%

B) Invoices not included in (A) above, relating to unrecognized doubtful debts

Number of invoices excluded	None
Total amount (incl. VAT) of invoices excluded	None

C) Reference payment times used

Legal payment times used to calculate late payments	
Contractual payment times used to calculate late payments	On receipt of the invoice/30 days end of month/60 days from the invoice date

Trade receivables

A) Invoices issued but not paid at the reporting date (past due)

(in euro thousands)	1 to 30 days	31 to 60 days	61 to 90 days	91 and beyond	Total
Number of invoices concerned	9			32	41
Total amount (incl. VAT) of invoices concerned	509			1,598	2,107
% of total revenue for the year (excl. VAT)	9%	0%	0%	28%	37%

B) Invoices not included in (A) above, relating to unrecognized doubtful debts

Number of invoices excluded	None
Total amount (incl. VAT) of invoices excluded	None

C) Reference payment times used

Legal payment times used to calculate late payments	
Contractual payment times used to calculate late payments	25 days end of month

06.

Share capital and ownership structure

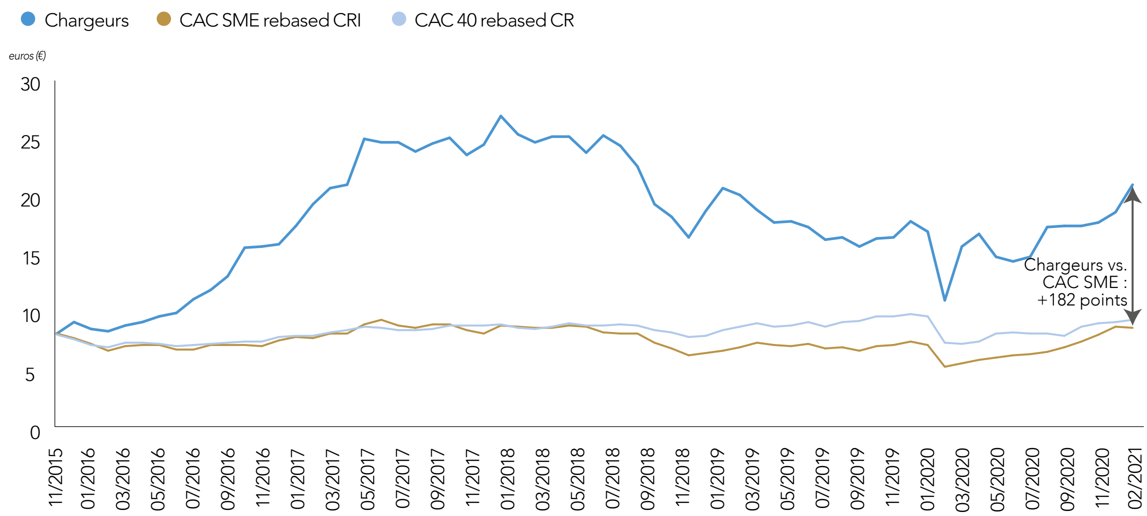
6.1 Stock market information

6.1.1 CHARGEURS SHARE PRICE PERFORMANCE

Share performance in 2020*

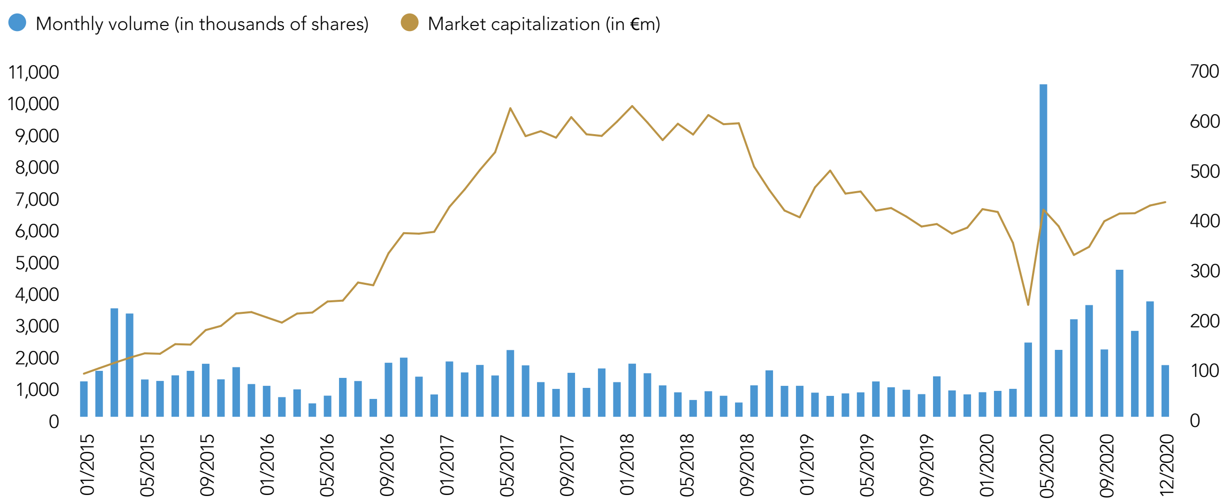
Total annualized Shareholders' Returns above 26.4% since October 30, 2015

The Chargeurs share price has gained +187% since the change of governance in 2015. This stock market performance commends the success of the Group's transformation strategy implemented in recent years, the ongoing launch of disruptive innovations and the acquisitions policy.



*Chargeurs, October 30, 2015: €7.8.
Source: Euronext.

CHARGEURS – MONTHLY VOLUME (IN THOUSANDS OF SHARES) AND MARKET CAPITALIZATION SINCE 2015



Source: Euronext.

6.1.2 SHARE PRICE INFORMATION

	2015	2016	2017	2018	2019	2020
Price on December 31	€9.00	€15.96	€25.31	€16.80	€17.28	€17.60
Number of shares outstanding *(in millions)*	23.00	23.00	23.33	23.55	23.85	24.21
Interim dividend (gross)	-€	€0.20	€0.25	€0.30	€0.20	€0.28
Final dividend (gross)	€0.30	€0.35	€0.35	€0.37	€0.20	€1.04
Total dividend (gross)	€0.30	€0.55	€0.60	€0.67	€0.40	€1.32
Change	*50%*	*83%*	*9%*	*12%*	*-40%*	*230%*
Attributable net profit *(in € millions)*	15.3	25.0	25.2	26.6	15.1	41.0
Dividend paid in cash or equivalent in shares	6.9	12.7	14.0	15.8	9.5	32.0
Payout rate(1)	45%	51%	56%	59%	63%	78%

(1) Based on net profit for the year.

ELIGIBLE PEA PME

Stock market data

Market listing

Market: NYSE Euronext/Compartment B. ISIN: FR0000130692 – CRI.
Index: EnterNext© PEA-PME and CAC PME.
SRD: Eligible for deferred settlement in the long only segment.

Gaïa Index

In October 2018, Chargeurs became part of the Gaïa Index, the benchmark stock market index for socially responsible investment (SRI) that recognizes French midcaps for their commitment to corporate social responsibility (CSR). Chargeurs is now ranked among France's top 70 companies in terms of environmental, social, and governance (ESG) performance out of the 230 Paris-listed midcaps that make up the Gaïa panel.

The Gaïa Index rates companies against more than 130 non-financial criteria (societal, environmental, social, and governance) to assess the transparency and the maturity of their CSR policies, practices and performance.

In 2020, Chargeurs moved up 25 places, ranking 42nd in the index. The overall ESG policy rating was 77/100, up 12% on the previous campaign. In particular, Chargeurs' environmental initiatives were commended, attesting to the Group's determined CSR response, which successfully shapes Group strategy in all its businesses.

Today, the Gaïa Index serves as the SRI benchmark in terms of socially responsible investment (SRI) for the largest investment firms in France. The Gaïa Index outperforms the CAC 40 and CAC Mid & Small indices each year. Find out more at: http://www.Gaïa-rating.com.

6

6.1.3 2021 FINANCIAL CALENDAR

Thursday, April 8, 2021	Annual General Meeting
Tuesday, May 4, 2021	First-quarter 2021 financial information
Thursday, September 9, 2021	First-half 2021 results
Wednesday, November 10, 2021	Third-quarter 2021 financial information

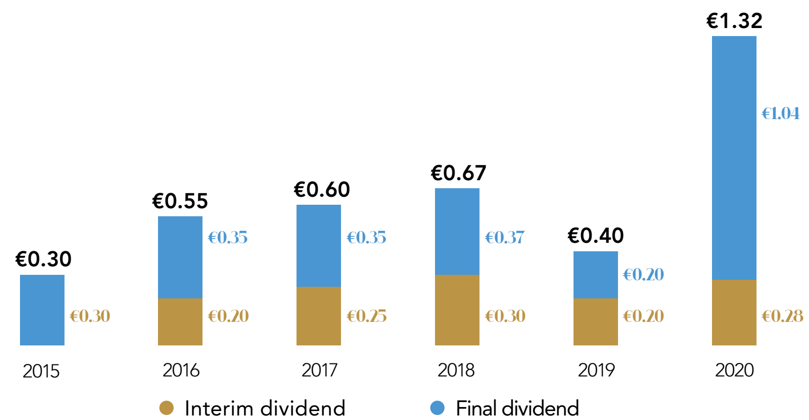
6.1.4 ANALYST SHARE PRICE COVERAGE

ALPHAVALUE · BERENBERG · EXANE · ID MidCaps · MIDCAP PARTNERS · ODDO BHF · Portzamparc GROUPE BNP PARIBAS

6.2 Dividends paid

At its meeting held on February 17, 2021, under the chairmanship of Mr. Michaël Fribourg, the Board of Directors decided to recommend to shareholders at the April 8, 2021 Annual General Meeting the payment of a fiscal 2020 dividend of €1.32 per share. This dividend, which is the highest since 2015, recognizes the remarkable economic and financial performance in 2020, reflecting Top Management's high levels of confidence in the Group's outlook.

DIVIDEND



6.3 Ownership structure

6.3.1 CHANGES IN SHARE CAPITAL

	Number of shares	Share capital (in €) (1)
As of January 31, 2019	23,551,755	3,768,280.8
New shares issued for the payment of dividends in shares	296 886 (2)	47,501.76
As of December 31, 2019	23,848,641	3,815,782.56
New shares issued for the payment of dividends in shares	362 591 (3)	58,014.56
AS OF DECEMBER 31, 2020	**24,211,232**	**3,873,797.12**

(1) *Par value: €0.16 per share.*
(2) *296,886 shares were issued in fiscal 2019, of which 204,348 were new shares issued in payment of the final dividend for fiscal 2018, 79,521 were new shares issued in payment of an interim dividend for fiscal 2019, and 13,017 were shares issued for allocation under stock grant or performance share plans to certain employees.*
(3) *362,591 shares were issued in fiscal 2020, of which 154,736 were new shares issued in payment of the final dividend for fiscal 2019 and 207,855 new shares issued in payment of an interim dividend for fiscal 2020.*

At December 31, 2020, the Company's share capital amounted to €3,873,797.12, divided into 24,211,232 shares with a par value of €0.16 each.

Results of the 2020 interim dividend payment

In view of the Group's first-half 2020 performance, the Board of Directors, in a meeting on September 9, 2020, decided to pay an interim dividend in respect of fiscal 2020 of €0.28 per share, with the option for payment in Chargeurs' shares.

At the end of the option exercise period, which ran from September 18 to October 1, 2020, 47.82% of the rights exercised were for payment of the dividend in the form of shares. 207,855 new shares were issued at a unit price of €14.71. The new shares carried immediate dividend rights and were ranked *pari passu* with Chargeurs ordinary shares on October 7, 2020.

As a result of this share issue, Chargeurs' share capital was raised to €3,873,797.12, divided into 24,211,232 ordinary shares with a par value of €0.16 each.

The amount of the interim dividend paid in cash on October 7, 2020 totaled €3.3 million.

Financial instruments with rights to Chargeurs' shares

At the date of this Universal Registration Document, there were no financial instruments with rights to Chargeurs' shares.

Ownership structure

Number of shares with double voting rights

At December 31, 2020, the total number of shares carrying double voting rights amounted to 1,073,500 out of a total of 25,284,732.

No trading in Chargeurs' shares by management or members of the Board of Directors took place in fiscal 2020.

6.3.2 FREE SHARE PLAN

The Company has set up several free share plans for its key executive personnel. The details of this program are given in section 4.4. "Directors' compensation."

6.4 Additional information about the Company's capital

6.4.1 BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

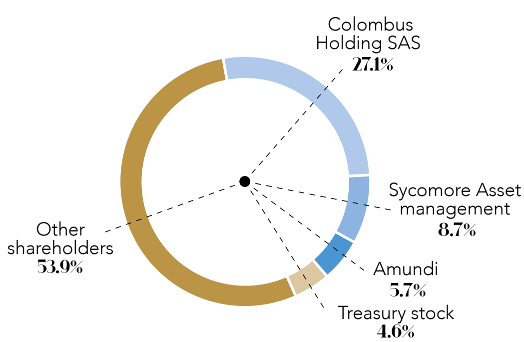
The Company's share capital and voting rights broke down as follows at December 31, 2020, January 31, 2020 and January 31, 2019.

The Company does not have any clause in its bylaws waiving double voting rights for all fully-paid up shares registered in the name of the same holder for at least two consecutive years.

	December 31, 2020			January 31, 2020			January 31, 2019		
	Number of shares	% interest	% voting rights(1)	Number of shares	% interest	% voting rights(1)	Number of shares	% interest	% voting rights(1)
Colombus Holding SAS	6,556,305	27.1%	29.6%	6,556,305	27.5%	29.6%	6,556,305	27.8%	29.8%
Sycomore Asset Management	2,105,600	8.7%	8.3%	2,485,700	10.4%	10.0%	2,443,710	10.4%	10.0%
Amundi	1,368,000	5.7%	5.4%	1,054,900	4.4%	4.3%	1,224,600	5.2%	5.0%
Treasury stock	1,116,610	4.6%	4.4%	1,160,714	4.9%	4.7%	557,296	2.4%	2.3%
Other shareholders	13,064,717	53.9%	52.3%	12,591,022	52.8%	51.4%	12,769,844	54.2%	52.9%
TOTAL	**24,211,232**	**100%**	**100%**	**23,848,641**	**100%**	**100%**	**23,551,755**	**100%**	**100%**

(1) Based on gross voting rights.

OWNERSHIP STRUCTURE
(% of total shares outstanding as of December 31, 2020)



Information on Colombus Holding SAS

Columbus Holding SAS, established by Mr. Fribourg, is held by leading French long-term institutional investors (Crédit Mutuel Equity SCR, BNP Paribas Développement and Groupama), and several French family offices. Groupe Familial Fribourg is Columbus Holding's controlling shareholder.

Disclosure of statutory and regulatory ownership thresholds crossed since January 1, 2020

By way of a letter received on April 7, 2020, Amundi SA, acting on behalf of funds it manages, disclosed that it had lowered its interest to below the threshold of 4% of the Company's voting rights and shares and that at that date it held 975,293 Chargeurs shares.

By way of a letter received on April 15, 2020, Sycomore SA, acting on behalf of funds it manages, disclosed that on April 14, 2020, it had lowered its interest to below the threshold of 5% of the Company's voting rights and that at that date it held, on behalf of said funds, 2,402,082 Chargeurs shares, representing the same number of voting rights, i.e. 10.07% of the capital and 9.70% of the voting rights.

By way of a letter received on May 18, 2020, Sycomore SA, acting on behalf of funds it manages, disclosed that on May 14, 2020, it had lowered its interest to below the threshold of 10% of Company share ownership and that at that date it held, on behalf of said funds, 2,362,082 Chargeurs shares, representing the same number of voting rights, i.e. 9.90% of the capital and 9.54% of the voting rights.

By way of a letter received on July 8, 2020, Sycomore SA, acting on behalf of funds it manages, disclosed that it had raised its interest to above the threshold of 15% of Company share ownership and that at that date it held, on behalf of said funds, 2,434,953 Chargeurs shares, representing the same number of voting rights, i.e. 10.14% of the capital and 9.77% of the voting rights.

By way of a letter received on July 15, 2020, Amundi SA, acting on behalf of funds it manages, disclosed that it had raised its interest to above the 4% threshold of Company share ownership, and that it held 962,920 shares in the Company.

By way of a letter received on September 16, 2020, Sycomore SA, acting on behalf of funds it manages, disclosed that on September 16, 2020 it had lowered its interest to below the threshold of 15% of Company share ownership and that at that date it held, on behalf of said funds, 2,383,466 Chargeurs shares, representing 9.93% of the capital and 9.57% of the voting rights.

By way of a letter received on November 10, 2020, Amundi SA, acting on behalf of funds it manages, disclosed that it had raised its interest to above the threshold of 5% of the Company's voting rights and that at that date it held, on behalf of said funds, 1,320,087 Chargeurs shares.

As far as Chargeurs is aware, at the date of this Universal Registration Document, there were no shareholders other than those shown in the table above that owned more than 5% of the Company's capital or voting rights.

Liquidity agreement

On February 25, 2019, Chargeurs signed a new liquidity agreement with Rothschild & Banque, following changes in regulations governing liquidity agreements. At December 31, 2020, resources held in the liquidity account were as follows:

- 0 shares;
- €1,763,324.48.

6.4.2 SHARE BUYBACK PROGRAM

The Group's share buyback program having expired on November 5, 2020, Chargeurs decided temporarily to not renew the program.

In 2020, the Group's provider bought back 18,696 Chargeurs shares for €0.2m.

The 2020/2021 program falls within the scope of the thirteenth resolution approved by the April 28, 2020 Annual General Meeting of shareholders. Moreover, the program grants shareholders authorization to buy back Chargeurs' shares representing up to 10% of the Company's share capital for a period of 18 months from the date of the meeting.

It also falls within the scope of the thirteenth resolution of the April 28, 2020 Combined General Meeting, whereby the shareholders:

"Granted maximum per-share purchase price under the program at €30, which the Board of Directors may adjust in order to take into account the effect of any corporate actions.

At December 31, 2019, out of the 23,848,641 shares making up its share capital, the Company directly held 1,153,914 shares. Consequently, a maximum of 1,230,950 shares could be bought back by the Company under the authorization.

The shares may be bought back or sold at any time, except while a public offer for the Company's shares is in progress, and by any method within the limits allowed under the applicable regulations, in on- or off-market transactions, including through block purchases or sales, or through the use of options or derivatives traded on a regulated market or over the counter, including call options."

The objectives of the buyback program would be the same as for the previously authorized program. Consequently, the shares may be bought back and held in accordance with the applicable laws and regulations for the following purposes: (a) to ensure the liquidity of Chargeurs' shares or an active market in the shares through an investment services provider; (b) to hold shares for future delivery in payment or exchange for the securities of other companies in connection with external growth transactions; (c) to reduce the Company's capital by canceling the acquired shares; (d) to hold shares for delivery or exchange on exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for Chargeurs' shares; (e) for allocation under stock option plans set up by the Company or any similar plan; (f) for allocation or sale to employees in connection with employee profit-sharing plans or any employee savings plan set up at Company or Group level (or any similar plan); (g) for allocation under free share or performance share plans, and/or (h) for the implementation of any accepted market practice or any market practice that may be authorized in the future under the applicable laws or by the French Financial Markets' Authority (Autorité des Marchés Financiers).

The Board of Directors would be given full powers to use this authorization, directly or through a legally authorized representative, to place all buy and sell orders on all markets or carry out all off-market transactions, enter into all agreements, prepare all documents, carry out all filing and other formalities with all authorities and organizations, allocate or reallocate the purchased shares to the various purposes in compliance with the applicable laws and regulations, and generally do everything necessary for implementing the decisions made by the Board pursuant to this authorization.

This authorization is being sought for a period of eighteen months from the date of the 2020 Annual General Meeting (AGM) and would supersede the unused portion of the authorization previously granted by shareholders for the same purpose."

Treasury stock

At December 31, 2020, the Company held 1,167,610 shares in treasury, representing an aggregate purchase price of €20.35 million.

6

6.4.3 FINANCIAL AUTHORIZATIONS

SUMMARY OF AUTHORIZATIONS CURRENTLY IN FORCE TO CARRY OUT CORPORATE ACTIONS

Transactions/ securities concerned	Authorization period from the date of the 2020 AGM and expiration date	Ceiling	Authorization utilized in 2020	Method for determining the price of shares issued
Share buyback program (13th resolution of the April 28, 2020 AGM)	18 months October 28, 2021	€30 per share, maximum investment of €2,384,864 based on the capital at 12/31/2019 since the Company may not hold more than 10% of its share capital	Utilized*	N/A
Issues with pre-emptive subscription rights Issue of all types of securities, paid up in cash or by capitalizing additional paid-in capital, reserves, profits or other eligible items (15th resolution of the April 28, 2020 AGM)	26 months June 28, 2022	€1.9 million (par value) for share issues (with issues deducted from the blanket ceiling of €1.9 million, hereinafter named "the Blanket Ceiling") and €300 million for debt securities (with issues deducted from "the Blanket Ceiling for Debt Securities")	Not utilized	The Board of Directors is responsible for setting the amounts, features, terms and conditions for each issue, including the price of the securities to be issued
Issues without preemptive subscription rights Offer via a public issue, apart from those covered by article L. 411-2 of the French Monetary and Financial Code, for all tradeable securities (16th resolution of the April 28, 2020 AGM)	26 months June 28, 2022	€380,000 (par value) for shares (with issues deducted from the Blanket Ceiling) and €300 million for debt securities (with issues deducted from the Blanket Ceiling for Debt Securities)	Not utilized	(i) (i) New shares to be issued will be priced at an amount at least equal to the minimum price specified in the regulations applicable when the issue is decided (i.e., currently, the weighted average price quoted on Euronext Paris over the three trading days preceding the pricing date, less a maximum discount of 5%, in line with the provisions of articles L. 225-136-1°, paragraph 1 and R. 225-119 of the French Commercial Code), after adjustment, where appropriate, to take account of the difference in cum rights dates. (ii) Issues of securities with rights to Chargeurs' shares will be priced so that the amount received immediately by the Company plus the amount to be received in the future, if any, for each share issued as a result of the exercise of rights to shares, is at least equal to the issue price defined in the above paragraph, as adjusted if necessary for the difference in cum rights dates. The Board of Directors is responsible for setting the amounts, features, terms and conditions for each issue, including the price of the securities to be issued.

Transactions/ securities concerned	Authorization period from the date of the 2020 AGM and expiration date	Ceiling	Authorization utilized in 2020	Method for determining the price of shares issued
Issues without preemptive subscription rights Offer by public issuance covered by article L. 411-2, paragraph 1 of the French Monetary and Financial Code (17th resolution of the April 28, 2020 AGM)	26 months June 28, 2022	€380,000 (par value) for shares (with issues deducted from the Blanket Ceiling) and €300 million for debt securities (with issues deducted from the Blanket Ceiling for Debt Securities)	Not utilized	(i) (i) New shares to be issued will be priced at an amount at least equal to the minimum price specified in the regulations applicable when the issue is decided (i.e., currently, the weighted average price quoted on Euronext Paris over the three trading days preceding the pricing date, less a maximum discount of 5%, in line with the provisions of articles L. 225-136-1°, paragraph 1 and R. 225-119 of the French Commercial Code), after adjustment, where appropriate, to take account of the difference in cum rights dates. (ii) Issues of securities with rights to Chargeurs' shares will be priced so that the amount received immediately by the Company plus the amount to be received in the future, if any, for each share issued as a result of the exercise of rights to shares, is at least equal to the issue price defined in the above paragraph, as adjusted if necessary for the difference in cum rights dates. The Board of Directors is responsible for setting the amounts, features, terms and conditions for each issue, including the price of the securities to be issued.
Greenshoe option (18th resolution of the April 28, 2020 AGM)	26 months June 28, 2022	Up to 15% increase in securities issued with or without pre-emptive subscription rights (with the additional securities with or without pre-emptive subscription rights deducted from the ceiling set in the relevant resolution and from the Blanket Ceiling)	Not utilized	For the issues carried out pursuant to the fifteenth, sixteenth and seventeenth resolutions, the Board of Directors may increase the number of securities and issue them at the same price as for the initial offer
Setting of the issue price, limited to 10% of the capital for a capital increase with pre-emptive subscription rights (19th resolution of the April 28, 2020 AGM)	26 months June 28, 2022		Not utilized	For each of the issues approved by the sixteenth and seventeenth resolutions mentioned above, the Board of Directors is authorized to set the price of the issue within the limit of 10% of the capital over a 12-month period and subject to an overall sub-ceiling of €380,000 The issue price is at least equal to (i) the weighted average price of shares traded over the last 10 or 20 trading days, (ii) the weighted average price of shares traded on the latest trading day, in any case together with a maximum legal discount of no more than 10%.

Transactions/ securities concerned	Authorization period from the date of the 2020 AGM and expiration date	Ceiling	Authorization utilized in 2020	Method for determining the price of shares issued
Issues of securities in payment for the shares of other companies tendered to a public exchange offer initiated by the Company (20th resolution of the April 28, 2020 AGM)	26 months June 28, 2022	€380,000 (par value) for shares (with issues deducted from the Blanket Ceiling) and €300 million for debt securities (with issues deducted from the Blanket Ceiling for Debt Securities)	Not utilized	The Board of Directors is authorized to set the amounts, features and issuance terms and conditions of the securities to be issued in payment for those tendered to the Company, including the issue price
Issues of securities in payment for the shares or other securities of other companies contributed to the Company (21st resolution of the April 28, 2020 AGM)	26 months June 28, 2022	10% of the share capital on the issue date for shares (with issues deducted from the Blanket Ceiling) and €300 million for debt securities (with issues deducted from the Blanket Ceiling for Debt Securities)	Not utilized	The Board of Directors is authorized to set the amounts, features and issuance terms and conditions of the securities to be issued in payment for the shares or other securities of other companies contributed to the Company, including the issue price
Free shares granted to beneficiaries selected from among employees and executives, with a waiver of shareholders' pre-emptive subscription rights (22nd resolution of the April 28, 2020 AGM)	26 months June 28, 2022	1% of the Company's share capital as of the day of the April 28, 2020 AGM	Authorization utilized by the Board of Directors on November 10, 2020, to grant 42,000 shares to Group Senior Executives and Talent Executives, excluding the Chief Executive Officer, representing a total of 0.17% of the capital.	N/A
Subscription or purchase options (stock options) without pre-emptive subscription rights (19th resolution of the May 6, 2019 AGM)	26 months July 6, 2021	1% of the Company's share capital as of the day of the May 6, 2019 AGM	Not utilized	N/A
Employee rights issue (23rd resolution of the April 28, 2020 AGM)	26 months June 28, 2022	€200,000 (par value) (with issues deducted from the Blanket Ceiling)	Not utilized	The Board of Directors is authorized to set the issue price of the new shares pursuant to the provisions of article L. 3332-19 of the French Labor Code. The subscription price cannot be greater than the average, determined in line with article L. 3332-19 of the French Labor Code, of the prices quoted for Chargeurs' shares over the 20 trading days preceding the date of the decision setting the opening date of the subscription period, or at a discount of more than 20% of this average. The Board of Directors is authorized to reduce or eliminate this discount, if appropriate, in particular due to differences in foreign laws, regulations and tax rules
Cancellation of shares held in treasury (13th resolution of the April 28, 2020 AGM)	26 months June 28, 2022	10% of the share capital per 24-month period	Not utilized	N/A

* *See section 6.4.2 of this Universal Registration Document for a description of the implementation of the share buyback program.*

6.4.4 ITEMS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC TENDER OFFER

None of the items mentioned in article L. 225-100-3 of the French Commercial Code would have an impact in the event of a public tender offer, except for the following:

- the Company's capital structure, as described in the Report of the Board of Directors presented at the Annual General Meeting and published on Chargeurs' website;
- direct or indirect interests in the Group's capital that it is aware of, pursuant to the provisions of articles L. 233-7 and L. 233-12, the Company's capital structure, as described in the Report of the Board of Directors presented at the Annual General Meeting and published on Chargeurs' website;
- the rules governing the election or replacement of Board members and changes to the Company's bylaws, referred to in articles 9, 10 and 21 of the bylaws;
- the powers of the members of the Board of Directors, defined in article 13 of the bylaws;
- delegations of powers granted to the members of the Board of Directors relate to the issuance and buybacks of shares listed in section 6.4.3 of the Universal Registration Document.

6.4.5 OTHER INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL

Change of control

To the best of the Company's knowledge, as of the publication date of this Universal Registration Document, there were no shareholder agreements or other agreements in place whose implementation could lead to a change of control of Chargeurs at a subsequent date.

Options over the share capital of any Group member or conditional or unconditional agreements to put the share capital of any Group member under option

As of the publication date of this Universal Registration Document, no share capital of any Group member was under option or agreed conditionally or unconditionally to be put under option.

Disclosure thresholds (extract from article 6 of the Company's bylaws)

"In addition to the applicable legal disclosure thresholds, any individual or legal entity (including any accredited intermediary representing non-resident shareholders), acting either alone or in concert, that either directly or indirectly comes to hold or ceases to hold, by whatever means, a number of shares representing 2% of the share capital or voting rights or any multiple thereof, must inform the company of the number of shares and voting rights held, as well as the number of shares and voting rights deemed to be held by that individual or legal entity for disclosure purposes. Said notice must be sent to the registered office of the company by registered letter with return receipt requested (or an equivalent method for non-resident shareholders) within five trading days of the relevant disclosure threshold being crossed, in accordance with Article L. 233-9 of the French Commercial Code;

Shareholders that have crossed a disclosure threshold are also required to inform the Company of the number of securities held that carry a deferred right to shares and of the number of voting rights attached to such securities.

Failure to comply with these requirements shall result in the undisclosed shares being stripped of voting rights at General Shareholders' Meetings at the request of one or more shareholders separately or together owning at least 2% of the share capital or voting rights and provided the failure to disclose is noted in the minutes of a General Shareholders' Meeting. Similarly, any voting rights that have not been duly disclosed may not be exercised. Any such voting disqualification shall apply to all General Shareholders' Meetings held during a period of two years commencing on the date on which the failure to disclose is remedied."

Appropriation and distribution of profit (article 26 of the Company's bylaws)

"At least 5% of profit for the year, less any prior year losses, is allocated to the legal reserve, until such time as the legal reserve represents one tenth of the share capital.

Distributable earnings correspond to profit for the fiscal year, less any losses brought forward from prior fiscal years and any amounts appropriated to reserves in compliance with the law and these bylaws, plus any retained earnings.

From the distributable earnings, there shall be deducted such sums as the Annual General Meeting may determine for the constitution or appropriation of any reserve funds or to be carried forward.

Any remaining amount of distributable earnings is paid out to shareholders in the form of dividends.

The Annual General Meeting may decide to carry forward all or part of the amount to the following fiscal year, or to appropriate all or part of the amount to reserves. The Annual General Meeting may also decide to pay dividends to shareholders out of distributable reserves."

Payment of interest and dividends (article 27 of the Company's bylaws)

"The method of paying interest and dividends shall be determined by a vote at the Annual General Meeting or, failing that, by the Board of Directors.

At the Annual General Meeting, shareholders may be granted the option of receiving all or part of their dividend or interim dividend in the form of cash or shares. Any request by a shareholder for the payment of a dividend in shares must be made within the time period set at the Annual General Meeting, which may not exceed the three months that follow thereof. This time period may be suspended by the Board of Directors for a period not exceeding three months, subject to the applicable laws and regulations."

Pledge agreements concerning share capital

To the best of its knowledge, the Company has no significant pledge agreements.

07.

Information regarding the Ordinary General Meeting of April 8, 2021

7.1 Agenda

ORDINARY BUSINESS

1. Approval of the parent company financial statements for the fiscal year ended December 31, 2020;
2. Approval of the consolidated financial statements for the fiscal year ended December 31, 2020;
3. Appropriation of profit for fiscal 2020 and approval of the dividend;
4. Stock dividend alternative for the fiscal 2020 final dividend;
5. Stock dividend alternative for the fiscal 2021 interim dividend;
6. Approval of agreements governed by article L. 225-38 of the French Commercial Code;
7. Ratification of the Board of Directors' decision to transfer the Company's registered office and the amendment to article 3 of the Company's bylaws;
8. Approval of the overall compensation applicable to members of the Board of Directors;
9. Re-election of Mr. Michaël Fribourg as a Director;
10. Approval of the compensation policy applicable to the Chairman and Chief Executive Officer;
11. Approval of the compensation policy applicable to Company Directors;
12. Approval of the disclosures referred to in article L. 22-10-9 I of the French Commercial Code;
13. Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid or awarded to the Chairman and Chief Executive for fiscal 2020;
14. Authorization for the Board of Directors to carry out a share buyback program;
15. Powers to carry out legal formalities.

7.2 Report of the Board of Directors on the draft resolutions submitted to the Annual General Meeting of April 8, 2021

RESOLUTIONS PRESENTED TO THE ORDINARY GENERAL MEETING

First resolution

(Approval of the parent company financial statements for the fiscal year ended December 31, 2020)

The purpose of the first resolution is to approve the parent company financial statements for the fiscal year ended December 31, 2020.

Second resolution

(Approval of the consolidated financial statements for the fiscal year ended December 31, 2020)

The purpose of the second resolution is to approve the consolidated financial statements for the fiscal year ended December 31, 2020.

Third resolution

(Appropriation of profit for fiscal 2020 and approval of the dividend)

The purpose of the third resolution is to appropriate profit and set the dividend for fiscal 2020. The Board of Directors is recommending that the shareholders:

- note that profit available for distribution amounts to €182,803,716.37 compromising a loss for fiscal 2020 of for fiscal 2020 of -€28,604,728.42 and "Retained earnings" of €211,408,444.79;
- resolve to pay a total of €31,958,826.24 to the shareholders as a dividend;
- credit the balance of profit of €150,844,890.13 available for distribution to "Retained earnings."

The amount in the "Retained earnings" account thus declined from €211,408,444.79 to €150,844,890.13.

Based on the 24,211,232 shares with a par value of €0.16 outstanding as of December 31, 2020, the dividend per share would amount to €1.32.

An interim dividend of €0.28 per share was paid on October 7,2020. Consequently, the final per-share dividend payable is €1.04. The ex-dividend date for this amount will be April 13, 2021 and it will be paid on April 30, 2021.

The amounts corresponding to final dividends not paid on shares held in treasury on April 13, 2021 will be credited to "Other reserves."

Both the €0.28 interim dividend and the €1.04 final dividend are eligible for the 40% tax relief provided for in article 158-3, paragraph 2 of the French General Tax Code for individual shareholders who are French tax residents.

In accordance with the provisions of article 243 *bis* of the French General Tax Code, shareholders are informed that the following dividends were paid for the last three fiscal years:

Fiscal year	Number of shares(1)	Total dividend payout(2) *(in €)*	Dividend per share *(in €)*
2017	23,209,500	13,925,700	0.60
2018	23,551,755	15,779,676	0.67
2019	23,848,641(3)	9,539,456	0.40

(1) Based on historical data at 12/31 of each year.
(2) Theoretical values calculated based on the number of shares at 12/31 of each year.
(3) Total number of shares comprising the Company's share capital, including treasury stock.

The total amounts of the dividends paid for fiscal 2017, 2018 and 2019 were eligible for the 40% tax relief provided for in article 158-3, paragraph 2 of the French General Tax Code.

Fourth resolution

(Stock dividend alternative for the fiscal 2020 final dividend)

In the fourth resolution, the Company share capital being fully paid up and in accordance with the provisions of articles L. 232-18 ***et seq.*** of the French Commercial Code ***(Code de Commerce)*** and article 27 of the Company's bylaws, the shareholders are invited to approve an option for their final dividend for 2020 to be paid in either cash or new shares.

Each shareholder would be able to exercise this option to choose between cash payment or the stock dividend alternative but the payment method opted for would apply to all of the shares they hold.

In accordance with article L. 232-19 of the French Commercial Code, if this resolution is adopted, the issue price of the new shares delivered as payment for the final dividend would be set at 90% of the average of the opening prices quoted for the Company's shares during the twenty trading days preceding the Meeting of April 8, 2021, less the amount of the final per-share dividend and rounded up to the nearest euro cent.

Shareholders who opt to reinvest their final dividend should notify their bank or broker between April 15, 2021 (the ex-dividend date for the final dividend) and April 26, 2021. Any shareholder whose option has not been exercised by that date would automatically receive a cash dividend.

The final dividend would be paid on April 30, 2021 and shareholders who have opted for the stock dividend alternative would also receive their shares on that date.

The new shares would carry dividend rights immediately and would rank *pari passu* with the Company's existing shares as from their issue date.

Subscriptions should be for a whole number of shares. If the amount of a stock dividend does not correspond to a whole number of shares, the shareholder concerned would receive the nearest lower whole number of shares and the difference in cash.

The Board of Directors is asking the shareholders to grant it full powers, which it may delegate, to take all necessary measures to pay the final dividend in the form of shares, and notably to:

- set the issue price of the shares in accordance with the above terms and conditions;
- carry out all transactions related and/or consecutive to exercising the option to reinvest the dividend;
- place on record the number of shares issued and carry out the corresponding capital increase;
- amend article 5 of the Company's bylaws accordingly;
- and more generally, carry out all necessary formalities related to the issue, listing and servicing of the shares issued under this authorization as well as all necessary filing and other legal formalities and all measures required to achieve the purpose of this resolution.

Fifth resolution

(Stock dividend alternative for the fiscal 2021 interim dividend)

In the fifth resolution, as the Company's capital is fully paid up, the shareholders are invited to approve an option for any interim dividends set by the Board of Directors for fiscal 2021 to be paid either in cash or new shares in accordance with article 27 of the Company's bylaws and articles L. 232-12, L. 232-13 and L. 232-18 ***et seq.*** of the French Commercial Code:

Each shareholder would be able to exercise this option to choose between cash payment or the stock dividend alternative for each interim dividend paid but the payment method opted for would apply to all of the shares they hold.

If this resolution is adopted at the Annual General Meeting, in accordance with article L. 232-19 of the French Commercial Code, the issue price of the new shares delivered as payment for the interim dividend(s) would be at least 90% of the average of the opening prices for the Company's shares during the 20 trading days preceding the date of the Board's decision to pay the interim dividend, less the net amount of the interim dividend and rounded up to the nearest euro cent.

The Board of Directors would set the duration of the period during which shareholders may opt for the stock dividend alternative, which would commence on the date of the Board's decision to pay the interim dividend and would expire within three months of that date.

The new shares would carry dividend rights immediately and would rank *pari passu* with the Company's existing shares as from their issue date.

Subscriptions should be for a whole number of shares. If the amount of a stock dividend does not correspond to a whole number of shares, the shareholder concerned would receive the nearest lower whole number of shares and the difference in cash.

The Board of Directors is asking the shareholders to grant it full powers, which it may delegate, to take all necessary measures to implement this resolution, and notably to:

- carry out all transactions related and/or consecutive to exercising the option to reinvest the dividend;
- set the issue price of the shares in accordance with the above terms and conditions;
- place on record the number of shares issued and carry out the corresponding capital increase;
- amend article 5 of the Company's bylaws accordingly;
- and more generally, carry out all necessary formalities related to the issue, listing and servicing of the shares issued under this authorization as well as all necessary filing and other legal formalities and all measures required to achieve the purpose of this resolution.

Sixth resolution

(Approval of agreements governed by article L. 225-38 of the French Commercial Code)

In accordance with article L. 225-38 of the French Commercial Code, the Board of Directors is recommending that the shareholders approve the conclusions of the Statutory Auditors' special report on related-party agreements for the year ended December 31, 2020, as presented in section 5.3 of the Universal Registration Document. Shareholders will also be asked to approve on an *ex ante* basis the agreements referred to in this report, which are described below.

Related-party agreements in fiscal 2020 submitted for approval to the Annual General Meeting:

Pursuant to the application of the legal provisions provided for in the French Commercial Code, the Board of Directors submits for approval to the Annual General Meeting a related-party agreement that has been the subject of a meticulous supervised procedure, as described below. Its signature was subsequently authorized by the Board of Directors on November 10, 2020 at ordinary market conditions, after an in-depth review procedure and a favorable recommendation from the Audit Committee, it being specified that only the Independent Directors took part in the discussions and vote.

This related-party agreement covers the rental at ordinary market conditions of the offices located at 7 Rue Kepler in Paris (16th district), between Chargeurs SA (the Tenant) and Compagnie Immobilière Transcontinentale, a company controlled by Mr. Michaël Fribourg, (the lessor) for a term of nine (9) years, from December 4, 2020 with the Tenant having the right to withdraw from the agreement (the Lease Agreement) at the end of the second three-year period.

The Company rents these offices for its headquarters' activities, which until the signature of the Lease Agreement, were located in a business center at 112 Avenue Kleber in Paris (16th arrondissement). The current commercial lease expires on November 30, 2021. Furthermore, combining teams from other business lines under one roof in the new premises will enable us to terminate commercial leases for other Parisian locations.

The Group's expansion in recent years and the development of services provided by Group headquarters for other Group business lines has made it necessary to move to more local premises that better meet our needs. Similarly, the new offices, thanks to their size and layout, enable us to combine all of the Group's personnel in one location, as well as certain management teams which, for business reasons, need to be located in Paris. Moreover, these offices enable Group employees to organize their work time safely under the best conditions possible, particularly during the health crisis that has been with us for a full year now, thanks to the various areas made available to them.

Given the technical constraints involved in bringing the former premises up to standard, the move and the exceptional health circumstances, a transitional period between the two leases was essential to enable teams to move in several stages. During this transitional period, the former Chargeurs premises will be partly used for the needs of our businesses and be sublet to them.

The Lease Agreement meets the criteria for classification as a related-party agreement. The following procedure was implemented:

1. Prior exchanges within the Audit Committee, with no involvement of linked persons, to review the relevance and economics of the draft agreement overall, bearing in mind that this review by the Audit Committee goes beyond legal provisions in terms of oversight of related-party agreements and therefore is a specific procedure followed for this agreement;
2. Presentation by the Chair of the Audit Committee of the project, as well as analysis and assessment by said Chair of the contemplated related-party agreement based on information provided to the members of the Board of Directors, and in particular a review carried out by Cushman & Wakefield, a global independent real estate expert;
3. Prior approval from the Board of Directors of the draft agreement, with only Independent Directors taking part in discussions and voting;
4. Review of the draft agreement by Statutory Auditors together with their special report on related-party agreements, to be submitted for approval to the Annual General Meeting of Shareholders on April 8, 2021.

Based on the information provided, the Board of Directors observed that the draft agreement was in line with the Company's corporate interests and that the rental price was in line with the price retained by real estate experts, Cushman & Wakefield, based on current market conditions, as assessed by the firm.

The financial terms of the agreement are presented in detail in the Statutory Auditors' special report below. They may be summarized as follows:

- Annual rent: €621,618 excluding tax. This amount includes additional supplementary services related to the provision of furnishings to equip most of the building.

It is also noted that the two related-party agreements in respect of fiscal 2020, after following the same meticulous procedure described above, were submitted for approval on an *ex-ante* basis to the Annual General Meeting of Shareholders on April 20, 2020 with 96.45% of the vote.

These two agreements, the financial conditions of which are presented in the Statutory Auditors' special report, were signed on June 18, 2020:

- Sale Agreement between Chargeurs USA, LLC, 100%-held subsidiary of Chargeurs (the Seller) and Foncière Transcontinentale, a company controlled by Mr. Fribourg (the Buyer), covering the offices based in New York (United States) where the registered office of Chargeurs USA LLC is located;
- and Lease Agreement between Foncière Transcontinentale (the Lessor) and Chargeurs USA, LLC (the Tenant) for the same premises.

The execution of the Lease Agreement continued in fiscal 2020.

Seventh resolution

(Ratification of the Board of Directors' decision to transfer the Company's registered office and the amendment to article 3 of the Company's bylaws)

In accordance with the provisions of the French Commercial Code, the Board of Directors recommends ratifying its decision of November 10, 2020 relating to the transfer of the Company's registered office to 7 Rue Kepler, 75116 Paris, effective from the date of signature of the Lease Agreement referred to in the sixth resolution, i.e. December 4, 2020 and the corresponding amendment to article 3 of the Company's bylaws.

Eighth resolution

(Approval of the overall compensation applicable to members of the Board of Directors)

As recommended by the Compensation Committee, the Board of Directors proposes to set the total amount of compensation to be allocated to members of the Board of Directors at €420,000 per year for the current fiscal year and subsequent fiscal years, until further decisions made at the Annual General Meeting. The Board of Directors may then freely allocate this amount among its members, in accordance with the current compensation policy.

The total compensation package to be allocated to the members of the Board of Directors was recently set at €380,000 by the Annual General Meeting of May 6, 2019 and was intended, and was intended, mainly, to take into account the expansion of to take into account the expansion of Board of Director membership with the appointment of a new Independent Director.

The Board of Directors proposes to adapt the amount of maximum individual compensation attributable by the Board to each Board member in respect of their corporate officer positions, owing to the importance of the work carried out by the Board and the commitment of each of its members. This increase aims to take into account the increased importance of the work of the Board and the strong commitment of each Board member in a fast-changing Group.

The work of the Board of Directors has considerably increased and diversified owing to the expansion of the Group, whose scale significantly changed in 2020 with, on the one hand, the acquisition of US company, Design & Production Inc. (Chargeurs Museum Solutions business line) and, on the other, creating and securing the future of the new healthcare business (Chargeurs Healthcare Solutions business line).

The accelerated transformation of the Group involves a greater workload involves a greater workload, individually, bilaterally and collectively, for members of the Board of Directors, with increased responsibilities. Considering the number of projects carried out in fiscal 2020, the Board of Directors and its Committees were very busy. In 2020, considering the numerous projects carried out, the Board of Directors and its Committees had a very large workload. The Board met eight times in addition to specialized Board Committee meetings (five meetings for the Audit Committee four for the Compensation Committee and one for the Acquisitions Committee). The content of the work of the Board and its specialized Committees is outlined in the Report of the Board of Directors on Corporate Governance found in section 4 of the Universal Registration Document.

Members of the Board of Directors are called on to step up their commitment in the context of the new Leap Forward 2025 strategic program. In addition to Board and Board Committee meetings, the increased commitment will mainly comprise two formats:

- on the one hand, increased site visits, considering that the Group's geographical footprint, with its activity in nearly 100 countries, means these essential visits are time-consuming, due to distance and health restrictions;
- on the other, more regular discussions with the Group's Executive Committee, particularly as part of the Strategic Operational Committee, which is responsible for the rollout of the Leap Forward 2025 plan, and which continues to involve one or several Board members in its work on a weekly basis.

Ninth resolution

(Re-election of Mr. Michaël Fribourg as a Director)

The shareholders are invited to re-elect Mr. Michaël Fribourg as a Director for a three-year term, expiring at the close of the Ordinary General Meeting to be held in 2024 to approve the financial statements for the fiscal year ending December 31, 2023.

A biography of Mr. Fribourg and the governance framework determining the exercise of his functions are found in sections 4.3.2 and 4.2 of the Universal Registration Document. In this respect, it is further specified that Chargeurs is a diversified Group, composed of different business lines, led by a Chairman and Chief Executive Officer and an Executive Committee. Each business line has a General Manager and its own Management Committee in charge of operations. Moreover, at the start of fiscal 2021, the Group recruited a Chief Operating Officer who oversees operational aspects and performance in all business lines.

Tenth resolution

(Approval of the compensation policy applicable to the Chairman and Chief Executive Officer)

In accordance with the provisions of the French Commercial Code, in the tenth resolution, the Board of Directors is asking shareholders to approve the compensation policy applicable to the Chairman and Chief Executive Officer for fiscal 2021 (*ex-ante* say-on-pay vote).

The Chairman and Chief Executive Officer's compensation policy is set by the Board of Directors based on the recommendations of the Compensation Committee. His compensation package for fiscal 2021, which is being put to the shareholders' vote and is presented below, was set by the Board at its February 17, 2021 meeting based on the Compensation Committee's recommendations. The policy is also presented word-for-word in the Board of Directors' corporate governance report in section 4 of this Universal Registration Document.

Compensation policy applicable to the Chairman and Chief Executive Officer for fiscal 2021 (*ex-ante* say-on-pay vote)

Compensation and benefits of the Chairman and Chief Executive Officer for fiscal 2021

In accordance with article L. 22-10-8 of the French Commercial Code, the following section sets out the principles and criteria used for determining, allocating and awarding the fixed, variable and exceptional components of the Chairman and Chief Executive Officer's total compensation and benefits for fiscal 2021, which will be submitted for shareholders' approval in an *ex-ante* say-on-pay vote at the Annual General Meeting of April 8, 2021.

On the recommendation of the Compensation Committee, the Board of Directors determines the Chairman and Chief Executive Officer's compensation and benefits based on two guiding principles: balance and consistency. The Chairman and Chief Executive Officer's compensation is decided by taking into account the Company's overall interests and the ratio between his compensation and that paid to the other corporate officers and the Company's employees.

Shareholders should note that:

- The Chairman and Chief Executive Officer is the Chargeurs group's reference shareholder, through Colombus Holding, in which he holds a substantial controlling interest; his direct and indirect interests make him the Group's leading shareholder.
- For this reason, the Chairman and Chief Executive Officer has a significant personal investment in Chargeurs, representing the equivalent of more than 50 years' annual salary; this illustrates his deep long-term commitment to the Group.
- Since he took up his position, Mr. Fribourg has never sold a single Chargeurs share.
- Mr. Fribourg has steadily increased his direct and indirect personal investment in the Group since 2016 (notably by becoming Colombus Holding's main shareholder in 2019 with a substantial controlling interest), paying a premium over the share price quoted on the stock market. In 2020, his personal investment in the Group was maintained at the same level as in 2019. The Chargeurs shares and voting rights held by Colombus Holding SAS at December 31, 2020 are presented in section 6.4 of this Universal Registration Document.
- At his request, Mr. Fribourg does not participate in any performance share or stock option plan or any deferred compensation plan with an equivalent effect.
- At his request, Mr. Fribourg does not participate in any company pension plan or any other deferred benefit plan with an equivalent effect.
- Lastly, the Chairman and Chief Executive Officer does not have an employment contract with the Group.

The underlying principles for the compensation policy applicable to the Chairman and Chief Executive Officer are based on budgetary discipline and aligning the rules used for determining his compensation with the annual assessment of his individual performance and that of the Group. It also aims to take account of his experience and responsibilities, as well as the change in scale of the Group which has developed significantly over the past two years, particularly in 2020.

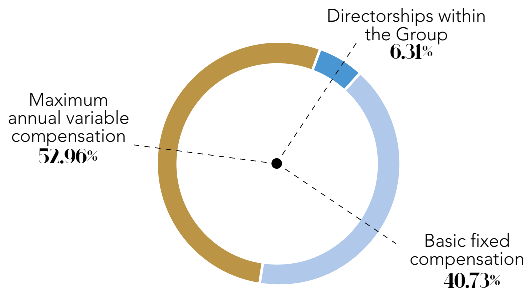
2020 saw remarkable performance (revenue of €822m and recurring operating profit of €79.3m, up respectively by +31.3% and +91.5% compared with 2019), consolidation of the Chargeurs Museum Solutions business line with the acquisitions and successful integration of Design & Production Inc. (US) and Hypsos (Netherlands), as well as success in creating and securing the future of the new healthcare activity, Chargeurs Healthcare Solutions, which, in particular, enabled the Group to maintain (and even increase) its headcount. Against the backdrop of a profound health and economic crisis worldwide, this performance reflects the resilience of the Group and its agility in transforming itself by taking proactive action led by the Chairman and CEO.

While taking account of these changes, the compensation policy for 2021 is based on the same principles and the same rules applied to the compensation policy adopted during the two previous fiscal years:

- The Chairman and Chief Executive Officer's compensation package comprises a fixed and a variable component. The breakdown between the various components reflects the Compensation Committee's decision to maintain an overriding emphasis on variable performance-based compensation that supports the Group's strategic objectives.
- Furthermore, the different criteria used to determine the variable compensation remain subject to specific sub-caps which were introduced in 2019, bearing in mind that the overall cap on variable compensation has been reduced to 130% from 150% of the basic fixed compensation in previous years.

THEORETICAL ANNUAL BREAKDOWN

The graph below illustrates the theoretical annual breakdown of the different components of the compensation of the Chairman and Chief Executive Officer, which, as in previous fiscal years, reflects the preponderance of the variable portion compared with the basic fixed portion of his compensation:



(a) Basic fixed compensation

Note that the basic fixed compensation was set at €525,000 (gross) for fiscal 2019 and 2020.

For 2021, considering the change in scale of the Group over the past two fiscal years – (a) revenue up +31.3% since 2019 (€626.2m in 2019, €822m in 2020), (b) diversification of businesses (with the creation of the Chargeurs Museum Solutions business line and its consolidation in 2020 with the Design & Productions Inc. and Hypsos acquisitions; the creation and organization of the new Chargeurs Healthcare Solutions business line), (c) the increase in the number of countries in which the Group is active commercially (90 countries in 2020, versus 45 before 2020) and (d) the increase in the Group's headcount (2,300 in 2020, versus 2,095 in 2019 and 2,072 in 2018) – and the related constraints, the fixed annual compensation has been increased to €620,000, an amount that is still below by more than 10% of the basic annualized compensation of the Group's previous governance. The Board of Directors decided to freeze this amount for the subsequent two fiscal years, i.e. 2021 and 2022.

(b) Basic variable compensation

Variable compensation is based on criteria that closely reflect the Group's strategy and ambitions.

The Chairman and Chief Executive Officer's variable compensation for 2021 will be contingent on the following two types of objectives:

- financial objectives, based on the Group's financial performance, notably its consolidated recurring operating profit by business segment;
- and individual non-financial objectives, based on successful implementation of key strategic long-term actions, as assessed by the Compensation Committee.

The Chairman and Chief Executive Officer's basic variable compensation for 2021 is based on quantitative and qualitative objectives, which are appropriately weighted, at 60% and 40% respectively. If the pre-defined threshold tied to the Group's recurring operating profit by business segment is fully reached and the Group's strategic qualitative objectives are met, as assessed by the Compensation Committee, the Chairman and Chief Executive Officer will be eligible for 100% of his basic variable compensation, which represents 50% of his basic fixed compensation.

(c) Variable compensation for outperformance

The variable compensation that could be awarded for 2021 to the Chairman and Chief Executive Officer if he outperforms his targets will be based on the following criteria:

- A criterion based on the Group's intrinsic performance: If the financial objectives are exceeded, as measured by the difference between actual recurring operating profit for 2021 and the threshold that triggers payment of his basic variable compensation, the Chairman and Chief Executive Officer may receive an additional amount of variable compensation, calculated based on a pre-defined formula. The award of this additional variable compensation will be contingent on the Group achieving an ambitious target in terms of recurring operating profit, pre-defined in 2020 when the objectives for 2021 were set.

  The amount of additional variable compensation that would be payable if the financial objectives are outperformed would be capped at 140% of the Chairman and Chief Executive Officer's total basic variable compensation, which itself is capped at 50% of his basic fixed compensation.
- A criterion based on the Group's stock market performance: The Chairman and Chief Executive could receive a special bonus if Chargeurs' share price performs significantly well. The related share performance target for 2021 is based on a criterion of Shareholders' Returns, measured based on two performance conditions which each count for 50% of the bonus and are the same as for 2020 and 2019, namely:
  a) If the difference in the Chargeurs share price between the beginning and the end of the fiscal year in question – based on the average closing share price for the last 20 trading days of the year compared with the average closing share price for the first 20 trading days of the year – is 5% higher than the SBF 120, a special bonus of €120,000 will be awarded.
  b) If the dividend amount paid during the fiscal year – based on the average closing share price for the first 20 trading days of the year – is 2% higher than the average for a panel of peer companies, a special bonus of €120,000 will be awarded. This criterion is directly linked to shareholders' immediate interests.
- In addition to the above, the Board of Directors may award other special bonuses to the Chairman and Chief Executive Officer on a case-by-case basis on the recommendation of the Compensation Committee. Such bonuses may be awarded for particularly successful work related to matters such as raising debt or equity financing for the Group, acquisitions or divestments, or if the Chargeurs share price performs significantly well.

These bonuses may not exceed €100,000 in fiscal 2021.

For fiscal 2021, all of the variable compensation of the Chairman and Chief Executive Officer will, at his request, be capped at 130% of his basic fixed compensation, down from 150% in previous fiscal years, meaning that his overall variable compensation package remains at a similar level to previous fiscal years.

For 2021, the individual qualitative criteria (each with the same weighting) will concern the following five areas, with a new CSR criterion added since 2020:

- talent management;
- definition and implementation of like-for-like growth strategy;
- smart manufacturing;
- innovation;
- increase in the proportion of sustainable products included in the Group's total production, within the meaning of the United Nations' Global Compact Sustainable Development Goal (SDG) No. 9.

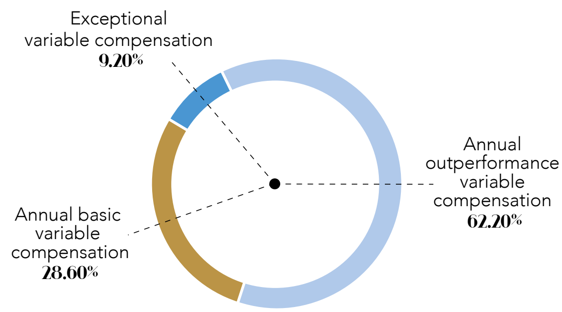
SDG No. 9 (United Nations Sustainable Development Goal) – Target 9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise the industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

The respective weightings of the variable compensation components reflect the preponderance of the quantitative component rewarding outperformance compared with targets for (i) recurring operating profit and (ii) stock market performance. The breakdown reflects the Compensation Committee's choice of maintaining an exacting variable compensation program.

(d) Compensation for corporate officer positions in other Group entities

As part of the Group's international and external growth policy, the Chairman and Chief Executive Officer is called upon to conduct business outside France, including specific monitoring of certain subsidiaries with a key strategic role, notably in the United States, where his role has been stepped up, and, in this respect, will receive gross compensation amounting to €96,000 for fiscal 2021 linked to his directorship functions. Conversely, at his own request, the Chairman and Chief Executive Officer does not receive any compensation for his roles and responsibilities as Chairman of the Board of Directors as set in Chargeurs SA's bylaws (i.e., in relation to organizing the Board's work and operating procedures).

THEORETICAL WEIGHTING OF THE VARIABLE COMPENSATION COMPONENTS (BEFORE APPLYING THE CAP)



(e) Payment of the Chairman and Chief Executive Officer's variable and exceptional compensation

Pursuant to the provisions of article L. 22-10-8 of the French Commercial Code, payment of the Chairman and Chief Executive Officer's variable and exceptional compensation for fiscal 2021 will be contingent on the shareholders' approval – at the Annual General Meeting called to approve the fiscal 2021 financial statements – of the fixed, variable and exceptional components making up the total compensation and benefits in kind paid or awarded to the Chairman and Chief Executive Officer for fiscal 2021.

The above compensation components are summarized in the following table:

Type	Weighting	Maximum bonus *(% of basic fixed compensation)*	Objective
BASIC VARIABLE COMPENSATION			
Consolidated recurring operating profit	60%	30%	Recurring operating profit performance
Talent management Definition and implementation of like-for-like growth strategy Smart manufacturing Innovation Increase in proportion of sustainable products	40%	20%	By reference to the qualitative aspects of the Leap Forward 2025 program
Sub-total I	100%	50%	-
VARIABLE COMPENSATION FOR OUTPERFORMANCE			
Consolidated recurring operating profit	64.4%	70%	Outperformance vs. target consolidated recurring operating profit
Relative share price	17.8%	19.4% (€120,000)	Over the fiscal year, Chargeurs shares outperformed the SBF 120 by 5%
Dividends/Relative share price	17.8%	19.4% (€120,000)	In terms of annual dividend/share price ratio, Chargeurs outperformed its peer group by 2%
Sub-total II	100%	108.8%	-
EXCEPTIONAL VARIABLE COMPENSATION			
Equity/debt raising exercises, divestments or acquisitions, stock market performance	100%	16.1% (€100,000)	Particularly successful equity/debt raising exercises, divestments or acquisitions, exceptionally good stock market performance
Sub-total III	100%	16.1%	-
TOTAL AFTER APPLYING THE 130% CAP	**-**	**130%**	-

(f) Directors' compensation

As stated above, at his own request, the Chairman and Chief Executive Officer does not receive any compensation for his roles and responsibilities as Chairman of the Board of Directors as set in the Company's bylaws (i.e., in relation to organizing the Board's work and operating procedures). As in prior fiscal years, and again at his own request, he will not receive any compensation for fiscal 2021 in his capacity as a member of the Board of Directors of Chargeurs SA.

(g) Benefits in kind

In 2021, he may continue to have the personal use of a means of transport at the Group's disposal to facilitate certain business trips. This usage, which is measured on a variable hourly basis, will be booked as a benefit in kind and will be capped at an annual amount of €22,000 to which can be added an amount of €9,669 for the availability of a vehicle at his disposal owing to the health crisis backdrop. In addition, the Chairman and Chief Executive Officer is a beneficiary of the same personal protection and travel insurance plans as the Group's employees. The Company has also taken out an unemployment insurance policy on his behalf whose premiums (representing an annual amount of €21,120) are subject to payroll taxes and are therefore accounted for as benefits in kind.

(h) Commitments given to the Chairman and Chief Executive Officer

At its meeting on March 8, 2017 the Board of Directors approved a non-compete agreement between Mr. Fribourg and the Company which reflects the Group's standard practices. This commitment was approved by the shareholders at the April 20, 2017 Annual General Meeting in accordance with the applicable legislation.

In this respect, considering his roles and responsibilities, Mr. Fribourg has daily access to confidential information about the Company and other Group entities, as well as their customers, which, if disclosed to competitors, could severely harm the Company's interests.

Consequently, Mr. Fribourg has given an undertaking that if his duties as either Chief Executive Officer or as Chairman and Chief Executive Officer are terminated (irrespective of the reasons therefor and manner thereof), he will refrain for a period of two years from entering into the service of, or taking any form of direct or indirect interest in, any entity whose business activities compete with those of the Chargeurs group in the segments of (i) temporary surface protection and (ii) garment interlining. This undertaking applies in the main countries where the Group has premises or an operating presence.

As consideration, if Mr. Fribourg leaves office or his roles of Chairman and Chief Executive Officer are separated, the Company will pay him a non-compete indemnity equal to his total gross compensation for the last full fiscal year. For the purpose of calculating this benefit, total gross compensation corresponds to his basic fixed compensation (including the compensation received for his directorships in Group entities) and the full amount of his variable compensation received for the last full fiscal year.

Also on March 8, 2017 the Board of Directors approved a related-party agreement setting out the benefits that would be payable to Mr. Fribourg by Chargeurs SA in the event that (i) his term of office is not renewed, (ii) he is removed from office, (iii) his roles as Chairman and Chief Executive Officer are separated, or (iv) there is a change in the Company's strategy or control. This agreement, which reflects the Group's standard practices, was approved by the shareholders at the April 20, 2017 Annual General Meeting in accordance with the applicable legislation.

As such, if Mr. Fribourg is removed from office or his term of office is not renewed for whatever reason (including in the event of a transformation, a change in governance structure, the separation of the roles of Chairman and Chief Executive Officer or a merger), except in the event of gross negligence or serious misconduct (within the meaning of French case law), or if he resigns from his office of Chairman and Chief Executive Officer within the Company, he will receive an indemnity equal to his total gross compensation received for the last full fiscal year.

For the purpose of calculating this benefit, total gross compensation corresponds to his basic fixed compensation (including the compensation received for his directorships in Group entities) and the full amount of his variable compensation received for the last full fiscal year.

The payment of this indemnity is contingent on consolidated recurring operating profit for the last full fiscal year representing the minimum amount for Mr. Fribourg's quantitative-based variable compensation to become payable.

Draft resolution (*ex-ante* say-on-pay vote)

"Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the Report of the Board of Directors, in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chairman and Chief Executive Officer as presented and described in the report of the Board of Directors on corporate governance."

Eleventh resolution

(Approval of the compensation policy applicable to Company Directors)

In accordance with the provisions of the French Commercial Code, in the eleventh resolution, the Board of Directors is asking shareholders to approve the compensation policy applicable to Directors for fiscal 2021 (*ex-ante* say-on-pay vote).

The compensation policy for Directors is set by the Board of Directors based on the recommendations of the Compensation Committee. The policy for fiscal 2021 is presented below and is put to the shareholders' vote. The policy is also presented word-for-word in the Board of Directors' corporate governance report in section 4 of this Universal Registration Document.

Compensation policy applicable to Directors for 2021 (*ex-ante* say-on-pay vote)

In accordance with the provisions of articles L. 225-45 and L. 22-10-8 of the French Commercial Code, an annual fixed amount of compensation is awarded to the Board of Directors by the shareholders at the Annual General Meeting.

This amount is allocated among Board of Directors' members, including the Non-Voting Director, based on their attendance at meetings of the Board and the Board Committees, apart from the Chairman and Chief Executive Officer, who does not receive any compensation for his role as a Director of the Company.

The Annual General Meeting of May 6, 2019 set the overall maximum annual compensation that can be paid to members of the Board of Directors for the work carried out with the Board and its Committees at €380,000 to partially take account of the arrival of a new Independent Director within the Board. In line with the 2021 compensation policy applicable to members of the Board of Directors that will be submitted to shareholders at the Annual General Meeting on April 8, 2021 and in line with the eighth resolution, the Board of Directors proposes to increase the amount of maximum individual compensation attributable by the Board to each Board member in respect of their directorships, owing to the importance of the work carried out by the Board and the commitment of each of its members.

The work of the Board of Directors has been increased and diversified owing to the expansion of the Group, whose scale changed significantly in 2020 with, on the one hand, the acquisition of US company, Design & Production Inc. (Chargeurs Museum Solutions business line) and, on the other, creating and securing the future of the new healthcare business (Chargeurs Healthcare Solutions business line).

The accelerated transformation of the Group involves a greater workload involves a greater workload, individually, bilaterally and collectively, for Board of Directors' members, with increased responsibilities. The expertise and experience of Board members were especially called on during fiscal 2020, representing a decisive strength for the Group. In 2020, considering the numerous projects carried out, the Board of Directors and its Committees had a very large workload. The Board met eight times in addition to specialized Board Committee meetings (five meetings for the Audit Committee four for the Compensation Committee and one for the Acquisitions Committee). The content of the work of the Board and its specialized Committees is outlined in the Report of the Board of Directors on Corporate Governance found in section 4.2 of the Universal Registration Document.

Members of the Board of Directors are called on to step up their commitment in the context of the new Leap Forward 2025 strategic program. In addition to Board and Board Committee meetings, the increased commitment will mainly comprise two formats:

- on the one hand, increased site visits, considering that the Group's geographical footprint, with its activity in nearly 100 countries, means these essential visits are time-consuming, due to distance and health restrictions;
- on the other, more regular discussions with the Group's Executive Committee, particularly as part of the Strategic Operational Committee, which is responsible for the rollout of the Leap Forward 2025 plan, and which continues to involve one or several Board members in its work on a weekly basis.

The compensation awarded to each member of the Board of Directors out of this total amount will be determined based on their attendance at meetings of the Board and the Board Committees. With regard to Board Committees, compensation is booked and paid only for attendance at meetings that are not held on the same day as a Board meeting.

The members of the Board of Directors do not receive any compensation from the Group apart from that allocated to them for their attendance at meetings of the Board and the Board Committees. They do not receive any performance shares or stock options.

The Board of Directors may authorize the reimbursement of travel and other expenses incurred by Board members in the interests of the Company.

If a member of the Board of Directors were to be asked to perform a one-off assignment in the Company's interests, owing to their expertise and role, the compensation allocated to this Board member for this assignment by the Board of Directors would be subject to the approval procedure applicable to related-party agreements.

Draft resolution (*ex-ante* say-on-pay vote)

"Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the Report of the Board of Directors, in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, the shareholders approve the compensation policy applicable to Company Directors as presented and described in the report of the Board of Directors on corporate governance."

Twelfth and thirteenth resolutions

(Approval of the disclosures referred to in article L. 22-10-9-I of the French Commercial Code and approval of the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for fiscal 2020)

In accordance with the provisions of the French Commercial Code, shareholders are asked to approve, in the twelfth and thirteenth resolutions respectively, (i) the disclosures referred to in article L. 22-10-9 of the French Commercial Code concerning the compensation of corporate officers – i.e., the Chairman and Chief Executive Officer and Directors – for fiscal 2020 (first part of the *ex-post* say-on-pay vote), and (ii) the fixed, variable and exceptional components of the total compensation and benefits in kind paid or awarded in respect of fiscal 2020 to the Chairman and Chief Executive Officer for the duties he performed in this capacity (second part of the *ex-post* say-on-pay vote).

These disclosures are presented below and are also reproduced word-for-word in the Board of Directors' corporate governance report in section 4.4.1.1 of this Universal Registration Document.

Compensation of the Chairman and Chief Executive Officer for fiscal 2020 (*ex-post* say-on-pay vote)

Components of compensation and benefits paid or awarded in 2020

In accordance with article L. 22-10-34 I of the French Commercial Code, the following paragraphs set out the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for fiscal 2020 for the duties he performed in this capacity, and which will be submitted for shareholders' approval on an *ex-post* basis at the Annual General Meeting of April 8, 2021 called to approve the 2020 financial statements.

The principles and criteria used for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits in kind payable to the Chairman and Chief Executive Officer in respect of fiscal 2020 were approved on an *ex-ante* basis by a 95.33% vote at the Annual General Meeting of April 28, 2020.

Shareholders should note that:

- the Chairman and Chief Executive Officer is the Chargeurs group's reference shareholder, through Colombus Holding, in which he holds a substantial controlling interest directly and indirectly; his direct and indirect interests make him the Group's leading shareholder.
- For this reason, the Chairman and Chief Executive Officer has a significant personal investment in Chargeurs, representing the equivalent of more than 50 years' annual salary; this illustrates his deep long-term commitment to the Group.
- Since he took up his position, Mr. Fribourg has never sold a single Chargeurs share.
- Mr. Fribourg has steadily increased his direct and indirect personal investment in the Group since 2016 (notably by becoming Colombus Holding's main shareholder in 2019 with a substantial controlling interest), paying a premium over the share price quoted on the stock market. In 2020, his personal investment in the Group was maintained at the same level as in 2019. The Chargeurs shares and voting rights held by Colombus Holding SAS at December 31, 2020 are presented insection 6.4 of this Universal Registration Document.
- At his request, Mr. Fribourg does not participate in any performance share or stock option plan or any deferred compensation plan with an equivalent effect.
- At his request, Mr. Fribourg does not participate in any company pension plan or any other deferred benefit plan with an equivalent effect.
- Lastly, the Chairman and Chief Executive Officer does not have an employment contract with the Group.

The Chairman and Chief Executive Officer's compensation package for fiscal 2020 was set by the Board of Directors based on the recommendations of the Compensation Committee.

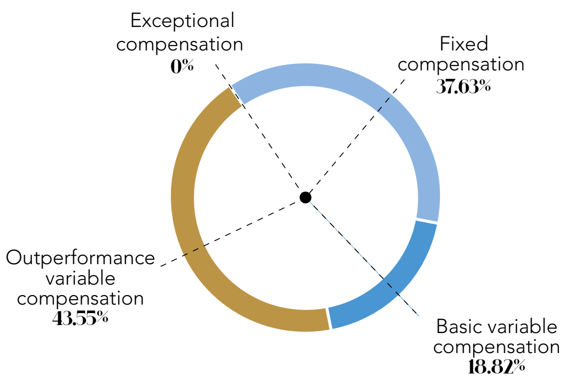
The compensation package comprises a fixed and a variable component.

As in 2019 and prior years, the principles underlying the compensation policy applicable to the Chairman and Chief Executive Officer for 2020 were based on budgetary discipline and alignment of the rules used to determine his compensation with the annual assessment of his personal performance and that of the Group. The policy was designed to take into account (i) the experience and responsibilities of the Chairman and Chief Executive Officer, (ii) the Group's new scale and scope, resulting in particular from its acquisition of Precision Custom Coatings (PCC), which generated additional synergies in new countries for the Group.

The compensation policy applicable to the Chairman and Chief Executive Officer in 2020 was based on the same rules and caps as for 2018 and 2019, with a specific sub-cap for each different criterion added to the overall cap on his variable compensation. Only his fixed compensation, which had been unchanged since fiscal 2016, was raised in 2019 to take into account the Group's increased scale and scope, the Chairman and Chief Executive Officer's experience and responsibilities, and the steady growth in the Group's earnings. This fixed compensation remained unchanged for two fiscal years, i.e. for 2019 and 2020.

The weighting of each component of the Chairman and Chief Executive Officer's compensation for 2020 was as follows:

WEIGHTING OF EACH FIXED AND VARIABLE COMPENSATION COMPONENT DUE FOR 2020



(a) Basic fixed compensation

The Chairman and Chief Executive Officer's basic fixed compensation for 2020 amounted to €525,000 (gross), identical to the amount in 2019. This basic compensation, which was frozen for fiscal 2019 and 2020, has remained 25% below the annualized basic compensation paid under the previous governance system, despite the very substantial increase in the Group's scale, the extended scope of its business lines and the growth in its geographic footprint, from 32 countries in 2015 to 90 in 2020.

(b) Basic variable compensation

The Chairman and Chief Executive Officer's variable compensation for 2020 was contingent on the achievement of quantitative and qualitative objectives, which were appropriately weighted at 60% and 40% respectively.

In 2020, as his performance levels exceeded the triggering threshold set for his quantitative objectives and in view of the Group's consolidated recurring operating profit figure, the Chairman and Chief Executive Officer was eligible for 100% of his basic variable compensation based on quantitative objectives. In addition, the qualitative improvements made under the Game Changer plan resulted in all of the qualitative performance objectives being met and even exceeded, especially in the following areas:

- talent management;
- the Group's "iconic" brand and marketing strategy;
- smart manufacturing;
- innovation;
- increase in the proportion of sustainable products included in the Group's total production, within the meaning of the United Nations' Global Compact Sustainable Development Goal (SDG) No. 9.

The summary table below presents the highlights of fiscal 2020 which were inspired and driven by the Chairman and CEO in each strategic development area of the Game Changer plan and which, in particular, reflect the agility and proactive approach adopted by the Group in the extremely difficult context linked to the Covid-19 health crisis:

Strategic vision	2020 outcomes	Examples
Talent management	• Management of talent against the backdrop of the health crisis (safety and commitment) • Hiring of new talent and implementation of succession plans • Organization optimized • New Incentive Program	• Prevention Plan for employee safety • Exceptional mobilization of employees at the height of the health crisis and signing bonuses • Global Head of Communications, Executive Vice President, Industrial Performance & Supply Chain, Chief of Staff to the Chairman – Chief Strategy Officer and Head of Growth, Senior Vice President, Global Performance • Appointment of a new General Manager of Chargeurs Protective Films, following a retirement
Iconic brand and marketing strategy	• Segments creating new markets • Integrated services and specification	• April 2020 launch of the "Lainière Santé," "Lainière Protection" and "Lainière Health" brands
Smart manufacturing	• Premium production facilities developed • Sites specialized • Supply chain revamped	• New industrial equipment for own mask production (Chargeurs Healthcare Solutions) • Repurposing activities at French production sites for the production of face masks, hand sanitizer, etc.)
Innovation	• Creation of a new business line for healthcare solutions • Strategic partnerships formed	• Development of a new range of healthcare products (masks, gloves, gowns, etc.) • Traceability system and blockchain specific to the business of manufacturing masks • Development of the Lainière Santé B2C activity
Increase in the percentage of sustainable products in total production	• Extension of green ranges • Strengthening of communication on sustainable products	• OXYGEN range (green value added): OXYGEN vegetal, recycled and lean • Sustainable 50® range (green value added) • Nativa™ (green and societal value added) • ALTERRA® (green value added) • SUBLIMIS® (green and societal value added) • Lainière Santé™ (societal value added)

Consequently, the Chairman and Chief Executive Officer was eligible for the full amount of his basic variable compensation contingent on both the qualitative and qualitative objectives, corresponding to 50% of his basic fixed compensation, i.e., €262,500.

(c) Variable compensation for outperformance

On top of this basic variable compensation, for 2020, the Chairman and Chief Executive Officer was eligible for additional variable compensation or variable compensation for outperformance, owing to outstanding results achieved through the new Chargeurs Healthcare Solutions business. The target threshold was exceeded by a wide margin due to the quantitative success measured on a predefined level of 2020 recurring operating profit.

The amount of additional variable compensation linked to this quantitative outperformance came to €367,500 owing to the cap at 140% of the overall basic variable compensation, in turn capped at 50% of the basic fixed compensation.

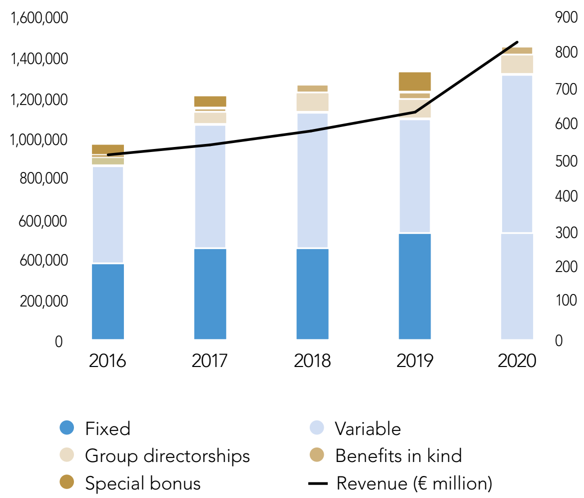
In addition, a portion of the Chairman and Chief Executive Officer's variable compensation for 2020 was specifically based on shareholders' returns. The Shareholders' Returns objective was measured on the basis of achieving either one or both of the following two criteria, which each counted for 50% of the objective:

- If the difference in the Chargeurs share price between the beginning and the end of the fiscal year in question – based on the average closing share price for the last 20 trading days of the year compared with the average closing share price for the first 20 trading days of the year – is 5% higher than the SBF 120, a special bonus of €120,000 is awarded.
- If the dividend amount paid during the fiscal year – based on the average closing share price for the first 20 trading days of the year – is 2% higher than the average for a panel of peer companies, a special bonus of €120,000 is awarded. The Compensation Committee defines peer companies as Danaher, ITW and Griffon (50%); Serge Ferrari, Sioen Guillin and Bolloré (50%).

As the two criteria mentioned in points (i) and (ii) above were met, the Chairman and Chief Executive Officer was eligible for specific additional compensation of €240,000.

The total variable compensation is capped at 150% of his basic fixed compensation. As such, despite the remarkable outperformance posted in 2020, which reflects the proactive measures adopted by the Chairman and Chief Executive Officer in a difficult crisis scenario, the cap successfully fulfilled its purpose. The variable compensation of the Chairman and Chief Executive Officer for fiscal 2020 thus stood at a gross total of €787,500. This amount came in considerably below the amount eligible to the Chairman and Chief Executive Officer without a cap, in light of the outperformance targets achieved in the fiscal year.

Moreover, the Chairman and Chief Executive Officer's total compensation has evolved in line with the Group's revenue since 2016 as shown in the graph below:



In accordance with the provisions of articles L.22-10-8 II and L.225-100-2 of the French Commercial Code, the payment of the Chairman and Chief Executive Officer's variable and exceptional compensation for fiscal 2020 will be contingent on the shareholders' approval, at the April 8, 2021 Annual General Meeting, of the fixed, variable and exceptional components making up the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for fiscal 2020.

The following table summarizes the various components of the Chairman and Chief Executive Officer's compensation in respect of fiscal 2020:

Type	Theoretical weighting	Performance	Amount *(in €)*
BASIC ANNUAL VARIABLE COMPENSATION			
Consolidated recurring operating profit	60%	> €79.3m (representing a historic high)	€157,500
Talent management	8%	Talent management during the health crisis (Safety and Commitment/ Hiring of new talent and implementation of succession plans/ Optimized Organization/Rollout of an Incentive Program	€105,000
Brand strategy	8%	Segments creating new markets/Integrated Services and Recommendations	
Smart manufacturing	8%	Premium production facilities developed/Sites specialized/ Supply chain revamped	
Innovation	8%	Creation of a new business line for healthcare solutions/Strategic partnerships	
Sustainable products	8%	Extension of green ranges/Strengthening of communication on sustainable products	
Sub-total I	100%	-	€262,500
ANNUAL VARIABLE COMPENSATION FOR OUTPERFORMANCE			
Consolidated recurring operating profit	60.6%	> €79.3m (representing a historic high) Quantitative success of the Chargeurs Healthcare Solutions business	€367,500
Relative share price	19.7%	Criterion met	€120,000
Dividends/Relative share price	19.7%	Criterion met	€120,000
Sub-total II *(including the sub-cap of 140%)*	100%	-	€607,500
EXCEPTIONAL VARIABLE COMPENSATION			
Equity/debt raising exercises, divestments or acquisitions, stock market performance	100%	Successful creation of the Chargeurs Healthcare Solutions business/ Successful integration of complex acquisitions for the Chargeurs Museum Solutions business line (D&P and Hypsos)	€100,000
Sub-total III	100%	-	€100,000
Sub-total I+II	-	-	€870,000
Sub-total I+II+III	-	-	€970,000
TOTAL AFTER APPLYING THE 150% CAP	**-**	**-**	**€787,500***

* *The Chairman and Chief Executive Officer's variable and exceptional compensation for fiscal 2020 was capped at €787,500 representing 150% of his basic fixed compensation.*

(d) Compensation for corporate officer positions in other Group entities

As part of the Group's international and external growth policy, the Chairman and Chief Executive Officer is called upon to conduct business outside France, including specific monitoring of certain subsidiaries with a key strategic role, notably in the United States, where his role has been stepped up. In this respect, as for the two previous fiscal years, 2018 and 2019, it is thus specified that table no. 2 "Summary table of compensation awarded to each executive corporate officer" found in section 7 of the 2019 Universal Registration Document, the Chairman and Chief Executive Officer received gross compensation amounting to €96,000 for fiscal 2020 linked to his corporate officer functions.

(e) Participation in Board meetings

At his own request, the Chairman and Chief Executive Officer did not receive any compensation for his roles and responsibilities as Chairman of the Board of Directors as set in Chargeurs SA's bylaws (i.e., in relation to organizing the Board's work and operating procedures).

(f) Benefits in kind

At his request, the Chairman and Chief Executive Officer did not receive any compensation for his participation on Chargeurs SA's Board of Directors. Also at his request, he has not been granted any stock options or performance shares, he is not a member of a supplementary pension plan and he does not receive any benefits in kind such as a company car.

In respect of fiscal 2020, the Chairman and Chief Executive Officer made only limited use of the means of transport at the Group's disposal to facilitate certain business trips, as authorized by the Board of Directors on the recommendation of the Compensation Committee and approved under the shareholders' *ex-ante* say-on-pay vote at the April 28, 2020 Annual General Meeting. The related cost for fiscal 2020 was €17,386, out of an authorized maximum annual amount of €22,000.

The Chairman and Chief Executive Officer is a beneficiary of the same personal protection and travel insurance plans as the Group's employees. The Company has also taken out an unemployment insurance policy on his behalf whose premiums (representing €22,000 in 2019). The Chairman and Chief Executive Officer was not granted any stock options or performance shares, he was and is not a member of a supplementary pension plan and he did not receive any benefits in kind such as a company car.

Ratio between the Chairman and Chief Executive Officer's compensation and Company employees' average and median compensation

In accordance with the provisions of article L. 22-10-9, 6 I, paragraph 6, the ratio presented below concerns that between the Chairman and Chief Executive Officer's compensation, and, on the one hand, the average compensation of the Company's employees (excluding corporate officers) and on the other, the median compensation of the Company's employees (excluding corporate officers).

	2016	2017	2018	2019	2020
Average monthly salary			€19,161	€18,210	€21,151
CEO/Median ratio			17.42	17.89	12.75
CEO/Average ratio			5.4	6.02	5.17
Compensation ratio: Chairman/French minimum wage	29.1	57.2	69.1	72	71

Data from previous years does not allow for relevant ratios.

The table above shows the ratio between the Chairman and Chief Executive Officer's compensation and the French minimum wage ("SMIC") for the last five years.

Draft resolution (*ex-post* say-on-pay vote):

"Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the Report of the Board of Directors, in accordance with the provisions of article L. 22-10-34 III of the French Commercial Code approves the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for 2020 as presented and described in the report of the Board of Directors on corporate governance."

Summary of compensation and benefits awarded to Top Management for fiscal 2020

In accordance with the provisions of L. 22-10-9, I ***et seq.*** of the French Commercial Code and the MiddleNext Code, the tables below are based on the templates provided by the French Financial Markets' Authority (AMF) in its recommendation dated December 22, 2008, (No. 2009-16, as amended on December 17, 2013, December 5, 2014 and April 13, 2015) and the table numbers used are the same as in those templates.

TABLE 1: SUMMARY TABLE OF COMPENSATION AND STOCK OPTIONS AND FREE SHARES AWARDED TO EACH EXECUTIVE DIRECTOR

Chargeurs' executive directors did not receive any multi-annual compensation, stock options or free shares in the fiscal years presented. Consequently, all of their compensation and benefits are presented in Table 2 below.

Since Chargeurs' executive directors did not receive any stock options or free shares, the following tables are not applicable in this Universal Registration Document:

- Table 4: Stock options granted during the fiscal year to each director by the issuer or any other Group entity;
- Table 5: Stock options exercised during the fiscal year by each executive executive director;
- Table 6: Free shares granted to each director;
- Table 7: Free shares that became available during the fiscal year for each director;
- Table 8: Summary of stock option plans;
- Table 9: Stock options granted to and exercised by the ten employees (not Directors of the Company) who received the greatest number of stock options;
- Table 10: Summary of free share plans;

TABLE 2: SUMMARY TABLE OF COMPENSATION AWARDED TO EACH EXECUTIVE DIRECTOR

Since 2015, at the request of the Chairman and Chief Executive Officer, the Board of Directors has capped his total variable compensation at 150% of his basic fixed compensation.

Depending on the year, this cap can have the effect of significantly reducing the variable compensation paid to the Chairman and Chief Executive Officer, even in years when the Group delivers an exceptionally strong performance or demonstrates above-average resilience to volatile conditions by considerably outperforming its competitors. Strict application of the cap is not offset by any alternative system for the benefit of the Chairman and Chief Executive Officer.

Michaël Fribourg, Chairman and Chief Executive Officer	Fiscal 2018		Fiscal 2019		Fiscal 2020	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€450,000	€450,000	€525,000	€525,000	€525,000	€525,000
Annual variable compensation	€675,000(1)	€615,000	€567,500(1)	€675,000(1)	€787,500	€567,500(1)
Compensation for corporate officer positions in other Group entities	€96,000	€96,000	€96,000	€96,000	€96,000	€96,000
Benefits in kind	€43,120(2)	€21,120(3)	€36,491(2)	€28,142(3)	€44,000(2)	€39,386(3)
Special bonus	€0(5)	€60,000(4)	€100,000(6)	€0(5)	€0(7)	€100,000(6)
TOTAL	**€1,264,120**	**€1,242,120**	**€1,324,991**	**€1,324,142**	**€1,452,500**	**€1,327,886**

(1) The variable compensation amounts of €675,000 due for fiscal 2018 and €567,500 due for fiscal 2019 were paid in fiscal 2019 and 2020 respectively.
(2) These amounts correspond to an unemployment insurance policy whose premiums are subject to payroll taxes and are accounted for as a benefit in kind, personal use of a means of transport at the Group's disposal that may have been used by Top Management to facilitate certain business trips, and personal protection and travel insurance plans taken out on behalf of the Chairman and Chief Executive Officer.
(3) These amounts correspond to an unemployment insurance policy whose premiums are subject to payroll taxes and are accounted for as a benefit in kind, personal use by Top Management of a means of transport at the Group's disposal to facilitate certain business trips (€0 in 2018, €6,142 in 2019 and €17,386 in 2020), and personal protection and travel insurance plans taken out on behalf of the Chairman and Chief Executive Officer.
(4) Corresponding to a special bonus awarded following the success of the Euro PP private placement in June 2017 with very attractive interest rates.
(5) A bonus of €85,000 was awarded to the Chairman and Chief Executive Officer following the successful acquisition of Precision Custom Coatings (PCC) Interlining – a leader in the United States and Asia in technical interlinings – in August 2018. However, this bonus was not paid due to the cap of 150% of basic fixed compensation applied to his total variable compensation.
(6) Corresponding to two special bonuses awarded to the Chairman and Chief Executive Officer for (i) the successful renegotiation of the terms of the Group's financing in early 2019, leading to the unprecedented decision by lenders to cancel certain hard covenants previously applicable to the Group (€40,000), and (ii) the successful completion of acquisitions in the museum services segment along with the transformation of Chargeurs Museum Solutions into the world leader in this segment (€60,000).
(7) Corresponding to two special bonuses awarded to the Chairman and Chief Executive Officer for the acquisitions carried out in 2020 and the successful integration of Design & Productions Inc. (United States) and Hypsos (Netherlands) (€40,000) and in respect of the creation and structuring of the Chargeurs Healthcare Solutions business line (€60,000). However, this bonus was not paid due to the cap of 150% of basic fixed compensation applied to his total variable compensation.

TABLE 11: SUMMARY TABLE OF EXECUTIVE DIRECTORS' INDEMNITIES AND BENEFITS

	Employment contract	Supplementary pension plan	Non-compete clause indemnity	Termination benefit(1)
Michaël Fribourg Chairman and Chief Executive Officer First appointed: Board meeting 10/30/2015 Current term expires: Board meeting 2021 (Chairman) and Board meeting 2023 (Chief Executive Officer) Director First appointed: Board meeting 10/30/2015 Current term expires: 2021 AGM	No	No	Yes(2)	Yes(3)

(1) Mr. Fribourg's termination benefit has been applicable since fiscal 2017.
(2) Considering his roles and responsibilities, Mr. Fribourg has daily access to confidential information about the Company and other Group entities, as well as their customers, which, if disclosed to competitors, could severely harm the Company's interests. Consequently, Mr. Fribourg has given an undertaking that if his duties as either Chief Executive Officer or as Chairman and Chief Executive Officer are terminated (irrespective of the reasons therefor and manner thereof), he will refrain for a period of two years from entering into the service of, or taking any form of direct or indirect interest in, any entity whose business activities compete with the strategic activities of the Chargeurs group. This undertaking applies in the main countries where the Group has premises or an operating presence. As consideration, if Mr. Fribourg leaves office or his roles of Chairman and Chief Executive Officer are separated, the Company will pay him a non-compete indemnity equal to his total gross compensation for the last full fiscal year. For the purpose of calculating this benefit, total gross compensation corresponds to his fixed compensation (including compensation received for his directorships in Group entities) and the full amount of his variable compensation received for the last full fiscal year.
(3) If Mr. Fribourg is removed from office or his term of office is not renewed for whatever reason (including in the event of a transformation, a change in governance structure, the separation of the roles of Chairman and Chief Executive Officer or a merger), except in the event of gross negligence or serious misconduct (within the meaning of French case law), or if he resigns from his office of Chairman and Chief Executive Officer within the Company, he will receive an indemnity equal to his total gross compensation received for the last full fiscal year. For the purpose of calculating this benefit, total gross compensation corresponds to his fixed compensation (including compensation received for his directorships in Group entities) and the full amount of his variable compensation received for the last full fiscal year. The payment of this indemnity is contingent on reaching, during the last full fiscal year, the quantitative objectives for Mr. Fribourg's variable compensation.

Summary table of compensation awarded to the members of the Board of Directors for fiscal 2020

As recommended in the MiddleNext Corporate Governance Code (the "MiddleNext Code"), a summary table is provided below of the compensation paid in the last three fiscal years to members of the Board of Directors in respect of their participation in the work of the Board and Board Committees. The members of the Board of Directors did not receive any other form of compensation from the Group.

The total compensation allocated among the members of the Board of Directors for fiscal 2020 amounted to €380,000.

TABLE 3: TABLE OF COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE DIRECTORS

Mr. Emmanuel Coquoin	Amount due for fiscal 2018	Amount due for fiscal 2019	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	€68,571	€64,615	€64,681
Other compensation	N/A	N/A	N/A
TOTAL	**€68,571**	**€64,615**	**€64,681**

Ms. Isabelle Guichot	Amount due for fiscal 2018	Amount due for fiscal 2019	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	€42,857	€51,692	€64,681
Other compensation	N/A	N/A	N/A
TOTAL	**€42,857**	**€51,692**	**€64,681**

Ms. Cécilia Ragueneau	Amount due for fiscal 2018	Amount due for fiscal 2019	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	€68,571	€64,615	€64,681
Other compensation	N/A	N/A	N/A
TOTAL	**€68,571**	**€64,615**	**€64,681**

Mr. Nicolas Urbain	Amount due for fiscal 2018	Amount due for fiscal 2019	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	€68,571	€64,615	€64,681
Other compensation	N/A	N/A	N/A
TOTAL	**€68,571**	**€64,615**	**€64,681**

Ms. Maria Varciu	Amount due for fiscal 2018	Amount due for fiscal 2019 (from 05/06/2019 to 12/31/2019)	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	N/A	€38,769	€64,681
Other compensation	N/A	N/A	N/A
TOTAL	**N/A**	**€38,769**	**€64,681**

Mr. Georges Ralli (Non-Voting Director)	Amount due for fiscal 2018	Amount due for fiscal 2019	Amount due for fiscal 2020
Compensation for participation in the work of the Board of Directors and the Board Committees	€51,429	€51,692	€56,595
Other compensation	N/A	N/A	N/A
TOTAL	**€51,429**	**€51,692**	**€56,595**

Draft resolution (first part of the *ex-post* say-on-pay vote)

"Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors in accordance with the provisions of article L. 22-10-34 II of the French Commercial Code, approves the information mentioned in article L. 22-10-9,I of the French Commercial Code, this section comprises the Board of Directors' report on corporate governance.

Fourteenth resolution

(Authorization for the Board of Directors to carry out a share buyback program)

In the fourteenth resolution, the Board of Directors is seeking a new authorization to carry out a share buyback program so that the Company can purchase its own shares at any time, except when public offers for the Company's shares are in progress. The maximum number of shares that could be bought back under this authorization would be set at 10% of the Company's total outstanding shares.

Under no circumstances may these purchases lead to the Company holding over 10% of the Company's total outstanding shares at the date the authorization is used, not including any additional shares that may be issued to take into account the effect of any corporate actions that may be carried out subsequent to the 2020 Annual General Meeting. The Company may in no circumstances hold, either directly or indirectly through subsidiaries, more than 10% of its share capital.

Granted maximum per-share purchase price under the program at €30, which the Board of Directors may adjust in order to take into account the effect of any corporate actions.

At December 31, 2020 out of the 24,211,232 shares making up its share capital, the Company directly held 1,167,610 shares. Consequently, a maximum of 1,253,513 shares could be bought back by the Company under the authorization.

The shares may be bought back or sold at any time, except while a public offer for the Company's shares is in progress, and by any method within the limits allowed under the applicable regulations, in on- or off-market transactions, including through block purchases or sales, or through the use of options or derivatives traded on a regulated market or over the counter, including call options.

The objectives of the buyback program would be the same as for the previously authorized program. Consequently, the shares may be bought back and held in accordance with the applicable laws and regulations for the following purposes: (a) to ensure the liquidity of Chargeurs' shares or an active market in the shares through an investment services provider; (b) to hold shares for future delivery in payment or exchange for the securities of other companies in connection with external growth transactions; (c) to reduce the Company's capital by canceling the acquired shares; (d) to hold shares for delivery or exchange on exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for Chargeurs' shares; (e) for allocation under stock option plans set up by the Company or any similar plan; (f) for allocation or sale to employees in connection with employee profit-sharing plans or any employee savings plan set up at Company or Group level (or any similar plan); (g) for allocation under free share or performance share plans, and/or (h) for the implementation of any accepted market practice or any market practice that may be authorized in the future under the applicable laws or by the French Financial Markets' Authority *(Autorité des Marchés Financiers - AMF).*

The Board of Directors would be given full powers to use this authorization, directly or through a legally authorized representative, to place all buy and sell orders on all markets or carry out all off-market transactions, enter into all agreements, prepare all documents, carry out all filing and other formalities with all authorities and organizations, allocate or reallocate the purchased shares to the various purposes in compliance with the applicable laws and regulations, and generally do everything necessary for implementing the decisions made by the Board pursuant to this authorization.

This authorization is being sought for a period of eighteen months from the date of the 2020 Annual General Meeting and would supersede the unused portion of the authorization previously granted for the same purpose.

Fifteenth resolution

(Powers to carry out legal formalities)

The shareholders are asked to grant the Board of Directors all of the necessary powers to carry out the legal formalities required in relation to the above-described resolutions.

We thank you in advance for demonstrating your confidence in Chargeurs by voting for these resolutions recommended by the Board.

The Board of Directors

7.3 Draft resolutions submitted to the Annual General Meeting of April 8, 2021

ORDINARY RESOLUTIONS

First resolution

(Approval of the parent company financial statements for the fiscal year ended December 31, 2020)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors and the Statutory Auditors' report on the parent company financial statements, the shareholders approve the parent company financial statements for the year ended December 31, 2020, as presented, showing a loss for the year of -€28.6m, together with all the transactions for the year reflected in the financial statements or referred to in the aforementioned reports.

The shareholders therefore give full discharge to the Company Directors for the fulfillment of their duties during the fiscal year ended December 31, 2020.

Second resolution

(Approval of the consolidated financial statements for the fiscal year ended December 31, 2020)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors and the Statutory Auditors' report on the consolidated financial statements, the shareholders approve the consolidated company financial statements for the fiscal year ended December 31, 2020 as presented, together with all the transactions for the year reflected in the financial statements or referred to in the aforementioned reports.

Third resolution

(Appropriation of profit for fiscal 2020 and approval of the dividend)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having noted that 2020 profit of €28,604,728.42 and "Other reserves" of €211,408,444.79 together represent profit available for distribution of €182,803,716.37, the shareholders approve the appropriations recommended by the Board of Directors.

Consequently, the shareholders resolve to appropriate profit available for distribution as follows:

- Dividend: €31,958,826.24.
- Retained earnings: €150,844,890.13.
- Total: €182,803,716.37.

The amount in the "Retained earnings" account thus declined from €211,408,444.79 to €150,844,890.13.

Based on the 24,211,232 shares with a par value of €0.16 outstanding as of December 31, 2020, the dividend per share amounts to €1.32.

An interim dividend of €0.28 per share was paid on October 7, 2020. Consequently, the final per-share dividend payable in respect of fiscal 2020 is €1.04 per share. The ex-dividend date for this amount will be April 13, 2021, and payment will be made on April 30, 2021.

The amounts corresponding to final dividends not paid on shares held in treasury stock on April 13, 2021 will be credited to "Retained earnings."

Both the €0.28 interim dividend and the €1.04 final dividend are eligible for the 40% tax relief provided for in article 158-3, paragraph 2 of the French General Tax Code for individual shareholders who are French tax residents.

In accordance with the provisions of article 243 *bis* of the French General Tax Code, shareholders are informed that the following dividends were paid for the last three fiscal years:

Fiscal year	Number of shares(1)	Total dividend payout (2) *(in €)*	Dividend per share *(in €)*
2017	23,209,500	13,925,700	0.60
2018	23,551,755	15,779,676	0.67
2019	23,848,641 (3)	9,539,456	0.40

(1) Based on historical data at 12/31 of each year.
(2) Theoretical values calculated based on the number of shares at 12/31 of each year.
(3) Total number of shares comprising the Company's share capital, including treasury stock.

The total amounts of the dividends paid for fiscal 2017, 2018 and 2019 were eligible for the 40% tax relief provided for in article 158-3, paragraph 2 of the French General Tax Code.

Fourth resolution

(Stock dividend alternative for the fiscal 2020 final dividend)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, and having noted that company capital is fully paid up, decides, in accordance with the provisions of articles L. 232-18 *et seq.* of the French Commercial Code and article 27 of the Company's bylaws, the shareholders resolve to offer each shareholder the option for the full amount of their final dividend for fiscal 2020 to be paid in either cash or new shares.

Each shareholder will be able to exercise this option to choose between cash payment or the stock dividend alternative but the payment method opted for will apply to all of the shares they hold.

In accordance with article L. 232-19 of the French Commercial Code, the issue price of the new shares delivered as payment for the final dividend will amount to 90% of the average of the opening prices quoted for the Company's shares during the 20 trading days preceding the date of the 2020 Annual General Meeting, less the net amount of the final per-share dividend, as stated in the third resolution, and rounded up to the nearest euro cent.

Shareholders who opt to reinvest their final dividend must notify their bank or broker between April 15, 2021 (the ex-dividend date for the final dividend) and April 26, 2021. Any shareholder whose option has not been exercised by that date will automatically receive a cash dividend.

The final dividend will be paid on April 30, 2021, and shareholders who have opted for the stock dividend alternative will also receive their shares on that date.

The new shares will carry dividend rights immediately and will rank *pari passu* with the Company's existing shares as from their issue date.

Subscriptions must be for a whole number of shares. If the amount of the final dividend does not correspond to a whole number of shares, the shareholder concerned will receive the nearest lower whole number of shares and the difference in cash.

The shareholders give the Board of Directors full powers, which it may delegate, to take all necessary measures to pay the final dividend in the form of shares, and notably to:

- set the issue price of the shares in accordance with the above terms and conditions;
- carry out all transactions related and/or consecutive to exercising the option to reinvest the dividend;
- place on record the number of shares issued and carry out the corresponding capital increase;
- amend article 5 of the Company's bylaws accordingly;
- and more generally, carry out all necessary formalities related to the issue, listing and servicing of the shares issued under this authorization as well as all necessary filing and other legal formalities and all measures required to achieve the purpose of this resolution.

Fifth resolution

(Stock dividend alternative for the 2021 interim dividend)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors and having noted that the share capital is fully paid up, the shareholders resolve that if the Board decides to allocate one or more interim dividends for fiscal 2021, such dividends may be paid either in cash or new shares at the discretion of the shareholder, in compliance with article 27 of the Company's bylaws and articles L. 232-12, L. 232-13 and L. 232-18 *et seq.* of the French Commercial Code:

Shareholders will be able to exercise this option to choose between cash payment or the stock dividend alternative for each interim dividend paid but the payment method opted for will apply to all of the shares they hold.

Upon approval from the Annual General Meeting, the Board of Directors will set the issue price of the new shares to be delivered in payment of the interim dividend(s) and, in accordance with article L. 232-19 of the French Commercial Code, this price will be equal to at least 90% of the average of the opening prices for the Company's shares during the 20 trading days on Euronext Paris preceding the date of the Board's decision to pay the interim dividend, less the net amount of the interim dividend and rounded up to the nearest euro cent.

The Board of Directors will set the duration of the period during which shareholders may opt for the stock dividend alternative, which will commence on the date of the Board's decision to pay the interim dividend and will expire within three months of that date.

The new shares will carry dividend rights immediately and would rank *pari passu* with the Company's existing shares as from their issue date.

Subscriptions must be for a whole number of shares. If the amount of the interim dividend does not correspond to a whole number of shares, the shareholder concerned will receive the nearest lower whole number of shares and the difference in cash.

The shareholders grant the Board of Directors full powers, which it may delegate, to take all necessary measures to implement this resolution, and notably to:

- carry out all transactions related and/or consecutive to exercising the option to reinvest the dividend;
- set the issue price of the shares in accordance with the above terms and conditions;
- place on record the number of shares issued and carry out the corresponding capital increase;
- amend article 5 of the Company's bylaws accordingly;
- and more generally, carry out all necessary formalities related to the issue, listing and servicing of the shares issued under this authorization as well as all necessary filing and other legal formalities and all measures required to achieve the purpose of this resolution.

Sixth resolution

(Approval of agreements governed by article L. 225-38 of the French Commercial Code)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the Statutory Auditors' special report on related-party agreements and commitments, the shareholders approve said report and any agreements governed by article L. 225-38 of the French Commercial Code referred to therein.

Seventh resolution

(Ratification of the Board of Directors' decision to transfer the Company's registered office and the amendment to article 3 of the Company's bylaws)

"Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with article L. 225-36 of the French Commercial Code, the transfer of the Group's headquarters from 112, Avenue Kleber 75016 Paris, to 7, Rue Kepler 75016 Paris, and the related changes to article 3 of the Company's bylaws, as approved by the Board of Directors at its November 10, 2020 meeting.

Eighth resolution

(Approval of the overall compensation applicable to members of the Board of Directors)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, the shareholders decide to set the total amount of compensation to be allocated to members of the Board of Directors at €420,000 per year for the current fiscal year and subsequent fiscal years, until further decisions made at the Annual General Meeting. The Board of Directors may freely allocate this amount among its members, in accordance with the current compensation policy.

Ninth resolution

(Re-election of Mr. Michaël Fribourg as a Director)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors and having noted that Mr. Fribourg's directorship is due to expire at the close of the 2020 Annual General Meeting, the shareholders re-elect him as a director for a three-year term expiring at the close of the Annual General Meeting to be held in 2024 to approve the financial statements for the fiscal year ending December 31, 2023.

Tenth resolution

(Approval of the compensation policy applicable to the Chairman and Chief Executive Officer)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chairman and Chief Executive Officer as presented and described in the report of the Board of Directors on corporate governance.

Eleventh resolution

(Approval of the compensation policy applicable to Company Directors)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, the shareholders approve the compensation policy applicable to the members of the Board of Directors as presented and described in the Board of Directors' report on corporate governance.

Twelfth resolution

(Approval of the disclosures referred to in article L. 22-10-9-I of the French Commercial Code;

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with the provisions of article L. 22-10-34 II of the French Commercial Code, approves the information mentioned in article L. 22-10-9,I of the French Commercial Code, this section comprises the Board of Directors' report on corporate governance.

Thirteenth resolution

(Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid or awarded to the Chairman and Chief Executive Officer for fiscal 2020)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with the provisions of article L. 22-10-34 II of the French Commercial Code, the shareholders approve the fixed, variable and exceptional components of the total compensation and benefits paid or awarded to the Chairman and Chief Executive Officer for fiscal 2020 as presented and described in the Board of Directors' report on Corporate Governance."

Fourteenth resolution

(Authorization for the Board of Directors to carry out a share buyback program)

Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with the provisions of articles L. 22-10-62 ***et seq.*** of the French Commercial Code, the shareholders:

1. Grant the Board of Directors an authorization, which it may delegate, to purchase up to 10% of Chargeurs shares. The shares may be purchased in one or more transactions at any time, as determined by the Board (except while a public offer for the Company's shares is in progress). Under no circumstances do these purchases lead to the Company holding over 10% of the Company's total outstanding shares at the date the authorization is used, not including any additional shares that may be issued to take into account the effect of any corporate actions that may be carried out subsequent to the 2020 Annual General Meeting. The Company may in no circumstances hold, either directly or indirectly through subsidiaries, more than 10% of its share capital. At December 31, 2020 out of the 24,211,232 shares making up its share capital, the Company directly held 1,167,610 shares. Consequently, a maximum of 1,253,513 shares could be bought back by the Company under the authorization.
2. Resolve that shares can be purchased and held for the following purposes:
   (a) to ensure the liquidity of Chargeurs' shares or an active market in the shares through an investment service provider acting independently under a liquidity contract that complies with a code of ethics approved by the French Financial Markets' Authority *(Autorité des Marchés Financiers)*;
   (b) to hold shares for future delivery in payment or exchange for the securities of other companies, in cash, stock-for-stock or capital contribution transactions conducted as part of the Company's external growth strategy;
   (c) to reduce the Company's capital by canceling the acquired shares;
   (d) to hold shares for delivery or exchange on exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for Chargeurs shares;
   (e) for allocation under stock option plans set up by the Company and governed by articles L. 225-177 ***et seq.*** of the French Commercial Code or any similar plan;
   (f) for allocation or sale to employees in connection with employee profit-sharing plans or any employee savings plan set up at Company or Group level (or any similar plan) in accordance with the applicable laws, especially articles L. 3332-1 ***et seq.*** of the French Labor Code:
   (g) for allocation under free share or performance share plans governed by articles L. 225-197-1 ***et seq.*** of the French Commercial Code, the shareholders:
   (h) and/or for the implementation of any accepted market practice or any market practice that may be authorized in the future under the applicable laws or by the French Financial Markets' Authority *(Autorité des Marchés Financiers)*.
3. Resolve that the shares may be bought back, sold or transferred at any time (except while a public offer for the Company's shares is in progress) and by any method within the limits allowed under the applicable regulations, in on- or off-market transactions, including through block purchases or sales, or through the use of options or derivatives traded on a regulated market or over-the-counter, including call options.
4. Set the maximum purchase price at €30 per share, which may be adjusted by the Board of Directors if appropriate to take into account the effect of any corporate actions. The maximum amount that the Group may allocate to this resolution is set at thirty-seven million, six hundred and five thousand, and three hundred and ninety euros (€37,605,390).
5. Grant the Board of Directors full powers to use this authorization, directly or through a legally authorized representative, to place all buy and sell orders on all markets or carry out all off-market transactions, enter into all agreements, prepare all documents, carry out all filing and other formalities with all authorities and organizations, allocate or re-allocate the purchased shares to the various purposes in compliance with the applicable laws and regulations, and generally do everything necessary for implementing the decisions made by the Board pursuant to this authorization.
6. Resolve that this authorization is given for a period of eighteen months from the date of this Meeting and supersedes the unused portion of any previous authorization given by shareholders for the same purpose.

Fifteenth resolution

(Powers to carry out legal formalities)

The shareholders give full powers to the bearer of a copy or extract of the minutes of the 2020 Annual General Meeting to carry out all filing and other formalities required by law.

08.
Additional information

8.1 Relationships between Chargeurs and its subsidiaries

8.1.1 ORGANIZATIONAL STRUCTURE AT DECEMBER 31, 2020

The table of subsidiaries and affiliates at December 31, 2020 is presented in Note 27 to the 2020 consolidated financial statements.

There is no difference between the percentage of interest in share capital and voting rights for the Group's subsidiaries, with the exception of Chargeurs SA.

Information concerning the Group's major shareholders is provided in section 6.4 of this Universal Registration Document.

8.1.2 ROLE OF THE CHARGEURS PARENT COMPANY IN THE GROUP

The Chargeurs parent company acts as a holding company for Group entities, by:

- holding shares in the Group's main subsidiaries;
- centralizing support functions and ensuring strategic coordination;
- providing specialized assistance (financial, legal, tax, human resources and communications expertise) to the subsidiaries;
- managing cash and financing and setting up any guarantees.

8.1.3 FINANCIAL FLOWS BETWEEN THE CHARGEURS PARENT COMPANY AND ITS SUBSIDIARIES

The Chargeurs parent company receives dividends from its subsidiaries, as approved at the subsidiaries' respective Annual General Meetings and subject to the locally applicable laws and regulations. Aside from the dividends and the fee for shared services paid by the subsidiaries, the main financial flows between the Chargeurs parent company and its subsidiaries are in relation to cash pooling.

8.2 Main legal and statutory provisions

8.2.1 COMPANY NAME

The Company's name is Chargeurs.

8.2.2 REGISTERED OFFICE, REGULATORY FRAMEWORK, LEGAL FORM

Chargeurs is a joint-stock corporation (société anonyme) governed by French law, with a Board of Directors.

Its registered office is located in Paris' 16th district, at 7, Rue Kepler, 75116 Paris, France. The telephone number of the Company's registered office is +33 (0)1 47 04 13 40.

The Board of Directors may decide to transfer the registered office to another location within Paris or a neighboring département, subject to ratification by shareholders at the next Ordinary General Meeting. The transfer of the registered office to any other location shall be subject to a decision by shareholders at an Extraordinary General Meeting.

8.2.3 CORPORATE PURPOSE (ARTICLE 2 OF THE COMPANY'S BYLAWS)

"The Company has as its purpose, in all countries and in all its forms:

- *All trade and non-trade transactions concerning manufacturing or commercial activities, notably those related to the textile industry, the production of protective films and transportation.*
- *All transactions of a manufacturing, commercial and financial nature or involving movable assets or real estate related directly or indirectly to the above purpose or any similar, complementary or related purpose or any activities that contribute to the achievement and pursuit thereof, or related to company assets, including using or selling any discoveries, processes, expertise, original works or industrial and intellectual property rights, and using all types of cash and cash equivalents in the form of securities or loans, credit facilities, advances or any other form authorized by law.*

The Company may perform such transactions by any method and in any form, directly or indirectly, for itself or on behalf of third parties, either alone or with third parties, by creating new companies, contributing assets or funds, acquiring shares in existing companies, merging companies, setting up business leases, entering into partnerships and selling or leasing assets."

8.2.4 FISCAL YEAR

Chargeurs' fiscal year begins on January 1 and ends on December 31.

8.2.5 DATE OF INCORPORATION AND TERM

The Company was incorporated under the name Chargetex 1 on March 11, 1993 and was renamed Chargeurs on May 7, 1997.

The term of the Company has been set at ninety-nine years from the date of registration with the Paris Trade and Companies Registry, unless it is extended or the Company is wound up in advance of its term.

8.2.6 REGISTRATION PARTICULARS

The Company is registered with the Paris Trade and Companies Registry under number 390 474 898.

Its business identifier code is 7010Z.

Its legal entity identifier is 969500ZPQQLG72TQND21.

8.2.7 RIGHTS ATTACHED TO SHARES (ARTICLE 7 OF THE COMPANY'S BYLAWS)

"Each share shall give rise to ownership of the Company assets and a share of the profits in proportion to the number of shares issued. Each share shall also confer the right, whether during the term of the Company or upon liquidation, to payment of an equivalent net amount for any distribution or redemption, such that, where applicable, all shares, without distinction for any tax exemption or taxes to which this disbursement or redemption may give rise, shall be considered as a whole.

Moreover, each share grants the right to vote and to representation at Annual General Meetings, as required by French law and the Company's bylaws.

The shareholders are only liable up to the amount of their contributions, even in respect of third parties. Beyond that, they may not be subject to any call for funds.

Whenever it is necessary to own several shares in order to exercise any right, single shares or a number of shares less than the required number do not grant their owners any right against the company. Under such circumstances, it is shareholders' personal responsibility to group together the required number of shares."

8.2.8 DOUBLE VOTING RIGHTS (EXTRACT FROM ARTICLE 19 OF THE COMPANY'S BYLAWS)

"Each member of Each member of the Annual General Meeting shall have a number of votes corresponding to the number of shares held or represented by proxy, subject to any limitations laid down by the applicable laws and regulations and in particular by the provisions of articles L. 225-10, L. 233-29, L. 233-30 and L. 233-31 of the French Commercial Code;

However, all fully paid-up shares registered in the name of the same holder for at least two years at the date of the Annual General Meeting shall carry double voting rights relative to the percentage of the share capital that they represent, in accordance with the provisions of the first paragraph of article L. 225-123 of the French Commercial Code. The same right may be granted in the case provided for in the second paragraph of the article. The foregoing shall be subject to compliance with the provisions of article L. 225-124 of the French Commercial Code."

8.2.9 ANNUAL GENERAL MEETINGS (ARTICLE 17 OF THE COMPANY'S BYLAWS)

"A validly constituted Annual General Meeting shall represent all of the shareholders of the Company. The decisions made at Annual General Meetings in accordance with the law and these bylaws shall be binding on all shareholders, including any who are absent, dissenting or incapable of voting.

All shareholders shall be entitled to participate in Annual General Meetings, regardless of the number of shares they hold.

An Ordinary General Meeting must be held at least once a year, within six months of the end of the fiscal year, unless this timeframe is extended by a court of law.

Additional General Shareholders' Meetings – either Ordinary or Extraordinary depending on the tabled resolutions – may be held at any time during the year.

Annual General Meetings shall be called by the method and within the timeframe provided by French law.

They are held at the registered office or any other venue specified in the Notice of Meeting.

The Board of Directors may decide to issue admission cards, in the form of its choice, to eligible persons in their name and for their use only."

8.2.10 CHANGES IN THE COMPANY'S SHARE CAPITAL AND RIGHTS ATTACHED TO SHARES

Any changes in the Company's share capital or in the voting rights attached to the shares making up the capital are subject to the applicable laws and regulations as the bylaws do not contain any specific provisions relating thereto.

8.3 Person responsible for the Universal Registration Document

8.3.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Michaël Fribourg, Chairman and Chief Executive Officer, Chargeurs.

8.3.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

"I declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of operations of Chargeurs and its consolidated companies, and the information constituting the Management Report (as shown in the cross-reference table provided in Chapter 8 of this Universal Registration Document) presents a true and fair view of the business trends, results of operations and financial position of Chargeurs and its consolidated companies and describes the main risks and uncertainties they face."

Paris March 17, 2021
Michaël Fribourg,
Chairman and Chief Executive Officer, Chargeurs

8.4 Documents available to the public

Copies of this Universal Registration Document are available, free of charge, at the Company's registered office located at 7, Rue Kepler, 75116 Paris, France.

This Universal Registration Document may also be viewed on the Company's website and on the French Financial Markets' Authority's (AMF) website (*www.amf-france.org*).

The Board of Directors' Rules of Procedure, the Company's bylaws, and the resolutions and minutes of Annual General Meetings and other corporate documents, as well as historical financial information and any valuations or statements issued by a valuer at the Company's request that must be made available to shareholders in accordance with the applicable laws and regulations, may be viewed, free of charge, at the Company's registered office.

In addition, regulatory information disclosed in accordance with the requirements of the AMF's General Regulations is available on the Company's website (*http://www.chargeurs.com/*).

8.5 Statutory Auditors

STATUTORY AUDITORS

PricewaterhouseCoopers Audit, represented by Dominique Ménard – 63, Rue de Villiers – 92208 Neuilly-sur-Seine – France

- Member of Compagnie Régionale des Commissaires aux Comptes de Versailles (Versailles Regional Company of Statutory Auditors).
- Term renewed at the April 20, 2017 Annual General Meeting until the close of the Ordinary General Meeting to be held in 2023.

Crowe HAF, Member of Crowe Global, represented by Marc de Prémare – 85, Rue Edouard Vaillant – 92300 Levallois – France

- Member of Compagnie Régionale des Commissaires aux Comptes de Versailles (Versailles Regional Company of Statutory Auditors).
- Appointed at the April 20, 2017 Annual General Meeting until the close of the Ordinary General Meeting to be held in 2023.

Following the 20 April, 2017 Annual General Meeting, the Company no longer has any substitute auditors

8.6 Cross-reference tables

8.6.1 UNIVERSAL REGISTRATION DOCUMENT CROSS-REFERENCE TABLE

This cross-reference table includes the information required in Annexes I and II of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019. The table refers to the pages of this Universal Registration Document where the information relating to each of these items is mentioned.

Information required		Section of this Universal Registration Document	Page No.
6	**Organizational structure**	**8.1 and 5.1 (Notes 13 and 27)**	**270; 187-189; 205**
6.1	Brief description of the Group	Integrated Report	6-7
6.2	List of significant subsidiaries	5.1.1 (Note 13 and 27)	187-189; 205
7	**Operating and financial review**		
7.1	Financial position	1.6 and 5.1.1	68-71; 158-205
7.1.1	Changes in and earnings of issuer activities	1.1 and 5.1.1 (Notes 15 and 18)	48-67; 190-92; 194-196
7.1.2	Likely future changes in issuer activities and research and development activities	1.6.4	71
7.2	Operating results		
7.2.1	Information on factors affecting the issuer's operating income	1.1 to 1.5 and 2.1	48-67; 76-86
7.2.2	Explanation of material changes in net sales or revenue	1.1 to 1.5	48-67
8 Capital resources			
8.1	Issuer's capital resources	6.3, 6.4 and 5.1.1 (Note 17)	192-194; 236-237
8.2	Sources and amounts of cash flows	5.1.1 (Consolidated Statement of Cash Flows and Note 15)	161; 190-192
8.3	Information on financing requirements and structure	5.1.1 (Note 18)	194-196
8.4	Restrictions on the use of capital resources	5.1.1 (Note 17)	192-194
8.5	Anticipated sources of funds	5.1.1 (Note 18)	194-196
9	**Regulatory environment**	**2.1**	**76-86**
10	**Trend information**		
10.1	The main recent trends in production, sales and inventory, costs and selling prices as well as significant changes in financial performance since the end of the last fiscal year	1.1 to 1.6.	48-71
10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects	Integrated Report and 1.1 to 1.6	24-26; 48-71
11	**Profit forecasts or estimates**	**N/A**	N/A
11.1	Statement on the validity of a forecast previously included in a prospectus		
11.2	Statement outlining the main assumptions underpinning the issuer's profit forecasts or estimates		
11.3	Preparation of profit forecasts or estimates		
12	**Administrative, management and supervisory bodies and top management**		
12.1	Members – statement	4.3	135; 136
12.2	Conflicts of interest	4.3	126
13	**Compensation and benefits**		
13.1	Compensation and benefits in kind	4.4 and 5.1.1 (Note 23)	142-152; 203
13.2	Pensions and other post-employment benefits	4.4	142-15
14	**Board practices**		
14.1	Terms of office for Board members	4.3.1 and 4.3.2	235-41
14.2	Service agreements between Board members	4.2	123-34
14.3	Information on the Audit and Compensation Committees	4.2	132; 133
14.4	Corporate governance statement of compliance	4.1	122; 123
14.5	Potential material impacts on corporate governance	N/A	N/A

Information required		Section of this Universal Registration Document	Page No.
15	Employees		
15.1	Number of employees	Integrated Report and 3.8	7; 38-39; 116
15.2	Shareholdings in issuer capital and stock options	4.4.1.1 and 6.3.2	142-146; 237
15.3	Arrangements involving the employees in issuer capital	4.4.1.1 and 4.4.3; 6.3.2 and 6.4.2	142-146, 154; 237; 238
16	**Major shareholders**		
16.1	Identification of major shareholders	6.4.1	237
16.2	Different voting rights	5.2.1 (Note 11); 6.4.1 and 8.2.8	218; 237; 271
16.3	Control of the issuer	6.4.2	237; 238
16.4	Arrangements that may result in a change of control	6.4.5	243
17	**Related party transactions**	**5.1.1 (Note 23)**	**203**
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
18.1	Historical financial information	5.1.1	158-162
18.2	Interim and other financial information	N/A	N/A
18.3	Auditing of interim and other financial information	5.1.2, 5.2.2 and 5.3	206-209; 224-229
18.3.1	Audit report	5.1.2, 5.2.2 and 5.3	206-209, 224-229
18.3.2	Indication of other information in this Universal Registration Document that has been audited by the auditors	3.9	117-118
18.3.3	Indication of the source of information and unaudited financial information in the Universal Registration Document, which is not extracted from the issuer's audited financial statements	N/A	N/A
18.4	Pro forma financial information	N/A	N/A
18.5	Dividend policy and amounts	Integrated Report and 6.2	44; 236
18.6	Legal and arbitration proceedings	2.3.1	87
18.7	Significant change in the issuer's financial position	5.5.1 (Note 27)	205
19	**Additional information**		
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19.1.1	Amount of issued capital	6.3.1 and 6.4	236-238
19.1.2	Shares not representing capital	6.3.1 and 6.4	236-238
19.1.3	Shares held by the issuer itself	6.3.1	236
19.1.4	Convertible securities, exchangeable securities or securities with warrants	6.3.1	236
19.1.5	Information and terms of any acquisition rights and/or obligations over authorized but unissued capital or any undertaking to increase the capital	6.4.3	240-242
19.1.6	Information on the capital of any Group member which is under option or agreed conditionally or unconditionally to be put under option	6.4	237-243
19.1.7	History of share capital	6.3.1 and 6.4.1	236-237
19.2	Memorandum and Company bylaws	6.4.5 and 8.2.3	219; 262
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19.2.2	Description of rights, preferences and restrictions attached to each class of share	8.2.7	271
19.2.3	Description of any provisions that may delay, defer or prevent a change of issuer control	8.2.10	171
20	**Material contracts**	**N/A**	N/A
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8.6.2 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

Annual Financial Report		Chapter/Section	Page No.
1	Annual financial statements	5.2	210-227
2	Consolidated financial statements	5.1.1	158-205
3	Management Report (within the meaning of the French Commercial Code)	1.1 to 1.6	48-71
4	Statement of the persons responsible for the Annual Financial Report	8.3.2	272
5	Statutory Auditors' report on the Parent company financial statements and the consolidated financial statements	5.1.2, 5.2.2 and 5.3	206-209; 224-229

8.6.3 CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT AS REQUIRED UNDER ARTICLES L. 225-110 *ET SEQ.*, L. 232-1 *ET SEQ.*, AND R. 225-102 *ET SEQ.* OF THE FRENCH COMMERCIAL CODE

Management Report		Chapter/Section	Reference text
THE GROUP'S FINANCIAL POSITION AND BUSINESS ACTIVITIES			
1	Objective and exhaustive analysis of changes in Company and Group business, results and financial position	Integrated Report and 1.1 to 1.5	L. 225-100-1-I-1°, L. 232-1-II, L. 233-6 and L. 233-26 of the French Commercial Code
2	Key financial and non-financial indicators relating to Company and Group specific operations	Integrated Report, 1.1 to 1.5 and 3.5	L. 225-100-1-I-2° of the French Commercial Code
3	Significant events occurring between the end of the reporting period and the date on which the Management Report was prepared	5.1.1 (Note 27)	L. 232-1-II and L. 233-26 of the French Commercial Code
4	Description of major risks and uncertainties and Company and Group use of financial instruments	2.1 and 5.1.1 (Note 2	L. 225-100-1-I-3° and 6° of the French Commercial Code
5	Internal control and risk management procedures introduced by the Company	2.3	L. 22-10-35, 2° of the French Commercial Code
6	Description and management of environmental and climate risks	2.1.1	L. 22-10-35, 1° of the French Commercial Code
7	Material investments acquired during the fiscal year in companies with registered offices in France	5.1.1 (Note 13)	L. 233-6 paragraph 1 of the French Commercial Code
8	Company and Group foreseeable trends and outlook	1.6.4	L. 232-1-II and L. 233-26 of the French Commercial Code
9	Research and development activities	Integrated Report	L. 232-1-II and L. 233-26 of the French Commercial Code
CORPORATE GOVERNANCE REPORT			
10	Directorships and other positions held in the entire company by each corporate officer during the fiscal year	4.3.2	L. 225-37-4-1° of the French Commercial Code
11	Membership structure and the conditions for preparing and organizing the work of the Board of Directors	4.3.2	L. 22-10-10, 1° of the French Commercial Code
12	Restrictions placed by the Board of Directors on the powers of the Chief Executive Officer	4.2	L. 22-10-10, 3° of the French Commercial Code
13	Reference to a Corporate Governance Code and application of the "comply or explain" principle	4.1	L. 22-10-10, 4° of the French Commercial Code
14	Compensation policy for corporate officers	4.4	L. 225-37-2-I of the French Commercial Code
15	Compensation and benefits paid during or awarded in respect of the fiscal year to each corporate officer	4.4.1.	L. 22-10-9, I-1° of the French Commercial Code
16	Relative share of fixed and variable compensation	4.4	L. 22-10-9, I-2° of the French Commercial Code
17	Use of the possibility to reclaim variable compensation	N/A	L. 22-10-9, I-3° of the French Commercial Code
18	Commitments of any kind made by the company in favor of its corporate officers, corresponding to compensation, payments and benefits due or liable to be due as a result of the start or termination of their appointment or a change in their duties or subsequent to such events	4.4	L. 22-10-9, I-4° of the French Commercial Code
19	Compensation paid or awarded by a company within the scope of consolidation under article L. 233-16 of the French Commercial Code	N/A	L. 22-10-9, I-5° of the French Commercial Code
20	Ratio between the compensation of each executive corporate officer and the average and median compensation of the Company's employees	4.4.1.1	L. 22-10-9, I-6° of the French Commercial Code
21	Annual change in compensation, Company performance, average compensation of the Company's employees and abovementioned ratios over the five most recent fiscal years	4.4	L. 22-10-9, I-7° of the French Commercial Code
22	Explanation of how the total compensation complies with the compensation policy adopted, including contribution to Company long-term performance and application of performance criteria	4.4	L. 22-10-9, I-8° of the French Commercial Code

Management Report		Chapter/Section	Reference text
23	The process for acknowledging the vote of the last Ordinary General Meeting as provided in II of article L. 225-100 of the French Commercial Code	4	L. 22-10-9, I-9° of the French Commercial Code
24	Deviation from adopting the compensation policy and any derogation	N/A	L. 22-10-9, I-10° of the French Commercial Code
25	Application of the provisions of the second paragraph of article L. 225-45 of the French Commercial Code	7.2	L. 22-10-9, I-11° of the French Commercial Code
26	Agreements entered into between an executive or an important shareholder and a subsidiary	N/A	L. 225-37-4-2° of the French Commercial Code
27	Specific methods and procedures for shareholders to take part in General Shareholders' Meetings	8.2.9	L. 22-10-10, 5° of the French Commercial Code
28	Summary table of authorizations in force given by the General Shareholders' Meeting to increase the Company's capital	6.4.3	L. 225-37-4-3° of the French Commercial Code
29	Description of the diversity policy	3.5	L. 225-37-4-6° of the French Commercial Code
30	Assessment procedure of regulated agreements – implementation	4.2	L. 225-37-4-10° of the French Commercial Code
31	Disclosure likely to be material in the event of a public tender offer	6.4.4	L. 225-37-5 of the French Commercial Code
OWNERSHIP AND SHARE CAPITAL			
32	Structure, change in Company share capital and crossing of thresholds	6.3.1 and 6.4.1	L. 233-13 of the French Commercial Code
33	Company acquisition and sale of treasury stock	6.4.	L. 225-211 of the French Commercial Code
34	Proportion of outstanding shares held by employees	N/A	L. 225-102 paragraph 1 of the French Commercial Code
35	Shares acquired by employees as part of a company buyout program	N/A	L. 225-102 paragraph 2 of the French Commercial Code
36	References to potential adjustments for shares conferring access to share capital in the event of share buybacks and financial transactions	N/A	R. 228-90 and R. 228-91 of the French Commercial Code
37	Information on Company share transactions made by executives and related persons	6.3.1	L. 621-18-2 the French Monetary and Financial Code
38	Attribution and retention of stock options by corporate officers Attribution and retention of performance shares to executive corporate officers	4.4	L. 225-185 of the French Commercial Code L. 225-197-1 of the French Commercial Code
39	Amount of dividends paid in respect of the three previous fiscal years	Integrated Report (page 44), 6.2 and 7.2	243 bis of the French General Tax Code
NON-FINANCIAL PERFORMANCE STATEMENT			
40	Business model	1.1 to 1.5.	R. 225-105-I of the French Commercial Code
41	Information on Company recognition of its operations' social and environmental impacts	Integrated Report (pages 30-31), 3.1, 3.2, 3.3 and 3.5	L. 225-102-1-III and R. 225-105 of the French Commercial Code
42	Specific information for companies operating at least one "high-threshold" Seveso site	N/A	L. 225-102-2 of the French Commercial Code
43	Information on the prevention of corruption and tax evasion	N/A	L. 225-102-1-III and R. 225-105-II-B-1° and 2° of the French Commercial Code
44	Information on compliance with human rights	3.5 and 4.5	L. 225-102-4 of the French Commercial Code
45	Vigilance plan	N/A	L. 225-102-4 of the French Commercial Code

Management Report		Chapter/Section	Reference text
OTHER INFORMATION			
46	Additional tax information	N/A	*223 quater and 223 quinquies of the French General Tax Code*
47	Injunctions or monetary penalties for anti-competitive practices	N/A	L. 464-2 of the French Commercial Code
48	Information on suppliers and customers' terms of payment	5.4.3	D. 441-6-1 of the French Commercial Code
49	Table on the Company's financial results over the last five fiscal years	5.4.1	R. 225-102 of the French Commercial Code

8.7 Glossary of financial terms

Like-for-like change from one year to the next is calculated:

- **by applying the average exchange rates for year Y-1 to the period concerned (year, half-year, quarter);**
- **and based on the scope of consolidation for year Y-1.**

Recurring operating profit corresponds to gross profit after distribution costs, administrative expenses and research and development costs. It is stated:

- before **amortization of intangible assets linked to acquisitions**;
- and before **other operating income and expense, which correspond to material non-recurring items that are unusual in nature and occur infrequently, and therefore distort assessments of the Group's underlying performance.**

Recurring operating margin is recurring operating profit expressed as a percentage of revenue.

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Design and editing: côtécorp.
Chargeurs library and Ashkan Forouzani, Alexandre Gallosi, Gareth Gardner/© MET Studio Design Ltd, Kasper Jensen, Andrew Meredith, Gregory Portelette, Rick Smith, Philippe Thery, Rich Vintage Photography/iStock.

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