MAISONS DU MONDE

2021 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

Contents

AFR *The items included in the Annual Financial Report are clearly identified using the AFR pictogram.*
NFPS *Information from the non-financial performance statement is identified with this pictogram.*

2021 Universal Registration Document
and Activity Report

Maisons du Monde, creator of original universes in the homeware business, offers a unique range of home decoration items and furniture in a wide variety of styles and themes at affordable prices that allow its customers to express their own styles and tastes.

This Universal Registration Document was filed on 15 April 2022 with the AMF, in its capacity as competent authority in respect of (EU) regulation 2017/1129, without prior approval in accordance with article 9 of the said regulation.

The Universal Registration Document may be used for the purpose of a public offering of financial securities or the admission to trading of financial securities on a regulated market if it is supplemented by a prospectus and, if applicable, a summary and all amendments made to the Universal Registration Document. This set of documents is approved by the AMF in accordance with (EU) regulation 2017/1129.

Julie Walbaum, Chief Executive Officer

In a complex and diverse world, featuring desires that can be completely opposite, I am convinced that companies have a new role to play. They must actively contribute to the transformation of how we produce and how we sell, and the definition of new consumption models.

To define our purpose, we wanted to bridge the gap between our founding vision and the ambition shared by all our employees to further strengthen the individual and collective meaning of our project.

We have always chosen to democratise style in a cheerful and generous manner, to allow everyone to feel at home and express their personality, without judgment. This respect for everyone and being curious about everything is at the heart of who we are, and what we do.

Today more than ever, we are convinced that openness to all and to the world are profound societal needs, but also powerful sources of desirability and sustainability for our model. This openness leads us to our two-fold mission: performance and responsibility, and invites us to genuinely strengthen our environmental, social and societal commitments. It is with this in mind that we continue way as a go-to brand and European leader in its sector.

Maisons du Monde is first and foremost a range of unique and inspiring products. But that's far from all – it is the promise of a global experience, which conveys a message and reflects an era.

Together, let's create the company of tomorrow, efficient and innovative.

Both desirable and sustainable at the same time.

Julie WALBAUM

> “***Inspiring everyone to open up to the world, so that we create unique, heartful and sustainable places, together,*** *that is the purpose of Maisons du Monde, revealed at the end of 2021.*”

Governance

Composition and diversity of the Board of Directors

at 15 April 2022

53 years
Average age

GENDER BALANCE*

62.5%
women

37.5%
men

87.5%
Independence*

99%
Attendance rate at Board meetings in 2021

9 members

7
Independent Directors

Thierry FALQUE-PIERROTIN
Chairman of the Board
✪ ■ (Strategic Committee Chairperson, Nomination and Compensation Committee)

Cécile CLOAREC
✪ (Nomination and Compensation Committee Chairperson)

Michel-Alain PROCH
Vice-Chairman of the Board
✪ ■ (Audit Committee Chairperson, Nomination and Compensation Committee)

Victor HERRERO AMIGO
■ (Strategic Committee)

Marie-Christine LEVET
■ (Audit Committee)

Laure HAUSEUX
■ (Audit Committee)

Sophie GUIEYSSE

1
Non-Independent Director

Julie WALBAUM
Chief Executive Officer
■ (Strategic Committee)

1
Director representing the employees

Mustapha OULKHOUIR
■ (Nomination and Compensation Committee)

Representation of skills on the Board

Knowledge of retail business lines	77%
Knowledge of web businesses	44%
Senior Management of an international group	66%
Human resources and Social relations	44%
Finance, risk management and control	44%
Corporate Social Responsibility	33%

■ Audit Committee ■ Nomination and Compensation Committee ■ Strategic Committee ✪ Chairperson

**Excluding the director representing the employees.*

Key highlights

- **1996** – Creation of Maisons du Monde by **Xavier Marie.** Opening of the first four Maisons du Monde stores in **France**
- **2003** – Opening of the first Maisons du Monde store in **Spain**
- **2004** – Opening of the first Maisons du Monde store in **Belgium**
- **2005** – Acquisition of Maisons du Monde by **Equistone** and **Nixen**
- **2006** – Launch of the **e-commerce** platform, the general **catalogue** and launch of the furniture offering
- **2007** – Opening of the first Maisons du Monde store in **Italy** and launch of the **textile** product offering
- **2008** – Acquisition of Maisons du Monde by a consortium composed of **Apax Partners, LBO France** and **Nixen**
- **2009** – Launch of the **outdoor furniture** line
- **2010** – Opening of the first Maisons du Monde store in **Luxembourg**
- **2011** – Launch of the **junior** collection
- **2013** – Acquisition of Maisons du Monde by **Bain Capital.** Opening of the first Maisons du Monde store in **Germany.** Opening of the Maisons du Monde factory in **Vietnam**
- **2014** – Opening of the first Maisons du Monde store in **Switzerland**
- **2016** – **IPO** on the Euronext Paris regulated market
- **2017** – Capital withdrawal of **Bain Capital**
- **2018** – Opening of the first Maisons du Monde store in **the United States** and acquisition of **Modani**
- **2019** – Opening of the first Maisons du Monde store in **Portugal** and acquisition of **Rhinov**
- **2020** – Launch of the Maisons du Monde **marketplace** in **France**
- **2021** – Disposal of **Modani**

Key figures

357
stores

433,000 m²
of sales area

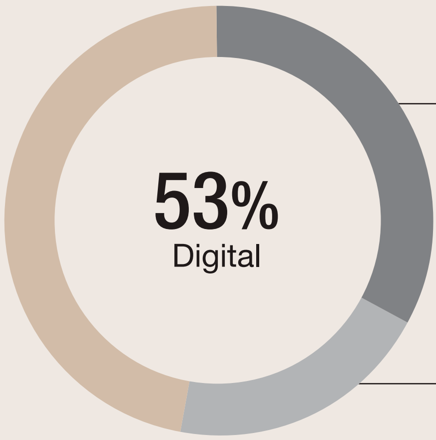
46% of sales
generated outside France

Decoration: **59%**

Furniture: **41%**

of 2021 sales

Online sales



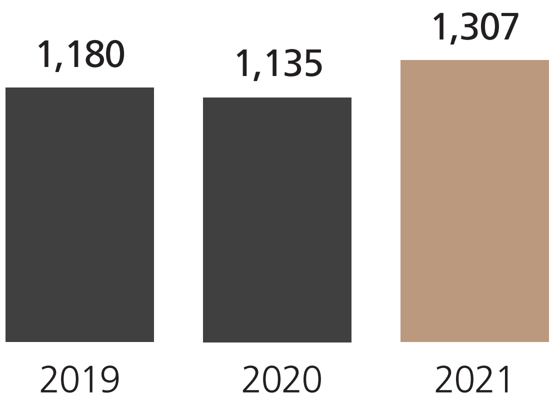
33%
Online

20%
Click-in-store

Maisons du Monde in 2021

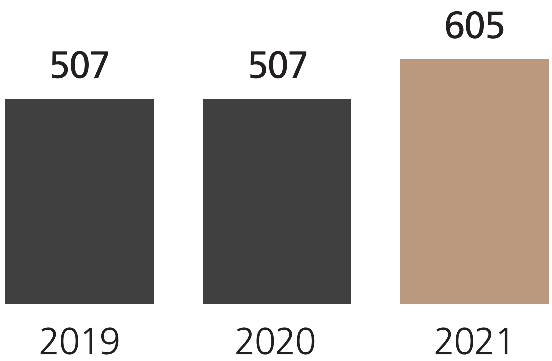
Sales

(in € million)



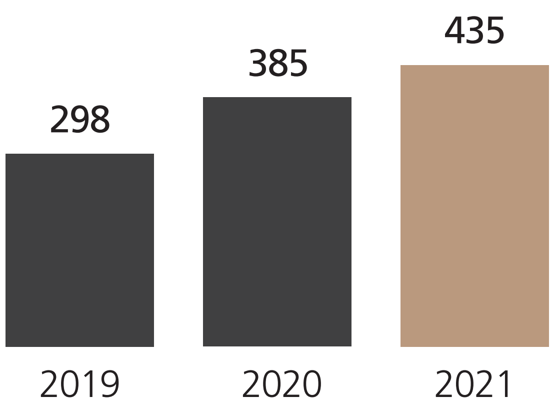
Sales outside France

(in € million)



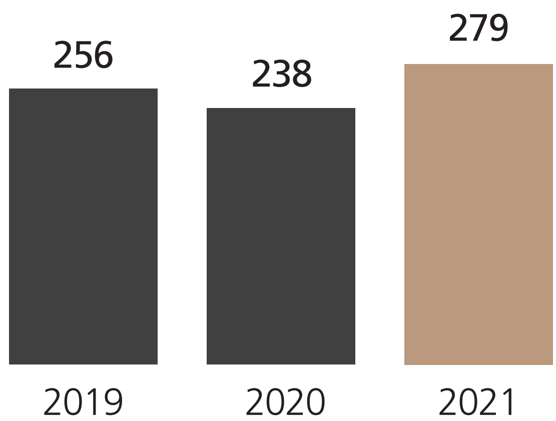
Online sales

(in € million)



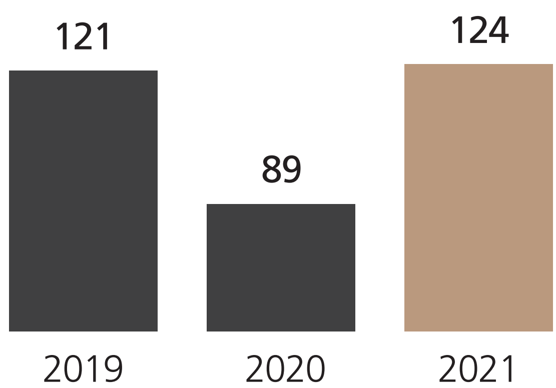
EBITDA

(in € million)



EBIT

(in € million)



Societal and Environmental Responsibility

In line with the formulation of its purpose in 2021 and consistent with the vision presented at Investors' Day in November 2021, the Maisons du Monde group strengthened its CSR strategy by creating its **"Good is beautiful"** movement in early 2022. Shaped around five commitment pillars, the Good is beautiful approach strengthens the brand's commitments based on the conviction that it is possible to combine style and responsibility.

GOOD IS BEAUTIFUL

So that the beautiful always goes hand in hand with the good

Because we want to make our homes both joyful and responsible, make them both stylish and committed, both trendy and sustainable, and because we love our planet as much as its inhabitants, we have decided to play an active role in the change.

Commitment #1

Deliver a trendy and responsible offer

For our customers and for the planet, we will continue to develop good and beautiful products while democratising style with joy and generosity. Because our interiors deserve to be both stylish and sustainable, we are committed to offering eco-responsible products, made in Europe or which preserve the savoir-faire from around the corner and around the world. 21.3% of our offer includes the Good is beautiful selection in 2021 and 40% of our offer must meet these criteria in 2025.

Commitment #2

Work with grassroots associations to preserve the environment and help those in need

Because we are convinced that companies have a role to play in society, we support associations that act in the field. Together, we are taking action to preserve forests and trees across the globe, and we are designing and supporting warm and solidarity-oriented places for those who need it most. In 2021, the Maisons du Monde Foundation supported 33 projects to preserve forests and trees around the world and by 2025, the Group has committed to creating 100 “Good is beautiful” living spaces.

Commitment #3

Promote equal opportunities

Because we deeply believe in people and that our differences are major assets, because everyone deserves to have the opportunity to develop and succeed, we have decided to adopt a more inclusive human resources management policy, which is fair, rewarding and promotes diversity. Together we are stronger. In 2021, 49% of the Company’s top 100 employees were women and the Group launched a youth mentoring programme with the Article 1 association.

Commitment #4

Offer a circular, social and solidarity-oriented life cycle

Because our products deserve to last and live several lives, we have created a repair and refurbishment division for our products and will soon have a second-hand offering. We also work with the social and solidarity-oriented economy to promote reuse. In 2021, around 15,000 products were repaired in our workshops.

Commitment #5

Transform our businesses to reduce our environmental footprint

Because a profound and lasting change requires the transformation of our internal processes, we work every day to reduce our environmental footprint by changing our practices. Transportation of our products, energy consumption in points of sale or waste management, all our business lines are mobilised on a daily basis for a more virtuous and cleaner world. By 2025, we aim to reduce our carbon intensity by 25% compared to 2018.

The details of our 2025 ambitions can be found in the Non-Financial Performance Statement in Chapter 3 of this document.

A business model that creates sustainable value for our stakeholders

RESOURCES MOBILISED

A multi-style offering perfectly balanced between furniture and decoration

In-house style department with **21** stylists

54.8% of products designed or adapted in-house

17,573 furniture and decoration item SKUs

Expert teams

8,651 employees in **9** countries

68% network, **12%** head office, **10%** production, **9%** logistics, **1%** Rhinov

104 employees in customer relations

66% of employees are women

Supplier partners

1,403 third-party suppliers

259 suppliers represent **77%** of purchases

98% of strategic suppliers located in a country at risk have been audited on social criteria over the last two years

Solid organisation of supply chain

14 air and sea freight service providers

47 road & rail transporters

401,100 m² of warehouses

An international and omnichannel distribution network

357 stores in **9** countries

69% joint development zones (ZACs), **13%** city-centres, **18%** shopping centres

A robust financial model

EBITDA margin of **9.5%**

Leverage ratio (1) of **0.36x** at end December 2021

Sustainably managed natural resources

67,056 MWh in energy consumption

STRATEGIC LEVERS

BECOME THE MOST DESIRABLE HOUSE BRAND

A preferred brand close to its customers

1 Furniture collection, **2** Decoration item collections per year

17,573 Furniture and Decoration item SKUs

95,000 additional items on the selective marketplace

A unique business model

67% of sales generated by stores, **33%** by the web

2021 RESULTS

Sales amounting to **EUR 1,306.8 million**

EBIT of **EUR 123.8 million**

Market challenges:

FRAGMENTED AND COMPETITIVE SECTOR

GROWTH IN E-COMMERCE

(1) Before application of IFRS 16.

CREATION DRIVERS

AND THE MOST SUSTAINABLE IN EUROPE

CSR **"Good Is Beautiful"** movement

21.3% responsible SKUs

Consolidate Rhinov's business in order to support the **21,900** development projects for our **13,500** active customers.

46% of revenue generated outside France

EUR 42 million in revenue for the B2B activity

3.5 million new customers
21 new stores

DIGITALISATION

CHANGE IN CONSUMER TRENDS

Parties prenantes :

INVESTORS

EMPLOYEES

CUSTOMERS

SUPPLIERS AND ECONOMIC PARTNERS

PUBLIC AUTHORITIES

NON-PROFITS AND ENVIRONMENT

IMPACTS AND VALUE SHARING

A shared financial value:

proposed dividend of **EUR 0.55** per share

EUR 16.2 million paid out in incentives and profit sharing

Ambassador teams:

Employee commitment rate of **68%** in the last survey

4,065 employees trained

411 employees promoted

308 in-store CSR & Inclusion Officers

A community of loyal customers:

18.6 million registered customers

Net Promoter Score **51**

Over **5 million** Instagram followers and **2 million** Facebook followers

3.8 million visits per month on Pinterest

EUR 586,854 collected through ROUNDING UP at check-out

A real social impact:

211 permanent contract employees in stores opened in 2021

33 projects supported by the Maisons du Monde Foundation in **15** countries

EUR 1,270.798 allocated to the budget of the Maisons du Monde Foundation

A controlled environmental impact:

98% of stores supplied with renewable energy

56% of waste produced sorted for recycling

Presentation of the Group

1

1.1 Activities of the Group

1.1.1 PRODUCTS

Maisons du Monde offers a unique broad range of products dedicated to homeware. This offering is designed, organised and presented in the form of “universes”. It combines decoration items and furniture, staged as in a house.

Maisons du Monde’s product range includes approximately 14,000 decoration SKUs (58.6% of salesin 2021) and approximately 4,900 furniture SKUs (41.4% of sales in 2021). Approximately half of the Group’s current furniture styles were launched in the last ten years.

Decoration Items

The Group’s range in this product category includes:

1. bed linen;
2. carpets;
3. candles;
4. pillows and cushions;
5. clocks;
6. tableware;
7. lamps;
8. kitchen utensils;
9. mirrors and frames;
10. vases;
11. storage units;
12. curtains and net curtains; and
13. bath products.

The Group’s average selling price (ASP) is approximately EUR 13 for decoration items.

The Group designs and presents several “themes” of decoration items. These themes reflect new trends, often building on existing pieces. These pieces are either integrated as they are or adapted to the new theme. The Group is able to reuse and adapt approximately half of small decoration items in a given collection in subsequent collections, which are items the Group considers to be “best-sellers”.

Maisons du Monde launches decoration item collections two times per year: for Spring/Summer and Autumn/Winter. Each of these collections is generally composed of six themes. Additionally, each October, the Group unveils a highly anticipated thematic decoration item collection for holiday decorative products.

Furniture

The Group’s range of furniture includes:

1. sofas;
2. chairs;
3. beds;
4. mattresses and bed frames;
5. floor lamps;
6. tables;
7. junior furniture;
8. tables; and
9. storage units such as bookshelves, wardrobes and cupboards.

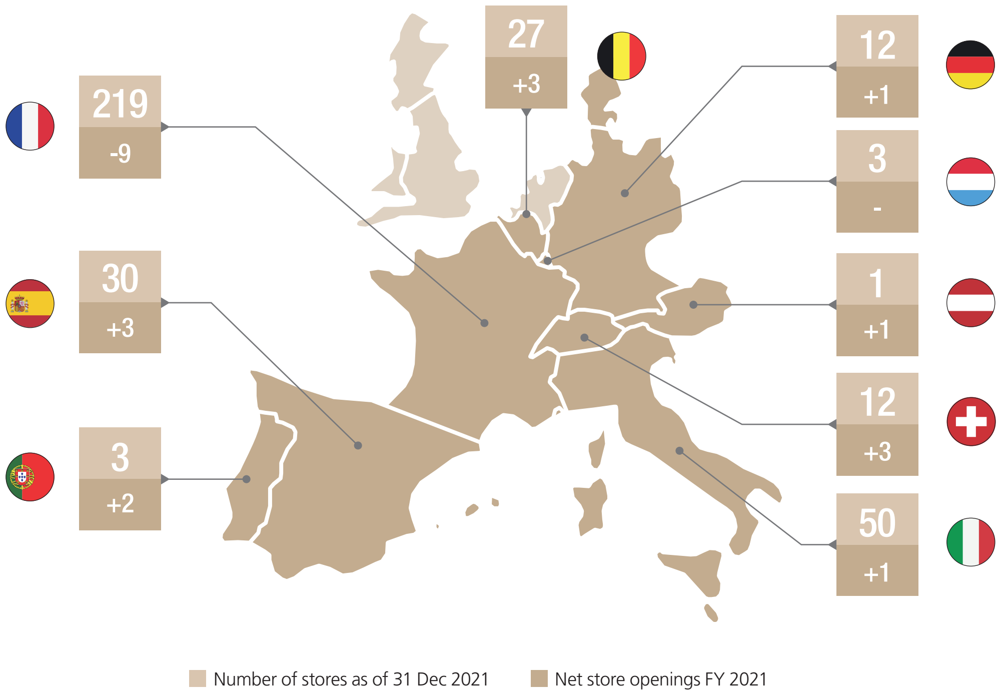
The Group also offers a range dedicated to outdoor furniture, which includes approximately 600 SKUs. The Group’s ASP for furniture is approximately EUR 240.

The Group presents one new furniture collection per year. Each of these collections incorporates several styles. Substantially all of the Group’s furniture is assembled and delivered to the customer’s home.

1.1.2 GEOGRAPHIC LOCATIONS

Founded in France in 1996, the Group has sought to expand across Europe since 2003. Maisons du Monde has demonstrated its ability to rapidly expand into new markets thanks to its operational performance excellence. The unified and centralised implementation of its merchandising processes in countries requires very little adaptation to local market practices, thereby unleashing its development capabilities.

At 31 December 2021, the Group operated 357 stores in nine countries:



The Group generated 46.3% of its sales internationally, compared with around 3% in 2005 and 20% in 2010.

The Group also operates its e-commerce platform in the Netherlands and the United Kingdom.

1.1.3 PRODUCT DESIGN

The Group's approach to product design and pricing is integrated into industrial-scale sourcing process. The latter combines the creative experience of the Group's team of in-house stylists and graphic artists with the analytical and structured approach of its experienced team of product managers and supply-chain professionals.

Product Design

The design of the collections is under the aegis and responsibility of the collectionning teams, in together with the other offering departments:

- firstly, the style department: around thirty designers, product stylists and graphic designers from Maisons du Monde design some of the collections and support the collectionning function in product design. The style department supervises the entire collection by acting as a contributor, which aims to guarantee the consistency of the positioning of the offering;
- the quality department: supports the teams so that the collections meet the quality standards and ambitions of a responsible offering, in particular through specifications and supplier audits. It validates or formulates a negative opinion or a veto on the proposed offering, mainly on the normative and functional quality aspects of the product;
- the purchasing department: forwards, in the form of a call for tenders to several factories, the product creations, and finalises the supplier selection based on the feedback of the collection & style & quality teams.

The collection teams also identify "picking" products or products to be co-developed with suppliers. The purchasing department can also make proposals for this type of product, following visits made to factories.

It should be noted that since the beginning of 2022, the purchasing team has been split into two units, in order to develop the expertise of employees: the collectionning department, responsible for products and crafting the collections, in conjunction with the style department. And the purchasing department, responsible for sourcing and allocating product developments to the most appropriate suppliers (financial, quality, CSR criteria).

The design of the furniture and decoration collections is based on:

- the positioning of the Maisons du Monde brand: brand platform, purpose;
- the Artistic and Brand department's recommendations on trends, style preferences and products to be offered, and the lifestyle segments to be developed;
- creation of style themes by the style and artistic departments;
- positioning specific to the product category: based on reviews covering performance, market, customer & competition data, feedback from the field (store, web);
- targeted structuring of the collection: product role (pyramid), price positioning, status (new or renewed), product origin (style creation, co-development with the supplier, supplier picking);
- the CSR ambition in terms of responsible products: criteria defined by product manager, by responsible raw material, by year;
- the creative abilities of all contributing employees, especially stylists and product managers.

Between novelty and sustainability

The final collections are approved by two committees which analyse:

- the balance of the collections;
- their alignment with the Maisons du Monde concept;
- their degree of novelty;
- sourcing recommendations;
- the sustainability of the selected products.

Aspects with regard to sustainability and the use of eco-designed materials are becoming increasingly important. They aim to improve the assortment for a unique balance between desirability and sustainability. The process of designing a collection generally takes nine months.

The Group's ability to renew its collections with innovative designs sets it apart from other retailers specialising in homeware. This increases its attractiveness to customers.

The Group relies on the analysis and gradual adaptation of its offering, based on an "early adopter" approach. The in-house team of designers identifies emerging consumer and design trends in the market and shapes subsequent collections around these trends.

Maisons du Monde's in-house design capabilities enhance the originality of its products. The specific nature of the Maisons du Monde offering makes it difficult to compare with that of its competitors. Indeed, only 25% of products would have an equivalent among competitors [(1)]. This differentiation allows the Group to benefit from a better pricing power and positions the brand as a unique source of inspiration in the field of homeware. The rest of the products were selected from external suppliers to meet the needs of the season's collection.

Sourcing

The Group is supplied by:

A. internal production through its production wholly-owned production factory in Vietnam; and

B. external manufacturing, which is also divided into two channels:

a. manufacturing by "partner" suppliers in accordance with the Group's own product designs and specifications,

b. manufacturing by other suppliers who supply individual decoration item SKUs which can be used to supplement a collection.

Based on the total value of purchases for the year ended 31 December 2021, approximately 12% of the Group's products were manufactured in Europe, with France accounting for approximately 5% of the Group's production (mainly sofas) and the rest of Europe representing around 7% of the Group's production (mainly glassware).

The rest of the Group's products are manufactured in Asia (around 88% of products), mainly:

- in China;
- in Vietnam; and
- in India.

This allows access to a large supply base and the best style/quality/price balance.

A. INTERNAL MANUFACTURING

For the year ended 31 December 2021, the Group produced approximately 11% of its furniture (in terms of furniture purchases) at its manufacturing site in Vietnam (*via* its subsidiary, Mekong Furniture, created in 2013).

Internal production is dedicated to high-end furniture, with the most demanding designs, and the collection of junior furniture.

The Group purchases its own raw materials for Mekong Furniture. The Group's raw material suppliers include:

- manufacturers;
- distributors; and
- local, regional and international resellers of raw materials.

(1) Study conducted by Simon Kucher & Partners.

There is a sufficient number of suppliers such that the Group does not consider itself to be dependent on any one supplier. Purchases of raw materials are mainly made in USD.

In line with its CSR objectives, the Group is purchasing an increasingly significant percentage of certified timber. The timber comes from sustainable forest systems and/or recycled timber from the recovery of various domestic uses. For more information on the Group's sourcing of sustainable wood, please refer to Chapter 3 "Statement of non-financial performance" of this Universal Registration Document.

B. EXTERNAL SUPPLIERS

The Group regularly works with more than 500 third-party suppliers. The Group's top 15 suppliers (including Mekong Furniture) represented approximately 30% of its purchases for the year ended 31 December 2021. No external supplier accounted for more than 5% of its purchases for the same period.

The Group's external suppliers are responsible for their supplies of raw materials. However, they must comply with the Group's requirements regarding quality and sustainability standards.

Partners

The Group refers to "partners" as external suppliers with whom it has developed long-term relationships. These suppliers have undertaken the co-development of certain products sold exclusively by Maisons du Monde.

Other External Suppliers

The Group places *ad hoc* orders with these other external suppliers. The products that the Group sources from these suppliers are primarily decoration items that do not necessarily require a large degree of customisation or value-added design.

Pricing strategy

The pricing strategy is a key component in the positioning of the Maisons du Monde brand. The Group secures solid margins, thanks to its design-to-cost approach.

The Group leverages its ability to anticipate demand and to recycle products at the end of the season in its stores and on its e-commerce platform. This enables the Group to limit promotions and markdowns. They represented 5% of revenue for the financial year ended 31 December 2021, a low proportion compared to other players in the industry.

The Group has a policy of applying the same prices across its store network and websites. Consequently, the prices are the same in the different countries where the Group operates in Europe. In the United Kingdom and Switzerland, prices are adapted to the market and converted into local currency.

Quality control

Quality control is present during all phases of the Group's sourcing, manufacturing and logistics operating model. It also extends to the selection process for third-party suppliers and providers.

The Group gives the priority to suppliers with recognised international certifications, such as the International Organization for Standardization (ISO). The Group strives to achieve consistent quality regardless of the supplier used. It carries out random checks both pre-production samples and deliveries in its Marseille-Fos warehouses.

Quality control teams based in China, Indonesia and India conduct on-site visits and inspections. They ensure that suppliers comply with the Group's requirements in several areas, including product quality, compliance, and respect for social and health standards.

1.1.4 BRAND IMAGE, COMMUNICATION, MARKETING

Customer services

Customer loyalty is a key asset for Maisons du Monde. The Group ensures the regular deployment of omnichannel initiatives. It has strengthened its investments and visibility on social networks. The Group also successfully rolled out its deco advice service in stores following the acquisition of a majority stake in Rhinov [(1)].

In November 2021, in furthering its transformation from a designer-distributor to a genuine reference brand in the House universe, Maisons du Monde created a Brand & CSR Department within its Executive Committee, in order to strengthen the reputation and positioning of the brand in its main European markets. The strategic importance of CSR is thus amplified, in line with the ramping up of the Company's commitment in recent years.

Marketing Strategy

The Group's website and catalogues further reinforce the "Maisons du Monde" brand and help drive sales across all of its distribution channels. The Group's products are regularly displayed through publications on social networks.

Recent marketing initiatives have focused on digitising the sales experience and increasing interactions between different channels. In 2021, the Group continued its efforts to strengthen its relationships with its customers. It relied on:

- the continuous optimisation of its online marketing investments;
- the development and retention of its customer base; and
- improving the visibility of its brand by strengthening its presence on social networks and developing communities of ambassadors.

The Group's advertising and marketing expenses for the year ended 31 December 2021 were EUR 57 million and represented 4.4% of sales.

(1) Start-up specialising in 3D simulation for interior design.

Catalogues

The Group's catalogues are a very powerful marketing tool to inspire customers. They illustrate the Group's unique offering by presenting the breadth of its universes and its different styles and themes. The main catalogue showcases its full furniture product range complemented with a selected range of decoration items. The Group issues two other catalogues specialising in outdoor furniture and decoration items and junior furniture. It also has a Business catalogue which showcases its offering dedicated to professional customers.

During the financial year ended 31 December 2021, the Group distributed approximately 6 million catalogues.

Customer Engagement and Social Media

The Group has significantly expanded its customer database and, at 31 December 2021, had a base of more than 7.5 million active customers (up 22% compared to 2020). The customer relationship management system provides the necessary information for a targeted marketing approach. This takes the form of personalised newsletters sent to customers, thereby helping to increase the sales conversion rate.

The presence on social media is key in the Group's marketing strategy. The Group's YouTube account features new collections and product launches. A series of DIY video tutorials on home decoration have been posted online.

Facebook pages allow it to share new product launches, showcases newly opened stores and other news from the Group. The Group also has more than 5 million Instagram subscribers and more than 485,000 Pinterest subscribers as of 31 December 2021, placing it in first place on this network.

1.1.5 DISTRIBUTION

Inventory Management

The Group optimises the distribution of products among its stores, which have relatively low inventory levels. The majority of inventories are kept in warehouses. At 31 December 2021, the average number of days of inventory was 162.

Logistics

A. SHIPPING FROM POINT OF PRODUCTION

The large majority of the Group's products are manufactured in Asia (88%). It is shipped by sea to the port of Marseille-Fos, from the nearest point of production (Shanghai or Ho Chi Minh City, for example).

Due to significant inflation in sea freight in 2021 [(1)], Maisons du Monde reviewed its entire contracting strategy with its partners, moving from annual contracts, negotiated one year in advance and paid for in US dollars, exclusively with sea freight forwarders, to a more sophisticated approach combining both one-year and longer-term contracts, and partnerships with sea freight forwarders and companies. Distri-Traction, the Group's dedicated transfer subsidiary, handles the transport of the containers from the port of Marseille-Fos to the Group's warehouses. For products manufactured outside Asia, such as sofas made in France, road and rail freight to the Group's warehouses in Marseille is organised.

B. WAREHOUSING

The Group rents warehouses in the south of France. Together with the stores, they house the organisation's inventories and provide back-end logistics support to all of its distribution channels.

Distrimag, the Group's subsidiary that handles product inventories in France, operates 11 warehouses located in the Marseille-Fos port area. Distrimag centralises the Group's warehousing and inventory management activities. All of the Group's operational entities are served by these central warehouses. This enables the Group to improve the efficiency of its quality control and reduce the inventories of each store, thereby optimising the retail trading space. As of 31 December 2021, the Group managed approximately 432,000 square meters of warehousing and distribution space.

The Group has set up a scalable infrastructure with significant capacities. It aims to support its future growth. The Group has thus been able to increase the storage space of its existing warehouses by optimising shelving space. The Group is continuing to strengthen its supply chain through several initiatives to improve:

- order processing;
- delivery performance; and
- inventory management.

The Group is currently building a new logistics centre which will be fully automated in the north-west of France. This centre will open in 2022 in its first manual configuration and in 2023 for the automated part.

(1) The SCFI (Shanghai Containerized Freight Index), composed of spot rates for containers departing from China to the rest of the world, rose from USD 2,870 on 8 January 2021 to USD 5,046 on 31 December 2021.

C. DISTRIBUTION TO STORES AND END-CUSTOMERS

The Group subcontracts the road transport of its products to several external carriers and logistics providers. For the financial year ended 31 December 2021, the average home delivery time for all Europe is nine days for decoration items and twenty days for furniture.

Restocking of stores is a key component of the Group's business model. It allows to keep store inventories low. On average, the Group generally ships products from its warehouses to its stores on a bi-weekly basis and up to four times a week depending on store size and footfall. The Group's distribution model is largely the same for each of its channels, notably regarding the delivery of furniture products.

Product display and merchandising

The Group deploys a unique centralised and coordinated merchandising approach, which aims to create universes to position the brand as desirable and sustainable.

In its stores, the Group creates immersive shopping environments; products are kept on hand next to the relevant displays for easy placement in shopping baskets, in order to encourage purchases.

Centralised management of merchandising enables a harmonious rollout of the brand across all store formats and geographies. The Group continuously introduces novelty, providing a sense of dynamism that increases footfall to its stores and traffic to its website.

The Maisons du Monde website is also designed to create environments that encourage purchases. It offers customers:

- numerous search functions;
- several filters; and
- different display options to sort through its wide range of products.

They aim to be a source of inspiration for customers' home design and decoration plans. The Group's online platform builds on the approach adopted by its catalogues. It incorporates videos and photos taken from several angles, to allow a better conceptualisation of the products.

The Group's catalogues are also an important element in the presentation and marketing of its products. They show customers the diversity of the Group's product offering through series of magazine-type photos.

Distribution Channels

Stores

The following table sets forth the number of stores, average retail trading space per store and store openings in each country where the Group operates, as of 31 December 2021:

Country	Number of stores	Average retail trading space per store *(m^2)*	Number of stores opened in 2021	Number of stores closed in 2021	Net number of stores opened /(closed) in 2021
France	219	1,003	3	(12)	(9)
Italy	50	1,780	2	(1)	1
Spain	30	1,498	6	(3)	3
Belgium	27	1,311	3	-	3
Germany	12	1,563	1	-	1
Switzerland	12	1,530	3	-	3
Luxemburg	3	1,024	-	-	-
Portugal	3	893	2	-	2
Austria	1	1,021	1		1
TOTAL	**357**	**1,213**	**21**	**(16)**	**5**

The Maisons du Monde store network is managed centrally and consistently in all countries, using a dynamic portfolio management approach.

The product offering in each store is adapted to the demographics of the customers in the region, as well as the size of the store. The Group's stores can be located:

- in city-centres (12% of stores, 8% of store sales). These stores of between 300 and 800 square metres mainly sell decoration items. They are very popular and establish the reputation of the brand;
- in shopping centres (19% of stores, 15% of store sales). These stores of between 300 and 1,000 square metres mainly sell decoration items. The majority are located outside city-centres. Shopping centres are selected according to the demographic target, accessibility and the diversity of other tenants; or
- or in retail parks (69% of stores, 77% of store sales). These stores ranging from 500 to 4,500 square metres offer a wider range of furniture. They are generally located near main roads and served by public transport.

As a result of the strong management of the store network, stores exhibit a homogeneous profitability level. In 2021, six of the ten largest stores in terms of sales were located outside France.

For the selection of new stores, the Group applies a dynamic and rigorous approach:

- a dedicated team scouts for new store locations and/or receives and evaluates proposals that are made by developers, lessors or shopping mall operators;
- the sites are analysed in detail. The analysis takes into consideration potential profitability, accessibility and visibility, footfall patterns, signage, parking options, retail space, nearby stores, competition, and certain demographic factors, such as new housing under development, household purchasing power, housing density and the percentage of second homes. In line with the Group's CSR requirements, the property teams include in their tripartite negotiations with lessors and energy suppliers the possibility of installing photovoltaic shades and charging stations on allocated parking areas;
- an opportunity study is then prepared and submitted to the Group's Development Committee for approval;
- the lease is negotiated and a team of store technicians and planners completes the store layout, hires its staff and its initial launch.

The Group regularly renovates the stores within its network. In 2021, 11 stores were renovated. The Group has also selectively re-positioned stores, particularly in favour of stores with larger retail trading space and located in better catchment areas.

E-commerce

The Group's e-commerce platform, launched in 2006, is a sales channel that also increases footfall in stores. This platform was enhanced in 2020 by the opening to marketplace products. Capitalising on the knowledge acquired in e-commerce in recent years, the launch of its marketplace and its optimised store network, Maisons du Monde is now an omnichannel leader in the Home & Living category.

The e-commerce platform allows customers to discover the Maisons du Monde universes in a simple and user-friendly format. Browsing can be performed by universe or by type of room. Product searches can be done by size or colour. Combinations of decoration items and furniture are also displayed.

The website includes an in-store inventory check. This makes it possible to direct customers to the nearest store. The website offers free in-store delivery on a large part of its catalogue, which encourages additional purchases.

Moreover, Maisons du Monde began installing tablets in its stores in France in early 2016. These tools are used to offer customers products listed in catalogues or on the website. These are referred to as click-in-store sales.

Online sales amounted to EUR 435.5 million for the year ended 31 December 2021, *i.e.* 33% of Group sales. Around 52% of the Group's online sales were generated in France (compared to 50% in 2020) thanks to the rapid development of the marketplace offer in France. Furniture accounted for 65% of online sales, and decoration items for 35% (compared to 66% and 34% respectively in 2020).

As of 31 December 2021, the marketplace had more than 95,000 SKUs offered by some 760 brands.

Business-To-Business sales (b2b)

The Group's B2B activity is based on the sale of decoration items and furniture to:

- hotels;
- architects/interior designers;
- office building companies; and
- retailers (mainly restaurant owners).

B2B sales are managed by an internal sales force. They rely on the Group's existing distribution and delivery network. The Group's B2B activity accounted for EUR 37 million in sales in the year ended 31 December 2021, as compared with EUR 32 million in the year ended 31 December 2020. In 2021, the Group's offering included around 230 product SKUs dedicated to professionals (compared to around 125 in 2020) with a dedicated catalogue.

1.2 The European Decoration and Furniture Market

Maisons du Monde is evolving in the European decoration and furniture market, with estimated revenues of EUR 250 billion in 2021 and which should show a Compound Annual Growth Rate ("CAGR") of 3.1% by 2025 [(1)].

Players in the European decoration and furniture market can be divided into four main segments:

- functional and affordable;
- inspiring and affordable;
- high-end design; and
- monocategory expert.

Maisons du Monde is positioned in the "inspiring and affordable" segment. It is characterised by distributors that place the emphasis on style and originality and market their products at affordable prices. This segment of the market is more fragmented than the average for the sector.

Maisons du Monde's main competitors are Alinea, Habitat, Casa, H&M Home, La Redoute and Zara Home. The Group also competes with functional players such as IKEA, But and Conforama. Department stores and hypermarkets also sell decoration items and furniture as part of a more diversified offering. In France, the Group is faced with department stores such as Galeries Lafayette and home improvement stores such as Leroy Merlin and Castorama. The Group also experiences competition from independent retailers.

Zara Home is present in all markets where the Group operates; Likewise for IKEA, except in Luxembourg. Conforama operates in France, Italy, Spain, Switzerland, Portugal and Luxembourg, and Habitat in France, Spain and Switzerland. The Group also competes with certain local distributors such as Depot in Germany and Mondo Convenienza in Italy.

In the online sales segment, Maisons du Monde competes with e-commerce pure players, including Made.com, Westwing and home24, which are accessible from many European countries. Additionally, e-commerce platforms such as Amazon and Cdiscount do not specifically focus on the sale of decoration items and furniture, but mainly sell these products through other distributors and manufacturers. Most of the Group's retail store competitors also operate online channels.

GENERAL EUROPEAN MARKET DRIVERS

Customers across Europe have a growing consideration for the home environment and are increasingly seeking to replicate the same rooms and home settings that they see in stores, online and in catalogues and magazines. Customers want decoration and furniture that are unique and carefully chosen. Home decoration items and furniture are no longer purchased just for their functional use, but also for their aesthetic appeal, which expresses personal needs and tastes.

The health crisis of 2020 accelerated several behavioural changes that had already begun:

- increase in the proportion of teleworking: employees need to set up dedicated workspaces at home;
- decline in the attractiveness of city-centres for day-to-day living: families in particular are looking for more space and a better quality of life. Homes are getting larger and the surface area to be furnished as well;
- search for meaning and sustainability: consumers pay attention to the quality, origin, manufacturing method and the materials used in the objects they buy, and prefer responsible and sustainable approaches;
- increased growth of digital journeys: consumers are looking for inspiration online and use social networks more often.

Macroeconomic data

The European decoration and furniture market is generally correlated with macroeconomic indicators, such as:

- GDP;
- consumer confidence; and
- residential construction.

The European decoration and furniture market is also affected by demographic factors. According to Eurostat, the EU-28 had a population of 508.5 million on 1 January 2015, and should reach 525.6 million people in 2048, *i.e.* an overall increase of 3.4%.

(1) Source: Statista (https://www.statista.com/outlook/cmo/furniture/europe?currency=EUR).

1.3 The Group's assets and competitive strengths

A UNIQUE OFFERING, SHOWCASED THROUGH INSPIRING UNIVERSES

Combining a unique product offering and merchandising know-how, the Group offers its customers an immersive and inspirational shopping experience, maximising conversion and triggering impulse purchases.

The Group renews its universes and its product offering throughout the year. This helps to improve the attractiveness of its stores and its e-commerce platform, thus creating a scarcity effect that can boost footfall.

The Group positions itself as a pioneer in emerging trends and styles, which it seizes and adapts through its industrialised design-to-cost process. With its teams of experienced stylists, Maisons du Monde creates universes for the entire House, in a variety of themes and styles. Customers benefit from products that are both inspirational and original, and which match their individual styles.

The Group's entire collection is sold under its own brand, enhancing the uniqueness of the Maisons du Monde universes.

A BRAND IMAGE AND CSR POSITIONING RECOGNISED BY CUSTOMERS

The Group regularly invests for the satisfaction of its customers and the influence of its brand, which are an important asset with regard to competition. For the first time in 2021, Maisons du Monde was among the ten winners for the 2021 Customer Excellence Award. This award recognises companies that have succeeded in placing customers at the heart of their strategy.

With the desire to satisfy its environment more broadly, Maisons du Monde has carried out work to identify the impacts of its activity with all its stakeholders, and integrated its CSR approach into its corporate strategy. In addition to day-to-day responsibility, which is a subject of constant attention, several strong actions have been implemented to underpin this strategy, and are reflected in the 2025 plan (See Chapter 4 "Non-financial performance statement").

This strong conviction and these concrete actions are recognised by several independent firms. According to the OC&C ranking of brands in 2021, Maisons du Monde is number two in the furniture category for the fifth consecutive year. For its first edition, Maisons du Monde is also in the OC&C Top 10 of French brands in terms of CSR. In 2021, Maisons du Monde also received the "Governance" R Award. The R Awards reward a particularly remarkable initiative, compatible with the challenges of Sustainable Development (economic, environmental, social and societal dimension).

A PIONEERING OMNICHANNEL MODEL

Thanks to a standardised approach, the Group was able to roll out its concept in an efficient and consistent manner from a commercial and financial perspective. It has thus succeeded in building a network of stores that is both harmonious and balanced, inspired by an identical business model regardless of the store format.

The Group is also at the forefront of the digital sector and is now the e-commerce leader in the French decoration and furniture market, with 33% of online sales for the financial year ended 31 December 2021, compared to only 7% in 2010.

In addition, in November 2020, the Group launched its marketplace in France, opening its website to a wide range of brands for the entire home. As of 31 December 2021, the marketplace had more than 95,000 SKUs offered by more than 760 brands.

Maisons du Monde is further fuelling its omnichannel model with web-to-store and store-to-web application and the implementation of click-in-store, as well as new of delivery options, such as Free In-Store deliveries or in relays.

The combination of these two complementary distribution channels and a differentiated merchandising approach allows the Group to sell wide range of products in relation to its average store space and the number of products displayed in stores. Around 55% of in-store furniture sales in 2021 were for products that were not physically on display in the store.

SOLID FINANCIAL PERFORMANCE

Maisons du Monde's business model has delivered strong financial results since its creation, based on continued sales growth and a high level of profitability. The Group's sales amounted to EUR 1,306.8 million for the year ended 31 December 2021. The CAGR has been around 11% over the last five years, with a positive contribution from all distribution channels, geographies and product categories. The Group's EBIT reached EUR 123.8 million in the year ended 31 December 2021 with and associated EBIT margin of 9.5%.

This excellent financial performance is the result of the development of its omnichannel approach, strict management of allocated resources (marketing investments, infrastructure) and the development of Maisons du Monde as the preferred brand in its segment. The deployment of new stores offers an average return on investment of two to three years for the majority of the Group's stores. E-commerce also offers a very good return, with careful management of capital investment by country and by product category.

1.4 Group strategy and outlook

On 8 November 2021, the Group organised its **Investors' Day. This event was an opportunity to share its vision: "Become the most desirable and sustainable go-to brand of in the Home/Living sector in Europe"**.

With the aim of creating long-term value for all of its stakeholders, while pursuing a growth agenda, Maisons du Monde is strengthening its strategic pillars for the 2022-2025 period:

- a strong brand and a differentiating offering;
- a unique model of strong and sustainable growth;
- a solid financial model.

A STRONG BRAND AND A DIFFERENTIATING OFFERING

Maisons du Monde is the European leader in inspirational and affordable homeware. The brand offers an extensive and constantly renewed range of furniture and decoration items in a wide variety of style registers, for all customer segments.

In furthering its transformation from a designer-distributor to a genuine go-to brand in the Home & Living universe, Maisons du Monde is strengthening its strategic pillars to boost brand reputation and positioning in its main European markets.

Creativity is Maisons du Monde's first pillar.

The company has 30 stylists in its integrated style department to capture the most popular trends. Teams work with suppliers to develop desirable and sustainable products. The continuation of creative and committed collaborations (Renée Recycle, Make My Lemonade) is in on the agenda for the coming seasons.

Maisons du Monde is also focusing on the intersection of creativity, digital technology and data. After only one year of experimentation, the marketplace has 760 brands in France and brings together:

- small designer brands;
- leading specialists;
- sustainable brands based on European manufacturing and responsible raw materials.

Thanks to its creativity, every year the brand increases the value for money and style ratio of its collections, an essential pillar and differentiating element.

Inspiration is Maisons du Monde's second pillar.

Maisons du Monde is known for its immersive online and in-store experience. The three Maisons du Monde hotels and suites (Nantes, Marseille, La Rochelle) now offer a total immersion in the Maisons du Monde brand universe where everything on display is available to buy. Customer service offerings (tutorials, Rhinov, B2B, financing) supplement the everyday brand experience.

Commitment is Maisons du Monde's the third pillar.

The Group's has considerably stepped up its commitment over the last five years. On the one hand, communities on social networks are increasingly talking about the brand and, on the other hand, its stakeholders are strengthening their actions for society and the planet.

The Group's Purpose, "Inspiring everyone to open up to the world, so that we create unique, heartful and sustainable places, together" was unveiled in November 2021. This approach, which combines both performance and responsibility, will enable the Group to better operate in the world of the future.

A UNIQUE MODEL OF STRONG AND SUSTAINABLE GROWTH

The omnichannel approach, a key performance driver

Based on an omnichannel model and direct access to customers, the Group generates more than 53% of its revenue from digital technology, thanks to its online platform and its digital store sales. At the end of 2020, it launched a selective marketplace to supplement its offering and become the go-to inspirational and affordable homeware staple.

Maisons du Monde is thus placing following an assisted e-commerce approach and relies on several strengths:

- the online platform: Its traffic and market share have increased tremendously in two years, almost reaching 7 million monthly visitors in France and 14 million across Europe. This very large and highly qualified audience explains the success of the marketplace. The Maisons du Monde online market share increased by 20% between 2019 and 2021 with stronger growth in 2020 in the context of the health crisis;
- the marketplace addresses all consumers: 300,000 orders were processed over one year with a satisfaction rate equivalent to that of MDM with 300 sellers and 760 brands. The marketplace has become the primary point of sale for many sellers, creating long-term and fruitful relationships. The rollout of the marketplace in stores began in 2021 (in 85 French stores) and will be finalised in 2022.

Expansion in Europe

During 2021, Maisons du Monde withdrew from the United States with a desire to focus on its pan-European model. International sales growth has doubled since 2016.

The marketplace launched in 2021 will be rolled out in another European country in 2022.

In Portugal and Austria, Maisons du Monde also keeps its targets high. Maisons du Monde is thereby consolidating its positions in its core markets while adapting to each country.

Special focus sustainability

The brand has set itself strong ambitions and is working on its responsible offering, on customer travel to stores and the optimisation of transportation with work on carbon intensity and also work on innovation in the area pf end-of-life and recycling.

As a pioneer in the sourcing of sustainable timber and the integration of a global CSR plan, Maisons du Monde has achieved non-financial ratings which make it an industry leader (MSCI: #1 in Home retail, Sustainalytics: top 5% in Home retail, Vigeo Eiris: top 5% in Specialised retail).

Building on the lessons learned from recent years, Maisons du Monde conducted a comprehensive and structured analysis aimed at reducing its carbon footprint, with a target of -25% by 2025. Carbon neutrality in scopes 1 and 2 will be achieved in 2022. On social aspects, Maisons du Monde takes care to preserve employee engagement. The Group provides regular training to foster employee upskilling, while ensuring diversity and inclusion. Lastly, in terms of governance, a project targeting suppliers was launched. It will enable to improve product traceability, and ensure the alignment of interests.

A SOLID FINANCIAL MODEL

The power of the Group's omnichannel model proved relevant during the health crisis: online sales acted as an accelerator for the Group's growth. The stores also proved resilient, and international expansions also a significant growth driver.

The Group is also convinced of the growth potential of its underlying businesses: Rhinov and the BtoB segment are posting excellent performance and will continue to grow over the term of the plan.

The Group has a very high margin percentage thanks to its in-house designs, at a structurally low level of discounts and an acute monitoring of its suppliers. Maisons du Monde generates significant operational leverage through optimised supply chains and good cost control coupled with a strict allocation of resources, both in stores and online. The sustainable growth promise requires investments in the area of marketing, aimed at supporting the brand's growth online sales, as well as additional investments in the area of logistics, in order to meet increased demand. Maisons du Monde intends to improve its profitability while fuelling growth.

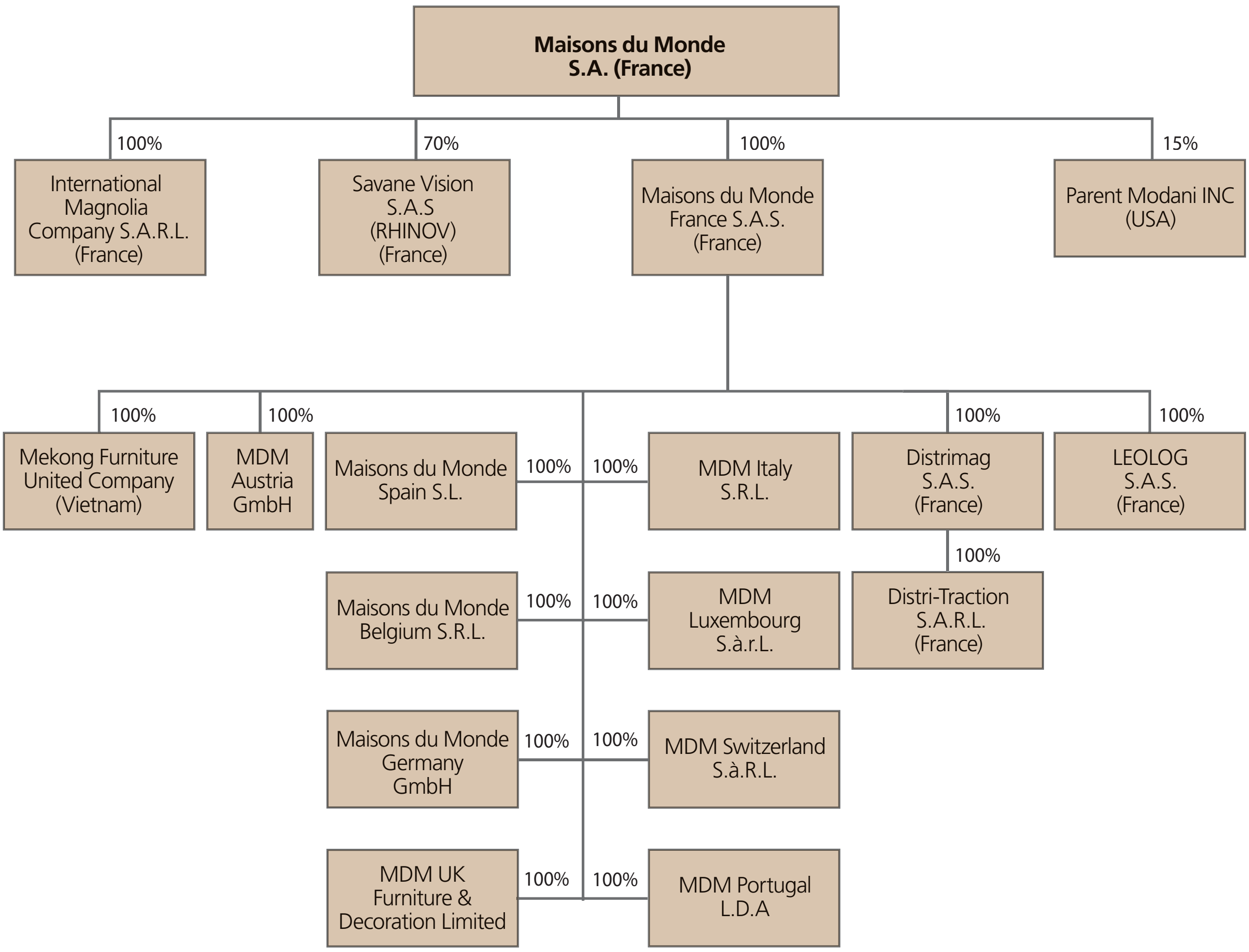
Lastly, the financial model allows for significant cash generation, managed efficiently thanks to a strict allocation of investments and background work on the normalisation of working capital requirements.

Growth, profitability and cash generation will ensure increasing returns.

1.5 Group organisational chart

1.5.1 SIMPLIFIED GROUP ORGANISATIONAL CHART

The organisational chart below shows the Group's simplified legal organisation as of 31 December 2021. The percentages correspond to percentages of share capital owned.



1.5.2 LIST OF MAIN SUBSIDIARIES AND HOLDINGS

Maisons du Monde S.A. is the holding company of a consolidated Group comprising 15 companies. The Group's main subsidiaries as of 31 December 2021 are presented in the table below.

The complete list of companies included in the Group's scope of consolidation is presented in note 32 of Section 6.1.6 "Notes to the consolidated financial statements" of Chapter 6 "Financial Statements" of this Universal Registration Document.

Significant subsidiaries	Country	Main activity	Capital and voting rights
Maisons du Monde France S.A.S.	France	Furniture and decoration items	100%
Savane Vision S.A.S.	France	Interior design	70%
Distrimag S.A.S.	France	Logistics	100%
Léolog S.A.S.	France	Logistics	100%
Maisons du Monde Allemagne GmbH	Germany	Furniture and decoration items	100%
Maisons du Monde Autriche GmbH	Austria	Furniture and decoration items	100%
Maisons du Monde Belgique SPRL	Belgium	Furniture and decoration items	100%
Maisons du Monde España S.L.	Spain	Furniture and decoration items	100%
Maisons du Monde Italie S.p.A.	Italy	Furniture and decoration items	100%
Maisons du Monde Luxembourg S.à.r.l.	Luxemburg	Furniture and decoration items	100%
Maisons du Monde Portugal Unipessoal LDA	Portugal	Furniture and decoration items	100%
Maisons du Monde Suisse S.à.r.l.	Switzerland	Furniture and decoration items	100%
MDM UK Furniture and Decoration Limited	United Kingdom	Furniture and decoration items	100%
Mekong Furniture United Company	Vietnam	Furniture manufacturing	100%
Parent Modani Inc.	United States	Holding Company	15%

1.6 Legislative and regulatory environment

REGULATION

The following is a brief description of the main laws and regulations that govern the Group's activities and personnel. References and discussions to directives, laws, regulations and other administrative and regulatory documents are entirely qualified by the full text of such directives, laws, regulations and other administrative and regulatory documents themselves.

Regulation of Furniture Production and Products Liability

The Group is regulated as a manufacturer, importer and distributor of decoration items and furniture pursuant to European Union (EU) laws and regulations as well as the national laws of the EU Member States in which it operates. The following Sections briefly summarise the EU and Member State regulations that are most material to the Group's activities.

A. European Union regulations

Since the furniture that the Group produces and sells incorporates timber, the Group must take into account the Forest Law Enforcement Governance and Trade ("FLEGT") action plan that the EU adopted in 2003, which is aimed at reducing deforestation by regulating imports of timber and timber products into the EU. FLEGT regulates where the Group can source its timber and timber products. FLEGT includes a timber licensing system to certify the legality of imported wood products: in order to obtain a FLEGT licence, voluntary partnership agreements ("VPAs") must be signed between timber-producing countries and the EU. As of 31 December 2020, six countries have signed a VPA with the EU and are developing the systems needed to control, verify and license legal timber. Nine other countries are in negotiations with the EU and others have expressed interest in joining.

Furniture and decoration items contain chemicals for a wide variety of applications, including as varnishes and in paints and other coatings. As a result, the Group is also subject to Regulation 1907/2006 (known as the Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation, or "REACH"). REACH, which entered into force on 1 June 2007, requires all companies manufacturing or importing chemical substances into the EU in quantities of one ton or more per year to register these substances with the European Chemicals Agency (ECHA). REACH also imposes requirements on substances of very high concern (or "SVHC") because of their negative impact on human health or the environment. Since 1 June 2011, the ECHA must be notified of the presence of any SVHCs in items where it equates to more than 0.1% of the mass of the item and the total value is at least one tonne annually. The Regulation also sets out in Annex XVII a number of substance restrictions, some of which are applicable to the Group's products (*e.g.* azo dyes in textiles, phthalates in toys).

The Group must comply with a number of other EU regulations, including:

- regulation 2019/1021 (known as the Regulation on Persistent Organic Pollutants or "POPs"), which, among other things, limits the presence of certain substances in items placed on the market, such as C10-C13 chlorinated alkanes;
- directive 2001/95/EC (known as the General Product Safety Directive), which requires manufacturers to put only safe products into the market place, requiring the Group to supply products that comply with general safety requirements, monitor the safety of products on the market, provide the necessary documents guaranteeing product traceability and to provide consumers with information that enables them to evaluate the potential risk of a product if the risk is not easily apparent;
- directive 1999/44/EC which regulates certain aspects of the sale of consumer goods and associated guarantees. This Directive regulates fitness for purpose of consumer goods and the liability of the seller by providing basic protection to consumers against inferior products. Under the Directive, consumers are entitled to a guarantee period of half a year. Consumers may also hold the seller liable in cases where the lack of conformity has become apparent within two years of the delivery of the goods;
- directive 94/62/EC, which regulates the packaging requirements for shipments made to end-consumers. This Directive is designed to reduce waste through and provides for recycling of packaging materials to help achieve this goal;
- sector-specific directives which concern for example toys (directive 2009/48/CE), elecrtic and electronic equipemment (directive 2011/65/UE) and food contact material (regulation (CE) n° 1935/2004);
- sectoral directives applicable, for example, to toys (Directive 2009/48/EC), electrical and electronic equipment (Directive 2011/65/EU) or materials in contact with food (Regulation (EC) 1935/2004).

B. Mandatory regulations in individual States

France

Decree no. 86–583 of 14 March 1986 requires sellers of new furniture to include specified information on all product labels. Any advertising document that includes the price information of the relevant information must also contain the information disclosures mandated by the law. This information includes, but is not limited to: the materials used in production, the words "do-it-yourself" *(à monter soi-même)* if the furniture is not assembled, the world "style" or "copy" *(copie)* must precede any reference to a time period, a century, a school, a state or a region other than the place of production and the word "imitation" to indicate that the style attempts to mimic a theme, style or process that was not used in the manufacturing process.

United Kingdom

The furniture and furnishing (fire safety) regulations of 1988 (as amended in 1989 and 1993) require manufacturers, importers and retailers of furniture and its components to comply with six main requirements when selling products: filling materials must satisfy specified ignition requirements, furnishing fabrics and upholstery composites must be resistant to cigarettes; covers must be resistant to matches, a permanent label must be affixed to all new furniture items, a display label must be affixed to certain new furniture at the point of sale and the UK supplier must maintain records for five years to prove compliance with these measures. The regulation applies to all types of upholstered seating, including junior furniture and outdoor furniture, in addition to mattress filling materials and permanent covers for furniture. Manufacturers, importers and retailers must not only ensure that the furniture products sold do not contain any prohibited materials, but also provide appropriate labels indicating that the product complies with the relevant safety requirements imposed by the regulation.

Regulation of the Group's Retail Activities in France

A. Laws on commercial leases

Commercial leases for the Group's operations in France are regulated by Decree no. 53–960 of 30 September 1953 ("Decree 53-960"), codified in part in Articles L. 145-1 *et seq.* and R. 145-1 *et seq.* of the French Commercial Code. Decree 53-960 as modified by the law No. 2014-626 on craft industries, trade and small enterprises (the "Pinel law"). Most of the Group's stores are leased under commercial leases subject to the provisions of Articles L. 145-1 *et seq.* and R. 145-1 *et seq.* of the French Commercial Code and non-codified articles of Decree 53-960, which confer certain rights to the tenant.

French commercial leases have a minimum initial duration of nine years, but rarely exceed 12 years. The lessee generally has the right to terminate a commercial lease at the conclusion of each three-year period. The lessor may only terminate the lease at the conclusion of each three-year period in certain limited circumstances. At the end of the contractual term of the lease, the lessee is entitled to a renewal. If the lessor does not accept such renewal, the lessor will be required to compensate the lessee, unless the lessor can show good cause *(un motif sérieux et légitime)*. Upon expiration of the lease agreement, if the lessor and lessee take no action to renew or to terminate the lease, the original lease will be automatically extended until a notice of termination is served by either the lessee or the lessor. An automatically renewed lease *(tacite reconduction)* may be terminated at any time by either the lessee or the lessor upon providing six months' prior notice.

The parties are free to determine the initial rent, generally according to the current market value of the property. The rent may be fixed, variable or composed of a fixed portion and a variable portion. Generally, the lease contains an annual rent indexation clause. The agreed index must have some connection with the activity carried out by one of the parties or to the purpose of the lease. Alternatively, parties can choose to refer to the Commercial Rent Index ("ILC") or the Index Applicable to Leases of the Service Sector ("ILAT") *(indice des loyers des activités tertiaires)*, both published by INSEE, the French public statistics institute.

Certain of the Group's premises may be subject to the safety standards applicable to buildings open to the public *(établissements recevant du public)*, as defined in Articles L. 123-1 to L. 123-4 and Articles R. 123-1 to R. 123-55 of the French Construction and Housing Code. Builders, owners and operators of buildings open to the public are required, both during construction and operation, to comply with certain preventive and protective measures to ensure safety, and must also ensure that the facilities and equipment are maintained and repaired in accordance with applicable regulations.

B. Employment regulations

French working time regulations generally provide for a statutory weekly average working time of 35 hours. An employer may be prosecuted for offences of "undeclared work" *(travail dissimulé)* in connection with the failure to properly declare the time worked beyond 35 hours per week, which may result in fines and imprisonment. As a result of undeclared work, an employer may also be liable to employees for the payment of a fixed penalty representing six months of salary, in the event of the termination of the employee's contract. In addition, noncompliance with legal provisions regarding overtime may expose the Group to additional fines. Moreover, because any compensation paid to an employee is subject to the payment of social security contributions, social security contributions related to overtime hours may be reassessed, which may result in the payment of additional social security contributions, as well as additional charges for the late payment of contributions, penalties for late declarations and fines. The Labour Code, however, provides for a certain degree of flexibility in applying the statutory weekly average working time of 35 hours per week for certain categories of employees. Under French law the relationship between an employer and an employee is additionally subject to collective bargaining agreements at both the national and local level. The requirements under a collective bargaining agreement vary by industry and govern employment relationships in conjunction with the French Labour Code.

The majority of the Group's stores are generally not open on Sundays, as French law imposes restrictions on Sunday trading, except for certain Sundays a year when stores are permitted to open. Stores in certain urban shopping zones and certain shopping centres are allowed to open on Sundays year-round, subject to reaching agreements with the relevant labour unions or employee representative bodies. Labour law requires that additional compensation be paid to employees for Sunday work.

C. Protection of privacy and personal data

In France, the Group is subject to law 7817 of 6 January 1978 (amended on 6 August 2004) as well as to the No. 2016/679 regulation, known as the General Data Protection Regulation ("GDPR"), when it collects and processes personal data, most commonly that of customers, prospects, employees and suppliers. This law notably strengthens individuals' right of access to their personal data and gives the competent authorities (the French Personal Data Protection Authority "CNIL" and equivalent authorities in each country of the European Union) the power to intervene on their behalf. Each competent authority has many powers, including the power to:

- monitor an organisation's compliance with regulations;
- issue warnings, *i.e.* warn a body that the data processing it intends to carry out, at a stage when it is not yet operational, is likely to infringe the applicable texts;
- give formal notice to organisations that do not comply with the applicable regulations to comply within a specified period of time. Letters of formal notice may be made public depending on the seriousness of the shortcomings observed or the number of persons concerned;
- impose sanctions on non-compliant organisations, including monetary penalties of up to EUR 20 million or 4% of annual worldwide turnover. These sanctions may be made public.

French law No. 2004-575 of 21 June 2004 on Trust in the Digital Economy, which transposes into French law European Union Directive 2000/31/EC of 8 June 2000 on certain legal aspects of information services and e-commerce, sets out the rules for the liability of Internet service providers, website publishers, e-merchants and website hosting companies, notably dealing with how e-commerce and encryption are managed.

The Maisons du Monde group, which is responsible for processing the personal data of customers, prospective customers, employees, etc., is carrying out work to comply with the GDPR. With special attention paid to protecting the personal data of customers and employees of the brand, the project brings together all divisions concerned (Marketing, Customer Relations Department, IT Department, Legal Affairs, Internal Control, HR, etc.) with the aim of designing privacy into all systems.

D. Import-export restrictions

The Group sources many of its products from Asia, mainly China, Vietnam, India and Indonesia. Within the European market, the principle of free movement of goods applies. With respect to the import and export of goods from countries which are not members of the EU, the Group must comply with national and EU foreign trade and customs regulations. At the EU level, the Group's relevant regulatory framework is based on the Modernised Customs Code (Regulation (EC) No. 450/2008). Whereas imports and exports within the European Economic Area ("EEA") are in principle not liable to customs duty, the movement of goods beyond the frontiers of the EEA is subject to customs control. The customs control charges include statutory import duties. Customs offices may from time to time initiate customs inspections to assess whether customs regulations have been infringed. In France, the Group may also pay specific stamp duties, such as the tax for the development of the wood and furnishing industries *(taxe pour le développement des industries de l'ameublement ainsi que des industries du bois)*, currently set at 0.18% (furniture) and 0.09% (wood) of the value of the goods imported.

1.7 Property, plant and equipment

Maisons du Monde S.A.'s registered office is located in Vertou (44), in France. The Group operates primarily from administrative premises, manufacturing sites and commercial stores.

As of 31 December 2021, the property portfolio formed by these sites was as follows:

- two offices housing the Group's registered office, one located at Le Portereau, 44120 Vertou, France and the other at ZAC de Bel Air, 44120 Vertou, France. The Group leases these premises from its founder, Xavier MARIE, pursuant to commercial leases entered into on an arm's-length basis;
- office premises leased to third-party landlords and intended for the Group's Web and Network services (55 rue d'Amsterdam 75008 Paris, France), the IT Support department (6 rue Anne de Bretagne (Viséo building) 44120 Vertou, France) and lastly the B2B and DRC services (2 rue des Grands Châtaigniers (Koad building) 44120 Vertou, France);
- 11 warehouse buildings serving all of the Group's sales channels in Europe;
- a showroom located at 30 avenue de la Vertonne, 44120 Vertou in France, and a warehouse used for photo shoots for the Group's catalogues, located in rue de la Voyette, 59810 Lesquin, France, leased from a third-party lessor;
- 357 stores located in France (including a showroom located in 100 rue du Bac, 75007 Paris), Austria, Belgium, Germany, Italy, Luxembourg, Portugal, Spain and Switzerland;
- a furniture manufacturing facility in Vietnam, spread over three sites, operated by the Group's wholly owned subsidiary Mekong Furniture.

1.8 Research and development, patents and licenses

The Group's ability to design and launch new products and improve existing products is an important aspect in view of its business. The Group seeks to promote a corporate culture in which employees can be creative, promoting its long-term success. Designers review the market and its trends, define themes – each season – together with buyers and product managers, design new products based on those themes and also regularly adjust the product range to meet sales criteria and changes in trends and designs.

THE GROUP'S PROPRIETARY RIGHTS

The Group owns the intellectual property rights needed to exercise its activities, in particular:

- commercial trademarks: Maisons du Monde France S.A.S. owns the right to the "Maisons du Monde" name, its most important trademark, which it has registered in the form of figurative and semi-figurative trademarks in the territories in which Maisons du Monde operates;
- domain names: the Group owns a portfolio of "Maisons du Monde" domain names and has registered them with the relevant authorities. The Group periodically renews them.

In addition, Maisons du Monde files the drawings and models designed by its style office with a bailiff *(huissier de justice)*. This process makes the brand's creative process more secure, since Maisons du Monde has a guarantee that it will able to produce proof of ownership of its rights for those works should they ever be misappropriated by third parties.

For more information on the risks relating to the Group's intellectual property, please refer to Chapter 2 "Risk factors and management", section 2.1 "Internal control" of this Universal Registration Document.

THIRD-PARTY LICENCES

Some of the Group's products integrate third-party technologies. In order to obtain the rights to use these third-party technologies, the Group has entered:

- inbound licence agreements: the Group relies on licensed software for its back-office, finance, Human Resources and store management systems.

SECURITY INHERENT TO THE GROUP'S INTELLECTUAL PROPERTY RIGHTS

Not applicable.

Risk factors and management

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Investors should carefully consider the risks described below, before making an investment decision. Any of the following risks may have a material adverse effect on the Group's business, financial position, results of operations or prospects. The risks described below are not the only risks the Group faces. Additional risks and uncertainties, of which the Group is currently unaware or that it currently deems immaterial, may also have an adverse effect on the business, reputation, financial position, results of operations or prospects.

2.1 Internal control and risk management system

This section on internal control and risk management is part of a corporate governance framework that complies with the AMF reference framework on risk management and internal control.

DEFINITION AND OBJECTIVES OF THE GROUP'S INTERNAL CONTROL

Risk management refers to the measures that the Group implements to identify, analyse and manage the risks to which it is exposed in the ordinary course of its business. The Group considers risk management and internal control to be closely related and a priority.

The Group's internal risk management and control systems are based on a combination of appropriate resources, procedures, behaviour and actions. Therefore, under the impetus of the Board of Directors, the Audit Committee, the Executive Committee and the Internal Control Department, the Group's current internal risk and internal control procedures aim to provide reasonable assurance for realising the following objectives:

- to ensure that acts of management or execution of operations as well as the behaviour of individuals fall within the framework of the guidelines set by the corporate bodies and respect the laws and regulations in force as well as the values, standards, internal procedures and rules of the Company;
- to identify, assess and control risks that could have a material impact on the Group's assets, results, operations or its ability to implement its objectives and strategy, whether these risks are operational, commercial, legal, financial or related to compliance with applicable laws and regulations, or resulting from the risk of fraud or error;
- to ensure the reliability of the financial information and compliance with laws and regulations, particularly in the area of producing accounting and financial information.

By helping to prevent and manage the risks to which the Group is exposed, the purpose of the Internal Control system is to facilitate the Group's sustainable economic development in a control environment that is adapted to its businesses.

Risk management and internal control are subject to limits arising from many factors, including uncertainties in the outside world, the exercise of judgement, or dysfunctions that may occur due to technical or human failure, or simple mistakes.

Risk management choices are made by weighing the opportunities against the cost of risk management measures, with due consideration of their potential effects on the occurrence and/or consequences of the risk.

RISK MANAGEMENT PROCESS

The internal control procedures form part of the ongoing process of identification, evaluation and control of the Company's risks. The risk management and internal control mechanism is based on the internal control reference framework laid down by the AMF. This system covers the following components:

- control environment: integrity, ethics, competencies, etc.;
- risk assessment: risk identification, analysis and management;
- control activities: standards and procedures;
- information and communication: collection and exchange of information;
- steering: monitoring and possible modifications of processes.

The Internal Control Department is committed to constantly updating internal management procedures in order to keep them in line with changing organisational structures. The Group monitors the effectiveness of control systems and manages risk management systems. As part of an ongoing drive to improve the Internal Control system, the Group continued with its efforts in 2021 by notably taking the following actions:

- the implementation of a decision-making support tool (Finance Report Planning) to improve the quality of financial information and to industrialise, automate and accelerate the production and review of the accounts. This project aligns Maisons du Monde with best market standards and best practices to support its development. The deployment of this new information system is planned for 2023;
- with a view to strengthening its internal control system, the Group launched an update of the Group's risk and control matrix in 2021 through:
  - the diagnosis, by process, of the existing levels of risk and control according to their type (financial, operational, compliance, asset protection, fraud and reputation),
  - the definition of a series of action plans to achieve an optimal control target and their monitoring,
  - the update of the internal control manual describing the Group's risk and control matrix.

In 2021, the Internal Control Department reviewed the Accounting and Finance, Inventories and Human Resources processes. The Group aims to have updated all key processes by the end of 2023.

- updating of the book of procedures relating to the management of checkouts in all the Group's stores;
- the performance of some one hundred audit assignments in France and abroad on controls of the operational cycles of stores such as cash management and cash receipts, the fight against breakage and mark-down, the management of store inventories and customer orders or the physical security of goods and people.

The Maisons du Monde group is exposed to a number of risks in the course of its business activities. The main measures for managing and controlling these risks are described in Section 2.2 “Risk factors”.

A review of major risks at parent company level and in the store network is carried out by the Group's Internal Control Department in collaboration with the various Management bodies in order to identify major risks, the assessment of which includes:

- assessment of the inherent and residual risk;
- the principal causes and consequences of the risk;
- the processing of risk aimed at improving the internal control system (there are four possible ways of processing: conservation, reduction, outsourcing, abandonment);
- written action plans aimed at reducing the level of residual risk.

The aim of this is to define action plans, tailored to the Group's business and designed to improve its systems through better efficiency and broader coverage.

2.2 Risk factors

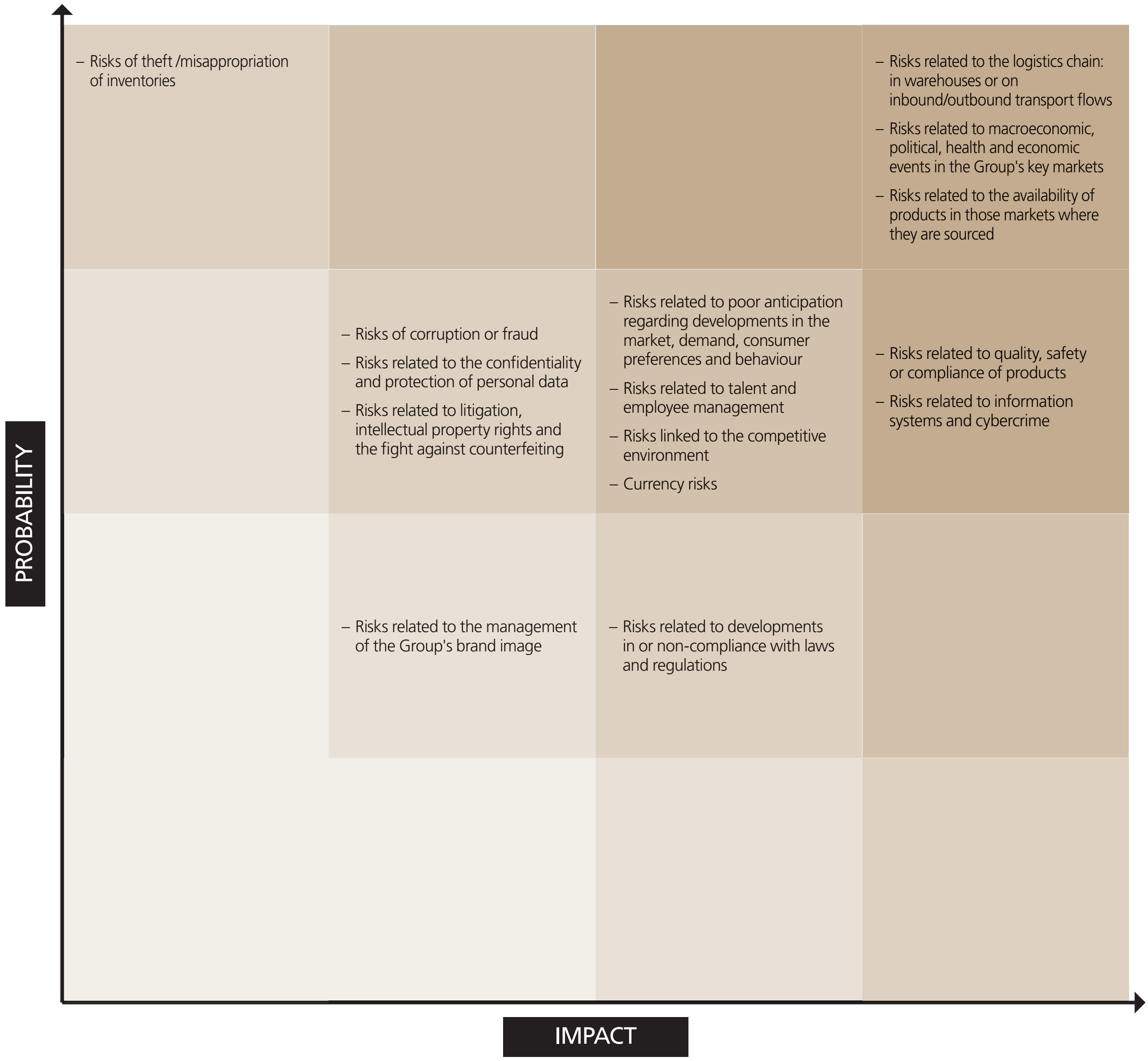
2.2.1 EVALUATION METHODOLOGY

In 2021, the Group updated its risk matrix, which summarises the risks according to their scale of impact and probability of occurrence. It is reproduced below to visualise the issues, but does not replace the developments explained that follow. The scale of impact is assessed according to three criteria:

- financial;
- image/reputation;
- legal and regulatory.

Depending on the levels of probability and impact of the risk, a positioning of the criticality of the risk is obtained (critical risk, major risk, moderate risk, low risk). This risk map reflects the exposure of Maisons du Monde, thus integrating the control measures implemented to limit the probability and impact of the risks. This matrix is a risk management steering tool.

The updated risk mapping for 2021 was presented and approved by the Audit Committee. The Group is striving to simplify and improve readability of the presentation of information relating to the main risk factors. Only significant risks specific to the Group are presented below.



2

2.2.2 PRESENTATION OF THE MAIN RISK FACTORS

The following paragraphs set out the main risks identified in 2021 and measures for dealing with these risks. These are divided into four categories:

- risks related to the Maisons du Monde business segment;
- risks related to the strategy and organisation of the Company;
- legal and regulatory risks;
- financial risks.

In each category, the significant risk factors are presented in decreasing order of importance as determined by Maisons du Monde at the date of this Universal Registration Document. However, the four categories are not classed by order of importance. The Group's specific risks related to CSR issues are set out in a more specific presentation in Chapter 3, in accordance with non-financial performance reporting obligations.

Risks related to the Maisons du Monde business segment
Risks related to macroeconomic, political, health and economic events in the Group's key markets
Risks linked to the competitive environment
Risks related to poor anticipation regarding developments in the market, demand, consumer preferences and behaviour;
Risks related to the strategy and organisation of the Company
Risks related to the logistics chain: in warehouses or on upstream/downstream transport flows
Risks related to the availability of products in those markets where they are sourced
Risks related to quality, safety or compliance of products
Risks related to information systems and cybercrime
Risks related to talent and employee management
Risks of theft/misappropriation of inventories
Risks related to the management of the Group's image
Legal and regulatory risks
Risks related to the confidentiality and protection of personal data
Risks related to litigation, intellectual property rights and the fight against counterfeiting
Risks related to non-compliance with laws and regulations
Risks of corruption or fraud
Financial risks
Currency risks

Impact of Covid-19 on the key risk factors to which Maisons du Monde is exposed

The Covid-19 epidemic, which emerged in China in December 2019 had and may continue to have a significant effect on the Group's business. These impacts are described in particular under i. Major macroeconomic, political and health events occurring in the Group's key markets, ii. Risks related to the availability of products in those markets where they are sourced and iii. Risks related to the logistics chain: in warehouses or in upstream/downstream transport flows, described below.

Risks related to the Maisons du Monde business segment

Risks related to macroeconomic, political, health and economic events in the Group's key markets

Description of the risk	Potential effects on the Group
The Group is active in the decoration and furniture market. Consumer purchases, particularly of furniture, are essentially discretionary and could be affected by economic factors such as: • employment situation; • level of wages; • household debt ratio; • inflation; • interest rates; • the health context. The Group may be impacted by a deterioration in market condition or in the overall economic or political situation or of any other kind, like a global public health crisis which could impact all of the countries in which the Group does business. Furthermore, since consumers often purchase furniture as part of the purchase, leasing or renovation of a home, the demand for the Group's products is generally partly related to: • trends in the real estate market; • situation of the real estate lending sector; • other aspects of consumer financing in the housing sector.	This risk is likely to lead to: • in the context of a health crisis, the implementation of a legislative system to contain the spread of the virus could lead to the closure of points of sale or restrict access to our stores, as was the case during the COVID crisis in France. This situation would lead to a decline in revenue; • in an uncertain macroeconomic climate, characterised by a rise in inflation accompanied by a decline or stagnation in available income, or during periods of a decline in new housing developments or a reduction in housing-related expenses by consumers, these are likely to rule on the various categories of household expenses to the disadvantage of decoration and furniture stores and to opt for the purchase of products considered more essential or of lower range. For the Maisons du Monde group, this would have an unfavourable impact on store footfall and on the average consumer shopping basket, and thus more generally on the Group's revenue.

Management of the risk

Maisons du Monde cannot affirm that its results would not be affected by a disruption in economic conditions or by a health and political crisis the countries in which it operates. To address this risk, the Group has integrated into its strategy the diversification of its activities in terms of geographies, categories, and distribution channels.

Indeed, the international development of Maisons du Monde is at the heart of the Group's strategy and leads to a geographical distribution of its activities that contributes to diversifying and, to a lesser extent, limiting the concentration of risk related to the economic situation

The Group also relies on its omnichannel strategy to absorb this risk. During the pandemic, more and more customers have been shopping online. Since 2018, Maisons de Monde has focused on omnichannel development, the most recent examples of which are:
- roll-out of click and collect during the second lockdown;
- deployment of a more sophisticated mobile platform;
- launch of a selective marketplace in November 2020.

Since 2020 and in the context of the current global health crisis, MDM has set up an organisation within its management committee in order to closely monitor the developments of the pandemic with the implementation of the following system:
- the Executive Commitee closely monitors the evolution of Covid-19 and the measures put in place by the authorities of the countries in which the Group operates, in order to ensure the implementation of action plans;
- a cost adjustment package to limit the effects of the pandemic on the Group's profitability, such as, when necessary, the introduction of partial unemployment;
- a cost adjustment package to limit the effects of the pandemic on the Group's profitability, such as, when necessary, the introduction of partial unemployment;
- a review of the Group's sourcing strategy both geographically and by securing the production of certain product lines with several suppliers.

Risks linked to the competitive environment

Description of the risk	Potential effects on the Group
Maisons du Monde could be unable or find it difficult to compete effectively against direct competitors or new offerings because: • the Group operates in a highly fragmented and competitive market (specialised distributors, but also stores that sell decoration and furnishing articles in addition to their products) and the Group considers that this fragmentation is increasing; • in particular, the Group believes that its decoration business competes in the "original and accessible" segment of the market, characterised by retailers who insist on style and originality, but above all on affordability. The average prices of the Group's products are for the most part in the intermediate range, with a positioning that could be out of step with competitors who are engaging in an increasing price battle; • the increase in its prices in 2022, if it were to be decorrelated from the market, could impact customer demand, which would have a negative impact on the Group's sales and results. The Group's online activity is in competition with: • e-commerce pure-players that compete with others on criteria such as user interface usability, SEO strategy, online advertising and social network campaigns to drive traffic, payment methods, shipping and delivery options, technical and online support, and click and collect solutions; • social platforms that extend their value proposition to distribution, some of them offering their own marketplace.	Competitors are likely to adopt aggressive pricing policies, carry out large-scale marketing campaigns, offer more attractive products or respond more quickly to changing market trends, which could give them a competitive advantage and lead to a decline in the Group's market share. In addition, the Group may have to respond to competitive pressures by reducing its prices or increasing its advertising and promotional expenses, which would adversely affect its margins and results.

Management of the risk

Maisons du Monde limits the effects of competition from the main players in its markets through its strategy:

- monitoring demand elasticity with regard to potential price changes. In 2022, a comparative study was conducted on the selling prices of the main European competitors on a range of 250 products which are representative in terms of sales volumes and made it possible to determine the price adjustments in accordance with market practices;
- differentiation from its competitors in terms of product offering, quality/price ratio and positioning, with differentiating products, a responsible offer and a strong brand and concept; This differentiation is also achieved by the segmentation strategy of the collection by lifestyle, thereby offering a range of assortments to address to a wide variety of customers;
- increase in the proportion of items developed or adapted internally;
- development of the brand's desirability through the signing of collaborations positioning MDM at the forefront of style (e.g. Renée Recycle and Lisa Guichet in 2022);
- balancing the structure of its collections with an adaptation of the price positioning on the most competitive product families;
- monitoring the prices charged by competitors on similar products;
- development of new activities/new services. Thus, in 209, in line with its strategic decision to expand its offer in services, Maisons du Monde took a majority stake in the Rhinov start-up, which allows everyone to obtain professional interior design advice tailored to their style and budget and at a very competitive price;
- improved product quality through higher standards in the design and choice of products and better monitoring of our suppliers.

The Group believes that its strong online presence and seamless integration across distribution channels provides it with a distinct advantage over its competitors. For example, a customer may view a product in a Maisons du Monde store and later decide to purchase this product via the Group's website. Similarly, a customer may view a product on the Group's websites or catalogue and then visit one of the stores before making a final decision. The Group seeks to further fuel the success of its omnichannel model the creation of options such as free in-store delivery or click and collect sales.

The Group aims to capitalise on the acceleration of online sales and launched its selective marketplace in France in November 2020. This digital acceleration is part of a vision that remains resolutely omnichannel. In the future, Maisons du Monde plans to deploy its marketplace in stores, thereby accentuating the differentiation of its model in a universe of "pure player" marketplaces.

During 2021, the Group continued to strengthen its relationships with its customers, focusing on the personalisation of its communication and the strengthening of its brand visibility through social media, influence and press relations.

Risks related to poor anticipation regarding developments in the market, demand, consumer preferences and behaviour

Description of the risk	Potential effects on the Group
The decoration and furniture industry is generally characterised by continually evolving customer preferences and trends. Maisons du Monde may be unable to: • adapt to new trends, to prepare and predict the impact of change; • monitor, interpret and respond appropriately and in a timely manner to changes in consumer demand, particularly if, in the markets where Maisons du Monde has developed, customers have different tastes and follow divergent trends; • adapt to the digital age and to the new demands of consumers in terms of e-commerce. The Group considers that certain pure-players in the market have been able to impose new trends in the online market such as free delivery and returns, improved customer experience at all points of contact, etc. In addition, consumers are increasingly concerned about the environmental footprint of products and packaging. Maisons du Monde may not be able to continue to adapt its product/service offering in this regard. The Group cannot assure investors that it will be able to continue to develop products that resonate with its customers or that it will successfully respond to consumer preferences in the years to come.	Any inability of the Group to anticipate, identify or respond effectively to consumer preferences could have an adverse effect on the number of visitors to its stores and its website, on the conversion rate and therefore on sales of the Group's products. Poor anticipation of market developments may lead the Group to lose market share or end up with higher-than-expected inventory levels. As a result, the Group could experience an increase in storage costs or be forced to reduce its selling prices, which would lead to a reduction in margins. The Group might also be required to record impairment of inventory charges. Conversely, higher-than-expected sales could result in inventory shortages, which could cause the Group to lose sales and damage its reputation with customers.

Management of the risk

The Group constantly innovates to respond to changing tastes and the preferences of customers by adding new themes, styles and universes.

The Group has a brand department which is responsible for analysing the strategy, on an international scale, regarding societal trends, lifestyles and demographic factors that affect emotional and functional needs.

The Artistic Department translates these needs in terms of trends and ranges. This work is supported by the style department which translates these trends into collections and products.

Lastly, with a view to continuously improving the management of its collections, the Purchasing Department is investing in a Product Life Management system the first batches of which will be deployed by early 2023.

The Group focuses on improving the customer experience, particularly its after-sales service, in order to meet new consumer requirements at all points of contact with Maisons du Monde. Internal processes between the sales teams and the purchasing department were redesigned and streamlined in 2021, making it easier to collect customer feedback on their expectations and questions from points of sale.

The Group carries out an annual assessment to measure the level of satisfaction on a panel of customers and prospects. The Group aims to invest in this area and to launch, in 2022, operational opinion surveys in addition to the annual survey.

The CRM (Customer Relationship Management) system, launched in 2017, provides the Group with the information needed to develop new products and categories that respond to current trends and changing customer preferences.

At last, being aware of the potential impacts of its activities on biodiversity and the heightening concerns of consumers regarding these challenges, the Group is focusing its efforts on its impact on the supply chain. Through the launch of the "Good Is Beautiful" responsible programme, in 2022 the Group is offering a wide range of products in line with its purpose, reflecting its environmental and societal commitments. The wood purchasing policy and the development of a responsible product offering contribute directly to reducing impacts on biodiversity. For more information on the measures implemented by the Group, see Chapter 3 "Statement of non-financial performance".

Risks related to the strategy and organisation of the Company

Risks related to the logistics chain: in warehouses or on upstream/downstream transport flows

Description of the risk

The Group uses external and internal logistics providers for the import of its goods from Asia and certain other European countries to the delivery of products to customers.

The logistics part is handled as follows:
- the importation of goods to the warehouse is entrusted to external service providers;
- the warehouses are managed by Distrimag, a Group subsidiary, and are located in the port area of Marseille-Fos, in the south of France;
- deliveries of goods between warehouses and stores and customers are entrusted to a panel of about 40 carriers.

The management of services by the Group is subject to certain risks such as:
- the unfavourable modification or loss of agreements with these carrier service providers;
- economic changes (increase in shipping rates, temporary scarcity of containers), political and global health developments that may lead to a decline in the quality of service, availability of containers and/or an increase in sea freight rates;
- limited storage or transport capacities caused by:
  - a shortage of drivers and logistics agents leading to a decline in service level of carriers and warehouses,
  - strikes, work interruptions limiting the ability of service providers to provide delivery services that meet the Group's needs; This situation is reinforced by the dependence on the port of Marseille, which is subject to blockages and strikes,
  - warehouse security (fire/major incident) causing an interruption of operations with a high sensitivity due to the concentration of warehouses in the same place;
- unfavourable changes in national or local regulatory environments on fuel taxes, customs duties, CO2 emissions, transport of goods in urban and peri-urban areas, etc. that could have a negative impact on the Group's logistics costs.

Potential effects on the Group

A partial or total interruption of the logistics chain (e.g. blockage of the port of Fos-sur-Mer, an interruption of or deterioration in delivery services, etc.) could lead to delays in deliveries and/or an inability to deliver products, thereby triggering customer dissatisfaction and a loss of revenue.

Management of the risk

To address these risks, the Group implements action plans at various levels.

In order to limit dependence on the port of Marseille, the Group is creating a logistics centre located in the north-west of France (Rouen via the port of Le Havre) which will open in 2022 and will have an area of 69,000 sqm. This new logistics model, in addition to improving the Group's operational performance and contributing to the continuous improvement of the customer experience, will make it possible to secure and limit the risk related to the blockage or unavailability of the port of Marseille-Fos, currently the only port through which all products imported from Asia by the Group transit. The management of this subsidiary will be entrusted to an external service provider.

Each year, the Group reviews all of its contracts with the main players in international sea freight, combining annual or multi-year contracts, thus guaranteeing agility in these relationships in the event of changes in the market and volumes by seeking to optimise the service rate. These contracts are subject to regular calls for tenders, which allows the Group to maintain a competitive approach between its service providers and to limit the risk of changes in contractual and pricing conditions.

For delivery of the Group's products to its stores and customers, the Group outsources the road transport to a number of third-party transportation and logistics providers. The Group has implemented a strategy that includes two carriers per geographical area, thus ensuring last mile delivery in the event of a service provider default.

To mitigate the risk of strikes or work stoppages at its logistics warehouses, the Group implements a number of measures to maintain close social dialogue. Employees and management are the focus of social dialogue, in both directions and there are many opportunities for discussion.

The Group's warehouses, located in the port area of Marseille-Fos in the south of France, are independent units, all equipped with sprinklers. The storage and preparation centres are guarded with access and exit control. The warehouses of secondary activities (returns, furniture repairs and overflow storage) are monitored remotely.

In order to manage risk, the Group is deploying management tools to strengthen its upstream control, including forecasting and procurement tools, as well as the deployment in 2021 of a supplier portal for furniture. The deployment of a supplier portal for decoration items and MLP is planned for 2022/2023.

The Group is developing a Transportation Management System, which is expected to be rolled out in 2022/2023 and will support the implementation of the Rouen warehouse and will improve the traceability of flows and the management of transport.

Risks related to the availability of products in those markets where they are sourced

Description of the risk	Potential effects on the Group
The Group is dependent on third-party suppliers to manufacture the products it markets. If the Group's suppliers do not deliver quality goods within a suitable period of time, the Group's reputation and activities may suffer serious consequences. The Group's products are manufactured mainly in Asia, more particularly in China, India, Indonesia and Vietnam. The Group is therefore exposed to the various usual risks associated with importing products from these countries, including, among others: • natural or health disasters, such as the Covid-19 crisis, can severely disrupt the Group's supplies, since they affect countries, where a large part of the Group's products are manufactured; • political and economic instability; • the strengthening of security requirements for goods; • import expenses and restrictions; • risks related to labour practices and social conflicts, manufacturing and product safety standards; • environmental issues. Since the first half of 2021, the Group has been facing a risk relating to the availability of manufactured products. This situation is due to the following two factors: • he drop in the supply of raw materials due to the effects of the health crisis related to Covid-19; • the increase in global demand for finished products and responsible materials. The Group's suppliers may face: • financial difficulties, bankruptcy, insolvency or a lack of liquidity; • failures of production facilities or disruption of the production process for reasons internal or external to the supplier's organisation exposing Maisons du Monde to a risk of disruption of its supply chain. For some products, the Group depends on a limited number of external suppliers. This is the case, for example, with fabric sofas. The use of a limited number of third-party suppliers entails a number of risks, including that inherent in the termination of business relationships.	Any instability that disrupts the production cycle of a partner supplier or the Group's strategic stock could result in an operating loss in relation to: • an increase in supply lead times and therefore the Group's inability to deliver products to its customers at the right time, which could adversely affect its relationship with its customers and impact its revenue; • an impairment of the Group's ability to adequately supply its warehouses and stores and therefore face inventory shortages on certain products, which could cause the Group to lose sales and damage its reputation with customers. More particularly, the Group's supplies have been severely affected in the context of the global health crisis linked to the Covid-19 virus. This pandemic has led to product supply difficulties for the Group. There is still pressure on the furniture supply chain due to production difficulties among suppliers.

Management of the risk

The Group works with 1,400 suppliers corresponding to 3,000 production factories, in a contractual relationship the average term of which is seven years. The Group has adapted its organisation by creating, in 2021, a purchasing department separate from the collections department, whose main objectives are:
- optimisation of the supplier base;
- improved steering and management of the supplier relationship;
- integration of the Group's non-financial objectives in the selection and management of suppliers;
- establishment of a strategy for a partial relocation of purchases.

As part of the Group's efforts to meet its high standards of quality and timely delivery of products, the Group engages in co-development of certain products with its partners for exclusive sale in its stores and on its websites.

The Group is working on strengthening the management of its suppliers with increased monitoring of order flows from Asia in order to fine-tune the management inventory levels as accurately as possible. The Group's medium-term ambition is to rebalance its sourcing strategy both geographically and by securing the production of certain product lines from several suppliers.

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Risks related to quality, safety or compliance of products

Description of the risk	Potential effects on the Group
As a distributor, the Group is responsible for the safety and quality of the products it sells. Non-compliance with manufacturing and product safety standards by the Group's suppliers could lead to serious product non-compliance issues, which may not be detected in the Group's quality procedures and which could in turn lead to product recalls. The Group's reputation and brand could be damaged by the marketing of defective products, especially in the event of serious defects, such as breach of standards, and which may cause physical harm or other health problems to consumers. For some products, the Group depends on a limited number of external suppliers. This is the case, for example, with fabric sofas. The use of a limited number of third-party suppliers entails a number of risks, including that inherent in the termination of business relationships.	These serious defects could mean for the Group: an increase in operating costs for compliance or remediation following such incidents; • a risk of litigation, in the event of a serious incident related to a defective or non-compliant product, resulting in a significant financial impact, all the more so if it was not covered by the Group's civil liability insurance; • appropriation of the integrity of the brand and its image with consumers, with a negative impact on the Group's sales. In addition, a major non-compliance of a product could lead to an investigation by the control agencies responsible for ensuring compliance with the laws inherent in international trade. Resulting penalties or enforcement actions could delay future imports or negatively impact the Group's business. In all such cases, especially if there is a prolonged impact on product quality, the Group's business, financial position, results of operations and reputation may be materially and adversely affected.

Management of the risk

Quality control is present during all phases of the building of the offering and the sourcing, manufacturing and logistics operating model.

The Group regularly implements monitoring, inspection and control procedures, which take place during the selection or manufacturing process and upon receipt of products in the Marseille-Fos warehouses. In particular, the Group seeks to achieve consistent product quality from one supplier to another by selectively controlling:

- both prototypes and pre-production samples. For certain types of products, specifications are sent to suppliers. These serve as a framework for the manufacture of prototypes and are related to materials, products and packaging; The Group ensures the continuous improvement of products in line with feedback from customers;
- deliveries in its Marseille-Fos warehouses. The Group's Quality Departments have set up procedures for checking products on reception at the logistics warehouses. These control procedures are notably adapted to the types of products, depending on whether they are new or renewed products, the number of past disputes and the control results on previous receptions.

The Group has a quality control team, consisting of about 50 employees, the majority of whom are based in China and India, who conduct site visits, inspections and are responsible for supervising suppliers' adherence to the Group's standards. Audited suppliers are selected on the basis of their history, criticality or specific product development.

In addition, on all quality matters, the Legal Department provides its expertise to ensure permanent monitoring of regulations relating to the countries where Maisons du Monde operates.

Risks related to information systems and cybercrime

Description of the risk

Information systems support all Group processes on a daily basis. Operations could be seriously disrupted as a result of a failure in its systems. These risks concern the stores, website and warehouses through critical information systems such as check-out systems, warehouse and store supply systems, and customer order management systems, etc.

Despite the measures implemented, the Group could be exposed to:
- risks specific to the processing, such as a logical attack, cyber attack, illicit modification of or interference with algorithms, disclosure of information or any other manipulation for the purpose of misappropriation;
- risks specific to equipment (theft, fire or other malicious damage) or buildings (intrusion, destruction or sabotage).

In addition to the risks related to cybercrime, the Group could face:
- the non-availability or disruption of data communication infrastructures, applications or networks, preventing from carrying out its activities;
- the non-integrity of data relating to both transactions and the production of financial statements;
- difficulties to adapt to the digital transformation. If changes in technology cause the information systems to become obsolete, or if they prove to be inadequate to handle growth, this could negatively impact the Group's business. In addition, costs and potential interruptions associated with the implementation of new technologies or with the maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of the Group's operations;
- the failure of the disaster recovery plan.

Potential effects on the Group

Any major failure in the information systems or any vulnerability to a cyberattack which could expose the Group to operational disruption, financial losses, regulatory action or consumer complaints that could damage its reputation and its business, in particular:
- operating losses related to the costs of interim measures to maintain the functionality and performance of the systems and to enable continuity of operations;
- loss of information that cannot be retrieved, resulting in operational impacts related to the loss of this data;
- loss of confidential information and know-how.

Any breach and/or questioning of security could result in:
- adversely impacting the Group's reputation with existing and potential customers;
- leading to a loss of stakeholder confidence;
- giving rise to litigation or fines;
- forcing the Group to allocate financial and management resources away from more profitable uses.

More generally, any significant breakdowns or interruptions in information systems or any loss of sensitive data could result in:
- blocking or slowing down the normal operation of the Group's business;
  - partial or total interruption of in-store activity, unavailability of the Group's websites or supply chain;
- bias in some decision-making;
- more generally, have unfavourable financial, operational or image consequences for Maisons du Monde.

Management of the risk

Information systems are supervised by the Information System Director and are managed internally by a team of nearly two hundred IT and data professionals supported by third parties.

In order to strengthen the protection of information systems and data, the Group ensures that digital security is taken into account from the design phase of IT projects, with a strategy of convergence of digital, data and core IS technologies in the cloud.

This system is reinforced by the presence of a Chief Information Security Officer, reporting directly to the Group's Information System Director and working in direct collaboration with the Data Privacy Officer.

The Group is developing materials specific to this issue in order to raise employee awareness of cybersecurity risks through practical guides and IT security e-learning modules for new employees and all head office staff. This system is strengthened by the provision, by the Group's Chief Information Security Officer (CISO), who is in charge of the digital Workplace, of secure work and collaboration tools.

The Group secures its infrastructures via a duplicated data centre architecture as well as an important system for securing this information via cloud technologies ensuring the continuity and connectivity of the Group's IT systems. This system enables a high availability IT and data architecture. All stores are connected to the registered office, as well as to backup sites and the Group's data is backed up every day.

The Group secures the connection of its employees through the use, for all new applications, of a single sign-on technology (SSO) combined with strong authentication of the Group's users (Multi-Factors Authentication) but also via the implementation of regular checks on authorisations and access.

An information systems risk map and a global information system master plan have been drawn up, with a logic of implementing market solutions and separation of roles and responsibilities to limit risks. This system is accompanied by of the annual periodic assessments of the security level of the information system, for example with "ethical hacking" campaigns to identify risks of intrusion into the Group's systems.

The Group's management of the risk of cyber attacks is based on an information systems security strategy deployed to prevent the risk of cybercrime, detect security incidents as fast as possible and provide solutions in the event of a security incident, with as an indication only:
- Group incident management makes it possible to centralise and govern responses to incidents, with an escalation mechanism;
- the use of standard tools for monitoring, detecting and processing security incidents (24/7) with a leading supplier.

Risks related to talent and employee management

Description of the risk	Potential effects on the Group
The Group must ensure employee engagement and be sure to retain the talent needed to implement the strategy and develop the various activities. To carry out its strategic plan, the Group relies on its management and employees. The risks that could potentially prevent the Group from achieving its objectives are difficulties in attracting talent and the loss of key skills in relation to the Group's ambitions: • inability to recruit suitable profiles to maintain strategic capabilities. The Group faces the challenge of attracting, training and retaining qualified personnel while controlling labour costs. The risk is accentuated in certain businesses (rare skills and competition in the digital sector, for example) and certain geographical sectors; • risks of loss of "key" skills: the Group's success depends in part on its ability to retain "expert" employees in the furniture and decoration market, in particular product designers and product managers with a decisive role to play in the definition of a unique product offering adapted to the expectations of its customers.In addition, as the Group is in the process of structuring its processes and its organisation, the ability to retain key employees is crucial to the success of this transformation. The Group may also be exposed to the risk of major disruptions to its operations due to strikes, work stoppages or other labour disputes specific to the Group. The Group is committed to its purpose aimed at promoting unique, warm and sustainable places to live. In this respect, Maisons du Monde must be vigilant in complying with its equal opportunities policy and ensure that its practices do not conflict with its ambitions. Compliance by each manager with the rules on diversity and equal opportunities represents a challenge in terms of regulations and employer image. Finally, as part of its duty of vigilance, Maisons du Monde must ensure the health, safety and security of its employees at all sites. Failure to provide an appropriate level of safety and security could compromise the level of employee commitment and damage the Group's reputation, particularly in the event of an accident. More specifically, in the context of the health crisis with the lockdown periods resulting in mandatory remote work or partial unemployment measures, could reveal or increase certain psycho-social risks, such as isolation and/or a feeling of economic insecurity, which would require the implementation of appropriate measures.	The Group is aware that talent management remains an area of long-term vigilance to ensure the sustainability of operations and guarantee the transmission of key know-how within the organisation. Difficulties in recruitment, excessive turnover rates, long vacancies could result in: • an inability to maintain strategic capabilities and/or a slowdown in the implementation of the Group's key development projects; The Group could be faced with a loss of talent, which would deprive it from capitalising on the experience of its employees and could thus create obstacles to its operational efficiency; • an inability to retain key employees leading to a loss of skills and knowledge, particularly in strategic positions (insufficient promotion or internal mobility); • the demotivation of the teams in place; • a rise in labour costs that could adversely affect the Group's business, financial position and results of operations. In 2021, the Group made societal issues related to diversity, equality and inclusion a priority in its purpose. The risk of non-compliance with these principles could lead to the departure of certain talents and harm the Group's image as an employer. The occurrence of strikes, work stoppages or other labour disputes could disrupt its operations, result in a loss of reputation, increased wages and benefits, or have a material adverse effect on the Group's business and results of operations.

Risks related to talent and employee management

Management of the risk

The systems for managing these risks are the subject of a strengthened Group-wide plan for the next few years aimed at:
- strengthening processes and organisation to attract, recruit and retain talent with:
  - the creation of an employer brand,
  - the professionalisation of our recruitment processes to attract talented people suited to our Group's transformation challenges,
  - the implementation of an attractive, consistent and competitive compensation policy for the network and the head office.

In addition, the Human Resources Department changed its structure in 2020 by creating two new departments to address these issues and better manage risks: a Talent Management Department and a Retail Training Department in order to develop and adjust the skills needed to manage the Group's growth.
The improvement of the processes for assessing, developing and valuing employees' skills is based in particular on:
- the implementation of a dedicated training programme for jobs undergoing transformation within the Company;
- conducting people reviews which aim to identify, with the help of managers, the key people in their teams, draw up action plans to develop them, engage them and replace them;
- improving performance and skills assessment methods, with the overhaul of the assessment tool and the introduction of reciprocal engagement reviews based on a strong commitment from the manager and the employee to strengthen the relationship and commitment.

The Group has signed a series of commitments relating to diversity, equal opportunities and inclusion for 2021, including a three-year agreement on the employment of people with disabilities and the Diversity Charter.

In 2021, the Group rolled out training to raise awareness on disability issues in recruitment procedures for the Company's 370 managers. In 2022, the Group will roll out mandatory online training courses on the Company's Code of Conduct for all its employees. In addition, training to raise awareness on discrimination will be provided to Group managers.

In 2021, the Board of Directors approved a gender equality plan providing for the following objectives for 2025:
- Maintaining a percentage of 50% women in the Company's top 100;
- A minimum of 20% women on each of the management committees;
- A gender equality index measuring pay gaps of more than 90 points.

For more information on the measures implemented by the Group for well-being at work, social dialogue, health and safety, training and employee employability, see Chapter 3 "Statement of non-financial responsibility".

Risks of theft/misappropriation of inventories

Description of the risk	Potential effects on the Group
In the normal course of its activities, the Group incurs the risk that products in stores or warehouses will be stolen. Products may also be misappropriated during transportation. The Group's stores may also be the targets of successful or unsuccessful robbery attempts by third parties. During the year ended 31 December 2021, the Group suffered a loss representing approximately 0.4% of its sales due to the theft of products in stores and warehouses.	Any such theft or misappropriation may have a material adverse effect on the Group's business, financial position, results of operations and reputation.

Management of the risk

To mitigate this risk, the Group has put in place several types of theft prevention and control systems:
- surveillance devices in stores considered sensitive, through video protection systems or the use of security guards and/or anti-intrusion alarms;
- access control and video surveillance systems in the Marseille-Fos warehouses;
- securing of goods to be sent to stores by using of security seals on the trucks leaving from warehouses;
- roll-out in 2021 of a reception portal enabling real-time monitoring of goods from the warehouse to the stores;
- the anti-theft device directly at the supplier's or in store for sensitive product families;
- manual anti-theft devices on sensitive product families;
- a prevention policy and internal procedures distributed to store employees so that they benefit from sustained awareness of the fight against shrinkage. The proper application of these procedures is regularly assessed during controls carried out in stores by the Group's Internal Audit Department.

Risks related to the management of the Group's image

Description of the risk	Potential effects on the Group
The Group's financial performance is partly linked to the positive perception of the Maisons du Monde brand by our customers. In the context of the development of its network, its marketplace and its external collaborations and partnerships, the Group is increasingly exposed to the dissemination of opinions and feedback on its brand. Due to the constant increase in the number of social networks and their growing influence, the Group may be subject to damageable media coverage and inappropriate publications or messages. Products or a communication policy that does not match the brand image, inappropriate behaviour of its representatives or employees, as well as the circulation of harmful information could affect the Group's reputation and brand image and thus significantly impact its valuation.	An unfavourable media campaign or an incident related to the Group could seriously tarnish the Group's image and reputation and potentially erode consumer confidence in the Maisons du Monde brand and weigh on sales. The potential effects of this risk include the inability to address and manage crises in the media and on social networks in an appropriate manner, but also to develop and maintain the brand's success.

Management of the risk

The Group has built an internal control system covering all key processes to protect its assets, including its image and reputation. The Group also ensures the proper conduct of the various third parties with which it has a business relationship (suppliers, partners).

The Group constantly monitors social networks and systematically submits its media campaigns for review by brand security providers such as DoubleVerify.

The Group also has ethics risk management systems and a crisis management manual whose role is to prevent, manage and limit the consequences of undesirable events on the Company

Legal and regulatory risks

Risks related to the confidentiality and protection of personal data

Description of the risk	Potential effects on the Group
As part of its operations, Maisons du Monde collects, processes and stores customer data from online and in-store sales, loyalty programmes and customer engagement campaigns, as well as data from employees, business partners and service providers. The strengthening of regulations on the protection of personal data, including the GDPR, in force since 25 May 2018, increases the risk of non-compliance by the Group. Following complaints or reports, or as part of the CNIL's annual programme of controls, Maisons du Monde may be subject to an audit to verify that the processing implemented by the Group complies with the provisions of the law.	Changes in regulations regarding the protection of personal data are likely to lead to an increase in operating costs related to compliance. Failure to comply with this regulation could result in: • a financial consequence, with a penalty of up to 4% of the Group's worldwide revenue; • a reputational impact on existing and prospective customers in the event that the Group's security is breached or called into question, leading to a loss of confidence and a drop in revenue; • a risk of suspension – or even cancellation – of the authorisation to process data for marketing purposes in particular, resulting in a loss of revenue.

Magement of the risk

The Maisons du Monde group is responsible for processing the personal data of its customers, prospects and employees, etc., and is engaged in a compliance programme that began in 2017. As part of this programme, the Group has set up communication and employee awareness raising campaigns on a regular basis, particularly through the update of the IT charter as well as an online training course on the GDPR for in-store employees.

This programme is led by the Group Data Protection Officer appointed in December 2018 and includes a governance body bringing together members of the Executive Committee with the aim of ensuring the Group's compliance with the GDPR. This work is presented to the Audit Committee each year.

Data protection is based on strict compliance with the principle of purpose (no recording of personal data that is not consented and not strictly necessary, so as to limit the risks of misuse by design) as well as the management of personal data.

Chief Information Security Officer is appointed by the Group's Information System Director as relay for Data Protection Officers to ensure the security of personal data.

The data protection programme is based on the following:
- a process for analysing personal data risks to and a register for the processing personal data;
- the application of security measures adapted to the risks relating to personal data (e.g. anonymisation, encryption, etc.);
- a process for obtaining customer consent;
- an industrialised process for managing requests to exercise GDPR rights;
- a set of organisational and technical processes: data storage policy/data breach notification process.

The guarantee of personal data protection relies to a large extent on the good understanding by the people implementing the IT and data systems of the systems security. To this end, the DPO has a direct relationship with the IT and Data teams to manage its roadmap, which allows for the permanent inclusion of personal data issues in the Group's technological changes.

The Group thus integrates, upstream, the obligation of data protection by taking into account the GDPR from the design of new projects launched by the Group but also in the negotiation of contracts with the Group's subcontractors and partners.

The Group regularly launches ethical hacking campaigns to verify the integrity of the systems, particularly when there are major changes affecting customer data.

The Group is investing in the creation of a network of GDPR relays within each department in charge of processing personal data.

Risks related to litigation, intellectual property rights and the fight against counterfeiting

Description of the risk	Potential effects on the Group
The Group's offering is one of the fundamental components of its competitiveness; Maisons du Monde faces the following risks: • be exposed to intellectual property claims by a third party, particularly when Maisons du Monde develops new product offerings and invests in new geographic markets; • suffer a violation of its intellectual property rights, including the counterfeiting of its products or the misappropriation of its trademark; • be exposed to the risk of loss or dissemination of sensitive information due to the fact that some employees have access to confidential documents in the course of their work.	Complaints from competing companies against the Group may have significant financial consequences, significant expenses may be incurred and may result in the sale of certain products in the collection. The Group may also be required to modify its products or acquire licensing rights from third parties. The Group's inability to protect its intellectual property rights may damage its reputation, diminish the value of its brand and weaken its competitive position. Finally, the loss or dissemination of sensitive and/or confidential information could harm the Group's interests and its image, and have a negative impact on its results.

Management of the risk

The Group takes legal measures, in particular through infringement and/or unfair competition actions, to protect and defend its intellectual property rights both locally and internationally.

In order to limit the risk of intellectual property claims by a third party, all of Maisons du Monde's in-house creations are reviewed and validated by the Group's Legal Departments.

In order to limit the risk of counterfeiting or misappropriation of the trademark by a third party, Maisons du Monde files the drawings and models designed by its Style Department with a bailiff (huissier de justice) on a weekly basis. This process makes the brand's creative process more secure, thereby ensuring the Group that it will be able to produce proof of ownership of its rights for those works should they ever be misappropriated by third parties.

The Group strives to raise awareness among people who have access to sensitive and/or confidential information and disseminates best practices to limit this risk, particularly with regard to the use of information systems and social networks. Maisons du Monde's Code of Professional Conduct reminds employees of the importance of keeping all information related to the Company's operations, organisation and products as confidential as possible.

Risks related to developments in or non-compliance with laws and regulations

Description of the risk	Potential effects on the Group
The regulations to which the Group is subject in the countries in which it operates, as well as changes in regulations and actions taken by local, national or international regulators are likely to have an impact on the Group's business. The Group must guard against any unexpected change in the regulatory framework such as: • changes in tax regulations in the countries where the Group operates and consequently be unable to face constraints or additional costs to respond or changes in regulations (electronic billing, specific taxation, etc.). Changes in tax laws could adversely affect the Group's tax position, including its effective tax rate or tax payments. In addition, the Group may be subject to tax audits in which there is no guarantee that the tax authorities will validate the positions taken by the Group; • changes in the regulatory environment specific to the Group's business and therefore impacting product standards (cf. specific risks), customs duties, consumer protection, personal health and safety, etc.; • the Group must also comply with a certain number of labour regulations on, in France for example, weekly working hours or provisions of law relating to overtime. In the event of non-compliance with these regulations, the Group could be prosecuted for offences described as "undeclared work", be obliged to pay penalties and also potentially have fines or sanctions imposed under criminal law.	Regulatory developments in these specific areas could have a negative impact on the Group's business and results. Indeed, any change in the regulatory environment could: • increase the Group's operating costs to comply; • impact the price of certain goods or cause delays in delivery; • impose, in the event of non-compliance, fines and penalties or legal sanctions and tarnish the Group's reputation.

Management of the risk

The Legal Department ensures that the Group's activities comply with applicable laws and regulations. The Legal Department also ensures, in partnership with the Internal Control Department, the identification of risks related to laws and regulations and the proper implementation of the related controls.

The Social Affairs Department ensures the compliance of the Group's labour law practices in each of the countries in which it operates by relying on:
- a network of specialised lawyers based in the Group's various countries;
- centralised management of employee representative bodies.

Outsourcing payroll to local firms also enables the Group to protect itself against any risk of non-compliance with local legal or contractual regulations.

The various regulations to which the Group is subject are constantly monitored from a technical, legal and tax standpoint by Maisons du Monde, by operational management, by the Legal Departments or with the assistance of outside advisors and law firms that can provide updates on new laws and case law on specific issues.

The Maisons du Monde group is responsible for processing the personal data of its customers, prospects and employees, etc., and is engaged in a compliance programme that began in 2017. This programme, monitored by the Group's Data Protection Officer, appointed in December 2018, is described in detail in the chapter on the risk of personal data confidentiality.

The Group has had an anti-corruption system since 2016, which is described in the section on the risks of corruption and fraud.

Risks of corruption or fraud

Description of the risk	Potential effects on the Group
Due to the nature of its commercial activities and its relations with its commercial partners, as well as the magnitude of geographical presence, Maisons du Monde is confronted with a number of strict international and national laws and regulations in terms of combating corruption, money laundering and fraud. Maisons du Monde cannot fully guarantee, within the framework of its own activities or throughout its supply chain, the prevention of any fraud and embezzlement or violation of anti-corruption laws and other similar regulations that could damage its reputation and lead to financial penalties.	Any violation of applicable anticorruption regulations and a lack of transparency in this area could expose the Group to: • significant reputational damage; • significant financial, administrative and disciplinary sanctions. In France, failure to implement the measures for the prevention and detection of corruption provided for by the Sapin II law, could expose the Group to an administrative sanction of EUR 1 million, as well as the implementation of monitoring (5 years maximum), the cost of which would be borne by the Group if corruption were discovered; • a weakening of investor confidence. Any act of fraud, whether internal or external, could result in the Group suffering: • a financial loss related to the fraud or in the form of legal costs related to restitution of the sums or products that have been subject to fraud; • an impact on the Group's image if fraud is proven.

Management of the risk

The Group implements, through its Legal and Internal Control Departments, all initiatives to comply with international and national anti-corruption laws, such as the Sapin II law (in France) and equivalent laws in other countries but also against money laundering.
With regard to the challenges posed by corruption, since 2017, Maisons du Monde has rolled out a series of procedures and practices to identify and manage the risks that are specific to the Group's business operations. These mechanisms fulfil the requirements of the "Sapin II" law on anticorruption and influence peddling. The Group has launched an update of the system to combat fraud, corruption and money laundering, the tools of which will be deployed in 2022.

The current system includes:
- an anticorruption risk map, updated in 2020, makes it possible to identify, analyse and prioritise the Company's risk of exposure to corruption and to scale internal procedures;
- the Maisons du Monde professional Code of Conduct aims to formalise the ethical and legal frame of reference within which Maisons du Monde and its employees perform their day-to-day professional activities;
- a whistle-blower's charter and an ethics hotline enable any situation that contravenes the Code of Conduct to be reported confidentially by telephone or email. This system was enhanced in 2021 with the implementation of the Speak-Up on-line platform, available for employees, customers, suppliers, other stakeholders and end-users to make anonymous and/original confidential alerts easier to file.

The Group also rolled out training for those employees most exposed to the risk of corruption as well as for all service managers. This classroom-based training focused on:
- a general presentation of the challenges of corruption, its forms and sanctions, the behaviour to adopt, as well as the roles and responsibilities of each party in a situation that may resemble corrupt practices;
- presentation of the anticorruption mechanism in place within the Group.

This system is renewed periodically to train new hires and employees who work in more at-risk positions. In addition, the awareness of those less exposed to the risks of corruption was raised by filtering information down through the ranks of line management.

In addition, the Suppliers Code of Conduct, which sets out all the requirements relating to the social compliance expected of suppliers, was supplemented in 2018 to include the issues of the fight against corruptions, which was identified as a risk in the vigilance plan. This document, which is sent out by buyers direct, is annexed to specifications for furniture suppliers and was also forwarded to key suppliers of decoration items since 2018. The Code is systematically signed by suppliers since 2021 and the Group manages their compliance thereto. At the end of 2021, 93% of suppliers had signed the Code of Conduct with the aim of having 100% of suppliers signatory to the Code by the end of 2022.

With regard to the measures implemented to protect against the risk of fraud and, in particular, the misappropriation of funds, the Group has put in place:
- strict procedures for controlling and securing customer payments both in its stores and on its website;
- the installation of cash deposit machines, to reinforce the security of management of cash and staff in stores;
- secure procedures for payments from its suppliers;
- the updating of payment and cash reimbursement thresholds in line with regulatory changes in the countries in which the Group operates, accompanied by checks on markdowns and reimbursements made in stores.

The internal control system covers all the Group's activities in all the regions where it operates. This system is based on a set of principles that provide reasonable assurance as to the achievement of the following internal control objectives:
- effective implementation and optimisation of operations;
- protection of the Group's assets;
- reliability of financial information;
- compliance with the laws and regulations applicable to all the Group's operations and internal regulations.

The assessment of this system is entrusted to the Group's Internal Control Department, composed of eight people located in France and Italy and who regularly carry out assignments covering all the Group's entities according to the annual audit plan approved by the Audit Committee. The Group's Internal Control Department may be required to carry out investigations to quickly respond to an urgent control requirement and/or deal with a new risk or malfunction. Audit reports are sent to the Audit Committee and to each department concerned. A summary of the audit findings is provided to the Audit Committee on a quarterly basis.

Financial risks

Currency risks

Description of the risk	Potential effects on the Group
Due to its international presence, the Group is naturally exposed to fluctuations in the foreign currencies in which its operations are carried out (transaction and translation risks): • the Group is exposed to the risks inherent in fluctuations in foreign currency exchange rates as purchases from its suppliers and marine freight costs are denominated in USD and are therefore exposed to fluctuations in the translation into euros of its foreign currency liabilities; • as a portion of its revenue is generated outside the European Union (Switzerland and the United Kingdom), the Group is exposed to fluctuations in the exchange rates of the Swiss franc and the British pound when the results are consolidated. In the event of ineffectiveness of currency hedging contracts or in the event of incorrect recording and/or lack of monitoring of hedging transactions, the Group would be significantly exposed to currency risk.	Fluctuations in exchange rates may impact the Group differently depending on the currencies involved: • in the case of the US dollar (USD), increase the cost of supplier activities and thus the cost of products and therefore the margin rate; • in the case of the Swiss franc (CHF) and the British pound (GBP), impact the revenue downward.

Management of the risk

The Group adopts a centralised approach to managing exposure to transactional currency risks to minimise the impact on its results. The prior authorisation of the Group Chief Financial Officer is mandatory before carrying out a foreign exchange transaction. The hedging strategy as well as the internal decision-making process and timetable are presented and reviewed each year by the Audit Committee.

The Group hedges most US dollar transactions using forward contracts and hedging strategies negotiated with leading banks, in order to hedge purchases foreseen over a period of 12 to 24 months. Hedging is part of the forecast/budget process.

2.3 Insurance and risk coverage

The Group maintains insurance to cover risks associated with the ordinary operation of its business, including property and casualty insurance policies that are typical for the industry in which the Group operates, at levels that the Group believes are appropriate when taking into account its size and the risks incurred.

The Group's global insurance programmes are negotiated and coordinated by the Legal Department which is responsible for identifying the Group's insurable risks, quantifying their potential consequences for the Group, and designing or structuring adequate insurance programmes with the support of leading insurance brokers with international networks.

The Group aims to ensure the maintenance of adequate coverage for all of its activities and sites worldwide. It has established internal claims procedures for each of its insurance policies in the event of loss suffered by the Group.

It also periodically reviews its insurance coverage in light of innovative and new risk transfer solutions offered by the insurance markets in order to ensure that the terms and conditions of its coverage are adequate, to verify that its deductibles and premiums are at reasonable levels and to reflect changes in its risk profile that arise as a result of events such as mergers and acquisitions, new fields of activity and the development of new technologies.

The Group's comprehensive insurance coverage schemes generally take the form of International schemes (in particular for property and casualty and business interruption policies) applicable to the Group's activities worldwide. The Group enters into local insurance policies generated from these master programmes to comply with local insurance-related regulatory obligations, as applicable in certain countries.

The Group does not operate, rent or own any captive insurance vehicles.

The Group's main insurance policies cover the following exposure lines:

- liability insurance: This scheme aims to cover the Group in the course of its activities, against the financial consequences of its liability in the event of bodily, material or immaterial damage and/or injury caused to third parties;
- damage insurance to goods and business interruption: The purpose of this insurance is to protect the Group's assets through a policy issued on the basis of the guarantees available on the insurance market. In particular, it covers the following risks: fire, lightning, theft, natural events and subsequent operating losses;
- director and executive liability insurance;
- transport insurance: This scheme covers all Group goods for both import and distribution, regardless of the mode of transport concerned (sea, air or land);
- compulsory insurance: The Group takes out various insurance schemes in compliance with local legislation, in particular: motor insurance and construction insurance (damage to buildings).

The Group's insurance policies contain exclusions, caps and deductibles that could expose it to unfavourable consequences in the event of a significant event or legal action against it. Moreover, the Group may be required to indemnify third parties for certain damages that are not covered by its insurance policies or to incur significant expenses that may not be covered, or may be insufficiently covered, under its insurance policies.

2.4 Financial and accounting information

RISK MANAGEMENT AND INTERNAL CONTROL SPECIFIC TO FINANCIAL AND ACCOUNTING INFORMATION

In addition to the risk management approach described above, which applies to all other Group departments, the Finance Department is responsible for defining and implementing the internal control system specific to the preparation and publication of accounting and financial information.

The internal financial and accounting control system aims to ensure:

- compliance of published financial and accounting information with the applicable rules;
- the reliability of information disseminated and used internally for management or control purposes insofar as the information contributes to the preparation of published accounting and financial information;
- the reliability of the published accounts and other information communicated to the market;
- the safeguarding of assets;
- the prevention and detection, as far as possible, of fraud and accounting and financial irregularities.

The scope of the internal accounting and financial control system, described below, includes the parent company and the companies included in its consolidated financial statements.

ORGANISATION OF AND RESPONSIBILITY FOR THE PRODUCTION OF ACCOUNTING AND FINANCIAL INFORMATION

The accounts of the Group's subsidiaries are prepared by the Accounts Department with, in the case of foreign subsidiaries, the assistance of local accounting firms, under the control of the Group's Finance Department.

The consolidated half-yearly and annual results are prepared by the Accounts Department and validated by the Finance Department.

The preparation of the Group's consolidated financial statements is a process carried out by the Accounts Department (also responsible for accounting standards), based on the "restated" accounts of the Group's companies, prepared in accordance with the IFRS and its interpretations as adopted by the European Union. Because of its centralised accounting and financial organisation, the Group has acquired the means to ensure that accounting and financial information is in compliance with current legislation and standards, with a view to giving shareholders and third parties the means to assess changes in the performance and asset value of the Company.

The Accounts Department draws up the Group's consolidated accounts, which meet the internal management requirements and the external publication requirements for the half-yearly and annual closing. It also draws up the restated financial statements of the subsidiaries. It takes into account the work of the statutory auditors, who, under the terms of their assignment, present recommendations to the Finance Department and the Audit Committee concerning internal control.

Asset control systems are based on annual inventories of stocks held by the Group (stores and warehouses). These inventories are carried out according to strict procedures in terms of separation of tasks and checking the counts, which guarantee their reliability. Group Management ensures that the assets are properly monitored and protected. The separation of tasks, the use of common tools and the centralisation of the processing of financial flows make it possible to limit the risk of errors or fraud.

The investment and financing guidelines and the assessment of counterparty risks to which the Group is exposed as a result of its operations on the financial markets are validated by the Finance Department. A Finance and Treasury Department was created in 2021 to strengthen the Group's expertise in this area. It defines the medium-term financing strategy and ensures the application of management principles at Group level.

The Investor Relations Department is responsible for all communications with investors and the Autorité des marchés financiers (French financial market authority). The Finance Department coordinates the drafting of the Universal Registration Document and ensures compliance with the planning, preparation and dissemination of financial communication.

The Management Control Department is responsible for the preparation and presentation of summary financial data in terms of analyses of results or forecasts.

The Internal Control Department is committed to constantly updating internal management procedures in order to keep them in line with changing organisational structures. It monitors the effectiveness of control systems and manages risk management systems.

Lastly, the implementation of the Maisons du Monde group's internal control system is part of a continuous improvement process aimed at ensuring the dissemination and formal adoption of best practices in risk management within the Group.

The objective of the Group is to pursue the optimisation and formal adoption of existing systems.

Non-financial performance statement

3

3.1 Maisons du Monde's CSR vision and strategy

3.1.1 MAISONS DU MONDE'S CSR STRATEGY IS ALIGNED WITH ITS PURPOSE

3.1.1.1 CSR strategy

The success of Maisons du Monde is based on a value creation model described on pages 10-11 of this Universal Registration Document. This model is based on the mobilisation of a certain number of resources (human, financial, natural, etc.) and on an ecosystem of partners and suppliers who contribute to the development of the Group in line with its purpose.

As the result of a collaborative process, the Company purpose was formulated in 2021 to articulate how we intend to have a positive impact on society beyond economic performance: **"Inspiring everyone to open up to the world, so that we create unique, heartful and sustainable places, together"**. This guides the future strategic directions of Maisons du Monde, being rolled out in projects and aimed at all stakeholders.

Maisons du Monde's CSR commitment is therefore a natural reflection of this purpose, through the transformation of the Group's business lines to integrate relevant social, environmental and societal issues. The impacts of Maisons du Monde's activities on its stakeholders (employees, customers, suppliers, investors, non-profits, communities, etc.) are therefore what determine the trajectory of the Group's CSR commitment. This CSR commitment, integrated into the Group's strategic plan, aims to support the development of Maisons du Monde's business while preserving resources and optimising the impact of its activities.

3.1.1.2 The Group's main CSR risks and issues

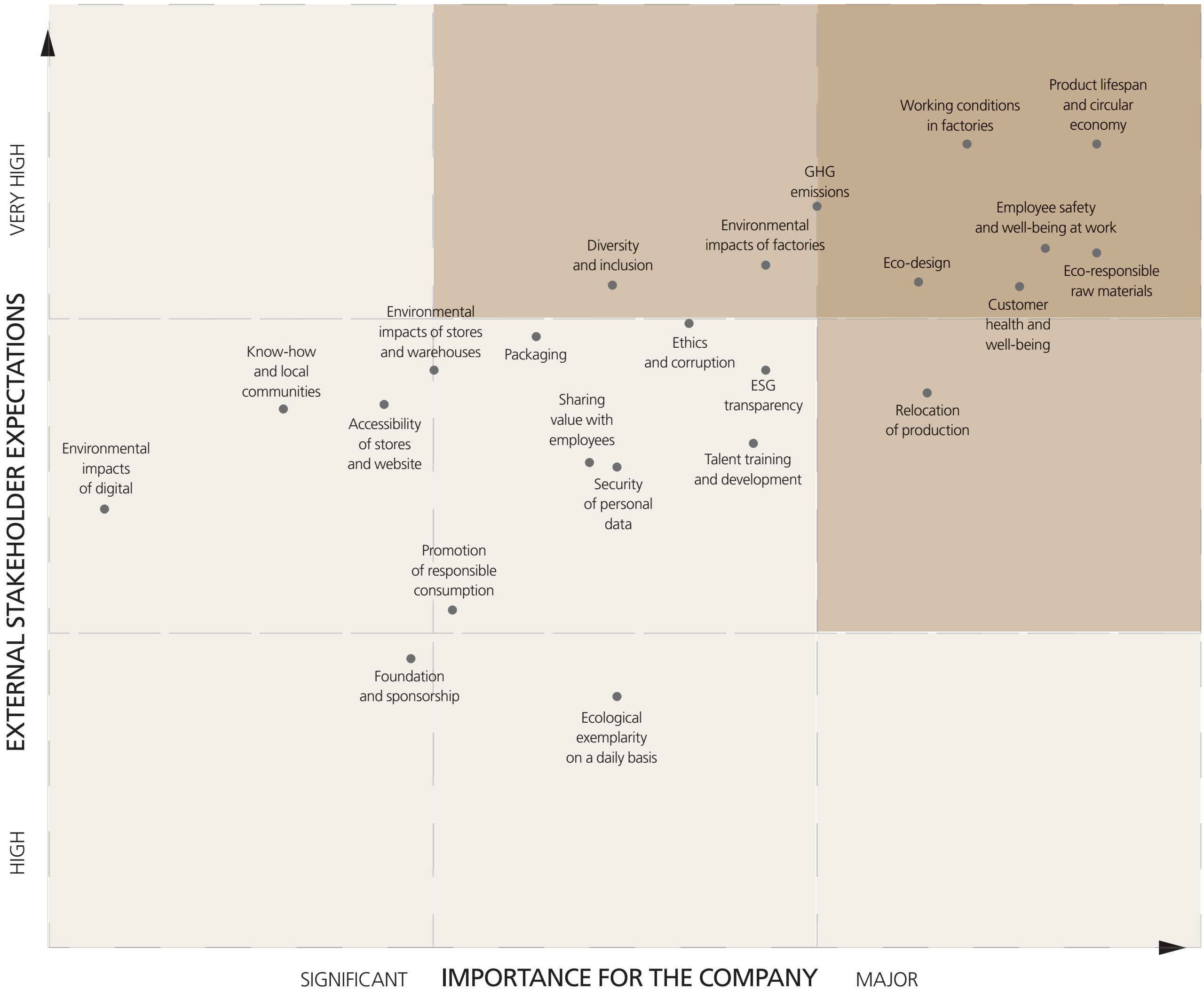
CSR materiality analysis

To ensure that the Group's CSR commitments and ambitions are aligned with the main impacts of its activity and the expectations of its stakeholders, Maisons du Monde regularly updates the CSR materiality analysis. This maps the main CSR issues identified by the Group with regard to its model of creating value in line with the expectations of a selection of internal and external stakeholders.

At the end of 2021, it was decided to update this analysis to take into account the changes in the external context (health crisis, changes in issues over time, new stakeholders, etc.) and in the Company's internal context (definition of the Company's purpose and changes in the CSR strategy, etc.).

A series of interviews was conducted to identify priority topics for the brand and its various activities, based on a list of social, environmental and governance issues deemed relevant for Maisons du Monde. Internally, interviews were conducted with members of the Executive Committee, Store Network Managers responsible for oversight of the Group's store activities as well as with a staff representative. These interviews were then supplemented by a questionnaire completed by over 1,000 employees. Ten or so interviews were conducted with shareholders, service providers, investors, regulators, representatives from social and environmental non-profits and even from other retailers. Lastly, these interviews were also supplemented by a survey of the brand's customers, to which more than 3,600 customers responded in France, Italy and Spain.

Materiality matrix for CSR issues



The highest priority issues can be pooled into four main themes:

- **Product sustainability:** the positioning of product lifespan issues, eco-responsible raw materials, eco-design, social production conditions, customer health and relocation outline the importance for the Company to offer its customers a range of products which is ever more respectful of the planet and People;
- **HR challenges:** the Company's management and stakeholders interviewed stressed the importance of employee health and well-being, diversity and inclusion issues and skills development;
- **Environmental impacts and fight against climate change:** the environmental impacts of Maisons du Monde's activities and, more generally, the Group's contribution to climate change are major issues;
- **ESG transparency and business ethics:** Maisons du Monde required to be particularly transparent and comply with best practices in terms of ethics and the fight against corruption.

Non-financial risk review and duty of vigilance

In parallel, and in addition to said materiality analysis, the Group updates its non-financial risk assessment on an annual basis. and complies with the regulations laid down law No. 2017-399 of 27 March 2017 on the duty of vigilance.

NON-FINANCIAL RISK REVIEW

This risk map, developed jointly by the CSR Department and the Internal Control Department, includes 32 CSR risks. These risks are analysed with regard to their likelihood and the magnitude of potential impacts (legal/regulatory, image/reputation, financial/strategic). The risk analysis is carried out for each of the pillars of the CSR strategy and enables the Group to ensure that it covers, through appropriate policies and due diligence procedures, all CSR issues, risks and opportunities relevant to Maisons du Monde's business model.

In 2021, the risk analysis was updated to take into account the impacts of the health crisis. The Covid-19 pandemic did not call into question the assessment of the priority risks identified. Nevertheless, it translated into reinforced risk management policies regarding compliance with our social requirements for our suppliers.

When the map was updated, 11 gross priority risks were identified among the 32 covered.

Priority gross risks

- risk of non-compliance of products with the REACH regulation,
- risk of non-compliance with the requirements of the European Union Timber Regulation (EUTR),
- risk of disclosure of an environmental impact related to raw materials in the supply chain: leather, cotton, palm oil,
- risk of disclosure of a social impact related to raw materials in the supply chain: cotton, stone and other,
- risk of environmental pollution at our suppliers or highlighting the environmental impact of the supply chain,
- risk of non-compliance with social requirements at a supplier, highlighting major non-compliance issues,
- risk of pressure on the availability of responsible raw materials,
- risk that the energy performance obligations for buildings and the obligations to reduce greenhouse gas emissions will be strengthened,
- risk of disclosure of the environmental impact of Maisons du Monde's activities,
- risk of regulatory strengthening on circular economy,
- risk of non-compliance with the ban on the destruction of non-food products;

DUTY OF VIGILANCE

Pursuant to the regulatory requirements arising from law No. 2017-399 of 27 March 2017, on the duty of vigilance, the Maisons du Monde group has formalised its vigilance plan since 2018. The definition of the vigilance plan required an additional mapping of the previous analysis in order to integrate all risks of serious violations of human rights, fundamental freedoms, human health and safety and the environment generated by the direct or indirect activities of Maisons du Monde. For each of these issues, based on the ISO 20400 chapters on responsible purchasing, the analysis identified risks at the various stages of the life cycle of Maisons du Monde products: raw materials, manufacturing, transport, distribution, use and end-of-life.

A list of 52 risks was formalised and analysed to identify the relevant activities and assess the control of those risks by Maisons du Monde and its partners. The main risks identified can be summarised into nine families of risks, which supplement the analysis of non-financial risks:

Duty of vigilance risk families

- working conditions at the Group's suppliers and compliance with ILO fundamental conventions,
- animal well-being for products incorporating materials of animal origin,
- exposure of workers to chemicals during the upstream manufacturing stages of Maisons du Monde products,
- environmental impact of the Company's activities, pollution risks, impact on biodiversity and greenhouse gas emissions,
- environmental impact of production activities of Maisons du Monde products, pollution risks and greenhouse gas emissions,
- environmental impact related to the production of raw materials used in Maisons du Monde products, in particular the use of wood, agricultural or synthetic materials,
- health of customers and users of Maisons du Monde products,
- Maisons du Monde group employee health and safety,
- employee health and safety during the upstream manufacturing stages of Maisons du Monde products;

To ensure that these risks are taken into account and that mitigation and prevention actions are implemented, the Group has chosen to formalise its vigilance plan in a dedicated document. This document lists the 52 risks identified, describes due diligence measures and refers to existing internal procedures.

The table below provides a simple overview of the risks identified as part of the non-financial risks and duty of vigilance review, specifies the associated material issues, the performance indicators for 2021 and refers back to the corresponding sections of this report with the key performance indicators in 2021.

Priority non-financial risks	Duty of care: family of risks	Material issues	KPI	NFPS reference
Sustainable management of resources: • disclosure of the environmental impact on the supply chain (leather, cotton, metal) • non-compliance with the EUTR Regulation • pressure on the availability of responsible raw materials	• Environmental impact related to the production of raw materials used in Maisons du Monde products, in particular the use of wood, agricultural or synthetic materials • Animal well-being for products incorporating materials of animal origin	• Product sustainability	• 21.3% responsible offering (Good is beautiful)	• 3.2.1 Development of a responsible product offering
Social and environmental impacts in the supply chain: • situation of corruption at our suppliers or in our supply chain • disclosure of a social impact on the supply chain (cotton)	• Working conditions at the Group's suppliers and compliance with ILO fundamental conventions	• ESG transparency and business ethics	• 84% of strategic suppliers audited over the past two years for social criteria, with no major non-compliances	• 3.3.1 Establish lasting relationships with our suppliers • 3.1.3.1 Business ethics and the fight against corruption
Social and environmental impacts in the supply chain: • non-compliance with social requirements	• Working conditions at the Group's suppliers and compliance with ILO fundamental conventions • Employee health and safety during the upstream manufacturing stages of MDM products	• Product sustainability		• 3.3.1 Establish lasting relationships with our suppliers
Social and environmental impacts in the supply chain: • pollution environnementale Chemicals: • non-compliance of products with the REACH regulation	• Environmental impact of production activities of Maisons du Monde products, pollution risks and greenhouse gas emissions • Exposure of workers to chemicals in • upstream manufacturing stages for Maisons du Monde products	• Product sustainability	• 95% of our suppliers sign the Substances specifications	• 3.3.1.1 An established control mechanism • 3.2.12 Customer health and safety – chemical management
Chemicals: • non-compliance of products with the REACH regulation	• Health of customers and users of Maisons du Monde products			• 3.2.1.2 Customer health and safety – chemical management
Disclosure of the environmental impact of Maisons du Monde's activities	• Environmental impact of the Company's activities, pollution risks, impact on biodiversity and greenhouse gas emissions	• Environmental impacts and the fight against climate change	• A 16% reduction in the carbon intensity of the Group's activities (tCO_2/EURM in revenue excluding "other operating income") compared to 2018	• 3.2.2 Reduce the environmental impact of activities and the fight against climate change
Strengthening of building energy performance obligations and greenhouse gas reduction obligations	• Environmental impact of the Company's activities, pollution risks, impact on biodiversity and greenhouse gas emissions	• Environmental impacts and the fight against climate change	• 91% of renewable electricity in the energy mix of our sites	• 3.2.2 Reduce the environmental impact of activities and the fight against climate change
No priority risk identified	• Maisons du Monde group employee health and safety	• HR challenges	• Group commitment rate is 68%	• 3.3.2 Maisons du Monde's HR policy
Circular economy: • non-compliance with the ban on the destruction of non-food products • regulatory strengthening on the circular economy	• Environmental impact of the Company's activities, pollution risks, impact on biodiversity and greenhouse gas emissions (waste management)	• Product sustainability	• +80% in the number of refurbished and repaired products compared to 2020	• 3.2.1.3 Encourage responsible consumption among customers • 3.2.2.2 Reduce packaging volumes and promote reuse

3.1.2 CSR GOVERNANCE

3.1.2.1 2025 objectives and contribution to the Sustainable Development Goals

The Group relies on the materiality analysis, the review of non-financial risks and the procedures implemented under the law on the duty of vigilance to ensure that its commitments and CSR strategy is aligned with the main impacts of its activity, associated risks and the expectations of its stakeholders. The Group's ambition is three-fold:

- control non-financial risks, secure the right to operate;
- make our commitment a brand differentiation and preference driver;
- reduce the environmental impact of all Group activities.

The CSR commitment is part of the Group's strategic ambition for 2025 and was shared on Investor's Day on 8 November 2021. On this occasion, it was renewed by a series of objectives for the period 2020-2025. These objectives reflect and reinforce existing plans and include the impact of the health crisis in their implementation schedule. These objectives contribute to 9 of the 17 SDGs (Sustainable Development Goals) supported by the United Nations and guarantee the integration of CSR issues in the Group's new chapter of growth. The performance at the end of 2021 with regard to these objectives is presented in the various sections of this chapter.

2020-2025 Plan	2021 performance	Contribution to SDGs	Corresponding sections
	Environmental issues		
Responsible offering			
40% of "Good is beautiful" responsible products in the Maisons du Monde offering	21.3%	12, 15	3.2.1 Development of a responsible product offering
80% of furniture comes from sustainably managed forests	71.6% of furniture comes from sustainably managed forests	12, 15	3.2.1.1 Integration of eco-responsible materials
50% of textile articles and furniture coverings made of responsible material	16% of textiles and furniture coverings made of responsible cotton **38%** of textile SKUs and **38%** of furniture coverings chemical-free certified (Oeko-Tex Standard 100 & GOTS)	12, 15	3.2.1.1 Integration of eco-responsible materials 3.2.1.2 Customer health and safety – chemical managem ent
Continuously reduce the environmental footprint of our products through the integration of recycled materials	More than 600 SKUs identified for transformation	12, 15, 13	3.2.1.1 Integration of eco-responsible materials
Fight against global warming			
Reduce the surface area energy intensity (kWh/m^2) by 45% on all our sites (basis 2016)	-21%	7, 13	3.2.2.1 Energy and climate commitments
Achieve 100% renewable energy in the energy mix of our sites	91% of renewable electricity in the energy mix of our sites	7, 13	3.2.2.1 Energy and climate commitments
90% of sites sort waste and 80% of waste is sorted for recycling (Group excluding Mekong)	92% of sites sort waste 56% of waste is sorted for recycling	13	3.2.2.2 Waste and packaging management, fight against waste
100% recyclable packaging	87% of packaging used at check-outs and 71% of packaging used in logistics are recyclable	13, 17	3.2.2.2 Reduce packaging volumes and promote reuse
"Zero printing" customer experience	Digitisation programme underway	13	3.2.2.2 Reduce packaging volumes and promote reuse

2020-2025 Plan	2021 performance	Contribution to SDGs	Corresponding sections
Reduce the intensity of CO_2 emissions by 25% for the main items in scopes 1, 2, 3	-16% of the carbon intensity of the Group's activities (tCO_2/EUR million of revenue except "other operating income") across all main items compared to 2018	13 Climate action	3.2.2.1 Energy and climate commitments
	Social issues		
Establish lasting relationships with suppliers			
Transparency regarding product origin	Mapping of tier 1 plants – 91% of SKUs in the 2021 collection are traced		3.3.1 Establish lasting relationships with our suppliers
100% of strategic suppliers audited over the past two years for social criteria, with no major non-compliances	84%	8 Decent work and economic growth	3.3.1 Establishing long-term relationships with our suppliers
100% of at-risk strategic suppliers audited for environmental criteria	Deployment of environmental audits in 2022	13 Climate action 15 Life on land 12 Responsible consumption and production	3.3.1 Establishing long-term relationships with our suppliers
Maisons du Monde's HR policy			
80% of employees recommend Maisons du Monde as a good employer	72%		3.3.2 Maisons du Monde's HR Policy
4% of employees with disabilities in France	1.5%	10 Reduced inequalities 17 Partnerships for the goals	3.3.2 Maisons du Monde's HR policy
Multiply the number of work-study students by two (as of 31/12)	232 (+40%)	10 Reduced inequalities 17 Partnerships for the goals	3.3.2 Maisons du Monde's HR policy
A gender equality index of at least 90/100	82/100	5 Gender equality 10 Reduced inequalities	3.3.2 Maisons du Monde's HR policy
65% of our Store Managers come from internal promotions	61%	10 Reduced inequalities	3.3.2 Maisons du Monde's HR policy
100% of managers trained in management	71%	4 Quality education	3.3.2 Maisons du Monde's HR policy

3.1.2.2 Mobilisation of the Executive Committee and performance management

In order to involve each of the business lines and ensure the achievement of the objectives set for 2025, a dedicated governance was put in place in 2025. Coordinated by the Maisons du Monde CSR Department, roadmaps have been formalised for each of the Group's departments. These 2025 CSR roadmaps are sponsored by each member of the Executive Committee and managed by a CSR champion within each department. They reflect the challenges determined beforehand, the objectives defined and the action plans identified.

In 2021, Maisons du Monde created a Brand & CSR Department within its Executive Committee to amplify the strategic importance of CSR, in line with the acceleration of the Company's commitment and the formulation of its purpose.

Each department takes on a part of the Group's commitment and manages the achievement of objectives:

- **Offering Department:** support for suppliers on social and environmental issues, responsible management of resources and chemicals used in products and the development of the responsible product offering. Within the Offering Department, a team dedicated to these responsible offering issues is integrated into Maisons du Monde's Quality Department;
- **Operations Department:** reduction of the environmental impact of stores, energy consumption and waste management. Overseen by the Technical Department, the action plans are rolled out jointly with the Distrimag teams, General Purchasing and rely on the network of CSR officers in stores;
- **Supply Department:** reduction of CO_2 emissions in upstream and downstream transport, reduction in volumes and recycling of waste from logistics activities within a circular economy approach. This approach is structured by Distrimag's EVA (Environment, Valorisation, Ambiance) division;
- **HR Department:** training and skills development, employee well-being, equal opportunities;
- **Digital and Marketing Department:** increased visibility of the responsible product offering and brand commitment;
- **Real Estate Department:** strengthening of technical requirements before the opening of new stores to reduce future environmental impact;
- **IT Department:** energy performance of IT equipment, digital sobriety, collaborative working methods and projects that serve the Group's environmental performance;
- **Finance Department:** management of non-financial risks, valuation of CSR performance with financial partners;
- **Brand & CSR Department:** overall management of the brand engagement strategy, coordination of the Group's low-carbon strategy actions, promotion of commitments and solidarity with the Maisons du Monde Foundation.

The progress made on roadmaps is overseen by the Executive Committee on a regular basis to ensure the continuous progress of the commitment process. The main ESG issues and the Group's commitment policy are also discussed by the Brand & CSR Department with the Board. Lastly, in 2021, the main non-financial performance indicators were included in the Group's overall performance management scorecard. This scorecard is discussed within the Executive Committee and the Board on a monthly basis.

3.1.2.3 Integration of ESG criteria in executive and manager compensation

In line with its purpose and to reflect its internal strategy, Maisons du Monde's executive compensation policy goes beyond economic performance and incorporates criteria associated with the Group's CSR performance.

In 2021, 10% of the variable compensation of Julie WALBAUM, Chief Executive Officer of Maisons du Monde, depends on the annual proportion of the responsible product offering in the Maisons du Monde collections. All the criteria are detailed in Section 4.2.2.1 on the compensation of the CEO.

The compensation of all Executive Committee members also includes a variable portion of 5% linked to the achievement of the CSR objectives defined in the roadmaps of their business lines.

Lastly, the allocation of profits of the 2021 long-term incentive plan depends on the achievement of the target for the proportion of responsible products in the Maisons du Monde collections.

Scope: Group

	2021
Number of employees benefiting from the long-term incentive plan which includes ESG criteria (including the Executive Committee & CEO)	283

3.1.2.4 Team engagement

CSR & inclusion referent, a network of employees who are ambassadors of the Group's commitment

Since 2017, Maisons du Monde has implemented a network of CSR & Inclusion officers to promote the brand's commitments to in-store teams and customers of the brand. Identified within the team, the CSR officers work together with store managers. Their daily role is to implement concrete actions to reduce the environmental impact of points of sale, encourage the sharing of best practices among the brand's stores and raise awareness among store teams and customers on the brand's commitments.

Deployed in French-speaking stores, the network of contacts was extended in 2021 to all Italian, Belgian and Swiss stores and currently involves 311 Maisons du Monde stores. The CSR Department is responsible for coordinating the network of contacts with the Operations Department.

NUMBER OF CSR OFFICERS IN STORES

Scope: Network

	2021	2020	2019
Number of CSR officers in stores	311	251	257

The CSR officers network initiative has been replicated at the administrative headquarters in Nantes and Paris to identify volunteers to act as ambassadors for their services. These share their expectations in terms of day-to-day engagement in their business line, design awareness-raising events for all the teams and relay key CSR systems and measures to their colleagues.

Training of and raising awareness among employees on CSR issues

TRAINING ON CSR ISSUES

Employee engagement is key to achieve Maisons du Monde's CSR ambitions and transform its business lines. The CSR commitment is therefore included in the employee on-boarding process. Accordingly, two e-learning modules dedicated to CSR are offered to new employees during their integration phase. These modules present sustainable development, describe Maisons du Monde's specific commitments and explain that everyone can play an active role on a daily basis, in particular by creating a bond with the customer in Maisons du Monde stores.

AWARENESS RAISING ON ENVIRONMENTAL ISSUES

In order to set an example and encourage broad action by the Group's teams, various events are organised during the year around issues related to waste management, biodiversity and the fight against climate change.

Employees were also able to participate in the European Week for Waste Reduction in November 2021, through awareness-raising workshops and participation in the World Clean Up Day. Twenty-five employees from the Maisons du Monde headquarters and stores in France, Italy and Belgium took part in this clean-up operation which was near to their home.

Furthermore, to raise awareness among teams about the preservation of biodiversity and improve the working environment of the teams at the headquarters in Vertou, two vegetable gardens were set up at both sites of the headquarters and welcome employees once a week. Bees have also been introduced at the Portereau site and, since 2018, this same site has kept sheep for eco-grazing.

Lastly, Maisons du Monde took part in the "Together for the Climate" event organised by the "Collectif Génération Responsable" community in 2021. 55 employees from the headquarters and stores in France, took part in the publishing challenge alongside 15 brands of the community to "show how they take action for the climate on a daily basis with pictures".

In total, 80 employees took part in solidarity-based programmes.

3.1.2.5 Ongoing dialogue with stakeholders

External commitments and main collective bargaining agreements relating to CSR commitments

External commitments

2012: Signatory of the UN Global Compact

2012: Member of the "Collectif Génération Responsable" community

2019: Member of the Science Based Targets Initiative

2020: Committed company of Act4Nature International

2021: Signatory of the Responsible E-commerce Logistics Charter of FEVAD

2021: Member of the FRET21 initiative

2021: Signatory of the Diversity Charter

Main collective bargaining agreements

2018: Agreement on the organisation of working time

2019: Agreement on equal opportunities for men and women

2020: Agreement to promote the professional inclusion and job retention of workers with disabilities

Dialogue with stakeholders

Mobilisation of stakeholders and dialogue on CSR issues is vital for the success of the Group's engagement strategy. The Group's main stakeholders are listed below:

Social sphere	Employees and trade unions
Financial sphere	Shareholders, Analysts
Economic sphere	Customers, Professional clients, Suppliers, Economic partners
Public sphere	Citizens, Professional bodies, Social and environmental NGOs, Regulatory bodies and Local authorities

EMPLOYEES AND TRADE UNIONS

In order to engage the Group's employees in the commitment process, various training, ambassador and awareness-raising mechanisms have been put in place (see Section 3.1.2.4). In addition to these mechanisms, dialogue with employees also involves regular discussions with the Economic and Social Committee (ESC) for an exchange of views with elected employee representatives. In 2021, CSR topics, including the deployment of the CSR referent network or the materiality matrix, were discussed at ESC Meetings on a regular basis.

SHAREHOLDERS AND ANALYSTS

The Maisons du Monde group's CSR commitment is an integral part of its communication with investors and analysts. The Group's ESG performance is assessed, on a regular basis and the CSR and Finance Departments work together to report to analysts transparently. Recognition of the Group's performance is presented in Section 3.2.6.

CUSTOMERS

Defining a purpose has reinforced the Group's desire to offer its customers an ever more inspiring product offering that is respectful of both people and the planet.

Customer dialogue and satisfaction are key to all the Group's business lines. Talking with our customers in order to fulfil their expectations and "bringing them on Board with our CSR approach" takes place through two main channels: the Customer Relationship Department and omnichannel communication on CSR issues, in the Group's stores, on its website and in its catalogues.

Within the Customer Relationship Management Department, the teams are trained on the main CSR issues to answer customers' questions on these topics and a constant dialogue is established with the CSR Department in order to best anticipate expectations regarding the brand's commitment.

The Digital and Marketing Department aims to make the Group's commitment more visible and the communication plan on CSR issues is adapted to the Group's omnichannel model:

- the sustainable products offering developed by the Group is promoted in the same way across the e-commerce website, the stores and the catalogues by creating and communicating visual logos describing the different sustainability criteria Promotion is reinforced by the presence of CSR officers in stores;
- the brand's global CSR commitment, news and events are communicated according to the public targeted on the e-commerce website, on the Company website, on social networks or in customer newsletters and are incorporated into the brand's messaging;
- lastly, the implementation of "ROUNDING-UP" at check-outs in all French stores completes this sustainable initiative. It offers customers the opportunity to participate and get involved by supporting associations selected by the Maisons du Monde Foundation. In 2021, over 3 million donations, worth over EUR 580,000, were made by the brand's in-store customers (see Section 3.2.3.3).

As a clear demonstration that customers are aware of the Group's commitment, Maisons du Monde also made it into the Top ten preferred brands among customers in terms of social and environmental responsibility, all sectors combined (source: OC&C).

PROFESSIONAL CLIENTS

Over the last 12 years, Maisons du Monde has provided professional clients with a B2B team providing close assistance in their space opening or renovation projects. This service has a deep understanding of the indoor and outdoor layout of hotels, restaurants, offices, etc., and can offer appropriate solutions for all spaces depending on the priorities of the site, its unique features and its constraints.

Commitment to CSR is a growing concern for Maisons du Monde's professional clients, and the product offering dedicated to these customers is evolving to take these expectations into account. The 2020-2025 plan for growth in responsible product offering (see Section 3.2.1) therefore includes specific objectives for the Maisons du Monde professional catalogue. Finally, in 2021, Maisons du Monde responded to the EcoVadis CSR evaluation questionnaire at the request of some of its professional clients. The evaluation carried out ranked Maisons du Monde in the "Silver" category (57/100).

SUPPLIERS

The Maisons du Monde group suppliers are on-board with the Group's sustainability approach and were invited by Offering Department teams to commit to making progress in respect of the CSR issues identified (social conditions, raw materials, chemicals, know-how). Details of this dialogue, which is now supplemented by inter-supplier training sessions on social responsibility issues, are provided in Section 3.1 "Establish lasting relationships with our suppliers".

PROFESSIONAL BODIES AND NGOS

The construction of the Group's CSR strategy and its ongoing development cannot take place without an open dialogue and the implementation of concrete projects with NGOs, associations and networks made up of other distribution brands. Maisons du Monde works closely with a number of partners who are experts in the issues encountered:

- concerning the traceability of raw materials such as wood or cotton, the Group works in consultation with various organisations such as the NGO TFT-Earthworm or FSC France. This dialogue ensures that the actions implemented by Maisons du Monde are aligned with the expectations of environmental associations. It also makes it possible to work jointly on the formalisation of progress plans;
- to discuss social conditions in our supply chain, Maisons du Monde has been a member of the ICS (Initiative for Compliance and Sustainability) since 2017. This initiative brings together 52 retail brands and promotes responsible commerce by working on the social responsibility of suppliers. In addition, the Group supports the international NGO Ressources Humaines Sans Frontières (RHSF). With a presence in China, India and the United States, this NGO works to promote human rights at work throughout the subcontracting chain;
- as for to the issues regarding the fight against food waste and reusing products, Maisons du Monde discusses with social and solidarity-oriented players and with eco-organisations. In particular, the Group works closely with the Emmaus France network as part of a partnership around products returned by customers, to encourage customers to give their old products a second lease of life, favouring the circular economy approach (see Section 3.2.1.3);
- Maisons du Monde supports NGOs through its philanthropic policy, *via* the brand or the Maisons du Monde Foundation (see Section 3.2.3). These partnerships are another opportunity to discuss the issues dealt with by these non-profits and the brand's response to such issues. Through the Maisons du Monde Foundation, Maisons du Monde is also a member of the 1% for the Planet club which brings together philanthropic companies who elect to donate 1% of their profits to environmental NGOs. A member since 2013, Maisons du Monde focuses its donation on the revenue generated by traced, recycled and ecodesigned timber.

The Group also constantly holds talk with other retail brands and other companies to monitor and share best practices at sector level. The Group is a member of the *Collège des directeurs du développement durable* (C3D, Board of Sustainable Development Directors) and Collectif Génération Responsable (Responsible Generation Collective). As a member of this collective, Maisons du Monde has been a signatory of the voluntary commitment agreement for organised retailers since 2015 and was labelled as a "Responsible Brand" following an evaluation carried out by SGS, a certifying body.

3.1.2.6 Recognition of the Group's CSR performance

Maisons du Monde's CSR performance is regularly analysed by non-financial rating agencies, investors and other stakeholders. In 2021, through dialogue and transparent communication with analysts, the Group's ratings within the various ESG indices and assessments reflect a strong social and environmental commitment.

Agency	Rating
Vigeo Eiris	57/100 – sector rank: 4/71
CDP Climate	B
CDP Forest	B
MSCI	A 6.6/10
Sustainalytics (ESG risk)	10.5 (low risk) Segment rank (home retailing): 2/39 Segment rank (retail): 8/468
EthiFinance (Gaïa Rating)	81/100
EcoVadis	Silver

3.1.2.7 Application of the European green taxonomy

Overview of the european taxonomy

The green taxonomy regulation is a key element of the European Commission's action plan for sustainable finance which aims to redirect capital flows towards a more sustainable economy. The Taxonomy is a classification system for environmentally "sustainable" economic activities.

The Group must comply with non-financial information disclosure obligations in accordance with Article 29a of Directive 2013/34/EU. As such, the Maisons du Monde group falls within the scope of Article 8 of the Regulation on the EU taxonomy and must thus communicate to what extent its activities are associated with economic activities classified as sustainable.

The environmental objectives defined in the EU taxonomy regulation are as follows: climate change mitigation, climate change adaptation; sustainable use and protection of water and marine resources, transition to a circular economy, water prevention and recycling, pollution prevention and control, and protection of healthy ecosystems. To date, technical selection criteria have been established for the first two climate-related objectives in a delegated act [1].

(1) *Commission Delegated Regulation (EU) 2021/2139 supplementing Regulation (EU) 2020/852 by establishing the technical selection criteria enabling to determine the conditions under which an economic activity can be considered as contributing substantially to the mitigation of the climate change or adaptation to this change and to determine whether this economic activity does not cause any significant effect on any of the other environmental objectives.*

For the 2021 reporting period, Art. 8 of the delegated act [1] provided for limited disclosures; *i.e.* the proportion of total revenue attributable to eligible economic activities [2] for the taxonomy and non-eligible economic activities for the taxonomy, capital expenditure (CapEx) and certain operating expenses (OpEx), (the "KPIs").

The specification of KPIs is determined in accordance with Appendix I of Art. 8 of the delegated act. Maisons du Monde determines the KPIs eligible for Taxonomy in accordance with the legal requirements as presented in the methodology note below.

Maison du Monde activities

MAIN ACTIVITY

After an in-depth review involving all relevant functions of the Group, none of the Group's main economic activities generate revenue eligible for Green Taxonomy.

INDIVIDUAL CAPITAL EXPENDITURE AND ELIGIBLE OPERATING EXPENSES

Economic activities individually sustainable have been identified, resulting in capital expenditure (CapEx) enabling certain target activities to become low-carbon or to reduce greenhouse gas emissions and therefore contribute to the climate mitigation objective. These activities are presented in the summary table below.

Eligible economic activity	Description of the activity within the Group
6.5. Transport by motorcycles, passenger cars and light commercial vehicles	CapEx for the acquisition and maintenance of the company car fleet (leased and owned)
6.6 Road freight	CapEx for the acquisition and maintenance of the company truck fleet (leased and owned)
7.2 Renovation of existing buildings	CapEx for the renovation of our existing buildings (structural work only)
7.3 Installation, maintenance and repair of equipment promoting energy performance	CapEx for the installation and maintenance of equipment promoting energy performance (replacement of lighting and A/C systems with lower-energy systems)
7.7 Acquisition and ownership of buildings	Lease payments for the Group's buildings

KEY PERFORMANCE INDICATORS (KPIS)

KPIs include revenue and CapEx. The OpEx indicator is not disclosed, as the OpEx falling within the definition of the Taxonomy were considered non-material, from both a quantitative and a qualitative perspective for Maisons du Monde (using the exemption criteria [3]).

For the 2021 reporting period, the KPIs must disclosed in relation to the economic activities eligible for the Taxonomy and the economic activities not eligible for the Taxonomy (Art. 10(2) of Article 8 of the delegated act).

	Total *(in EUR millions)*	**Proportion of economic activities eligible for taxonomy** *(as a %)*	**Proportion of economic activities not eligible for taxonomy** *(as a %)*
Revenues	**1,353.7**	**0%**	**100%**
CapEx	**148.2**	**68.1%**	**31.9%**
CapEx related to the acquisition of right-of-use assets – new leases signed in 2021	96.9		
CapEx for the installation and maintenance of equipment promoting energy performance (replacement of lighting and A/C systems with lower-energy systems).	4.1		

(1) Commission Delegated Regulation (EU) 2021/2178 supplementing Regulation (EU) 2020/852 by specifying the content and presentation of the information to be disclosed by companies subject to Articles 19 bis or 29 bis of Directive 2013/34/EU concerning environmentally friendly economic activities, and specifying the methodology for complying with this disclosure obligation.

(2) See definition in methodological note.

(3) See methodology section for the definition of KPIs.

EUR 96.9 million corresponds to the CapEx related to new store leases and vehicle leases, as well as to the long term rental programme with Econocom in the amount of EUR 1.5 million in respect of 2021. It should be noted that among our real estate portfolio, at least 12.7% of our current leases are related to buildings with environmental certifications.

EUR 4.1 million corresponds to CapEx related to the replacement of air conditioning equipment by more efficient equipment (EUR 2.8 million), as well as CapEx related to the replacement of lighting by LED lamps (EUR 1.3 million).

3.1.2.8 Non-financial performance and reporting scope

The Group's CSR performance indicators are monitored by the CSR Department, in conjunction with the business line contributors. These contributors are responsible for advancing the road maps defined for 2025 objectives. Key indicators are shown in the paragraphs below with regard to the objectives of the CSR strategy. It should be noted that, unless otherwise stated, these indicators cover all the Group's activities and are presented as follows:

- network and administrative premises: impact of the Group's stores (non-franchised) in France and internationally and of all the administrative premises of the Maisons du Monde It should be noted that Rhinov's information only includes HR indicators;
- logistics: impact of Distrimag entity activities, including the logistics warehouses and the fleet of vehicles that provide traction between the port of Fos-sur-Mer and the warehouses;
- production: impact of the activities of the Mekong Furniture factories, in Vietnam;
- further information on how reporting is organised is provided in Section 3.4 "Reporting methodology".

3

3.1.3 FAIR PRACTICES

3.1.3.1 Business ethics and the fight against corruption

Corruption

To respond to the challenges of corruption, influence-peddling and the requirements of the Sapin 2 law, since 2017, Maisons du Monde has had a series of procedures and practices to identify and control the risks specific to the Group's business. These procedures and the Group's actions are based on:

- **an anticorruption risk map**, compiled as a result of twenty or so interviews with the Group's key functions, conducted by an external firm of consultants. This map identifies and orders the Company's risks of exposure to corruption and enables proportionate internal procedures. This risk map was reviewed in 2020 to make sure that there were no changes to the risks in line with the development of the Group's business;
- **the Maisons du Monde professional Code of Conduct** aims to formalise the ethical and legal frame of reference within which the Group and its employees perform their day-to-day professional activities;
- **a whistle-blower's charter and an ethics hotline** enable any situation that contravenes the Code of Conduct to be reported confidentially by telephone or email. This system was enhanced in 2021 with the implementation of the Speak-Up on-line platform, available for employees, customers, suppliers, other stakeholders and end-users to make anonymous and/original confidential alerts.

To ensure compliance with these procedures, the Group introduced training for employees most exposed to the risks of corruption and for all service managers. This classroom-based training focused on:

- a general introduction to issues of corruption, its forms and the sanctions incurred;
- behaviours to adopt, as well as the roles and responsibilities of individuals when faced with a situation which might involve acts of corruption;
- presentation of the anticorruption mechanism in place within the Group.

This system is renewed periodically to train new hires and employees who work in more at-risk positions.

In addition, the awareness of those less exposed to the risks of corruption was raised by filtering information down through the ranks of line management.

Scope: Group

	2021
Number of corruption alerts on the whistleblowing line	1

Tax evasion policy

Maisons du Monde groups tax evasion into two categories covered by procedures deployed and audited at Group level:

- in-store, the Group complies with the cash payment thresholds in force in the various countries where it operates to counter money laundering;
- at Group level, the Finance Department is responsible for the fiscal policy which applies to all Group entities. This policy incorporates transfer pricing procedures and compliance with the Base Erosion and Profit Shifting (BEPS) regulation. Maisons du Monde is also subject to the Country by Country Reporting (CbCR) regulation and makes a declaration to the authorities listing sales generated in each country in which it operates, taxes due and settled as well as the Group's workforce in each of these countries.

3.2 Environmental commitments

3.2.1 DEVELOPMENT OF A RESPONSIBLE PRODUCT OFFERING

Given the mapping of non-financial risks identified as part of the duty of vigilance, offering customers a more responsible product offering is one of the main levers for reducing the Group's environmental impact. Indeed, the various stages of production of the materials composing the products distributed by Maisons du Monde represent approximately 58% of the Group's total carbon footprint.

The following paragraphs therefore describe the existing control procedures and action plans and their results which enable to reduce the environmental footprint of the product offering through work on raw materials, the control of manufacturing stages and management of chemical usage.

Overseen by the Quality Department, the "responsible offering" roadmap included in our 2025 plan is the backbone of our commitment.

In 2021, as part of the launch of the "Good Is Beautiful" new, more demanding selection criteria have been defined to qualify the Group's responsible offering. First of all, three prerequisites must be met, including:

- the signature of the chemical specifications by the supplier;
- the signing of the raw materials sourcing policy;
- obtention of information on the address of the product manufacturing plant and the provision of a social audit report of less than two years which does not highlight any major non-compliance within the plant;

Then, to be included in the "Good is beautiful" (GIB) selection, a product must meet one of the following three criteria:

- include at least on eco-responsible material, the proportion of which is significant in the finished product (recycled timber, traced timber, FSC/PEFC certified timber, LWG certified leather, recycled leather, Oeko-Tex standard 100 certified textile, organic cotton, recycled textile, etc.);
- undergone a significant manufacturing step in Europe (European Union, Norway, Switzerland, United Kingdom);
- contribute to the preservation of traditional and local know-how

As a result of the application of the new methodology, the proportion of the responsible offering will change according to more demanding criteria for the coming years.

Scope: Group

Percentage of responsible offering	2021	2020
Number of SKUs that include an eco-responsible material	5,072	3,342
Percentage of products that include an eco-responsible material in Maisons du Monde's overall offering	29%	21%
Number of references in the Good is beautiful selection	3,760	
Percentage of Good is beautiful offering	21.3%	

2020-2025 Plan	2021 Performance
Achieve 40% "Good is beautiful" responsible offering	21.3%

3.2.1.1 Integration of eco-friendly materials

For more than ten years, Maisons du Monde has carried out in-depth work on the traceability of raw materials in order to reduce the social and environmental impacts associated with its product manufacturing. Thus, taking into account the social and environmental issues and risks related to the extraction and processing of raw materials remains critical for building a credible and robust responsible purchasing policy.

As part of its "2025 Responsible Offering" roadmap, Maisons du Monde is continuing to implement its committed environmental approach. The Group's ambition is to control risks related to materials while providing an ever more responsible product offering to the brand's customers.

The bedrock of Maisons du Monde's commitment to sustainable resource management is its policy for raw materials, which is strengthened every year with the integration of issues related to new materials (timber, animal materials, PVC, recycled materials, natural materials, etc.). This policy enables the Group to ensure that Maisons du Monde's suppliers comply with all the requirements and procedures for the responsible sourcing of materials. Said policy is sent to all suppliers, appended to the contractual documents (product specifications, terms and conditions) before the launch of each new collection. It is available for download on the Group's corporate website.

At the same time, the Group is continuing to develop, together with its suppliers, a product offering which includes more responsible raw materials, in line with its 2025 objectives relating to the sourcing of timber, textiles, animal materials and recycled materials.

2020-2025 Plan	2021 Performance	
80% of furniture comes from sustainably managed forests	71.6% of wooden furniture made with timber from sustainably managed forests	■■■□
50% of textile articles and furniture coverings made of responsible material	16% of textile SKUs and furniture coverings made of responsible cotton	■□□□
Continuously reduce the environmental footprint of our products through the integration of recycled materials	More than 600 textile SKUs identified for transformation	■□□□

From the 1st quarter of 2022, all products that include a sustainability criterion will be pooled together in the responsible Maisons du Monde Good is beautiful selection which will allow to clearly identify them.

Commitment to sustainable timber

The Group's responsible purchasing policy has historically been structured around timber sourcing, the main material used in its products. The actions implemented revolve around three levels of requirements: the exclusion of at-risk species and sources, verification of legal cutting and a differentiating voluntary approach to guarantee the sustainability of resources.

These commitments are formalised in the Maisons du Monde raw materials policy. This policy contains the minimum requirements for making suppliers aware of the Group's expectations and enabling them to be part of a partnership and support network.

Since the end of 2020, in line with the objective of the roadmap, the use of wood from sustainably managed forests had become systematic. All new wooden product developments are now made with using certified timber by buyers and Maisons du Monde teams are working actively to support suppliers in obtaining certification and finding certified supply sources. Today, 71% of our wooden furniture comes from a responsible source (FSC® or PEFC™ certified, traced or recycled) and 20% of our decoration offering containing wood.

Minimum requirements	Exclusion of endangered species (VU; EN, CR according to IUCN) Exclusion of species listed in Appendix I of the CITES Compliance with the European Union Timber Regulation Ban timber from at-risk regions: Myanmar, the Congo basin and the Amazon basin Compliance with the specifications of FSC® and PEFC™ standards for labelled products

MONITORING OF REGULATORY COMPLIANCE

As a crucial step in the sustainable timber commitment, compliance with the European Union Timber Regulation (EUTR) and monitoring of such compliance are key to the Group's vigilance plan. In 2013, Maisons du Monde formalised a "Due Diligence" procedure enabling it to ensure the legality of the timber used and to comply with the requirements of this regulation. This procedure is based on following three steps very closely:

- collection of information on the provenance of the wood, as well as documents proving its legality;
- analysis of the risk of illegality;
- implementation of risk mitigation procedures.

After a year of wide-spread slowdown due to the Covid-19 pandemic, Maisons du Monde is now once again providing support for its suppliers affected by the regulation. In 2021, the Group rolled out training to its suppliers with the support of two external partners, Preferred by Nature and Earthworm Foundation, in India and China, the two main countries in which it operates, to help them better understand the European Union Timber Regulation (EUTR).

This training was delivered in two formats:

- webinars for all suppliers subject to the regulations. Thus, 100% of Indian suppliers and 63% of Chinese suppliers subject to the EUTR attended webinars organised by Maisons du Monde. Recordings and training materials were made available to the remaining suppliers;
- individual interviews with major at-risk suppliers to carry out a detailed review of 40 timber supply chains at 18 suppliers in order to remove persistent bottlenecks.

The EUTR procedure the risk associated risk map will be updated in 2022.

PRODUCT OFFERING MADE FROM SUSTAINABLE TIMBER

In addition to regulatory requirements, Maisons du Monde is continually seeking to increase the number of environmentally-friendly products. To this end, the Group is committed to developing sourcing from sustainably managed forests and the use of recycled materials. Maisons du Monde therefore asks its buyers and suppliers to give the priority to responsible timber:

- **products made from recycled timber:** recycled timber can be used to create new and unique products without consuming any additional forestry resources. In order to avoid any false allegations regarding the products in question, suppliers are now systematically asked to provide a proof of purchase for recycled timber. In 2021, 140 furniture SKUs distributed by Maisons du Monde are made from recycled timber;
- **products made from certified timber:** Maisons du Monde is constantly seeking to expand the number of FSC® and PEFC™ SKUs. Timber from certified forests meets responsible management standards and contribute to protecting biodiversity, renewing resources and complying with social criteria for dependent communities. In 2021, the number of certified products rose to 3,054 SKUs, including 2,880 for Furniture and 174 SKUs for decoration, which represents a respective increase of 19% and 100% compared to the previous year. The range of furniture for professionals also posted a clear improvement, with 350 certified SKUs compared with 75 in 2020.
- Currently, labels are the best way of guaranteeing that timber comes from sustainably managed forests. To ensure that said labels are robust and to avoid any false allegations regarding products, Maisons du Monde exercises oversight with regard to these certifications. For each SKU made from certified timber and distributed by the brand, suppliers must provide their own valid certificate, a valid certificate from their timber supplier as well as proof of purchase of certified timber. If the supplier is unable to submit the evidence required, or if there is any doubt as to the authenticity of the documents, Maisons du Monde may trigger a third-party audit. Labels are only affixed to products and displayed in the Group's catalogue and on its website once a detailed audit has been conducted.
- **Products made from traced timber:** the sourcing of FSC® or PEFC™ certified timber in India is not possible because there is currently no offer available in this country. Maisons du Monde has set up its own traceability system in partnership with an NGO, Earthworm Foundation. Operated by the Group's main Indian suppliers, this system makes it possible to trace the timber back to its origins and to ensure that it has been legally felled. Once the entire supply chain has been audited by Earthworm, products are marked with a QR code that tells the brand's customers their history, from their forest of origin to their place of sale, including the audit date.

In order to expand its offering made from sustainable timber, Maisons du Monde has extended the scope of the traceability programme to suppliers of decoration items. Thus, four new suppliers joined the programme in 2021. 16 Indian suppliers representing 90% of the Group's purchases in this country, are committed to making their supply chains more transparent and to gradually increasing the number of products traced. It should be noted, however, that the Covid-19 epidemic remains a major obstacle to the increase in the number of SKUs traced.

NUMBER OF FURNITURE SKUS MEETING ONE SUSTAINABILITY CRITERION

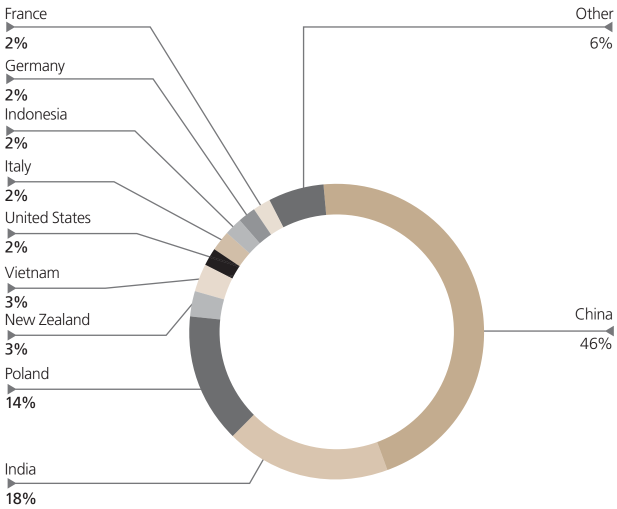
	2021	2020	2019	2018	2017
Traced timber	140	134	145	144	135
Recycled timber	132	126	148	147	140
FSC® certified timber	1,753	1,199	1,084	890	657
PEFC™ certified timber	1,127	1,208	566	529	424
Percentage of certified wooden furniture SKUs	65%	61 %			
Percentage of responsible wooden furniture SKUs	**71%**	**68%**	**64%**	**60%**	**56%**
Percentage of revenue from responsible wooden furniture SKUs	**59%**				

NUMBER OF DECORATION SKUS MEETING ONE SUSTAINABILITY CRITERION

	2021	2020	2019	2018
Traced timber	0	1	-	-
Recycled timber	35	12	11	3
FSC® certified timber	174	87	44	31
PEFC™ certified timber	0	-	-	-
Percentage of certified wooden decoration SKUs	17%	9%		
Percentage of responsible wooden decoration SKUs	**20%**	**10%**	**7%**	**5%**
Percentage of revenue from responsible wooden decoration SKUs	**16%**			

In 2021, the number of SKUs made of certified timber (FSC or PEFC), furniture and decoration combined, represented 56.3% of wooden furniture and decoration offering.

GEOGRAPHICAL DISTRIBUTION FOR THE SOURCING OF TIMBER



Close to two-thirds (64%) of the timber sourced by Maisons du Monde comes from China and India.

Commitment to responsible textiles

The production of textiles generates significant environmental and social impacts that are integrated into the Group's vigilance plan (water consumption, use of pesticides, greenhouse gas emissions, management of dyeing effluents, etc.). To reduce these impacts, Maisons du Monde's strategy is to develop a more responsible textile product offering that focuses on three key areas:

- minimum requirements with suppliers for cotton growing areas;
- control procedures;
- the development of certified or labelled products.

Minimum requirements	Exclusion of high-risk areas such as Uzbekistan or Syria Compliance with the specifications of the GOTS and Oeko-Tex® Standard 100 voluntary certification standards for labelled products

In 2021, the Group strengthened its "Responsible Offering" teams to better help buyers and suppliers find alternative sourcing solutions that are more respectful of the environment and people.

Indeed, given the share of textile products in the Group's carbon footprint, Maisons du Monde has identified the transformation of textile products as one of the priority areas of work. Certain SKUs, both current and renewed in future collections, have thus been identified as priorities. These will have to be transformed to include a responsible textile material. At the same time, all the new products developed in this category for future collections are subject a joint effort with suppliers to include more responsible alternative materials, such as organic cotton textiles where are either recycled or certified without any hazardous chemicals.

Lastly, in order to support our suppliers in sourcing responsible materials, a map of the main players in the cotton and polyester recycling sector has been established. This map was used as a basis for the development of a sourcing tool for buyers and suppliers.

PRODUCT OFFERING MADE FROM SUSTAINABLE TEXTILES

Responsible cotton

In order to reduce the social and environmental impacts caused by cotton farming, Maisons du Monde is seeking to gradually increase the number of products from responsible sources. To this end, the Group has identified two alternatives to conventional cotton:

- **organic cotton products:** the use of organic cotton guarantees that the cotton flower has been cultivated without pesticides, insecticides, chemical fertilisers or GMOs. It also uses less water than for conventional cotton. To ensure that the fibres used in these products come from organic farming, the Group relies on two certification standards: GOTS (Global Organic Textile Standard) and OCS (Organic Content Standard); In order to avoid any false claims about products, Maisons du Monde exercises control over these certifications. Thus, for each certified organic SKU, the supplier must provide its valid certificate as well as a transaction certificate covering the product in question.

  In 2021, 261 textile SKUs are made from organic cotton, *i.e.* approximately 15% of the cotton textile SKUs sold by the brand;
- **recycled cotton products:** recycled from textile waste or used clothing, this material avoids the need for new fibres. Maisons du Monde therefore gives the priority to recycled fibres covered by GRS (Global Recycled Standard) or RCS (Recycled Content Standard) certifications guaranteeing the recycled nature of the fibre. However, as these certifications are not always available on the market, the recycled nature of the cotton fibre can also be validated on a case-by-case basis by the responsible offering teams.

  In 2021, 50 textile SKUs are made from recycled cotton, *i.e.* approximately 3% of the cotton SKUs distributed by the brand.

NUMBER OF COTTON TEXTILE SKUS MEETING ONE SUSTAINABILITY CRITERION

Responsible cotton	2021	2020
Organic cotton SKUs (GOTS, OCS)	256	22
Recycled cotton SKUs	45	31
Recycled cotton and OCS-certified SKUs	5	0
Percentage of responsible cotton textile items	18%	3%
Revenue of responsible cotton items	7%	

Polyester

Derived from petroleum and involving the use of toxic chemical substances during its manufacture, polyester is one of the most polluting textile materials with the highest amount of greenhouse gas emissions. Faced with these challenges, Maisons du Monde is committed to reducing its impact on the environment by replacing polyester with recycled fibres in all products, all activities combined. The Group's responsible product offering has thus been enhanced with an alternative to conventional polyester:

- Recycled polyester products: Recycled from textile waste or plastic bottles, this material avoids the production of virgin petroleum-based polyester. This reduces pollution and greenhouse gas emissions. Maisons du Monde gives the priority to recycled fibres covered by GRS (Global Recycled Standard) or RCS (Recycled Content Standard) certifications guaranteeing the recycled nature of the fibre. However, as these certifications are not always available on the market, the recycled nature of the fibre can also be validated on a case-by-case basis by the responsible offering teams.

  The 2021 collection benefited from the first work on this material and includes 93 SKUs in recycled polyester, *i.e.* 2% of the SKUs containing polyester distributed by the brand. A significant effort will be made in the following years to significantly increase this proportion.

NUMBER OF POLYESTER SKUS MEETING ONE DURABILITY CRITERION

Polyester	2021	2020
Recycled polyester SKUs	93	2
Percentage of recycled polyester items	2%	0%
Revenue from recycled polyester items	2%	

Commitment to sustainable leather

Maisons du Monde has identified leather as being one of the priority materials in terms of risk management and the transformation of the offering towards greater responsibility. Leather is, in fact, a material that comes from a complex animal supply network with multiple by-products and whose challenges are specific. These challenges include issues of animal welfare, rearing-related deforestation, the environmental impact of tanning skins, the use of chemicals and even the social conditions at each stage of the production process.

All requirements concerning materials of animal origin are formalised in the Group's raw materials policy. The policy includes the exclusion of endangered species or materials from illegal slaughter, as well as the control procedures relating to responsible alternatives accepted by Maisons du Monde.

Minimum requirements	Exclusion of endangered species (VU; EN, CR according to IUCN) Exclusion of species listed in Appendix I of the CITES Exclusion of animal materials if they do not come from the meat industry or that may pose an ethics issue Exclusion of materials from illegal slaughter Exclusion of animal materials from farms involved in deforestation Exclusion of animal materials from farms/slaughterhouses that do not respect animal well-being Compliance with the specifications of the LWG, RWS and RDS standards for labelled products

TRACEABILITY OF LEATHER GOODS

Risk management related to leather production requires detailed knowledge of the supply chains and the local context in the countries of origin of the material. With this in mind, in 2021 Maisons du Monde strengthened its teams by appointing a person dedicated to monitoring the traceability of leather and other materials of animal origin.

This traceability effort must cover two main issues:

- **animal well-being:** The Group is committed to tracing raw materials of animal origin up to the slaughterhouses by 2025. This traceability aims to verify that the materials come from legal slaughter and that they are respectful of animal well-being;
- **impact of livestock farming on deforestation:** Cattle rearing has been identified as one of the causes of deforestation in some regions, particularly in Brazil. In order to ensure that leather products or other animal materials distributed by Maisons du Monde do not contribute to said issue, an in-depth analysis will be systematically conducted for materials from Brazil. In the event that a high risk is identified, Maisons du Monde will support the supplier in implementing risk reduction actions or changing supplies if necessary.

The procedure for reviewing and reducing risks related to the leather supply chain will be formalised in the first quarter of 2022.

PRODUCT OFFERING MADE FROM SUSTAINABLE LEATHER

In order to expand its responsible product offering, Maisons du Monde has identified two alternatives to conventional leather in order to reduce its environmental impact:

- **leather products from LWG tanneries:** Maisons du Monde has chosen the Leather Working Group (LWG) standard to guarantee its customers that skins are tanned under environmentally friendly conditions. The LWG standard reduces environmental impacts and ensures the safety of leather products. In addition to treating effluents and managing chemicals, the LWG audit protocol covers water and energy consumption, waste management, the health and safety of workers and leather traceability.

  In 2021, the number of SKUs made with leather from LWG certified tanneries increased to 24 which represents a decrease of 66% compared with the previous year. This decrease is attributable to the difficulties encountered by suppliers to find certified tanneries for their supplies due to the Covid-19 pandemic;
- **recycled leather products:** Recycled leather, made from pre- or post-consumer leather offcuts, mainly from the shoe industry, recycled leather avoids the production of a new material. This makes it possible to significantly reduce CO_2 emissions from cattle rearing.

  In 2021, 16 SKUs were made with recycled leather, representing 7% of the SKUs containing leather distributed by the brand.

PERCENTAGE OF RESPONSIBLE LEATHER PRODUCTS

Leather	2021	2020
Percentage of leather SKUs from LWG certified tanneries	11%	29%
Percentage of SKUs made of recycled leather	7%	5%
Percentage of Leather SKUs included in a environmental approach	18%	33%
Percentage of revenue from responsible leather SKUs	24%	

Other materials

In order to cover all categories of products that have any impact on the environment, and in line with the expansion objectives of its responsible product offering, Maisons du Monde is seeking to incorporate new responsibility criteria for new alternative materials, such as lyocell, recycled polyurethane foam or vegetable leather.

At the same time, the Group relies on international standards to source its products of animal origin (feathers, wool, leather, etc.) such as RDS (Responsible Down Standard) or RWS (Responsible Wool Standard). These labels certify the origin of the material produced but also animal well-being.

The identification of alternative materials is gradually being carried out thanks to the collaborative work of the purchasing and responsible offering teams and suppliers. Indeed, the in-depth knowledge of the products and materials used for their manufacture makes Maisons du Monde suppliers the best allies to find new improvement areas in this issue.

3.2.1.2 Customer health and safety – Chemical management

2020-2025 Plan	2021 Performance
50% of textile articles and furniture coverings made of responsible material	38% textile SKUs and 38% furniture coverings certified without substances (Oeko-Tex Standard 100 & GOTS)

The management of chemicals is the third area of the Group's responsible purchasing commitment. This monitoring work is a response to the risks identified in Section 3.1.1.2 relating to the presence of problematical substances in the products distributed by the Group or the use of problematical substances at an earlier stage of the supply chain.

Within the organisation of the offering department, the chemicals division supports the quality teams in monitoring, defining Maisons du Monde requirements relating to chemicals, setting up tools and monitoring and chemical appraisal.

The actions implemented by Maisons du Monde to guarantee product compliance and chemical safety, is based on four main pillars:

- regulatory and documentary oversight to supplement Maisons du Monde "chemicals" specifications;
- supplier support through targeted recommendations for the riskiest products;
- monitoring of substances contained in the products;
- a voluntary action plan to reduce some "risky" substances.

This last point is reflected in the development of the OEKO-TEX® Standard 100 certification for some of our textile SKUs as well as the use of certified fabrics in our furniture products (Section 3.2.1.1).

Chemicals specifications

Chemicals contained in products are strictly regulated. The restrictions of the European REACH regulation have the greatest impact on Maisons du Monde's products. Certain products are also affected by the Persistent Organic Pollutants regulation. This regulation imposes restrictions on the use of certain flame retardants and plasticisers. Lastly, the regulations applicable to toys and electrical/electronic products also ban certain additional chemicals. The Maisons du Monde group established the "chemicals" specifications and keeps them up to date on an annual basis and targets product control campaigns.

In 2021, a restriction on Medium Chain Chlorinated Paraffins (MCCP) was introduced in the specifications. In addition, pursuant to the preparatory work on a broad restriction of perfluorinated chemicals, this family of chemicals was placed in the "phasing out" section, so that suppliers can begin to study alternatives.

Being a signatory of and compliance with these chemicals specifications constitute a prerequisite for suppliers in order to develop a relationship with Maisons du Monde. These requirements are included in product specifications, which have been sent to suppliers at the start of the business relationship.

From 2022, our chemical requirements will be fully described:

- in the general supplier requirements, through a "Chemical Policy", specifying the main guidelines of our chemicals policy (regulations to be complied with, monitoring process, etc.);
- in our specific product requirements, in which the chemicals and limits applicable to these products will be described, depending on the type of product, and therefore targeting the materials, processes and uses of the product family.

This overhaul will enable suppliers and quality teams to better identify and monitor the requirements applicable to each product. Lastly, as general supplier requirements are included in commercial contracts, their signature will become mandatory and systematic in 2022.

PERCENTAGE OF SUPPLIERS THAT ARE SIGNATORIES OF THE "SUBSTANCES" SPECIFICATIONS

As a percentage of suppliers	2021	2020	2019	2018
Suppliers that are signatories of the substances specifications	95%	98%	96%	96%

An ambitious control policy

The validation of compliance with these specifications by suppliers involves the implementation of targeted tests on the products distributed. The choice of tests is based on a multi-criteria risk analysis taking into account supplier risk (strategic supplier, new supplier, supplier under surveillance) and product risk summary of material-related risk (depending on the "chemical footprint" of materials and process) and the use-related risk (ranging from low, for products with low consumer exposure, to high for products with significant consumer exposure such as seating and bed linen).

In 2021, 2,286 (963 managed by the Chemicals team and 1,323 managed by the Quality team) chemical tests were carried out. 11% of the tests showed a product non-compliance issue requiring a modification of the product before its launch on the market. Discussions with suppliers on these checks made it possible to bring all the products checked into compliance.

In order to strengthen the system, a test programme on products received at the warehouse was set up. It ensures that our requirements are met over time. In 2021, 21 products were tested, five products did not comply with our requirements. As a result, five suppliers were placed under surveillance.

COMPLIANCE WITH THE CHEMICALS SPECIFICATIONS

	2021	2020
Number of chemical tests carried out	2,286	1,448
Number of non-compliance issues identified	27	17
Number of unresolved non-compliance issues resulting in the cancellation of a product	0	1

Oeko-Tex Standard 100 certification

NUMBER OF SKUS CERTIFIED CHEMICAL-FREE/OEKO-TEX STANDARD 100 & GOTS

	2021	2020
Number of textile SKUs certified chemical-free	1,036	482
Number of furniture coverings with chemical-free certification	1,022	1,161
Percentage of SKUs with chemical-free certification	38%	19%
Percentage of furniture coverings with chemical-free certification	38%	46%
Percentage of textiles and furniture coverings with chemical-free certification	**38%**	**32%**
% of revenue of textile and furniture products with chemical-free certification	**30%**	

The Oeko-Tex® Standard 100 label is a certification system for textile products that guarantees the absence of harmful substances in the products distributed by the Group. It is based on a catalogue of criteria taking into account numerous regulated and non-regulated chemicals. As a rule, the limits it contains go beyond national and international requirements.

In 2021, the Group continued to integrate Oeko-Tex® Standard 100 certified SKUs and extended its scope of certification by obtaining the label for carpets.

In total, 2,058 SKUs that were certified according to this Oeko-Tex Standard 100 or according to the GOTS (Global Organic Textile Standard) certification, *i.e.* 38% of our textile and furniture coverings.

3.2.1.3 Encouraging responsible consumption among customers

Promoting the offering, consumer information

Promoting eco-design, circular economy solutions and an increasingly responsible product offering are part of our brand commitments

The Purchasing teams are therefore mobilised to increase the proportion of products that meet sustainability criteria in the Group's catalogues each year. The "Good and beautiful" responsible offering currently includes more than 3,700 SKUs, *i.e.* more than 21.3% of the collections for 2021 (furniture and decoration).

To promote these commitments among our customers and make them a brand attachment driver for Maisons du Monde brand, the Group is developing tools to raise awareness of its responsible product offering to make them more visible to the brand's costumers. In 2021, this communication included:

- the indication of the "responsible" note for on all visual content on the e-commerce site, for Maisons du Monde products and those of sellers in the marketplace meeting the responsible offering criteria. In addition, specific filters relating to responsible products have been integrated into the customer experience;
- transparency on the criteria of the responsible offering (recycled timber, traced timber, organic cotton, recycled leather, etc.). Information on product liability criteria can be found on the brand's product sheets and on point-of-sale advertising;
- promotion of the Group's commitments *via* a dedicated page on the e-commerce website as well as detailed information on the Group's corporate website;
- raising awareness of the Maisons du Monde Foundation's commitment (see Section 3.2.3) *via* ROUNDING UP at the check-out which enables customers to make a direct contribution to non-profits on the ground and on the website;
- the publication of advice on more responsible consumption on the "le Mag" section of the e-commerce site and the regular relaying of these operations or the promotion of the responsible product offering on social networks or in the newsletters sent by Maisons du Monde to its customers;
- the organisation of specific in-store and online operations to promote the Group's CSR commitment. In 2021 Maisons du Monde joined the Make Friday Green Again community as an alternative to Black Friday and launched a sharing product for Giving Tuesday in France, Spain, Italy and Belgium, in which 100% of the profits were donated to partner associations.

Furthermore, in 2021 Maisons du Monde committed, alongside 14 French e-commerce retailers, to take action to reduce its carbon footprint by signing the FEVAD's charter of commitments to reduce the environmental impact of e-commerce. In signing this charter the signatory companies commit to strengthening their communication to:

- inform consumers of the environmental impact of product delivery;
- encourage best ordering practices and avoid multiple returns;
- educate on sorting and reuse instructions;
- identify products with the best environmental performance.

Committed collaborations

Raising customer awareness of environment-friendly consumption methods and promoting a more responsible product offering also involves the creation of specific collections, in collaboration with committed brands or designers. For example, to celebrate its 25th anniversary, Maisons du Monde entrusted Renée Recycle with the creation of a co-designed a happy and upcycled collection. This artistic duo, passionate about vintage objects, gave a second life to Maisons du Monde objects, based on products returned by customers and exhibition models. 80 seats and small pieces of furniture were upcycled to give them a new identity and turn them into unique and sustainable pieces. All the profits from this co-designed collection were donated to the Fondation des Femmes.

Circular economy - promoting reuse and recycling

As a distributor of furniture and decoration items, Maisons du Monde is committed to reducing the environmental impact of its products throughout their value chain, from design to end-of-life. Committed to the circular economy, the Group seeks to extend the life of its products, encourage reuse among its customers and promote recovery and recycling.

The Group is currently implementing the following actions:

- a repair activity located in the Distrimag warehouses in Saint-Martin-de-Crau (13), which makes it possible to repair or refurbish to put back in the new products stock 112,000 products produced in 2021. These products, returned by customers or resulting from quality disputes with suppliers are repaired in the workshops of the EVA division by wood, leather or textiles experts;
- a take-back offering for products covered by the EPR for equipment and furniture waste for French customers, rolled out as of 1 January 2022 as part of the application of the AGEC law (Acting against Waste and Promoting the Circular Economy);
- customer information regarding their nearest community product reuse or recycling solutions in stores or on our website's product information pages, due to information provided by Éco-mobilier;
- the publication of advice on furniture product maintenance on the e-commerce website to extend product life;
- the creation of tutorials displayed on Maisons du Monde social networks on how to reuse or customise products.

3.2.2 REDUCING THE ENVIRONMENTAL IMPACT OF ACTIVITIES AND THE FIGHT AGAINST CLIMATE CHANGE

Fully aware of the environmental impact of its activities, the Group, in addition to the development of a responsible product offering, initiated a process of continuous improvement for the issues identified as priorities: energy consumption and greenhouse gas emissions, waste management, environmental impact of general purchasing and biodiversity. The actions and results with respect to the 2020-2025 objectives are presented in the paragraphs below. It should be noted that in 2021, the evolution of the health crisis affected the Group's business with the closure of stores in the spring, which had an impact the Group's energy consumption and waste production.

3.2.2.1 Energy and climate commitments

With the definition of its purpose and the reinforcement of its CSR commitments, the Maisons du Monde group announced its objectives for reducing its global carbon footprint by 2025 at Investors' Day on 8 November 2021: to achieve "zero net emissions" on Scopes 1 and 2 in 2022 and reduce the overall carbon intensity (in tCO_2eq/EUR million of revenue) by 25% compared to 2018.

Lastly, Maisons du Monde has also had SBTi (Science Based Target Initiative) validate its reduction targets (in absolute value) for its carbon footprint by 2030 compared to 2018. The Group is committed to reducing absolute Scope 1 and 2 GHG emissions by 50% and also to reducing the GHG emissions of the main Scope 3 items by 15%. These objectives are aligned with the ambition to keep global warming below 1.5°C.

2020-2025 Plan	2021 Performance
Reduce CO_2 emissions by 25% for the main items in scopes 1, 2, 3 compared to 2018	(16%) in the carbon intensity of the Group's activities (tCO_2/EURM in revenue excluding "other operating income") for all the main items compared to 2018

Scope: Group excluding Rhinov

Emissions *($tCO_2eq.$)*	2021	2018
Scope 1 emissions	3,010	3,729
Scope 2 emissions *(market-based)*	1,799	4,468
Scope 3 emissions	467,268	460,806
TOTAL SCOPE 1-2-3 EMISSIONS *(TCO_2EQ)*	**472,077**	**469,002**
CARBON INTENSITY *(TCO_2EQ/EUR MILLION OF REVENUE)* [(1)]	**361**	**432**

(1) The revenue used corresponds to the EUR 1,306.8 million in Group sales, which excludes the "Other operating income" category. The lines of the income statement are detailed in Section 5.2.3.

Maisons du Monde's strategy to fight climate change is therefore based on an evaluation of the associated risks. A review of 32 CSR risks was jointly conducted by the CSR Department and the Internal Control Department in 2021 (see Section 3.1.1.2). As discussed in the "Risk factors and management" section of this report, the following climate change-related risks have been identified.

Risk identified	Type
Risk that an extreme climate event impacting buildings belonging to the Group or suppliers (flooding, storms, etc.)	Physical risk
Risk of pressure on the availability of responsible raw materials: climate change, regulatory changes (CITES), increase in demand	Economic risk
Risk of rises in energy prices	Economic risk
Risk that energy performance obligations for buildings and the obligations to reduce GHG emissions will be strengthened	Regulatory risk
Risk of environmental product/repairability index labelling requirement	Regulatory risk
Risk of a decrease in customer demand for certain types of products (plastic, non-certified products, etc.)	Economic risk

Scopes 1 & 2: energy consumption and use of renewable energies

For the Maisons du Monde group, optimising energy consumption is essential. It is a major environmental issue for the preservation of resources and the fight against global warming. Whether it is the energy needed for production operations, stores and warehouses, or fuel consumed by Distri-Traction commercial vehicles and trucks for their logistics business, the Group involves all its teams in the efforts to reduce consumption.

As part of its ambitions to strengthen its efforts to reduce the Group's carbon footprint, Maisons du Monde set the following targets for 2025.

2020-2025 Plan	2021 Performance
Reduce the surface energy intensity (kWh/m^2) by 45% of all our sites (stores and logistics) compared to 2016	-21%
Achieve 100% renewable electricity in the energy mix of our sites	91%

The information presented in the paragraphs below gives an overview of the Group's environmental impact by separating the activities of the Maisons du Monde store network, its administrative premises, the logistics business (Distrimag) and the Mekong Furniture production factory in Vietnam. It should be noted that franchise stores are not included in the consolidated data in this report.

In terms of activities directly operated by the Maisons du Monde group (Scopes 1 and 2), the main sources of greenhouse gas (GHG) emissions are related to the fuel consumption of vehicles, in particular those of vehicles in the Distri-Traction's truck fleet and the electricity consumption of buildings, particularly the manufacturing plant in Vietnam.

Scope: Group excluding Rhinov

Emissions *($tCO_2eq.$)*	**2021**	**2020**	**2019**	**2018**
Scope 1 emissions	3,010	2,030 [1]	2,897	3,729
Scope 2 emissions *(market-based)*	1,799	4,168	3,873	4,468
Scope 2 emissions *(location-based)*	13,243	13,523	14,529	
TOTAL SCOPES 1 & 2 EMISSIONS *(MARKET-BASED)*	**4,809**	**6,197**	**6,770**	**8,197**

(1) Correction of the propane consumption data in kWh LHV.

In order to achieve our "net zero emissions" ambition in Scopes 1 and 2 in 2022, numerous efforts have been made to reduce our greenhouse gas emissions. The continuous decline in emissions in recent years is linked to efforts to reduce energy consumption but also to the disposal of the Modani's activities in 2021.

It should be noted that Scope 1 emissions also include emissions from Company or service vehicles, long-term lease, considered as under the management of the Maisons du Monde group.

Scope 2 emissions, generated by electricity consumption, are mainly associated with lighting and HVAC equipment (heating, ventilation and air conditioning) in buildings. The reduction in these emissions is therefore directly related to actions to reduce the energy consumption of our sites, and notably:

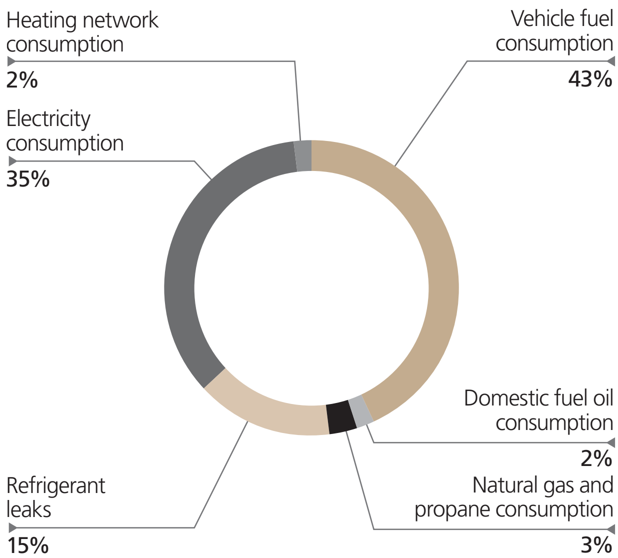
- a plan to replace in-store lighting with LEDs *via* the systematic installation of LED lighting when new stores are opened and a plan to replace lighting in existing stores;
- actions to raise the awareness of employees concerning eco-friendly and energy-saving practices, relayed in particular by the network of CSR officers in the stores;
- the purchase of electricity from renewable sources, which currently concerns 98% of Maisons du Monde stores and all Distrimag and administrative sites.

The presentation of location-based emissions does not include the effect from the purchase of renewable electricity on greenhouse gas emissions associated with energy consumption. The reduction of these location-based emissions thus makes it possible to measure the contribution of actions to reduce energy consumption in reducing the Group's carbon footprint.

At the same time, the recognition of market-based Scope 2 emissions includes the purchase of renewable electricity and records this consumption with a zero emission factor.

Since 2018, developments to the Group's business, efforts in energy-saving and the purchase of electricity from renewable sources has therefore significantly reduced direct emissions (Scopes 1 and 2) of the Group's GHG. These fell by 41% in absolute value since.

BREAKDOWN OF SCOPE 1 AND 2 GHG EMISSIONS BY SOURCE



ENERGY CONSUMPTION OF BUILDINGS AND PURCHASES OF RENEWABLE ELECTRICITY

ENERGY CONSUMPTION OF BUILDINGS – GROUP

Scope: Group excluding Rhinov

Energy *(kWh)*	**2021**	**2020** (1)	**2019**	**2018**	**2017**
MDM network and administrative sites	56,433,273	54,486,975	65,388,379	64,417,315	63,203,528
Logistics	6,171,416	7,223,780	11,417,571	10,000,859	9,577,905
Production	4,452,116	5,076,884	5,066,054	4,229,919	3,140,280
Modani		2,160,838			
GROUP TOTAL	**67,056,806**	**68,976,416**	**81,872,004**	**78,618,494**	**75,921,713**
% Renewable energy	**91%**	**84%**			

(1) Adjustment and correction of 2020 data for electricity and fuel oil, without the consumption of buildings subleased to external companies and correction of propane consumption in kWh LHV.

Energy *(kWh)*	**2021**
Non-renewable electricity	4,265,906
Renewable electricity	60,790,976
Heating network	831,771
Natural gas	461,783
Domestic fuel oil	363,456
Propane	342,913
TOTAL ENERGY	**67,056,806**
% renewable energy	**91%**

SURFACE ENERGY INTENSITY

Scope: Network, administrative premises & Distrimag

Surface intensity *(kwh/m²)*	**2021**	**2020**	**2016**
Network (stores and administrative premises)	99	100	156
Logistics (buildings)	15.4	16.8	22.0
INTENSITY (LOGISTICS & NETWORK)	**64**	**63**	**82**

The increase in energy intensity per unit area in 2021 is mainly due to the post-Covid business recovery, which has led to an increase in energy consumption in the store network and at administrative premises.

Network & Administrative premises

The energy consumption of the Group's stores and administrative premises stems chiefly from lighting, heating and air conditioning needs, and from power used to run electrical and electronic equipment.

In 2021, the total energy consumption of administrative buildings and the Maisons du Monde store network totalled 56,433 MWh, up 4% compared to 2020. The increase in consumption is attributable to the increase in the number of stores and business recovery following Covid-19.

ENERGY CONSUMPTION OF BUILDINGS – NETWORK AND ADMINISTRATIVE PREMISES

Scope: MDM

					Total energy				
Energy *(kWh)*	**Electricity**	**Heat network**	**Natural gas**	**Domestic fuel oil**	**2021**	**2020**	**2019**	**2018**	**2017**
Stores	54,273,680	831,771	190,803	0	55,296,254	53,326,419	64,174,049	63,123,710	61,948,092
Administrative premises	936,200		96,114	104,705	1,137,019	1,160,556	1,214,330	1,293,605	1,255,436
TOTAL STORES AND ADMINISTRATIVE PREMISES	**55,209,880**	**831,771**	**286,917**	**0**	**56,433,273**	**54,486,975**	**65,388,379**	**64,417,315**	**63,203,528**
Energy intensity *(kWh/m²)*					**99**	**100**	**120**	**130**	**143**

Optimising energy consumption is an integral part of the Maisons du Monde teams' role. It involves both the technical teams, during maintenance operations, the renovation or opening of stores and the store's teams in the day-to-day management of energy consumption, through the engagement of CSR officers.

To achieve its objectives, Maisons du Monde has decided to set up an energy management system aimed at controlling its energy consumption and continuously improving its energy practices. Thanks to this initiative, in 2021 the company obtained ISO 50001 certification in for a period of three years for the French store network. ISO 50001 is an international standard defining requirements and recommendations in terms of energy performance. This framework promotes a systematic process based on data and facts and focuses on the continuous improvement of energy performance.

In conjunction with the ISO 50001 certification process, with continuous improvement in mind, the teams of the Group's Technical Department and stores continued their efforts to reduce the energy intensity of the Maisons du Monde shops, in particular:

- energy performance review: with a view to improving its energy performance, Maisons du Monde carried out an inventory of the most significant energy consumption items in its store portfolio. This review highlighted two significant energy uses: air conditioning, ventilation and heating equipment and lighting;
- improving energy performance: To reduce energy consumption linked to its most significant uses, Maisons du Monde rolled out a project to equip its stores with LED lighting, which uses less energy than the former iodide lighting. This project was carried out in 2020 and 2021 and involved 115 stores in Europe. At the same time, the stores benefited from the regular dissemination of actions and campaigns to raise awareness of energy-saving *via* the network of CSR officers. The CSR officers are responsible for steering the energy performance of Maisons du Monde stores;
- energy performance monitoring: To monitor its energy performance, Maisons du Monde has equipped itself with a special tool for managing energy consumption across its entire European scope. This enables to monitor consumption automatically and on a monthly basis. This information enables Maisons du Monde to detect and correct any energy misuse.

These different measures make a direct contribution to optimising the Group's sites. So, in 2021, the stores and administrative premises of the Group consumed an average of 99 kWh/m², representing a drop of 36% compared to the reference year 2016 (156 kWh/m²).

Lastly, managing the environmental impact of energy consumption also involves sourcing renewable electricity. The Group has chosen to favour the use of renewable electricity in its purchasing contracts with electricity suppliers. Thus, at the end of 2021, the majority (98%) administrative premises sites and stores benefited from guarantees of origin certifying that they were supplied with electricity from local renewable sources. This approach significantly contributes to reducing the Group's greenhouse gas emissions.

With the structuring of a QHSE division and in order to strengthen its climate commitment, Maisons du Monde has formalised a committed policy on health, safety, environment and energy management in 2021. This policy will be communicated in 2022 to the entire store network and to the CSR officers. It identifies significant energy uses (HVAC, heating, ventilation, air conditioning) and describes the commitments to reduce energy consumption through action plans and dedicated resources.

Logistics

The logistics business' energy consumption includes the consumption of natural gas (freeze protection in buildings), propane (forklifts and autoscrubbers) and electricity consumption (lighting and charging of forklift batteries). Consumption is monitored on a monthly basis for each building and controlled by Distrimag General Services teams as well as by the management control service.

In 2021, energy consumption at Distrimag logistics sites totalled 6,171,416 kWh, a decrease of around 15% compared to 2020. This reduction in energy consumption is partly due to the switch from a paint booth initially supplied with natural gas to electricity and to a reduction in working hours and therefore in the electricity consumption of certain buildings.

ENERGY CONSUMPTION OF BUILDINGS – LOGISTICS

Scope: Distrimag

				Total energy				
Energy *(kWh)*	**Electricity**	**Natural gas and propane**	**Domestic fuel oil**	**2021**	**2020 (1)**	**2019**	**2018**	**2017**
WAREHOUSES AND OFFICES	5,528,484	517,779	125,153	6,171,416	7,223,780	11,417,571	10,000,859	9,577,905
Energy intensity *(kWh/m²)*				15,4	16.8	24.8	21.7	20.5

(1) Adjustment and correction of 2020 data for electricity and fuel oil, without the consumption of buildings subleased to external companies and correction of propane consumption in kWh LHV.

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In order to improve the energy performance of its buildings, Distrimag will deploy a new LED relamping operation at the Dyna site in the first quarter of 2022. By the end of 2022, all buildings will be equipped with LED lighting. In addition, the installation of a battery charging management system is also planned for next year.

Lastly, in order to develop renewable energy production capacities on site, a project to install photovoltaic shades will be launched in 2022. This project will be financed by the site owner and will allow the development of renewable electricity generation, injected into the grid.

Production

Mekong Furniture's production business mainly require electricity to power machinery and equipment, to light production lines and, to a lesser extent, for cooling. The site also consumes domestic fuel oil to operate generators in case of a power cut.

It should be noted that production business energy intensity reported in kWh/m^2 is not relevant because energy consumption is not proportional to operational floor space but to production business. Energy intensity is, therefore, recorded in kWh/hour worked.

In 2021, Mekong Furniture's activities generated energy consumption of 4,452,116 kWh *i.e.* a decrease of about 12% compared to 2020. Indeed, due to the health situation, the production plants were closed for two months. Business gradually resumed from October 2021. Energy intensity increased to 2.9 because some equipment continued to operate during the shutdown or remained on standby. As a result, the ratio of kWh to hours worked increases.

ENERGY CONSUMPTION OF BUILDINGS – PRODUCTION

Scope: Mekong

			Total				
Energy *(kWh)*	**Electricity**	**Domestic fuel oil**	**2021**	**2020**	**2019**	**2018**	**2017**
MEKONG FACTORIES	4,318,518	13,400	4,452,116	5,076,884	5,066,054	4,229,919	3,140,280
Renewable energy production	1,054,373		1,054,373				
Energy intensity *(kWh/hour worked)*			2.9	2.6	2.5	2.5	1.9

As part of the replacement of air-blown drying systems for the paint areas of the factories, Mekong is equipped with LED technology furnaces. With constant parameters, these furnaces allow an estimated energy saving of between 25 and 30%;

Following a study carried out in 2019, photovoltaic solar panels were installed on the roofs of the Mekong 3 factory buildings. The facilities, with a capacity of 3.3 megawatts, generated 1,054,373 kWh clean electrical energy, covering 59% of the production unit's electricity needs, *i.e.* 24% of the company's overall electricity consumption.

VEHICLE FUEL CONSUMPTION

VEHICLE FUEL CONSUMPTION BY ACTIVITY

Scope: Group excluding Rhinov

Litres of diesel or petrol	2021	2020 (1)	2019	2018	2017
Network – Company vehicles	146,207	108,605	158,904	132,523	135,491
Network – Short-term lease vehicles	44,196	25,270	71,062	71,712	66,824
Logistics – Fleet of trucks and company vehicles	679,140	547,250	628,305	908,750	1,166,117
Production – Factory vehicles	7,205	10,675	9,440	8,310	4,645
GROUP TOTAL	**876,748**	**691,800**	**867,710**	**1,121,295**	**1,373,077**

(1) Data modified to include short-term lease vehicles.

Network & Administrative premises

Maisons du Monde has a fleet of company vehicles in Europe, used mainly to meet the needs of the network teams. Fuel consumption in 2021 is estimated at 146,207 litres (69,378 litres of diesel and 76,829 litres of petrol) compared with 108,605 litres in 2020.

The 35% increase of the fuel consumption in 2021 is mainly due to the business recovery and employee travel to attend training.

To reduce its environmental footprint, the Group's goal is to optimise this fleet and to reduce its average level of CO_2 emissions, whilst improving its accessibility through the incorporation of sustainable transport tools. Four electric car-sharing vehicles have been integrated into the fleet since 2017 for employees at administrative premises in Nantes. Car-sharing parking spaces have also been made available for head office employees, with the aim of limiting the use of private cars. A new electric car-sharing vehicle was added in 2021.

Also, in order to promote soft modes of transport telecommuting, a mobility plan was also signed in 2015 with Nantes Métropole. Events to encourage carpooling, cycling or public transport are organised annually.

In addition to its company vehicles, the Group also uses short-term lease cars for Maisons du Monde and Distrimag employee travel. In 2021, this type of travel accounted for the consumption of an estimated 44,196 litres of fuel. GHG emissions associated with this fuel consumption are recognised under "Scope 3" GHG emissions relating to employee business travel.

Logistics

The logistics business of Distri-Traction significantly contributes to the Group's fuel consumption. In 2021, this consumption amounted to 648,267.07 litres. The increase in consumption of 25% compared to 2020 is mainly due to the business recovery following the health crisis.

To reduce the fuel consumption and environmental impact of the Distri-Traction fleet, 100% of drivers have completed mandatory continuing safety training (training and eco-driving module) and 100% of the truck fleet had been fitted with driver monitoring systems with a view to optimising and streamlining driving practices. At the same time, the new organisation made it possible to pool flows from the port to warehouses and flows between warehouses to limit empty journeys as much as possible. By optimising warehouse capacities, densification has reduced inter-warehouse shuttles by almost 20%.

One third of traction vehicles has been renewed to generalise the Euro 6 standard and reduce emissions of polluting gases still further. Lastly, Distri-Traction is also seeking to optimise the life of its tires, and systematically retreads and regrooves gums to improve their longevity.

Almost all of the fleet of light vehicles (company vehicles and inter-site vehicles), which accounts for around 5% of logistics business fuel consumption, was replaced by hybrid and electric vehicles in 2019. Electric terminals have been installed for this purpose.

Production

Within the production activities of Mekong Furniture's factories, fuel consumption relates to the powering of factory vehicles (the consumption of factory forklifts is included in the energy consumption of production activities).

Fuel consumption for the vehicles belonging to Mekong Furniture stood at 7,205 litres for 2021. The decrease in this consumption compared to 2020 (approximately 32.5%) is attributable to the fact that the factories were closed for two months due to the health situation, during which vehicles were not used and travel was limited.

REFRIGERANTS

Network

In addition to energy consumption, refrigerant emissions, particularly those associated with leaking air from conditioning units, are a major challenge for Technical and Maintenance teams. The work of all maintenance service providers is monitored to quantify the amounts of gas injected into the installations, the amounts recovered for recycling and thus the emissions into the air.

REFRIGERANT EMISSIONS – NETWORK AND LOGISTICS

Scope: Administrative premises, Network and Distrimag

Kg of refrigerant emitted	2021	2020	2019	2018
Network – R407C	82	5	58	81
Network – R410A	297	41.4	201.4	301
Logistics – R410A	2.5	-	26	52
Logistics – R32	0.25	-	1.3	-

3

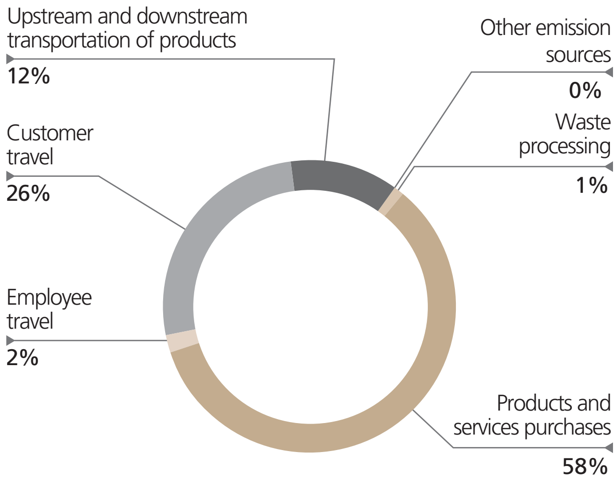
Main sources of scope 3 emissions

MAIN INDIRECT EMISSION ITEMS – SCOPE 3

Scope: Group excluding Rhinov

Emissions *($tCO_2eq.$)*	2021	2018	GHG protocol cross-reference
Maisons du Monde product offering	273,200	234,100	1.
• Impact of raw materials and transformation	228,400	190,400	
• Product manufacturing (factories)	37,300	34,000	
• Non-marketable products	7,500	9,700	
Upstream transport of products (sea or air)	23,800	32,000	4.
Downstream transport of products (by road or rail)	33,900	26,000	9.
• Road freight	33,400	25,900	
• Rail freight	500	100	
Customer travel	121,400	155,000	9.bis.
Employee travel (flights and short-term lease vehicles)	450	1700	6.
Employee home/work travel	8,400	8,500	7.
Energy not included in Scope 1 & 2	500	800	3.
Waste processing	5,500	2,400	5.
TOTAL MAIN SCOPE 3 ITEMS	**467,500**	**460,500**	

Some GHG protocol emissions items were excluded because they were considered irrelevant for Maisons DU Monde's business segment or non-significant in the Group's overall footprint (< 6%).



PRODUCTS & SERVICES PURCHASES

The manufacturing stages of the products distributed by the Group, from the extraction of raw materials to manufacture in suppliers' plants, are the main source of the Group's greenhouse gas emissions. This emission item represented 58% of the Group's overall carbon footprint and therefore includes:

- the overall carbon footprint of its general purchasing (logistics packaging, catalogues, etc.) representing 7,500 tonnes of CO_2;
- the overall carbon footprint for all its products (from the extraction of raw materials to the arrival at the manufacturing plants of the Group's suppliers), Maisons du Monde individually assesses the carbon footprint of each one of its products every year based on product sales data and detailed information provided by its suppliers relating to their composition. In 2021, the carbon footprint of products represented 228,400 tonnes of CO_2;
- with the carbon footprint from the impact of its manufacturing plants (energy consumption) representing 37,000 tonnes of CO_2.

Carbon intensity *(tCO$_2$eq/products)*	**2021**
Carbon intensity *(KgCO$_2$eq/products)*	3.32

The development of the responsible product offering (described in section 3.2.1) and the achievement of the objective of 40% Good is beautiful responsible products by 2025 is therefore central to the Group's GHG emissions reduction strategy, which aims to reduce the Maisons du Monde group's carbon intensity by 25%.

The change in the composition of products with more responsible materials enables us to limit the increase in CO_2 emissions from this item (+10%) while product sales are up by 25% due to the business recovery.

CUSTOMER TRAVEL

Customer travel to the Group's stores represent the second item in Scope 3 emissions. Maisons du Monde has included these emissions in the calculation of the Group's carbon footprint since 2018. This assessment highlighted the significance of this item in the Group's Scope 3 "indirect emissions". These emissions are calculated from numerous visits to stores, the distances travelled by customers to reach their Maisons du Monde store, the number of stores visited and mobility scenarios by type of store (city centre, shopping centre or business zone). The Group has decided to build these emissions into the calculation of Scope 3 in order to obtain visibility concerning the potential impact of the choice of store locations and delivery methods on the actions to reduce greenhouse gas emissions.

The decrease in emissions compared to 2020 is directly linked to the evolution of the emission factor from ADEME's databases taking into account the evolution of car models towards a less carbon-intensive economy.

UPSTREAM AND DOWNSTREAM TRANSPORTATION OF PRODUCTS

Upstream transportation

All products, furniture and decoration items transit *via* the warehouses of the Distrimag subsidiary, in Fos-sur-Mer and Saint-Martin-de-Crau (Bouches-du-Rhône). The upstream transport of products from production sites is carried out for the most part by boat, representing a significant portion of the Group's indirect GHG emissions. In 2021 this upstream transportation accounted for 21,457 tCO$_2$eq compared with 25,892 tCO$_2$eq equivalent in 2020.

The reduction in emissions related to product transport is therefore essential to achieve the ambitions of the Group's "climate" strategy. For this, Maisons du Monde works with its service providers to find transport solutions that generate fewer emissions. In particular, the Group is working on:

- systematic monthly monitoring of the greenhouse gas emissions of sea freight carriers to better manage performance;
- options for alternative and lower emission transport solutions: carbon contribution programmes with freight forwarders, shifting towards less carbon-intensive vessels (LNG), selection of committed carriers.
- Optimising the distances travelled by truck between the manufacturing factories and the departure port. Thus, together with one of the Group's forwarding agents, the consolidation hubs of our suppliers in India have been grouped together as close as possible to the factories to enable the transport of products by train from these hubs to the port of departure.

DISTRIBUTION OF UPSTREAM MEANS OF TRANSPORT

	2021
Percentage of sea freight	90%
Percentage of road freight	8%
Percentage of air freight	2%

Downstream transportation

The products are delivered to the stores or end-customers by Maisons du Monde's carrier service-providers. In 2021, emissions from the road and rail freight of products to the Group's stores or customers accounted for 33,934 tCO$_2$eq.

In 2021, the Group committed to the FRET21 initiative of ADEME and AUTF. Committing to this initiative enabled to step up the specific commitment relating to the reduction of greenhouse gas emissions from downstream transportation of products and to make the quantification of emissions associated with these flows more reliable.

Thus, in order to achieve the specific target of reducing CO_2 emissions by 20% per parcel transported, four major areas for improvement have been identified:

- reducing the number of trucks through the deployment of bulk cargo;
- a reduction in the kilometres travelled by bringing the stores closer to regional barycentres;
- selection of transportation partners committed to reducing CO_2 emissions (CO_2 charter or label);
- the development of alternative means of transport: less carbon-intensive fuels, rail freight, electric vehicles, etc. Thus, almost all deliveries to stores in the Paris region are transported by rail.

EMPLOYEE BUSINESS TRAVEL

Employee travel by plane and train represents less than 1% of the Group's indirect greenhouse gas emissions. Thus, in 2021, travel of Maisons du Monde and Distrimag employees generated approximately 453 tCO_2eq, compared to 632 tCO_2eq in 2020.

In order to reduce travel between the Group's sites in Nantes, Paris and Saint-Martin-de-Crau in particular, the Group rolled out the Microsoft Teams collaborative solution in 2020, making it possible to encourage teleworking and remote meetings rather than travel to sites.

Lastly, in order to involve our employees in reducing our carbon footprint, Maisons du Monde recommends train travel in its business travel policy for all journeys under three hours by train.

3.2.2.2 Waste and packaging management, fight against waste

Waste

Waste management is a real issue for the Group in reducing the overall environmental footprint of the activity. By reducing waste at source, optimising packaging, selective sorting in the stores and factories and by using solutions for reuse or recycling of products at the end of their lives, the Group is committed to reducing waste from its activities at all stages of the life-cycle.

In 2020, the Group decided to reinforce its waste management ambition by 2025 by incorporating new objectives and furthering the ambition to recover waste produced by the Group's activities.

3

2020-2025 Plan	2021 Performance
90% of sites sort waste	92%
80% of waste is sorted for recycling (excl. production)	56%

At the end of 2021, for the store network in France and in Europe and the administrative premises, 92% of stores sort waste. For these entities, the main waste flows are office equipment and packaging waste. However, only 56% of the Group's waste excluding Mekong is currently sorted for recycling. This rate is due to a lower rate of waste sorting in stores and significant disparities between countries. In 2022, strong actions with stores will be carried out with the deployment of sorting instructions by country using the extensive network of CSR Officers At the same time, the QHSE team is working on the establishment of new processes to improve the sorting rate.

VOLUME OF WASTE PRODUCED – GROUP

Scope: Group excluding Rhinov

Tonnes	2021	2020 (1)	2019	2018	2017
Network	8,601	7,386	10,945	11,135	9,416
Administrative premises	64	55	97	39	46
Logistics – Distrimag	4,628	4,902	4,977	5,497	6,741
Production – Mekong	3,686	3,943	4,014	3,377	Not available
GROUP TOTAL	**16,979**	**16,286**	**20,033**	**20,049**	**16,203**
Percentage of waste sorted for recycling (excluding production) *(%)*	**56%**	**61%**	**57%**	**57%**	**59%**

(1) 2020 waste volumes have been updated for the store network and for administrative premises due to a change in method.

The Group's business generated 16,979 tonnes of waste in 2021 across its various activities. The increase in waste tonnages by 4% compared to 2020 is mainly due to the business recovery following the health crisis and a higher percentage of store openings.

NETWORK & ADMINISTRATIVE PREMISES

VOLUME OF WASTE PRODUCED – NETWORK AND ADMINISTRATIVE PREMISES

Scope: Network and administrative premises

tonnes	Cardboard/ plastic waste sorted for recycling	Other waste	Total 2021	Total 2020 [1]	Total 2019	Total 2018
Stores	3,762	4,838	8,601	7,386	10,945	11,135
Administrative premises	16	48	64	55	97	39
TOTAL STORES AND ADMINISTRATIVE PREMISES	**3,778**	**4,887**	**8,665**	**7,441**	**11,042**	**11,174**
Percentage of waste sorted for recycling *(%)*			44%	48%	47%	43%
Percentage of stores sorting cardboard and/or plastic *(%)*			92%	91%		

(1) 2020 waste volumes have been updated for the store network and for administrative premises due to a change in method.

The Group's stores mainly generate cardboard, plastic and paper waste. This waste is related to the packaging of products received and sales activities. The Group strives to optimise its management by establishing, where possible, in-store sorting equipment and coordinating waste collection by specialised providers

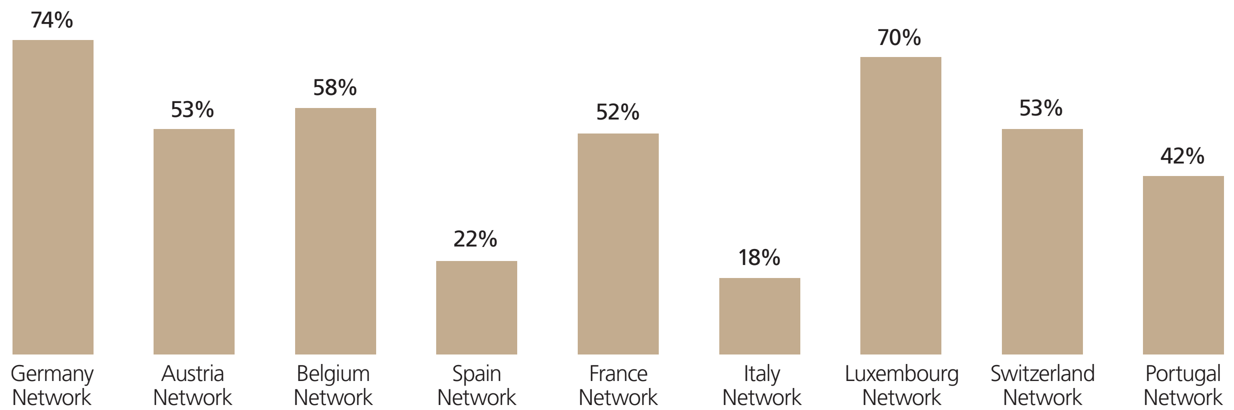
Waste management from the stores and administrative premises of Maisons du Monde is centralised by the Technical Department in the head office for 74% of stores. Waste management from other points of sale is carried out directly by the shopping centres. Information on the tonnages of waste they produced is not always available. However, the Maisons du Monde Technical Department works with teams from all the stores, and with lessors in the case of shopping centres, to ensure that the waste produced is properly sorted on site.

In 2021, the stores and administrative premises generated 8,665 tonnes of waste, including:

- 3,778 tonnes of cardboard or plastic sent to recycling companies;
- 4,887 tonnes of ordinary industrial waste (polystyrene, mixed household waste etc.).

The decrease in the rate of waste sorted for recovery is mainly due to the opening of new stores in Spain that did not benefit from sorting instructions. Awareness raising among CSR officers will be carried out in stores and countries whose sorting rate remains low in 2022.

PERCENTAGE OF WASTE SORTED FOR RECYCLING BY COUNTRY



While the introduction of sorting for the main waste flows is becoming more widespread, the proportion of waste sorted for recycling remained variable from one country to another. These disparities are related to store equipment, service contracts and the teams' sorting practices.

As the waste sorting rate in the Group's Italian stores is particularly low, a review of the waste management at each store was carried out by the CSR officers. In 2022, a reminder of the instructions adapted to each store and possibly the implementation of sorting solutions in stores that do not have any will be deployed.

To achieve the goals set, the teams of the Technical Department mobilised to give all the Maisons du Monde stores the tools to sort and send as much waste as possible to recycling.

At the same time, the Group is working to implement recycling and reuse solutions for other waste flows (excluding plastic and cardboard). A procedure dedicated to managing damaged items in the stores was introduced throughout the network. Damaged items that can be reused must now be given to local associations, which promotes reuse and reduces the volumes of products scrapped.

In 2021, the Group also set up a paper collection service in partnership with Recygo. The service provider is responsible for recovering paper waste from 148 stores in France. In total, in 2021, 17 tonnes of paper were recycled. Lastly, regarding the sorting of ink cartridges, a partnership with HP enabled to collect and recycle 2,560 ink cartridges in 2021.

LOGISTICS

Waste management from the Group's logistics business also involves the systematic installation of selective sorting in all buildings. This ensures the recycling of reusable or recyclable waste. The logistics business generates four main sources of waste: cardboard and plastics from product packaging, home furnishing waste (HFW) – primarily from customer returns, timber – mainly from broken pallets – and non-hazardous industrial waste (NHIW).

In 2021, the Logistics subsidiary's warehouse and offices generated 4,626 tonnes of waste, which breaks down as follows:

Scope: Distrimag

tonnes	Cardboard/ plastic waste	HFW collected by Éco-mobilier	Timber offcuts – pallets	Nonhazardous industrial waste (NHIW)	Scrap metal	Hazardous waste	Total 2021	Total 2020	Total 2019	Total 2018
WAREHOUSES AND OFFICES	1,616	1,207	731	982	90	2	4,628	4,902	4,977	5,497
Percentage of waste sorted for recycling *(%)*							79%	80%	78%	85%

In 2021, waste sorting in logistics entities' warehouses and offices enabled 79% of the waste generated by Distrimag to be sent to recycling networks.

It should be noted that the waste tonnages from the logistics activity decreased slightly in 2021 thanks to the deployment of the EVA division allowing the reintegration of certain furniture and decoration items into recycling circuits, thereby reducing the tonnages of HFW and NHIW.

Repairs and partnerships with social and solidarity-oriented structures

In 2020, a comprehensive mapping of Distrimag's waste was carried out in order to draw up an action plan for waste sorting and reducing the tonnages of NHIW waste. To avoid the scrapping of "substandard" products that come from customer returns or were damaged upon receipt, the Maisons du Monde group gives priority to repair solutions and donations to non-profits. As a last resort, the Group considers sending them to treatment and recovery channels.

Created on 1 January 2021, the EVA (Environnement Valorisation Ambiance) is aimed at improving the waste recycling ratio, in particular by reducing the volumes of products from customer returns directed towards recycling and optimising refurbishment and repairs.

The EVA division is equipped with an "EcoCentre" service with specific repair capacities specific to woodworking by furniture workshops and to the leather and textile trades. Products from customer returns that can be repaired or refurbished are thus reintegrated into new stock.

This department also oversees partnerships with recycling associations, which are given products that cannot be repaired by the teams. Partnerships with the Emmaüs network or the Croix-Rouge Insertion association make it possible to find reuse solutions for these products in the solidarity-based shops of these associations.

	2021	2020
Number of products refurbished	29,681	15,847
Number of products repaired	15,059	8,281
Number of products donated	117,660	85,958
Percentage of products (furniture & decoration) returned by customers sent for recycling with Éco-mobilier	12%	32%

In 2021, the establishment of the EVA division led to a sharp increase in the number of refurbished and repaired products (+80%) to be reintegrated into stock. The number of donated products has also increased and the number of products sent for recycling has been greatly reduced.

PRODUCTION

The Mekong Furniture production factory generates different types of waste:

- timber offcuts and veneer waste from the transformation of raw materials or semi-finished products. Waste of this nature is collected by an external company for reuse as industrial heating products;
- packaging waste (cardboard, foam, paper and polystyrene);
- metal waste from the metal components production section. This waste is donated free of charge to be recycled;
- domestic waste generated by employees. This is collected by two specialised external companies;
- hazardous waste. This waste is collected and stored appropriately on the sites, then treated separately by an industrial waste treatment company.

VOLUME OF WASTE PRODUCED – PRODUCTION

Scope: Mekong

tonnes	Timber offcuts	Packaging	Metal	Domestic-waste	Hazardous waste	Total 2021	2020	2019	2018
Production factories	3,623	14	9	13	27	3,686	3,943	4,014	3,377

The total waste tonnage generated by the activity of the Mekong Furniture factories has decreased significantly (-7%) between 2021 and 2020, this is explained by a decline in production activity linked to Covid-19.

The tonnages of domestic waste remained stable between 2021 and 2020 despite the closure of factories. This is mainly due to the health situation that led the plant to distribute individual meals to employees containing disposable packaging, in order to implement social distancing measures during meals.

Mekong Furniture also seeks to optimise packaging to increase its downstream recyclability. Alternative solutions to polystyrene, such as "honeycomb" cardboard, are beginning to be used for shipping Maisons du Monde products.

Reduce packaging volumes and promote reuse

2020-2025 Plan	2021 Performance
100% recyclable packaging	87% of packaging used at check-outs and 71% of packaging used in logistics are Recyclable
"Zero printing" customer experience	Digitisation programme underway

PURCHASES OF PACKAGING OF THE GROUP

Scope: Group

Tonnes of packaging	2021
Network packaging tonnages	823
Logistics packaging tonnages	5,448
Total packaging tonnages	6,271
Tons of packaging/EUR millions of revenue	4.80

PACKAGING AND PAPER CONSUMED

Packaging used at check-outs

PURCHASES OF PACKAGING USED AT CHECK-OUTS

Scope: Network and administrative premises

tonnes of packaging	2021	2020	2019	2018	2017
Packaging used at check-outs	823	1,108	1,430	1,581	1,602
of which check-out bags	261.96	555	735		
Percentage of recyclable packaging	87%	87%			

To further the efforts made to reduce the environmental impact of in-store packaging, an experiment was carried out regarding the discontinuation of the distribution of check-out bags free of charge in 30 stores. Faced with the enthusiasm of customers and employees in stores, the measure was extended in January 2021 to all our points of sale. The implementation of this programme to sell check-out bags has enabled to reduce the tonnages of check-out bags by more than -50%.

In addition, with a view to continuous improvement, the listed plastic bubble wrap distributed in stores was replaced this year by a film made from 50% recycled material.

Lastly, in order to eliminate virgin plastic from the range of Maisons du Monde check-out bags and promote reuse, two new reusable check-out bags were tested in 2021, one in plastic and the other in recycled cotton. These two large-format bags will replace the last virgin plastic bag in 2022.

Catalogues, commercial publications & paper

The three Maisons du Monde catalogues ("Indoor", "Outdoor" and "Junior") account for the majority of the Group's paper consumption.

The catalogues are gradually morphing into a more inspirational magazine format. The number of pages decreased by 18.7% (660 pages compared to a total 812 pages in four catalogues). Printing quantities and printing formats are being further optimised to reduce the quantities distributed.

PURCHASES OF CATALOGUES AND COMMERCIAL PUBLICATIONS

Scope: Network

tonnes of paper	2021	2020	2019	2018
Catalogues	3,076	3,596	7,174	7,066
Other commercial publications (flyers, brochures, leaflets)	15	44	94	291
TOTAL PURCHASES	**3,091**	**3,695**	**7,361**	**7,444**
Percentage of publications covered by environmental labelling	**100%**	**100%**	**100%**	**100%**

PAPER PURCHASES

Scope:Administrative premises, Network and Distrimag

tonnes of paper	2021	2020
MDM office paper	53.49	54.49
Distrimag office paper	9.87	3.26
TOTAL PURCHASES	**63.36**	**57.75**
Percentage of paper covered by environmental labelling	**99%**	

PACKAGING PURCHASES – LOGISTICS

Reducing waste produced by the Group and optimising its reuse involves work on the quantities and materials used for such packaging. With this in mind, the logistics subsidiary has opted for fully recycled fibre in its cardboard. This packaging is FSC® certified for the e-commerce portion. To facilitate the proper recycling of boxes once they are in the hands of customers, Distrimag has affixed specific sorting instructions.

These efforts have enabled the increase in the amount of cardboard used in logistics, induced by the strong development in the Group's e-commerce business, to be managed.

Scope: Distrimag

Tonnes of packaging	2021
Cardboard	2,561
Paper	48
Plastic	1,137
Wood	115
TOTAL DISTRIMAG PACKAGING PURCHASES	**3,862**
PERCENTAGE OF RECYCLABLE PACKAGING	**71%**

In 2021, Maisons du Monde committed, alongside 14 French e-commerce retailers, to take action to reduce its carbon footprint by signing the charter of commitments to reduce the environmental impact of e-commerce. This charter encourages signatory companies to work on reducing packaging volumes by promoting responsible materials by 2024.

3.2.2.3 Preservation of biodiversity

Aware of the risks that its activities may have for biodiversity, the Group seeks to cover the entire impact of its value chain. So, at each stage of the life-cycle of products, the Group adopts a commitment in proportion to the impact:

- the use of raw materials of natural origin in product design, such as wood, leather or textile fibres, is one of the major issues for Maisons du Monde. Control of supply chains is therefore essential to make sure that resources are managed in a sustainable manner and that their exploitation does not lead to natural habitat destruction. The Group's responsible purchasing policy (described in Section 3.2.1) and available directly on the corporate website directly contributes to the traceability of supply chains and the responsible management of resources. Concerning wood, the geographies most exposed to deforestation are excluded from the Group's supplies and the offering of products certified FSC® and PEFC™ is increasing each year in the brand's catalogues. At the same time, work was undertaken to develop GOTS and OCS certification for cotton products and reduce the environmental impact associated with its cotton manufacturing processes. The responsible offering teams are also working to identify risks related to leather sourcing. This ensures end-to-end traceability of the supply chain, in particular on three key points:
  - ensure that the skins are by-products of the food industry,
  - no involvement of the Group's business in deforestation,
  - respect for animal welfare in slaughterhouses.

The details of the policy and undertakings of the Group are provided in Section 3.2.1;

- the manufacture of products also causes risks of pollution, which may have an impact on local biodiversity. The identification of these risks and their management through a supplier control and support policy are an integral part of Maisons du Monde's commitment. This supplements its social audit policy through the integration of environmental issues. The production networks identified as being at high risk are subject to environmental audits intended to guarantee the application of best environmental practices. The details of these commitments are presented in Section 3.3.1 of this chapter;
- the control of the Group's greenhouse gas emissions also contributes to Maisons du Monde's commitment to preserve biodiversity. This is because climate change strongly affects worldwide biodiversity. Maisons du Monde's actions to reduce CO_2 emissions are presented in Section 3.2.2;
- the direct activities of Maisons du Monde, through the construction of stores and warehouses, also have an impact on biodiversity, notably through the creation of the artificial ground surfaces necessary to build the sites. The Group therefore seeks to avoid and reduce these impacts when constructing its main sites. The implementation of Distrimag's logistics platforms in Saint-Martin-de-Crau was subject to a preliminary impact assessment for sites likely to be affected. This study demonstrated the compatibility of the project with Natura 2000 standards, including the commune of La Crau, which supports species that are rare in France and Europe. For stores, the Maisons du Monde Technical Department is working on the formalisation of "green specifications" which will describe all the measures to reduce the impact of the establishment of a store on local biodiversity before it opens. In the event that the measures cannot be applied, the Group has also undertaken to systematise a "biodiversity contribution" to finance actions to preserve local biodiversity;
- waste management is one of the keys to reducing the impact of Maisons du Monde on biodiversity. The teams are committed to reducing, at source, the volumes of packaging distributed, guaranteeing their recyclability and sorting waste in stores. The actions to reduce waste produced by the Group's business are included from the ecodesign of products to the information provided to customers on the networks for waste management at the end of product life. Most of the actions put in place by the teams at Maisons du Monde are given in Section 3.2.2.2 of the report.

Lastly, as well as reducing the impact on biodiversity caused by the Group's business, Maisons du Monde supports positive actions to preserve biodiversity. Each year, the Maisons du Monde Foundation supports projects to preserve forests and to encourage the public to protect biodiversity. 33 projects on the ground are supported by the Maisons du Monde Foundation and co-financed by customers of the brand *via* ROUNDING-UP at check-outs. The actions of the Foundation are described in Section 3.2.3. Furthermore, to encourage broad action by the Group's teams, various events are organised during the year to raise awareness of employees on the challenges of protecting biodiversity and improving the working environment.

In 2020, Maisons du Monde joined the Act4Nature international initiative and formalised SMART objectives for 2024, thereby fully integrating biodiversity into the Group's strategy.

3.2.2.4 Other environmental issues

Water consumption

The water consumption of stores and administrative premises is confined to domestic consumption from piped water systems. As such, other than control of the risk of leaks during maintenance operations, domestic water consumption is not considered a significant environmental challenge. Water consumption is therefore not monitored on this scope.

However, water consumption is monitored on the logistics sites and represented 7,969 m^3 in 2021.

To reduce this consumption, Distrimag has embarked on a programme to install motion sensor taps. In addition, the new warehouse currently under construction in Heudebouville, is aiming to obtain BREEAM Excellent certification. As part of this project, a rainwater collection system will be installed in 2022 for sanitary water and maintenance of the building's green spaces.

Classified facilities (ICPE)

All warehouses of the Group's logistics subsidiary are facilities classified for environmental protection and must accordingly obtain a permit. Distrimag's General Services team ensures compliance with this regulation.

Beyond compliance with regulatory requirements in relation to facilities classified for environmental protection, no specific framework for the prevention of environmental risks and pollution, including emissions as well as noise pollution, into the air, water and soil, has been laid down due to the non-material nature of these risks. The activity conducted in stores means that wastewater discharged from these sites is not responsible for major pollution.

Moreover, the Group has not to date recognised any provisions or guarantees for environmental risks.

3

3.2.3 PRESERVING FORESTS AND TREES: THE ROLE OF THE MAISONS DU MONDE FOUNDATION ENDOWMENT FUND

	2021
Number of projects supported by the MDM Foundation	**33**
Number of countries involved	**15**
Number of customer donations collected through "ROUNDING-UP" at check-outs to support associations supported by the MDM Foundation	3,238,378
Amount collected thanks to "ROUNDING-UP" at check-outs	EUR 586,854.51

Active since 2016, the Maisons du Monde Foundation, placed under the aegis of the Fondation pour la Nature et l'Homme (FNH), was dissolved on 31 December 2020 and replaced through the creation of the "Maisons du Monde Foundation" endowment fund. A philanthropic organisation set up by Maisons du Monde, designed to carry out a mission of general interest for the preservation of trees and forests in France and throughout the world. This mission is carried out through support for associations and the organisation of awareness-raising programmes.

Since 2020, the funds collected *via* the solidarity-based rounding-up in Maisons du Monde stores in France are no longer cashed in by the Company itself but through MicroDon organisation. However, the Maisons du Monde Foundation is still responsible for selecting and monitoring of projects financed through the initiative.

In total, 33 association projects were supported in 15 countries and a new edition of the "Aux Arbres!" awareness-raising programme was organised in 2021.

3.2.3.1 Governance of the MDM Foundation

The MDM Foundation is run by a Board of Directors comprising four members, which includes representatives of Maisons du Monde:

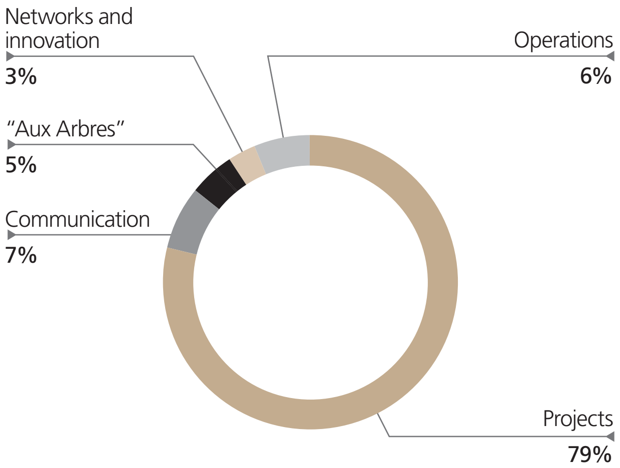
- Julie WALBAUM, Chief Executive Officer of Maisons du Monde and Chairwoman of the MDM Foundation;
- Stéphanie SOUCHON, HR Operations Manager of Maisons du Monde and Secretary of the MDM Foundation;
- Julien VIGOUROUX, Supply Chain Director of Maisons du Monde and Treasurer of the MDM Foundation;
- Nathalie ROZBORSKI, Brand & CSR Director of Maisons du Monde and Director of the MDM Foundation.

This Board meets at least once a year to define the main strategic guidelines.

An expert committee, which includes five members, assists the Board of Directors and the operational team, in particular in the review and selection of projects supported by the MDM Foundation.

3.2.3.2 Breakdown of the MDM Foundation budget

The MDM Foundation budget represents 0.08% of the Group's pre-tax customer sales, as reported in the consolidated financial statements for the previous year (see Section 6.1). In 2021, the budget was therefore EUR 945,227, plus the initial endowment of EUR 15,000, as well as the transfer of the EUR 310,571 balance from the FNH Foundation when the former foundation was liquidated under its aegis, *i.e.* EUR 1,270,798 in total.



3.2.3.3 Projects

Support actions in the field

In 2021, 33 projects were financed thanks to an endowment from the MDM Foundation, ROUNDING-UP at check-outs by Maisons du Monde customers in France and the sale of a sharing product at the end of 2020 – beginning of 2021:

- 22 forest preservation projects in 13 southern countries;
- 3 non-forest tree preservation projects in France;
- 8 projects to recover wood in France and Spain: these projects are in the process of being closed. In light of the new sponsorship strategy refocused on trees, it was decided to no longer launch new partnerships associated with timber recycling and socio-professional reintegration.

The selection of new projects, submitted as part of a call for projects, focused on their impact in the field, their environmental and social-economic approach and the strengthening of skills.

In view of the dramatic health situation in India, an emergency budget was also made available to help the families of beneficiaries of projects supported in the country.

Lastly, an additional budget was devoted to two associations participating in the *Rencontres pour la Planète* initiative led by 1% for the Planet France network, for active educational projects around trees in France.

The website foundation.maisonsdumonde.com presents the missions and projects supported by the MDM Foundation. An annual business report is also published each year and can be accessed in electronic format on this website.

Raising environmental awareness

SOLIDARITRIPS

The Solidaritrips allow volunteer employees, representative of the Group's workforce (head office, France network, international network and Distrimag), to be chosen at random and come and discover an association for the preservation of tropical forests. Each year, two associations are selected to host a group of eight employees.

Due to the health situation, the employees selected at random in 2020 were unable to leave in 2021. It was therefore decided, in view of the health situation, to postpone these programmes until 2022 with a trip to Ecuador with the Ishpingo association and them. An awareness-raising stay in France was also set up. In 2021, 14 employees were drawn to take part in it, as well as the employee who won the "I walk for forests" competition organised by the Maisons du Monde Foundation as part of the "Aux Arbres!" programme (see Section 3.2.3.3).

"ROUNDING-UP" AT CHECK-OUTS

Since 2016, Maisons du Monde has given the possibility to its customers, at each check-out in a French store, to round up their purchase amount. This *microdonation* is paid to a non-profit organisation partnering with the Maisons du Monde Foundation. The associations supported by their own funds, as is the case through the ROUNDING-UP at check-outs, are associations for the preservation of forests or the preservation of forests in France and abroad.

In five years, this scheme has raised nearly EUR 2.1 million through more than 16.5 million donations. Since 2016, 20 associations have been supported and promoted through ROUNDING-UP at check-outs.

In 2021, four associations were able to benefit from it: the Jane Goodall Institute for a project in Tanzania, Envol Vert for its programme in Peru, *Les Planteurs Volontaires* for its actions in France and Secours Catholique-Caritas France for a project in Haiti. The average participation was 38% in 2021.

AUX ARBRES

Created by the Maisons du Monde Foundation in 2018, the programme "Aux Arbres!" aims to raise awareness and give everyone the keys to taking action, at their own level, to preserve forests and trees. In 2021, the movement continued with a new format to invite everyone get actively involved.

In June 2021, Maisons du Monde customers and the general public were invited to calculate their forest footprint with the Envol Vert association to understand their impact or share their own practices to preserve forests on Maisons du Monde's TikTok account. At the end of the campaign organised from 2 to 6 June 2021 on the Maisons du Monde website and in stores, participating customers were invited to plant 10,000 events in three French regions at the end of the year with the Fonds pour l'Arbre.

Maisons du Monde employees also joined forces to take as many steps as possible to help preserve forests by taking part in the “I walk for forests” sporting challenge. Thanks to their mobilisation, the Cœur de Forêt association, supported by the MDM Foundation since 2017, received an additional endowment of EUR 5,000 for its project to preserve endangered forests on Flores Island, Indonesia.

TOGETHER FOR BIODIVERSITY

On the occasion of Earth Day on 22 April 2021, HelloAsso, the Maisons du Monde Foundation and the 1% for the Planet network launched, with a community of sponsors, the “Together for biodiversity” crowdfunding campaign to enable people to take action to promote biodiversity preservation by making a donation. 144 non-profit projects were listed and highlighted on the website and more than EUR 300,000 were raised by associations thanks to donations from more than 6,000 individuals.

3.2.3.4 Network & philanthropic innovation strategy

At the initiative and in partnership with the MDM Foundation, the all4trees community launched a working group on impact assessment indicators for forest preservation and restoration projects in early 2021. It was created to address to the growing need for sponsors to measure their impact in the field, although this requires significant human and financial resources for project leaders. The objective is therefore to define a compelling framework that will truly support initiatives in the field, with the first deliverables in 2022.

At the same time, and since early 2021, the MDM Foundation has been a member of the Admical network, an association that brings together more than 190 members and aims to develop philanthropy in France.

3.3 Social commitments

3.3.1 ESTABLISH LASTING RELATIONSHIPS WITH OUR SUPPLIERS

Risk management in relation to working conditions at the Group’s suppliers is one of the main issues being worked on in relation to Maisons du Monde’s duty of vigilance. The supplier support programme aims to answer to the priority risks presented in Section 3.1.1.2 relating to a supplier's failure to comply with Maisons du Monde's social requirements, the identification of a situation of corruption involving the supplier or the occurrence of an environmental incident in a production plant. At the heart of the Group’s roadmap, the work of supporting and monitoring suppliers is adapted to the types of partners in three distinct levels of commitment that concern:

- all suppliers committed to comply with the Group’s requirements by signing the Suppliers Code of Conduct, 92% of them had signed it by the end of 2021;
- all strategic suppliers located in at-risk countries are audited and supported by Maisons du Monde to advance social issues. 98% of them had been audited by the end of 2021 according to the social audit guidelines recognised by the Group. Strategic suppliers account for at least two-thirds of the Group’s business;
- the Mekong Furniture production plant in Vietnam, which is audited on its social and environmental practices every two years.

2020-2025 Plan	2021 Performance
Transparency regarding product origin	Map of Tier-1 factories – 91% of SKUs of the 2021 collection are tracked
100% of strategic suppliers audited over the past two years on social criteria, with no critical non-compliances	84%
100% of at-risk strategic suppliers audited on environmental criteria	Implementation of environmental audits in 2022

In 2021, the Covid-19 health sanitary crisis led to travel restrictions, lockdowns and even production plants closures in some of our production countries. This is particularly the case in China, India, Vietnam and Thailand, where delays in conducting physical social audits occurred, where on-site monitoring visits were suspended and where classroom training for buyers and suppliers had to be postponed.

Despite these elements, it should be noted that thanks to the mobilisation of teams, the recruitment of reinforcements from the head office team and the cooperation of suppliers, 136 social audits were instructed in the production plants in 2021 by Maisons du Monde, enabling the Group to achieve a coverage of 98% of its portfolio of strategic and at-risk suppliers audited or assessed.

In addition, Maisons du Monde strengthened its ambition in terms of traceability and social assessment for all its suppliers in 2021. As of December 31, more than 1,200 existing production plants have been mapped, assessed, and recorded in our systems, covering 91% product SKUs of the 2021 collection.

Lastly, the relationship between purchasing teams and suppliers was reinvented through the testing of flashnews and webinars in partnership with consulting firms, to enable Maisons du Monde to remain as close as possible to the field.

3.3.1.1 Implementation of a control mechanism

Code of conduct

Reiterating all the requirements in relation to compliance with social conditions by suppliers, beginning with compliance with fundamental ILO Conventions, the Maisons du Monde Code of Conduct serves as common ground for managing social impacts in the supply chain.

This document is sent to all suppliers along with the specifications or purchasing general conditions. It reiterates Maisons du Monde's demands for the following topics:

1.	Child labour
2.	Forced labour
3.	Discrimination
4.	Working time
5.	Compensation
6.	Freedom of association
7.	Health and safety
8.	Environment
9.	Subcontractors and traceability
10.	Management system and transparency
11.	Corruption

It also includes an email address, csr-supplychain@maisonsdumonde.com, allowing any person who witnessed or suffered a violation of this Code of Conduct to inform the Responsible Offering team at the head office. In order to make the transmission of information more secure and to ensure the confidentiality of whistleblowers, Maisons du Monde set up Whispli, a dedicated whistleblowing platform in 2021. The tool will be deployed during the first quarter of 2022 with suppliers.

As of December 31, 2021, 1,290 suppliers had signed the Suppliers Code of Conduct, *i.e.* 92% of Group suppliers, and 93% of purchase volumes.

PERCENTAGE OF SUPPLIERS WHO SIGNED THE CODE OF CONDUCT

As a percentage of suppliers	2021	2020	2019	2018
Furniture suppliers	96%	97%	88%	92%
Decoration items suppliers	91%	90%	70%	32%
TOTAL	**92%**	**91%**	**72%**	**39%**

Social audits and associated non-compliance issues

A part of the Group's vigilance plan since 2018, supporting suppliers in the management of social and environmental risks in the supply chain is an integral part of Maisons du Monde's purchasing commitments.

The conditions and procedures for supporting suppliers regarding social issues are formalised in Maisons du Monde's social audit policy. This policy is shared internally and with the Group's suppliers. It presents the support and monitoring procedures for social practices: identification of suppliers to be audited, types of audits allowed monitoring procedures and procedures for disengagement in the event of non-cooperation. This policy was built with the Purchasing Department and is sent to all strategic suppliers prior to the annual social audit campaign.

2021 marked a turning point in the traceability and social assessment policy of Maisons du Monde suppliers. A single factory database was created to link each product SKU to its production plant and a social assessment system for all production plants with regards to Maisons du Monde requirements was set up.

The deployment of these actions has led to an overhaul of the supplier rating grid to specify the criticality thresholds for each non-compliance issue that may be detected in the furniture and decoration sector. This overhaul was necessary to assess the audit reports of other standards recognised by Maisons du Monde (including BSCI, SMETA, SA8000, etc.) and thus compare the production plants based on their social risk.

Then, for new suppliers, a pre-selection process was introduced, integrating social risk from the beginning of the business relationship and before any request for samples. This social risk is based on three assessment criteria:

- signature of the supplier Code of Conduct;
- the social risk associated with the country where the plant is located (list of countries updated annually);
- the date of the last social audit as well as the criticality of non-compliances identified: the audit must have taken place within the last two years; with no critical non-compliance and less than six major non-compliances identified.

In addition to the social assessment procedure for new suppliers, a progress plan focusing on better management of social risk among existing suppliers was established at the end of 2021. This progress plan is based on several criteria such as the supplier's profile (manufacturer or trader), the number of SKUs manufactured per plant and the supplier's compliance with social practices. Specific support will be put in place based on these criteria to enable each factory to meet the Group's social requirements.

This evolution of the social assessment policy has also allowed to rethink the approach to auditing strategic suppliers by giving the priority to factories that do not meet the aforementioned criteria.

In accordance with the Group's social audit policy, strategic suppliers receive long-term support from Maisons du Monde. They are audited on social issues on a regular basis to assess their performance.

Two types of audits are conducted at the Group's strategic suppliers: support audits carried out by an independent auditor based in Asia and audits of compliance with the ICS standard conducted by accredited audit firms.

Maisons du Monde has been a member of the Initiative for Compliance and Sustainability (ICS) since 2017 with the aim of accessing a shared audit methodology and tools, pooling best practices and implementing joint measures to help factories to progress and contributing to the continuous improvement of the standard by taking part in the task forces overseen by the initiative.

The ICS audit measures the plant's performance with a rating which illustrates the compliance of practices and the criticality of instances of non-compliance identified. It also lists best practices and corrective measures to be implemented to comply with its standard.

The ICS social audit questionnaire includes nine chapters on which the audited site will be scored:

1. Management system, transparency and traceability;
2. Minimum working age, child labour and minors;
3. Forced labour;
4. Discrimination;
5. Disciplinary practices, harassment and abuse;
6. Freedom of association and grievance mechanisms;
7. Hours of work and overtime;
8. Compensation and benefits;
9. Health and safety.

Guidance audits are commissionned for smaller suppliers or for those who lack maturity in this area. This approach supplements the advice given to the factory to help it understand the benefit of the approach as well as the overall assessment of practices and fully customised action plan.

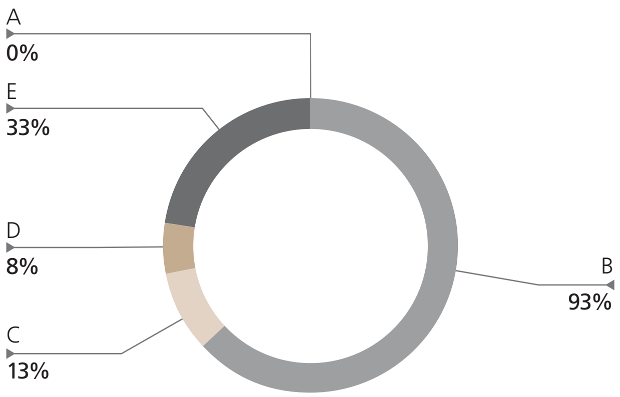
In 2021, 135 audits were initiated by Maisons du Monde based on the ICS framework, and 13 social audits were commisionned by other members of the initiative on suppliers shared with Maisons du Monde, and 79 audits were conducted according to other standards recognized by Maisons du Monde. In addition, a support audit was conducted in China. It should be noted that 3 audits had to be postponed to the first half of 2022 due to the health situation.

SOCIAL AUDITS BY TYPE

	2021 (1)	2020	2019	2018	2017
ICS audits ordered by MDM	135	129	87	49	17
External guidance audits	1	1	14	9	12
ICS audits at shared factories, ordered by other members	13	16	14	14	19
Social audits under other international standards (BSCI, SMETA with no critical non-compliance)	79	4			
TOTAL	**228**	**150**	**115**	**72**	**48**
Percentage of strategic suppliers audited on social criteria in the last two years	**98%**	**89%**	**63%**	**58%**	**37%**

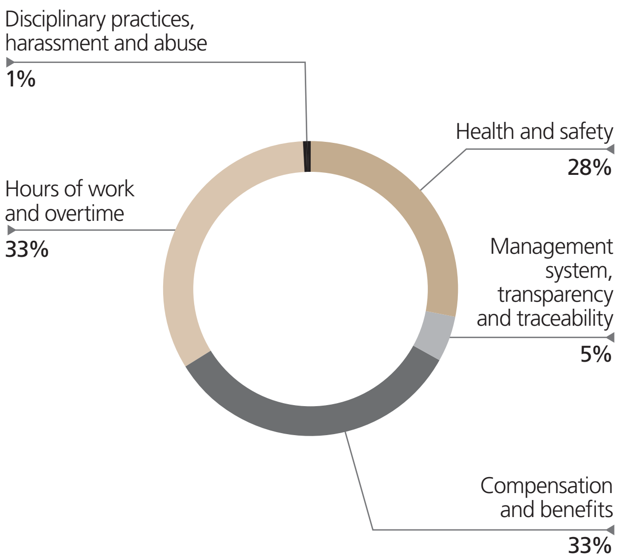
(1) Data for 2021 relate to strategic suppliers located in a country at risk. In previous years, data related to strategic suppliers only.

RATING OF ICS AUDITS AT MAISONS DU MONDE SUPPLIERS IN 2021



In accordance with the social audit policy, a specific action plan is implemented with each supplier in line with the rating obtained. Suppliers rated "E" according to the ICS standard (33 suppliers in 2021) are subjected to a stricter monitoring and control process. This rating means that critical non-compliance was identified during the audit. Dedicated support is then provided and another audit must be carried out within six months.

The priority of the Supplier CSR unit will be to support and audit factories rated E and D so that by 2025, 100% of the Group's strategic suppliers achieve a minimum rating of C.



Environmental audits

To cover the impacts of manufacturing sites for products distributed by Maisons du Monde, the Group added environmental performance to the supplier audit procedure in 2021. An environmental risk map organised by product family and by raw material used (in particular metal, timber, textiles, leather, foam, plastic, glass, candles and ceramics) and by country was introduced in order to align with the actual situation in the field.

The nine first environmental audits were performed in 2021 on the basis of this analysis, in particular with "Tier 2" suppliers of Maisons du Monde in the textile industry. Suppliers are audited according to eight main themes:

1. Environmental management systems;
2. Energy use, transportation and greenhouse gases;
3. Water use;
4. Wastewater and effluents;
5. Air emissions and ozone-depleting substances (ODS);
6. Waste management;
7. Prevention of pollution, hazardous and potentially hazardous substances;
8. Prevention and management of major incidents.

The objective is to identify the most critical issues in order to implement the appropriate support actions and thus give factories the possibility to improve.

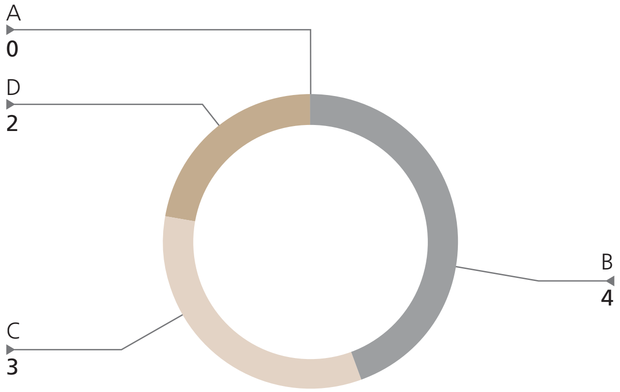
Maisons du Monde has chosen the ICS audit framework, co-developed and tested by its member brands and on which the Group also relies for social audits. This audit campaign will be rolled-out on a larger scale in 2022, and strategic suppliers manufacturing metal and textile items – deemed to be more at risk – will be audited first.

This environmental audit approach also enables the Group to continue its traceability effort, in particular by starting to map of Tier-2 plants.

ENVIRONMENTAL AUDITS BY TYPE

	2021	2020
ICS audits ordered by MDM	6	0
ICS audits at shared factories, ordered by other members	3	4
TOTAL	**9**	**4**

RATING OF ICS ENVIRONMENTAL AUDITS



3.3.1.2 Support for strategic suppliers

Training of teams and suppliers

INTER-SUPPLIER TRAINING SESSIONS

In addition to its supplier support system relating to audits, Maisons du Monde has been organising Supplier Meetings for strategic suppliers on CSR Purchasing issues since 2017. The purpose of these sessions is to strengthen communication of the Group's expectations, bring teams together to promote support and involve factory managers. Managers are also invited to participate and share their experience with their peers. They increase understanding of the support mechanisms put in place for factories and address CSR issues.

Unfortunately, no meeting could take place in 2020 and 2021 due to the pandemic, prompting the Group to think of another way of managing its suppliers.

For example, a first webinar was organised on 7 December 2021 for Indian suppliers, co-hosted by Maisons du Monde and a consulting firm. The objective of this webinar was to outline the best health and safety practices to be applied in the factories during a pandemic, as well as the main changes to the 2019 Wages Code. Eager to find the right format and the right partner, the Group will continue to experiment with this new format for events in 2022.

TRAINING FOR PRODUCT MANAGERS

Maisons du Monde believes that training in the field is of paramount importance when it comes to enabling the product managers to understand the challenges faced and be responsible. Unfortunately, the Covid-19 pandemic interrupted the travel of Purchasing teams in both 2020 and in 2021. These field visits will resume when permitted by sanitary conditions.

Also, a new format for facilitating purchases to continue this awareness campaign was implemented in July 2021. With the help of Mind Up, two "Asia Newsflash" sessions were organised to share economic and social news from our two largest producer countries: China and India. In total, 84 people from purchasing, quality and responsible offerings took part in these newsflashes.

Support for traders

Maisons du Monde has traders among its suppliers, which the Group wishes to involve more in its social responsibility approach. To this end, in 2021, a pilot project was launched at the Group's largest trader, with the support of Mind Up *via* a three-step process. Stage 1 consisted, through a document review and 14 interviews, in defining the added value of traders for Maisons du Monde, identifying best practices and specific issues and understanding the purchasing processes and Quality/CSR requirements. This first stage ended with feedback to all internal stakeholders on 20 October 2021. Stage 2, consisting of an inventory of the supplier's current practices in relation to Maisons du Monde's requirements, was completed in December and proved to be instructive. The last phase, which will begin in 2022, will consist in co-designing an action plan aimed at aligning the Group's social requirements with those of the trader to better distribute responsibilities. This pilot will serve as feedback and will enrich the Group's supplier policy vis-à-vis all its traders.

Physical support for suppliers facing the Covid-19 pandemic

COVID-19 VACCINES

Faced with a new pandemic outbreak in India in the spring of 2021, Maisons du Monde wanted to help its historical suppliers in Rajasthan to have their workers vaccinated. The city of Jodhpur was particularly affected by the difficulties of obtaining vaccine doses. To deal with the situation and thus enable the factories to maintain their economic activity, Maisons du Monde exceptionally allocated a budget in the amount of EUR 36,000 to finance two vaccination campaigns in June and September. Over 1,700 workers from 17 suppliers received their two doses of vaccine. In addition, Maisons du Monde financed the vaccination of more than 100 workers of one of its Indian textile suppliers who had made the request.

At the same time, Maisons du Monde signed a partnership with UNICEF India to educate all of its Indian suppliers on barrier measures to limit the spread of the coronavirus. Customised support was specially shared with more than 200 suppliers.

3.3.2 MAISONS DU MONDE'S HR POLICY

The definition of the Group's purpose in 2021 strengthens the HR policy, particularly in terms of commitment to equal opportunities. In addition, it specifies our ambition to become an "inspiring, warm and sustainable" employer.

To this end, our HR policy is based on four major pillars:

1. Attract and recruit talent in line with our growth ambitions;
2. Provide an inspiring, warm and sustainable employee experience;
3. Train management and develop an inspiring leadership;
4. Steer our human resources management in a context of international development and strengthening of our internal control processes.

To bring Maisons du Monde's spirit to life, the HR policy combines an offering adapted to each key stage in the employee's career path and strong social commitments. The Group's managers are central to this policy, they are the ones who bring it to life, locally and with passion for all employees.

In 2021, several projects were set up to help the Group's people grow at each stage of their career: recruitment, integration, skills assessment, equal opportunities and well-being at work.

The third "YOUR VOICE" engagement survey was rolled out in September 2021 across all Group employees in Europe, and highlighted the strong level of engagement of the teams, the fundamentals of a unique corporate culture and the actions to be taken to continue to grow teams and improve the employee experience.

Maisons du Monde aims to become a preferred employer thanks to its strong responsible commitments. More than ever, the social commitments related to developing a global outlook places the social and societal challenges of the Group at the heart of its CSR ambition.

2020-2025 Plan	2021 Performance
80% of employees recommend Maisons du Monde as a good employer	72%
4% of employees with disabilities in France	1.5%
Multiply the number of work-study students by two (as of 31/12)	232 (+40%)
A gender equality index of 90/100	82/100
65% of our Store Managers come from internal promotions	61%
100% of managers trained in management	71%
90% of employees of the network benefiting from a training programme (permanent contracts with more than six months of service as of 31/12)	48%

In 2021, Maisons du Monde obtained accreditation for its first disability agreement and signed the Diversity Charter. Thus, an ambitious action plan was rolled out internally to all business lines on disability awareness in the company, enabling the recruitment and recognition of a certain number of employees with disabilities. The global outlook, through our commitments to equal opportunities, has significantly strengthened our ambition as a responsible employer.

Lastly, the Human Resources Department changed its organisation by creating two new departments to address these challenges: a Talent Management Department and a Retail Training Department.

3.3.2.1 Maisons du Monde, A "SUSTAINABLE" Employer

MDM, a player in recruitment & employment development

JOB CREATION AND WORKFORCE

Employees

At 31 December 2021, the Group had 8,651 employees (7,533 full-time equivalents), up 2% compared to 2020.

GROUP WORKFORCE BY GEOGRAPHICAL AREA

Scope: Group

	2021	2020	2019	2018
France	5,138	5,115	5,020	4,496
Europe	2,645	2,318	2,413	2,138
Asia	868	1,031	1,026	896
TOTAL	**8,651**	**8,577**	**8,628**	**7,648**

Most employees work in France. Overall, the workforce increased slightly (+2%) due to the resumption of activity. The Mekong production factory in Vietnam accounts for 10% of the Group's employees.

BREAKDOWN OF WORKFORCE BY CONTRACT TYPE

Scope: Group

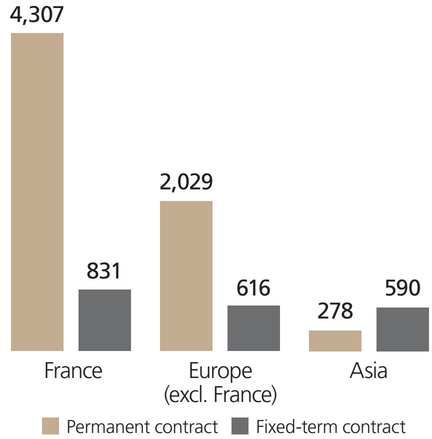
		2021	2020	2019	2018
Permanent contract	Women	4,462	6,418	6,456	5,942
	Men	2,152			
Fixed-term contract	Women	1,283	2,159	2,172	1,706
	Men	754			
TOTAL		**8,651**	**8,577**	**8,628**	**7,648**

Over 75% of employees have permanent contracts. The average length of service of employees on permanent contracts is 4.72 years.

- permanent contracts are prioritised in the network and the logistics business. Fixed-term contracts are primarily used to cover absence and spikes in business associated with the Christmas holidays and the sales;
- as regards production in Vietnam, the number of fixed-term contracts is due to the fact that workers are primarily hired under fixed-term contracts, as is the local custom, but then their contracts are made permanent after three years.

As of 31 December 2021, women represented 66% of the total workforce, as in 2020.

BREAKDOWN OF WORKKFORCE BY CONTRACT TYPE AND BY GEOGRAPHICAL AREA (2021)



GROUP WORKFORCE BY BUSINESS

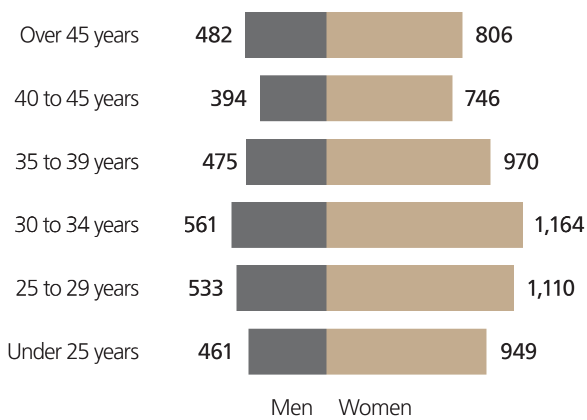
Scope: Group

	2021	2020	2019	2018
Network	5,845	5,735	5,823	5,175
Logistics	776	780	722	667
Production	868	1,031	1,026	896
Headquarters	1,078	934	993	910
Rhinov	84	97	64	
TOTAL	**8,651**	**8,577**	**8,628**	**7,648**

Two-thirds of employees work in stores within the Maisons du Monde store network.

BREAKDOWN OF WORKFORCE BY AGE (2021)

The average age of employees is 34 years, stable compared to 2020.



Hiring, departures and local economic impact

Maisons du Monde is a leading employer in the omnichannel brand sector in Europe and will continue to create jobs in 2021

Thus, to support our growth, Maisons du Monde created multiple new jobs in 2021, both in its retail business lines but also in digital, IT and sales.

BREAKDOWN OF HIRES UNDER PERMANENT CONTRACTS BY GEOGRAPHICAL AREA

Scope: Group

	2021	2020	2019	2018
France	812	557	1,085	992
Europe	222	154	270	268
Asia	-	-	-	-
North America	-	75	145	66
TOTAL	**1,034**	**786**	**1,500**	**1,326**

Hires in 2021	Total	Under 25 years	From 25 to 29 years	From 30 to 34 years	From 35 to 39 years	From 40 to 45 years	Over 45 years
Women	676	211	165	107	74	52	57
Men	358	98	89	65	35	29	42
TOTAL	**1,034**	**319**	**254**	**172**	**109**	**81**	**99**

In 2021, 1,034 employees were hired under permanent contracts (786 in 2020). For each store opening, Maisons du Monde favours hiring on permanent contracts and internal mobility.

BREAKDOWN OF DEPARTURES OF STAFF EMPLOYED UNDER PERMANENT CONTRACTS BY GEOGRAPHICAL AREA

Scope: Group

	2021	2020	2019	2018
France	1,043	865	1,272	1,148
Europe	242	179	245	286
Asia	76	52	79	30
TOTAL	**1,361**	**1,223**	**1,688**	**1,512**

Departures 2021	Total	Under 25 years	From 25 to 29 years	From 30 to 34 years	From 35 to 39 years	From 40 to 45 years	Over 45 years
Women	899	189	260	117	108	79	86
Men	462	117	102	90	65	45	43
TOTAL	**1,361**	**306**	**362**	**267**	**173**	**124**	**129**

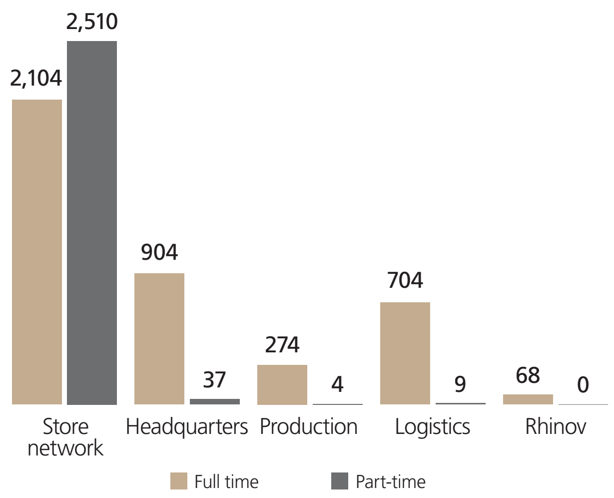
There were 281 dismissals in 2021 (291 in 2020). The average length of service of departing employees on permanent contracts is 3.09 years.

WORK ORGANISATION AT MDM

Contractual working hours (permanent employees)

Over 98% of employees in logistics, the production plant and head office are full-time. In the store network, more than 45% of employees are full-time.

BREAKDOWN OF EMPLOYEES UNDER FULL-TIME/PART-TIME PERMANENT CONTRACTS (31/12/2021)



Temporary

As a result of its activities, the Group may use temporary staff to meet more specific demands i, such as reinforcements when setting up new stores or commercial periods such as the installation of the collections for Christmas. As for logistics, the number of employees on temporary contracts may be higher, due to the specific nature of the activity.

Developing openness to the world: inclusion and diversity policy

Aligned with its purpose, Maisons du Monde has set out the ambition to promote openess to the world in a sustainable manner. Thus, the Group has defined equal opportunities as one of its core social and societal commitments.

The Group's inclusion and diversity policy is based on the following areas:

- inclusion of workers with disabilities and the development of women's leadership for gender equality;
- gender equality;
- inclusion of young people, with the development of employment solutions for young people through work-study programmes (see Section 3.3.2.1) and the development of mentoring of young people by managers (see Section 3.3.2.1).

DIVERSITY CHARTER IN 2021

With regards to diversity, Maisons du Monde puts the skills of its employees first.

In order to go the extra mile, the Group signed the "Diversity Charter" in January 2021. Thus, the Human Resources Department guarantees non-discrimination in hiring, employment and access to training. In addition, all job offers specify diversity-related commitments with the Diversity Charter logo but also a disability-friendly mention as a reminder of the Group's disability policy.

Because Maisons du Monde is convinced that talent is to be found in every individual and that diversity is a strength, the Group is committed to the principle of non-discrimination in all its forms and practices an inclusive recruitment policy.

INTEGRATION OF PEOPLE WITH DISABILITIES

1st Maisons du Monde disability agreement in 2021

Maisons du Monde strengthened its commitments to diversity and inclusion by signing its first disability agreement in consultation with trade unions in 2021. This agreement was approved by DREETS (French regional agency for employment, economy, labour and solidarity) Pays de la Loire in March 2021. It oversees the Maisons du Monde structures in France across all its business lines, excluding its subsidiaries.

This agreement is based on four major commitments:

- achieve an employment rate of 4% of employees with disabilities by 2023 (vs. 1.03% in 2020);
- keep employees with disabilities in employment as much as possible through the intervention of a job retention unit for job-related adjustment requests;
- train and raise awareness on disability along all managers and teams through regular specific events;
- use, whenever possible, sheltered and adapted sector companies (employing mainly people with disabilities) for inclusive and responsible purchases.

Thus, in 2021 the Group's actions resulted in:

- 37 hires of people with disabilities (fixed-term contracts, permanent, work-study contracts or internships);
- 21 employees declaring themselves to the Mission Handicap;
- 360 managers trained in the first module "Recruiting and integrating employees with disabilities";

An increase in the employment rate from 1.03% in 2020 to 1.5% in 2021. [corriger sur VF : passer en puce 1]

The Group plans to renew this disability agreement for 2024-2026 with the aim of achieving an employment rate of 6% of people with disabilities in the workforce.

In 2022, Distrimag will also sign an agreement on disability to promote inclusion and diversity in the company and reach 4% of employees with disabilities by 2024.

Scope: France Network and administrative premises (excluding Distrimag and Rhinov)

	2021	2020
Number of workers with disabilities in France	65	41
Percentage of workers with disabilities in France	1.5%	1.03%

Recruitment of people with disabilities

In order to meet its recruitment ambition, Maisons du Monde works with specialist recruitment firms on a daily basis to recruit the future talent of tomorrow for recurring needs: store openings, work-study campaigns, customer service.

In particular, Maisons du Monde has developed a specific in-store recruitment programme called "Pépites", which enables it to target and support candidates with disabilities, with excellent integration success stories.

At Distrimag, these are 10 new employees with disabilities who have been recruited and will be trained in specialised trades (woodworking, painting) while raising awareness among management teams *via* the "Théâtre à la carte" organisation.

Retention in employment and workstation adjustments

In 2021, an Employment Retention Unit was created and meets twice a year to assess the various workstation arrangements put in place. It is composed of a member of the Prevention department, a member of the social legal department, human resources managers, the Handicap Mission and a staff representative.

On a day-to-day basis, the Disability Mission meets with the necessary managers and stakeholders (prevention, maintenance, Human Resources managers) to respond to requests from employees to adapt their workstations with the occupational health services for integration or reintegration of employees. To go further, this same process is carried out with employees who do not benefit from recognition (RQTH, disability, etc.) in order to raise awareness among potential beneficiaries and to support all our employees.

In 2021, 80 requests to adapt workstations were processed (21% from head office; 79% from retail).

Internal Communication and Awareness raising

Disability week

Maisons du Monde lancehd Disability Week in 2018 to raise employee awareness on these issues.

The theme in 2021 was "How to recruit and integrate people with disabilities". Awareness events in various formats were presented every day to employees in stores and at the head office in France: webinar to present the role of the disability mission; introductions to French sign language; inclusive recruitment webinar.

In addition, in order to communicate on the signing of this first agreement and to unite the teams, Maisons du Monde elected to have a sponsor who shares the same values as the Group. Philippe Croizon, an extreme adventurer and a quadruple amputee athlete, helped the Group raise employee awareness on several occasions this year, which was a relevant and strong way of engaging all employees in on the theme "Everything is possible".

One day, one job

In 2021, Maisons du Monde offered its French employees (Headquarters and stores) the opportunity to participate in the event "Un Jour, un métier en action" (One day, one job in the field) on a voluntary basis. The aim is to welcome a person with disabilities into the company and introduce them to the Group's business lines. Thus, **25 pairs of managers/people** with disabilities were created on 23 September during Disability Week.

Training

In order to achieve the ambitions defined in the Maisons du Monde agreement, it was essential to train and raise awareness among managers. A first module on **"recruitment of people with disabilities"** was rolled out this year and will continue in 2022. 360 managers were trained since the programme was launched.

In 2022, a second module for managers on the subject of integration will be rolled out.

Purchases from the protected sector

Use of the adapted and/or protected sector is another critical enabler in the social action of the Group. Since 2020, the disability team, within the HR Department, centralises the entire purchasing policy with the sheltered sector and works on the development of these services.

The Group works with the protected sector for purchases of services for the maintenance of green spaces, print production and, since 2019, for waste management from certain stores.

In 2021, more than EUR 188,000 in purchases were made through the sheltered sector, representing in particular 65% purchases of maintenance services for green areas.

AMOUNT OF PURCHASES FROM THE PROTECTED SECTOR

Scope: Administrative premises

	2021	2020	2019
Total amount of purchases from the sheltered sector	EUR 188,701	EUR 170,557	EUR 151,949
Percentage of green area maintenance service purchases	65%	78%	38%
Percentage of printing service purchases	4%	3%	-
Percentage of waste collection service purchases	4%	7%	4%
Percentage of recruitment service purchases	3%		

Accessibility work on stores

The accessibility of points of sale and the reception of people with disabilities in stores are a key issue to which the Group is committed through two main action levers: training for teams and fitting out buildings.

Training action

Since 2016, Maisons du Monde has undertaken two major training programmes to raise the awareness of all in-store employees about the reception of people with disabilities and regulations regarding establishments open to the public.

In the first instance, managers of Merchandising, Installation, Maintenance, Safety/Security and Technical Design teams initially received a one day's training devoted to the prevailing regulations on accessibility. At the same time, an e-learning course dedicated to accessibility has been devised by the Maisons du Monde group's training service. This e-learning course, intended for all Store Managers and their employees, has been provided since 2017.

Accessibility work on stores

In 2015, Maisons du Monde undertook to achieve the full compliance of the French fleet of directly-owned stores by the end of 2021, by officially adopting a Government-sponsored action plan known as *Agenda d'accessibilité programmée* (Ad'Ap). While all store openings and renovation programmes have ensured the compliance of stores since 1 January 2007, an inventory conducted between 2009 and 2012 has helped draw up a list of sites in need of upgrades.

As the health situation was unfavourable to carry out this work, Maisons du Monde was able to obtain an extension for its Ad'Ap commitment in 2021. The commitment is now postponed for three years with the end of the accessibility programme scheduled for December 2024.

At the end of 2021, 90% of French stores were compliant.

MAINTAIN AND DEVELOP GENDER EQUALITY

Gender equality in the overall workforce and management bodies is now a genuine differentiation driver and an asset for the Group. To support the monitoring of this commitment, Maisons du Monde signed a three-year gender equality agreement in 2020 and Distrimag signed one in 2021.

As part of its annual review of the situation in terms of gender equality, the Board of Directors, at its meeting of 8 December 2021, on the recommendation of its Nomination and Compensation Committee, approved the new policy for the representation of women in the Group's governing bodies.

This ambitious policy aims to achieve the following four objectives by 2025:

- 50/50 gender parity in the Group's top 100 employees, with no management committee having a gender balance under 20%;
- continued top 5 SBF120 ranking in the awards for women in corporate governing bodies, a list compiled annually by the Ministry for Gender Equality, Diversity and Equal Opportunities;
- achieve a commitment rate among women that is equivalent to that among men, for equal positions and status;
- gender equality index of at least 90 points.

In this context, the Board also approved an associated action plan aimed at achieving these objectives, including training on diversity, inclusion and non-discrimination for the Group's employees, the creation of a women's circle/network, and various social advances aimed at gender equity.

Also, women already have a strong presence in the Group's management bodies.

- 57% of Board members are women;
- CEO of Maisons du Monde: Julie WALBAUM;
- 50% of Executive Committee members are women;
- 49% of women among the Top 100 highest-paid employees.

These commitments enable Maisons du Monde to comply with regulatory obligations (Copé-Zimmerman law) and the recommendation of the High Council for Equality (AFEP-MEDEF Code) and the Group was ranked fifth in the SBF 120 ranking of women representation in governing bodies in 2019 and 2020.

Gender equality figures

Maisons du Monde managers endeavour to convey the values of the Group and the HR policy to their teams. The Maisons du Monde group make every effort to ensure that diversity and gender equality is respected at every level of the Company.

BREAKDOWN BY GENDER, MEMBERS OF THE EXECUTIVE COMMITTEE AND N-1

Scope: Network, administrative premises and Distrimag

	2021	2020	2019	2018
Women	27	29	31	42
Men	32	26	34	34
TOTAL	**59**	**55**	**65**	**76**
Proportion of female employees	46%	53%	48%	55%

BREAKDOWN OF STORE MANAGERS BY GENDER

Scope: Network

	2021	2020	2019	2018
Women	273	264	264	248
Men	82	84	87	78
TOTAL	**355**	**348**	**351**	**326**
Proportion of female employees	77%	76%	75%	76%

Gender equal pay

Maisons du Monde strives to achieve equal pay for men and women. Thus, in order to reduce this gap, at Maisons du Monde maternity leave has no impact on the calculation of the bonuses of executives.

In 2022, two new measures will be applied: an individual increase equal to the average for the professional social category when returning from maternity leave, as well as the creation of a budget for catching-up increases of populations left out of the next compensation review.

DEVELOPING THE EMPLOYMENT OF YOUNG PEOPLE

Development of work-study programmes

To enable as many young people as possible to find a job or training, in 2021 the French government launched a national plan called "one young person, one solution". Maisons du Monde, a major retail recruiter in Europe, is committed to this programme through the implementation of a work-study development strategy. Maisons du Monde thus strengthened its commitment in 2021 with the aim of considerably increasing its work-study workforce and reaching 5% in 2024.

In 2021, 232 (194 at MDM, 24 in logistics and 14 at Rhinov) young people benefited from a work-study contract (apprenticeship contract or professional training contract) in France.

Personalised support for young people on work-study programmes (guidance, regular interviews and HR contact) helps ensure that they have every chance of success in their studies. The tutor, meanwhile, is assisted in passing on his or her skills and developing relational and teaching skills. **27%** of work-study students ending their contracts in 2021 were hired by Maisons du Monde group either on work-study contracts, on a fixed-term contracts or permanent contracts.

Maisons du Monde launched its first year-group of work-study students in 2021 in partnership with CFA Codis of the IGS Group, including 25 young people taking a French Higher National Diploma in Sales Operations Management.

All of these young people are welcomed in stores throughout France. All training and travel expenses are covered by Maisons du Monde.

Implementation of Mentoring for young people

To strengthen its commitment to young people, Maisons du Monde entered into a partnership with the Article 1 association in 2021. As part of its Dema1n.org programme, the association connects employees on a voluntary basis with young mentees ranging from 18 to 24 years old from working-class backgrounds. The initiative was launched internally with the Executive Committee and the Leadership Group in October 2021, 33 young people are already mentored by Maisons du Monde managers. This partnership aims to support 500 young people by the end of 2025.

Developing the employability of our teams

Maisons du Monde continues to commit to developing the skills of its employees through its training plan, the courses offered and its certification initiatives.

2021 was once again marked by the health context, which did not allow Maisons du Monde to implement all the training actions that were planned. Despite this, training was organised remotely as well as the introduction of new courses, particularly on the marketplace in the store network, and for management at the head office.

Thus, 4,065 employees were trained in 2021.

The Growth Curriculum was maintained and adapted in remote format to meet health constraints.

CAREERS, EMPLOYABILITY AND INTERNAL PROMOTIONS

Maisons du Monde strongly wishes to promote internal transfers and therefore the employability of its talent. Each position is open both externally and internally. Each request for an internal transfer results in discussions with the recruitment service, which enables employees to take advantage of HR support and assess their skills and know-how.

Maisons du Monde offers professional opportunities that enable each employee to take the initiative and contribute to their personal development and the performance of the Company.

NUMBER OF INTERNAL PROMOTIONS

Scope: Group excluding Modani and MDM US

	2021	2020	2019	2018
Network	200	215	250	247
Logistics	41	36	94	72
Production	71	92	102	102
Headquarters	98	69	101	100
Rhinov	1	21	10	-
TOTAL	**411**	**433**	**557**	**521**

In 2021, 411 people were promoted internally. The internal digital space dedicated to geographical and functional mobility continues to be regularly highlighted in internal communications. This ensures that each employee receives regular information on mobility requests.

Women also benefit from internal promotions, especially in the network and at the Maisons du Monde head office, including in 2021:

- 70% of women in internal promotions at the head office;
- 75% of women in internal retail promotions;
- 24% of women in internal Distrimag promotions.

PERCENTAGE OF STORE MANAGERS AND LOGISTICS MANAGERS IN POST AS A RESULT OF INTERNAL PROMOTION

Scope: Network and Distrimag

	2021	2020
Store Managers	55%	55%
Logistics managers	91%	95%
Total	61%	61%

The Human Resources Department routinely contacts each employee who requests mobility so that they can receive support with their application and, more generally, with their career plans.

TRAINING AND SKILLS DEVELOPMENT

Training figures

PERCENTAGE OF PERMANENT EMPLOYEES TRAINED BY ACTIVITY [(1)]

Scope: Group

	Trained	Not trained	Training rate
Network	2,832	1,811	61%
Logistics	422	293	59%
Production	260	18	93.5%
Administrative premises	538	406	57%
Rhinov	13	55	19%
TOTAL	**4,065**	**2,599**	**61%**

(1) Permanent workforce at 31/12/2021.

In 2021, Maisons du Monde allocated a budget of EUR 2.4 million of the Group's payroll to training its employees based in Europe.

TRAINING PROGRAMME

The training effort represents training expenses in relation to the total payroll.

Scope: Group

	2021	2020	2019	2018
France	1.65%	0.94%	2.2%	2.42%
Europe	1.87%	0.72%	2.8%	2.54%
Asia	0.16%	0.22%	0.17%	0.11%
TOTAL	**1.67%**	**0.86%**	**2.32%**	**2.40%**

NUMBER OF HOURS OF TRAINING

Scope: Group

	2021	2020	2019	2018
France	31,149	24,702	42,429	53,989
Europe	24,261	7,590	14,412	27,545
Asia	5,238	8,825	19,473	10,308
TOTAL	**60,648**	**41,117**	**76,377**	**91,791**

Workforce present at 31/12 and having attended at least one training course during the year	2021	2020	2019	2018
Average no. of hours of training permanent employee	10h41	6h04	16h36	15h30

In 2021, 60,648 hours of training were provided to employees. 4,065 permanent employees had followed at least one training course during the year at 31 December 2021. The health context did not allow for the training of the same number of employees than in previous years.

Network

To reach its ambitions and the objectives set in the CSR road map, the programs put in place were continued and enhanced year after year to provide access to training to as many people as possible.

In 2021, all in-house face-to-face training programmes were redrafted in a remote format, in order to offer training to as many employees as possible. In local management training courses, the following training sessions were implemented: "Customer Priority" (FR & IT store managers and deputy managers), "Developing customer loyalty at checkout" (France and Italy network), "Conducting effective business" and "Managing and coordinating points of sale operations" (store managers in France, Italy, Belgium and Switzerland). Despite the pandemic, all store managers who were not trained in 2020 and early 2021 were able to follow these training courses in the second half of 2021 in France, Italy, Belgium and Switzerland.

PERCENTAGE OF MANAGERS TRAINED IN LOCAL MANAGEMENT

Scope: Group excluding Mekong

% of managers working on 31/12	2021	2020	2019	2018
Local management training	71%	66%	64%	58%

Lastly, new training programs have also been developed, added to the catalogue and implemented, in particular training on the deployment of the marketplace in stores to all the employees of 45 points of sale in France, a training course dedicated to labour law and on the identification of points of vigilance for all regional managers in France and training for new international CSR officers on their role and day-to-day actions.

3

Headquarters

To support our employees in their careers at Maisons du Monde, a skills development plan is put in place each year. Numerous training topics are offered to develop employees' skills and thus guarantee their employability.

Maisons du Monde's strived to maintain a training offer during the pandemic, which required a review of the training offer due to the health context. Some training sessions were delivered remotely and others were postponed to 2022. Thus, 57% of head office employees on permanent contracts were trained in 2021.

In order to support the transformation of certain of the brand's business lines, Maisons du Monde launched a dedicated training plan in 2021 to anchor "business lines" fundamentals. To this end, in 2021 Maisons du Monde set up a "Project Management" training course, the introduction of training to support the teams in the offering department with the quality team in their new products and CSR strategy and the launch of the new MDM Management School for managers with the "Insights" training programme. This plan will be continued in 2022.

Logistics

Distrimag's ambition in 2021 was to continue to provide managerial support through training focused on posture and problem-solving to enable employees trained to gain autonomy. Given the health situation, only mandatory training was maintained. In 2021, 701 employees were trained on topics such as safety at work, gestures and postures or the use of work tools.

Production

Faced with the specifics of the local jobs market and the lack of qualified personnel, Mekong Furniture is investing in training to enable employees and workers to acquire new technical or managerial skills that match their responsibilities.

In-house peer training is the main way in which the Company tailors employees' skills to their work. It is also a vital tool for conveying know-how and support the Company's business growth. Internal training courses are given for new entrants so that they can quickly and efficiently adapt to the use of the machines and equipment installed on the production lines.

Training was provided for older workers who had been promoted to a new post requiring a specific technical skill. In 2021 the Company continued to train new employees in high-tech digital machinery of the CNC type thanks to new investments made on the three sites (training provided by the suppliers of the machines).

Due to the health measures related to Covid-19, external training for managers and key employees had to be reduced and/or postponed. The training and skills development policy for our managers will resume in 2022.

Rhinov

At Rhinov, a training course designed for all managers was planned for 2021. This training course aims to understand the role and posture of the manager and to get to know oneself better as a manager. It provides local management tools and methods.

It took place *via* a platform where each participant was able to take the course at their own pace. It was a 12-hour course broken down into four modules. Each manager received a certification (UNOW).

3.3.2.2 A "WARM" employer

Creating unique, warm and sustainable places are at the heart of Maisons du Monde's purpose and strategy. Thus, beyond practices, workplaces and work methods for have become essential subjects in the teams' careers.

Health & Safety Policy and working conditions

WORKPLACE ACCIDENTS

NUMBER OF WORKPLACE ACCIDENTS WITH LOST TIME

Scope: Group

	2021	2020 (1)	2019	2018
Network	190	167	218	232
Headquarters	2	6	6	11
Logistics	47	44	54	71
Production	35	40	39	
TOTAL	**274**	**257**	**317**	**314**

(1) Workplace accidents with lost time excluding the United States and the United Kingdom.

FREQUENCY RATE OF WORKPLACE ACCIDENTS (1)

Scope: Group

	2021	2020	2019	2018
Network	27.2	26.2	39.3	42.7
Headquarters	1.3	3.8	4.5	8.2
Logistics	36.5	37.8	45.3	59.6
TOTAL EXCLUDING PRODUCTION	**23.9**	**23.5**	**34.4**	**39.4**
Production	23.1	19.3		
TOTAL	**23.8**	**22.7**		

(1) Number of workplace accidents with lost time/hours worked x 1,000,000.

Severity rate of workplace accidents [(1)]

Scope: Group

	2021	2020	2019	2018
Network	0.76	0.80	1.73	1.44
Headquarters	0.05	0.15	0.03	0.12
Logistics	2.7	2.84	3.39	3.03
TOTAL EXCLUDING PRODUCTION	**0.88**	**0.94**	**1.69**	**1.45**
Production	0.5	0.28		
TOTAL	**0.83**	**0.81**		

Network and administrative premises

Maisons du Monde is committed to continuing its effort to ensure the health and safety of its employees, in line with its previous years' commitments. The process of collaboration and dialogue between the store network and the accident-prevention service has provided better understanding of the current professional risks and the expectations of employees.

In 2021, the prevention service was structured with the recruitment of three prevention coordinators spread over the French, Belgian and Luxembourg networks and the Spanish and Portuguese networks. The prevention department is now part of the QSE department under the responsibility of the technical director.

The following actions were implemented in 2021:

Technical area:

- deployment throughout the network of the equipment necessary to secure the suspension of Maisons du Monde lighting fixtures presented in stores, with regard to their hanging and electrification;
- deployment throughout the network of 1,000 “shelving towers” developed specifically for the brand, in order to provide a solution adapted to the issues relating to manual handling of loads;
- deployment throughout the network of 202 platform trolleys, to facilitate manual handling of loads;
- deployment throughout the network of secure paper cutters (replacing the former model) for paper cutting, in order to reduce the risk of cuts;
- on a case-by-case basis, deployment of electrically-assisted pallet trucks to help stores during goods deliveries;
- continued deployment of automatic external defibrillators in French stores subject to the regulations;
- monitoring and implementing protocols against the spread of Covid-19 in order to prevent the Company from experiencing the emergence of internal clusters and to limit the internal spread.

Area of presentation/instruction:

- in-house training for 19 new employees as Lifeguard-Rescuers at work and on recycling for 42 employees;
- deployment throughout the network of a work instruction on the correct way of using the presentation equipment for shelves, in order to avoid the fall of products (fittings);
- display to the entire network of an instructional video and dissemination of written material on how to change a LED spotlight safely.

Faced with the Covid-19 health crisis, Maisons du Monde is continuing to put in place preparatory, support and monitoring actions to ensure the health and safety of its customers and employees:

- study and analysis of the regulations relating to the obligations associated with health and safety measures to fight against the epidemic at European level (stores and head offices);
- provision of protective equipment and material (masks, face shields, alcohol-based sanitiser gel, gloves, cleaning and disinfection products, signage, floor marking);
- update of an activity recovery guide for store and head office employees. This guide includes all instructions and information to ensure the safety of employees and customers during authorised opening periods;
- head office employees: implementation of a graduated teleworking policy based on the evolution of the epidemic and the obligations of the health authorities;
- distribution of regular “prevention flashes” to employees to remind them of the instructions to be followed and to inform them of changes in regulations;
- support in the organisation and preparation of internal or external events;
- continuation of a dedicated unit and a main email address Covid-19@maisonsdumonde.com for all employees to provide a single point of contact for all questions relating to the epidemic;
- systematic reporting of employees who test positive to ensure a systematic record by the Prevention Department: analysis of the situation, definition of the actions to be taken, information for employees.

Logistics

Protecting our employees' health remains a priority for Distrimag's prevention teams which are responsible for mandatory safety training: driving authorisations, OHS, PPE, safe driving aptitude certificate, Gestures and Postures.

In 2021, Management continued to invest in safety and continued to roll out its actions: safety training for new employees, prevention throughout the company for each new workplace accident to inform and raise awareness, and a half-yearly review of workplace accident origination, improvement of the protection system for lone workers and deployment of signage on the sites on overall safety.

(1) Number of days lost due to temporary incapacity/hours worked x 1,000.

Rhinov

Occupational risk management is based on a prevention approach involving ESC members and managers from each department. The single risk assessment document is updated according to changes in positions and the health situation.

In order to reduce the risk of workplace accidents, particular attention has been paid to the layout of workspaces (meeting rooms and common relaxation areas) and to the ergonomics of workstations.

In 2021, there were two workplace accidents and no occupational illnesses were reported.

Production

In 2021, Mekong Furniture strengthened its HSE team in charge of health, hygiene, safety and environment issues. The constant developments in subjects relative to the environment, the adaptation of working areas and health and safety within the production sites require particular attention and Mekong's factories endeavour to ensure total transparency and compliance with local and international prerequisites and requirements.

The objective of ISO 14001:2015 certification with the implementation of an environmental management was postponed to 2022.

During 2021, Mekong Furniture continued to improve the organisation of production lines and actions for accident-prevention. Training tools (documentation, videos, instructions) and training relating to the environment, workspace layout, health and safety have been implemented at the production sites by the HSE team and provided to new employees through managers. This made it possible to reduce and limit accidents. The frequency index remains low (23.1).

In 2021, faced with the Covid-19 situation and strict health conditions for the resumption of activities, Mekong Furniture set up

- a series of rules and control measures to limit contact and comply with legal requirements;
- the distribution of individual and collective protective equipment and accessories (mask, hydroalcoholic gels, air purifier) on regular basis;
- regular Covid-19 tests for all employees and monitoring of cases and sources of contamination;
- the recruitment of a nurse and training for the HSE team to monitor the health situation.

These measures and actions have made it possible to restart and gradually stabilise production and, above all, to limit the spread of the virus.

ABSENTEEISM

Maisons du Monde is attentive to absenteeism, monitoring trends and taking appropriate measures to reduce the number of staff off work. Annual appraisals are an opportunity to share specific situations. Systematic oversight of these appraisals and the implementation of action plans are means of reducing absenteeism. As an example, the Operational Human Resources Managers in the logistical centres interview all employees having expressed a need for this during their annual interview, to better understand the needs explained and to provide targeted solutions.

Distrimag's Human Resources service also keeps in contact with absent employees to encourage their return to work and conducts a return-to-work interview after all absences of more than 15 days.

To promote the well-being of teams, opportunities for discussion are promoted; each manager is encouraged to develop connections and proximity with the teams. In this regard, procedures for communication and discussion are written into the managerial and HR standards.

With a concern for proximity, the teams are of a "human" size; this organisation increases the number of local managers to ensure better knowledge of teams and improvement of the quality of working relationships.

RATES OF ABSENTEEISM DUE TO ILLNESS

Scope: Group

	2021	2020 (1)	2019 (2)	2018 (3)
France	4.40%	4.69%	4.51%	4.10%
Europe	6.74%	6.56%	6.78%	5.05%
TOTAL (EXCLUDING ASIA)	**5.12%**	**5.35%**	**5.23%**	**4.32%**
Asia	0.72%	1.12%		
TOTAL	**4.38%**	**4.60%**		

(1) The data for the "Europe" scope do not include the absences of employees in the Portuguese and UK stores.

(2) The data for the "Europe" scope do not include the absences of employees in the Swiss, Portuguese and UK stores or of Rhinov employees.

(3) The data for the "Europe" scope do not include employee absences at German, Spanish and UK stores.

Improving the well-being of our employees

LISTENING AND REGULAR COMMUNICATION WITH EMPLOYEES

Regular communication has been put in place for both the store teams and head office teams. Regular "MDM Talks" enable the Executive Committee to communicate the developments of strategic projects at Group level and in each business line. On the intranet, the internal communications team communicates every week on innovations, projects and information necessary to spread the Maisons du Monde's spirit to everyone.

Help line

For some, this very special period of imposed teleworking was a difficult experience. Maisons du Monde has also maintained its psychological support line at the European level with Stimulus Care Services. This line has enabled the Group to support its employees and managers, 24 hours a day, anonymously and confidentially. Anonymous support from psychologists was offered to employees who felt the need.

	2021
Number of crisis line beneficiaries	8
Number of interviews on the crisis line	10

In 2021, ten calls were received on the crisis line.

YOUR VOICE 21 survey

To ensure that measures to improve working conditions are really in line with employee expectations, an employee survey is conducted once every two years. This survey is intended to:

- give employees a voice and assess their level of satisfaction;
- analyse feedback and draw up action plans;
- listen to employees and measure the effectiveness of actions implemented.

Deployed in September 2021, more than 81% of Group employees responded to the third YOUR VOICE survey.

The survey confirmed the strong feeling of pride amongst employees and their desire to see the Company flourish. The Group's commitment rate is therefore 68%, *i.e.* 9 points above the market benchmark. In 2021, 72% of employees recommend Maisons du Monde as an employer.

SOCIAL DIALOGUE AND PROGRESS

Social dialogue

Maisons du Monde strives to ensure a peaceful labour relations climate fostering exchange and dialogue with staff representatives and employees.

Scope: Group

	2021
Percentage of employees covered by employee representatives (MDM France)	99.8%
Percentage of employees covered by employee representatives (MDM Europe)	86.65%
Percentage of employees covered by employee representatives (Distrimag)	100%
Percentage of employees covered by employee representatives (Rhinov)	100%
Percentage of employees covered by employee representatives (Mekong)	100%
Percentage of total employees covered by employee representatives Group	**89%**

Given the specific legislative features of each country, France, Belgium, Luxembourg, Italy and some Spanish stores have employee representatives.

In addition, Maisons du Monde is committed to ensuring that the majority of its employees are covered by collective bargaining agreements, whether these agreements are negotiated within the Company or agreements negotiated at regional or national level. Thus, with the exception of Luxembourg and certain stores in Germany and Switzerland, all French, Belgian, Austrian, Spanish, Portuguese and Italian employees are covered by collective bargaining agreements which confer significant advantages compared to the provisions of the legislation applicable in their respective countries.

NUMBER OF MEETINGS WITH STAFF REPRESENTATIVES

Scope: Network, Distrimag and Rhinov

	2021	2020	2019	2018
MDM France	35	27	19	19
Distrimag	25	44	34	39
MDM Belgium	23	31	23	23
MDM Luxembourg	2	6	2	-
Rhinov	7	11		
TOTAL	**92**	**119**	**78**	**81**

In 2021, the number of meetings with employee representatives within MDM France was very high during the first half of the year, mainly due to government measures requiring facility closures. Indeed, in order to deal with the spread of Covid-19 in France, stores were subject to temporary closures pursuant to the application of prefectural orders. Therefore, each closure had to be accompanied by a meeting with employee representatives to inform them of the situation and obtain their opinion on the use of the partial activity scheme.

In Luxembourg, where employees are represented by two employee representatives, three meetings were held in 2021.

Finally, in Belgium, some meetings had to be held by videoconference at certain times of the year in order to avoid the spread of Covid-19. After the start of the year with professional elections, 2021 saw the new elected representatives take up their respective offices.

Network & Administrative premises

In France, the employees of Maisons du Monde are represented by two trade unions and within the Economic and Social Committee (ESC). This committee has all prerogatives in economic matters as well as in health, safety and working conditions. It should be noted that the trade unions present within the company are the CFTC, the CFDT and the UNSA. The latter set up a trade union section in the company in January 2020.

Pursuant to the discussions that took place in 2021, the members of the CSE were heavily solicited during the first half of 2021 due to the impact of government decisions related to the health situation. In addition, other commissions are in place or were set up to address specific topics more accurately. This is notably the case for the health, safety and working conditions committee and the disability committee.

In Spain, there are nine permanent or substitute staff representatives in six stores. They do not hold monthly meetings. Unlike other countries such as France or Belgium, there is no national representation in Spain. It should be noted that a gender equality plan is currently being negotiated within Maisons du Monde Spain. The first meeting took place on 4 October 2021. Discussions will continue in 2022.

In Italy, staff representatives are present in nine stores. There are 12 RSAs (union representatives) and seven RLS (safety union representatives).

In Belgium, employees are represented on two bodies, the Works Council and the committee for prevention and protection in the workplace. It should be noted that professional elections took place in 2021, allowing all our employees in Belgium to elect their new representatives. These elections took place on 15 January 2021.

In Luxembourg, employees are represented by two employee representatives.

Discussions with staff representatives were reflected in the following agreements in 2021:

- amendment to the profit-sharing agreement (Maisons du Monde France and Maisons du Monde Italy);
- mandatory annual negotiations on compensation, working time and professional equality (Maisons du Monde France);
- agreement on the implementation of an exceptional purchasing power bonus;
- agreement on non-current benefits related to results (Maisons du Monde Belgium);
- agreement on the introduction of temporary lay-off (Maisons du Monde Italy).

Logistics

2021 was marked by intensive dialogue and negotiations at the logistical level. Several agreements were signed during 25 CSE meetings:

- an agreement relating to compensation and other compensation benefits signed in April 2021;
- an agreement on gender equality signed in May 2021;
- an amendment to the profit-sharing agreement signed in June 2021.

In 2021, numerous meetings were held with employee representatives, systematically involving them in our decision-making.

Created two years ago, logistics divisions proved efficient during this period, which was particularly rich in decision-making in terms of health and safety. Intensive communication was deployed with six Health, Safety and Working Conditions Committee (CSSCT) meetings, which took place in 2021.

A discussion is underway on the organisation of working time and, in particular, the length of breaks. This issue will ultimately be addressed during the mandatory annual negotiations in 2022.

Finally, negotiations on the draft Handicap agreement are ongoing and will be signed in 2022.

Production

In Vietnam, social dialogue is organised in close collaboration with union representatives. The Mekong Furniture trade union team is currently composed of 11 members, divided between the three sites of the factory.

The union representatives are consulted on all issues liable to contribute to improving employees' working conditions and environment. The union representatives are free to exercise their duties pursuant to rules laid down and set by local law. They meet regularly to discuss questions of health at work, changes to compensation and the salary policy, stability of the workforce and training.

In 2016, Mekong Furniture signed an agreement on the benefits granted by the Company to employees. This agreement with the staff representatives includes bonuses, allowances and additional benefits not determined by Vietnamese law.

In 2021, to address the issues generated by Covid-19, constant social dialogue was established with the trade union representatives, the HR department and the management team to find appropriate and pragmatic solutions. These discussions focused on supporting the reopening of factories, organising the return of employees to work and, in particular, financial support, the organisation of periodic testing campaigns, finding vaccines for certain employees, and support for employees who may benefit from State aid, and finally the management of Covid-19 cases.

This solid collaboration has enabled a gradual recovery and a stabilisation of production, making it possible to return to 75% to 80% of the workforce, compared with only 30-50% for some companies in the industry.

Rhinov

Dialogue is fully transparent and the ESC is involved in all decisions that have an impact on employees and the Company. In 2021, seven meetings were held focusing on working conditions and organisation (teleworking, paid leave and partial activity).

PROMOTING A WORK/LIFE BALANCE

Development of teleworking

Maisons du Monde and its Rhinov and Distrimag entities have developed the right to teleworking and formalised a charter allowing employees to work remotely two days a week. A monthly bonus of EUR 30 has also been set up to cover the costs of teleworking for all Maisons du Monde employees. An agreement will be signed in 2022 with the trade unions.

Reduction of working hours

Under the collective bargaining agreement, retiring employees benefit from a one-hour reduction in working time per day during the six months preceding voluntary retirement for employees with at least 15 years of service (pro-rated for part-time employees).

In addition, as part of the development of its social policy, the Group has taken measures for all employees. With this in mind, during the mandatory annual negotiations in 2021, it was decided that in the 12 months preceding the planned date of retirement, all full-time employees would be able to benefit from a transfer to partial work time of 80%. During this period, the Company undertakes to maintain, with the individual agreement of the employee, the calculation of pension contributions (basic and supplementary pension) on the basis of a full-time salary. The company will cover employee and employer contributions.

On the other hand, pregnant women with a length of service of at least one year, benefit from a reduction in working hours of a quarter of an hour in the morning or evening when they are five months pregnant and, a quarter of an hour morning and evening (or half an hour in the morning or evening) when they are 6 months or more pregnant.

Working time organisation charter

In order to promote the sharing of family responsibilities, Maisons du Monde has drawn up a “Guide to parenthood” divided into several information sheets, namely: adoption leave, parental leave, maternity and the prevention of occupational risks, maternity and work, absences related to maternity as well as paternity and work.

This guide aims in particular to inform employees about the rights related to parenthood and to answer the questions that may legitimately be raised by the status of “employee-parent”. The guide is available on the Group’s intranet and accessible to all employees.

It is in this same spirit that Maisons du Monde has decided to take a strong measure as part of the company agreement on quality of life at work. Thus, aware of the importance of the start of the school year in the lives of its employees’ children, Maisons du Monde has decided to adapt the working hours of employees if need be for them. This measure allows them to support their child on the first day of the school year and to consider this event as calmly as possible.

Distrimag has also signed an agreement on gender equality with provisions relating in particular to:

- working conditions during pregnancy: the workstation is adapted as needed and teleworking is also possible for positions that allow for it;
- the link between professional activity and the exercise of family responsibilities: Distrimag neutralises the impact of maternity leave or adoption leave on professional development, off-days may be donated, a skills review is offered with a view to retraining after a long absence, the company also helps employees find childcare solutions and 15 places are already reserved in day care centres. Finally, a room has been set up to allow breastfeeding women to isolate themselves;
- support for victims of domestic violence: contacts are appointed within the company to take responsibility of the issue. In the event of proven domestic violence, Distrimag provides a three-day paid leave to help victims find accommodation. At the same time, the company provides temporary housing in the event of an emergency within a maximum of three months before Action Logement offers a housing solution.

Solidarity-based actions: donations of days

Aware that the legal provisions may sometimes prove insufficient in certain situations where employees need time to support their loved ones, Maisons du Monde has put in place since the 1 April 2017, a procedure relating to the donation of days, before signing a collective bargaining agreement on the subject in December 2019.

This “donation of days” procedure enables employees to donate their paid leave to a colleague who has a relative with a serious health condition that requires a sustained presence and extensive care, or a relative who is no longer independent or with a serious disability.

These provisions allow employees who wish to donate one or more days off by placing them in a solidarity fund. This fund will be used to help employees who need time to care for relatives with disabilities, that are no longer independent, have serious illness or are dying.

On the day it was introduced, in a spirit of solidarity and in order to support the implementation of the system, the Management allocated 50 days to the fund.

At Distrimag, any employee holding a permanent or fixed-term contract can also donate a maximum of ten days off per calendar year in the form of days. For each day of leave donated per employee, Distrimag makes a contribution of the same amount. The agreement was signed in April 2021 and one employee was able to benefit from the scheme.

3.3.2.3 An inspiring Employer and managers

Strengthen management to support and inspire teams

CREATION OF THE LEADERSHIP GROUP

Maisons du Monde has made the support and training of management teams a major focus of HR challenges.

To support this training, a Leadership Group composed of 65 members of the Operational Committee was created to provide Maisons du Monde with a governing body composed of the ExCom members and their direct reports. This helps to grow the managerial culture and support the entire organisation in its transformation projects. In September 2021, Maisons du Monde launched its first "Leadership Forum". This two-day event allowed the Executive Committee to unveil the Group's purpose.

GROWTH CURRICULUM FOR RETAIL

Support to employees involves the implementation of various skills development curricula. Maisons du Monde is committed to preparing its internal talent pools. The Growth Curriculum ended in 2021. This development programme has been specifically tailored to the brand and the reality of life in stores, to offer deputies ways of working towards becoming managers, *via* the *Manager d'unité marchande* certification, recognised by the Government and by the world of retail.

Thus, 29 employees obtained a State Diploma in 2021 with a success rate of 93%.

IMPULSE COURSE AND MANAGEMENT

During the Leadership Forum, a two-phase managerial programme for members of the Maisons du Monde Leadership Group was launched. With the help of a coach and during a lively feedback workshop, participants receive the first elements for understanding their communication and management style, *via* the Insights Discovery test.

Rhinov trained 13 of its managers in management basics in 2021.

Developing the performance of our talent

RAI AND ASSESSMENT POLICY

The annual interview takes place from January to March of the current year and allows the manager to assess the employee according to a certain number of skills and according to the objectives set in the previous year. The mid-year interview allows the manager to readjust the objectives set during the annual RAI with the employee. It is also the opportunity for employee to report training needs. This interview also allows the manager to set the objectives for the coming year and to commit to supporting the employee in achieving them.

These interviews are set up for all employees on permanent contracts, long-term fixed-term contracts (more than six months) and work-study students who arrived before 31 August the year before.

Scope: Administrative premises, Network and Distrimag

Percentage of employees who completed an RAI	2021
Administrative premises	97%
Network	87%
Distrimag	80%
PERCENTAGE OF EMPLOYEES WHO COMPLETED AN RAI	**88%**

PERFORMANCE-RELATED BONUSES AND VARIABLE COMPENSATION

Maisons du Monde is scrupulous about setting fair and equitable compensation for all employees. 100% of employees, receive compensation above the agreed minimum (France and Europe).

The development in employee benefits expenses follows the increase in the Group's workforce and business growth, going from EUR 222.6 million in 2020 to EUR 252.1 million in 2021.

Maisons du Monde seeks to promote collective performance. 100% of employees (excluding Mekong) are eligible for variable compensation based on the collective achievement of qualitative and quantitative objectives, recognising the commitment and achievement of all employees in the performance of their duties.

In 2021, Maisons du Monde also established a strategy for executive bonuses so that 100% of this population receives a bonus in 2024. A new bonus policy, enabling consistency, was rolled out and communicated in 2021. It is composed of a grid according to the level in the organisation and is linked to the objectives defined in the RAI and the collective financial criteria for the Leadership Group and the Executive Committee.

To ensure fair compensation management, an Nomination and Compensation Committee composed of the CEO, the HR Director and the HR Development Director was set up in March 2021. This committee validates all requested individual increases, variable compensation and bonuses according to criteria defined in a framework note.

SHAREHOLDERS AND LTIP

The Group has introduced a two-part incentive plan to complement its compensation policy and enable employees to benefit collectively from a share in the profits made:

- annual plan: a system of incentives was introduced for all Group employees (non-production) linked to hitting annual targets. Thus, employees receive an additional bonus, either in the form of an incentive payment (France – excl. Rhinov, Italy and Belgium), or in the form of a salary bonus (other European countries);

Scope: Maisons du Monde S.A.S. excluding Mekong, MDM Italy and MDM Belgium

Percentage of employees with results-based bonuses	2021
Number of employees with results-based bonuses	7,699
Percentage of employees with results-based bonuses	89%

- medium/long-term plan: a free-share award plan was introduced for some employees. Acquisition will be dependent on performance, which will be measured every two or three financial years depending on the criteria, and on working for the Group for a period of three years. The free shares should be granted at regular periods, based on decisions by the Board of Directors.

Scope: Network and administrative premises

Percentage of employee shareholders	2021
Number or proportion of employee shareholders at MDM	282

3.3.3 OUR PHILANTHROPY POLICY – CREATING WELCOMING PLACES TO LIVE FOR ALL

In line with its *raison d'être* and as part of its civic commitment, Maisons du Monde wants to create warm places for everyone, especially those who need it most. This is why the Group has for many years been building partnerships with associations from the social and solidarity economy that help provide housing or create warm living spaces for people in need.

3.3.3.1 Partnerships with social economy organisations

To avoid the scrapping of "substandard" products that come from customer returns or were damaged upon receipt, the Maisons du Monde group gives priority to repair solutions and donations to non-profits before considering sending them to treatment and recovery channels. To avoid the scrapping of "substandard" products that come from customer returns or were damaged upon receipt, the Maisons du Monde group gives priority to repair solutions and donations to non-profits before considering sending them to treatment and recovery channels.

The warehouses in Saint-Martin-de-Crau (Bouches-du-Rhône) are therefore equipped with a "second life" service with repair capacities specific to woodworking by furniture workshops and to the leather and textile trades, which oversees partnerships with reuse non-profits (see Section 3.2.1.3).

For products that cannot be repaired by the Eco-centre teams, partnerships have been formed with reuse associations to give them a second life. These products are collected by the Emmaüs network or the Croix-Rouge Insertion association from the warehouse or from stores to store their charity shops and support their reuse activities These charities can then renovate or repair donated products or give them a new look, thereby benefiting their communities a very affordable price by mixing the circular economy with their social mission.

In addition to these partnerships, donations of downgraded products also directly support the creation of warm and sustainable places to live for all. Thus, Maisons du Monde supports the "Solidarity Bank for Equipment" program created by Emmaüs Défi. The products donated enable people in precarious situations, to furnish to their first permanent home at a low cost.

In 2021, more than 150,000 products for an equivalent of EUR 7 million were donated to those who need it the most.

3.3.3.2 Other philanthropic projects supported

In addition to donating products from customer returns to partner associations, Maisons du Monde has also been supporting the French Red Cross since 2015. To support the association in its efforts to accommodate people experiencing difficulties, five childcare centres of the association's "Children and Families" network are furnished and decorated by Maisons du Monde each year. This partnership meets a need for these establishments and helps to create a warm and welcoming atmosphere for their beneficiaries; In 2021, 34 French Red Cross premises have been furnished since the start of the partnership.

Maisons du Monde has also formed a partnership since the first lockdown in 2020 with the Fondation des Femmes, in response to the rise in domestic violence. Donations in kind had made it possible to adapt the accommodation to respond to the of these distressed women and children. As the needs are still present in 2021, the Group wanted to continue to support the association. Thus, 100% of the profits from the Renée Recycle upcycled co-designed collection in September 2021 (see Section 3.2.1.3) as well as the profits from the Christmas sharing product in 2021 have been or will be donated to the association (Section 3.2.1.3) to support the creation of shelters for women victims of violence.

Covid 2021 donations

In the context of the health crisis, Maisons du Monde wished to renew its commitment to caregivers by providing them with a little comfort and reassurance. As a result, the Group was able to donate furniture and decoration products to several hospitals in France, Spain, Italy and Belgium. In total, 21 establishments received donations of new Maisons du Monde products to furnish and decorate caregivers' break rooms and to supply toys and decorative items to paediatric wards. In 2021, nearly 5,800 products were donated.

Product sharing

For the holiday season, Maisons du Monde launched a solidarity-based campaign called "Bougie Partage", a 100% responsible candle made from recycled glass, rapeseed wax and a recycled paper cover. All proceeds from the product were donated to local partner associations in each country where it was sold:

- in Belgium, the Pelicano Foundation, which is committed to the fight against child poverty;
- in Italy, the association D.ir.RE, Donne in Rete contro la violenzia, and its Autonomia project, to support women who are victims of domestic violence;
- in Spain, the ANAR Foundation, and its foster homes project to bring a little warmth and comfort to children in need;
- and finally in France, the Fondation des Femmes, which is committed to the rights of women and the fight against the violence they suffer.

3.4 Methodology note

This Chapter 3 on "Non-financial performance statements" is in accordance with Article L. 2 25-102-1 of the French Commercial Code.

The following information, mentioned in Article L. 2 25-102-1 of the French Commercial Code, is not shown in this chapter because it is not considered to apply to Maisons du Monde group's business:

- fight food waste. The Group's business does not generate food waste beyond employee meals;
- fight against food insecurity. The Group's activities do not impact on consumers' access to food;
- actions to promote physical and sporting activities.

The information mentioned in Article L. 225-102-4 relating to the vigilance plan is shown in Section 3.1.1.2 of the chapter.

Scope and reporting period

The CSR indicators are reported for the entire Group, *i.e.* the Maisons du Monde stores, administrative premises, Rhinov premises (services), Distrimag premises (logistics) and the Mekong Furniture premises (production plant in Vietnam).

The Group's reporting scope does not include franchise activities, which represent less than 0.3% of the Group's revenue in 2021. Concerning Rhinov, 70.9% consolidated in 2019, only the HR indicators are presented in the document. For other indicators, particularly environmental indicators, Rhinov represents less than 0.1% of the Group's energy consumption. Any other eventual exclusion from the scope of consolidation is specified in the body of the text and is set out below.

The data is reported for the period 1 January to 31 December.

3.4.1 ENVIRONMENTAL INDICATORS

Reporting tool

The information contained in the report was collected from various contributors from different parts of the Group's activities using data collection files specifically adapted for each contributor. The files were consolidated at Group level by the CSR Department.

Key methodological specificities

As regards the store network's reporting of waste, it should be noted that data have been extrapolated for stores for which data from service providers are not available for at least six months, or for which waste is not managed by Maisons du Monde (some out-of-town or shopping centre stores). This extrapolation was carried out according to a new methodology developed in 2021 using a linear regression model. The extrapolation represents 27% of network tonnages. In addition, the tonnages of waste generated at administrative premises are limited to the quantities monitored by service providers. Finally, RECYGO and HP waste are not reported in the data because they are not significant and represent less than 1% of the Group's waste.

Packaging monitoring includes packaging distributed at check-out and product packaging purchased by Distrimag for order preparation. Packaging purchased by Maisons du Monde suppliers is not included in the report.

For reasons of data availability, the quantities of timber reported for Mekong Furniture plant production activities are estimates based on the number of trucks emptied.

Energy consumption (electricity, gas, fuel oil and thermal network for heating) are monitored on the basis of billing for the period from 1 January to 31 December 2021 and do not necessarily reflect exact consumption for the reporting period due to discrepancies in invoicing. In terms of electricity consumption, when invoicing is not available, consumption is estimated on the basis of average intensity in kWh/m^2 per country or, based on the average consumption of stores over the rest of the year when it is not possible to calculate an average intensity by month or by country. These electricity estimates represent approximately 14% of consumption in 2021 for the network and 8% for Distrimag. Regarding consumption related to the heating and gas networks, respectively 12% heating network information and 32% of gas information is not available because it is not indicated on the invoices. In addition, consumption related to the heating and gas network represents less than 2% of the total energy consumption and is therefore not considered significant. At the same time, Distrimag's energy consumption (electricity, fuel oil, propane) was adjusted and corrected in 2020 to exclude the consumption of buildings which are sub-leased to external companies (Miramas). In addition, propane consumption has been corrected to appear in kWh LHV and not in HLV.

The fuel consumption of vehicles under long-term lease at Maisons du Monde is estimated on the basis of average consumption in litres per 100 km (maker's data) for each of the vehicle types used and quarterly monitoring of kilometres travelled reported by users. Short-term lease vehicle consumption is estimated on the basis of km travelled with an average consumption of 6 L/100 km.

Scope 1 & 2 CO_2 emissions are related to the energy consumption (electricity, fuel oil, gas, heating network) of the Group's buildings (Mekong Furniture, Distrimag, Network and administrative premises) as well as fuel consumption (gasoline, diesel). The calculation of emissions is based on activity data (in kWh or litres) and emission factors from ADEME databases for the "combustion" part only. For buildings powered by renewable electricity, the emission factor used is 0. Scope 2 CO_2 emissions do not include the consumption of the heating network in Italy which has no associated emission factor. They represent less than 0.1% of the Group's energy consumption.

When it comes to recognising CO_2 emissions, long-term lease vehicles (leasing) are recognised as direct "scope 1" emissions, short-term lease vehicles are recognised as indirect "scope 3" emissions relating to employee travel.

The data reported for the "Impact of raw materials and transformation" item relate to the production stages of products sold by MDM outside the marketplace during the year, from the extraction of raw materials to intermediate processing stages. They are calculated based on information regarding the composition of products (raw materials), the weight of the products and emission factors from the ADEME and Ecoinvent databases and the quantities of products sold. The breakdown of the product weighting between the different materials is calculated on the basis of a ratio between the materials used to make the product.

GHG emissions related to the manufacturing of non-marketable products purchased by MDM (packaging used at check-outs, point-of-sale advertising, catalogues, etc.) and are calculated from product composition information, their weight and emission factors from the ADEME databases.

GHG emissions related to the "product manufacturing stage (factories)" are calculated based on an estimate of the fuel oil and electricity consumption of the suppliers' factories according to the consumption of our own Mekong Furniture factory and the weight of the products manufactured. Emission factors are used according to the country in which the suppliers' factories are located and are taken from the ADEME databases.

GHG emissions related to transportation (scope 3) include GHG emissions from the transportation of products from their port of departure or distribution platforms to MDM warehouses (upstream transport) and from MDM warehouses to stores or customer delivery addresses (downstream transport). For products leaving from our suppliers by road freight, upstream transportation emissions include emissions from the factory to the MDM warehouses. Emissions from upstream transportation are reported by sea, road and air freight forwarders. Downstream transportation emissions are calculated from activity data (number of trucks, average tonnages, etc.) using the "FRET21" tool.

Lastly, the greenhouse gas emissions generated by customer travel are calculated on the basis of the type of store and its location (urban, intermediary or peri-urban), assumptions of distances covered and means of transport (car, public transport or soft transport), the number of persons per vehicle and the total number of store visits recorded. It is considered that a customer visits an average of 2.5 retailers during their travel, the total emissions attributed to Maisons du Monde for the travel of its customers is therefore divided by 2.5.

3.4.2 HR INDICATORS

Perimeter

The social reporting scope includes all consolidated legal entities in accordance with the requirements of financial consolidation. Note that for reasons of information availability, the indicators collected do not always cover the Group's entire scope. In a process of continuous improvement, the Group is working to expand the collection scope of HR data so as to disclose the most comprehensive information possible. Scope specificities are provided throughout the report.

Reporting tools

The indicators are derived from the payroll tool (Business Object), external payroll companies responsible for managing payroll in some countries as well as the ERP of Mekong Furniture in Vietnam.

Social indicators were collected through a network of contributors identified at Maisons du Monde, Distrimag, Rhinov and Mekong on the basis of their business line expertise. The HR reporting managers run this network of contributors from France. The aim is to improve the quality of data and establish common definitions.

Key methodological specificities

Social data correspond exclusively to people with an employment contract with a Group entity. People on temporary contracts, external providers and franchises, as well as trainees and people on probation (Vietnam) are excluded from these data. However, people on combined work-study contracts (apprenticeship or professional qualification contracts) are included in the scope.

The monitoring of hirings and dismissals presented in the report is limited, as of now, to permanent staff.

With regard to hours worked, a ratio is used for foreign employment contracts in order to reduce all hours to an hourly basis of 35 hours.

The illness absenteeism rate is calculated on the basis of theoretical working hours. When sick leave is monitored in days, it is converted into hours on the basis of the legal weekly working time.

The frequency and severity rates are calculated in working days and workplace and commuting accidents are taken into account.

Concerning training indicators, the training of employees undergoing induction into the store network is included in the calculation of training hours and costs. The proportion of employees trained is calculated on the basis of the number of employees present at 31 December. For e-learning training, the number of hours completed is calculated on the basis of the theoretical duration of training.

Lastly, information on work-study contracts is only monitored for employees in France.

3.4.3 EUROPEAN TAXONOMY INDICATORS

Eligible activity

This is an economic activity described in the delegated acts relating to the two climate objectives, whether or not this activity meets all the technical analysis criteria defined in these delegated acts. An economic activity not eligible for the taxonomy concerns any economic activity that is not described in the delegated acts.

REVENUE KPI

Definition

The proportion of economic activities eligible for taxonomy in total revenue was calculated as the share of net revenue from products and services associated with the economic activities eligible for taxonomy (numerator) divided by the net revenue (denominator), in each case for the financial year from 1 January 2021 to 31 December 2021. The denominator of the revenue KPI is based on Maisons du Monde net revenue consolidated in accordance with IAS 1.82 (a). For more details on our accounting methods for Maisons du Monde consolidated net revenue, see Section 6.1.1 or note 6 to Section 6.

Cross-reference

The Maisons du Monde consolidated net revenue can be reconciled with our financial statements, cf. the income statement in Section 6.1.1 ("Revenue").

KPI CAPEX

Definition

The CapEx KPI defined as the CapEx eligible for taxonomy (numerator) divided by our total CapEx (denominator). Total CapEx consists of additions to property, plant and equipment and intangible assets during the year, before impairment, amortisation and any revaluation, including those resulting from revaluation and impairment, and excluding changes in fair value. It includes acquisitions of non-current assets (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16). Goodwill is not included in CapEx as it is not defined as an intangible asset in accordance with IAS 38. For more details on our accounting methods related to our CapEx, cf. note 16-17-18 (p. 216-217).

Cross-reference

Total capital expenditure may be reconciled with the financial statements; see Notes 16 “Other intangible assets”, 17 “Property, plant and equipment” and 18.1 “Right of use” of the Universal Registration Document. It corresponds to the total types of movements (acquisition and production costs):

- additions;
- additions from business combinations for intangible assets, right-of-use assets and property, plant and equipment.

OPEX KPI

Definition

The OpEx KPI is defined as the OpEx eligible for taxonomy (numerator) divided by our total OpEx (denominator). Total operating expenses include direct non-capitalised costs related to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as any other direct expenses related to daily maintenance of tangible assets.

Analyses of the proportion of OpEx meeting this definition among Maisons du Monde’s total OpEx, as well as the analysis of Maisons du Monde’s business model led to the conclusion that OpEx expenditure is not material.

As a result, the exemption criterion was applied and the eligible OpEx KPI was not calculated.

3.5 Cross-reference table regarding TCFD recommendations

Themes	TCFD recommendations	Source of information in MDM reporting
Governance Describe the organisation’s governance regarding climate-related risks and opportunities	a) Describe the Board’s oversight of climate-related risks and opportunities b) Describe the role of management in assessing and managing climate-related risks and opportunities	a) 2021 URD: 1.1.2/1.2.2/1.2.3 b) 2021 URD: 1.1.2/1.2.2/1.2.3
Strategy Describe the existing and potential impacts of climate-related risks and opportunities on the organisation’s business, strategy and financial planning to the extent that the information is relevant	a) Describe the climate-related risks and opportunities that the organisation has identified for the short, medium and long term b) Describe the impacts of climate-related risks and opportunities on the organisation’s business, strategy and financial planning c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a scenario of 2°C or below	a) URD 2021: 1.1.2/2.2.2.1 b) URD 2021: 1.1.2/2.2.2.1 c) URD 2021: 1.1.2/2.2.2.1
Risk **management** Describe how the organisation identifies, assesses and manages climate-related risks	a) Describe the organisation’s processes to identify and assess climate-related risks B) Describe the organisation’s processes for managing climate risks c) Describe how processes to identify, assess and manage climate-related risks are integrated into the organisation’s risk management	a) 2021 URD: 1.1.2 b) URD 2021: 2.1/3.1 c) 2021 URD: 1.1.2
Indicators & targets Describe the indicators and targets used to assess and manage climate-related risks and opportunities, to the extent that the information is relevant	a) Describe the indicators used by the organisation to assess climate-related risks and opportunities, in connection with its strategy and risk management process b) Disclose Scope 1 and Scope 2 greenhouse gas (GHG) emissions and, if relevant, Scope 3, and the corresponding risks c) Describe the objectives used by the organisation to manage climate-related risks and opportunities, and its performance compared with the objectives	a) 2021 URD: 2.2.1/2.2.1.1/2.2.1.3 b) 2021 URD: 2.2.1/2.2.1.1/2.2.1.3 c) 2021 URD: 2.2.1/2.2.1.1/2.2.1.3

3.6 Report by one of the Statutory Auditors, appointed as independent third party on the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31 December 2021

To the Annual General Meeting,

In our capacity as Statutory Auditors of your company (hereinafter the "entity") appointed as independent third party, and accredited by the COFRAC under number 3-1049[(1)], we have undertaken a limited assurance engagement on the historical financial information (actual or extrapolated) of the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended 31 December 2021 (hereinafter, respectively, the "Information" and the "Statement"), included in the Group's management report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures performed, as set out in the "Nature and scope of our work" section of this report, and the information collected, nothing has come to our attention that causes us to believe that the Statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the Statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the main elements of which are presented in the Statement or available on request from the entity's registered office.

Inherent limitations in preparing the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for their preparation and presentation in the Statement.

Responsibility of the entity

The Board of Directors is responsible for:

- Selecting or establishing suitable criteria for preparing the Information;
- Preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main extra-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators, and the information provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- Implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by applying the entity's Guidelines as mentioned previously.

Responsibility of the Statutory Auditor, appointed as independent third party/independent third party

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

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical financial information (actual or extrapolated) provided in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning action plans and policy outcomes, including the key performance indicators on the main risks.

(1) Accreditation Cofrac Inspection, number 3-1049, scope available at www.cofrac.fr.

As it is our responsibility to provide an independent conclusion on the Information as prepared by Management, we are not authorised to help prepare said Information, as that could compromise our independence.

However, it is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory requirements (in particular, the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation), the French duty of care law and anti-corruption and tax avoidance legislation);
- The fairness of the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- The compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional guidance

We performed our work described below in accordance with the provisions of Articles A. 225 1 and following of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this engagement and International Standard on Assurance Engagements 3000 (Revised)[1].

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics *(Code de déontologie)* for statutory auditors. Our firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with applicable legal, regulatory and ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors relating to this engagement.

Means and resources

Our work was carried out by a team of four people between December 2021 and April 2022 and took a total of about four weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about ten interviews with people responsible for preparing the Statement.

Nature and scope of our work

We planned and performed our work to address the areas where we identified that a material misstatement of the Information was likely to arise.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Our work was carried out on the consolidating entity and on a selection of entities[2].
- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement;

3

(1) ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

(2) Maisons du Monde Headquarter and Distrimag.

- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, as presented in Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 34% and 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, on 14th of April 2022

KPMG S.A.

Anne Garans	Vincent Broyé
Partner	Partner
Sustainability Services	

Appendix

Qualitative information (actions and results) considered most important
Group results in terms of well-being at work
Deployment of a roadmap for diversity
Programs deployed and associated results in favor of employee engagement
Policies and associated results to limit the environmental impact of the Group's activities
Participation in programs to promote the second life of products
Action plans and associated results to improve resource management and responsible product offering
Good is Beautiful offer
Policies and action plans for responsible purchasing
Measures taken in the area of ethics and governance
Support for associations by the Maisons du Monde Foundation
Actions and results in favor of accessibility of Maisons du Monde sales outlets
Mechanisms and results of social dialogue with employees

Key performance indicators and other quantitative results considered most important
Workforce and breakdown by gender and by contract type
Frequency rate of workplace accidents
Severity rate of workplace accidents
Number of hours of training (permanent contract)
Average number of hours of training per employee
Number of employees that participated in the solidarity programme
Carbon intensity of Group activities per revenue
Scope 1 and 2 GHG Emissions (market-based)
Scope 3 GHG Emissions
Energy consumption of buildings per square meter
Share of renewable energy in the energy mix
Vehicle fuel consumption per revenue
Packaging used at check-outs (tons) Catalogues and other commercial publications (tons)
Volume of waste produced
Share of waste sorted for recycling
Percentage of references meeting one sustainability criterion
Percentage of strategic suppliers located in a country at risk audited on social criteria over the last two years
Percentage of our suppliers that are signatories of the "Substances" specifications
Rating of ICS audits at Maisons du Monde suppliers

4 Corporate governance

The Corporate Governance Report describes the governance organisation and practices, the compensation policy for corporate officers and its implementation during the 2021 financial year.

It was prepared in accordance with the provisions of Article L. 225-37 paragraph 6 of the French Commercial Code and was approved by the Board of Directors at its meeting of 9 March 2022, after having been reviewed by the Nomination and Compensation Committee.

Maisons du Monde refers to the AFEP-MEDEF Corporate Governance Code, available on the MEDEF (www.medef.fr) and AFEP (www.afep.com) websites.

The Company complies with this Code, subject to the reservations shown in this report, where applicable. (Summary Table 4.2.4).

4.1 Governance organisation and practices

4.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

4.1.1.1 Overview of the Board

At the date of publication of this Universal Registration Document, the Board of Directors comprised nine members: seven were appointed by shareholders, one was appointed on a provisional basis in the context of a co-option (and the ratification of his appointment on the agenda of the next Annual General Meeting) and one represents the employees.

	Personal information				Position on the Board					Service on the Board's Committees
	Age	Gender	Nationality	Number of shares *	Offices in listed companies	Independence	First appointed or co-opted	Expiry of term of office	Length of service on the Board	
Executive Directors/directors										
Thierry FALQUE-PIERROTIN Chairperson of the Board of Directors	63 years	M	French	14,000	1 office	Yes	12/06/20	AGM 2024	2 years	Member of the Nomination and Compensation Committee and the Strategy Committee
Julie WALBAUM Chief Executive Officer	45 years	F	French	78,265	1 office	No	03/06/19	AGM 2023	3 years	Member of the Strategy Committee
Directors										
Cécile CLOAREC	52 years	F	French	2,500	1 office	Yes	04/06/21	AGM 2025	1 year	Chairperson of the Nomination and Compensation Committee
Sophie GUIEYSSE	59 years	F	French	1,100	2 offices	Yes	29/04/16	AGM 2022	6 years	
Laure HAUSEUX	60 years	F	French	2,500	2 offices	Yes	12/06/20	AGM 2023	2 years	Member of the Audit Committee
Victor HERRERO AMIGO **	54 years	M	Spanish	3,000	three offices, two of which are abroad	Yes	26/01/22	AGM 2023	< 1 year	Member of the Strategy Committee
Marie-Christine LEVET	55 years	F	French	1,000	three offices, one of which is abroad	Yes	29/04/16	AGM 2022	6 years	Member of the Audit Committee
Michel-Alain PROCH Vice-Chairperson of the Board	52 years	M	French	10,000	2 offices	Yes	10/03/20	AGM 2024	2 years	Chairperson of the Audit Committee and member of the Nomination and Compensation Committee
Directors representing the employees										
Mustapha OULKHOUIR	37 years	M	French	N/A	1 office	No	01/06/18	31/05/22	4 years	Member of the Nomination and Compensation Committee
Directors representing employee shareholders										
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

* *Number of shares held as of 31 December 2021, with the exception of Victor HERRERO, Julie WALBAUM, Cécile CLOAREC and Laure HAUSEUX, for whom the holding has been updated as of the date of this Registration Document.*

** *Director co-opted by the Board of Directors at its Meeting of 26 January 2022, the ratification of this appointment will be on the agenda of the next Shareholders 'Meeting.*

4.1.1.2 Changes in the composition of the Board of Directors

Changes in 2021

	Departure	Appointment	Reappointment
Board of Directors	**Peter CHILD** (Resignation on 30/06/21)	**Cécile CLOAREC** (Appointment on 04/06/21)	
Audit Committee			
Nomination and Compensation Committee	**Marie-Christine LEVET** (Resignation on 30/06/21) **Peter CHILD** (Resignation on 30/06/21)	**Cécile CLOAREC** (Appointment on 30/06/21) **Thierry FALQUE-PIERROTIN** (Appointment on 30/06/2021)	
Strategy Committee			

Changes since the beginning of financial year 2022

	Departure	Appointment	Reappointment
Board of Directors		**Victor HERRERO AMIGO** (Cooptation on 26/01/22)	
Audit Committee			
Nomination and Compensation Committee			
Strategy Committee	**Peter CHILD** (Resignation on 26/01/22)	**Victor HERRERO AMIGO** (Appointment on 26/01/22)	

4.1.1.3 Organisation of the Board

In 2016, the Company's Board of Directors chose to separate the functions of Chairperson and Chief Executive Officer. This separation enables a clear distinction between the respective missions of the Chairperson and the Chief Executive Officer.

At its Meeting of 25 March 2021, the Board decided to renew the term of office of the Chief Executive Officer for a period of three years from 1 July 2021, i.e. until 30 June 2024.

On this occasion, the Board re-examined the methods for exercising Senior Management within the Company. It considered that the current governance structure, which provides for the separation of the functions of Chairperson of the Board of Directors and Chief Executive Officer, still seems best suited to the Group's needs. Its motivations were based on the observation that "this separation is considered a good governance practice, as it ensures a balance of powers, and as such is desired by many investors, since it makes it possible to clearly distinguish between respective duties of Chairperson and Chief Executive Officer".

The Chairperson of the Board of Directors:

- organises and directs its work, on which it reports to the Annual General Meeting;
- ensures that Company bodies are running smoothly and, in particular, that directors are able to perform their duties;
- ensures the relationship between the Board of Directors and the shareholders.

The Chief Executive Officer:

- participates in the development of the strategy in collaboration with the Board's Strategy Committee;
- oversees the implementation of the decisions adopted;
- represents the Company and is in charge of the Group's operational functions.

4.1.1.4 Balanced representation of the Board

The Board is made up of five female members and three male members, excluding the director representing the employees, who is excluded from the threshold for calculating representation.

The composition of the Board complies with the proportion of directors of the same sex set out in Article L. 22-10-3 of the French Commercial Code. As the Board is composed of eight members excluding the director representing employees, the difference between the number of women and men is two.

4.1.1.5 Diversity policy and representation of skills on the Board

Diversity policy

In response to the Group's strategic issues, and to encourage high-quality internal debate, the Board of Directors seeks to establish, and maintain, a balance between the different directors' profiles so that they complement one another.

The Board is keen to prioritise diverse career paths and skills when appointing, or reappointing, its members.

It relies on its Nomination and Compensation Committee to obtain a long-term gender balance, a high number of Independent Directors and directors with the skills deemed to be necessary for the Board.

Representation of skills on the Board

Diversity of skills is sought within the Board of Directors. The Company has already identified six skills represented in the table below.

	Thierry FALQUE-PIERROTIN	Julie WALBAUM	Cécile CLOAREC	Sophie GUIEYSSE	Laure HAUSEUX	Victor HERRERO AMIGO	Marie-Christine LEVET	Michel-Alain PROCH	Mustapha OULKHOUIR
Knowledge of retail business lines	✓	✓	✓	✓	✓	✓			✓
Knowledge of web businesses	✓	✓					✓	✓	
Senior Management of an international group	✓	✓		✓	✓	✓		✓	
Human resources and Social relations	✓		✓	✓					✓
Finance, risk management and control					✓	✓	✓	✓	
Societal and environmental challenges		✓	✓			✓			

4.1.1.6 Succession plan for Executive Directors

The issue of the succession of the executive corporate officers, namely the Chairperson of the Board of Directors and the Chief Executive Officer is a subject that mobilised the Nomination and Compensation Committee and is the focus of the Board's attention.

For this purpose, the committee prepares the selection criteria that will be submitted to the Board. During its Meetings to this issue, the Board dedicates several moments supported by internal work and, if applicable, work by external consultants. This plan separates unplanned successions and medium and long term planned successions.

During the past financial year, the committee reviewed this plan and deemed it appropriate in view of the Company's characteristics. As part of this review, the succession plan was updated in view of the proposal to renew the term of office of the Chief Executive Officer. In December 2021 and January 2022, the Board of Directors and the Nomination and Compensation Committee also extended their work on the Group's succession plans to the members of the Executive Committee.

4.1.1.7 Independence of Board members

The Nomination and Compensation Committee, then the Board of Directors reviews the situation of each director in relation to the eight independence criteria defined by the AFEP-MEDEF Code every year.

Criterion 1: Employee executive officer over the last five years

Is not nor has been over the last five years:

an employee or Executive Director of the Company;

- an employee, Executive Director or director of a company consolidated by the Company;
- an employee, Executive Director or director of the parent company of the Company or a company consolidated by this parent company.

Criterion 2: Overlapping positions

Is not an Executive Director of a company in which the Company directly or indirectly holds an office as director or in which an employee appointed as such or an Executive Director of the Company (current or within less than five years) holds an office as director.

Criterion 3: Significant business relations

Is not a significant customer, supplier, investment banker, financing banker, consultant:

- of the Company or its Group; or
- for which the Company or its Group represents a significant share of the business.

The assessment of the significant nature of the relations with the Company or its Group is discussed by the Board and the quantitative and qualitative criteria leading to this assessment (continuity, economic dependency, exclusivity, etc.) are explained in the Corporate Governance Report.

Criterion 4: Family ties

Does not have any close family ties with a corporate officer.

Criterion 5: Statutory Auditor

Has not been a statutory auditor of the Company in the last five years.

Criterion 6: Term of office exceeding 12 years

Has not been a director of the Company for over 12 years. The loss of the status of Independent Director occurs on the date on which the 12-year period is reached.

Criterion 7: Non-Executive Director

A non-Executive Director may not be considered to be independent if he/she receives variable compensation in cash or securities or any compensation linked to the performance of the Company or the Group.

Criterion 8: Major shareholder

Directors representing significant shareholders of the Company or its parent company may be considered to be independent if the shareholders do not participate in the control of the Company. However, beyond a threshold of 10% of the share capital and voting rights, the Board, following the Report by the Nomination Committee, systematically questions the independent status taking into account the Company's share capital structure and the existence of a potential conflict of interest.

Summary table by director regarding the criteria set out in the AFEP-MEDEF Code
Situation as at 9 March 2022

	Thierry FALQUE-PIERROTIN	Julie WALBAUM	Cécile CLOAREC	Sophie GUIEYSSE	Laure HAUSEUX	Victor HERRERO AMIGO	Marie-Christine LEVET	Michel-Alain PROCH	Mustapha OULKHOUIR	Alexandra PALT [1]
Criterion 1: Employee executive officer over the last five years	✓	NO	✓	✓	✓	✓	✓	✓	NO	✓
Criterion 2: Overlapping positions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 3: Significant business relations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 4: Family ties	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 5: Statutory Auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 6: Term of office exceeding 12 years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 7: Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 8: Major shareholder	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

In this table, ✓ represents an independence criterion that has been met and NO represents an independence criterion not met.

At the Meeting of 25 March 2021, as was the case at the Meeting of 9 March 2022, the Board of Directors reviewed the situation of each director relation to the independence criteria defined by the AFEP-MEDEF Code.

Following the recommendation of the Nominations and Compensation Committee, the Board confirmed the independent status of Cécile CLOAREC, Sophie GUIEYSSE, Laure HAUSEUX and Marie-Christine LEVET, Thierry FALQUE-PIERROTIN, Victor HERRERO AMIGO and Michel-Alain PROCH.

Conversely, Julie WALBAUM, currently Chief Executive Officer of the Group, and Mustapha OULKHOUIR, an employee of Maisons du Monde France, could not be classified as independent members in relation to criterion No. 1 above.

4.1.1.8 Representation of employees and employee shareholders

Director representing the employees

In accordance with the provisions of Article L. 22-10-7 of the French Commercial Code, the Board of Directors has one director representing the employees among its members.

Mustapha OULKHOUIR was appointed by the trade union organisation having obtained the most votes during the first round of professional elections of Maisons du Monde and its subsidiaries whose registered offices are located in France, and was appointed by the Board for a term of four years on 1 June 2018.

As the term of office of Mustapha OULKHOUIR expires on 31 May, the Board will renew the term of office of the director representing the employees, in accordance with the legal and statutory provisions in force.

Director representing employee shareholders

If the Board of Directors' Annual Report shows that the employees of the Company and its associated companies represent over 3% of the Company's share capital, a director representing employee shareholders is appointed by the Ordinary Annual General Meeting, in accordance with the methods set by the regulations in force and by the bylaws, where applicable, provided that the Board of Directors does not already include one or several directors appointed from among the members of the Supervisory Boards of the Company mutual funds representing the employees.

At 31 December 2021, Group employees represented less than 3% of the Company's share capital.

4.1.1.9 Lead director and non-voting Board member

Lead Independent Director

As the functions of Chairperson of the Board and Chief Executive Officer are separate, and the Chair is held by an independent director, the Board of Directors has not, to date, considered it necessary to appoint a lead director. The Chairperson of the Board is responsible for good governance and the prevention of conflicts of interest at the Board, and oversees relations with shareholders.

Non-voting member

The Board does not currently have any non-voting member.

4.1.1.10 Detailed presentation of the members of the Board of Directors

Date of birth

1 November 1959

Nationality

French

Date of 1st appointment

12 June 2020

End of term of office

2024 Annual General Meeting

Number of Company shares held at 31 December 2021

14,000

THIERRY FALQUE-PIERROTIN

Business address: Le Portereau 44120 Vertou

Main position held in the Company

Independent Director
Chairperson of the Board of Directors
Chairperson of the Strategy Committee
Committee Member of the Nomination and Compensation Committee

Other positions

Chief Executive Officer of Vulcain

Biography

Thierry FALQUE-PIERROTIN has more than 20 years of experience in branding, retail and internet, having served as Chief Executive Officer and Chairperson in numerous leading companies in the retail and consumer industries.

Thierry FALQUE-PIERROTIN is currently Partner and Chief Executive Officer of Vulcain, an independent, pan-European investment bank specialising in mergers and acquisitions.

Thierry FALQUE-PIERROTIN previously held several management positions at Pinault-Printemps Redoute (currently Kering) from 1990 to 2008. He began his career with the group as Director of Strategy and Development, where he managed several brands including Prisunic and Pinault Bois & Matériaux, before being appointed Chairperson and CEO of the Redcats group (formerly La Redoute group), a leading player in the digital multi-brand fashion and home retail, of which he supported the omnichannel development and continued international expansion.

Before joining Vulcain, Thierry FALQUE-PIERROTIN was Chief Executive Officer of Kesa Electricals (currently Darty), one of the leading European appliance distributors.

Thierry FALQUE-PIERROTIN is a graduate of the ESSEC Business School and the Institut d'études politiques de Paris.

Main offices held in the last five years

Current terms of office:

French companies:
- Director and Chairperson of the Board of Directors of Maisons du Monde S.A.
- Director and Chief Executive Officer of Vulcain
- Chairperson of Absara
- Chairperson of Domaine Saint-Louis

Foreign companies:
- None

Terms of office that have expired in the last five years:

French companies:
- None

Foreign companies:
- None

JULIE WALBAUM

Business address: Le Portereau 44120 Vertou

Date of birth

30 November 1977

Nationality

French

Date of 1st appointment

3 June 2019

End of term of office

2023 Annual General Meeting

Number of Company shares held at 15 April 2022

78,265

Main position held in the Company

Director and Chief Executive Officer
Member of the Strategy Committee

Other positions

None

Biography

Julie WALBAUM has been Chief Executive Officer of Maisons du Monde since 1 July 2018.

She was previously Executive Director in charge of Digital, Customer Marketing, Customer Care and Shipping services, in charge of all Maisons du Monde's web shops, marketing activities for the web and stores, before and after sales customer relationships and store and customer shipping. Julie WALBAUM joined the Company in 2014.

She previously worked for two years at the Rocket Internet e-commerce incubator, where she developed and managed the French subsidiary of Westwing, an online shopping club specialising in home and living. She also has 11 years of experience in management consulting, having spent two years at Deloitte Consulting, then nine years at McKinsey & Company, at their Paris and London offices, specialising in retail. Julie WALBAUM began her career at a start-up offering online market surveys, developing its initiatives in France and in Spain.

Julie WALBAUM is a graduate of ESSEC and holds an MBA from INSEAD Business School.

Main offices held in the last five years

Current terms of office:

French companies:
- Chief Executive Officer of Maisons du Monde S.A.
- Chairperson of Maisons du Monde France S.A.S.
- Chairperson of Distrimag S.A.S
- Chairperson of Leolog SAS
- Chairperson of Savane Vision SAS (Rhinov)

Foreign companies:
- Manager of Maisons du Monde Germany GmbH
- Manager of Maisons du Monde Autriche GmbH
- Manager of Maisons du Monde Belgique SRL
- Sole Director of Maisons du Monde España SL
- Permanent representative of Maisons du Monde S.A., Sole Director of Maisons du Monde Italie SRL
- Permanent representative of Maisons du Monde S.A., Manager of Maisons du Monde Luxembourg Sàrl
- Manager of Maisons du Monde Portugal Unipessoal Lda
- Manager, Chairperson of Maisons du Monde Suisse Sàrl
- Sole Director of MDM UK Furniture & Decoration Ltd
- Chairperson of Mekong Furniture Ldt

Terms of office that have expired in the last five years:

French companies:
- None

Foreign companies:
- None

CÉCILE CLOAREC

Business address: Le Portereau 44120 Vertou

Main position held in the Company

Independent Director
Chairperson of the Nomination and Compensation Committee

Other positions

Human Resources,
Communication and Sustainable Development Director at FM Logistic Group

Date of birth

13 May 1970

Nationality

French

Date of 1st appointment

4 June 2021

end of term of office

2025 Annual General Meeting

Number of Company shares held at 15 April 2022

2,050

Biography

Cécile CLOAREC has 25 years of experience in coordinating human resources policies and has also been responsible for the CSR and communication strategies of international B to C and B to B companies for the last ten years.

Cécile CLOAREC is Human Resources, Communications and Sustainable Development Director of the FM Logistic Group, where she has been overseeing the growth strategy and transformation towards an omnichannel and sustainable supply chain since 2014. Cécile CLOAREC was previously Human Resources, Communication and Sustainable Development Director of Monoprix from 2011 to 2014. From 2004 to 2010, she also completed an international HR career within the Carrefour Group: as Head of Compensation and Benefits from 2004 to 2007, then as Head of Human Resources for France and Group Head of Human Resources from 2007 to 2010.

Cécile CLOAREC began her career in 1993 as an economic researcher at the Fédération Nationale des Travaux Publics, then as a compensation management consultant at HayGroup (now Korn Ferry), before joining Groupe Rocher in 2000 as Group Compensation and HR Strategic Projects Director.

Cécile CLOAREC is a graduate of the Institut d’études politiques de Paris and holds a post-graduate degree in business administration from the IAE in Paris.

Main offices held in the last five years

Current terms of office:

French companies:
- Director of Maisons du Monde S.A.
- Member of the Board of Directors of FM Foundation (FM Logistic Group)

Foreign companies:
- None

Terms of office that have expired in the last five years:

French companies:
- None

Foreign companies:
- None

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SOPHIE GUIEYSSE

Business address: Le Portereau 44120 Vertou

Main position

Independent Director

Biography

Sophie GUIEYSSE started her career in 1988 at the French Ministry of Equipment where she held different engineer positions in the field of urban development, housing, transportation and public infrastructures until 1997.

Sophie GUIEYSSE joined the LVMH group in 1997 to source international high potential talents to serve the fast growth of all divisions and was successively promoted as human resources executive Vice-President of LVMH Watches & Jewellery, Sephora Europe and of the global LVMH group.

From 2005 to 2015, she was human resources executive Vice-President and a member of the Executive Committee of the CANAL+ group. She was advisor to the Chairperson of Dior from 2016 to 2017. From 2017 to 2020, she was Human Resources Director of the Richemont group and a member of the Board.

Sophie GUIEYSSE holds an MBA from the Collège des ingénieurs and undergraduate and master's degrees in engineering from the École Polytechnique and the École nationale des ponts et chaussées.

Date of birth

19 February 1963

Nationality

French

Date of 1st appointment

29 April 2016

end of term of office

2022 Annual General Meeting

Number of Company shares held at 31 December 2021

1,100

Main offices held in the last five years

Current terms of office:

French companies:

- Director of Maisons du Monde S.A.
- Director of ABC Arbitrage (listed group)
- Member of the Paris 2024 Olympic Organising Committee's Compensation Committee
- Member of the 2023 Rugby World Cup Organisation Committee's Compensation Committee

Foreign companies:

- None

Terms of office that have expired in the last five years:

French companies:

- Member of the Supervisory Board of group Rallye
- Director of GO SPORT

Foreign companies:

- Director of Compagnie Financière Richemont SA
- Director of the TVN group in Poland

LAURE HAUSEUX

Business address: Le Portereau 44120 Vertou

Date of birth

14 August 1962

Nationality

French

Date of 1st appointment

12 June 2020

End of term of office

2023 Annual General Meeting

Number of Company shares held at 15 April 2022

2,500

Main position held in the Company

Independent Director
Member of the Audit Committee

Other positions

Independent Director

Biography

Laure HAUSEUX began her career as Financial Controller, then CFO at Control Data France, before joining the company Gérard Pasquier in 1995 as CFO. From 1997, she successively held the positions of Group Financial Controller, then Store Manager at FNAC. After that she became CFO of Printemps, and in 2007 Deputy CEO at Conforama Italy, then Vice-President Finance and Information Systems and Services at Inergy Automotive Systems.

Currently an Independent Director, Laure HAUSEUX held these positions at Zodiac Aerospace from 2011 to 2018, and at Casino and European Camping Group until 2011. She currently sits on the Boards of OGF, Plastics du Val de Loire (Plastivaloire), Maisons du Monde and the Pomona Group.

Laure HAUSEUX holds an MBA from ESCP Europe, with a specialisation in finance, a degree from the French-German Chamber of Commerce, a DESS in financial control from the University of Paris IX Dauphine and an MBA from Kering's executive programme in INSEAD.

Main offices held in the last five years

Current terms of office:

French companies:
- Director of Maisons du Monde S.A.
- Director of Plastics du Val de Loire S.A. (listed group)
- Director of Obol France 1 SAS
- Director and member of the Supervisory Board of Pomona
- Manager of SCI Le Nid

Foreign companies:
- None

Terms of office that have expired in the last five years:

French companies:
- Director of Casino Guichard Perrachon SA
- Director of ECG Holding SAS
- Chairperson of the Audit Committee of PHM France Topco 19 and PHM France Holdco 19
- Manager of GA Conseil and Grande Armée Conseil
- Chief Executive Officer of GAC
- Member of the Supervisory Board of Zodiac Aérospace

Foreign companies:
- Director of Grande Armée Conseil Espana and Eidotech Consultores (Spain)

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VICTOR HERRERO AMIGO

Business address: Le Portereau 44120 Vertou

Main position held in the Company

Independent Director
Member of the Strategy Committee

Other positions

Director at G-III Apparel Groupe

Biography

Victor HERRORO brings an in-depth understanding of the global fashion industry with 25 years of experience in some of the world's most renowned fashion & lifestyle brands and largest fashion markets.

Victor HERRERO is a member of the Board of Directors of G-III Apparel Group and Chairperson of the Board of Directors of Bossini.

From 2015 to 2019, he was CEO of Guess. Previously, Victor HERRERO was Head of Asia-Pacific at Inditex Group, the largest global retailer with brands such as ZARA, Massimo Duti, Pull & Bear, Bershka and Stradivarius, where he spent more than 12 years.

Victor HERRERO holds an MBA from the Kellogg School of Management and a BA in Business Administration from ESCP Europe.

Date of birth

3 August 1968

Nationality

Spanish

Date of 1st appointment

26 January 2022

End of term of office

2023 Annual General Meeting

Number of Company shares held at 15 April 2022

3,000

Main offices held in the last five years

Current terms of office:

French companies:
- Director of Maisons du Monde S.A.

Foreign companies:
- Director of G-III Apparel Group (listed group)
- Chairperson of the Board of Directors of Bossini
- Director of Viva China (listed group)

Terms of office that have expired in the last five years:

French companies:
- None

Foreign companies:
- CEO and Director Guess Inc.

MARIE-CHRISTINE LEVET

Business address: Le Portereau 44120 Vertou

Date of birth

28 March 1967

Nationality

French

Date of 1st appointment

29 April 2016

End of term of office

2022 Annual General Meeting

Number of Company shares held at 31 December 2021

1,000

Main position held in the Company

Independent Director
Member of the Audit Committee

Other positions

Founding Chairperson of Educapital

Biography

A pioneer of the Internet, Marie-Christine LEVET has more than 20 years of experience in the new technologies sector, both as an entrepreneur, where she has created or managed several major French Internet brands (Lycos, Club-Internet, etc.), then as an investor (partner at Jaina Capital, investor in new e-commerce sites such as made.com, La Ruche qui dit oui…).

Marie-Christine LEVET is currently the founding Chairperson of Educapital, the leading European investment fund dedicated to the future of education and work.

Marie-Christine LEVET graduated from HEC and holds an MBA from INSEAD.

Main offices held in the last five years

Current terms of office:

French companies:
- Director of Maisons du Monde S.A.
- Director of AFP
- Director of So Local group (listed group)

Foreign companies:
- Director of Econocom (listed group)

Terms of office that have expired in the last five years:

French companies:
- Director of Mercialys
- Manager of Jaina Capital
- Director of FINP
- Director of Hi Pay
- Director of Iliad

Foreign companies:
- None

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MUSTAPHA OULKHOUIR

Business address: Le Portereau 44120 Vertou

Main position held in the Company

Director representing the employees
Member of the Nomination and Compensation Committee

Other positions

Deputy Head of Employment and Social Affairs at Maisons du Monde France S.A.S.

Biography

Date of birth

14 November 1985

Nationality

French

Date of 1st appointment

1 June 2018

End of term of office

31 May 2022

Number of Maisons du Monde shares held

None

Mustapha OULKHOUIR has been Deputy Head of Employment and Social Affairs at Maisons du Monde since April 2016. As Head of Individual and Collective Labour Relations, he supports all Maisons du Monde French and foreign teams.

Mustapha OULKHOUIR began his career in 2010 as a lawyer at the Inditex group and has held various legal positions, specialising in employment law. He was responsible for industrial relations at Galeries Lafayette Haussmann and the Bernard Hayot group.

Mustapha OULKHOUIR graduated with a Masters 2 in Employment law and industrial relations from the University Paris Ouest Nanterre La Défense.

Mustapha OULKHOUIR has also taught on the Masters 2 in Employment law and Human Resources in Île-de-France and Loire-Atlantique.

Main offices held in the last five years

Current terms of office:

French companies:
- Director representing the employees of Maisons du Monde S.A.

Foreign companies:
- None

Terms of office that have expired in the last five years:

French companies:
- None

Foreign companies:
- None

MICHEL-ALAIN PROCH

Business address: Le Portereau 44120 Vertou

Date of birth

18 April 1970

Nationality

French

Date of 1st appointment

10 March 2020

End of term of office

2024 Annual General Meeting

Number of Company shares held at 31 December 2021

10,000

Main position held in the Company

Independent Director
Vice-Chairperson of the Board of Directors
Chairperson of the Audit Committee
Member of the Nomination and Compensation Committee

Other positions

Chief Financial Officer of Publicis Groupe

Biography

Michel-Alain PROCH joined Publicis group as Chief Financial Officer in January 2021. Michel-Alain PROCH, appointed by the Supervisory Board of Publicis Groupe, is a member of the Management Board of Publicis Groupe S.A.

In March 2020, Michel-Alain PROCH was appointed Vice-Chairperson of the Board of Directors of Maisons du Monde, Chairperson of the Audit Committee and member of the Nomination and Compensation Committee.

In February 2019, Michel-Alain PROCH was appointed Chief Financial Officer of Ingenico, until the acquisition of the company by Worldline in November 2020. Since then, he has been advisor to its Chairperson and Chief Executive Officer on the consolidation of the two companies. He previously served as Senior Executive Vice-Chairperson and Chief Digital Officer of Atos group in 2018 after heading up the group's operations in North America from 2015 to 2017.

As Executive Vice-Chairperson and Chief Financial Officer of Atos from 2007 to 2015, Michel-Alain PROCH oversaw several major acquisitions and successfully co-managed the IPO of Worldline. He was also named Best Chief Financial Officer (Europe, software and IT services) by Extel for four consecutive years. He was a member of the Worldline Board of Directors until 2016. He previously held management positions at Hermès in France and the United States for eight years. He began his career as a consultant with Deloitte & Touche in France and the United Kingdom.

Michel-Alain PROCH is a graduate of the École supérieure de commerce de Toulouse.

Main offices held in the last five years

Current terms of office(1):

French companies:
- Director of Maisons du Monde S.A.
- Member of the Management Board of Publicis Groupe S.A. (listed group)
- Chairperson and Chairperson of the Management Committee of Multi Market Services France Holdings SAS (MMSFH)
- Chairperson of Publicis Finance Services SAS
- Representative of MMSFH, Chairperson of Ella Factory SAS

(1) All of the French and foreign mandates held by Michel Alain Proch are exercised within the Publicis Group, with the execption of that of Maisons du Monde.

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Foreign companies:

- Chairperson and Director of Multi Market Services Canada Holdings Inc. (Canada)
- Chairperson and Director of TMG Mac Manus Canada Inc. (Canada).
- Chairman, Director and Treasurer of Obtineo USA, Inc. (United States)
- Chairperson of the Board of Directors of MMS Italy Holdings Srl (Italy)
- Chairperson of the Board of Directors of Mexico Holdings S de RL de CV (Mexico)
- Chairman of the Board of Directors of SWELG Holdings AB (Sweden)
- Director of Publicis Communication Pty Ltd (Australia)
- Director of Multi Market Services Australia Holdings Pty Ltd (Australia)
- Director of MMS Multi-Market Services Ireland DAC (Ireland)
- Director of MMS Multi Euro Services DAC (Ireland)
- Director of MMS Netherlands Holdings B.V. (Netherlands)
- Director of Publicis Groupe Holdings B.V. (Netherlands)
- Director of Zenith International (Media) Ltd (United Kingdom)
- Director of BBH Holdings Limited (United Kingdom)
- Director of Lion Re:Sources UK Limited (United Kingdom)
- Director of MMS UK Holdings Limited (United Kingdom)
- Director of Saatchi & Saatchi Holdings Limited (United Kingdom)
- Director of MMS USA Holdings, Inc. (United States)
- Co-Manager of MMS Germany Holdings GmbH (Germany)
- Co-Manager of Multi Market Services Spain Holdings, S.L.U. (Spain)
- Co-Manager of Lion Re:Sources Iberia, S.L.U. (Spain)

Terms of office that have expired in the last five years:

French companies:

- Representative of MMSFH, Chairperson of Publicis Sapient France DBT SAS
- Director of Worldline SA
- Chairperson of Ingenico Business Support SAS
- Chief Executive Officer of Banks and Acquirers International Holding SAS
- Chief Executive Officer of Ingenico Banks and Acquirers France SAS
- Chief Executive Officer of Retail International Holding SAS

Foreign companies:

- Director of MMS USA Investments Inc.
- Co-Manager of Re Sources Gemany GmbH
- Director of Ingenico Holdings Asia II Limited (Hong Kong)
- Director of Ingenico Business Support Americas, S. de R.L. de C.V. (Mexico)
- Director of Ingenico International (Singapore) Pte Ltd. (Singapore)
- Director of Fujian Landi Commercial Equipment Co., Ltd. (China)
- Director of Ingenico Corp. (USA)
- Director of Ingenico Inc. (USA)
- Director of Ingenico Retail Enterprise US Inc. (USA)
- Director of Ingenico Holdings Asia Limited (Hong Kong)
- Member of the Supervisory Board of Global Collect Services BV (Netherlands)
- Director of Stichting Beheer Derdengelden Ingenico Financial Solutions (Netherlands)
- Director of Bambora Top Holding AB (Sweden)

4.1.1.11 Status of the terms of office of the members of the Board of Directors

The terms of office of Sophie GUIEYSSE and Marie-Christine LEVET will expire at the next Annual General Meeting. After two successive terms of office both as Independent Directors, they have not applied for the renewal of their respective terms of office at the next Annual General Meeting.

4.1.1.12 Proposed ratification and new appointment to the Board of Directors

After considering the appropriate balance of its composition and that of its committees, particularly in terms of diversity (independence, balanced representation of women and men, ages, qualifications and professional experience), the Board of Directors, on the recommendation of its Nomination and Compensation Committee, itself assisted by a specialised firm, carried out on two occasions a selective recruitment process for new candidates, in accordance with the procedure for selecting the Group's Independent Directors.

Ratification of the provisional appointment of Victor HERRERO submitted to a shareholder vote in 2022

The Board of Directors, at its Meeting of 26 January 2022, appointed Victor HERRERO on a provisional basis as a Company director under the conditions of Article L. 225-24 paragraph 1 of the French Commercial Code.

On the recommendations of the Nomination and Compensation Committee, the Board justified its decision in consideration of his in-depth understanding of the retail business as well as the industrial, societal and environmental challenges of international development, acquired during his 25 years of experience in the fashion industry with renowned brands and in the world's largest markets. The Board also qualified Victor HERRERO as independent, and noted the absence of business relations between him and Maisons du Monde.

Victor HERRERO was appointed to replace Peter CHILD, who resigned, for the remainder of his predecessor's term of office, *i.e.* at the end of the Annual General Meeting to be held in 2023.

A presentation of his biography can be found in Section 4.1.10 of this chapter.

In this context, on the recommendation of the Nomination and Compensation Committee, the Board of Directors will ask to the Annual General Meeting of 31 May 2022, to ratify the provisional appointment of Victor HERRERO as a new Independent Director.

Proposed new appointment to the Board submitted to a shareholder vote in 2022

As part of its work on the succession plan for directors (identification of skills needs, analysis of renewals, identification of potential candidates, meeting with candidates, etc.) and when assessing Board practices, the Board, on the proposal of the Nomination and Compensation Committee, worked in 2021 on the advisability of creating a Corporate Social Responsibility Committee, and on the upskilling required within the Board as a result of this committee.

As part of this reflection, the Board decided to strengthen the expertise and skills relating to corporate social responsibility (in environmental, social, societal, governance and human resources) within the Board.

Subsequently, the Board worked on the ideal profile of the Independent Director who would come to chair a possible future CSR Committee, whose creation was decided in early 2022.

It is in this context that the application of Alexandra PALT was selected by the committee on 2 March 2022 and validated by the Board on 9 March.

To justify its choice, the Board noted that Ms PALT, an Austrian national, worked for ten years in organisations specialising in CSR and diversity, and was notably director of gender equality at the High Authority for the Fight against Discrimination and for Equality (HALDE). In 2012, she joined the L'Oréal group, where she launched the group's first sustainable development programme. She became Chief Executive Officer of Corporate Social Responsibility and of the L'Oréal Foundation and joined its Executive Committee in 2019.

The Board also qualified Alexandra PALT as an Independent Director in accordance with the independence criteria of the AFEP-MEDEF Code. In particular, the Board the absence of business relations between Ms PALT and Maisons du Monde.

In this context, on the recommendation of the Nomination and Compensation Committee, the Board of Directors will propose to the Annual General Meeting the appointment of Alexandra PALT as a new director for a term of four years. Subject to her election, Alexandra PALT will be chairing the future Social Responsibility Committee of the Board of Directors.

ALEXANDRA PALT

Business address: Le Portereau 44120 Vertou

Main position held in the Company

Independent Director

Other positions

Chief-Executive Officer – Corporate Social Responsibility, L'Oréal Executive Vice-President, L'Oréal Foundation

Biography

Alexandra PALT is a lawyer by training and a human rights specialist.

After working with Amnesty International, then as Director of Equality Promotion at the High Authority for the Fight against Discrimination and for Equality (HALDE), she worked for ten years in organisations specialising in CSR and diversity.

In 2012, she joined L'Oréal, where she launched the Group's first sustainable development programme.

She became Chief Executive Officer of Corporate Social Responsibility and of the L'Oréal Foundation and joined the Executive Committee in 2019.

In June 2020, the Group launched its second sustainable development strategy, L'Oréal for the Future, with a series of ambitious targets for 2030.

Date of birth

May 1972

Nationality

Austrian

Proposed appointment

4 years

End of term of office

2026 Annual General Meeting

Main offices held in the last five years

Current terms of office:

French companies:

- None

Foreign companies

- None

Terms of office expired during the last five years

French companies

- SA HAPPYCHIC

Foreign companies

- None

4.1.2 OPERATION OF THE BOARD OF DIRECTORS

Maisons du Monde adopted internal regulations in line with industry recommendations aiming to guarantee compliance with fundamental principles of corporate governance and, in particular, those referred to in the AFEP-MEDEF Corporate Governance Code for listed companies.

The internal regulations of the Board of Directors can be consulted on the Company's website: corporate.maisonsdumonde.com.

4.1.2.1 Provisions governing the operation of the Board of Directors

Duties and powers of the Board

The Board of Directors of Maisons du Monde is a collegiate body that collectively represents all the shareholders and whose duty is to act in the interest of the Company. It sets guidelines for the Company's business and oversees their implementation. It deals with any issues relating to the smooth operation of the Company and, through its deliberations, takes decisions on related issues.

The Company performs the duties and exercises the powers invested in it by law, by the Company's bylaws and by the Board's internal regulations.

Duties of the Chairperson of the Board of Directors

The Chairperson of the Board of Directors organises and directs the work of the Board and reports on this to the Annual General Meeting.

The Chairperson ensures that Company bodies are running smoothly and, in particular, that directors are able to perform their duties.

Information for directors

The directors receive the agenda for each Board Meeting and any items for consideration in good time before the meeting, except under exceptional circumstances.

The Chairperson updates the directors on a regular basis and, if necessary, between meetings, on any relevant information about the Company. In addition, each director may solicit any explanation or additional information that he/she may deem appropriate.

Directors receive any training they may need in order to successfully perform their duties as a Board member and if appropriate, as a committee member. Such training is provided, or approved by the Company.

Limitation of the Chief Executive Officer's powers

The Board gives its prior approval to strategic decisions that cannot be implemented by the Chief Executive Officer without the express prior approval of the Board.

This relates, in particular, to the approval or amendment of the annual budget, the approval of the annual and consolidated financial statements as well as the approval of any expenditure, the creation, purchase or sale of holdings, or the settlement of disputes, where the amount exceeds the threshold set and which may not have been budgeted for.

As part of the assessment of the internal operations of the Board carried out in 2021, the Board of Directors, on the proposal of the Nomination and Compensation Committee, reviewed the list of subjects falling within the remit of the Chief Executive Officer and requiring, before any decision made by it, an authorisation from the Directors. It decided to increase the various authorisation thresholds, in order to take into account the fact that these thresholds had not been reviewed since the Group's listing in 2016, while its size has more than doubled since then.

Details of these updated authorisations are provided in Appendix I of the Board's internal regulations, which are published on the Group's website.

Ethics of directors of Maisons du Monde

Holding of shares

In accordance with the Maisons du Monde internal regulations, each member of the Board must be a shareholder on a personal basis and must own a relatively significant number of Company shares.

If they do not own shares when they take office, directors must use the compensation in respect of their directorship to acquire shares within six (6) months of taking office.

It is desirable for each director to directly, or indirectly through a Group mutual fund, where this type of holding is permitted, hold at least one thousand (1,000) Company shares.

As part of the evaluation of the internal functioning of the Board carried out in 2021, the Board of Directors, on the proposal of the Nomination and Compensation Committee, decided on the principle of increasing these obligations to hold Maisons du Monde shares. At a subsequent Board meeting in early 2022, the new requirements for directors in this regard were amended so that each director must hold, within 18 months of his or her appointment, a minimum number of shares in the Company equivalent to EUR 40,000, using the weighted average purchase price of his or her shares as the reference value.

Confidentiality

Directors, as well as any person invited to attend meetings of the Board or of its committees, are bound by a duty of discretion with regard to the confidential information of which they are made aware.

In addition, since Company shares are traded on a regulated market, certain information shared with the Board may be inside information and holders of inside information are, in particular, prohibited:

- from carrying out transactions in relation to Company shares, or having such transactions carried out by third parties, whilst such information is not in the public domain;

- from disclosing such information to third parties outside the normal course of their profession or duties or for purposes other than those for which the information has been received.

With regard to directors who are physical persons, the ban on disclosing inside information also applies within the companies by which they are employed, even if they are shareholders therein.

Prevention and management of conflicts of interest

To the Company's knowledge, there are no family ties between the members of the Company's Board of Directors and Senior Management.

Likewise, over the last five years, no member of the Board has incurred a fraud conviction, been involved in a bankruptcy, court-ordered receivership or liquidation, and no criminal offence and/or official public sanctions have been ordered against one of the aforementioned persons by the statutory or regulatory authorities (including the designated professional bodies). No member of the Board has been prevented by a court from being a member of an administrative, management or supervisory body of an issuing company, or from taking part in the management or leadership of the business of an issuing company.

To the Company's knowledge, there is no potential conflict of interest between the duties of the members of the Board of Directors with regard to the Company and their private interests.

In accordance with the AFEP-MEDEF Code, in the event of conflicts of interest, the director concerned abstains from taking part in the corresponding vote, and from taking part in the discussions.

4.1.2.2 Organisation and work of the Board

The Board meets as often as the interest of the Company requires it.

The Chairperson endeavours to ensure that there are at least five calendar days between Board Meetings being convened and held. He also endeavours to consider the constraints imposed by Board members' schedules so as to ensure that as many members as possible are able to attend each meeting.

As a general rule, meetings are organised as required by the Group's business. These meetings must enable the Board to receive a regular flow of relevant information, thus ensuring that conditions are in place for robust corporate governance.

Members of the Maisons du Monde Executive Committee or any other person with a particular skill of relevance to the Board's agenda, may attend all, or part, of a Board Meeting, at the Chairperson's request.

Likewise, the Company's statutory auditors may be invited to attend meetings other than those they are required to attend by law.

Summary of the Board's work in 2021

In 2021, the Board met 11 times, compared to 20 meetings in the previous year.

Due to the health crisis, some meetings were held by video conference, and the annual strategic day was held at the Group's Paris headquarters and not offsite as was usually the case.

In 2021, the Board's deliberations focused on the following topics:

- the approval of the budget for financial year 2021;
- the closing of the 2020 annual financial statements and the interim financial statements for the current financial year;
- the review of quarterly results for the current financial year;
- the analysis of the Company's activity during the 2021 financial year, which is subject to an in-depth review at each Board Meeting;
- the review of financial communication drafts;
- the review of the recommendations of the three specialised committees of the Board (with each committee Chairperson giving a detailed oral report on the work of his or her committee at the Board Meeting following this work);
- defining the Group's strategy, updating strategic plans and monitoring the implementation of the Group's main strategic projects;
- monitoring of the Group's transformation plans;
- the review of the Group's main social and environmental challenges;
- the review of the Group's new purpose;
- the monitoring and then authorisation of the sale of a majority stake held by the Group in the American joint-venture Modani;
- the review of the Group's financing arrangements (and in particular the repayment of the State-guaranteed loan known as the SGL taken out in the context of the health crisis), but also the extension for a period of one year of the various bank loans taken out by the Group;
- the review and authorisation of a share buyback program, implemented in the autumn of 2021 and continued at the beginning of 2022;
- the review and authorisation of a related-party agreement between Maisons du Monde and the Maisons du Monde endowment fund;
- an annual "executive session" during which the members of the Board meet without the presence of the Chief Executive Officer;
- the preparation of the Annual General Meeting, including the review of the resolutions put to the vote of the shareholders and their compliance with the voting policies of the shareholder advisory agencies;
- the approval of the draft resolutions and the notice for the 2021 Annual General Meeting, held behind closed doors due to health conditions;
- the annual review of the Group's situation with regard to gender equality rules;
- the updating of the Board's internal regulations;
- the preparation of the Group's capital market day in November 2021.

In terms of governance, the Board reviewed and approved, on the recommendation of the Nomination and Remuneration Committee:

- the change of Chairperson of the Board, effective as of 30 June 2021;
- changes in the composition of the Strategy Committee and the Nomination and Compensation Committee, due to the change of Chairperson of the Board, but also to the election of the new women director as Chairperson of the Nomination and Compensation Committee;
- the annual review and determination of all the components of the compensation system for the Executive Director and non-executive corporate officers;
- the allocation of free performance shares to the employees of the Group and the Chief Executive Officer the annual assessment procedure for Board practices;
- the review of the independence of its members;
- approval of the Committee's proposal regarding a selection procedure for new Independent Directors of Maisons du Monde;
- the proposal for the appointment of a new director and the renewal of directorships;
- the change in the composition of the committees upon the change of Chairperson of the Board;
- the reflection, continued in 2022, on the advisability of dissolving the Strategy Committee and creating a Corporate Social Responsibility Committee, and on the development of skills within the Board that would be required as a result;
- lastly, the Board approved the policy for the representation of women in the Group's management bodies (see paragraph below).

This ambitious policy aims to achieve the following four objectives by 2025:

As part of its annual review of the situation in terms of gender equality, the Board of Directors, at its Meeting of 8 December 2021, on the recommendation of its Nomination and Compensation Committee, approved the new policy for the representation of women in the Group's governing bodies.

This ambitious policy aims to achieve the following four objectives by 2025:

- top 100 of employees of the European subsidiaries of the Group at 50/50, with no Management Committee with less than 20% gender balance;
- maintenance in the top 5 best-ranked groups within the SBF 120 (as listed in the official ranking sponsored by the public authorities);
- achievement of an engagement rate of women equivalent to that of men (as measured by the engagement surveys carried out by the Group on a regular basis); and
- gender equality index of at least 90 points.

In this context, the Board also approved an associated action plan aimed at achieving these objectives, including training on diversity, inclusion and non-discrimination for the Group's employees, the creation of a women's circle/network, and various salary, budgetary and personnel management measures.

Directors' attendance at Meetings in 2021

The lockdown measures, combined with an increased practice of teleworking, significantly modified the organisation of Board Meetings during the year.

In accordance with the provisions of the Order of 25 March 2020 and the Company's bylaws, out of the 11 Board Meetings, four were held remotely, via a dedicated application.

In 2021, the attendance rate of directors at the Board Meetings was 99%:

Directors *	Attendance at Board Meetings	Attendance at Audit Committee Meetings	Attendance at Nomination and Compensation Committee Meetings	Attendance at Strategy Committee Meetings
Peter CHILD	100%	N/A	100%	100%
Cécile CLOAREC	100%	N/A	100%	N/A
Thierry FALQUE-PIERROTIN	91%	N/A	100%	100%
Sophie GUIEYSSE	100%	N/A	N/A	N/A
Laure HAUSEUX	100%	100%	N/A	N/A
Marie-Christine LEVET	100%	100%	100%	N/A
Mustapha OULKHOUIR	100%	N/A	66%	N/A
Michel-Alain PROCH	100%	100%	100%	N/A
Julie WALBAUM	100%	N/A	N/A	100%
Average attendance	**99%**	**100%**	**91%**	**100%**

* *Information on the changes that took place within the Board and committees during the 2021 financial year is provided in Section 4.1.1.2.*

Summary of the work of the Chairperson of the Board

From 1 January to 30 June 2021, the functions of Chairperson of the Board continued to be exercised Peter CHILD, who had accepted his appointment to this position in March 2020 for a period of approximately one year. From the second half of the year, Thierry FALQUE-PIERROTIN served as Chairperson of the Board.

The Chairpersonship of the Board involves participation in the work of the Nomination and Compensation Committee and the Strategy Committee, but also a regular dialogue with the Company's major shareholders.

Above all, the Chairperson of the Board ensures that the functioning of the Board is satisfactory, that all the directors have the information necessary to carry out their duties both within the Board and the committees, and that the Chief Executive Officer and her teams within the Executive Committee teams benefit from close support but also from a permanent but benevolent challenge from the members of the Board.

During the first half of the year, the Chairperson's activities included:

- Preparation of the Annual General Meeting of June 2021, including the study of the recommendations of the voting advisory agencies
- Preparation for the integration of the new director elected at the Meeting of 4 June 2021
- together with the Nomination and Compensation Committee, the preparation of his succession as Chairperson of the Board, which took place at the end of June 2021, and the change in the composition of the Board committees;

During the second half of the year, the Chairperson's activities included:

- the implementation of an update of the external assessment of the Board carried out in 2020;
- together with the Nomination and Compensation Committee, the updating of management succession plans, but also the review and modification of the Board's operating procedures.

4.1.2.3 Assessment of Board practices

At least once a year, one item on the agenda is devoted to the evaluation of the Board's operation, an account of which is given in the Corporate governance report, such that shareholders are kept informed, on a yearly basis, of the evaluations performed and, if necessary, any follow-up given.

In 2020, the Board implemented an external assessment with the help of Say-on-Pay. Various improvements had been made to the Board practices, these improvements having been listed in the previous Universal Registration Document.

In 2021, the Board decided to update this external assessment, on the basis of a questionnaire prepared by Say on Pay, aimed in particular at taking stock of the improvement measures implemented during the second half of 2020. These questionnaires were accompanied by discussions between the Chairperson and each director, and an in-depth study at several meetings of the Nomination and Appointments Committee.

On the occasion of this new assessment of its practices, the directors considered that Maisons du Monde's Board practices were satisfactory.

Nevertheless, it was decided to make the following changes to its practices:

- strengthen interaction between the various committees, on the one hand, and the Board on the other, by systematising, in addition to the systematic oral reports made by each committee Chairperson, the transmission by the latter of the minutes of each Committee Meeting;
- improve the information provided to the members of the Board of the Maisons du Monde share situation by systematising the transmission of analysts' notes and strengthening the content of the monthly market update;
- strengthen the handling of additional topics during Board Meetings, including aspects relating to competition and the Group's strategy;

on this occasion, the Board reviewed the list of subjects falling within the remit of the Chief Executive Officer and requiring prior authorisation from the directors. It then decided to amend the internal regulations of the Board of Directors, by raising the various authorisation thresholds (see paragraph 4.1.2.1).

4.1.3 SPECIALISED COMMITTEES OF THE BOARD

The Board of Directors is assisted by three permanent specialised committees: the Audit Committee, the Nomination and Compensation Committee and the Strategy Committee.

4.1.3.1 The Audit Committee

On the date of this Universal Registration Document, the Audit Committee consists of the following directors:

Chairperson	Michel-Alain PROCH – Independent Director
Members	Laure HAUSEUX – Independent Director
	Marie-Christine LEVET – Independent Director

The Audit Committee assists the Board of Directors in its mission of approving the statutory and consolidated financial statements and in preparing the information to be delivered to the shareholders and to the market.

The Audit Committee ensures that the internal control systems and the risk management procedures of the Group are effective and efficient. It also monitors questions relating to the preparation and control of the accounts and financial information, as well as the legal control of the accounts.

In this framework, the Audit Committee carries out the following duties:

- monitoring the process of preparing the financial information;
- monitoring the appropriateness and consistency of accounting methods;
- monitoring of the statutory auditors' independence;
- tracking of the amounts paid to the statutory auditors for their work on matters other than those related to the legal audit of the financial statements;
- monitoring and effectiveness of internal control and risk management systems relative to the procedures for the preparation and processing of accounting and financial information.

Summary of the Audit Committee's work in 2021

In 2021, the Committee met five times with an attendance rate of 100% at each meeting.

During the year, Audit Committee's work consisted of:

- examining the 2020 annual financial statements and the 2021 interim financial statements, and the control of these financial statements by the statutory auditors;
- examining the draft budget;
- reviewing the draft press releases relating to the Group's results reviewing the control systems set up to strengthen Internal Control;
- reviewing the risk factors included in the URD;
- reviewing the progress made on the Finance Department transformation project;
- reviewing the legal risks, potential litigation and important events that may have a significant impact on the financial position and assets of the Group;
- examining the fees paid to the Statutory Auditors and the services other than the certification of the accounts provided by them. (in 2021, these services, which were subject to the prior approval of the Audit Committee, consisted mainly of the verification of CSR data by an independent third party, and statements on the data taken from the financial statements);
- reviewing the Group's related-party agreements and current agreements;
- reviewing the Group's financial position, and examine the opportunity to repay the loan known as the PGE, and to renew the Group's various credit lines given the health situation;
- reviewing the security status of the Group's information systems;
- reviewing the accounting and financial aspects of the sale of the Group's majority stake in the American joint-venture Modani;
- examining the advisability of implementing a share buyback program;
- examining the Group's compliance with personal data protection regulations.

4.1.3.2 The Nomination and Compensation Committee

On the date of this Universal Registration Document, the Nomination and Compensation Committee consists of the following directors:

Chairperson	Cécile CLOAREC – Independent Director
Members	Thierry FALQUE-PIERROTIN – Independent Director
	Mustapha OULKHOUIR – Director representing the employees
	Michel-Alain PROCH – Independent Director

The Nomination and Compensation Committee is a specialised committee whose principal duty is to help the Board of Directors in the composition of the management bodies of the Company and the Group and in determining and regularly evaluating the compensation and benefits granted to Group executives (including all deferred benefits and/or compensation.

In this context, the Nomination and Compensation Committee's duties are:

- to make proposals in relation to the appointment of members of the Board of Directors and of the members of the Management of the Company, as well as the members and the Chairs of each of the other committees;
- set all the items and conditions of compensation of the Group's main executives as well as those of the directors;
- to perform an annual evaluation of the independence of the members of the Board of Directors.

Summary of the Nomination and Compensation Committee's work in 2021

During the 2021 financial year, the Nomination and Compensation Committee met seven times, with an attendance rate of 91%.

During the year, Audit Committee's work consisted of:

- issuing opinions on the proposed appointment and reappointment of directors, after reviewing their independence and the absence of any conflict of interest;
- reviewing the compensation policy for directors;
- examining all the components of the Chief Executive Officer's compensation in respect of the variable portion for the previous financial year, or for the current financial year, and analysing the appropriateness of the performance criteria used for the financial year future plans and the Group's strategy;
- examined the compensation of the members of the Executive Committee;
- proposing the implementation of a long-term incentive plan in the form of performance shares in line with previous grants and the Group's compensation policy, determining the expected performance conditions, the conditions of the plan as well as the amounts awarded;
- assisting the Chairperson in the implementation of the annual assessment of the practices of Board of Directors;
- examining the draft resolutions to be submitted to the 2021 Annual General Meeting and examining their compatibility with the voting policies of shareholder advisory agencies;
- issuing an annual opinion on the situation of all directors with regard, in particular, to the independence criteria set out in the AFEP-MEDEF Code, but also on their situation with regard to potential conflicts of interest;
- examining the Group's gender equality policy, the objectives assigned and the action plans;
- reviewing the internal regulations of the Board of Directors and proposing various updates, in particular with regard to the Maisons du Monde share ownership obligations for directors, but also to the list of matters relating to the Chief Executive Officer which require prior authorisation from the Board;
- assisting the Board of Directors in updating the succession plan for the Chief Executive Officer, but also for the other members of the Executive Committee;
- preparing the annual executive session of the Board of Directors.

4.1.3.3 The Strategy Committee

The Strategy Committee is composed of the following members:

Chairperson	Thierry FALQUE-PIERROTIN – Independent Director
Members	Victor HERRERO AMIGO – Independent Director
	Julie WALBAUM

The main role of the Strategy Committee is to inform the Board of its strategic guidelines as well as in matters of capital expenditure and significant acquisition or disposal projects.

In this respect, the committee advises the Board on:

- the major strategic guidelines and their economic and financial consequences;
- the Group's development policy;
- the identification of strategically relevant Group operational entities;
- the Group's annual capital expenditure budget and investment allocation strategy;
- the minimum levels of return expected from investments;
- significant acquisition or disposal projects subject to prior authorisation from the Board of Directors pursuant to Appendix 1 of the internal regulations.

Summary of Strategy Committee's work in 2021

The Strategy Committee met four times during the past financial year, with an attendance rate of 100% at each meeting.

Its work for was in particular devoted to:

- the review of the Group's strategic plans;
- the review of its various transformation projects;
- the review of the disposal of the Group's majority stake in the American joint-venture Modani;
- the review of the share buyback program;
- the preparation of the capital market day in November 2021.

The Strategy Committee also issued opinions to the Board of Directors as part of its own duties.

The Board of Directors decided to dissolve the Strategy Committee on 31 May 2022 and to create a CSR Committee on the same date.

4.1.4 THE MAISONS DU MONDE EXECUTIVE COMMITTEE

4.1.4.1 Composition and diversity

The Group is supported by an experienced management team, led by Julie WALBAUM, Chief Executive Officer since July 2018.

As of the date of this Universal Registration Document, the Executive Committee is composed of the following members, in addition to the Chief Executive Officer:

- Guillaume APOSTOLY – Information Systems Director;
- Marie-Laure CASSE – Chief Digital and Marketing Officer;
- Yohann CATHERINE – Operations Director;
- Agathe LACOSTE – Chief Product Officer;
- Régis MASSUYEAU – Chief Financial Officer;
- Sophie MOUHIEDDINE – Human Resources Director;
- Nathalie ROZBORSKI – Brand & CSR Director;
- Julien VIGOUROUX – Supply Chain Director.

The Maisons du Monde Executive Committee has five female members, representing 56% of its members.

4.1.4.2 Action principles

The Executive Committee ensures the smooth running and development of the Group's day-to-day operations, according to the following action principles:

- continued growth;
- omnichannel and international approach;
- unique and inspiring offering;
- customer satisfaction;

and is based on our Purpose: "Inspiring everyone to open up to the world, so that we create unique, heartful and sustainable places, together".

4.2 Compensation and benefits of corporate officers

4.2.1 COMPENSATION POLICY

4.2.1.1 General principles

In accordance with the provisions of article L. 22-10-8 of the French Commercial Code, the Board of Directors has established the compensation policy for corporate officers, with the following general principles:

- the overall amount of Executive Directors' compensation submitted to the Board for approval takes into consideration the general interest of the Company and its stakeholders, industry practice and the Executive Directors' performance;
- clearly stated reasons, corresponding to the general interest of the Company, are given for each of the components of their compensation. The appropriateness of the compensation proposed is assessed within the context of the Company's business and in reference to French and international industry practice;
- the compensation of Executive Directors is set fairly and in line with that of other Group Executive Directors and employees, in view of their responsibilities, skills and personal contributions to the Group's performances and development;
- lastly, the rules applicable to this compensation are, as far as possible, simple, stable and transparent. The performance criteria used correspond to the Company's objectives, and are demanding, explicit and sustainable.

4.2.1.2 Structure of compensation schemes

The overall target compensation consists of three components: a basic salary, a target annual variable compensation, and a variable long-term incentive.

The basic salary must reflect the executive's responsibilities, level of experience and skills and be in line with market practices.

The variable portion (annual variable compensation and long-term incentive where applicable) of their compensation must be consistent with their annual performance evaluation as well as with the Group strategy.

The performance criteria used to calculate the variable portion of Executive Directors' compensation, whether this relates to a bonus or stock options or performance share grants, must:

- be simple to establish and explain;
- be a satisfactory reflection of the Group's performance and economic development objective, and its non-financial (social and environmental) issues;
- allow for transparency with regard to shareholders in the Annual Report and during Annual General Meetings and correspond to the Company's corporate objectives and standard practices in terms of the compensation of Executive Directors;

- The target annual variable compensation is subject to the achievement of financial and non-financial targets that may be exceeded up to the maximum amount provided for in the event of outperformance.

Each criterion is assessed separately, in relation to a target set by the Board. To assess the attainment rate of each criterion, the Board of Directors sets performance thresholds, a target and a ceiling.

Medium/long-term incentives: in the same way as the Group's other senior executives, executives and high potentials, corporate officers may be awarded free performance shares, where applicable.

These awards, when granted, make it possible to better recognise, retain and motivate those who have an impact on results and which the Group needs to grow.

They make it possible to link the interests of the beneficiaries with those of the shareholders and, at the same time, to strengthen the alignment of all around common objectives, in line with the ambitions of Maisons du Monde in the medium and long term, and thus support the Group's profitable growth.

More specifically, the awarding of free performance shares must be subject to the following conditions:

- Presence conditions:

  Unless otherwise provided for by the legislation in force, the allocation of free performance shares becomes definitive only after a vesting period set by the Board of Directors, which may not be less than three years. This is approved subject to the beneficiary being employed by the Company at the end of this vesting period, unless otherwise decided and duly justified by the Board of Directors. In this case, the Board must nevertheless apply at least the "pro rata temporis" rule to the vesting shares and await the evaluation of the share performance to determine the number of shares.

- Performance conditions:

  Any allocation of shares is subject to the achievement of several demanding performance conditions measured over three years, including one TSR type.

Other elements and benefits in kind: as these other elements of compensation and benefits in kind may be specific to the profile and career of the corporate officer, they will be described in detail and presented at the Annual General Meeting each year. In the case of Julie WALBAUM, the elements from which she benefits are described in detail in Section 4.2.2.1.

4.2.1.3 Implementation of the compensation policy over the last five years (CEO pay ratio)

In accordance with article L. 22-10-9 of the French Commercial average and median compensation of Maisons du Monde in France, over the last five financial years are provided below:

	2017	Change %	2018	Change %	2019	Change%	2020	Change %	2021	Change %
Compensation of employees *(in euros)*										
Average compensation of employees	23,500	-2%	24,500	4%	25,500	4%	24,000	-6%	25,000	4%
Median compensation of employees	22,500	2%	22,500	0	23,500	4%	22,500	4%	24,500	9%
Compensation of the executive corporate officer (CEO) *(in euros)*										
Julie WALBAUM	N/A	N/A	N/A	N/A	1,366,000 *	N/A	1,148,000 **	-16%	1,374,500	20%
Gilles PETIT	2,043,000 ***	207%	919,000 ****	-55%	N/A	N/A	N/A	N/A	N/A	N/A
Ratio *vs.* average	86.94	-	37.51 n/r	-	53.57	-	47.83	-	54.98	-
Ratio *vs.* median	90.80	-	40.84 n/r	-	58.13	-	51.02	-	56.10	-
Compensation of the Chairperson of the Board of Directors *(in euros)*										
Thierry FALQUE-PIERROTIN (6 months)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	150,000	Annualised 4%
Peter CHILD	N/A	N/A	N/A	N/A	N/A	N/A	143,750**	N/A	150,000	Annualised
Sir Ian CHESHIRE	110,000	19%	105,000	-5%	100,000	-5%	N/A	N/A	N/A	N/A
Ratio *vs.* average	4.68		4.29		3.92		5.99		6.00	-
Ratio *vs.* median	4.89		4.67		4.26		6.39		6.12	-
Maisons du Monde indicators *(in millions of euros)******										
Revenues	1,010	15%	1,111	10%	43,125	1.26%	1,182	5%	1,307	10.6%
Current operating profit before operating income and expenses	101.5	48%	108.2	7%	117.0	8%	90.9	-22.3%	115.7	27.3%
Net profit (loss)	63	N/A	61	4%	62	2%	-16.1	N/A	79.1	N/A

* *Increased "theoretical" compensation: the 2018 variable portion paid in 2019 was multiplied by two to take into account the fact that it compensated only six months' performance, as the position was taken up during the year. The fixed compensation of EUR 200 thousand for the six months of 2018 is not presented. Furthermore, none of the shares allocated will vest.*

** *Theoretical annual compensation including a reduction of EUR 18.75 thousand for the Chief Executive Officer and EUR 6.25 thousand for the Chairperson to preserve cash flow and reduce costs in the wake of the health crisis.*

*** *"Theoretical" compensation at the date of allocation: 1/3 of the performance shares were cancelled when Gilles Petit left his position as Chief Executive Officer.*

**** *Increased "theoretical" compensation: as the fixed compensation for 2018 was only received for six months, the amount was multiplied by two.*

***** *It should be noted that the 2021 figures do not include Modani. Moreover, the 2021 variable compensation of the Chief Executive Officer is based on the following indicators: Total Group sales and Group EBIT, presented here in the "revenue" and "current operating profit" line items.*

Note: These ratios are not representative as no allocation of performance shares was granted to the corporate officer during the period.

The compensation ratios have been calculated based on the following components:

- the compensation selected for the Executive Directors corresponds to the compensation paid during year N. It comprises the fixed portion including benefits in kind, the variable portion paid during year N in respect of year N-1, performance shares allocated during year N;
- when an element of compensation must be considered for a period of less than the year (for example the compensation of the Chairperson of the Board of Directors for six months of office), and for transparency purposes, the amount is "recalculated" to correspond to an annual basis;
- for employees in France (100% of entities in France representing more than 5,000 employees), the compensation used corresponds to the compensation paid during financial year N (excluding benefits in kind). It comprises the full-time equivalent fixed portion, the variable portion paid during financial year N in respect of financial year N-1, profit sharing paid during financial year N in respect of financial year N-1.

The decrease in 2020 is due to the exceptional conditions of the health crisis including: fewer extended hours (Sundays/public holidays) or additional hours as well as lower premiums paid.

The increase in 2021 is due to a return to a normal situation after the health crisis.

4.2.2 DETAILED PRESENTATION OF THE COMPENSATION OF CORPORATE OFFICERS

4.2.2.1 Compensation of the Executive Director (Chief Executive Officer)

Summary of compensation paid during the 2021 financial year

Julie WALBAUM received the following compensation for 2021:

- **Fixed compensation:**

  Julie WALBAUM's gross fixed annual compensation was set at EUR 500,000 by the Board of Directors at its Meeting on 25 March 2021.

- **Variable compensation:**

  Amount received for the 2020 financial year:

  In 2021, Julie WALBAUM received variable compensation due in respect of the 2020 financial year for a total amount of EUR 253,000.

  This amount represents an achievement rate of 94% of the target value, and 56% of the reference fixed compensation for the period.

  The variable compensation owing to Julie WALBAUM for 2020 was approved by the Annual General Meeting of 4 June 2021.

  Amount due for the 2021 financial year:

  For 2021, the Board, at its Meeting on 9 March 2022, on the recommendations of the Nomination and Compensation Committee, set variable compensation for Julie WALBAUM at the sum of EUR 579,000.

  It should be noted that the Board set the terms of this variable compensation at its Meeting of 25 March 2021 as follows:

  The annual variable bonus has a target value of 100% of the gross annual fixed compensation. This amount may be between 0 and 125% of the target value, based on performance. The maximum bonus will be 125% of the gross annual fixed compensation, with no guaranteed floor.

Each criterion was assessed separately, in relation to its target. To assess the attainment rate of each criterion, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, used the performance thresholds, targets and ceilings that had been defined as follows:

- Assessment of financial objectives:
  - Group sales: 30% of the target variable portion, up to 125% in the event of outperformance. The attainment rate is 94.4% (the target of 100% not being achieved due to the closure of stores during the 2021 financial year);
  - Group EBIT: 30% of the target variable portion, up to 150% in the event of outperformance. The attainment rate is 150%, corresponding to the maximum outperformance for this criterion, due to the good 2021 EBIT performance;
  - Group Free Cash Flow: 30% of the target variable portion capped at 100%. The objective is also largely exceeded, the attainment rate is therefore 100%.
- Assessment of non-financial objectives:
  - Share of the responsible offering in the Maisons du Monde offering: 10% of the target variable portion, up to 125% in the event of outperformance. The attainment rate is 125%, corresponding to the exceeding of the maximum outperformance for this criterion, due to the achievement of 29% of the Group's responsible offering in 2021.

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, therefore assessed the overall attainment of the Chief Executive Officer's performance for 2021 at 115.8% of the target performance, with the following attainment rates and weighting by criterion:

	Target weighting	Target attainment rate	Attainment rate *vs.* target variable
Financial objectives			
• Group sales	30%	94.4%	28.3%
• Group EBIT	30%	150%	45%
• Free cash flow	30%	100%	30%
Non-financial objectives (quantifiable)			
• Percentage of responsible products in Maisons du Monde's offering:	10%	125%	12.5%
Attainment rate/bonus			**115.8%**
• Reference fixed compensation	EUR 500,000		
• Target variable compensation: 100% of fixed compensation	EUR 500,000		
• Maximum variable compensation: 125% of the target compensation	EUR 625,000		
VARIABLE COMPENSATION TO BE PAID			**EUR 579,000**

The variable portion for 2021 will therefore be paid, subject to shareholder approval at the Annual General Meeting of 31 May 2022, rounded to EUR 579,000, or 115.8% of the reference fixed compensation for the period.

- **Medium/long-term incentives:**
  - **Performance shares vested in 2021**

Julie WALBAUM did not vest any shares resulting from free share allocation plans, as no plan matured during the 2021 financial year.

- **Performance shares granted in 2021**

At its Meeting of 25 March 2021, the Board of Directors, on the recommendations of the Nomination and Compensation Committee, allocated 36,360 free performance shares (or 0.08% of the share capital) to Julie WALBAUM. This decision allowed the Chief Executive Officer to take part in the 2021 Plan set up for the 200 Group employees, out of the 209,292 free performance shares (or 0.47% of the share capital).

The definitive allocation of all shares allocated to Julie WALBAUM is subject to a continuous three-year presence condition until 25 March 2024, as well as to the performance conditions defined below.

The final number of performance shares that will be allocated to her, will be dependent on achievement of performance conditions measured as follows:

- SALES CAGR: Compound annual growth rate between 2020 and 2023 – Weighting of the criterion: 30%,
- EBIT: Average EBIT/revenue over three financial years – Weighting of the criterion: 40%,
- TSR: Total Shareholder Return, three-year rate of return measured against the MidCap 60 index. GR (including dividends) – Weighting of the criterion: 20%,
- Societal and Environmental Responsibility:
- increase in the proportion of the responsible offering compared to the overall offering between 2020 and 2023,
- employee engagement rate based on the results of the 2021 and 2023 surveys of all Group employees – Weighting of the criterion: 5%.

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, set the target and threshold levels expected for each of the performance conditions:

- the lower limit of the performance gives the right to 50% of the shares dependent on this condition;
- the performance target (at 100% of the objective) gives the right to 100% of the shares dependent on this condition;
- below this lower limit, no shares are acquired for this performance;
- between the lower limit and the performance target, the shares for this condition are acquired on a proportional and straight-line basis.

With regard to the TSR criterion and in accordance with the commitment made to the shareholders, the performance threshold has been set at the achievement of performance at least equivalent to the selected index. At this performance level, 75% of the shares bearing this performance condition may be vested. Moreover, the target allowing the acquisition of 100% of the shares with a TSR condition is set at 105% of the index; and in the event of outperformance in relation to this TSR target, it is expected that up to a maximum of 125% of the number of shares linked to this criterion may be vested on a straight-line basis up to 110% of the index.

In the event that the number of performance shares obtained following the application of the above performance conditions is greater than the number of shares allocated, the number of shares vested may under no circumstances exceed 100% of the shares allocated; lastly, if the number of shares is not a whole number, it shall be rounded down to the nearest unit.

The Chief Executive Officer will be required to retain 40% of the allocated shares as registered shares until the end of her term of office, until she holds a quantity of shares representing two years of fixed compensation.

Given this holding obligation, the availability of the performance shares is not conditional on the purchase of additional Company shares.

Lastly, the Board reaffirmed that the Chief Executive Officer may not use hedging products on the Company's shares as well as all related financial instruments, and noted Julie WALBAUM's commitment not to use such hedging transactions including on the allocated performance shares.

- **Benefits in kind:**

  In 2021, Julie WALBAUM received a benefit in kind for a total amount of EUR 20,033.

  This amount corresponds to the use of a vehicle, as well as unemployment social contributions, as the Chief Executive Officer is the beneficiary of an executive social security plan (GSC) giving her 12-month compensation, capped at 70% of her net compensation for the tax year for tranches A and B and 55% for tranche C.

  With regard to social protection, Julie WALBAUM has benefited from the same supplementary social protection cover as all the other Company executives, governed by binding contracts between the Company and its insurers. On this basis, she is covered by the "incapacity – disability – death" scheme and the healthcare scheme applicable within the Company;

- **Commitments made to the Chief Executive Officer:**
  - **pension commitment:**

    As per the legislation applicable to social security old age pensions, Julie WALBAUM is a beneficiary of the ARRCO and AGIRC supplementary schemes. She did not benefit from any internal defined contribution or defined-benefit supplemental pension plan.

- **non-compete commitment:**

  Julie WALBAUM would be subject to a non-compete obligation in the event of the termination of her duties within the Company.

  In exchange for this twelve-month commitment, starting from the termination of her corporate office, Julie WALBAUM would receive, once her term of office has been terminated and for the entire duration of this non-compete clause, a special monthly payment of 50% of the average gross monthly compensation received for the last twelve complete months of her activity.

  The Company's Board of Directors could, however, waive the non-compete clause when Julie WALBAUM's term of office is terminated. In this case, the special fixed monthly payment would not be made.

  The Chief Executive Officer will no longer receive special monthly payments once she exercises her right to retire. In any event, no compensation will be paid after she reaches the age of sixty-five,

- **commitment in the event of the termination of duties:**

  Julie WALBAUM does not benefit from any commitments in the event of termination of her term of office.

Compensation policy for the 2022 financial year

- **Fixed compensation:**

  The Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided not to propose any change to the fixed compensation of the Chief Executive Officer, set at EUR 500,000.

- **Variable compensation:**

  The variable compensation of the Chief Executive Officer for the 2022 financial year will continue to be based on the addition of two components: financial performance based on three criteria (revenue, EBIT and free cash flow) and CSR performance (climate and social).

  In 2022, the Board of Directors, on the recommendation of its Nomination and Compensation Committee, decided to increase the weight of CSR criteria in the short-term variable compensation system for the Chief Executive Officer from 10% to 20%.

  Each criterion will be assessed independently, in relation to a target set by the Board.

  To assess the attainment rate of each criterion, the Board of Directors, on the recommendation of the Nomination and Compensation Committee has set performance thresholds, with a target and ceiling. The triggering threshold for financial targets corresponds to the payment of 50% of the target amount; the target corresponds to 100%, and the caps are set as follows:

  - Financial objectives: 80% of the target variable
  - Group sales: 30% of the target variable portion, with a maximum of 150% in the event of outperformance,
  - Group EBIT: 25% of the target variable portion; with a maximum of 140% in the event of outperformance,
  - Group Free Cash Flow: 25% of the target variable portion, with a maximum of 100%;
  - These pre-established and precisely defined targets, as well as the expected level of achievement of the criteria, are not made public for reasons of confidentiality but correspond to the budget approved by the Board and are consistent with market communications;
  - CSR targets: 20%
  - Climate: 15% of the target variable portion with a maximum of 100%.

    This Climate aspect is composed of two objectives, which are part of Maisons du Monde's ambition to reduce CO_2 emissions by 25% in terms of carbon intensity (tCO_2eq/EUR million of revenue) between 2018 and 2025 in for the France scope and for scopes 1, 2 and 3: (Categorisation of greenhouse gas emissions. Scope 1 = direct emissions, Scope 2 = indirect energy emissions and Scope 3 = other indirect emissions).

    - for 10% of the target variable portion, with a maximum 100%:

    Compared to a reference value at the end of 2018 of carbon intensity for scopes 1, 2 and 3 – Group scope in tCO_2eq/EUR million of revenue: improve the reduction in carbon intensity of -16% at the end of 2021 to a reduction in carbon intensity to -18.5% at the end of 2022,

    - for 5% of the target variable portion, with a maximum of 100%:

    Climate roadmap: implement and improve the reliability of a new internal carbon footprint management tool to define a trajectory for reducing CO_2 emissions over the medium- and long-term of Group activities (scope 1, 2 and 3) before the end of 2022.

  - Social: 5% of the target variable portion with a maximum of 100%.

    As part of the Group's policy in favour of young people and equal opportunities, reach 150 work-study or professional training contracts in the Group by 31 December 2022. This objective enables to maintain the trajectory of 300 young people on work-study contracts within the Group by the end of 2025.

- **Medium/long-term incentives:**

  <u>Applicable principles:</u>

  The Chief Executive Officer may be awarded free performance shares in the same way as the other senior executives, executives and high potential employees of the Group.

  These awards make it possible to better recognise, retain and motivate those who have an impact on results and which the Group needs to grow.

  They make it possible to link the interests of the beneficiaries with those of the shareholders and, at the same time, to strengthen the alignment of all around common objectives, in line with the ambitions of Maisons du Monde in the medium and long term, and thus support the Group's profitable growth.

  The allocation of free performance shares must be subject to the following conditions:

  - presence condition:

    Unless otherwise provided for by the legislation in force (such as disability and death of the beneficiary), the allocation of free performance shares will only become definitive after a vesting period set by the Board of Directors.

This may not be less than three years and will be approved subject to the beneficiary being employed by the Company at the end of this vesting period (unless otherwise decided and duly justified by the Board of Directors, which must nevertheless apply at least the “pro rata temporis” rule to the vesting shares and await the evaluation of the share performance to determine the number of shares);

- performance conditions:

  Any allocation of shares will be subject to the achievement of several demanding performance conditions, now measured over three years, on:

– one or more internal indicators including at least one CSR performance condition,

– an additional condition of stock market performance measured by TSR, compared to a panel or index.

The Chief Executive Officer must also retain in registered form a percentage of the shares awarded until she reaches an overall Company shareholding equal to 200% of her annual fixed compensation.

Lastly, the Chief Executive Officer may not use hedging products on Company shares or on any related financial instruments. The annual grant to the Chief Executive Officer must not exceed an amount (valued under IFRS) of 120% of her fixed compensation under the new system.

Vesting of performance shares in 2022

The Board of Directors, at its Meeting of 10 March 2021, on the recommendations of the Nomination and Compensation Committee, reviewed the achievement of the performance conditions for the free performance share plan granted in 2019 to the Chief Executive Officer, the conditions of which related to financial years 2019 and 2020.

Given the impact of the health crisis and despite the Group’s good performance in 2020, the targets of the plan could not be achieved.

Accordingly, none of the free performance shares allocated to the Chief Executive Officer and which should have become available on 9 May 2022 shall vest.

Allocation of free performance shares for the 2022 financial year

Under the authorisation conferred by the Annual General Meeting on 12 June 2020, the Board of Directors decided, on 9 March. On 9 March 2022, the Board of Directors, following a proposal from the Nomination and Compensation Committee, allocated 39,242 free performance shares (or 0.12% of the share capital) to the Chief Executive Officer.

These are existing Company shares or shares to be issued by the Company, corresponding to 0.09% of the share capital and for which the amount valued under IFRS 2 is no more than 120% of her fixed compensation.

The allocation of these shares is concomitant with an allocation made to nearly 200 employees of the Maisons du Monde group, representing a total of 0.63% of the share capital.

The definitive allocation of all shares allocated to Julie WALBAUM is subject to a continuous three-year presence condition until 9 March 2025, as well as to the performance conditions defined below.

The final number of performance shares that will be allocated to her, will be dependent on achievement of performance conditions measured as follows:

- SALES CAGR: Compound annual growth rate for financial years 2022-2024 – Weight of the criterion: 30%;
- EBIT: Average EBIT/revenue over three financial years from 2022-2024 Weighting of the criterion: 30%;
- TSR: Total Shareholder Return, three-year rate of return measured against the CAC Mid 60 index. GR (including dividends) – Weighting of the criterion: 20%;
- CSR:

– climate criterion: proportion of the “Good is beautiful” offering at the end of 2024 (number of Good is beautiful SKUs in the 2024 collections/number of total SKUs in the 2024 Maisons du Monde collections) – Weight of the criterion: 15%;

– social criterion: Equal opportunities. Cumulative number of young people between 18 and 24 years old mentored as part of the program 1 young person, 1 mentor. A young mentored person, means that he/she has completed the course (status completed on the tomorrow.org platform, operated by the “Article 1” association, selected by the government as part of the 1 young person, 1 mentor program) – Weight of criterion: 5%.

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, set the target and threshold levels expected for each of the performance conditions:

- the lower limit of the performance gives the right to 50% of the shares dependent on this condition;
- the performance target (at 100% of the objective) gives the right to 100% of the shares dependent on this condition;
- below this lower limit, no shares are acquired for this performance;
- between the lower limit and the performance target, the shares for this condition are acquired on a proportional and straight-line basis.

With regard to the TSR criterion and in accordance with the commitment made to the shareholders, the performance threshold has been set at the achievement of performance at least equivalent to the selected index. At this performance level, 75% of the shares bearing this performance condition may be vested:

- the target allowing the acquisition of 100% of the shares with a TSR condition is set at 105% of the index;

- in the event of outperformance in relation to this TSR target, it is expected that up to a maximum of 125% of the number of shares linked to this criterion may be vested on a straight-line basis up to 110% of the index.

  In the event that the number of performance shares obtained following the application of the above performance conditions is greater than the number of shares allocated, the number of shares vested may under no circumstances exceed 100% of the shares allocated; lastly, if the number of shares is not a whole number, it shall be rounded down to the nearest unit.

The Chief Executive Officer will be required to retain 40% of the allocated shares as registered shares until the end of her term of office, until she holds a quantity of shares representing two years of fixed compensation.

Given this holding obligation, the availability of the performance shares is not conditional on the purchase of additional Company shares.

Lastly, the Board reaffirmed that the Chief Executive Officer may not use hedging products on the Company's shares as well as all related financial instruments, and noted Julie WALBAUM's commitment not to use such hedging transactions including on the allocated performance shares.

- **Mandatory PER pension plan (Article 83):**

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to include the Chief Executive Officer in the supplementary defined contribution pension plan (Compulsory Company Pension Savings Plan), for Maisons du Monde SA managers whose gross annual compensation exceeds 4 Social Security ceilings. The compulsory contributions financing the pension agreement, fully paid by the company, amount to 8% of the gross annual compensation calculated within the limits of brackets 1 and 2 of the Social Security benefits (i.e. 8 annual social security ceilings).

- **Non-compete commitment:**

The Chief Executive Officer remains subject to a non-compete obligation in the event of the termination of her duties within the Company, under the same conditions as those set during her first term of office.

In exchange for this twelve-month commitment, starting from the termination of her term of office, the Chief Executive Officer would receive, once her term of office has been terminated and for the entire duration of this non-compete clause, a special fixed monthly payment of 50% of her average gross monthly compensation received over the last twelve complete months of her activity.

However, the Board of Directors may waive the application of the non-compete obligation upon the termination of the Chief Executive Officer's term of office. In this case, the special fixed monthly payment would not be made.

The Chief Executive Officer would no longer receive special fixed monthly payments once she exercises her right to retire.

In any event, no compensation will be paid after she reaches the age of sixty-five.

- **Other benefits:**

During her term of office, the Chief Executive Officer will continue to benefit from the various benefits granted under her previous term of office, unchanged, in particular in the areas of personal risk insurance, health expenses, civil liability insurance, unemployment insurance and a company car.

The compensation policy applicable to Julie WALBAUM was published in detail on the Company's website on 14 March 2022, and is, in any event, subject to its approval by the Annual General Meeting to be held on 31 May 2022.

4.2.2.2 Compensation of corporate officers (excluding Chief Executive Officer)

Summary of compensation paid for the 2021 financial year

- **Principles of the compensation for directors:**

The Annual General Meeting of 4 June 2021 approved the following compensation policy for the 2021 financial year:

	Amount allocated
Total amount allocated for the 2021 financial year	EUR 600,000
Chairperson of the Board Lump sum allocated for the financial year	EUR 150,000
Director - Fixed - Variable	 EUR 15,000 EUR 25,000
Audit Committee Chairperson Member - Fixed - Variable	 EUR 20,000 EUR 5,000 EUR 2,500/meeting
Nomination and Compensation Committee and CSR Committee Chairperson Member - Fixed - Variable	 EUR 10,000 EUR 5,000 EUR 2,500/meeting
Strategy Committee Chairperson Member - Fixed - Variable	 EUR 10,000 EUR 5,000 EUR 2,500/meeting

If the total amount due exceeds the allocated budget, then all variable compensation for the Committees and the Board may be adjusted downward in due proportion in order to remain within the budget.

- **Setting of compensation for 2021:**

On the recommendations of the Nomination and Compensation Committee, and taking into account directors' attendance at Board Meetings during the 2021 financial year, at its Meeting of 9 March 2022, the Board set the following compensation to be paid for each eligible director.

The total amount of compensation paid to directors in respect of their terms of office for the past financial year amounted to EUR 466,337. This compensation will be paid to the directors in April 2022, after the Board Meeting of 9 March 2022 that approved the distribution of the sum allocated by the Annual General Meeting the previous year.

The summary table of the amounts paid to each director is provided in Section 4.2.3. – Standardised presentation – Table 3 in this chapter.

Compensation policy for the 2022 financial year

At its Meeting of 9 March 2022, the Board decided to propose to the Annual General Meeting to maintain the total amount of compensation allocated to the directors at EUR 600,000 and to set the following new compensation terms and conditions:

	Amount allocated
Chairperson of the Board	
Lump sum allocated for the financial year	EUR 150,000
Director	
– Fixed	EUR 15,000
– Variable	EUR 25,000
Audit Committee	
• Chairperson	
– Fixed	EUR 20,000
– Variable	EUR 2,500/meeting
• Member	
– Fixed	EUR 5,000
– Variable	EUR 2,500/meeting
Nomination and Compensation Committee and CSR Committee	
• Chairperson	
– Fixed	EUR 10,000
– Variable	EUR 2,500/meeting
• Member	
– Fixed	EUR 5,000
– Variable	EUR 2,500/meeting
Strategy Committee	
• Chairperson	
– Fixed	EUR 10,000
– Variable	EUR 2,500/meeting
• Member	
– Fixed	EUR 5,000
– Variable	EUR 2,500/meeting

If the total amount due exceeds the allocated budget, then all variable compensation for the committees and the Board may be adjusted downward in due proportion in order to remain within the budget.

Accordingly, the compensation policy for directors in 2022 would be identical to that of 2021, with only the following adjustments:

extend the benefit of variable compensation of EUR 2,500 per Committee Meeting to the Chairpersons of the committees;

cap at seven meetings, the number of Audit Committee and Nomination and Compensation Committee Meeting, and at five meetings for the future CSR Committee, for those of their meetings that will give rise to such variable compensation.

Lastly, in order to take into account the creation of the future CSR Committee, align the compensation of its members and its Chairperson with that of the Nomination and Remuneration Committee.

4.2.2.3 Compensation of corporate officers

Related-party agreements

- **agreements entered into over the course of the past financial year**

  The Company's Board of Directors authorised the sponsorship agreement entered into on 27 March 2021 with the Maisons du Monde Foundation endowment fund, pursuant to article L. 225-38 of the French Commercial Code. (Authorisation of the Board of Directors on 27 January 2021 and information published on the Company's website on 3 February 2021 at the address https://corporate.maisonsdumonde.com, governance section.)

- **agreements entered into previously which continued during the 2021 financial year**

  Term of office agreement entered into between the Company and Julie WALBAUM on the terms and conditions of her term of office as Chief Executive Officer (Board of Directors authorisation of 29 June 2018).

  Said agreement expired on 30 June 2021.

  The essential characteristics and modalities, as well as the interest for the Company of these agreements and commitments are mentioned in the special Report of the statutory auditors appearing in point 4.3 of this chapter.

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Current agreements

In accordance with article L. 222-10-12 of the French Commercial Code, the Board of Directors has implemented a procedure to regularly assess whether current agreements concerning current operations signed under normal terms meet these conditions.

As part of this assessment, the Audit Committee notably reviews the qualification and, if applicable, reclassifies the agreements under regulated agreements, in view of the applicable qualification criteria.

At its meeting of 7 March 2022, the Audit Committee carried out the following tasks:

- the identification of agreements classified as current;
- their annual assessment by conducting an annual survey, and the ex-post assessment of these agreements in order to check whether they meet the conditions for their qualification as current agreements.

Following this review, the Audit Committee did not carry out any reclassification under related-party agreements.

No person likely to be directly or indirectly concerned by one of these agreements took part in their assessments.

Agreements signed between an executive or significant shareholder and a subsidiary

As at the date of this Universal Registration Document, there are no agreements signed, directly or through a third party, between a corporate officer or a significant shareholder of the Company and a company controlled by Maisons du Monde within the meaning of Article L. 233-3 of the French Commercial Code.

4.2.3 STANDARDISED PRESENTATION OF THE COMPENSATION OF CORPORATE OFFICERS

Summary table of the compensation, options and shares granted to each executive corporate officer (Table 1 – Appendix 2 of the AMF Guide)

Julie WALBAUM **Chief Executive Officer** *(in EUR)*	2021	2020
Compensation awarded for the year (details of which are given in Table 2)	773,033	732,283
Valuation of multi-year variable compensation awarded during the year	N/A	N/A
Valuation of options granted during the year (details of which are given in Table 4)	N/A	N/A
Valuation of free shares granted (details of which are given in Table 6)	597,395	465,696
Valuation of other long-term compensation plans	N/A	N/A
TOTAL	**1,370,428**	**1,197,979**

Summary table of the compensation of each Executive Director (Table 2 – Appendix 2 of the AMF Guide)

Julie WALBAUM **Chief Executive Officer** *(in EUR)*	2021		2020	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed compensation	500,000	500,000	450,000	481,250
Annual variable compensation	579,000	253,000	253,000	231,000
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation allocated in respect of directorship	N/A	N/A	N/A	N/A
Benefits in kind	20,033	20,033	20,033	20,033
TOTAL	**1,099,333**	**773,033**	**723,033**	**732,283**

Peter CHILD **Chairperson of the Board of Directors** **(01/01/2021 to 30/06/2021)** *(in EUR)*	2021		2020	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed compensation	N/A	N/A	N/A	N/A
Annual variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation allocated in respect of directorship	150,000[(1)]	100,000[(2)]	150,000	114,583
Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	**150,000**	**100,000**	**150,000**	**114,583**

Thierry FALQUE-PIERROTIN **Chairperson of the Board of Directors** **(30/06/2021 to 31/12/2021)** *(in EUR)*	2021		2020	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed compensation	N/A	N/A	N/A	N/A
Annual variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation allocated in respect of directorship	150,000 [(1)]	98,214[(3)]	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	**150,000**	**98,214**	**N/A**	**N/A**

(1) The Chairperson of the Board of Directors is entitled to fixed compensation of EUR 150,000 per year. During the 2021 financial year, two Chairpersons succeeded one another with effect from 30 June 2021, with Thierry FALQUE-PIERROTIN succeeding Peter CHILD. Each of them therefore received EUR 75,000 in respect of the half-year during which they served as Chairperson of the Board of Directors.

(2) Peter CHILD received EUR 75,000 for his chairpersonship of the Board of Directors during the first half of the year and EUR 25,000 as a director during the second half of the year.

(3) Thierry FALQUE-PIERROTIN received EUR 23,214 in respect of his directorship during the first half of the year and EUR 75,000 as Chairperson of the Board of Directors during the second half of the year.

Table of compensation awarded in respect of directorships other compensation received by non-executive corporate officers (Table 3 – Appendix 2 of the AMF Guide)

	2021	2020
Peter CHILD from 30/06/2021 to 31/12/2021		
Compensation (fixed, variable)	25,000	N/A
Other compensation	N/A	N/A
Thierry FALQUE-PIERROTIN from 01/01/2021 to 06/30/2021		
Compensation (fixed, variable) as Director and not as Chairperson	23,214	46,528
Other compensation	N/A	N/A
Cécile CLOAREC		
Compensation (fixed, variable)	28,123	N/A
Other compensation	N/A	N/A
Sophie GUIEYSSE		
Compensation (fixed, variable)	40,000	77,222
Other compensation	N/A	N/A
Laure HAUSEUX		
Compensation (fixed, variable)	57,500	43,764
Other compensation	N/A	N/A
Marie-Christine LEVET		
Compensation (fixed, variable)	62,500	73,333
Other compensation	N/A	N/A
Mustapha OULKHOUIR		
Compensation (fixed, variable)	N/A	N/A
Other compensation	N/A	N/A
Michel-Alain PROCH		
Compensation (fixed, variable)	80,000	76,098
Other compensation	N/A	N/A

Stock options allocated during the financial year to each Executive Director by the issuer or by any Group company (Table 4 – Appendix 2 of the AMF Guide)

No stock options were allocated to the Executive Director during the course of 2021.

Stock options exercised during the financial year by each Executive Director (Table 5 – Appendix 2 of the AMF Guide)

No stock options were exercised during the 2020 financial year.

Free shares allocated to each corporate officer (Table 6 – Appendix 2 of the AMF Guide)

First name Last name	Plan number and date	Number of shares allocated during the financial year	Valuation of shares *	Date of acquisition	Date of availability	Performance conditions
Julie WALBAUM	Plan 7 of 25/03/2021	36,360	EUR 597,395.	25/03/2024	N/A	• 30% of the shares are subject to a Sales CAGR condition: compound annual growth rate between 2020 and 2023 • 40% of the shares are subject to an Ebit condition: average ratio over three financial years EBIT/revenue • 20% of the shares are subject to a TSR condition: rate of return on the share over three years measured against the Midcap 60 GR index • 10% are subject to a CSR condition: share of the responsible offering between 2020 and 2023 (5%) and employee engagement rate between 2020 and 2023 (5%)

* *Depending on the method used for the consolidated financial statements.*

Free shares that have become available during the financial year for each Executive Director (Table 7 – Appendix 2 of the AMF Guide)

No free shares became available during the 2021 financial year.

History of stock option allocations (Table 8 – Appendix 2 of the AMF Guide)

Not applicable.

Stock options granted to the top 10 employees who are not corporate officers and options exercised by them (Table 9 – Appendix 2 of the AMF Guide)

Not applicable.

History of free share allocations (Table 10 – Appendix 2 of the AMF Guide)

	Information on free shares				
	2017 Plan	**2018 Plan**	**2019 Plans**	**2020 Plan**	**2021 Plan**
Date of Annual General Meeting	19/05/2017	19/05/2017	19/05/2017	19/05/2017	12/06/2020
Date of Board of Directors Meeting	19/05/2017	18/05/2018	09/05/2019 24/06/2019	10/03/2020	25/03/2021
Total number of shares allocated	54,350	146,435	265,344	352,940	
of which number allocated to: Julie WALBAUM	N/A	16,000 *	43,125	53,900	209,292
Vesting date of shares	19/12/2019	18/12/2020	09/05/2022 24/06/2022	10/03/2023	25/03/2024
End-date of holding period	N/A	N/A	N/A	N/A	N/A
Performance conditions	20% of the shares are subject to a 2018 revenue condition, 50% are subject to a 2017 + 2018 EBITDA condition and 30% are subject to a 2017 + 2018 EPS condition	20% of the shares are subject to a 2019 revenue condition, 50% are subject to a 2018 + 2019 EBITDA condition 30% are subject to a 2018 + 2019 EPS condition	20% of the shares are subject to a 2020 revenue condition, 50% are subject to a 2019 + 2020 EBITDA condition and 30% are subject to a 2019 + 2020 EPS condition	20% of the shares are subject to a 2021 revenue condition, 50% are subject to a 2020 + 2021 EBITDA condition and 30% are subject to a 2020 + 2021 EPS condition.	30% of the shares are subject to a Sales CAGR condition: compound annual growth rate between 2020 and 2023, 40% of the shares are subject to an Ebit condition: average ratio over three financial years EBIT/revenue, 20% of the shares are subject to a TSR condition: rate of return on the share over three years measured against the Midcap 60 GR index, and 10% are subject to a CSR condition: share of the responsible offering between 2020 and 2023 (5%) and employee engagement rate between 2020 and 2023 (5%)
Number of shares vested	39,259	57,838	Vesting on-going	Vesting on-going	Vesting on-going
Julie WALBAUM	N/A	6,944	Vesting on-going **	Vesting on-going	Vesting on-going
Cumulative number of cancelled or lapsed shares	15,091	42,734	63,255	49,765	9,086
Remaining free shares at the end of the financial year	0	0	202,089	303,175	200,206

* *Allocation made in respect of the Julie WALBAUM's position of Digital, Marketing and Customer Relations Director.*

** *Conditions not met for the Executive Committee.*

Summary of the commitments made to Executive Directors (Table 11 – Appendix 2 of the AMF Guide)

Executive Director	**Employment contract**	**Supplemental pension plan**	**Severance payments and benefits due or likely to become due in the event of termination of office**	**Severance payment in relation to a non-compete clause**
Julie WALBAUM				
Chief Executive Officer	No	No	No	Yes
Term of office Ends on 30/06/2024				

4.2.4 IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE

The Company uses all the recommendations of the AFEP-MEDEF Corporate Governance Code.

4.3 Reports and verifications by the statutory auditors

4.3.1 SPECIFIC VERIFICATIONS BY THE STATUTORY AUDITORS REGARDING CORPORATE GOVERNANCE

In accordance with the provisions of Article L. 225-235 amended by Order 2017-1162, reference is made to the specific verifications performed by the statutory auditors on the Report of the Board of Directors on corporate governance in their Report on the annual financial statements, which is contained in Section 6.4 of this Universal Registration Document.

4.3.2 SPECIAL REPORT BY THE STATUTORY AUDITORS ON RELATED-PARTY AGREEMENTS

Annual General Meeting held to approve the financial statements for the year ended 31 December 2021

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 should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

As Statutory Auditors of your Company, we hereby present our report on related party agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the terms and conditions, the purpose and benefits to the Company of the agreements brought to our attention or which we encountered during our engagement. It is not our role to determine whether they are beneficial or appropriate or to ascertain whether any other agreements exist. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code (Code de commerce), to assess the merit of these agreements with a view to approving them.

In addition, it is our responsibility, where appropriate, to inform you, pursuant to Article R.225-31 of the French Commercial Code, of the agreements approved at the Annual General Meeting in prior financial years.

We conducted the work we deemed necessary in accordance with the professional standards issued by the French national institute of statutory auditors (CNCC) relating to this engagement. Those standards require that we plan and perform our work to verify that the information provided to us is consistent with the documents from which it was derived.

Agreements submitted for approval at the annual general meeting

In accordance with Article L. 225-40 of the French Commercial Code, we hereby inform you that we were informed of the following agreement signed during the financial year following prior authorisation by your Board of Directors.

Agreement authorised and signed during the financial year

CORPORATE SPONSORSHIP AGREEMENT BETWEEN THE COMPANY AND MAISONS DU MONDE FOUNDATION

Authorisation: Board of Directors' meeting on 27 January *2021*

Person concerned: Julie Walbaum, Chief Executive Officer of Maisons du Monde S.A. and Chair of the Maisons du Monde Foundation endowment fund

Nature and purpose: The Maisons du Monde Foundation sponsors forest and tree conservation efforts in France and other countries. It provides funding and support for non-profits setting up grassroots conservation programmes, and raises awareness of environmental issues.

Benefits to the Company: Maisons du Monde Foundation aims to spotlight Maisons du Monde S.A.'s commitment as a sustainable company, and to help fund innovative, active sponsorship.

Financial Terms: Maisons du Monde Foundation will receive an endowment of 0.08% of annual revenue before taxes of the preceding financial year. This is defined as "customer sales", namely revenue from in-store product sales (not including the franchises) and sales on the Maisons du Monde website, both in France and internationally. This agreement went into effect on 27 March 2021 for five years, renewable.

For financial year 2021, the Company recognised a related expense of €945,491.60.

End of the agreement: 27 March 2026

Agreements previously approved at annual general meetings

In accordance with Article R.225-30 of the French Commercial Code, we have been informed of the following agreement which was approved at Annual General Meetings in prior years and continued to apply in the financial year.

Mandate agreement between the Company and Ms Julie Walbaum

Authorisation: Board of Directors' meeting on 29 June 2018

Person concerned: Julie Walbaum, Chief Executive Officer

Nature and purpose: Set the terms and conditions governing Julie Walbaum's term of office as Chief Executive Officer.

Benefits to the Company: Preservation of the Company's legitimate interests.

Financial Terms:

- fixed annual gross compensation of €450,000 payable over a 12-month period;
- a gross annual variable bonus whose target value is 60% of variable compensation, subject to performance conditions;
- benefits in kind of €20,033;
- supplementary health and retirement benefits, civil liability insurance, unemployment insurance guaranteeing indemnities over a 12-month period;
- in exchange for compliance with a non-compete obligation after termination of her term of office, a flat-rate indemnity equal to 50% of average gross monthly compensation paid in the 12 months preceding termination of the term of office.

End of the agreement: 30 June 2021

Rennes and Saint-Herblain, 14 April 2022

The Statutory Auditors

KPMG S.A.	**Deloitte & Associés**
Vincent BROYE	Alexis LEVASSEUR

Notes to financial year 2021

5

5.1 Key highlights

5.1.1 HIGHLIGHTS OF 2021

The highlights can be found in the main press releases issued during financial year 2021:

- on 15 February 2021, the Fondation Maisons du Monde became an endowment fund and changed its name to the Maisons du Monde Foundation;
- on 18 February, the Group announced the planned opening of a new logistics centre in Heudebouville. The opening of this centre is scheduled for 2022;
- on 10 March 2021, the Group announced the strategic review of its US assets. As a result of this review, on 10 November 2021, the stake in the company decreased for 70% to 15%;
- on 31 March 2021, Maisons du Monde announced the appointment of its new Chief Financial Officer, Régis MASSUYEAU;
- on 26 October 2021, the Group announced the launch of an “ESG impact” share buyback programme of EUR 50 million;
- on 5 November 2021, Maisons du Monde unveiled its purpose and created a Brand & CSR Department;
- on 8 November 2021, Maisons du Monde held its Capital Markets Day, during which it announced its medium-term objectives and its new strategic plan.

5.1.2 HIGHLIGHTS SINCE 1 JANUARY 2022

On 15 February 2022, Maisons du Monde launched its Good is Beautiful branding action, intended to embed sustainable development in the Group’s strategy.

5.2 Business overview and consolidated results

SELECTED OPERATING INFORMATION

Data as of 31 December	2021 (1)	2020	2019
Number of stores	**357**	**369**	**376**
France	219	228	233
International	138	141	143
Sales area *(thousand sq.m.)*	**433**	**435**	**432**
France	219	224	224
International	214	211	208
Storage area (1) *(thousand sq.m.)*	**459**	**385**	**444**
Number of employees	**8,651**	**8,577**	**8,628**
France	5,138	5,115	5,020
International	5,513	3,462	3,608

(1) Excluding Modani.

5.2.1 KEY METRICS

KEY FINANCIAL INDICATORS FOR THE FULL YEAR 2021

	Year ended 31 December		
(in EUR millions)	**2021**	**2020[(1)]**	**% change**
Sales [(2)]	**1,306.8**	**1,135.2**	**15.1%**
Of which: Maisons du Monde	1,302.2	1,132.2	15.0%
Rhinov	4.6	3.0	53.33%
Gross margin [(3)]	**868.5**	**755.5**	**15.0%**
As a% of sales	66.5%	66.5%	
EBITDA	**279.2**	**238.3**	**17.2%**
As a% of sales	21.4%	21.0%	
EBIT	**123.8**	**89.3**	**38.6%**
As a% of sales	9.5%	7.9%	
NET PROFIT (LOSS)	**79.1**	**(16.1)**	**N/A**
Dividend per share *(EUR)* [(4)]	0.55	0.30	83.3%
FREE CASH FLOW	**89.2**	**53.0**	**69.4%**
NET DEBT [(6)]	**61.1**	**96.4**	**-36.7%**
Leverage ratio [(5)] *(%)*	0.36x	0.73x	-0.37 x

(1) *Amounts restated following the application of IFRS 5 and the application of the IFRS IC decision on the allocation of employee benefits to periods of service.*

(2) *Defined as sales of goods, marketplace commissions, service revenues and commissions less franchise and promotional sales (EUR 4.5 million in 2021 and EUR 4.3 million in 2010).*

(3) *Defined as sales less cost of sales.*

(4) *Submitted to the Annual General Meeting of 31 May 2022.*

(5) *Defined under the Group Senior Debt Facility as net debt less finance leases, divided by LTM EBITDA as calculated according to IAS 17 and adjusted for share-based payments (including social security contributions) and post-employment benefits – defined benefit plans.*

(6) *Net debt (excluding finance leases)*

Full-year 2021 sales totalled EUR 1,306.8 million, representing a year-on-year increase of 15.1% (+13.4% LFL2), and +10.7% *vs.* 2019. Second half sales reached EUR 672 million (+0.8% yoy, +5.6% *vs.* H2 2019) and Q4 sales amounted to EUR 369.0 million, up 3.3% yoy, + 1.1% *vs.* Q4 2019.

As a reminder, the Group estimates that the total lost sales from Covid-19-related restriction measures in H1 2021 reached EUR 45 million (-EUR 60 million stores, +EUR 15 million online). In 2020, total lost sales from Covid-19-related restriction measures amounted to EUR 160 million (-EUR 190 million stores, +EUR 30 million online), of which EUR 110 million in H1 and EUR 50 million in Q4.

5.2.2 ANALYSIS OF SALES

OVERVIEW OF FULL YEAR 2021 SALES

	Year ended 31 December		
(in EUR millions)	2021	2020[1]	% change
SALES BY PRODUCT CATEGORY			
DECORATION	766.1	648.1	18.2%
As a% of total sales	58.6%	57.1%	
FURNITURE	540.6	487.1	11.0%
As a% of total sales	41.4%	42.9%	
SALES BY DISTRIBUTION CHANNEL			
STORES	871.3	750.3	16.1%
As a% of total sales	66.7%	66.1%	
ONLINE	435.5	384.9	13.1%
As a% of total sales	33.3%	33.9%	
SALES BY GEOGRAPHY			
FRANCE	701.8	627.9	11.8%
As a% of total sales	53.7%	55.3%	
INTERNATIONAL	604.9	507.3	19.2%
As a% of total sales	46.3%	44.7%	
TOTAL SALES	1,306.8	1,135.2	15.1%

(1) *Amounts restated following the application of IFRS 5 and the application of the IFRS IC decision on the allocation of employee benefits to periods of service*

A. Sales by product category

Online sales grew by 18.2% at EUR 766.1 million. Demand was strong on this category and Maisons du Monde performed well thanks to the rigorous yet agile management of sourcing all along the year, which enabled, among others, to secure the Christmas season.

Furniture sales reached 540.7 million, up 11.0%. Collections were strong, as demonstrated by the success of the products in inventory, but the category was penalised in the second half by limited availability and longer delivery times.

Overall, despite heavy freight disruptions and overall pressure on the supply chain, inventory levels at the end of the year improved *vs*. end-2020. However, they remain sub-optimal.

B. Sales by distribution channel

Online sales increased by 13.1% to reach EUR 435.5 million, representing 33% of total sales. This performance is a strong achievement considering 2020 level was an exceptionally high point for online, as part of the store activity shifted to e-commerce during lockdowns. Over 2021, the share of new online customers increased by 30.0%. The ramp up of the marketplace sales continued at a high pace, and total GMV reached EUR 61 million. As of 31 December 2021, more than 760 brands were displayed, offering c. 95,000 SKUs, with a consistently high customer's satisfaction rate, above 4 out of 5.

Store sales increased by 16.1% to EUR 871.3 million. The stores attracted an increasing number of new customers (+26% yoy). The share of omnichannel customers increased by 16% yoy.

In 2021, Maisons du Monde carried out 21 store openings and 16 closures, out of which:

- 3 store openings in France, 6 in Spain and 12 in the rest of Europe;
- 12 store closures in France, 3 in Spain and 1 in Italy.

At the end of December 2021, total store number reached 357, a level comparable to end-2020 (352) and end-2019 (358) with a total surface reaching 433,000 sqm (+3% *vs.* 2020 and +4% *vs.* 2019).

C. Sales by geography

Sales in France reached EUR 701.8 million, up 11.8% *vs.* 2020. Growth was driven by an acceleration of the online activity, supported by the fast development of the marketplace and a higher opening ratio *vs.* 2020 (84% in 2021 *vs.* 76% in 2020).

International sales totalled EUR 604.9 million, up 19.2%, and representing 46% of total sales. Activity was particularly strong in Spain and Italy in 2021, with growth rates close to 25% yoy. Year 2021 saw the opening of the first store in Austria and the ramp up of Portugal, with 2 store openings. At international level, stores were open 85% of the time vs. 78% in 2020, which also contributed to sales growth.

5.2.3 INCOME STATEMENT ANALYSIS

SIMPLIFIED INCOME STATEMENT

	Year ended 31 December	
(in EUR millions)	2021	2020[1]
Sales	**1,306.8**	**1,135.2**
Other revenue from ordinary activities	46.9	42.6
Revenues	**1,353.7**	**1,177.8**
Cost of sales	(438.3)	(379.7)
Employee benefits expenses	(252.1)	(222.6)
External expenses	(381.0)	(334.6)
Depreciation, amortisation and allowance for provisions	(155.4)	(149.0)
Change in fair value – Derivative financial instruments	(8.0)	5.2
Other recurring operating income (expenses)	(3.1)	(2.6)
Current operating profit before operating income and expenses	**115.7**	**94.4**
Other non-recurring operating income and expenses	(2.1)	4.6
Operating profit (loss)	**113.7**	**99.0**
Cost of net debt	(6.5)	(7.9)
Cost of lease debt	(11.5)	(11.7)
Financial income	2.8	2.5
Financial expenses	(4.2)	(5.1)
Financial profit (loss)	**(19.4)**	**(22.2)**
Profit (loss) before income tax	**94.2**	**76.8**
Actual income tax expense	(26.1)	(33.8)
Net profit (loss) from continuing operations	**68.1**	**43.1**
Net profit (loss) from discontinued operations	11.0	(59.2)
NET PROFIT (LOSS)	**79.1**	**(16.1)**

(1) Amounts restated following the application of IFRS 5 and the application of the IFRS IC decision on the allocation of employee benefits to periods of service

A. Revenue

In 2021, the Group's **sales** reached EUR 1,306.8 million, up 15.1% compared to 2020 (see analysis of sales in Section 5.2.2).

The contributions from other revenue reached EUR 46.9 million in 2021 compared to EUR 42.6 million in 2020, mainly due to a higher customer delivery fees.

In view of all these elements, the Group's consolidated **revenue** stood at EUR 1,353.7 million in 2021, increased by EUR 175.9 million, or +14.9%, compared to 2020.

B. Gross margin

Cost of sales increased by EUR 58.5 million, or +15.4%, to EUR 438.3 million in 2021, compared to EUR 379.7 million in 2020. As a percentage of sales, the cost of sales was 33.5% in 2021, stable compared to 2020.

In 2020, Maisons du Monde posted a **gross margin** of EUR 868.5 million, or 66.5% of sales, compared to EUR 755.5 million, or 66.5% of sales, in 2020.

C. Profit (loss) from continuing operations

The **employee benefits expenses** increased by EUR 29.5 million, or +13.3%, to EUR 252.1 million in 2021 (compared to EUR 222.6 million in 2020). This change is largely due to base effects, as the Group had placed its staff on technical unemployment during the two lockdowns related to Covid-19. The average number of full-time equivalent (FTE) employees increased from 7,030 employees at 31 December 2020 to 6,951 at 31 December 2021. As a percentage of sales, employee benefits expenses were 19.3% in 2021, stable in comparison with 2020.

External expenses increased by EUR 46.4 million, or 13.9%, to EUR 381.0 million in 2021 compared to EUR 334.6 million in 2020. The increase in leases and related expenses, transport costs and local taxes, largely due to base effects related to lockdowns and strikes in 2020, was offset by the Group's cost reduction programme, which reduced expenses related to temporary staff, as well as travel and meeting expenses. As a percentage of sales, external charges were 29.2% in 2021, compared to 29.7% in 2020.

Depreciation, amortisation, and allowance for provisions increased by EUR 6.4 million, or 4.3%, to EUR 155.4 million in 2021, compared to EUR 149.0 million in 2020, primarily driven by the depreciation of fixed assets related to new store openings in 2020 and 2021. As a percentage of sales, depreciation, amortisation, and allowance for provisions amounted to 11.9% in 2021, compared to 13.1% in 2020.

The **change in fair value of financial derivatives**, which hedge or enable to hedge the Group's purchases of goods and shipping denominated in US dollars, generated a loss of EUR 8.0 million in 2021, compared with a gain of EUR 5.2 million in 2020.

Other **recurring operating income and expenses** represented a net expense of EUR 3.1 million in 2021, compared to a net expense of EUR 2.6 million in 2020.

As a result, the Group posted **profit from continuing operations** of EUR 115.7 million in 2021 compared to EUR 94.4 million in 2020.

D. Operating profit (loss)

Other non-current operating income and expenses represented a net expense of EUR 2.1 million in 2021, compared to a net income of EUR 4.6 million in 2020.

As a result, the Group posted **operating profit** of EUR 113.7 million in 2021 compared to EUR 99.0 million in 2020.

E. Net financial income (expense)

Net financial income (expense) represented a net expense of EUR 19.4 in 2021, compared to a net expense of EUR 22.2 million in 2020. This included EUR 6.5 million in cost of net debt and EUR 11.5 million related to the cost of lease debt. The cost of net debt decreased by EUR 1.3 million, as the Group repaid its State-guaranteed loan during the year, as well as its long-term credit line.

F. Income tax

In 2021, **income tax** represented an expense of EUR 26.1 million, compared to EUR 33.8 million in 2020. Income tax was down to EUR 26 million, as that of 2020 included a provision related to an international tax risk, while 2021 benefited from a partial reversal of this provision. The effective tax rate is 28%.

G. Net profit (loss)

In 2021, the Group recorded a profit of EUR 79.1 million, compared to a loss of EUR 16.1 million in 2020.

5.3 Liquidity and capital resources

5.3.1 ANALYSIS OF CASH FLOWS

The table below shows the Group's consolidated free cash flows for the financial years ending 31 December 2020 and 2021.

	Year ended 31 December	
(in EUR millions)	**2021[1]**	**2020**
EBITDA	279.2	238.3
Change in working capital	9.8	17.3
Change in other operating items	(37.9)	(40.7)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	**251.1**	**214.9**
Investments	(51.5)	(46.4)
Change in net debt on fixed assets	2.4	(4.6)
Proceeds from sale of non-current assets	1.2	0.8
Reduction of lease debt	(102.1)	(99.0)
Interest on lease debt	(11.3)	(12.6)
FREE CASH FLOW	**89.8**	**53.0**

(1) Amounts excluding flows relating to Modani

Working capital decreased by EUR 8 million due to higher inventory levels and trade payables, slightly offset by lower receivables. Capital expenditure (CapEx) increased by EUR 5 million driven by a greater amount of capex for store development, while the capital expenditure to net sales ratio stood at 3.9%.

Acquisitions of property, plant and equipment and intangible assets

The Group's capital expenditure includes: (i) store development; (ii) store refurbishment; (iii) store maintenance; (iv) guarantees; and (v) other acquisitions of property, plant and equipment and intangible assets.

Capital expenditure for store development principally relates to the opening of new stores. Capital expenditure for refurbishment relates to those renovation expenses undertaken in respect of existing stores. Capital expenditure for maintenance mainly includes asset replacement in existing stores. Deposits and guarantees relate to the Group's lease contracts. Lastly, capital expenditure for other purposes mainly include: (a) capital expenditure relating to the Group's head office (such as office equipment); (b) IT and web capital expenditure related to the Group's business processes and the CRM system for its e-commerce platform, including capitalised development costs and licenses; (c) expenses related to investments in the Group's warehouses and manufacturing facilities; and (d) property, plant and equipment.

For the year ended 31 December 2021, the Group's capital expenditure amounted to EUR 53 million, or 4.1% of sales, of which:

- EUR 27 million in expenses for store network development (including openings and extensions), indicative mainly of the twenty-one gross store openings as well as renovations and store extensions by the Group;
- EUR 5 million in expenses on maintaining and renovating existing stores;
- EUR 8 million in expenses relating to logistics activity;
- EUR 8 million in information systems investments;
- EUR 5 million in other expenses, primarily including expenses related to the Group's head offices.

In 2021, **repayment of lease liabilities** and **interest on lease liabilities** reflect lease payments (fixed portion) made in accordance with IFRS 16.

Free cash flow was EUR 90 million compared to EUR 53 million in 2020. This increase is mainly the result of improved EBITDA.

5.3.2 FINANCIAL RESOURCES

The change in net debt between 31 December 2020 and 31 December 2021 breaks down as follows:

	Year ended 31 December	
(in EUR thousands)	**2021**	**2020**
Convertible bonds (OCEANE)	190,991	186,485
Term Loan	0	49,949
Logistics loan	(186)	(186)
Revolving Credit Facilities	3	(88)
State-guaranteed loan	0	150,290
Other loans [(1)]	30,780	2,109
Lease debt	594,245	620,067
Cash and cash equivalents	**(163,229)**	**(296,735)**
TOTAL NET DEBT (IFRS 16)	**652,604**	**711,891**
Less: Lease liabilities	(594,245)	(620,067)
Plus: lease liabilities	2,720	4,606
TOTAL NET DEBT [(2)]	**61,079**	**96,430**
LTM EBITDA	166,563	125,721
Less: Share-based payment (including social security contributions)	748	2,509
Post-employment benefits – Defined benefit plan	1,656	1,772
AJUSTED LTM EBITDA [(2)]	**168,967**	**130,002**
LEVERAGE RATIO [(2)]	**0.361**	**0.724**

(1) Including other borrowings, deposits and guarantees, and bank overdrafts.

(2) Calculated in accordance with the senior credit facility agreement dated 18 April 2016.

Thanks to its strong liquidity, in 2021 the Group reimbursed the EUR 50 million term loan associated with its Senior Credit Facility as well as the EUR 150 million French state-guaranteed loan.

The Group's gross debt position (excluding finance leases) at 31 December 2021 was EUR 222 million at the end of 2021, *vs.* EUR 389 million at the end of 2020. Taking into account its cash and cash equivalents position of EUR 163 million, Maisons du Monde's net debt position at 31 December 2021 was EUR 61 million (leverage of 0.36x, down from 0.73x at 31 December 2020).

5.4 Outlook

Operational and commercial priorities

For 2022, the Group aims at reinforcing its brand positioning and continuing to improve customer experience across the board. Home office and Outdoor categories have been enriched to meet increasing customer demand. New capsule collections will be launched, and the share of our sustainable offering will keep increasing, under the “Good is Beautiful” label which was launched in February.

The replenishment of inventories in a still complex raw material and freight environment remains a top priority, together with the opening the Northern France distribution centre. The Group is also working to increase its product traceability ratio as well as further enhance supplier governance.

The marketplace will reach all French stores and will be deployed in one new country over the course of the year. Maintaining its focus on its international development agenda, the Group will open 5 to 10 new stores outside France, and keep on rationalising its French store network, by closing 0 to 5 stores while maintaining commercial area at a stable level.

2022 guidance

In an environment that remains complex and volatile, 2022 has begun with continued pressure on the supply chain, as well as soft consumption partly due to the global inflationary context. As expected, the Group sees a slow start to the year, while the second half of the year will benefit from a progressive inventory replenishment to support top line growth acceleration. More recently, material geopolitical uncertainties have arisen, with yet to be determined impact on demand and supply, hindering visibility for the next few months. In this context, the Group’s full-year 2022 objectives are:

- positive top line growth, to be fine-tuned as visibility improves;
- an EBIT margin around 9% ;
- FCF of EUR 65 million to 75 million;
- reduction of the Group’s carbon intensity: CO_2 neutrality for scopes 1 and 2;
- dividend pay-out ratio of 30% to 40%.

The Group also confirms its 2025 objectives unveiled last November:

- revenues of between EUR 1.8 and EUR 1.9 billion;
- an EBIT margin of around 11%;
- cumulative free cash flow of more than EUR 350 million during the 2022-2025 period;
- increase of the Group’s sustainable offer of products to reach 40% of Maisons du Monde products included in our "Good is Beautiful" selection by 2025 (20% of sustainable products in 2020).

Financial Statements

6

6.1 Consolidated financial statements for the year ended 31 December 2021

6.1.1 CONSOLIDATED INCOME STATEMENT

(in EUR thousands)	Notes	31 December 2021	31 December 2020 (1)
Retail sales and commissions related to ordinary activities		1,311,253	1,139,478
Other revenue from ordinary activities		42,410	38,311
Revenue	**6**	**1,353,663**	**1,177,789**
Cost of sales		(438,255)	(379,737)
Personnel expenses	7	(252,057)	(222,562)
External expenses	8	(381,032)	(334,589)
Depreciation, amortization and allowance for provisions		(155,435)	(149,020)
Fair value – derivative financial instruments	22	(8,026)	5,186
Other income from operations	9	1,830	3,974
Other expenses from operations	9	(4,944)	(6,618)
Current operating profit before other operating income and expenses		**115,744**	**94,423**
Other operating income and expenses	10	(2,087)	4,579
Operating profit (loss)		**113,657**	**99,002**
Cost of net debt		(6,519)	(7,857)
Cost of lease debt		(11,481)	(11,727)
Finance income		2,772	2,469
Finance expenses		(4,203)	(5,063)
Financial profit (loss)	**11**	**(19,431)**	**(22,178)**
Profit (loss) before income tax		**94,226**	**76,824**
Income tax expense	12	(26,127)	(33,753)
Net income from continuing operations		**68,099**	**43,071**
Net income from discontinued activities	13	10,956	(59,192)
PROFIT (LOSS)		**79,055**	**(16,121)**
Attributable to:			
• owners of the Parent		77,368	1,480
• non-controlling interests		1,687	(17,601)
Profit (loss) from continuing operations attributable to:		**68,099**	**43,071**
• owners of the Parent		68,147	43,330
• non-controlling interests		(48)	(259)
Profit (loss) from discontinuing operations attributable to:		**10,956**	**(59,192)**
• owners of the Parent		9,221	(41,850)
• non-controlling interests		1,735	(17,342)
Earnings per share attributable to the owners of the parent:			
Basic earnings per share	14	1.72	0.03
Diluted earnings per share	14	1.62	0.09

(1) Amounts restated according to the application of IFRS 5 and the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see notes 4 and 13).

The accompanying notes are an integral part of the consolidated financial statements.

6.1.2 CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in EUR thousands)	Notes	31 December 2021	31 December 2020 (1)
PROFIT (LOSS) FOR THE PERIOD		**79,055**	**(16,121)**
• remeasurements of post employment benefit obligations		62	(646)
• income tax related to items that will not be reclassified		(110)	142
Total items that will not be reclassified to profit or loss		**(48)**	**(504)**
• cash-flow hedge	22	59,930	(57,540)
• currency translation differences		1,919	(1,480)
• income tax related to items that will be reclassified		(18,686)	18,702
Items that will be reclassified subsequently to profit or loss		**43,163**	**(40,318)**
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		**43,115**	**(40,822)**
TOTAL COMPREHENSIVE INCOME (LOSS)		**122,170**	**(56,943)**
Attributable to:			
• owners of the Parent		119,775	(38,086)
• non-controlling interests		2,395	(18,857)
Total comprehensive income (loss) from continuing operations attributable to:		**110,498**	**2,848**
• owners of the Parent		110,546	3,110
• non-controlling interests		(48)	(262)
Total comprehensive income (loss) from discontinuing operations attributable to:		**11,672**	**(59,791)**
• owners of the Parent		9,229	(41,196)
• non-controlling interests		2,443	(18,595)

(1) Amounts restated according to the application of IFRS 5 and the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see notes 4 and 13).

The accompanying notes are an integral part of the consolidated financial statements.

6.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in EUR thousands)	Notes	31 December 2021	31 December 2020 (1)
Goodwill	15	327,027	327,027
Other intangible assets	16	232,677	243,128
Property, plant and equipment	17	164,929	162,122
Rights of use	18	601,251	628,599
Other non-current financial assets	19	17,032	15,822
Deferred income tax assets	20	8,587	6,311
Derivative financial instruments	22	3,378	-
Non-current assets		**1,354,881**	**1,383,007**
Inventories	21	193,752	171,526
Trade receivables and other current receivables	21	105,647	107,338
Current income tax assets		13,009	9,883
Derivative financial instruments	22	13,125	-
Cash and cash equivalents		163,229	296,735
CURRENT ASSETS		**488,762**	**585,482**
TOTAL ASSETS		**1,843,643**	**1,968,489**

(1) Amounts restated according to the application of the IFRS IC decision on the attribution of employee benefits to periods of service as well as the reclassification of the non-controlling interest put option of Modani and Rhinov (see note 4).

Equity and Liabilities

(in EUR thousands)	Notes	31 December 2021	31 December 2020 (1)
Share capital		146,584	146,584
Share premiums		134,283	134,283
Consolidated Reserves		292,890	310,053
Profit (loss) for the period		77,368	1,480
Equity attributable to owners of the Company		**651,125**	**592,400**
Non-controlling interests		1,241	2,315
TOTAL EQUITY		**652,366**	**594,715**
Borrowings	24	976	1,634
Convertible bond	24	191,355	186,832
Medium and long term lease liability	18	483,643	508,128
Deferred income tax liabilities	20	52,310	41,738
Post-employment benefits	25	12,450	11,406
Provisions	26	9,491	7,459
Derivative financial instruments	22	236	17,005
Other non-current liabilities	21.4	4,177	6,466
Non-current liabilities		**754,638**	**780,668**
Current portion of borrowings and convertible bond	24	29,257	200,093
Short term lease liability	18	110,602	111,939
Trade payables and other current payables	21	290,183	255,343
Provisions	26	5,679	4,504
Corporate income tax liabilities		918	2,595
Derivative financial instruments	22	-	18,632
CURRENT LIABILITIES		**436,639**	**593,106**
TOTAL LIABILITIES		**1,191,277**	**1,373,774**
TOTAL EQUITY AND LIABILITIES		**1,843,643**	**1,968,489**

(1) Amounts restated according to the application of the IFRS IC decision on the attribution of employee benefits to periods of service as well as the reclassification of the non-controlling interest put option of Modani and Rhinov (see note 4).

The accompanying notes are an integral part of the consolidated financial statements.

6.1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(in EUR thousands)	Notes	31 December 2021	31 December 2020
Profit (loss) before income tax		**105,191**	**17,440**
Adjustments for:			
• depreciation, amortization and allowance for provisions		157,685	201,369
• net (gain) loss on disposals		(3,045)	3,452
• change in fair value – derivative financial instruments	22	8,026	(5,186)
• share-based payments		284	2,156
• other		-	(15)
• cost of net debt		6,531	7,853
• cost of Lease debt		12,211	12,833
Cash flow before cost of net financial debt and taxes		**286,883**	**239,902**
Change in operating working capital (1)	21	10,039	21,855
Income tax paid (1)		(38,193)	(40,502)
Net cash flow from/(used in) operating activities		**258,729**	**221,255**
Of which operating flow related to discontinued operations		*7,618*	*6,364*
Acquisitions of non-current assets:			
• property, plant and equipment	17	(42,402)	(34,864)
• intangible assets	16	(9,841)	(12,312)
• financial assets		(1,999)	-
• other non-current assets		(355)	(290)
Disposal of consolidated companies net of cash disposed of	13	12,228	-
Change in debts on fixed assets		2,439	(4,613)
Sale of non-current assets		1,184	807
Net cash flow from/(used in) investing activities		**(38,747)**	**(51,272)**
Of which investment flow related to discontinued operations		*11,149*	*(1,080)*
Proceeds from borrowings	24	75	300,595
Borrowings	24	(200,490)	(150,166)
Decrease in lease debt	18	(105,044)	(103,299)
Acquisitions (net) of treasury shares		(20,352)	507
Dividends paid		(13,508)	-
Interest paid	24	(2,158)	(2,870)
Lease interest paid		(12,007)	(12,635)
Net cash flow from/(used in) financing activities		**(353,484)**	**32,132**
Of which financing flow related to discontinued operations		*(3,684)*	*(3,964)*
Exchange gains/(losses) on cash and cash equivalents		(26)	133
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(133,528)**	**202,248**
Cash and cash equivalents at beginning of period		296,726	94,478
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**163,199**	**296,726**

(in EUR thousands)	31 December 2021	31 December 2020
Cash and cash equivalents (excluding bank overdrafts)	163,229	296,735
Bank overdrafts	(30)	(9)
CASH AND CASH EQUIVALENTS	**163,199**	**296,726**

(1) In 2020, reclassification of EUR 4.9 million from working capital to income tax paid.

The accompanying notes are an integral part of the consolidated financial statements.

6.1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the parent						
(in EUR thousands)	Notes	Share capital	Share premium	Consolidated Reserves	Currency translation reserves	Total	Non-controlling interest	Total equity
Balance as of 1 January 2020		**146,584**	**134,283**	**351,188**	**1,077**	**633,132**	**(679)**	**632,453**
Reclassification of non-controlling interest put (1)		-	-	(20,063)	(1,788)	(21,851)	21,851	-
Impact of application of IFRS IC decision (IAS 19) (2)		-	-	973	-	973	-	973
Corrected balance as of 1 January 2020		**146,584**	**134,283**	**332,098**	**(711)**	**612,254**	**21,172**	**633,426**
Non-controlling interest put option		-	-	15,592	-	15,592	-	15,592
Share-based payments	7.2	-	-	1,224	-	1,224	-	1,224
Treasury shares		-	-	1,372	-	1,372	-	1,372
Profit (loss) for the period		-	-	1,480	-	1,480	(17,601)	(16,121)
Other comprehensive income for the period		-	-	(39,340)	(226)	(39,566)	(1,256)	(40,822)
Other changes		-	-	44	-	44	-	44
BALANCE AS OF 31 DECEMBER 2020		**146,584**	**134,283**	**312,470**	**(937)**	**592,400**	**2,315**	**594,715**
Non-controlling interest put option		-	-	1,883	-	1,883	-	1,883
Dividends cash-settled		-	-	(13,508)	-	(13,508)	-	(13,508)
Share-based payments	7.2	-	-	284	-	284	-	284
Treasury shares		-	-	(49,776)	-	(49,776)	-	(49,776)
Profit (loss) for the period		-	-	77,368	-	77,368	1,687	79,055
Other comprehensive income for the period		-	-	41,196	1,211	42,407	708	43,115
Other changes		-	-	67	-	67	(3,469)	(3,402)
BALANCE AS OF 31 DECEMBER 2021		**146,584**	**134,283**	**369,984**	**274**	**651,125**	**1,241**	**652,366**

(1) Reclassification of non-controlling interest put option of Modani and Savane Vision ("Rhinov") (see note 4).

(2) Amounts restated according to the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see note 4).

The accompanying notes are an integral part of the consolidated financial statements.

Maisons du Monde S.A. is a limited liability company with a Board of Directors, governed by the laws of France. Its registered office is at Le Portereau – 44,120, Vertou. Maisons du Monde's shares are listed on Euronext Paris. The company's LEI (Legal Entity Identifier) code is 9695009DV2698O4ZBU71. During the period, there were no changes concerning the identification of the holding company of the Consolidated Group.

The following consolidated financial statements, prepared in accordance with IFRS as adopted by the European Union, cover Maisons du Monde S.A. and its subsidiaries and equity interests in affiliated companies (hereafter referred collectively as "the Group" and individually as a "subsidiary" or "joint-venture").

The Group is a fast-growing omnichannel retailer of stylish, affordable furnishings and homeware products through its network of stores and its e-commerce platform. Its product range includes a wide variety of styles and categories of furnishings, both in terms of small decorative items, with products including household textiles, tableware and kitchenware, mirrors and picture frames, and large decorative products and furniture, such as large mirrors and lamps, tables, chairs, armchairs and sofas, cupboards, bookshelves and outdoor furniture.

The consolidated financial statements for the year ended 31 December 2021 were approved by the Board of Directors on 9 March 2022 and will be submitted to the annual Shareholders' Meeting for approval on 31 May 2022. All amounts are expressed in thousands of euros unless otherwise stated.

6.1.6 NOTES TO THE CONSOLIDATED FINANCIAL

Contents

Note 1 Significant events

1.1 State Guaranteed Loan (SGP)

In order to secure its cash flow in the context of the Covid-19 crisis, in June 2020 the Group took out a state-guaranteed loan of EUR 150 million. At the beginning of June 2021, the Group proceeded with the repayment of this loan and the payment of the guarantee premium of EUR 0.8 million.

1.2 Long-term credit

In May, the Group repaid its long-term loan for EUR 50.0 million.

1.3 Impacts of the coronavirus pandemic

During fiscal year 2021, government measures to counter the Covid-19 pandemic continued to impact the Group. Several stores had to close temporarily during the year. In the first half of the year, the European network was open 69% on average (compared with 66% in the first half of 2020). In the second half of the year, the opening rate reached 100% (compared with 87% in the second half of 2020).

EUR 5.2 million was paid by the various governments in respect of short time working, which was received directly in cash at 31 December 2021 (see note 7).

Rental savings recorded in the accounts as a result of the receipt of amendments or credit notes from lessors in connection with store closure periods amounted to EUR 3.9 million (see note 8).

In addition, the effects of the pandemic continued to impact the Group's supply chain:

- asian suppliers suffered several shutdowns during the period, limiting production volumes;
- shipping capacity has been severely limited since the second half of 2020, creating bottlenecks and significant rate increases in fiscal 2021;
- in this context of restricted production and freight logistics issues, inventory levels remain at sub-optimal levels.

1.4 Disengagement from Modani

On 26 October 2021, Maisons du Monde entered into an agreement with a consortium of investors led by Optimal Investment Group – a US investment fund specializing in mid-sized acquisitions – to reduce its stake in, Modani, by 70% and to take over 15% of the new entity. This transaction took place on 10 November 2021. The consortium acquired a 46% stake in Modani Parent Inc (holding company created for Modani's takeover). The balance is held by the historical minority shareholders. This transaction allows the Group to fully refocus on Europe, where its market knowledge and unique omnichannel model offer better opportunities to create value for Maisons du Monde stakeholders. The impact of this transaction is presented in note 13.

1.5 Share buyback programme "ESG Impact" of EUR 50 million

On 26 October 2021, Maisons du Monde launched a EUR 50 million "ESG Impact" share buyback program under the authorization given by the Annual General Meeting of Shareholders on 4 June 2021. This program is part of the Group's capital allocation policy, which aims to finance profitable growth and create sustainable value for all stakeholders. The Group has announced its intention to buy back shares at market price over a period from 27 October 2021, to 27 May 2022. The ESG component is based on the outperformance related to the share buyback program during its execution period, which will be allocated to the "Maisons du Monde Foundation" endowment fund in favor of trees and forests and to another association dedicated to promoting diversity and inclusion in the workplace.

The shares acquired under this buyback program are intended to:

- be cancelled to reduce the number of Maisons du Monde shares; and
- meet Maisons du Monde's obligations under the employee share ownership programs.

Note 2 Accounting policies and consolidation rules

2.1 Basis of preparation

The 2021 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The standards adopted by the European Union are available on the European Commission's website: http://www.efrag.org/Endorsement.

On the reporting date, there is no difference between the framework used and the standards adopted by the IASB, which are mandatory for the financial year presented.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value or at amortized cost as discussed in the accounting policies below. The main accounting principles applied are unchanged from the prior year, except for the adoption of the standards described in the note 2.2, applicable since 1 January 2021 including those related to the interpretation of IFRS IC on the allocation of employee benefits to periods of service (IAS 19).

Financial data is presented in €thousands. Amounts are rounded to the nearest thousands unless otherwise stated. The amounts stated in the consolidated financial statements and notes to the consolidated financial statements are rounded to the nearest unit. As a result, there may be immaterial differences between the sum of the rounded amounts and the total reported.

2.2 New standards, amendments and interpretations

a) New standards, amendments to existing standards and interpretations whose application is mandatory as of 1st January 2021

Adopted by the European Union:

- Amendments to IFRS 16 Leases – Covid-19 related rent concessions beyond 30 June 2021;

  This amendment admits the following provisions:

  - grant the lessee an optional exemption to assess whether a lease concession related to the Covid-19 outbreak is an amendment to the lease agreement,
  - require lessees applying the exemption to consider Covid-19 related rent concessions as if they were not amendments to the lease agreement,
  - recognize the impact of the rent reduction on the result for the period.

This exemption applies to rent relief related to Covid-19 that meets the following conditions:

  - the modification gives rise to a revision of the consideration of the contract, which is substantially the same, or lower, than the consideration immediately before the modification,
  - the rents must be initially due no later than 30 June 2022,
  - there must be no substantial change in the other terms and conditions of the contract;

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest rate benchmark reform – Phase 2;
- Amendments to IFRS 4 – Insurance contracts – deferral of IFRS 19.

These texts had no impact on the Group's consolidated financial statements.

Other texts of mandatory application on 31 December 2021:

- IFRS IC interpretation on the allocation of employee benefits to periods of service (IAS 19).

  On 20 April 2021, the IFRS IC issued an agenda decision on the allocation of employee benefits to periods of service under IAS 19. The vesting period is no longer to be spread over the beneficiary's entire career in the plan, but over the period necessary to obtain the capped rights and before retirement age. The impact of this change of method is presented in note 4;
- IFRS IC interpretation on configuration and adaptation costs for software used in SaaS mode (IAS 38).

b) New standards, amendments to existing standards and interpretations applicable in future years, not early applied by the Group

Adopted by the European Union:

- Amendments to IFRS 3 Business – Combinations, IAS 16 – Property, Plant and Equipment, IAS 37 – Provisions, contingent liabilities, and contingent assets; and annual improvements 2018-2020;
- IFRS 17 – Insurance contracts.

Not yet adopted by the European Union:

- Amendments to IAS 1 – Presentation of financial statements – Classification of liabilities as current or non-current and classification of liabilities as current or non-current;
- Amendments to IAS 1 – Presentation of financial statements and IFRS practice statement: Disclosure of accounting policies;
- Amendments to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates;
- Amendments to IAS 12 Income taxes – Deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to IFRS 17 Insurance contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information.

2.3 Consolidation method

a) Business combination

Business combinations are recognised according to the acquisition method. Identifiable assets acquired and assumed liabilities are measured at fair value on the date control was obtained.

On the acquisition date, goodwill is measured as the difference between:

- the fair value of the consideration transferred, plus the amount of any non-controlling interest, and where relevant, the acquisition-date fair value of the acquirer's previously held equity interest; and
- the fair value of the identifiable assets acquired, and the liabilities assumed.

Non-controlling interests are measured either at fair value, or at the non-controlling interest's proportionate share of net assets of the entity acquired. This option is available on a case-by-case basis for each acquisition.

Negative goodwill is immediately recognised in profit or (loss).

Acquisition expenses are immediately recognised in expenses as they are incurred unless they relate to equity instruments.

b) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when its relationship with the entity exposes it to or gives it rights to variable returns and it could affect those returns through its power it exercises over the entity. Power over the investor is assessed based on the actual rights that give it the ability to direct the relevant activities (the activities that significantly affect the investor's returns). Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All intercompany transactions, balances and realised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, subsidiaries' accounting methods have been adjusted to conform with the Group's accounting policies.

2.4 Foreign currency translation method

a) 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 entity operates ("the functional currency"). The consolidated financial statements are presented in Euros, which is the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the 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 and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges, *via*:

- the operating profit for the transactions related to operational activities;
- the financial profit for the transactions related to financing activities.

c) Group companies

The results and financial position of all the Group's companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities, including goodwill and fair value adjustments, for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement and statement of comprehensive income are translated at weighted-average annual exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

2.5 Revenue

Revenues from sales of goods and services are assessed based on the counterpart that is planned to be transferred to the client in the contract and does not include amounts collected for third parties.

The Group mainly generates its revenues from the sale of furniture and decorative items in stores or on its website. It also delivers transport services for goods delivery to clients as well as for supply chain services for third parties. It also derives its income through services and commissions related to its marketplace.

a) Sales of goods in stores or on Website

The Group recognizes revenue when the control of goods is transferred to the client. This is supposed to arise at the very moment of the delivery when the client accepts and takes physical possession of the asset. Then, he bears the risks and benefits from the advantages related to its property.

The amount recognized as revenue is based on the transaction's price that is fixed in the contract and corresponds to the amount the Group expects to receive in accordance with the contractual agreement. As a Group's specificity, the price does not include any variable amount which would require the use of estimates.

A receivable is recognized as soon as the Group is discharged from its liabilities, at the date of the goods delivery.

Either in store or on the website, customers pay the full amount when they order. The Group has also concluded partnerships with companies specialized in consumer lending to provide payment facilities to clients. Contracts concluded with clients do not include financing component as the selling price does not change either the purchase is done through a consumer credit or not.

A return policy is attached to online sales. When appropriate, the Group recognizes a liability that represents future refunds and an asset that should be equal to the goods it expects to recover. Traditionally, the Group has a low return rate.

Guarantees given to buyers over the goods sold do not represent a distinct performance obligation, meaning that customers could not benefit from additional services that could be sold on a standalone basis. Guarantees solely ensure products compliance and are recognized in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets when applicable.

As the Group does not have contracts that exceed one year, it decided to apply simplified measures by not disclosing information on performance obligations that would not be completed yet at closing.

b) Sales of transportation services

The Group recognized revenue when it has fulfilled its obligations towards the client. That is supposed to happen at the delivery time, when the customer accepts and takes physical possession of the asset.

c) Sales of decoration services

The Group recognizes income when it has fulfilled its performance obligation to the client, which is deemed to occur at the precise moment of delivery of the project to the client.

d) Marketplace sales

The Group acts as an agent. The recognized revenues correspond to the services and commissions invoiced to suppliers on the sales made.

2.6 Share-based payments

The Group's share-based payment policy consists of implementing regular performance shares grant plans and occasionally stock options in favor of members of Senior Management and other senior and middle managers. The plans in progress on 31 December 2020 are settled in shares for performance shares and in cash for stock options.

The cost of performance share plans (settled in shares) is recognized as personnel expenses over the vesting period, with a corresponding increase in equity.

The cost of stock options plan (settled in cash) is recognized in personnel expenses over the vesting period, with a corresponding increase of social debt.

Performance shares valuation

In accordance with IFRS 2, the performance shares plan cost is determined by reference to the fair value of the shares at the grant date, corresponding to the share price at the same date less the estimated present value of dividends not received during the vesting period.

The estimated probability of market performance conditions being met reduces the performance shares' fair value on the grant date.

Non-market performance conditions (such as condition of continued presence within the Group, or internal performance objectives) are not considered for the purpose of measuring grant-date fair value but adjust the final cost of the plan, depending on the actual number of equity instruments that vest.

The dilution effect of non-vested performance share allocations plans in progress is reflected in the calculation of diluted earnings per share.

Performance shares are measured at fair value, considering a discount to reflect their non-transferability. The cost of non-transferability is measured as the cost of a two-step strategy consisting in the forward sale of shares being non-transferable for one year and the purchase on the spot market of the same number of shares funded by an amortizable loan with an *in fine* capital repayment.

Valuation is based on the following main underlying assumptions:

- dividend growth rate, based on the forecast average annual growth rate;
- employee departure rate which is estimated for each position in the Group and based on the historical employee departure rate of the corresponding occupational category. This departure rate is used to estimate the shares that will not be allocated due to the departure of beneficiaries;
- the achievement of performance conditions.

Stock options valuation

In accordance with IFRS 2, the stock option plans cost is determined by reference to stock options fair value at the grant date, corresponding to the option price at the same date less the exercise price. As stock-option plan is related to subsidiary's unlisted securities, the valuation was carried out by using the profit multiplier method.

2.7 Other operating income and expenses

Other operating income and expenses mainly includes reorganization costs (store closure without relocation), restructuring costs, acquisition-related and impairment losses. This income statement item includes cash as well as non-cash items.

Other operating income and expenses relates to other unusual, infrequent or non-recurring items. Such items are those that in management's opinion need to be disclosed in the financial statements by virtue of their size, nature or incidence. The accounting classification is consistent with the way that financial performance is measured by management and reported to the Board of Directors and assists in providing a meaningful analysis of the trading results of the Group.

2.8 Financial income and expenses

Interest income and expense are recognised according to the time elapsed, considering the actual return from the asset, which is the interest rate required to discount the future cash flows expected over the life of the asset to make it equal to the asset's initial value.

2.9 Dividends

Dividend income from equity interests is recognised when the shareholder's right to receive payment is established.

Dividends paid to the shareholders of the Company are recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the shareholders of the Company.

2.10 Earnings per share

a) Basic earnings per share

Basic earnings per share are calculated by dividing:

- the net profit for the period attributable to the Group;
- by the weighted average number of ordinary shares outstanding during the period, less the weighted average number of treasury shares held by the Group.

b) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding used in the determination of basic earnings per share to consider dilutive instruments.

The dilutive effect may result from the subscription of options granted to the employees, stock purchase warrant or bonds conversion according to the prevailing condition at the closing date.

Diluted earnings per share consider:

- performance shares allocated to employees;
- the impact of all potentially dilutive ordinary shares, particularly those resulting from convertible bonds.

The number of shares retained is the one that would have been allocated if the performance criteria were evaluated at the end of the closing period or may be created if all bonds issued were converted.

2.11 Intangible assets

a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint-ventures and represents the difference between the consideration transferred, the amount of any non-controlling interest in the acquired entity, as well as the acquisition-date fair value of any previous equity interest in the acquired entity, and the fair value of the identifiable net assets acquired. When the difference is negative, this amount is recognised in profit or loss during the year of acquisition.

Where settlement is deferred, the amounts payable in the future are discounted to their present value as at the date of settlement. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financial establishment under comparable terms and conditions.

A potential price adjustment is estimated at its fair value on the acquisition date, and this initial value may not be adjusted subsequently as an offset to goodwill except in the case of new information obtained about facts and circumstances that were in existence at the acquisition date, and insofar as the measurement was presented as provisional (the measurement period is 12 months). Any subsequent adjustments that do not meet these criteria are recognised in debt or receivables, with an offsetting entry in income.

If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Goodwill is included in intangible assets and is not amortised but tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill allocated to the entity sold.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or group of cash-generating units, that is expected to benefit from the synergies of the business combination. Each CGU or group of CGUs to which the goodwill is allocated represents the smallest level within the entity at which the goodwill is monitored at Group level. Goodwill is monitored at the geographical level: France and International.

The carrying value of goodwill is compared to the recoverable amount of the CGU or group of CGU to which the goodwill is allocated, which is the higher of value in use and the fair value fewer costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Any impairment is recognised immediately as an expense and is not subsequently reversed. Impairment is allocated first to the carrying amount of any goodwill allocated to the CGU, and then to the carrying amounts of the other assets on the CGU on a pro rata basis.

b) Brands

A brand has an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The valuation of brands has been determined with the assistance of valuation specialists, considering various factors, including brand awareness. The “royalties” method was used to estimate the fair value of brands. This approach consists in determining the brand’s value based on future revenues from royalties received if the brand is exploited under the form of a license by a third party. These brands, which are legally protected, are not amortised but are individually tested for impairment annually or more frequently if signs of impairment exist at Group level. Advertising and promotional campaigns contribute to maintain the positioning of brands.

c) Trademarks and licenses

Acquired trademarks and licences are recorded at acquisition cost.

Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are subsequently carried at acquisition cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their useful lives, estimated at one to four years.

d) Internally generated software development costs

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software development so that it will be available for use;
- management intends to complete the software development and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated that the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

When these criteria are met, internal software development costs are capitalised during the application development stage. The costs capitalised correspond to direct external costs and employee costs related to the time spent on the project during the capitalisation period. Capitalised software is evaluated for impairment annually or when changing circumstances indicate that amounts capitalised may be impaired. Amortisation is calculated from the point at which the asset is put into use, using the straight-line method to allocate the cost of software over their estimated useful lives of three years.

2.12 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses. Acquisition cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the income statement during the period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives and is recognised in profit and loss. The estimated useful lives of PPE for the period are as follows:

- constructions: 20 to 25 years;
- fixtures and fittings to buildings: 7 to 15 years;
- general installations: 7 to 10 years;
- equipment and machinery: 3 to 15 years;
- transportation equipment: 4 to 5 years;
- office and computer equipment: 3 to 5 years;
- furniture: 5 to 10 years.

The assets’ residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.13 Lease contracts

Leases contracts under which a significant part of the risks and rewards of ownership are not transferred to the Group as a tenant are classified as operating leases. Payments made for operating leases (net of all deductibles granted by the lessor) are recognized in profit or loss using the linear method over the duration of the rental. The Group rents real estate mainly Group stores and warehouses, and these contracts are generally considered to be operating leases.

Lease contracts are recorded on the balance sheet at the beginning of the contract for the present value of future payments. This translates into the finding:

- a non-current asset "Rights of Use relating to leases" and;
- a lease debt under the obligation to pay.

Right to use

On the date of the possession of a lease, the assessed right of use includes the initial amount of debt to which; the initial direct costs, the estimated costs of refurbishment of the asset, the "Pas de porte", the rights to the lease are added if applicable, advance payments made to the renter and net if any of the benefits received from the lessor.

The right to use is depreciated over the duration of the contract which generally corresponds to the firm term of the contract, considering the optional periods that are reasonably certain to be exercised. Operating allowances for operating rights are recorded in current operating income.

The right of use recoverability is tested as soon as events or changes in the market environment indicate a risk of loss of value of the asset. The provisions for implementing the impairment test are identical to those relating to tangible and intangible assets as described in notes 2.12 and 2.13.

"Droits au bail commercial" and "Pas-de-porte"

In France, the holder of the lease has the right to renew the lease most of the time indefinitely. If the lessor wishes to terminate a commercial lease in France, the tenant has the right to receive an eviction allowance equal to the value of the lease rights on the cancellation date. As a result, lease rights have an indefinite lifespan, as there is no foreseeable end to the period during which lease rights are expected to generate net incoming cash flows. As a result, the principal lease rights (paid to the former tenant) are not depreciated, but they are subject to a depreciation test each year and whenever events or circumstances indicate that their recoverable amounts may be below their book value.

Following the IFRS 16 application, the "Droit au bail" is included in the right of use.

In some cases, another legal term is used for lease rights. This is "Pas-de-porte", the amount paid by the tenant to the landlord. Previously classified as "Prepaid expenses" under "Customer and other receivables" and "Other non-current assets" and linearly recorded as rents over the estimated term of the lease. They are now, following the entry into force of IFRS 16, reclassified as user fees and depreciated over the estimated duration of the lease.

Lease debt

On the effective date of the contract, lease debt is recorded for an amount equal to the present value of future payments including rent deductible which includes, fixed rents, variable rents that depend on an index or rate contract, as well as payments for extension, purchase, termination or non-renewal options, if the Group is reasonably certain to exercise them.

When the implied rate of the contract is not easily determinable, the Group retains the marginal debt rate of the Group to assess the right to use and the corresponding rent debt, which takes into account, among other things the Group's financing conditions and the economic environment in which the contract was signed.

Subsequently, the lease debt is assessed at the amortized cost using the effective interest rate method.

The interest expense for the period is recorded in the financial result.

Leasing debt is presented separately from net debt.

Exemptions

Leases for low value or short-term assets are recorded directly in expenses.

Binding period of leases

The Group applies the decision of the IFRS IC Committee of 16 December 2019, specifying that it is not possible to use only the legal approach to determine the enforceable period of a contract, the duration of which cannot be firmly determined at the origin of the contract. A lease remains enforceable if the lessee, or the lessor, would suffer more than insignificant loss or penalty if the contract were to terminate. In determining the enforceable term of the lease, all the economic aspects of the contract must be considered, not just the contractual termination payments. In Italy, the Group has certain real estate contacts with extension options. An analysis is made with our real estate department on the reasonableness of activating these options based on various criteria such as the profitability of the store and its location.

2.14 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or some intangible assets – are not amortised and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the difference between the asset's carrying amount and its recoverable amount if the latter is less than the asset's carrying amount. The recoverable amount is the higher of an asset's fair value fewer costs to sell and value in use. For the purposes of assessing impairment, assets are grouped into cash-generating units which are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.15 Financial assets

Under IFRS 9, financial assets contain three classification categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (JVOCI) and financial assets measured at fair value through profit and loss statement (JVPL).

The classification is based on the business model in which financial assets are managed and their future cash flow characteristics.

a) Financial assets measured at amortized cost

Those financial assets are held to collect contractual cash flows.

At initial recognition, they are measured at fair value on the acquisition date, usually the transaction price. Afterwards, if they are not hedged, the assets are measured at amortized cost, according to the effective interest rate method.

They mainly correspond to the following balance sheet items: loans, deposits, trades receivables, other receivables, and receivables from suppliers.

b) Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets at FVOCI are financial assets held to both collecting contractual cash flows and selling the financial asset. Those instruments are recognized at fair value in the balance sheet through other comprehensive income. Only, interests and dividends received as well as exchange rate changes impacts are recognized in the income statement.

The fair value of investments on listed companies is determined by the market price which is disclosed at closing date. Changes in fair value are recognized in other comprehensive income statement (directly in equity). On disposal of the investment, the cumulative change in fair value is recycled in other comprehensive income.

For non-consolidated investments that are not quoted on a market, those are maintained at the acquisition cost that the Group estimates to be equal to the fair value. An impairment is recognized if a sustained loss of the value in use is recorded. The value in use is determined based on the most appropriate financial criteria to each specific situation and each company. Criteria that are usually used are equity value and profitability prospects.

c) Financial assets measured at fair value through profit or loss (FVPL)

Financial assets classified and measured at FVPL are the ones that cannot be included in the above categories. Those assets are held for trading and are recognized at fair value through the income statement.

Financial assets fall into this category if they were acquired in order to be sold on a short-term basis and or if no contractual cash flows are predetermined. Derivatives that have not been designated in a hedging relationship are considered as held-for-trading.

Those assets mainly refer to investments in Economic Interest Groups.

2.16 Impairment of financial assets

a) Impairment

The Group recognized an impairment based on expected loss for financial assets measured at amortized cost or at FVOCI.

The provision amount is measured annually in order to reflect the financial asset’s credit risk evolution since its initial recognition.

The Group uses the lifetime expected credit losses method for financial assets (other than trade receivables), only when the credit risk increased significantly. If the financial instrument’s credit risk has not increased significantly since its initial recognition, the Group measures the 12-month expected credit losses (after the closing date).

In order to test the credit risk evolution, the Group compares the financial instrument’s default risk with the default risk at initial recognition, taking into consideration reasonable and justifiable information that is available without engaging undue cost or effort and that indicates important increase in credit risk since initial recognition.

For trade receivables, the Group uses the simplified method and recognizes lifetime credit losses.

b) Derecognition

The Group derecognizes a financial asset when the rights to the cash flows expire or the asset is transferred to another party.

If the Group does not transfer or still retains almost all risks and benefits from the asset and keeps controlling it, it recognizes its residual interest. If the Group retains almost all risks and benefits of a transferred asset, the Group maintain the recognition of this asset.

When a financial asset measured at amortized cost is derecognized, the difference between the book value and the consideration received is recognized in the profit or loss.

2.17 Derivative financial instruments and hedging activities

The Group uses derivatives to hedge its exposure to currency risk. The use of these instruments allows the Group to manage risks arising from exchange rates and commercial transactions.

On inception of the hedging relationship, the Group designates and documents the hedging relationship by describing the relationship between the hedging instrument and the underlying hedged, the Group’s risk management objective and strategy for undertaking the hedge: designation of the hedging instrument and the underlying hedged, type of risk hedged, means chosen by the Group to test and determine the extent of any the edge effectiveness.

The hedging relationship meets effectiveness constraints if:

- an economic relationship exists between the hedging instrument and the underlying hedged;
- the credit risk does not exceed the changes in the value which arise from this economic relationship;
- the hedge ratio of the hedging relationship equals the ratio of the quantity of the underlying hedged and the quantity of hedging instruments the Group uses to cover that quantity of underlying hedged.

When a derivative contract is concluded, the hedging instruments are recorded at fair value and then reassessed at fair value on each closure. The derivatives' fair value is measured based on the exchange rate at closing.

Changes in the fair value of derivatives are recognized in profit or loss, unless for instrument defined as cash flow hedging instruments for which changes in the fair value are recognized in other comprehensive income for their effective share and in profit or loss for their ineffective share.

The hedging instrument's fair value is classified in non-current assets or non-current liability when the remaining maturity is higher than 12 months, and in current asset or current liability when the remaining maturity is smaller than 12 months. Transaction-for-trading on derivatives are classified in current assets or current liability.

2.18 Inventories

Inventories are recognised at the lower of historical cost and net realisable value.

Cost is determined using the weighted-average cost method. The valuation of warehouse inventory is equal to the cost of acquisition plus shipping, duty and transportation costs. The valuation of retail store inventory is composed of the warehouse cost price plus the warehouse-to-retail stores' transportation costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

2.19 Trade and other receivables

Trade receivables are recognized at fair value and then reassessed at amortized cost through the effective interest rate method, after deduction of the depreciation provisions.

The Group uses the simplified method and recognizes expected credit losses over future trade receivables' lifetime. Expected credit losses are measured by considering a range of factors specific to customers and other debtors and using current general economic conditions and economic conditions forecasts that are available at closing date without supporting undue cost and effort.

The provision amount is recognized in profit or loss in "Depreciation, amortization and allowance for provisions".

2.20 Cash and cash equivalents

In the consolidated statement of financial position, cash and cash equivalents (excluding bank overdrafts) include cash and other short-term investments (marketable securities) with original maturities of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

In the consolidated statement of cash flows, cash and cash equivalents also include bank overdrafts. In the consolidated statement of financial position, bank overdrafts are presented within borrowings in current liabilities.

2.21 Share capital

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares are presented as a deduction to equity, net of tax, with no impact on net income.

When the Group buys back its own shares, they are classified as treasury shares at the purchase price and recognised as a deduction from equity for the consideration paid. Gains and losses on disposals of treasury shares are recognised directly in equity, for their amount net of tax, without affecting profit.

No impairment losses are recognised on treasury shares.

2.22 Post-employment benefits

Group companies operate various pension schemes, which are all defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of leading corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the income statement in personal expenses, reflects the increase in the defined benefit obligation resulting from employee service in the current year.

Past-service costs, which are the change in the present value of the defined benefit obligation resulting from a plan amendments or curtailments, are recognised immediately in profit or loss.

The interest cost is calculated by applying the discount rate to the defined benefit obligation. This cost is included in other finance expenses.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

2.23 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.24 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been delivered in the ordinary course of business from suppliers. These debts are classified as current liabilities if payment is due within 12 months after the reporting date (or in the normal operating cycle of the business if longer). If not, they are classified as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.25 Other non-current liabilities

Other non-current liabilities mainly relate to non-current portion of free rents granted by lessors which is reversed on a straight-line basis over the expected lease term and to the put option held by the minority shareholders.

2.26 Borrowings and other financial debts

a) Borrowing from credit institutions

Borrowings, including issued bonds, and other financial debts are initially recognised at fair value, net of transaction costs incurred. Borrowings and other financial debts are subsequently carried at amortised cost. Any difference between the amounts (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. The effective interest rate is the rate used to discount the expected stream of future cash flows (transaction costs included) through the maturity of the financial liability, or a shorter period if appropriate, to the current net carrying amount of the liability on the date of initial recognition.

Fees are deducted from borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Convertible bond

A convertible bond is a "compound financial instrument", with a debt component and an equity component that are measured and accounted separately.

The debt component refers to the present value of the contractual future cash flows, discounted at the interest rate applied by the market at that date to instruments with identical characteristics, but without any conversion option. It is then measured using the amortized cost method over its estimated useful life.

The equity portion is equal to the difference between the issued nominal value and the debt component. The value recorded in equity corresponding to the valuation of the conversion option is not revalued during the life of the loan.

Issuance costs are booked as a reduction of debt and equity based on their respective value.

2.27 Current and deferred income tax

The income tax for the period comprises current and deferred tax. Current or deferred income tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated based on the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities and their tax bases in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against on which they can be used.

Deferred tax assets and liabilities are offset when there is a right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

In accordance with IAS 12, the Group recognises the CVAE tax (France), IRAP tax (Italy) and Gewerbesteuermessbetrag tax (Germany) as an income tax.

The Group recognised deferred tax assets on tax loss carry forwards. A budget forecast has been prepared to document the use of this deferred tax asset within a reasonable period.

2.28 Contingent assets and liabilities

Depending on the outcome of uncertain future events, contingent assets and liabilities may be recognised by an entity. Details of these are set out in the notes to the consolidated financial statements.

2.29 Non-current assets and liabilities and disposal groups

IFRS 5 “Non-current assets held for sale and discontinued operations” specifies the accounting treatment applicable to assets held for sale, and the presentation and disclosure of discontinued operations.

Discontinued operations that have been, or are in the process of being are presented on a separate line of the consolidated income statement and consolidated statement of cash flows at the year-end, when they are highly probable and:

- represent a significant line of business or geographical area of operations for the Group; or
- are part of a single plan to sell a line of business or a geographical area of significance to the Group; or
- are limited to a subsidiary acquired solely with a view to resale.

Materiality is assessed by the Group according to various qualitative criteria (market, product, geographical area) or quantitative criteria (revenue, profitability, cash flow, assets). Assets of discontinued operations, if held for sale, are measured at the lower of carrying amount and fair value less costs to sell. Income statement and cash flow statement items relating to these discontinued operations are presented on a separate line for all periods presented.

In application of IFRS 5, the Group has made the following specific measurements:

- non-current assets and related liabilities classified as held for sale have been measured at the lower of carrying amount and fair value less costs to sell;
- goodwill, property, plant and equipment and intangible assets are no longer subject to impairment tests;
- the exception in IAS 12 not to recognize deferred taxes resulting from the difference between the tax and consolidated values of subsidiaries sold is no longer applicable, as it is becoming probable that the temporary difference will reverse in the near future. Thus, deferred tax liabilities are recognized with an impact on the income statement presented on the line “Income from discontinued operations”;
- depreciation of non-current assets classified as “assets held for sale” is stopped at the date of application of IFRS 5;
- costs specifically incurred in the context of the transaction are presented in the income statement on the line “Income from operations held for sale or discontinued”;
- all reciprocal balance sheet and income statement positions are eliminated.

Note 3 Critical estimates and judgements

The preparation of consolidated financial statements in compliance with IFRS requires the use of certain critical accounting estimates and judgements that may have an impact on the carrying amount of certain assets, liabilities, proceeds, expenses and on the information provided in the notes to the financial statements.

Estimates and assumptions are reviewed on a regular basis, and at least on each reporting date. They may vary if the circumstances on which they are based change or new information becomes available. Actual results may differ materially from these estimates.

The main estimates made by Management during the preparation of the consolidated financial statements relate to the assumptions used for:

- valuation of intangible assets (goodwill and brands): see note 2.11 a and b and 2.14;
- deferred tax: see note 2.27;
- financial instruments and their classification: see note 2.17;
- provision for litigations: see note 2.23;
- the duration used for the rental contracts and the Group's marginal debt ratio: see note 2.13;
- uncertain tax positions in accordance with IFRIC 23.

Note 4 Restated consolidated financial statements

The consolidated financial statements for the comparative periods have been restated to reflect:

- the application of the decision of the IFRS IC concerning pension obligations (IAS 19);
- the application of IFRS 5 relating to the disposal of Modani;
- the reclassification within equity of puts on minority interests.

4.1 Restated consolidated income statement at 31 December 2020

(in EUR thousands)	Notes	31 December 2020 published	Application of IFRS IC decision	IFRS 5 application	31 December 2020 restated
Revenue	**6**	**1,227,145**	**-**	**(49,356)**	**1,177,790**
Personnel expenses	7	(228,665)	17	6,086	(222,562)
Current operating profit before other operating income and expenses		**90,874**	**17**	**3,532**	**94,423**
Operating profit (loss)		**40,745**	**17**	**58,240**	**99,002**
Financial profit (loss)	**11**	**(23,305)**	**-**	**1,128**	**(22,178)**
Profit (loss) before income tax		**17,440**	**17**	**59,367**	**76,824**
Income tax expense	12	(33,572)	(6)	(176)	(33,753)
Net income from continuing operations		**(16,132)**	**11**	**59,192**	**43,071**
Net income from activities held for sale	13	-	-	(59,192)	(59,192)
PROFIT (LOSS)		**(16,132)**	**11**	**-**	**(16,121)**

The IFRS IC decision on pension liabilities leads to an improvement of the net result by 11 thousand euros in the year 2020.

4.2 Restated consolidated statement of comprehensive income as of 31 December 2020

(in EUR thousands)	Notes	31 December 2020 published	Application of IFRS IC decision	Reclassification of minority interest conversion reserves	31 December 2020 restated
PROFIT (LOSS) FOR THE PERIOD		**(16,132)**	**11**	**-**	**(16,121)**
• remeasurements of post-employment benefit obligations		(725)	79	-	(646)
• income tax related to items that will not be reclassified		168	(25)	-	142
Total items that will not be reclassified to profit or loss		**(557)**	**54**	**-**	**(504)**
• cash-flow hedge	22	(57,540)	-	-	(57,540)
• currency translation differences		(1,480)	-	-	(1,480)
• income tax related to items that will be reclassified		18,702	-	-	18,702
Items that will be reclassified subsequently to profit or loss		**(40,318)**	**-**	**-**	**(40,318)**
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		**(40,875)**	**54**	**-**	**(40,822)**
TOTAL COMPREHENSIVE INCOME (LOSS)		**(57,007)**	**65**	**-**	**(56,943)**
Attributable to:					
• owners of the Parent		(39,814)	65	1,664	(38,086)
• non-controlling interests		(17,193)	-	(1,664)	(18,857)

The IFRS IC decision on pension liabilities leads to an improvement of the overall result of 65 thousand euros in the year 2020.

4.3 Restated consolidated statement of financial position at 31 December 2020

	Notes	31 December 2020 published	Application of IFRS IC decision	Reclassification of non-controlling interest put	31 December 2020 restated
Share capital		146,584	-	-	146,584
Share premiums		134,283	-	-	134,283
Consolidated Reserves		329,214	1,027	(20,189)	310,053
Profit (loss) for the period		1,469	11	-	1,480
Equity attributable to owners of the Company		**611,550**	**1,038**	**(20,189)**	**592,400**
Non-controlling interests		(17,872)	-	20,189	2,315
TOTAL EQUITY		**593,678**	**1,038**	**-**	**594,715**
Borrowings		1,634	-	-	1,634
Convertible bond		186,832	-	-	186,832
Medium and long term lease liability		508,128	-	-	508,128
Deferred income tax liabilities	20	41,248	489	-	41,737
Post-employment benefits	25	12,933	(1,527)	-	11,406
Provisions		7,459	-	-	7,459
Derivative financial instruments		17,005	-	-	17,005
Other non-current liabilities		6,466	-	-	6,466
Non-current liabilities		**781,705**	**(1,038)**	**-**	**780,668**
Current liabilities		**593,106**	**-**	**-**	**593,105**
TOTAL LIABILITIES		**1,374,811**	**(1,038)**	**-**	**1,373,772**
TOTAL EQUITY AND LIABILITIES		**1,968,489**	**-**	**-**	**1,968,489**

The consolidated statement of financial position has been restated as of 1 January 2020, and for financial year 2020 to reflect the following items:

- the decision of IFRS IC concerning pension obligations (see note 2.2), resulted in a decrease in post-employment benefits of EUR 1,527 thousand euros, broken down as follows:
  - EUR 1,431 thousand as of 1 January 2020,
  - EUR 96 thousand in financial year 2020.

The impact presented in shareholders' equity amounts to EUR 1,038 thousand euros, net of deferred taxes;

- the reclassification within equity of put options held by minority shareholders is analyzed as follows:
  - EUR (20,075) thousand on 1 January 2020, concerning Modani,
  - EUR (1,776) thousand at 1 January 2020 relating to Rhinov,
  - EUR 1,662 thousand in financial year 2020 relating to the translation differences of Modani.

NOTES ON CONSOLIDATED INCOME STATEMENT

Note 5 Geographical segment information

In accordance with IFRS 8 "Operating segments", segment information is based on internal analytical data used to analyze the performance of activities and the allocation of resources by the Board of Directors, which is the Group's main operational decision-making body.

Consequently, an operating segment is a separate component of the Group that engages in activities from which the Group is likely to acquire revenue, ordinary activities and incur expenses. Each operating segment is regularly reviewed by the Board of Directors in order to take decisions on the resources to be allocated and to evaluate their performance.

Sales, EBITDA and Goodwill, other intangible assets and property, plant and equipment are presented by geographical segments. The operating segments (geographical) are as follows:

- France;
- International.

In addition, the corporate segment includes the holding company's activities, including assets that cannot be allocated to any segments and CICE. This segment, which does not include any revenues, mainly comprises overheads related to finance, legal, human resources and IT departments as well as expenses related to design, procurement, customer relationship management (CRM) and merchandising.

The Group defines its annual EBITDA as its current operating profit before other operating income and expenses excluding the following:

i) depreciation, amortization and allowance for provisions, and;

ii) the change in fair value of its derivative instruments, which are both non-cash items, as well as.

EBITDA by geographical segment includes:

- allocations of certain marketing expenses related to the network of stores as well as operating and marketing expenses for the e-commerce platform. The allocation of these expenses by geographical segment is based on Sales (stores and e-commerce) for each segment;
- allocation of EBITDA of the logistical entities by geographical segment is based on their respective cost of sales.

Sales and EBITDA related to B2B activity (Maisons du Monde) has been fully allocated to the France segment.

This segment information is consistent with groups of CGU that have been identified for the impairment test (see note 15).

5.1 Segment income statement

(in EUR thousands)	31 December 2021	31 December 2020 (1)
Retail sales	1,294,136	1,135,896
France	*687,503*	*626,714*
International	*606,633*	*509,182*
Cost of sales	(438,255)	(379,737)
Gross margin	**855,881**	**756,159**
Gross margin *(%)*	**66.1%**	**66.6%**
EBITDA	**279,205**	**238,257**
France	*203,331*	*174,792*
International	*168,155*	*140,894*
Corporate	*(92,281)*	*(77,429)*
Depreciation, amortization and allowance for provisions	(155,435)	(149,020)
EBIT	**123,770**	**89,237**
Change in fair value – derivative financial instruments	(8,026)	5,186
Current operating profit before operation income and expenses	**115,744**	**94,423**
Other operating income and expenses	(2,087)	4,579
Operating profit (loss)	**113,657**	**99,002**
Financial profit (loss)	(19,431)	(22,178)
Profit (loss) before income tax	**94,226**	**76,824**
Income tax expense	(26,127)	(33,753)
Profit (loss) after income tax	**68,099**	**43,071**
Net income from activities held for sale	10,956	(59,192)
PROFIT (LOSS)	**79,055**	**(16,121)**

(1) Amounts restated according to the application of IFRS 5 and the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see notes 4 and 13).

5.2 Segment assets

The Group discloses here only segment assets whose amounts are regularly reviewed by the Executive Committee, under Board of Director's supervision.

	31 December 2021			
(in EUR thousands)	France	International	Corporate	Total
Segment assets [(1)]	348,486	155,776	220,371	724,633
Rights of use	323,406	271,845	6,000	601,251
Non-segment assets				517,758
TOTAL ASSETS				1,843,643

(1) Goodwill, other intangible and tangible assets.

	31 December 2020			
(in EUR thousands)	France	International	Corporate	Total
Segment assets [(1)]	350,489	163,471	218,317	732,277
Rights of use	355,067	264,499	9,033	628,599
Non-segment assets				607,613
TOTAL ASSETS				1,968,489

(1) Goodwill, other intangible and tangible assets.

Note 6 Revenue

6.1 Revenue breakdown

(in EUR thousands)	31 December 2021	31 December 2020 [(1)]
Sales	1,289,633	1,131,625
Sales to franchise and promotional sales	4,503	4,271
Sub-total of sales	**1,294,136**	**1,135,896**
Services and commissions	17,117	3,582
Retail sales and commissions related to ordinary activities	**1,311,253**	**1,139,478**
Transportation to customers	36,764	31,295
Supply chain services	522	465
Other services	5,124	6,551
Other Revenue from ordinary activities	**42,410**	**38,311**
TOTAL REVENUE	1,353,663	1,177,790

(1) Amounts restated according to the application of IFRS 5 (see note 13).

6.2 Revenue of goods and commissions related to ordinary activities by channel

(in EUR thousands)	31 December 2021	31 December 2020 (1)
Stores	875,761	754,585
Web	435,492	384,893
TOTAL SALES	**1,311,253**	**1,139,478**

(1) Amounts restated according to the application of IFRS 5 (see note 13).

6.3. Revenue of goods and commissions related to ordinary activities by product

	31 December 2021	31 December 2020 (1)
Decoration	757,070	649,657
Furniture	537,106	486,096
Benefits and services	17,077	3,724
TOTAL SALES	**1,311,253**	**1,139,478**

(1) Amounts restated according to the application of IFRS 5 (see note 13).

Note 7 Personnel expenses

7.1 Wages and salaries

Personnel expenses are broken down as follows:

(in EUR thousands)	31 December 2021	31 December 2020 (1)
Wages and salaries	(178,832)	(155,592)
Social security costs	(54,615)	(51,300)
Share-based payment (including social security costs)	(748)	(2,948)
Employee profit-sharing (including social security costs)	(16,205)	(10,967)
Post-employment benefits – Defined benefit plans	(1,656)	(1,755)
TOTAL PERSONNEL EXPENSES	**(252,057)**	**(222,562)**

(1) Amounts restated according to the application of IFRS 5 and the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see notes 4 and 13).

The change in personnel expenses is mainly due to:

- the decrease in short time working measures implemented by the various governments in 2021 compared to 2020 (net salaries paid by the Group under the subrogation have decreased from over EUR 10 million to EUR 5.2 million);
- the increase in headcount in 2021 compared to 2020, including the effects of the recruitments made during 2020 impacting the entire year 2021;
- the increase in profit-sharing in line with the evolution of the result.

The average number of full-time employees (FTE) is 7,266 for the year 2021 and 7,033 for the year 2020. The change mainly concerns the subsidiary in Vietnam and the French subsidiaries.

7.2 Free share plan

a) New performance share plan

The 31st resolution adopted by the Shareholders' Meeting held on 12 June 2020, authorizes the Board of Directors to grant bonus shares to Group employees, up to a limit of 2% of the share capital recorded at 31 December 2019 over a period of 38 months. Pursuant to this authorization, the Board of Directors adopted "Bonus Share Plan No. 7" on 25 March 2021, which provides for the allocation of 209,292 performance shares to 193 employees in France and abroad.

The grant of performance shares is subject to the following conditions:

- a requirement of continuous employment within the Group during the vesting period: the shares granted to a beneficiary will ultimately vest only if he or she has been employed within one of the Group's companies during the vesting period, calculated from the grant date, which is set at 36 months, *i.e.*, 25 March 2024;
- in the event of death, disability or retirement, the beneficiary retains his or her rights, no longer being subject to the continuous employment requirement;
- a performance requirement based on the evolution of sales and EBIT between 2021 and 2023;
- a performance requirement relating to environmental and social criteria;
- a performance requirement relating to the Total Shareholder Return (TSR) of the Maisons du Monde share compared to the CAC mid 60 GR index.

The shares granted may be shares issued through a capital increase carried out by the Company no later than the date of final vesting or shares purchased by the Company on the market before that date.

b) Information on the fair value of attribution of performance shares

	Plan No. 5a	Plan No. 5b	Plan No. 6	Plan No. 7
	9 June 2019	**24 June 2019**	**10 March 2020**	**25 March 2021**
Duration of plan	3 years	3 years	3 years	3 years
Fair value of performance shares *(in euros)*	15.49	18.35	8.64	16.43

The performance conditions as defined were calculated for plan n° 4 5a, 5b, 6 and 7.

As part of the performance share plans, an expense EUR 0.3 million (excluding social security charges) was recognized in the income statement within personnel expenses (compared with an expense of EUR 2.2 million in 2020), with a corresponding increase in equity. The variation between the 2021 and 2020 expenses is mainly explained by the partial achievement of the objectives on the plans 5, which led the Group to write back of the expense previously recognized.

c) New stock option plan

As a result of the sale of Modani, there are no longer any stock options.

Note 8 External expenses

External expenses are broken down as follows:

(in EUR thousands)	31 December 2021	31 December 2020 (1)
Energy and consummables used	(26,464)	(22,961)
Leases and related expenses	(30,001)	(34,065)
Repairs and maintenance	(22,032)	(18,800)
Insurance	(2,270)	(1,796)
Advertising & marketing	(57,154)	(42,854)
Transportation	(152,748)	(144,001)
Bank services	(9,242)	(8,067)
Taxes other than on income	(13,076)	(13,571)
Other external expenses	(68,045)	(48,474)
TOTAL EXTERNAL EXPENSES	**(381,032)**	**(334,589)**

(1) *Amounts restated according to the first application of IFRS 5 (see note 13).*

The related rends and expenses include in particular:

- EUR 0.7 million in variable rents in 2021 (EUR 0.8 million in 2020);
- EUR 1.4 million in short-term contracts in 2021 (EUR 0.9 million in 2020);
- EUR 4.0 million in rent for low-value contracts in 2021 (EUR 3.0 million in 2020);
- EUR 3.9 million in rent relief in 2021 (EUR 7.7 million in 2020) in accordance with IFRS 16 amendment relating to rent relief for Covid-19.

The change in external expenses is mainly due to:

- an increase in advertising and marketing costs due to significant investments made to support sales growth (online sales) and the development of the Marketplace;
- an increase in transport costs linked to direct deliveries to customers or stores in line with sales growth;
- an increase in "Other external expenses" mainly due to lower costs in 2020 because of the closure of store, the containment period, and the cost reduction plan implemented during this period of Covid-19.

Note 9 Other income and expenses from operations

Other income and expenses from operations are broken down as follows:

(in EUR thousands)	31 December 2021	31 December 2020 (1)
Gains and losses on disposals (2)	(866)	(1,462)
Commercial disputes & losses	(1,008)	156
Leases & related expenses (2)	(177)	(223)
Other income and expenses from operations	(1,063)	(1,115)
TOTAL OTHER OPERATING INCOME/EXPENSES FROM OPERATIONS	**(3,114)**	**(2,644)**

(1) Amounts restated according to the application of IFRS 5 (see note 13).

(2) Refers to stores repositioned in the same area.

Note 10. Other operating income and expenses

Other operating income and expenses are broken down as follows:

(in EUR thousands)	31 December 2021	31 December 2020 (1)
Restructuring costs	(201)	(736)
Commercial disputes & losses (2)	-	11,698
Impacts related to store closures (3)	(3,208)	(2,278)
Other (4)	1,322	(4,105)
TOTAL OTHER OPERATING INCOME/ (EXPENSES)	**(2,087)**	**4,579**

(1) Amounts restated according to the application of IFRS 5 (see note 13).

(2) Corresponded in 2020 to the reversal of a provision for litigation following two court decisions in favour of the Group. The risk has not been extinguished but the Group considers that a future cash outflow is unlikely.

(3) Refers to stores closed or being closed and not repositioned in the same area. The impact presented includes provisions and reversals recorded following the closure of stores.

(4) Corresponds in 2021 to the unused portion of reversals of provisions following the extinction of risks. In 2020, a new risk was provided for EUR 4.0 million.

Note 11 Financial Income

Finance income and expenses are broken down as follows:

(in EUR thousands)	31 December 2021	31 December 2020 [(1)]
Interests on term loan	(290)	(701)
Interests on convertible bond	(4,756)	(4,656)
Interests on loans, including Revolving Credit Facilities	(1,470)	(2,494)
Others	(3)	(6)
Cost of net debt	**(6,519)**	**(7,857)**
Cost of lease debt	(11,481)	(11,727)
Exchange gains and losses	803	(416)
Commission costs	(2,222)	(2,117)
Other finance income & costs	(12)	(60)
TOTAL FINANCIAL PROFIT (LOSS)	**(19,431)**	**(22,178)**

(1) *Amounts restated according to the application of IFRS 5 (see note 13).*

Note 12 Income tax

Income tax is broken down as follows:

(in EUR thousands)	31 December 2021	31 December 2020 [(1)]
Current income tax	(33,176)	(35,215)
Deferred tax	7,049	1,462
INCOME TAX EXPENSE	**(26,127)**	**(33,753)**

(1) *Amounts restated according to the application of IFRS 5 and the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see notes 4 and 13).*

The tax effects of other comprehensive income are as follows:

(in EUR thousands)	31 December 2021	31 December 2020 [(1)]
Cash-flow hedge [(2)]	(18,686)	18,702
Income tax relating to items that may be subsequently reclassified to profit or loss	(18,686)	18,702
Tax on actuarial gains (losses) on post-employment benefits	(110)	142
Income tax relating to items that will not be subsequently reclassified to profit or loss	(110)	142
TOTAL INCOME TAX ON OTHER COMPREHENSIVE INCOME (LOSS)	**(18,796)**	**18,844**

(1) *Amounts restated according to the first-time adoption of IFRS 5.*

(2) *See note 22.*

The Group's income tax differs from the theoretical tax which would apply according to the actual tax rate applicable to the results of consolidated companies for the following reasons:

(in EUR thousands)	31 December 2021	31 December 2020 (1)
Net income from continuing operations	68,099	43,071
Less income tax expense	(26,127)	(33,753)
Profit (loss) of consolidated companies before tax	**94,226**	**76,825**
Theoretical tax rate	28.41%	32.02%
Theoretical income tax expense (+)/ product (-)	**26,770**	**24,600**
Difference in income tax rates in other countries	100	(2,084)
Tax (2)	2,967	4,378
Impact of tax credits	(2,776)	(854)
Impact of permanent differences (3)	(934)	7,555
Other	-	158
ACTUAL INCOME TAX EXPENSE	**26,127**	**33,753**
Effective tax rate	27.73%	43.94%

(1) Amounts restated according to the application of IFRS 5 and the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see notes 4 and 13).

(2) Includes mainly the CVAE (France), the IRAP (Italy) and the Gewerbesteuermessbetrag (Germany).

(3) In 2021, corresponds to a reversal of a provision for risk. In 2020, includes the fine following Italian tax audit.

Note 13 Income from discontinued operations

Maisons du Monde entered into an agreement on 26 October 2021, to reduce its 70% stake in Modani, while maintaining a 15% stake in the new US holding company taking over Modani. This transaction took place on November 10, 2021, and follows the completion of the strategic review announced in March 2021.

In accordance with IFRS 5, the net income from discontinued operations presented in the Group's consolidated financial statements includes the results of Maisons du Monde USA and Modani (from 1 January to the date of disposal) as well as the capital gain realized on the transaction net of disposal costs. The comparative consolidated income statement has also been restated.

At the date of disposal, the Group thus recognized a capital gain of EUR 5.1 million net of disposal costs (6.8 million – disposal costs), recorded under other operating income and expenses in the income statement of the discontinued operations below.

13.1 Consolidated income statement

(in EUR thousands)	Notes	31 December 2021	31 December 2020
Revenue		**50,278**	**49,358**
Current operating profit before other operating income and expenses		**7,007**	**(3,532)**
Operating profit (loss)		**11,822**	**(58,240)**
Financial profit (loss)		**(859)**	**(1,129)**
Profit (loss) before income tax		**10,962**	**(59,368)**
Income tax expense		(6)	176
PROFIT (LOSS)		**10,956**	**(59,192)**
Attributable to:			
• owners of the Parent		9,221	(41,850)
• non-controlling interests		1,735	(17,342)

13.2 Consolidated statement of cash flows

(in EUR thousands)	31 December 2021	31 December 2020
Operating flow related to discontinued operations	7,618	6,364
Investment flow related to discontinued operations [(1)]	11,149	(1,080)
Financing flow related to discontinued operations	(3,684)	(3,964)
TOTAL FLOW RELATED TO DISCONTINUED OPERATIONS	**15,083**	**1,320**

(1) In 2021 the amount includes the net cash generated by the sale of Modani for an amount of EUR 12.2 million.

In accordance with IFRS 5, the cash flow statement presented in the Group's consolidated financial statements includes the cash flows of discontinued operations, the costs related to the operation and the sale price.

Note 14 Earnings per share

Earnings per share as of 31 December 2021, can be analyzed as follows:

Earnings per share as of 31 December 2021 *(in € thousands, unless otherwise stated)*	Group part		
	Total	**Continued activities**	**Discontinued activities**
Profit (loss) for the period attributable to shareholders of the parent	**77,368**	**68,147**	**9,221**
Weighted average number of ordinary shares	44,933	44,933	44,933
BASIC EARNINGS PER SHARE *(IN EUROS)*	**1.72**	**1.52**	**0.21**

(in € thousands, unless otherwise stated)	Group part		
	Total	**Continued activities**	**Discontinued activities**
Profit (loss) for the period attributable to shareholders of the parent	**77,368**	**68,147**	**9,221**
Convertible and exchangeable instruments [(1)]	3,154	3,154	-
Profit (loss) for the period attributable to shareholders of the parent	**80,522**	**71,301**	**9,221**
Weighted average number of ordinary shares	44,933	44,933	44,933
Adjustment for dilutive impact of performance shares	660	660	660
Dilutive effect of convertible bonds	4,149	4,149	4,149
Adjusted weighted average number of ordinary shares, excluding treasury shares	**49,742**	**49,742**	**49,742**
DILUTED EARNINGS PER SHARE *(IN EUROS)*	**1.62**	**1.43**	**0.19**

(1) For the calculation of diluted earnings per share, net income for the period has been adjusted for interest on the convertible bond, net of tax.

Earnings per share as of 31 December 2020 can be analyzed as follows:

Earnings per share as of 31 December 2020 *(in € thousands, unless otherwise stated)*	Group part		
	Total [(1)]	**Continued activities**	**Discontinued activities**
Profit (loss) for the period attributable to shareholders of the parent	1,480	43,330	(41,850)
Weighted average number of ordinary shares	44,986	44,986	44,986
Basic earnings per share *(in euros)*	0.03	0.96	(0.93)

(1) Amounts restated according to the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see note 4).

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(in € thousands, unless otherwise stated)	Total [(1)]	Group part Continued activities	Group part Discontinued activities
Profit (loss) for the period attributable to shareholders of the parent	**1,480**	**43,330**	**(41,850)**
Convertible and exchangeable instruments [(2)]	2,938	2,938	-
Profit (loss) for the period attributable to shareholders of the parent	**4,418**	**46,268**	**(41,850)**
Weighted average number of ordinary shares	44,986	44,986	44,986
Adjustment for dilutive impact of performance shares	508	508	508
Dilutive effect of convertible bonds	4,149	4,149	4,149
Adjusted weighted average number of ordinary shares, excluding treasury shares	**49,643**	**49,643**	**49,643**
DILUTED EARNINGS PER SHARE *(IN EUROS)*	**0.09**	**0.93**	**(0.84)**

(1) Amounts restated according to the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see note 4).

(2) For the calculation of diluted earnings per share, net income for the period has been restated for interest on the convertible bond, net of tax.

The share capital of the Group as of 31 December 2021, consists solely of the ordinary shares of Maisons du Monde S.A. and the number of ordinary shares remained the same during the 2021 and 2020 financial years.

The change in the weighted average number of common shares is the result of restating treasury stock, whose number has changed during the period (see note 23.2).

Diluted earnings per share consider the weighted average number of performance shares allocated to employees (see note 7.2) and the convertible bond (see note 24.1a).

For fiscal year 2020, an ordinary dividend of 0.30 euro per share was allocated at the Annual Shareholders' Meeting of 4 June 2021, and paid on 7 July 2021, for a total amount of 13,508 thousand euro. The dividend in respect of shares held by the Group at the time of detachment of the dividend has not been paid. The amounts corresponding to dividends not paid on treasury shares are therefore allocated to "Retained earnings".

NOTES ON CONSOLIDATED BALANCE SHEET

Note 15 *Goodwill*

15.1 *Goodwill*

Management reviews the business performance based on geography. Therefore, management allocates the goodwill at the geographical area-level. For the Group, it has identified France and International geographical areas. The following is a summary of goodwill allocation:

(in EUR thousands)	France	International	Total
Balance as of 1 January 2019	**246,793**	**128,409**	**375,202**
Acquisitions	-	-	-
Disposals	-	-	-
Impairment	-	(47,382)	(47,382)
Currency translation differences	-	(793)	(793)
Balance as of 31 December 2020	**246,793**	**80,234**	**327,027**
NET CARRYING AMOUNT AS OF 31 DECEMBER 2021	**246,793**	**80,234**	**327,027**

15.2. Impairment tests for goodwill and other assets

a) Cash-generating unit (CGU)

Impairment tests are performed at the level of the cash-generating unit. Goodwill is allocated at the geographical area-level (France and International). Each geographical area represents a group of CGUs, each CGU representing a brick-and-mortar store or online store.

The Maisons du Monde brand is affected at the level of the geographical area concerned (France and International) according to the turnover achieved. The Modani brand is assigned to the International geographical area.

b) Valuation by the discounted cash flow method

The core assumptions used to determine the recoverable amount of an asset or a CGU or a group of CGUs are consistent with those used to prepare the Group's business plans and budgets approved by governance bodies. Assumptions are based on historical data and past experience and also take into account information from external sources such as sector growth forecasts and forecasts concerning geopolitical and macro-economic developments in the related CGU's.

Main drivers of the business plan are the Sales growth and the gross margin variance.

The Sales growth is made up of the following:

- like-for-like growth that is the result of both the work done on the collections and the optimization of the two channels: the Group's store network and e-commerce platform;
- network expansion (stores) that illustrates the potential of opening identified by the expansion team in the existing countries.

Regarding the gross margin hypothesis, this is the result of an analysis of the expected evolution on foreign exchange rates combined with the pricing and commercial strategy.

The projection period is limited to five years. Cash flows are discounted at a rate corresponding to the year-end weighted average cost.

15.3 Analysis of the situation as of 31 December 2021

The impairment tests carried out as of 31 December 2021, showed that the margin between the recoverable value and the book value of the assets was very high both for the France CGU and for the International CGU (margin representing 47% and 30% respectively of net capital employed).

The simulation consisted of:

- updating the financial data based on a new 5-year business plan;
- updating the WACC France and International as of 31 December 2021;
- Updating the long-term growth rates as of 31 December 2021.

Consequently, no additional impairment has been recognized as of 31 December 2021.

KEY ASSUMPTIONS USED FOR VALUE IN USE CALCULATIONS AS OF 31 DECEMBER 2021

	Discount factor (WACC)	Average growth rate over the 5 year period	Terminal value growth rate
France	9.8%	7.5%	2.0%
International	10.0%	7.0%	1.8%

Average growth rate used for the impairment test is on a like-for-like basis.

15.4 Sensitivity tests

The consequences of the key assumptions' variations on the CGU's carrying amount as of 31 December 2021:

		Impact of test margin					
		WACC cash flow		Terminal value growth rate		Combination of 2 factors	
(in EUR thousands)	Hypothesis 2021 (recoverable amount)	0.5%	-0.5%	0.5%	-0.5%	0.5%	-0.5%
France	1,122	1,052	1,202	1,189	1,064	1,110	1,135
International	770	724	821	812	732	761	778

These sensitivity calculations show that a variation of 50 basis points in the rate assumptions would have no significant effect on the impairment tests and therefore on the consolidated financial statements of the Maisons du Monde group as of 31 December 2021.

Note 16 Other intangible assets

(in EUR thousands)	Brand, Trademarks, licenses, patents	Commercial leasehold rights	Internally generated software development costs	Other	Total
Net carrying amount as of 1 January 2020	**222,647**	**7,612**	**11,081**	**5,728**	**247,068**
Acquisitions	1,462	36	9,745	1,025	12,268
Disposals	(68)	(603)	-	-	(671)
Amortization charge	(1,845)	(170)	(5,052)	-	(7,067)
Impairment	(6,979)	291	-	-	(6,688)
Other	222	-	168	(1,370)	(980)
Currency translation differences	(785)	-	-	(17)	(802)
Net carrying amount as of 31 December 2020	**214,654**	**7,166**	**15,942**	**5,366**	**243,128**
Change in scope of consolidation	(7,686)	-	-	(319)	(8,005)
Acquisitions	836	89	8,102	-	9,027
Disposals	(1)	(854)	-	-	(855)
Amortization charge	(2,609)	(159)	(7,327)	-	(10,095)
Impairment	42	(444)	-	-	(402)
Other [(1)]	(48)	263	113	(987)	(659)
Currency translation differences	520	-	-	19	539
NET CARRYING AMOUNT AS OF 31 DECEMBER 2021	**205,707**	**6,061**	**16,830**	**4,080**	**232,677**

(1) *Of which EUR 859 thousand euro related to the acquisition of leasehold rights and key money, reclassified as right of use.*

Note 17 Property, plant and equipment

(in EUR thousands)	Constructions	Technical installations, industrial equipment and machinery	Other property, plant and equipment	Fixed assets under construction	Advances and pay-ments on property, plant and equipment	Total
Net carrying amount as of 1 January 2020	**113,297**	**6,652**	**39,677**	**3,903**	**2,133**	**165,662**
Acquisitions	11,910	2,173	5,836	12,827	2,118	34,864
Disposals	(2,274)	(120)	(1,361)	(35)	(13)	(3,803)
Amortization charge	(19,814)	(2,785)	(11,918)	-	-	(34,517)
Impairment	234	(76)	119	-	-	277
Other	1,755	856	2,463	(3,195)	(1,687)	192
Currency translation differences	19	(178)	(374)	(17)	(3)	(553)
Net carrying amount as of 31 December 2020	**105,127**	**6,522**	**34,442**	**13,483**	**2,548**	**162,122**
Change in scope of consolidation	-	-	(3,739)	(40)	-	(3,780)
Acquisitions	22,513	2,707	10,953	3,192	2,992	42,357
Disposals	(2,753)	(133)	(406)	(342)	(6)	(3,640)
Amortization charge	(19,658)	(2,874)	(10,798)	-	-	(33,331)
Impairment	292	102	(29)	-	-	365
Other	2,013	(79)	980	(466)	(2,533)	(86)
Currency translation differences	384	186	347	5		922
NET CARRYING AMOUNT AS OF 31 DECEMBER 2021	**107,918**	**6,430**	**31,748**	**15,831**	**3,001**	**164,929**

Note 18 Right of use and lease debt

18.1 Right of use

The rights of use have the following net values:

(in EUR thousands)	Constructions	Technical installations, industrial equipment and machinery	Other property, plant and equipment	Total
Net carrying amount as of 1 January 2020	**669,963**	**6,087**	**4,040**	**680,090**
New contracts included revaluation	50,273	1,402	8,574	60,249
Amortization charge	(104,916)	(2,343)	(2,478)	(109,737)
Impairment (charge/release)	24	-	-	24
Other	714	-	-	714
Currency translation differences	(2,741)	-	-	(2,741)
Net carrying amount as of 31 December 2020	**613,317**	**5,146**	**10,136**	**628,599**
New contracts included revaluation [(1)]	94,655	7	2,204	96,866
Change in scope of consolidation	(19,099)	-	-	(19,099)
Amortization charge	(104,432)	(2,145)	(2,698)	(109,275)
Other	744	-	-	744
Currency translation differences	3,415	-	1	3,416
NET CARRYING AMOUNT AS OF 31 DECEMBER 2021	**588,600**	**3,008**	**9,643**	**601,251**

(1) Of which 859 thousand euro related to the acquisition of leasehold rights and key money, reclassified as right of use.

18.2 Lease debt

The changes in lease debt are detailed as follows:

		Cash impact		Without cash impact					
(in EUR thousands)	31 December 2020	Increase	Decrease	New contracts included revaluation	Lease exiting	Interest	Change effect	Liabilities classified IFRS 5	31 December 2021
Lease debt	620,067	-	(105,044)	105,546	(30,080)	204	3,552	-	594,245
TOTAL NET DEBT	**620,067**	**-**	**(105,044)**	**105,546**	**(30,080)**	**204**	**3,552**	**-**	**594,245**

As of 31 December 2021, the maturities of lease debt are analysed as follows:

	Maturity as of 31 December 2021			
(in EUR thousands)	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Lease debt	110,602	316,157	167,486	594,245
TOTAL BORROWINGS	**110,602**	**316,157**	**167,486**	**594,245**

As of 31 December 2021, the lease debt bears interest at a fixed rate.

Note 19 Other non-current financial assets

(in EUR thousands)	31 December 2021	31 December 2020
Equity securities [(1)]	4,244	2,246
Other financial assets [(2)]	12,788	13,576
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**17,032**	**15,822**

(1) Company shares correspond to:
- *equity interests in Economic Interest Groups acquired when stores were opened;*
- *acquisition of a stake in the new holding company that owns Modani.*

(2) Other financial assets mainly concern deposits and guarantees paid or granted to lessors of stores, warehouses, headquarters, and factories.

Note 20 Deferred income tax assets and liabilities

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

(in EUR thousands)	31 December 2021	31 December 2020 [(1)]
Deferred tax assets	8,587	6,311
Deferred tax liabilities	(52,310)	(41,738)
TOTAL DEFERRED TAX ASSETS/(LIABILITIES)	**(43,723)**	**(35,427)**

(1) Amounts restated according to the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see note 4).

Deferred tax assets and liabilities are offset when they relate to the same tax entity (legal entity or tax consolidation group) and the applicable tax regulations allow this offset for current tax.

(in EUR thousands)	Brand	Tax loss carryforwards	Temporary differences	Hedging instruments	Commercial leasehold rights	Step/Free rents	IFRS 16	Others	Deferred tax on OCEANE	Total
31 December 2019	**(56,959)**	**1,935**	**2,632**	**(5,756)**	**2,709**	**2,953**	**2,577**	**(1,408)**	**(4,421)**	**(55,738)**
Change in P&L	1,718	(773)	(578)	(1,536)	251	(713)	1,815	(189)	1,120	1,115
Change in equity	-	-	-	18,702	-	-	-	142	-	18,845
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-
Currency translation differences	221	(21)	-	-	-	-	(17)	170	-	353
31 December 2020 [(1)]	**(55,020)**	**1,141**	**2,054**	**11,410**	**2,960**	**2,240**	**4,374**	**(1,284)**	**(3,301)**	**(35,426)**
Change in P&L	25	56	1,210	2,655	210	(784)	1,002	1,507	1,168	7,049
Change in equity	-	-	-	(18,687)	-	-	-	(110)	-	(18,795)
Change in scope of consolidation	1,967	-	1,613	-	-	-	(510)	-	-	3,070
Currency translation differences	(298)	-	-	-	220	306	-	150	-	378
31 DECEMBER 2021	**(53,326)**	**1,198**	**4,877**	**(4,622)**	**3,390**	**1,762**	**4,866**	**264**	**(2,133)**	**(43,724)**

(1) Amounts restated according to the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see note 4).

Deferred income tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable.

According to the forecast budget, the Group has not fully activated tax loss carry forwards. It amounts to EUR 4.3 million as of 31 December 2021 compared to EUR 4.1 million as of 31 December 2020. The change is explained by the capitalization of the additional deficit of the company Rhinov.

(in EUR thousands)	France (excluding of tax consolidation)	Portugal	United States	Total loss carryforwards
Loss carryforwards until				
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
> 2021	-	-	-	-
Loss carryforwards undefinitely	4,162	174	-	4,336
Total loss carryforwards 2021	**4,162**	**174**	**-**	**4,336**
Of which recognized	4,162	174	-	4,336
Of which not recognized	-	-	-	-
Total loss carryforwards 2020	**3,914**	**214**	**10,112**	**14,240**
Of which recognized	3,914	214	-	4,128
Of which not recognized	-	-	10,112	10,112

A projected budget has been established to demonstrate the use of this deferred tax asset within a reasonable period.

Note 21 Analysis of Working Capital

(in EUR thousands)	31 December 2020	Change in Working Capital	Other changes	Change effect	Change in scope of consolidation	31 December 2021
Inventories	171,526	34,071	-	1,406	(13,251)	193,752
Trade receivables and other current receivables	107,338	6,520	(311)	712	(8,611)	105,647
Assets	**278,864**	**40,591**	**(311)**	**2,118**	**(21,862)**	**299,400**
Trade payables and other current payables	255,343	51,154	2,721	1,790	(20,824)	290,183
Other non-current liabilities	6,466	(524)	(1,883)	117	-	4,177
Liabilities	**261,809**	**50,630**	**838**	**1,907**	**(20,824)**	**294,360**
WORKING CAPITAL	**17,055**	**(10,039)**	**(1,149)**	**211**	**(1,038)**	**5,040**

21.1 Inventories

(in EUR thousands)	31 December 2021	31 December 2020
Packaging and supplies	6,135	4,857
Semi-finished products	1,814	1,954
Merchandise	188,775	166,474
Gross value	**196,724**	**173,285**
Depreciation	(2,972)	(1,759)
NET CARRYING AMOUNT	**193,752**	**171,526**

21.2 Trade receivables and other current receivables

(in EUR thousands)	31 December 2021	31 December 2020
Trade receivables	14,805	16,241
Impairment of receivables	(4,328)	(3,805)
Trade receivables – Net	**10,477**	**12,436**
Advances paid to suppliers	45,308	48,658
Receivables from suppliers	1,670	2,076
Taxes and duties	21,605	21,259
Other receivables	4,035	3,053
Prepaid expenses	22,552	19,856
Other receivables	**95,170**	**94,902**
TOTAL TRADE AND OTHER RECEIVABLES	**105,647**	**107,338**

21.3 Trade and other payables

(in EUR thousands)	31 December 2021	31 December 2020
Trade payables	102,439	102,030
Advance payments received on orders in progress	61,502	53,803
Social and tax payables	85,745	67,402
Amounts payable on fixed assets	5,006	2,586
Deferred revenue	35,491	29,522
TOTAL TRADE PAYABLES AND OTHER PAYABLES	**290,183**	**255,343**

Main variation to “Trade payables and other payables” is due to:

- an increase of EUR 14.0 million in “Advances payments received on orders in progress” due to the extension of the validity period of gift cards to consider the periods of closure of stores;
- an increase of EUR 11.5 million in VAT to be payable;
- an increase of EUR 7.0 million in “Deferred revenue” due to increase in sales of undelivered goods.

21.4 Other non-current liabilities

“Other non-current liabilities” are mainly debt corresponding to put options held by the Savane Vision’s (“Rhinov”) minority for EUR 4.2 million on 31 December 2021 compared to EUR 2.4 million on 31 December 2020.

Following the sale of Modani, the debt relating to the put options held by minority shareholders was fully reversed in the amount of EUR 3.6 million.

The change in the fair value of these debts is recognized in the Group’s equity.

Note 22 Derivative financial instruments

The fair value of derivative financial instruments is broken down as follows:

	31 December 2021		31 December 2020	
(in EUR thousands)	Asset	Liability	Asset	Liability
Forward foreign exchange contracts	16,503	236	-	35,637
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**16,503**	**236**	**-**	**35,637**

All contracts are intended to cover the purchase of goods and freight in US dollars and all Swiss Franc and Sterling contracts are intended to cover our Swiss Franc and Sterling sales.

The nominal value of these financial instruments is as follows:

	31 December 2021	31 December 2020
Contracts in US dollars *(in million of US dollars)*	506.0	741.2
Contracts in Swiss Francs *(in million of Swiss francs)*	(15.0)	-
Contracts in pounds sterling *(in million of pounds sterling)*	(4.2)	-

The amount recognized directly in equity at the end of December 2021 is EUR 59.9 million. It corresponds to the valuation of contracts outstanding at the balance sheet date, which are intended to hedge forecast flows. 8.0 million recognized in the income statement, under profit or loss from ordinary activities, corresponds to the time value of the change in the fair value of the hedging instruments ("premium/discount" component).

Note 23 Equity

The Group's policy is to maintain a strong capital base to maintain investor, creditor, and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to shareholders.

23.1 Shares

The share capital as of 31 December 2021 is composed of 45,241,894 ordinary shares of Maisons du Monde S.A. Based on a nominal value of EUR 3.24 per share, Maisons du Monde S.A.'s share capital amounted to EUR 146,583,736.56 as at 31 December 2021.

23.2 Treasury shares

Treasury shares are Maisons du Monde S.A. shares held by the Group as part of a liquidity contract, in accordance with an Ethics Charter established by the French association of financial markets (AMAFI charter) and approved by the French financial market's authority *(Autorité des marchés financiers)*, or as part of shares buyback plans allocated to performance shares plans.

As of 31 December 2021, the Group held:

- 57,870 treasury shares under the liquidity contract, compared with 67,809 treasury shares at 31 December 2020;
- 762,114 treasury shares under the share buyback programs allocated to performance share plans;
- 421,134 shares to be cancelled under the ESG share buyback program.

23.3 Dividend per share

The Board of Directors has asked shareholders to approve a cash dividend of EUR 0.55 per share for the year ending 31 December 2021, which represents a payout ratio of 36% based on the Group's adjusted net income.

Note 24 Net debt

24.1 Net debt

The variations in net debt are broken down as follows:

		Cash impact					Without cash impact			
(in EUR thousands)	31 December 2020	Increase	Decrease	Interest and commission paid	Scope variation	Issuance fees	Interest	Change effect	Other (1)	31 December 2021
Cash at bank and in hand	296,587	-	(133,063)	-	(341)	-	-	30	-	163,213
Short term investments & cash equivalent	148	-	(139)	-	-	-	-	7	-	16
Total Cash and cash equivalents	**296,735**	**-**	**(133,202)**	**-**	**(341)**	**-**	**-**	**37**	**-**	**163,229**
Convertible bond	186,485	-	-	(250)	-	250	4,506	-	-	190,991
Term loan	49,949	-	(50,000)	(238)	-	84	205	-	-	-
Logistic credit	(186)	-	-	(218)	-	-	218	-	-	(186)
Revolving Credit Facilities	(88)	-	-	(682)	-	45	728	-	-	3
State-guaranteed term Loan	150,290	-	(150,000)	(750)	-	460	-	-	-	-
Other borrowings	1,193	-	(293)	(20)	(254)	-	38	-	29,343	30,006
Deposits and guarantees	907	75	(197)	-	(44)	-	-	3	-	744
Banks overdrafts	9	21	-	-	-	-	-	-	-	30
Total debt	**388,559**	**96**	**(200,490)**	**(2,158)**	**(298)**	**839**	**5,695**	**3**	**29,343**	**221,588**
TOTAL NET DEBT	**91,824**	**96**	**(67,288)**	**(2,158)**	**43**	**839**	**5,695**	**(34)**	**29,343**	**58,359**

(1) Corresponds to the amount of remaining shares to be acquired under the share buyback program (see note 1.4).

The short-term investment (such as SICAV and certificate of deposit) consist of investment of short duration (less than 3 months) with minimal risk of value's fluctuation.

The bank overdrafts are presented with loans in the "Current liabilities" section.

The breakdown by currency of the net debt is broken down as follows:

	31 December 2021					
(in EUR thousands)	EUR	CHF	GBP	USD	Others currency	Total
Convertible bond	190,991	-	-	-	-	190,991
Revolving Credit Facilities	3	-	-	-	-	3
Logistic credit	(186)	-	-	-	-	(186)
Other borrowings	30,006	-	-	-	-	30,006
Deposits and guarantees	744	-	-	-	-	744
Banks overdrafts	30	-	-	-	-	30
Cash and cash equivalents	(141,310)	(4,713)	(2,131)	(14,293)	(782)	(163,229)
TOTAL NET DEBT	**80,278**	**(4,713)**	**(2,131)**	**(14,293)**	**(782)**	**58,359**

	31 December 2020					
(in EUR thousands)	**EUR**	**CHF**	**GBP**	**USD**	**Others currency**	**Total**
Convertible bond	186,485	-	-	-	-	186,485
Term loan	49,949	-	-	-	-	49,949
Revolving Credit Facilities	(88)	-	-	-	-	(88)
Logistic credit	(186)	-	-	-	-	(186)
State-guaranteed term Loan	150,290				-	150,290
Other borrowings	937	-	-	256	-	1,193
Deposits and guarantees	866	-	-	41	-	907
Banks overdrafts	9	-	-	-	-	9
Cash and cash equivalents	(277,660)	(8,302)	(3,027)	(6,656)	(1,090)	(296,735)
TOTAL NET DEBT	**110,602**	**(8,302)**	**(3,027)**	**(6,359)**	**(1,090)**	**91,824**

The net debt lists the following credit facilities:

a) Convertible Bond

On 6 December 2017, Maisons du Monde issued bonds convertible into new or existing shares ("OCEANE") due December 2023 by way of a private placement to institutional investors, for a nominal amount of EUR 200 million (4,100,041 bonds with a nominal value of EUR 48.78). Existing shareholders of the Company shall have no preferential subscription rights (or priority subscription period) in connection with the bonds or the underlying shares of the Company.

The Bonds have been issued at par and bear interest at an annual rate of 0.125%, payable annually in arrears on 6 December of each year and for the first time on 6 December 2018. Issuance fees were EUR 2.3 million.

Unless previously converted, exchanged, redeemed, or purchased and cancelled, the Bonds will be redeemed at par on 6 December 2023. The Bonds may be redeemed prior to maturity at the option of the Company, subject to certain conditions, and at the option of the holders in the event of a change of control of the Company.

From the Issue Date (*i.e.* 6 December 2017) and up to 5:00 p.m. (Paris time) on the 7th business day preceding the maturity date or the relevant early redemption date, the Bonds will entitle their holders to receive shares of the Company at a ratio of one share per Bond, subject to any potential subsequent adjustments.

The Bonds are listed on the Euronext AccessTM market of Euronext Paris since 12 December 2017.

The General Meeting of 4 June 2021, decided to distribute a dividend of EUR 0.30 of 2020 results. Therefore, the ratio conversion/exchange was the same.

According to the stipulations specified in Article 2.6. (B).10 of "Terms & Conditions" related to OCEANE, the Conversion/Exchange Ratio is maintained as of 4 July 2019 for 1,012 shares Maisons du Monde S.A. for 1 OCEANE (up to three decimals and rounded to the nearest thousandth).

The market rate used and the initial breakdown between the "Debt" portion and the "Equity" portion are as follows:

- market rate used for the calculation of the debt: 2.35%;
- fair value of financial debt at issue: EUR 173.3 million (net of EUR 2.1 million issuance fees);
- equity portion of the convertible bond: EUR 24.3 million (net of EUR 0.3 million issuance fees).

As of 31 December 2021:

- the amount of the convertible bond, net of issuance fees, is EUR 191.0 million;
- effective interest rate stands at 2.55% and the financial expense amounts to EUR 4.8 million (debt accretion effect using the effective interest rate method).

During fiscal year 2021, no bonds were converted or refunded.

	31 December 2021
1 – Number of convertible bonds	
Beginning of the period	4,100,041
Conversion of the period	-
At the end of the period	4,100,041
2 – Number of shares issued in respect of the convertible bond	
Beginning of the period	-
Transactions for conversions	-
End of the period	-
3 – Number of shares that may be issued by December 6, 2023	
Minimum number	4,100,041
4 – Gross amount of initial issue *(in EUR thousands)*	**200,000**
5 – Maximum amount repayable at maturity under the convertible bonds *(in EUR thousands)*	**200,000**

b) Senior Credit Facilities (“Term Loan” and “RCF”) and additional Credit Revolving Facility (“Additional RCF”)

In May 2021, the Group repaid in full its long-term loan for EUR 50 million.

In April 2021, the Group obtained for one year a renewal of its EUR 75 million revolving credit facility (“RCF”) and its additional EUR 75 million revolving credit facility. As of 31 December 2021, both revolving credit facilities are undrawn.

The issuance costs of the revolving credit facilities are being amortized on a straight-line basis over the period to maturity.

From 1 June 2019, the applicable margin for the next 12-months-period will be the percentage *per annum* set out below, depending on the Leverage ratio:

Leverage ratio	Margin
Superior to 3.50:1	2.50%
Less than or equal to 3.50:1 but superior to 3.00:1	2.25%
Less than or equal to 3.00:1 but superior to 2.50:1	2.00%
Less than or equal to 2.50:1 but superior to 2.00:1	1.75%
Less than or equal to 2.00:1 but superior to 1.50:1	1.50%
Less than or equal to 1.50:1 but superior to 1.00:1	1.25%
Less than or equal to 1.00:1	1.00%

The Senior Credit Facilities agreement includes a financial covenant under which the leverage ratio may not exceed the ratio set out in the table below for each period:

Period concerned	Debt leverage
Maturity as of December 31, 2018	4.25:1
Maturity as of 30 June 2019	4.00:1
Maturity as of 31 December 2019	3.75:1
Maturity as of 31 December 2020	3.75:1
Maturity as of 31 December 2021	3.75:1

The leverage ratio, which is the ratio of total net debt as of the last day of the reporting period to IAS 17 *pro forma* consolidated EBITDA, is respected as of 31 December 2021.

c) Government guaranteed loan

At the beginning of June 2021, the Group repaid the 150-million-euro term loan concluded under the EMP and paid the guarantee premium for EUR 0.8 million.

d) Financial expenses

The corresponding financial expenses are breakdown as of 31 December 2021:

	Finance expenses			
	Interest rate	Margin	Commitment Fees	User fees
Term loan	Euribor 6 month	1.00%	N/A	N/A
State-guaranteed term Loan	N/A	N/A	0.50%	N/A
Revolving Credit Facility (available amount)	N/A	N/A	0.35%	N/A
Revolving Credit Facility (undrawn amount)	Euribor 1, 3 or 6 months (1)	1.00%	N/A	
Less than EUR 25 million				0.1%
From EUR 25 million to EUR 50 million				*0.2%*
More than EUR 50 million				*0.4%*

(1) The applicable Euribor period depends on the interest rate period applicable to the relevant drawdown.

The margin was revised to 1% as of 2020.

24.2 Maturity of borrowings and other financial debts

As of 31 December 2021, the maturity ranges of borrowings are as follows:

	Maturity as of 31 December 2021			
(in EUR thousands)	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Convertible bond	(364)	191,355	-	190,991
Logistic credit	-	(60)	(126)	(186)
Revolving Credit Facilities	3	-	-	3
Other borrowings	29,588	393	25	30,006
Deposits and guarantees	-	-	744	744
Bank overdraft	30	-	-	30
TOTAL BORROWINGS	**29,257**	**191,688**	**643**	**221,588**

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24.3 Fixed and variable rate

(in EUR thousands)	31 December 2021	31 December 2020
Floating rate	24	50,004
Fixed rate	221,564	338,555
TOTAL BORROWINGS	**221,588**	**388,559**

Floating rate borrowings includes the Term Loan, Credit revolving facilities, financial leases and bank overdrafts.

Note 25 Post-employment benefits

The employment benefits provision relates to defined-benefit pension plans.

In addition to State plans, the Group's French subsidiaries are legally required to pay lump sums to employees when they retire from service, the "indemnités de fin de carrière" (IFC). The amounts are based on years of service in the Company and on the base salary according to the collective bargaining agreement in force. This scheme covers all employees under permanent contract within the Company.

For the Italian subsidiary, Trattamento di Fine Rapporto (TFR) is an employee benefit payable at the end of the working period or as soon as the employee leaves the Company. According to IAS 19, the TFR falls into "Post-employment benefits" category.

Concerning the Swiss subsidiary, the occupational benefit is a reserve funded by the employer's and employee's contribution. This capital is converted into a life annuity based on a "conversion rate" defined by the law, currently set at 6.8%.

The defined benefit obligations are broken down by country as follows:

(in EUR thousands)	31 December 2021	31 December 2020 (1)
France	2,842	2,648
Switzerland	1,450	1,459
Italy	8,158	7,299
DEFINED BENEFIT OBLIGATION	**12,450**	**11,406**

(1) Amounts restated according to the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see note 4).

The movements in the defined benefit obligation over the years presented are as follows:

(in EUR thousands)	Defined benefit obligation
Balance as of 31 December 2019 (1)	**9,508**
Current service cost	1,755
Interest expense/ (income)	270
TOTAL EXPENSE/ (INCOME)	**2,025**
Actuarial (gains) and losses – financial assumptions	63
experience (gains)/losses	582
TOTAL REMEASUREMENTS	**645**
Employer contributions	(175)
Benefits paid	(596)
Currency impact	(1)
TOTAL PAYMENTS	**(772)**
Balance as of 31 December 2020 (1)	**11,406**
Current service cost	1,656
Interest expense/ (income)	85
TOTAL EXPENSE/ (INCOME)	**1,741**
Actuarial (gains) and losses – demographic assumptions	(136)
Actuarial (gains) and losses – financial assumptions	(389)
Experience (gains)/losses	883
Change in fair value of plan assets	(420)
TOTAL REMEASUREMENTS	**(62)**
Benefits paid	(699)
Currency impact	64
TOTAL PAYMENTS	**(635)**
NET CARRYING AMOUNT AS OF 31 DECEMBER 2021	**12,450**

(1) Amounts restated according to the application of the IFRS IC decision on the attribution of employee benefits to periods of service (see note 4).

The significant actuarial assumptions were as follows:

	31 December 2021			31 December 2020		
	France	Italy	Switzerland	France	Italy	Switzerland
Discount rate	1.25%	1.15%	0.40%	0.75%	0.65%	0.15%
Turnover rate	0.00% à 12.50%	9%	10%	0.00% à 12.50%	10%	10%
Mortality rate	INSEE 2009-2011	IPS55	BVG 2020 GT	INSEE 2009-2011	IPS55	BVG 2015 GT
Estimated future salary increase	1.50% à 2.50%	2.4%	1.0%	1.50% à 2.50%	1.8%	1.5%
Probable retirement age	62-64	variable – legal	64-65	62-64	variable – legal	64-65

Turnover rates for France for the years ended 31 December 2021 and 2020 are based on internal statistics over the last 3 years per entity, age category and category of personnel.

The sensitivity of the commitment to a variation of 0.5% of some assumptions, all other things remaining unchanged, breaks down as follows on 31 December 2021:

		Impact on defined benefit obligation	
(in EUR thousands)	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(1,171)	1,344
Salary growth rate	0.50%	727	(676)

The estimated amount of benefits to be paid in 2021 is EUR 1.0 million.

As of 31 December 2021, the average duration of the Group's benefit obligation was 17 years (18 years as of 31 December 2020).

Note 26 Provisions

(in EUR thousands)	Provisions for commercial disputes	Provisions for labor disputes	Provision relating to stores (closures and lease disputes)	Tax Provisions	Other	Total
Balance as of 1 January 2020	**14,877**	**977**	**382**	**92**	**1,230**	**17,558**
Additional provisions	1,585	581	594	-	4,858	7,618
Unused amounts reversed	(12,057)	(71)	(36)	(11)	(1)	(12,176)
Amounts used during the year	-	(585)	(246)	-	(200)	(1,032)
Currency translation differences	-	(2)	(4)	-	-	(6)
Reclassification	-	-	(48)	-	48	-
Balance as of 31 December 2020	**4,405**	**900**	**642**	**81**	**5,935**	**11,962**
Of which non-current	2,405	900	-	81	4,073	7,459
Of which current	2,000	-	642	-	1,862	4,504
Additional provisions	85	3,512	1,391	20	5,373	10,381
Unused amounts reversed	(2,204)	(572)	(47)	(17)	(943)	(3,782)
Amounts used during the year	(1,851)	-	(643)	-	(900)	(3,394)
Reclassification	-	3	47	-	(47)	3
Balance as of 31 December 2021	**435**	**3,843**	**1,390**	**85**	**9,418**	**15,170**
Of which non-current	*435*	*3,417*	*1,167*	*85*	*4,388*	*9,492*
Of which current	-	*426*	*224*	-	*5,029*	*5,679*

As of 31 December 2021, the change in provisions was +EUR 3.2 million, including EUR (7.2) million of reversals following the settlement of several disputes (including EUR (4.9) million recognized in other operating income and expenses) and new provisions for EUR 10.4 million (including EUR 2.1 million recognized in other operating income and expenses).

Note 27 Financial instruments

27.1 Financial instruments by category

(in EUR thousands)	Loans and receivables	Hedging derivatives	Total	Fair value
Assets – 31 December 2021				
Other non-current financial assets	17,032	-	17,032	17,032
Trade receivables	10,477	-	10,477	10,477
Other receivables (excl. Prepaid expenses and Corporate Income Tax)	72,619	-	72,619	72,619
Derivative financial instruments	-	16,503	16,503	16,503
Cash and cash equivalents	163,229	-	163,229	163,229
TOTAL	**263,357**	**16,503**	**279,860**	**279,860**

(in EUR thousands)	Other financial liabilities at amortized costs	Hedging derivatives	Total	Fair value
Liabilities – 31 December 2021				
Borrowings	976	-	976	976
Convertible bond	191,355	-	191,355	191,355
Derivative financial instruments	-	236	236	236
Borrowings and current convertible bond	29,257		29,257	29,257
Trade payables and other payables (excl. Deferred revenue)	254,692	-	254,692	254,692
TOTAL	**476,280**	**236**	**476,516**	**476,516**

(in EUR thousands)	Loans and receivables	Hedging derivatives	Total	Fair value
Assets – 31 December 2020				
Other non-current financial assets	15,822	-	15,822	15,822
Trade receivables	12,436	-	12,436	12,436
Other receivables (excl. Prepaid expenses and Corporate Income Tax)	75,046	-	75,046	75,046
Cash and cash equivalents	296,735	-	296,735	296,735
TOTAL	**400,039**	**-**	**400,039**	**400,039**

(in EUR thousands)	Other financial liabilities at amortized costs	Hedging derivatives	Total	Fair value
Liabilities – 31 December 2020				
Borrowings	1,634	-	1,634	1,634
Convertible bond	186,832	-	186,832	186,832
Derivative financial instruments	-	35,637	35,637	35,637
Borrowings and current convertible bond	200,093		200,093	200,093
Trade payables and other payables (excl. Deferred revenue)	225,821	-	225,821	225,821
TOTAL	**614,379**	**35,637**	**650,016**	**650,016**

27.2 Fair value estimation

As of 31 December 2021, the financial assets and liabilities net carrying value are equal to the fair value, except for Revolving credit facilities that are booked at amortized cost.

The derivative financial instruments (see note 22) are carried at fair value using a valuation method that relies on inputs based on observable market data.

The concept of fair value shall be understood to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There is a three-level fair value hierarchy under IFRS 13:

- level 1: fair value is measured by reference to quoted prices in active markets for identical assets or liabilities;
- level 2: fair value is measured by reference to inputs other than quoted market prices included within level 1, which are observable for the asset or liability, either directly (price) or indirectly (inputs derived from price);
- level 3: fair value is measured by reference to information on the asset or liability that are not observable (unobservable inputs) in the market.

Below you will find an analysis of the financial instruments by level:

(in EUR thousands)	Level 1	Level 2	Level 3
Balance as of 31 December 2021			
Derivative financial instruments	-	16,267	-
Balance as of 31 December 2020			
Derivative financial instruments	-	(35,637)	-

The following table presents the Group's financial assets and liabilities that are measured at fair value as of 31 December 2021:

	Notes	IAS 39 measurement principles	IFRS 7 Fair value hierarchy
Financial assets:			
Derivatives financial instruments	22	Fair value	2
Trade and other receivables	21.2	Amortised cost	N/A
Cash and cash equivalents	24.1	Fair value	1
Other current/non-current financial assets	19	Amortised cost	N/A
Financial liabilities:			
Borrowings and other financial debts (excl. Bank overdrafts)	24.1	Amortised cost	N/A
Derivatives financial instruments	22	Fair value	2
Bank overdrafts	24.1	Fair value	1
Trade and other payables	21.3	Amortised cost	N/A

FINANCIAL RISK MANAGEMENT

Note 28 Financial risk management

During its activities, the Group is mainly exposed to foreign exchange risk, liquidity risk and credit risk. The Group's overall risk management policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance.

The Group uses derivative financial instruments to hedge its foreign exchange risk exposures. In this case, the Group only enters derivative transactions related to operating and/or financial assets and liabilities or forecast future transactions. The Group does not enter any speculative transactions without underlying assets or liabilities.

Risk management is carried out by the Group's Treasury Department and the Chief Financial Officer, under policies approved by the Board of Directors.

28.1 Financial risks factor

a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's subsidiaries' functional currency which is the Euro, for most of them.

Most of the Group's purchases from suppliers and sea freight costs are denominated in US dollars and is therefore exposed to fluctuations on the translation into euros of its foreign currency liabilities. The Group hedges all these US dollar transactions using forwards contracts and Accumulated Boost Forwards Contracts negotiated with leading banks. Hedging is part of the forecast/budget process.

The fair value of foreign currency financial instruments is EUR 16.2 million as of 31 December 2021 compared to EUR (35.6) million as of 31 December 2020 (see note 22).

The Group adopts a centralized approach to foreign exchange risk management. Permission of Group CFO is required before a foreign exchange transaction may be undertaken, under policies approved by the Board of Directors.

b) Interest rate risk

At 31 December 2021, the Group no longer had any debt exposed to interest rate fluctuations. Debt exposed to interest rate fluctuations amounted to EUR 50.0 million at 31 December 2020 (see note 24.3).

c) Liquidity risk

Financial liabilities mainly comprise borrowings and trade and other payables. These liabilities may expose the Group to liquidity risk in the event of early repayment or short maturity (see note 24.1).

In order to manage its liquidity risk, the Group contracts revolving credit contracts or bank facilities for an appropriate amount and maturity to ensure that it has adequate available funds to meet its commitments with various financial institutions. The total amount of credit facility that was not used as of 31 December 2021 and 2020 amounts to EUR 150 million (see note 29.1).

Maisons du Monde France has contracted various credit facilities (for a total amount of EUR 14.6 million) with its banks.

The tables below analyse the Group's financial liabilities based on their contractual maturities:

Contractual cash flows as of 31 December 2021

(in EUR thousands)	Carrying amount	Total	Less than 1 year	From 1 to 5 years	More than 5 years
Convertible bond (1)	175,366	200,000	-	200,000	-
Interests on convertible bond	16,538	500	250	250	-
Issuance fees related to convertible bond	(913)	-	-	-	-
TOTAL CONVERTIBLE BOND	**190,991**	**200,500**	**250**	**200,250**	**-**
Interests on RCF (1)	92	500	500	-	-
Issuance fees related to RCF	(89)	-	-	-	-
TOTAL REVOLVING CREDIT FACILITIES	**3**	**500**	**500**	**-**	**-**
Other borrowings	30,006	30,006	29,588	393	25
logistic credit	(186)	(186)	-	(79)	(107)
Deposits	744	744	-	-	744
Bank overdraft	30	30	30	-	-
TOTAL BORROWINGS	**221,588**	**231,594**	**30,368**	**200,564**	**662**
Other non current liabilities	4,177	4,177	-	4,177	-
Others current liabilities	-	-	-	-	-
Trade and other payables	290,183	290,183	290,183	-	-
TOTAL OTHER LIABILITIES	**294,360**	**294,360**	**290,183**	**4,177**	**-**

(1) The contractual cash flows for interest on the revolving credit facilities are based on the following assumption: a rate of 1.0% corresponding to the minimum contractual rate for the periods presented based on the forecasted leverage (see note 24.1).

	Contractual cash flows as of 31 December 2020				
(in EUR thousands)	**Carrying amount**	**Total**	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**
Term Loan	50,000	50,000	50,000	-	-
Interests on Term Loan	33	208	208	-	-
Issuance fees related to Term Loan	(84)	-	-	-	-
TOTAL TERM LOAN	**49,949**	**50,208**	**50,208**	**-**	**-**
Convertible bond (1)	175,366	200,000	-	200,000	-
Interests on convertible bond	12,282	750	250	500	-
Issuance fees related to convertible bond	(1,163)	-	-	-	-
TOTAL CONVERTIBLE BOND	**186,485**	**200,750**	**250**	**200,500**	**-**
State-guaranteed term Loan	150,000	150,000	150,000	-	-
Interests on State-guaranteed term Loan	437	750	750	-	-
Issuance fees related to State-guaranteed Loan	(147)	-	-	-	-
TOTAL STATE-GUARANTEED TERM LOAN	**150,290**	**150,750**	**150,750**	**-**	**-**
Interests on RCF (1)	46	625	625	-	-
Issuance fees related to RCF	(134)	-	-	-	-
TOTAL REVOLVING CREDIT FACILITIES	**(88)**	**625**	**625**	**-**	**-**
Other borrowings	1,193	1,193	282	572	339
logistic credit	(186)	(186)	(15)	(100)	(71)
Deposits	907	907	-	-	907
Bank overdraft	9	9	9	-	-
TOTAL BORROWINGS	**388,559**	**404,256**	**202,110**	**200,972**	**1,175**
Other non-current liabilities	6,466	6,466	-	6,466	-
Trade and other payables	255,343	255,343	255,343	-	-
TOTAL OTHER LIABILITIES	**261,809**	**261,809**	**255,343**	**6,466**	**-**

(1) The contractual cash flows for interests on the Term Loan and the RCF are based on the following assumption: a rate of 1% which are the minimum contractual rate, for the presented periods according to the forecast debt leverage (see note 24.1).

d) Credit risk

Credit risk relates to cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions, as well as customer credit, including outstanding receivables.

Sales (store and online) are mostly settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk through exposure to individual customers.

ADDITIONAL INFORMATION

Note 29 Off-balance sheet commitments

29.1 Bilateral Lending Facilities

Maisons du Monde France has entered into various credit facilities (for an aggregate amount of EUR 14.6 million) with Arkea Banque Entreprises et Institutionnels, Banque Palatine, Banque Populaire, BNP Paribas, CIC Ouest, Credit Agricole Corporate and Investment Bank, Natixis and Société Générale.

29.2 Option to purchase Savane Vision (Rhinov) securities

The acquisition of a majority stake by the Group in the capital of Savane Vision (Rhinov) is accompanied, among other things, by two purchase options granted to the Group relating to minority interests, *i.e.*, 29.6% of the shares, exercisable over two exercise periods. The first purchase option is exercisable in the first half of 2023 and relates to a portion of securities ranging between 65% and 75%. The second exercise window is in 2025 and relates to the balance of securities. The redemption price for the 29.6% share was set at a multiple of EBITDA on the date of exercise of the option.

29.3 Logistic credit

As part of its project to set up a new logistics platform in the north of France, the Group has taken out in 2020 a loan of EUR 47.5 million, comprising a confirmed line of EUR 40.3 million and an unconfirmed line of EUR 7.2 million. This loan will be used to finance the mechanization and fitting out of the new warehouse. This loan will be repayable between June 30, 2022, and December 31, 2029.

As of 31 December 2021, the Group had not drawn down any of this loan.

29.4 Contingent liability

Maisons du Monde France S.A.S. is currently undergoing a tax audit for the years 2019 and 2020. The Group has not recorded a provision for this audit in the financial statements at 31 December 2021.

Note 30 Transactions with related parties

30.1 Relations with the Group's other shareholders

<u>*Attendance fees*</u>

Some members of the Board of Directors are paid by attendance fees. The total gross amount of attendance fees due for the 2021 financial year by the Company and its subsidiaries to all members of the Board of Directors was EUR 466 thousand compared to EUR 525 thousand for the year 2020.

30.2 Compensation and benefits granted to key management personnel

The key management personnel are the members of the Board of Directors of the Company, the General Manager of the Company, and the members of the Executive Committee of the Group.

Terms and conditions of the compensation and benefits granted to the Executive Director are approved by the Board of Directors, following the recommendation of the Appointments and Remunerations Committee.

The following table presents the total gross amount of fixed compensation paid by the Company and its controlled entities to the members who are at the closing (or, have been during the period), members of the key management of the Group.

These amounts were booked as expenses in 2021 and 2020 according to the following detail:

(in EUR thousands)	31 December 2021	31 December 2020
Short-term employment benefits	3,459	3,476
Termination benefits	303	83
Share-based compensation	(262)	893
TOTAL COMPENSATION AND BENEFITS	**3,500**	**4,452**

Members of the Board of Directors of the Company did not receive any compensation from the Group except attendance fees (see note 30.1).

Share-based compensation correspond to the portion of compensation related to share, plus the net amount of allocations and reversals recorded in respect of the various plans. For the year 2021, the amount of reversals is higher than the amount of expenses and allocations recorded.

Note 31 Statutory auditor's fees

The following table shows the amount of auditor's fees included in the Group's consolidated income statement for the year, broken down into audit and certification fees for the statutory and consolidated financial statements and fees for other services rendered. The fees shown apply to fully consolidated subsidiaries.

	KPMG				Deloitte			
	Amount		%		Amount		%	
(in EUR thousands)	Year ended 31 December 2021	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2020
Audit								
Statutory audit fees, certification, auditing of the accounts	269	252	75%	87%	192	190	92%	97%
• parent company	98	94	36%	37%	98	98	51%	52%
• subsidiaries	171	158	64%	63%	94	92	49%	48%
Other services rendered by auditors' networks to fully-consolidated subsidiaries	92	39	25%	13%	16	6	8%	3%
• other	92	39	100%	100%	16	6	100%	100%
TOTAL FEES PAID TO THE STATUTORY AUDITOR	361	291	100%	100%	208	196	100%	100%

Note 32 Scope of consolidation

The table set out below provides a list of the Group's subsidiaries and shows the ownership interest of Maisons du Monde S.A. in each entity as of 31 December 2021:

As of 31 December 2021, 17 companies have been fully consolidated in the financial statements (50 in 2019).

				31 December 2021		31 December 2020	
Subsidiary	**Activity**	**Country of incorporation**	**Consolidation method**	**Contr.** *(in %)*	**Part.** *(in %)*	**Contr.** *(in %)*	**Part.** *(in %)*
Maisons du Monde S.A.	Holding Company – Parent entity	France	Full	100%	100%	100%	100%
Maisons du Monde France	Retail stores selling home furnishings and decorations/Main buyer	France	Full	100%	100%	100%	100%
Maisons du Monde Germany	Retail stores selling home furnishings and decorations	Germany	Full	100%	100%	100%	100%
Maisons du Monde Austria	Retail stores selling home furnishings and decorations	Austria	Full	100%	100%	100%	100%
Maisons du Monde Belgium	Retail stores selling home furnishings and decorations	Belgium	Full	100%	100%	100%	100%
Maisons du Monde Spain	Retail stores selling home furnishings and decorations	Spain	Full	100%	100%	100%	100%
Maisons du Monde Italy	Retail stores selling home furnishings and decorations	Italy	Full	100%	100%	100%	100%
Maisons du Monde Luxemburg	Retail stores selling home furnishings and decorations	Luxemburg	Full	100%	100%	100%	100%
Maisons du Monde Portugal	Retail stores selling home furnishings and decorations	Portugal	Full	100%	100%	100%	100%
Maisons du Monde Switzerland	Retail stores selling home furnishings and decorations	Switzerland	Full	100%	100%	100%	100%
MDM Furniture & Decoration	Retail stores selling home furnishings and decorations	United Kingdom	Full	100%	100%	100%	100%
Distrimag	Warehouse logistics and order preparation	France	Full	100%	100%	100%	100%
Distri-Traction	Container transport between harbor and warehouses	France	Full	100%	100%	100%	100%
Mekong Furniture	Furniture manufacturing	Vietnam	Full	100%	100%	100%	100%
Savane Vision (Rhinov)	Design	France	Full	100%	70%	100%	70%
Léolog (1)	Warehouse logistics and order preparation	France	Full	100%	100%	100%	100%
International MGL	Dormant entity	France	Full	100%	100%	100%	100%
Maisons du Monde USA (2)	Holding Company	United-States	Full	0%	0%	100%	100%
Modani Holdings LLC (2)	Holding Company and support functionst	United-States	Full	0%	0%	100%	70%
Modani Atlanta LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Boca Raton LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Brickell LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Chicago LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Dallas LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Denvers LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Doral LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Frisco LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Fort Lauderdale LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Garden City LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Houston LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Jacksonville LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani King of Prussia LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Las Vegas LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Los Angeles LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Miami LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Naples LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani New-York Midtown LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Oak Brook LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani OC LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Orlando LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Paramus LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%

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Subsidiary	Activity	Country of incorporation	Consolidation method	31 December 2021 Contr. (in %)	31 December 2021 Part. (in %)	31 December 2020 Contr. (in %)	31 December 2020 Part. (in %)
Modani Pinecrest LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani San Diego LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Tampa LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani West Palm Beach LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Urbanmod LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
SNS Imports LLC (2)	Warehouse logistics and order preparation	United-States	Full	0%	0%	100%	70%
Maisons du Monde Holdings LLC (2)	Holding	United-States	Full	0%	0%	100%	70%
Maisons du Monde Aventura LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Maisons du Monde Wynwood LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%

(1) Formerly International MDM, now Léolog.

(2) Companies sold in November 2021.

Note 33 Events subsequent to 31 December 2021

Conflict in Ukraine

On 24 February 2022, Russia launched an assault on Ukraine aiming at occupying the country and overthrowing its government. This invasion was widely condemned internationally and gave way to several international sanctions, which have affected the economies of Russia and the world. As at the date of this Universal Registration Document, the conflict is still unresolved, and its consequences remain uncertain. As regards Maisons du Monde's activity, the situation it is likely to impact inflation and then consumer demand, the extent of which is to be determined. Direct impact on product availability is not material as Maisons du Monde's exposure to Eastern Europe for supply is limited.

Furthermore, the Group does not make any sales in the areas directly affected by this conflict, and none of its assets are located there.

The Group did not identify any other significant event after the reporting period that should be mentioned in these consolidated financial statements.

6.2 Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2021

This is a free translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Maisons du Monde S.A.

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Maisons du Monde S.A. for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements"* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1, 2021 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the consolidated financial statements are as follows:

- Independent third-party review of the consolidated non-financial performance statement pursuant to Article L. 225-102-1 of the French Commercial Code;
- Issuance of attestations on data extracted from the financial statements (turnover per shop, financial ratios, covenants).

Emphasis of matter

Without qualifying the above opinion, we draw your attention to the following matters set out in the notes to the consolidated financial statements:

- Note 4 "Restated consolidated financial statements" which describes:
  - The impacts of the change in accounting method for pension commitments following the IFRS Interpretation Committee's decision (IFRIC IC),
  - The reclassification within equity of the put options held by minority shareholders.
- Notes 1.4, 4 and 13 which describe the withdrawal from Modani and its impacts on the 2020 comparative financial statements as well as the 2021 financial statements in accordance with IFRS 5.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

MEASUREMENT OF INTANGIBLE ASSETS, INCLUDING INTANGIBLE ASSETS WITH AN INDEFINITE LIFE (GOODWILL AND BRANDS) AND UNDERLYING ASSETS

Risk identified	Our response
As of December 31, 2021, goodwill, intangible assets and underlying assets of the Group had a net carrying amount of €724.6 million (excluding lease right-of-use assets of €601.3 million, net), compared with total assets of €1,843.6 million. As disclosed in Notes 2.11 a) and b), goodwill and brands acquired by the Group with an indefinite life are tested for impairment where there is an indication of loss in value and at least once annually. When the recoverable amount is less than the net carrying amount, the assets are impaired for up to the amount of the difference. Impairment tests are conducted at the lowest level at which goodwill is monitored by the Group, i.e. the "France" and "International" regions. The methods used by Group management to test for impairment are described in Notes 15.2 and 15.3 to the consolidated financial statements; they are based heavily on judgement and assumptions concerning, in particular: • future cash flow forecasts (particularly sales growth and changes in the gross margin, • the perpetual growth rate applied to projected cash flows, • the discount rate applied to estimated cash flows, • the euro-USD exchange rate. A change in these assumptions would likely impact the recoverable amount of goodwill. We consider the measurement of intangible assets, including intangible assets with an indefinite life (goodwill and brands) and underlying assets to be a key audit matter due to: • their material amount in the Group financial statements; • the judgements and assumptions necessary to determine the recoverable amount, based on discounted cash flow forecasts, the realization of which is inherently uncertain.	We analyzed the compliance of the methodologies applied by the Company with prevailing accounting standards regarding the performance of the impairment tests. We familiarized ourselves with the key assumptions adopted and we: • Reconciled the business forecasts underlying the determination of the cash flows with the most recent Management estimates, the 2022 budget and the 2022-2025 strategic plan presented and approved by the Board of Directors; • Analyzed the consistency of the estimates used with the Group's past performance in order to assess the quality of the process of establishing these forecasts; • Assessed the reasonableness of the cash flow forecasts in relation to the economic context surrounding the Group's operations; • Compared the perpetual growth rate retained for the cash flow forecasts with the market analyses and the consensus of the main professionals concerned; • Confirmed the discount rate with the help of our financial valuation experts by comparing its parameters with external benchmarks; • Reviewed the sensitivity analyses performed by Management and compared them with our own calculations to assess whether a single unreasonable change in the assumptions would require the recognition of impairment for the intangible assets and underlying assets of the France and International cash-generating units (CGUs). Lastly, we verified that Notes 2.11 a) & b), 15, 16 and 17 to the consolidated financial statements provided appropriate disclosures.

MEASUREMENT AND ACCOUNTING TREATMENT OF THE FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

Risk identified	Our response
The Group holds derivative financial instruments, which are used to hedge currency risks on foreign-currency denominated purchases, mainly euro – USD, arising in the normal course of business. These instruments are initially measured at fair value on the date the derivative is entered into and are subsequently remeasured at fair value at each reporting date, based on the exchange rate at the reporting date. Changes in fair value are recognized in profit or loss, except for instruments qualified as cash flow hedges, for which changes in fair value are recognized in other comprehensive income for the effective portion and in profit or loss for the ineffective portion. In 2021, changes in the fair value of derivative financial instruments were credited to equity for €59.9 million and an expense of €8.0 million was recognized in the income statement. We consider the recognition of financial instruments to be a key audit matter due to: • the importance of Management's judgements and estimates in qualifying financial instruments as cash flow hedging instruments and determining the fair value of these instruments; • the materiality of changes in fair value of these instruments and the accounting impacts relating to their qualification as cash flow hedging instruments.	We analyzed the compliance of the methodologies applied by the Company with prevailing accounting standards regarding the measurement and accounting treatment of the fair value of derivative financial instruments. We assessed the expertise of the specialists appointed by the Company to measure the fair value of financial instruments and held discussions with Management to understand the scope of their procedures. We: • Obtained the components of the Group's financial instruments portfolio, which we compared with the fair value determined by the Group's external specialists. We also compared these statements with the bank confirmations; • Reviewed the cash flow hedging documentation with the help of our experts; • Reviewed the accounting treatment applied to financial instruments and the impacts on the income statement and other comprehensive income based on the qualification of these instruments. Lastly, we verified that Notes 2.17, 22 and 27 to the consolidated financial statements provided appropriate disclosures.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of 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 consolidated non-financial performance statement required by Article L.225-102-1 of the French Commercial Code is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of Article L.823-10 of the code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Maisons du Monde by your Annual General Meeting held on June 12, 2020 for KPMG SA and by your Annual General Meeting held on April 29, 2016 for Deloitte & Associés.

As of December 31, 2021, KPMG SA was in the 8th year of total uninterrupted engagement and the 6th year since securities of the Company were admitted to trading on a regulated market and Deloitte & Associés was in the 6th year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from 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 is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for 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 from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

French original signed in Rennes and Saint-Herblain, April 14, 2022

The Statutory Auditors

KPMG SA	**Deloitte & Associés**
Vincent BROYE	Alexis LEVASSEUR

6.3 Separate financial statements

(Financial year from 1 January 2021 to 31 December 2021)

6.3.1 INCOME STATEMENT

(in EUR thousands)	Notes	31 December 2021	31 December 2020
Revenue	14	5,150	4,228
Reversal of depreciation, amortisation and provisions, and transferred expenses		341	104
Other income		0	0
TOTAL OPERATING INCOME		5,491	4,332
Purchases of goods and related inventory changes		-	-
Purchases of raw materials, other supplies and related inventory changes		-	-
External expenses	16	(4,577)	(3,465)
Taxes and levies		(200)	(228)
Personnel expenses	15	(6,102)	(5,351)
Depreciation and amortisation		(1,369)	(1,170)
Other expenses		(625)	(500)
TOTAL OPERATING EXPENSES		(12,874)	(10,715)
OPERATING PROFIT (LOSS)		**(7,382)**	**(6,383)**
NET FINANCE INCOME (EXPENSE)	**17**	**60,990**	**(21,970)**
EXCEPTIONAL PROFIT (LOSS)	**18**	**(33,006)**	**(14)**
PROFIT (LOSS) BEFORE INCOME TAX		20,602	(28,367)
Actual income tax expense	19	1,724	2,421
PROFIT (LOSS)		**22,326**	**(25,946)**

6.3.2 STATEMENT OF FINANCIAL POSITION

Asset *(in EUR thousands)*	Notes	31 December 2021 Gross values	Depreciation and amortisation	Net values	31 December 2020 Net values
Intangible assets		-	-	-	-
Tangible assets		-	-	-	-
Equity interests	3	644,739	(2)	644,738	660,726
Receivables from equity interests	3	1	-	1	15,997
Other equity interests	3		-	0	0
Other financial assets	3-9	10,681	-	10,681	1,967
Financial assets	**3**	**655,422**	**(2)**	**655,420**	**678,690**
NON-CURRENT ASSETS		655,422	(2)	655,420	678,690
Trade receivables	4	589	-	589	3,916
Other receivables	4	61,355	-	61,355	245,061
Marketable securities	5	14,267	56	14,212	2,035
Cash and cash equivalents		13,926	-	13,926	8,758
Prepaid expenses		208	-	208	668
CURRENT ASSETS		90,345	-	90,289	260,437
Issuance fees to be amortised	6	804	-	804	1,369
Currency translation adjustments (losses)		0	-	0	1,241
TOTAL ASSETS		746,571	(58)	746,513	941,737

Liability *(in EUR thousands)*	Notes	31 December 2021	31 December 2020
Share capital	7-8	146,584	146,584
Share, merger and contribution premiums	8	301,975	301,975
Legal reserve	8	7,408	7,408
Others reserves	8	0	0
Retained earnings	8	46,923	86,377
Result for the year	8	22,326	(25,945)
Regulated provisions	8-9	3,126	3,089
EQUITY	8	528,342	519,488
Provisions for risks and charges	9	9,411	7,782
provisions	**9**	**9,411**	**7,782**
Convertible bonds (OCEANE)	10	200,021	200,021
Borrowings and debt from credit institutions	10	47	200,829
Financial liabilities	**10**	**200,068**	**400,851**
Trade payables	11	2,068	2,833
Social and tax payables	11	3,216	2,358
Other debt	11	3,408	8,425
Operating liabilities	**11**	**8,692**	**13,616**
LIABILITIES		208,760	414,467
Currency translation adjustments (gains)			
TOTAL EQUITY AND LIABILITIES		746,513	941,737

6.3.3 NOTES TO THE STATUTORY FINANCIAL STATEMENTS

Content

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Maisons du Monde S.A. is a société anon*yme (limited l*iability company) with a Board of Directors, governed by the laws of France. Its registered office is located at Le Portereau – 44120 Vertou, France.

The financial statements are presented in EUR thousands and were approved by the Board of Directors on 25 March 2021.

Maisons du Monde's shares have been listed on Euronext Paris since May 2016.

Note 1 Significant events

1.1. State-guaranteed loan (PGE)

In order to secure its cash position in the specific context of the Covid-19 crisis, the Group had taken out in June 2020 a State-guaranteed loan in the amount of EUR 150 million. In early June 2021, the Group repaid this loan and paid the guarantee premium of EUR 0.8 million.

1.2. Long-term loan

In May 2021 , MDM SA repaid its long-term loan for EUR 50 million.

1.3. Divestment of Modani

On 26 October 2021, Maisons du Monde entered into an agreement with a consortium of investors led by Optimal Investment Group – an American investment fund – to reduce its stake in Modani by 70% and to acquire 15% of the American holding company for the acquisition of Modani. This transaction took place on 10 November 2021. The consortium now holds 46% of Modani Parent Inc., the holding company set up to take over Modani. The remainder is held by the historical minority shareholders. This transaction allows the Group to fully refocus on Europe, where its market knowledge and unique omnichannel model offer better value creation opportunities. On the date of the disposal, MDM SA recorded a net capital loss excluding disposal costs of EUR 12.4 million.

1.4. EUR 50 million ESG Impact share buyback program

On 26 October 2021, Maisons du Monde launched a EUR 50 million ESG Impact share buyback programme under the authorisation given by the Annual General Meeting of shareholders held on 4 June 2021. This programme is part of the Group's capital allocation policy which is designed to fund profitable growth and create sustainable value for all stakeholders. The Group intends to repurchase shares at market price over a period from 27 October 2021 to 27 May 2022. The ESG component consists of an allocation from the outperformance in purchasing the shares over the program's execution to the Maisons du Monde Foundation endowment fund in favour of trees and forests and another not-for-profit organisation dedicated to promoting diversity and inclusion in the workforce.

The shares acquired under this buyback programme are intended:

- to be cancelled to reduce the share capital of Maisons du Monde; and
- to meet Maisons du Monde's obligations arising from employee share programmes.

1.5. Tax audit

The tax audit for the 2017 and 2018 financial years was closed during the 2021 financial year and did not give rise to any form of notification from the tax authorities.

Note 2 Accounting policies and rules

The financial year lasts 12 months, covering the period from 1 January 2021 to 31 December 2021.

The annual financial statements have been prepared in accordance with the provisions of regulations 2014-03 of the ANC (Autorité des normes comptables), approved by the ministerial decision of 8 September 2014 concerning the French Chart of Accounts.

General accounting conventions were applied in compliance with the principle of prudence, in accordance with the following basic assumptions:

- independence of separate financial years;
- consistency of accounting methods from one year to the next. For the financial year ended 31 December 2021, following the amendment by the ANC to its recommendation on the rules for valuing and recognising pension commitments and similar benefits, a change in the accounting method concerning the valuation of employee pension commitments and similar benefits recorded as off-balance sheet commitments should be noted. This change is described in note 21.

And in accordance with the general rules for preparing and presenting financial statements.

The method used to value items recorded in the accounts is the historical cost method.

The main accounting rules and methods applied are as follows:

2.1. Financial assets

Gross value is valued at acquisition cost excluding incidental expenses.

Impairment is recognised when the inventory value is lower than the gross value of the assets. Fair value is determined by taking into account the share of net assets and the profitability outlooks reviewed on an annual basis. Profitability outlooks are based on the information available at the time of their preparation. When the share of the Company in equity holdings is negative, and if the situation warrants this, a provision for risk is established.

In accordance with the tax rules, acquisition expenses on equity interests are subject to a tax deduction over a period of five years from the date of acquisition, *via* a provision in regulated provisions.

As regards goodwill from mergers, they are subject to an impairment test to determine whether or not they should be depreciated.

Furthermore, treasury shares held *via* a liquidity agreement, and which are not destined for share plans are recorded in “Other financial assets”. Treasury shares are valued at their acquisition cost. If the probable market value at the close of the financial year (based on the average listed price for the last month of the period) falls below the purchase price, an impairment is recorded in the amount of the difference.

2.2. Receivables and payables

Receivables and payables are valued at their nominal value.

Receivables are depreciated, if necessary, by way of provision to take account of the recovery risks they generate.

Receivables and payables in foreign currencies are translated and recorded based on the official exchange rate at closing. Unrealised exchange gains are recognised as foreign exchange gains, while unrealised exchange losses are recognised as foreign exchange losses and are subject to a provision for risks and charges. Exchange gains and losses corresponding to current accounts are recognised directly in the income statement and are not subject to any unrealised exchange gains or losses.

2.3. Marketable securities

Treasury shares are recorded in “marketable securities” when these securities are intended to cover performance share plans. Treasury shares are valued at their acquisition cost.

Treasury shares allocated to a specific plan are classified in a specific account for marketable securities and are not depreciated.

Treasury shares not allocated to a specific plan are classified in another specific account of marketable securities. If the probable market value at the close of the financial year (based on the average listed price for the last month of the period) falls below the purchase price, an impairment is recorded in the amount of the difference.

2.4. Cash and cash equivalents

Cash and cash equivalents in bank and at hand was valued at nominal value.

2.5. Provisions for risks and charges

A provision is recognised when there is an obligation that is likely or certain to entail an outflow of resources without an at least equivalent offset transaction.

2.6. Tax consolidation

As of 31 December 2021, Maisons du Monde S.A., the parent company benefits from a tax consolidation regime as defined by Article 223 A of the French General Tax Code with the following subsidiaries:

- Maisons du Monde France;
- Distrimag;
- Distri-Traction;
- International Magnolia Company;
- Léolog (Formerly International MDM Company).

Maisons du Monde S.A. owes the Treasury for the tax calculated on the sum of taxable income for consolidated companies. The tax savings, result from the difference between the tax expense for the tax group and tax expense for the beneficiary companies, is recognised as income in the financial year.

Notes to the statement of financial position and income statement

These financial statements are expressed in EUR thousands, unless otherwise stated.

Note 3 Financial assets

(in EUR thousands)	31 December 2020	Acquisitions, contribution, increases	Reclassification	Disposals, decreases	31 December 2021
Equity interests [(1)]	681,037	2,524	-	(38,822)	644,739
Receivables from equity interests [(2)]	15,998			(15,998)	0
Other equity interests	-				-
Other financial assets [(3)]	1,983	8,698		(1)	10,680
• deposits	1			(1)	0
• treasury shares as per liquidity agreement	1,043	8			1,051
• treasury shares	0	8,407			8,407
• other long term receivables as per liquidity agreement	939	284			1,223
FINANCIAL ASSETS – GROSS VALUE	**699,017**	**11,223**	**0**	**(54,820)**	**655,420**

(1) *changes in equity interests are due to the acquisition of a stake in the new holding company Parent Modani Inc. as well as the disposal of MDM USA Inc. shares.*

(2) *changes in receivables related to investments are mainly due to the repayment of loans of MDM USA and Modani for EUR 16.75 million.*

(3) *other financial assets concern the liquidity agreement implemented on 26 October 2016 and amended on 1 November 2017, as well as the shares under the share buyback program. They break down as follows:*

	Number		Amount *(in EUR thousands)*					
Liquidity agreement	**31 December 2020**	**31 December 2021**	**Average purchase price**	**Average price December 2021**	**Average price December 2020**	**Total**	**Provision**	**Depreciation**
Treasury shares	67,809	57,870	18.15	20.36	15.38	1,050	-	0
Mutual funds – other long-term receivables	40	53	22,972	N/A	N/A	1,218	-	(2)
Cash – other long-term receivables	N/A	N/A	N/A	N/A	N/A	5	-	-

Shares	31 December 2020	31 December 2021	Average purchase price	Average price December 2021	Average price December 2020	Total	Provision	Depreciation
Treasury shares	N/A	420,134	20.01	20.36		8,407	-	0

Note 4 Maturity of receivables

(in EUR thousands)	31 December 2020	Maturing 31 December 2021: 31 December 2021	Less than 1 year	1 to 5 years	More than 5 years
Receivables from equity interests	15,997	1	1	0	-
Other financial assets	1,983	10,681	10,681		-
Trade receivables	3,916	589	589		-
Other receivables	245,061	61,355	56,385	4,970	-
• social	76	173	173		-
• State – tax and duties [(1)]	9,034	11,304	11,304		-
• Group and partners [(2)]	231,227	42,685	42,685		-
• sundry debtors [(3)]	4,724	7,193	2,224	4,970	-
Prepaid expenses	668	208	208		-
TOTAL RECEIVABLES	**267,625**	**72,834**	**67,865**	**4,970**	**-**

(1) Including EUR 10,982 million in tax payments advance (overpayment).

(2) of which EUR 30,871 million in MDM S.A.S. current account

(3) consists of accrued income between the Group's subsidiaries related to performance share plans costs and the Parent-OIG receivable.

Note 5 Marketable securities

At 31 December 2021, marketable securities correspond to treasury shares that were allocated to specific performance share plans and amounted to EUR 9.515 million. Other marketable securities correspond to treasury shares also intended for future allocation plans not yet determined and amounted to EUR 4.752 million.

Note 6 Expenses amortised over several years

The expenses amortised over several years correspond to issuance fees of financing.

As of 31 December 2021, they consist of issuance fees related to:

- the initial as well as the additional revolving credit facility spread over the term of the agreement (EUR 44 thousand as of 31 December 2021);
- the convertible bonds (OCEANE) issued on 6 December 2017 spread over the term of the agreement on the basis of an effective interest rate (EUR 760 thousand as of 31 December 2021).

Note 7 Share capital

The share capital of the Company as at 31 December 2021 stood at EUR 146,583,736.56, divided into 45,241,894 ordinary shares each of a nominal value of EUR 3.24.

To the Company's knowledge, at 31 December 2021, those shareholders holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 60.66%, 95% or 95% of capital and/or voting rights in the Company were as follows:

	% in shares (approx.)	% of theoretical voting rights (approximately)	% of exercisable voting rights (approximately)
Teleios Capital Partners LLC	21.5%	21.5%	21.5%
Majorelle Investments SARL	11.3%	11.3%	11.3%
Fidelity Investments (Boston)	8.0%	8.0%	8.0%

The exercisable voting rights take include treasury shares as of 31 December 2021: the Company held 1,240,118 Maisons du Monde S.A. shares.

- 57,870 shares classified as "Other financial assets" under the liquidity contract;
- 420,134 shares classified as "Other financial assets" which are subject to cancellation;
- 762,114 Maisons du Monde S.A. shares classified as "Marketable securities" intended to cover free share allocation commitments:
  - of these, 532,793 are allocated to existing plans,
  - 229,321 other shares remain to be allocated to future performance plans.

Note 8 Changes in equity

(in EUR thousands)	Share capital	Premiums	Reserves	Retained earnings	Result for the year	Regulated provisions	Total equity
Situation at 31 December 2019	**146,584**	**301,975**	**5,389**	**48,006**	**40,391**	**3,065**	**545,410**
Appropriation of result 2019	-	-	2,020	38,372	(40,391)	-	0
Result for the year	-	-	-	-	(25,945)	-	(25,945)
Regulated provisions	-	-	-	-	-	23	23
Situation at 31 December 2020	**146,584**	**301,975**	**7,408**	**86,377**	**(25,945)**	**3,088**	**519,488**
Appropriation of result 2020 (1)	-	-		(39,454)	25,945	-	(13,509)
Result for the year	-	-	-	-	22,326	-	22,326
Regulated provisions	-	-	-	-	-	38	38
Situation at 31 December 2021	**146,584**	**301,975**	**7,408**	**46,923**	**22,326**	**3,126**	**528,342**

(1) *For the 2020 financial year, an ordinary dividend of EUR 0.30 per share was allocated at the Annual General Meeting of 4 June 2021 and paid on 7 July 2021 for a total amount of EUR 13,508 thousand. The dividend in respect of the treasury shares held by the Group at the time of the ex-dividend date was not paid. Thus, the amounts corresponding to dividends not paid on treasury shares, EUR 65 thousand, were allocated to retained earnings and the total amount of the dividend was adjusted accordingly.*

Note 9 Provisions

(in EUR thousands)	31 December 2020	Depreciation	Reclassification	Reversals used	Reversals unused	31 December 2021
Tax amortisation	3,089	37	-	-	-	3,126
Regulated provisions	**3,089**	**37**	**-**	**-**	**-**	**3,126**
Provision for HR risks and expenses		426				426
Performance shares – plan No. 5A	2,609				(1,186)	1,423
Performance shares – plan No. 5B	100				(100)	0
Performance shares – plan No. 6	3,832	1,384			(174)	5,043
Performance shares – plan No. 7		2,519				2,519
Provision exchange rate risk	1,241			(152)	(1,089)	0
Provisions for risks and charges	**7,782**	**4,329**	**-**	**(152)**	**(2,549)**	**9,411**
Equity interests	20,311	2		(20,311)		2
Other financial assets	16			(16)		0
Sicav		56				56
Depreciation	**20,327**	**58**	**-**	**(20,327)**		**57**
TOTAL PROVISIONS	**31,198**	**4,424**	**0**	**(20,479)**	**(2,549)**	**12,594**
Operating allowances/reversals		*760*			*(189)*	
Financial		*58*		*(20,479)*	*(1,089)*	
Exceptional		*3,607*			*(1,271)*	

The change in provisions relating to performance share plans is explained by:

- taking into account the acquisition price of the treasury shares allocated to the different plans (see note 3);
- the progress of the plans over time for the beneficiaries of Maisons du Monde S.A.;
- a new allocation plan (plan 7) issued on 25 March 2021 (see note 24).

The change in provisions relating to equity interests is explained by the reversal of impairment of Modani shares.

Note 10 Financial liabilities

10.1. Convertible bonds (OCEANE)

On 6 December 2017, the Company issued bonds convertible into new shares and/or exchangeable for existing shares ("OCEANE") due in 2023 for a nominal amount of EUR 200 million. Issuance fees amounted to EUR 2.3 million.

The nominal unit value of the bonds has been set at EUR 48.78, corresponding to a premium of 42.5% above the Company's reference share price on the regulated market of Euronext Paris. The reference share is equal to the volume-weighted average price of Maisons du Monde shares recorded on the regulated market of Euronext Paris from the start of trading on 29 November 2017 until the determination of the final terms of the Bonds on the same day.

The bonds have been issued at par on 6 December 2017, the settlement and delivery date of the bonds and will bear a coupon of 0.125%, payable annually in arrears on 6 December of each year (or on the following business day if this date is not a business day) and for the first time on 6 December 2018 (or on the following business day if this date is not a business day).

Unless previously converted, exchanged, redeemed or purchased and cancelled, the bonds will be redeemed at par on 6 December 2023 (or on the following business day if this date is not a business day). The bonds may be redeemed prior to maturity at the option of the Company, subject to certain conditions, and at the option of bondholders in the event of a change of control of the Company (as defined in the terms and conditions of the Bonds).

Existing shareholders of the Company shall have no preferential subscription rights (or priority subscription period) in connection with the bonds or the underlying shares of the Company.

The Bonds are listed on the Euronext Access market of Euronext Paris since 12 December 2017.

From the Issue Date (*i.e.* 6 December 2017) and up to 5.00 pm. (Paris time) on the 7th business day preceding the maturity date or the relevant early redemption date, the Bonds will entitle their holders to receive shares of the Company at a ratio of one share per Bond, subject to any potential subsequent adjustments.

Upon exercise of their conversion/exchange right, bondholders will receive, at the option of the Company, new and/or existing Company shares. The Company new shares eventually delivered shall carry current rights to dividends paid following the date of delivery of the shares.

The conversion/exchange ratio is increased, starting 4 July 2019, from 1.004 share to 1.012 Maisons du Monde S.A. share for 1 OCEANE (see note 10.2).

10.2. Term loan and revolving credit facilities

In May 2021, the Group repaid its entire long-term loan for EUR 50 million.

In April 2021, the Group obtained the renewal, for one year, of the revolving credit facility ("RCF") of EUR 75 million and the additional revolving credit facility of EUR 75 million. As of 31 December 2021, these two revolving credit facilities are undrawn.

Issuances fees related to the Revolving Credit Facilities are amortised on a straight-line basis over their maturity.

From 1 June 2019, the applicable margin for the next 12-months-period will be the percentage *per annum* set out below, depending on the Leverage ratio:

Leverage ratio	Margin
Superior to 3.50:1	2.50%
Less than or equal to 3.50:1 but superior to 3.00:1	2.25%
Less than or equal to 3.00:1 but superior to 2.50:1	2.00%
Less than or equal to 2.50:1 but superior to 2.00:1	1.75%
Less than or equal to 2.00:1 but superior to 1.50:1	1.50%
Less than or equal to 1.50:1 but superior to 1.00:1	1.25%
Less than or equal to 1.00:1	1.00%

The senior credit facility is subject to compliance with a leverage ratio which must remain lower than those set out in the table below for each period under consideration:

Period considered	Leverage ratio
Maturing 31 December 2018	4.25:1
Maturing 31 December 2019	3.75:1
Maturing 31 December 2020	3.75:1
Maturing 31 December 2021	3.75:1
Maturing 31 December 2022	3.75:1

The leverage ratio is the ratio of total net debt on the last day of the period, and the consolidated IAS 17 *pro forma* EBITDA of the Group for the same period.

Note 11 Maturity of liabilities

(in EUR thousands)	31 December 2020	Maturing 31 December 2021			
		31 December 2021	Less than 1 year	1 to 5 years	More than 5 years
Convertible bonds (OCEANE)	200,021	200,021	21	200,000	-
Borrowings and debt from credit institutions	200,829	47	47		-
Trade payables	2,833	2,068	2,068		-
Social payables	2,001	2,745	2,745		-
Tax payables	357	471	471		-
Other debt	8,425	3,408	3,408		-
• Group	7,924	1,858	1,858		-
• miscellaneous	501	1,550	1,550		-
TOTAL DEBT	**414,466**	**208,760**	**8,760**	**200,000**	**-**

(1) *The SGL was repaid in 2021 in the amount of EUR 150 million as well as the balance of the long-term credit facility in the amount of EUR 50 million.*

(in EUR thousands)	31 December 2019	31 December 2020	Maturing 31 December 2020		
			Less than 1 year	1 to 5 years	More than 5 years
Convertible bonds (OCEANE)	200,021	200,021	21	200,000	-
Borrowings and debt from credit institutions	50,108	200,829	200,829		-
Trade payables	2,165	2,833	2,833		-
Social payables	1,809	2,001	2,001		-
Tax payables	216	357	357		-
Other debt	3,817	8,425	8,425		-
• Group	3,385	7,924	7,993		-
• miscellaneous	432	501	432		-
TOTAL DEBT	**258,136**	**414,466**	**214,466**	**200,000**	**-**

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Note 12 Related companies

Gross values *(in EUR thousands)*	**31 December 2021**	**31 December 2020**
Asset		
Equity interests	644,739	681,037
Receivables from equity interests	1	15,998
Trade receivables	589	3,916
Other receivables	49,878	235,951
Liability		
Trade payables	1	2
Other debt	1,858	7,924
Operating income		
Revenue	5,150	4,228
Expenses transferred		
Operating expenses		
Leases	25	6
Fees	-	-
Financial income		
Dividends received	40,163	
Income from equity interests	187	794
Interests	201	211
Financial expenses		
Interests	3	3
Exceptional expenses		
Other exceptional expenses	-	-

The Company has not identified any transactions with related parties that were not concluded pursuant to normal market conditions.

Note 13 Accruals, prepayments and deferred income

(in EUR thousands)	**31 December 2021**	**31 December 2020**
Convertible bonds (OCEANE)	21	21
Borrowings and debt from credit institutions	47	829
Trade payables	3,011	2,800
Social and tax payables	2,562	1,766
Accrued expenses	**5,640**	**5,416**
Prepaid expenses	**207**	**668**
Receivables from equity interests	1	187
Trade receivables	531	3,766
Other receivables	6,481	4,724
Accrued income	**7,013**	**8,677**
Deferred income	**-**	**-**

Note 14 Revenues

The Company's revenues correspond to consulting services rendered to its subsidiaries.

Note 15 Compensation of management bodies

The average number of employees (full-time equivalent) for the 2021 financial year was 10.25 employees, *vs.* 9.00 employees in 2020. The Company only employed managers for the 2021 and 2020 financial years.

The employees of the Company are all members of the Executive Committee of the Maisons du Monde group.

Compensation paid to members of Management is not disclosed. This information would allow individual elements of compensation to be identified.

The compensation granted to members of the governing bodies is as follows:

- for the financial year ended 31 December 2021, attendance fees allocated to members of the Board of Directors amounted to EUR 466,407;
- for the financial year ended 31 December 2020, attendance fees allocated to members of the Board of Directors amounted to EUR 524,972.

These fees are recorded as other operating expenses.

Note 16 Other purchases and external expenses

(in EUR thousands)	31 December 2021	31 December 2020
Leases & related expenses	69	69
Leases	37	20
Repairs and maintenance	17	18
Insurance	181	123
Temporary staff	117	2
Fees	2,552	2,603
Travel and meeting expenses	138	70
Bank services	514	540
Other external expenses	952	20
TOTAL EXTERNAL EXPENSES	**4,577**	**3,465**

Significant changes and expenses are detailed below:

- due to its activity, the Company calls on various advisors on a regular basis, but depending on events and transactions, the amount of fees and external personnel may vary. Other external expenses increased in 2021 as a result of the sponsorship agreement between MDM SA and the Foundation. This agreement was previously carried by MDM FRANCE SAS.

Note 17 Financial profit (loss)

(in EUR thousands)	31 December 2021	31 December 2020
Dividends received [1]	40,163	0
Equity income [2]	187	795
Interest income on current account	201	209
Term loan interest [3]	(204)	(541)
Interest on convertible bonds [4]	(250)	(250)
Interest on loans, including revolving credit facilities [5]	(532)	(600)
Interest expense on current account	(3)	(3)
Allowance for provisions net of reversals [6]	21,510	(21,533)
Net foreign exchange differences	(75)	(43)
Other	(7)	(5)
FINANCIAL PROFIT (LOSS)	**60,990**	**(21,970)**

(1) during the 2021 financial year, Maisons du Monde France S.A.S. paid dividends to its shareholder Maisons du Monde S.A. in the amount of EUR 40,163 million.

(2) Related to income from receivables from equity interests.

(3) Related to interest on the long-term credit line (see note 8).

(4) Related to interest on the convertible bond (see note 8).

(5) Related to interest on the revolving credit facility (see note 8).

(6) mainly corresponds to the reversal of provisions for impairment of Maisons du Monde USA shares for EUR 20.3 million and a reversal of a foreign exchange loss provision for EUR 1.2 million.

Note 18 Exceptional profit (loss)

(in EUR thousands)	31 December 2021	31 December 2020
Gain or loss on treasury shares [1]	296	193
Performance shares [2]	(31)	(184)
Reversal/allowance on regulated provisions	(37)	(24)
Other exceptional income and expenses [3]	(33,234)	1
EXCEPTIONAL PROFIT (LOSS)	**(33,006)**	**(14)**

(1) under the liquidity agreement;

(2) Corresponds to the estimated costs of performance shares not recharged to subsidiaries;

(3) corresponding exclusively to transactions involving the divestment of equity interests before any reversal of impairment losses on securities.

Note 19 Actual income tax expense

The Company recorded a tax consolidation profit of EUR 1,724 thousand for the year ended 31 December 2021 (profit of EUR 2,421 thousand for the previous financial year).

Note 20 Principal increases and reductions in the tax base for future income tax liability

None.

Additional information

Note 21 Pension commitments

Upon retirement, Company employees will receive compensation in accordance with the law and with the provisions of the applicable Collective Agreements.

Pension commitments are not recognised, but rather recorded as off-balance sheet commitments. They are assessed using the retrospective projected unit credit method as per the revised IAS 19 standards.

Following the decision of the IFRS Interpretation Committee (IFRIC IC) published during the first half of 2021, the ANC amended recommendation 2013-02 of 7 November 2013 on the valuation and recognition rules for pension commitments and similar benefits. The company chose to apply this alignment. Thus, rights are now staggered on a linear basis, no longer over the employee's entire career in the company, but, for each employee, over the last years of his or her career giving rise to the acquisition of new rights. This constitutes a change in accounting policy.

The estimate of these commitments was undertaken by an independent actuary.

The main actuarial assumptions are as follows:

discount rate: 1.25%;

- rate of salary increase: between 1.5% and 2.5% for executives;
- retirement age: 64 for executives;
- mortality table: INSEE 2009-2011.
- At 31 December 2021, commitments stood at EUR 364 thousand.

Note 22 Share price

At 31 December 2021, the share price of Maisons du Monde S.A. was EUR 20.36.

Note 23 Transactions with related parties

For the financial year 2021:

- the Company was repaid the loan held towards Maisons du Monde USA, the amount of which amounted to EUR 6,439 thousand including accrued interest as of 12 November 2021;
- the Company was repaid the loan held towards Modani Holding, the amount of which amounted to EUR 10,448 thousand including accrued interest as of 12 November 2021;
- the Company received dividends from its subsidiary Maisons du Monde France S.A.S. amounting to EUR 40,163 thousand.

For the financial year 2020:

- the Company holds a loan towards its subsidiary Maisons du Monde France S.A.S. amounting to EUR 60,489 thousand including interest accrued as of 31 December 2019;
- the Company holds a loan towards Modani Holdings LLC amounting to EUR 9,906 thousand including interest accrued as of 31 December 2020;
- the Company holds a loan towards Maisons du Monde USA amounting to EUR 6,090 thousand including interest accrued as of 31 December 2020.

Net financial income and expenses on these transactions are outlined in note 15.

Note 24 Attribution of performance shares

	Plan No. 5A	Plan No. 6	Plan No. 7
Grant date	9 May 2019	10 March 2020	25 March 2021
Status	in progress	in progress	in progress
Number of shares at the start of the plan	255,344	352,940	210,748
Number of beneficiaries	397	413	195
Vesting period (years)	3	3	3
Holding period (years)	0	0	0

The attribution of performance shares is subject to the following conditions:

- the shares granted to a beneficiary shall only finally vest if he or she has been an employee of a Group company during a vesting period, calculated as from the grant date, of three years for *Plan d'actions gratuites* No. 5A beneficiaries, three years for *Plan d'actions gratuites* No. 6 beneficiaries and 3 years for *Plan d'actions gratuites* No. 7 beneficiaries. In the event of death, disability or retirement, the beneficiary retains his rights, being no longer required to satisfy the continued service requirement;
- performance requirements based on Sales, EBITDA and earnings per share level (depending on employees) for all plans;
- a holding requirement: from the final grant date, beneficiaries are required to hold their shares for one year at least for *Plan d'actions gratuites* No. 2. Concerning the other plans, there is no obligation to hold the shares except for the General Manager who is required to hold part of its shares until the term of its office.

The granted shares shall be either shares issued through a share capital increase performed by the Company by no later than the definitive vesting date or shares bought by the Company on the market prior to such date.

The Group set up recharge agreements with its subsidiaries, except for Belgium.

Note 25 List of subsidiaries and holdings

The table below provides a list of the Group's subsidiaries and the level of investment of Maisons du Monde S.A.

	Currency	Share capital	Share of capital held *(% of detention)*	Tax consolidation	Gross carrying amount of investments *(in EUR)*	Net carrying amount of investments *(in EUR)*	Loans and advances granted by the Company not yet repaid *(in EUR)*	Guarantees given by the Company *(in EUR)*	Dividends received by the Company during the financial year *(in EUR)*
Subsidiaries of Maisons du Monde S.A.									
International Magnolia Company	K€	1	100%	Yes	1	1	14	N/A	-
Maisons du Monde France	K€	57,376	100%	Yes	159,054	159,054	228,365	N/A	40,163
SAS Savane Vision – RHINOV	K€	48	70%	N/A	4,343	4,343	2,559	N/A	-
Modani Parent Inc.	KUSD	15,267	15%	N/A	2,524	2,524	-	N/A	-
Subsidiaries of Maisons du Monde France									
Maisons du Monde Allemagne	K€	25	100%	N/A	25	25	-	N/A	-
Maisons du Monde Belgique	K€	50	100%	N/A	50	50	-	N/A	-
Maisons du Monde Espagne	K€	50	100%	N/A	50	50	-	N/A	-
Maisons du Monde Italie	K€	120	100%	N/A	100	100	-	N/A	-
Maisons du Monde Luxemburg	K€	20	100%	N/A	20	20	-	N/A	-
Maisons du Monde Suisse	KCHF	20	100%	N/A	17	17	-	N/A	-
Maisons du Monde Portugal	K€	20	100%	N/A	20	20	-	N/A	-
Maisons du Monde Autriche	K€	35	100%	N/A	35	35	-	N/A	-
MDM Furniture & Decoration	KGBP	20	100%	N/A	27	27	-	N/A	-
Distrimag	K€	40	100%	Yes	40	40	-	N/A	-
Léolog [(1)]	K€	40	100%	Yes	1	1	-	N/A	-
Mekong Furniture	MVND	86,027	100%	N/A	3,189	3,189	-	N/A	-
Subsidiaries of Distrimag									
Distri-Traction	K€	150	100%	Yes	150	150	-	N/A	-

(1) Previously International MDM Company.

Revenues, profits and capital other than share capital of subsidiaries are not disclosed for confidentiality reasons related to business and industrial strategy.

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Note 26 Results of the last five financial years

(in EUR)	31 December 2017	31 December 2018	31 December 2019	31 December 2020	31 December 2021
Financial position at year end					
Duration of the financial year	12 months	12 months	12 months	12 months	12 months
Share capital	146,583,737	146,583,737	146,583,737	146,583,737	146,583,737
Number of ordinary shares	45,241,894	45,241,894	45,241,894	45,241,894	45,241,894
Number of preferred shares	-	-	-	-	-
Number of convertible bonds	4,100,041	4,100,041	4,100,041	4,100,041	4,100,041
Operations and income (loss) for the financial year					
Revenue	4,619,433	3,795,790	3,679,340	4,228,300	5,150,127
Income before tax, employee profit-sharing, depreciation and amortisation	14,460,595	64,872,283	36,653,449	(2,447,636)	2,607,680
Income tax	(15,466,996)	(7,189,535)	(1,634,482)	(2,421,360)	(1,723,971)
Employee profit-sharing	-	-	-	-	-
Depreciation and amortisation	3,278,228	1,943,229	(2,103,201)	25,919,176	(17,994,027)
Net profit (loss)	26,649,363	70,118,589	40,391,132	(25,945,452)	22,325,678
Profit distributed [(1)]	19,906,433	21,263,690	0	13,572,568	24,883,042
Earnings per share					
Income after tax and employee profit-sharing, but before depreciation and amortisation	0.66	1.59	0.85	(0.00)	0.10
Income after tax, employee profit-sharing, depreciation and amortisation	0.59	1.55	0.89	(0.57)	0.49
Dividend allotted [(1)]	0.44	0.47	0.00	0.30	0.55
Personnel					
Average number of employees (FTEs), excl. SM	7	7	7	8	9
Wages and salaries	5,653,124	4,588,513	4,542,447	5,351,165	6,102,237
Amount paid to welfare bodies (social security, service projects, etc.)	2,751,080	1,722,110	1,874,760	2,316,050	2,059,517

(1) Amount including treasury shares. For 2021, pending the proposal for the Annual General Meeting of 31 May 2022.

Note 27 Events after the reporting period

War in Ukraine:

On 24 February 2022, Russia launched an assault on Ukraine aiming at occupying the country and overthrowing its government. This invasion was widely condemned internationally and gave way to several international sanctions, which have affected the economies of Russia and the world. As at the date of this Universal Registration Document, the conflict is still unresolved, and its consequences remain uncertain. As regards Maisons du Monde's activity, the situation it is likely to impact inflation and then consumer demand, the extent of which is to be determined. Direct impact on product availability is not material as Maisons du Monde's exposure to Eastern Europe for supply is limited.

Furthermore, the Group does not make any sales in the areas directly affected by this conflict, and none of its assets are located there.

The Group did not identify other events after the reporting period that may have an impact on the financial statements.

6.4 Autorditors’ report on the financial statements

For the year ended December 31, 2021

This is a translation into English of the statutory auditors’ report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors’ report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Maisons du Monde S.A.

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Maisons du Monde S.A. for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditors’ Responsibilities for the Audit of the Financial Statements*" section of our report

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1, 2021 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the financial statements are as follows:

- Independent third-party review of the consolidated non-financial performance statement pursuant to Article L. 225-102-1 of the French Commercial Code;
- Issuance of attestations on data extracted from the financial statements (turnover per shop, financial ratios, covenants).

Emphasis of matter

Without qualifying the above opinion, we draw your attention to the following matters set out in the notes to the financial statements:

- Note “Additional information – 21. Pension financial commitments”:to the financial statements regarding the change in accounting method for pension commitments following the IFRS Interpretation Committee’s decision (IFRIC IC), that led the ANC to amend its recommendation on the valuation and recognition rules for such commitments;
- Note 1.3 “Major events” which describes the withdrawal from Modani and its impacts on the 2021 financial statements.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

VALUATION OF MAISON DU MONDE FRANCE'S EQUITY INTERESTS AND RELATED RECEIVABLES

Risk identified	Our response
Maisons du Monde France's equity interests, as described in Notes 2.1 and 3, are recorded in the balance sheet for a net carrying amount of €644.7 million as at December 31, 2021, compared to total assets of €746.5 million. The company ensures that no year-end impairment loss needs to be recorded by comparing the fair value with the carrying amount recorded in the accounts. Fair value is determined by taking into account the share of net assets and the profitability outlooks reviewed on an annual basis. Profitability outlooks are based on the information available at the time of their preparation. We consider the valuation of Maisons du Monde France's equity interests and related receivables to be a key audit matter due to: • Their material amount in the company's accounts; • The judgments and assumptions necessary to determine their fair value, based on profitability outlooks in particular, whose conclusion is inherently uncertain.	To assess the reasonableness of the fair value measurement of the Maisons du Monde France equity interests, based on the information we were provided, our work mainly consisted in: • Assessing whether the valuation method and figures used by Management to estimate the fair value are appropriately justified; • Obtaining the 2022 budget approved by the Board of Directors, which updated the Business Plan's assumptions; • Verifying the reasonableness of the forecasts in relation to the economic context surrounding the company's operations. In addition to assessing the fair value of the Maisons du Monde France equity interests, our work also consisted in assessing the recoverability of the related receivables with respect to the equity interest analyses. Lastly, we verified that Notes 2.1 and 3 to the financial statements provided an appropriate disclosure.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

Information relating to corporate governance

We attest that the Chairman's report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-9 and L.22-10-10 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 remunerations and benefits received by or awarded to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of shareholders and holders of voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Maisons du Monde S.A. by your Annual General Meeting held on June 12, 2020 for KPMG S.A. and by your Annual General Meeting held on April 29, 2016 for Deloitte & Associés.

As of December 31, 2021, KPMG SA was in the 8th year of total uninterrupted engagement and the 6th year since securities of the Company were admitted to trading on a regulated market and Deloitte & Associés was in the 6th year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

French original signed in Rennes and Saint-Herblain, April 14, 2022

The Statutory Auditors

KPMG Audit	**Deloitte & Associés**
Vincent BROYE	Alexis LEVASSEUR

Information on the Company and its capital

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7.1 Information about the Company

COMPANY NAME

The Company's corporate name is Maisons du Monde.

PLACE OF REGISTRATION AND REGISTRATION NUMBER

The Company is registered with the Nantes Trade and Companies Register under number 793,906,728.

LEI CODE

The Company's LEI (Legal Entity Identifier) is 9695009DV2698O4ZBU71.

WEBSITE

The Company's website is accessible at address corporate.maisonsdumonde.com.

REGISTERED OFFICE

The Company's registered office is located in "Le Portereau", Route du Port-aux-Meules, 44120 Vertou, France.

The telephone number of the registered office is +33 (0)2 51 71 17 17.

LEGAL FORM AND APPLICABLE LEGISLATION

The Company Maisons du Monde is a limited company *(société anonyme)* with a Board of Directors governed by French law, in particular the provisions of the French Commercial Code, and its bylaws.

7.2 Articles of association and bylaws

DATE OF INCORPORATION AND DURATION

The Company was incorporated on 24 June 2013.

It was registered with the Paris Trade and Companies Register on 27 June 2013 and then transferred to the Nantes Trade and Companies Register on 18 August 2013.

The Company will cease to exist on 27 June 2112, unless it is dissolved early or its duration is extended.

CORPORATE PURPOSE

As stated in Article 2 of the bylaws, the Company's purpose, in France and abroad, is:

- the purchase, subscription, holding, management and transfer, in any form, of shares and securities in any companies or legal entities created or to be created, French or foreign;
- all administrative, financial, accounting, business, IT or management services for the benefit of the subsidiaries of the Company or any other company in which it holds an interest;

And more broadly:

- all securities and property, industrial, commercial or financial transactions relating directly or indirectly to this purpose or any similar or related purpose, or which may be beneficial for this purpose or of a nature to facilitate its achievement.

FINANCIAL YEAR

The Company has a financial year of 12 months, beginning on 1 January and ending on 31 December of each year.

CONSULTATION OF CORPORATE DOCUMENTS

Corporate documents and information relating to the Company may be consulted at the registered office, "Le Portereau", Route du Port-aux-Meules, 44120 Vertou, France.

ANNUAL GENERAL MEETINGS

Notice of Annual General Meetings

Annual General Meetings are called in accordance with the conditions, forms and time limits provided for by the applicable regulations. They are held at the registered office or at any other place indicated in the notice of meeting.

The decisions of the shareholders are taken depending on their nature at Ordinary, Extraordinary or Combined General Meetings.

Attendance at Meetings

All shareholders may take part in Annual General Meetings, personally or by proxy, pursuant to the conditions set by the regulations in force, after providing proof of their identity and ownership of the securities.

Upon decision of the Board of Directors to use such means of telecommunications, as published in the notice of meeting or notice to attend, shareholders are deemed to be present for quorum and majority purposes if they attend *via* videoconference or any other means of telecommunication or remote transmission, including the Internet, provided that their identity can be verified under the conditions provided for by the regulations in force.

All shareholders may vote by correspondence or give a proxy in accordance with the regulations in force, by means of a form drawn up by the Company and returned to it pursuant to the regulations in force, including by electronic mail or file transfer, upon decision of the Board of Directors. The form must be received by the Company in the prescribed conditions for it to be taken into account.

The legal representatives of legally incapacitated shareholders and physical persons representing shareholders that are corporate entities may attend meetings, whether or not they are shareholders personally.

Shareholder communication rights

All shareholders have the right to obtain disclosure of documents, the nature and conditions of which shall be determined by the applicable regulations.

Voting rights

Each share is entitled to one vote at Annual General Meetings, double voting rights as provided for by Article L. 225-123 of the French Commercial Code being expressly excluded.

Treasury shares do not have voting rights.

Form and disposal of shares

In accordance with Articles 9 and 12 of the bylaws, shares may be held in registered or bearer form, at the shareholder's discretion, under the conditions provided for by the regulations in force.

Shares are freely tradable. Transfers of shares shall be effected by transfer from account to account, in accordance with the procedures laid down by law and regulations.

Identification of shareholders

In accordance with legal and statutory provisions, the Company may request at any time from the central depository in charge of its securities issue account, the name or, in the case of a corporate entity, the corporate name, nationality, year of birth or year of incorporation, postal address and, where applicable, electronic address of the holders of securities conferring immediately or in the future the right to vote at its Annual General Meetings, as well as the number of securities held by each of them and, where applicable, the restrictions attached to such securities.

7.3 Information on the share capital

7.3.1 AMOUNT AND COMPOSITION OF SHARE CAPITAL

At 31 December 2021, the Company's share capital amounted to EUR 146,583,736.56 divided into 45,241,894 shares with a par value of EUR 3.24 each, fully paid up and of the same class.

7.3.2 CHANGE IN SHARE CAPITAL OVER THE PAST FINANCIAL YEARS

In 2016, the Company carried out the following capital transactions:

- on 24 March 2016, the share capital was reduced through a EUR 64,348,940.46 by reduction of par of EUR 0.46, bringing it to EUR 75,540,060.54, divided into 139,889,001 shares with a par value of EUR 0.54 each;
- on 29 April 2016:
  - the Company first proceeded with a capital increase through the issue of three new shares with a par value of EUR 0.54 each, although the share capital amounted to EUR 75,540,062.16 divided into 139,889,004 shares with a par value of EUR 0.54 subsequently,
  - the Company then consolidated its shares by allocating one (1) share with a par value of EUR 3.24 for six (6) existing shares of EUR 0.54. The share capital was accordingly constituted of 23,314,834 shares with a par value of EUR 3.24 each,
  - the share capital was again increased by EUR 116,089,621.20 through the issuance of 35,830,130 new shares in consideration for a contribution made in connection with a merger,
  - subsequently, it was reduced by the cancellation of 23,314,834 treasury shares contributed in connection with the aforementioned merger.

Within the framework of its initial public offering on 27 May 2016, the Company performed a further capital increase in cash by offer to the public, with the cancellation of preferential subscription rights, of a nominal amount of EUR 30,494,115.36 through the issue of 9,411,764 new shares.

At 31 May 2016, the settlement date, the share capital amounted to EUR 146,583,736.56 divided into 45,241,894 shares with a par value of EUR 3.24 each.

The share capital of Maisons du Monde has not been modified.

7.3.3 AUTHORISED CAPITAL NOT ISSUED

In application of the provisions of Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code, we hereby inform you, below, of the currently valid delegations of authority and powers granted by the Annual General Meeting to the Board of Directors with respect to capital increases, as well as their use during the 2020 and 2021 financial years.

Nature of the delegation and/or authorisation given to the Board of Directors	Maximum amount authorised	Duration of the authorisation	Expiry	Use in 2020	Use in 2021
CAPITAL INCREASE BY ISSUING SHARES AND/OR ANY OTHER SECURITIES CONVERTIBLE INTO SHARES OF THE COMPANY					
Capital increase by issuing shares and/or securities convertible into shares of the Company and/or securities entitling holders to the allocation of debt securities through a public offering, with the cancellation of preferential subscription rights (AGM 12/06/2020 – 21st Resolution)	14,650 million	26 months	12/08/2022	N/A	N/A
Capital increase by issuing shares and/or securities convertible into shares of the Company and/or securities entitling holders to the allocation of debt securities through a public offering with preferential subscription rights (AGM 12/06/2020 – 22nd Resolution)	73 million	26 months	12/08/2022	N/A	N/A
Capital increase by issuing shares and/or securities convertible into shares of the Company and/or securities entitling holders to the allocation of debt securities as part of an offering referred to in Article L. 411-2 of the French Financial and Monetary Code, with the cancellation of preferential subscription rights (AGM 12/06/2020 – 23rd Resolution)	14,650 million	26 months	12/08/2022	N/A	N/A
Share capital increase by issuing shares and/or securities convertible into shares of the Company with the cancellation of preferential subscription rights in consideration for contributions in kind made to the Company and consisting of shares or convertible into shares of the Company, outside public exchange offers (AGM 12/06/2020 – 26th Resolution)	10% of share capital	26 months	12/08/2022	N/A	N/A
Share capital increase by incorporation of reserves, profits, premiums or other (AGM 12/06/2020 – 27th Resolution)	10% of share capital	26 months	12/08/2022	N/A	N/A
Capital increase by issuing shares and/or any other securities convertible into shares of the Company, reserved for members of a company savings plan without preferential subscription rights (AGM 12/06/2020 – 28th Resolution)	2% of share capital	26 months	12/08/2022	N/A	N/A
SHARE BUYBACK PROGRAMME					
Share buyback programme (AGM 12/06/2020 – 20th resolution)	10% of share capital and maximum purchase price set at EUR 25 per share, *i.e.* a maximum of EUR 113.1 million	18 months	12/12/2021	229,923 treasury shares held at 31/12/2020	1,240,118 treasury shares held at 31/12/2021
Share capital reduction by cancelling treasury shares (AGM 12/06/2020 – 30th Resolution)	Capped at 10% of share capital per 24-month period	18 months	12/12/2021	N/A	N/A
TRANSACTIONS RESERVED FOR EMPLOYEES AND EXECUTIVE DIRECTORS					
Free shares subject to performance conditions (free share allocation), existing or new, granted to employees and eligible executive officers of the Company and companies related to it (AGM 12/06/2020 – 31st Resolution)	2% of share capital	38 months	12/08/2023	10/03/2020	25/03/2021

In 2021, the Board of Directors, using the delegation of authority granted to it by the Annual General Meeting, allocated 209,292 free performance shares to Group employees and the eligible company officer (Board Meeting of 10 March 2020).

The Board's special report on free share allocations is presented in Chapter 8 – Section 8.4 of this Universal Registration Document.

7.3.4 INFORMATION ON TREASURY SHARE BUYBACKS

Results of the share buyback programme

Pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, the Annual General Meeting of 4 June 2021 authorised the Board of Directors to trade, except during a public offering, in the Company's shares.

The purchases were made with a maximum price per share of EUR 30, with the number of shares to be purchased not exceeding 10% of the share capital.

During the 2021 financial year the Company used these authorisations in the following manner:

- no securities were purchased, sold or cancelled;
- 1,020,134 shares were bought back;
- no shares were transferred to employees of the Group.

ESG Impact Share Buyback Programme

On 26 October 2021, the Group announced the launch of an ESG Impact share buyback programme for a period of seven months and a maximum amount of EUR 50 million.

This programme is part of the Group's capital allocation policy which is designed to fund profitable growth and create sustainable value for all stakeholders.

The ESG component consists of an allocation from the outperformance in purchasing the shares over the programme's execution

It will be allocated to the Maisons du Monde Foundation endowment fund in favour of trees and forests and another not-for-profit organisation dedicated to promoting diversity and inclusion in the workplace.

The shares acquired under the ESG Impact buyback program are intended:

- to be cancelled to reduce the share capital of Maisons du Monde; and
- to meet Maisons du Monde's obligations arising from employee share programmes.

Liquidity agreement

Since 19 December 2018, the Company has entrusted Exane BNP Paribas with the implementation of a liquidity contract in accordance with the AMF decision No. 2018-01 of 2 July 2018.

As of 1 January 2019, the following resources were allocated to the liquidity account for the implementation of this contract:

- 73,022 Maisons du Monde shares;
- EUR 825,100.

On 31 December 2021, the trading date, the following resources were recorded in the liquidity contract:

- 57,870 shares;
- EUR 1,221,052.

For the period from 1 January 2020 to 31 December 2021, Exane BNP Paribas carried out the following transactions:

- 884,300 shares were purchased, representing 3,326 transactions for a total amount of EUR 16,199,011;
- 894,239 shares were sold representing 3,685 transactions for a total amount of EUR 16,487,111.

At 31 December 2021, the Company held 1,240,118 treasury shares, representing 2.74% of the share capital, with a market value of EUR 25,248,802 based on a closing price of EUR 20.36.

The shares held under the share buyback programme were used for the following purposes:

- cancellation of treasury shares: 420,134 shares;
- holding of shares for exchange or payment in connection with acquisitions: 0 shares;
- distribution following the exercise of rights attached to securities entitling holders by redemption, conversion, exchange, presentation of a warrant or in any other way to the allocation of shares of the Company: 0 shares;
- coverage of stock option or free share plans: 762,114 shares;
- coverage of employee shareholding transactions reserved for members of a company savings plan: 0 shares;
- performance of the liquidity contract of the Company's shares: 57,870 shares.

Description of the share buyback programme put to vote at the 2022 Annual General Meeting

Pursuant to the provisions of Article 241-2 of the AMF General Regulation, this item constitutes the description of the share buyback programme to be submitted to the authorisation of the Annual General Meeting of 31 May 2022.

Objectives of the buyback programme

Purchases of shares within the framework of the share buyback programme will be made with the following purpose:

- cancelling them; or
- holding them for delivery by way of future exchange or payment in connection with acquisitions, in accordance with market practices recognised by applicable regulations and up to a limit of 5% of the number of shares comprising the share capital of the Company; or
- redeeming them following the exercise of rights attached to securities entitling holders by redemption, conversion, exchange, presentation of a warrant or in any other way to the allocation of shares of the Company; or
- implementing stock option plans, or free share allocation plans, or employee shareholding transactions reserved for members of a company savings plan, carried out in accordance with Articles L. 3331-1 *et seq.* of the French Labour Code by the transfer of shares previously acquired by the Company, or providing for the free allocation of such shares by way of a contribution in securities of the Company and/or in substitution for the discount, or shares allocations for the benefit of employees and/or executive corporate officers of the Company and related companies, in accordance with the applicable legal and regulatory provisions; or
- managing the secondary market or the liquidity of the Company's shares by an investment services provider under liquidity contracts concluded in accordance with a Code of Ethics recognised by the AMF; or
- more generally, performing any transaction admitted or prospectively admitted by prevailing law or regulations or by the AMF.

The shares may, in whole or in part, be acquired, assigned, exchanged or transferred, on one or more occasions, by any means, in accordance with regulations that are applicable or that would become applicable, in any market, including trading systems (MTF) or *via* a systematic internaliser, or over-the-counter, including through the acquisition or disposal of blocks of shares (without limiting the share of the buyback programme that can be realised through this means); such means include the use of any financial contract or forward financial instrument (such as, notably, any forward contract or option), excluding the sale of put options, in accordance with the regulations in force.

Maximum share of capital, maximum number and characteristics of the securities that the Company proposes to acquire and maximum purchase price

Pursuant to the law, the maximum number of shares that Maisons du Monde would be able to hold under this programme, authorised by the Annual General Meeting of 31 May 2022, will be 4,524,189 shares of the Company corresponding to 10% of the share capital.

The maximum authorised purchase price would be EUR 30 per share. Purchases could not exceed the cumulative net sum of EUR 135.7 million.

Duration of the buyback programme

The duration of the programme would be set at 18 months from the approval of the Annual General Meeting of 31 May 2022, *i.e.* until 30 November 2023 and would replace the approval granted by the 13th resolution of the Annual General Meeting of 4 June 2021.

7.4 Shareholding

7.4.1 CHANGES TO THE BREAKDOWN OF CAPITAL AND VOTING RIGHTS

Breakdown of capital and voting rights at 31 December 2021

As of 31 December 2021, the Company's share capital amounted to EUR 146,583,736.56 divided into 45,241,894 shares.

At that date, the structure of the share capital was as follows:

As of 31 December 2021	Capital shares		Theoretical voting rights		Exercisable voting rights (1)	
Shareholders	Number	%	Number	%	Number	%
Teleios Capital Partners LLC (2)	9,736,778	21.52%	9,736,778	21.52%	9,736,778	22.13%
Majorelle Investments S.à.r.l. (3)	5,099,133	11.27%	5,099,133	11.27%	5,099,133	11.59%
FMR LLC (4)	3,623,378	8.01%	3,623,378	8.01%	3,623,378	8.23%
Treasury shares (5)	1,240,118	2.74%	1,240,118	2.74%	-	-
Free float	25,542,487	56.46%	25,542,487	56.46%	25,542,487	58.05%
TOTAL	**45,241,894**	**100%**	**45,241,894**	**100%**	**44,001,776**	**100%**

(1) Exercisable voting rights take into account treasury shares held at 31 December 2021.

(2) Based on the legal threshold crossing statement issued by Teleios Capital Partners LLC on 13 July 2021.

(3) Based on the legal threshold crossing statement issued by Majorelle Investments S.à.r.l. on 2 December 2021.

(4) Based on the legal threshold crossing statement issued by FMR LLC on 20 December 2021

(5) Treasury shares at 31 December 2021 (including shares held under the liquidity agreement, which totalled 57,870 shares).

Teleios Capital Partners LLC, acting on behalf of the fund it manages, on 13 July 2021 declared that it had exceeded the legal thresholds of 21% of the share capital and voting rights of Maisons du Monde following the purchase of shares on the market, and that on said date, it held 9,518,580 shares, *i.e.* 21.04% of the Group's share capital and 21.63% of the Group's voting rights.

Majorelle Investments S.à.r.l., acting on behalf of the fund it manages, on 2 December 2021 declared that it had exceeded the legal thresholds of 11% of the share capital and voting rights of Maisons du Monde following the purchase of shares on the market, and that on said date, it held 5,099,133 shares, *i.e.* 8.01% of the Group's share capital and 8.23% of the Group's voting rights.

FMR LLC., acting on behalf of the fund it manages, on 20 December 2021 declared that it had exceeded the legal thresholds of 8% of the share capital and voting rights of Maisons du Monde following the purchase of shares on the market, and that on said date, it held 3,623,378 shares, *i.e.* 11.27% of the Group's share capital and 11.59% of the Group's voting rights.

To the knowledge of Maisons du Monde, Teleios Capital Partners LLC and Majorelle Investments S.à.r.l. are the only shareholders holding, directly or indirectly, individually or in concert, more than 5% of the Group's share capital and voting rights.

Breakdown of capital and voting rights at 31 December 2020

As of 31 December 2020, the Company's share capital amounted to EUR 146,583,736.56 divided into 45,241,894 shares.

At that date, the structure of the share capital was as follows:

As of 31 December 2020	Capital shares		Theoretical voting rights		Exercisable voting rights (1)	
Shareholders	Number	%	Number	%	Number	%
Teleios Capital Partners LLC (2)	9,134,920	20.19%	9,134,920	20.19%	9,134,920	20.29%
Majorelle Investments S.à.r.l. (3)	2,476,426	5.47%	2,476,426	5.47%	2,476,426	5.50%
Treasury shares (4)	229,923	0.51%	229,923	0.51%	-	-
Free float	33,241,894	73.83%	33,241,894	73.83%	33,400,625	74.20%
TOTAL	**45,241,894**	**100%**	**45,241,894**	**100%**	**45,011,971**	**100%**

(1) Exercisable voting rights taking into account treasury shares held at 31 December 2020.

(2) Based on the legal threshold crossing statement issued by Teleios Capital Partners LLC on 27 May 2020.

(3) Based on the legal threshold crossing statement issued by Majorelle Investments S.à.r.l. on 3 August 2020.

(4) Treasury shares at 31 December 2020 (including shares held under the liquidity agreement, which totalled 67,809 shares).

Teleios Capital Partners LLC, acting on behalf of the fund it manages, on 21 May 2020 declared that it had exceeded the legal thresholds of 20% of the share capital and voting rights of Maisons du Monde following the purchase of shares on the market, and that on said date, it held 9,134,920 shares, *i.e.* 21.09% of the Group's share capital and 20.29% of the Group's voting rights.

Majorelle Investments S.à.r.l., acting on behalf of the fund it manages, on 3 August 2020 declared that it had exceeded the legal thresholds of 5% of the share capital and voting rights of Maisons du Monde following the purchase of shares on the market, and that on said date, it held 2,476,426 shares, *i.e.* 5.47% of the Group's share capital and 5.50% of the Group's voting rights.

To the knowledge of Maisons du Monde, Teleios Capital Partners LLC and Majorelle Investments S.à.r.l. are the only shareholders holding, directly or indirectly, individually or in concert, more than 5% of the Group's share capital and voting rights.

Breakdown of capital and voting rights at 31 December 2019

As of 31 December 2019, the Company's share capital amounted to EUR 146,583,736.56 divided into 45,241,894 shares.

At that date, the structure of the share capital was as follows:

As of 31 December 2019	Capital shares		Theoretical voting rights		Exercisable voting rights (1)	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**
Teleios Capital Partners LLC (2)	3,651,684	8.07%	3,651,684	8.07%	3,651,684	8.13%
Sycomore Asset Management (3)	2,703,730	5.98%	2,703,730	5.98%	2,703,730	6.02%
Treasury shares (4)	325,976	0.72%	325,976	0.72%	-	-
Free float	38,560,504	85.23%	38,560,504	85.23%	38,560,504	85.85%
TOTAL	**45,241,894**	**100%**	**45,241,894**	**100%**	**44,915,918**	**100%**

(1) Exercisable voting rights take into account treasury shares held at 31 December 2019.

(2) Based on the legal threshold crossing statement issued by Teleios Capital Partners LLC on 1 November 2019.

(3) Based on the legal threshold crossing statement issued by Sycomore Asset Management on 31 October 2019.

(4) Treasury shares at 31 December 2019 (including shares held under the liquidity agreement, which totalled 106,024 shares).

7.4.2 CONTROL OF THE COMPANY

The Company is controlled in accordance with the description in the table in Section 7.4.1 of this Universal Registration Document.

As such, the prevention of possible misuse of control by a shareholder is guaranteed by the regular meetings of the Board of Directors and the presence of seven Independent Directors, who also hold a majority in the specialised committees (Audit Committee and Nomination and Compensation Committee).

7.4.3 CROSSING OF THRESHOLDS

Provisions of the bylaws

In accordance with Article 14 of the bylaws, and in addition to the legal obligation to inform the Company of the holding of certain fractions of the capital or voting rights, any physical person or legal entity or any shareholder who holds, directly or indirectly, alone or in concert, a number of shares of the Company equal to or greater than 1% of the total number of shares or voting rights must, before the close of the fourth trading day following the crossing of that threshold, inform the Company by registered letter with acknowledgement of receipt. The same declaration must be made under the same conditions whenever a new threshold of a multiple of 1% of the total number of shares or voting rights is crossed. Any shareholder whose interest or voting rights fall below one of the aforementioned statutory thresholds is also obliged to inform the Company within the same period of four (4) days and under the same terms.

Change in Maisons du Monde's shareholding structure

In 2021, Maisons du Monde received the following legal threshold crossing declarations pursuant to Article L. 233-7 of the French Commercial Code and the following declarations regarding thresholds contained in the bylaws:

Shareholder	Date of crossing	Type of crossing	Threshold crossed	Capital shares	% of share capital and voting rights
MIC CAPITAL PARTNERS	07/01/2021	Bylaws downward	1%	451,134	0.99%
MORGAN STANLEY	25/01/2021	Legal upward	5%	2,690,433	5.95%
BLACKROCK	30/01/2021	Bylaws downward	4%	1,382,179	3.06%
CDC Croissance	27/01/2021	Bylaws upward	1%	453,278	1.00%
BLACKROCK	27/01/2021	Bylaws downward	3%	1,162,654	2.57%
MORGAN STANLEY	27/01/2021	Bylaws downward	5%	87	0.00%
FMR	22/02/2021	Bylaws upward	4%	1,814,018	4.01%
MAJORELLE INVESTISSEMENTS	03/03/2021	Legal upward	10%	4,525,691	10.00%
MORGAN STANLEY	20/04/2021	Legal upward	5%	2,610,586	5.77%
MORGAN STANLEY	29/04/2021	Legal downward	5%	0	0.00%
MORGAN STANLEY	06/05/2021	Legal upward	5%	2,454,352	5.42%
MORGAN STANLEY	07/05/2021	Legal downward	5%	0	0.00%
MORGAN STANLEY	10/05/2021	Legal upward	5%	2,450,619	5.42%
MORGAN STANLEY	12/05/2021	Legal downward	5%	0	0.00%
TELEIOS GLOBAL OPPORTUNITIES MASTER	21/05/2021	Legal and bylaws downward	20%, 19% and 18%	7,795,412	17.23%
THE WASHINGTON UNIVERSITY	21/05/2021	Bylaws upward	1%, 2% and 3%	1,700,000	3.76%
TELEIOS GOM and THE WASHINGTON UNIVERSITY concert	21/05/2021	Legal and bylaws upward	5%, 10%, 15% and 20%	9,495,412	20.99%
FMR	08/06/2021	Legal upward	5%	2,307,842	5.10%
BLACKROCK	11/06/2021	Bylaws downward	2%	909,979	1.93%
BLACKROCK	24/06/2021	Bylaws downward	2%	873,806	2.04%
BLACKROCK	28/06/2021	Bylaws upward	2%	924,258	1.96%
BLACKROCK	08/07/2021	Bylaws downward	2%	867,202	2;29%
BLACKROCK	09/07/2021	Bylaws upward	2%	923,891	1.97%
BLACKROCK	13/07/2021	Bylaws downward	2%	885,379	2.16%
TELEIOS GOM and THE WASHINGTON UNIVERSITY concert	13/07/2021	Legal upward	21%	9,518,580	21.04%
FMR	14/07/2021	Bylaws upward	6%	2,731,793	6.04%
BLACKROCK	15/07/2021	Bylaws downward	2%	888,660	1.96%
HIGHCLERE	02/08/2021	Bylaws upward	1%	484,256	1.07%
BLACKROCK	04/08/2021	Bylaws downward	2%	785,616	1.73%
DIMENSIONAL	06/09/2021	Bylaws upward	2%	905,164	2.00%
JANUS HENDERSON	22/09/2021	Bylaws downward	1%	427,587	0.95%
INVESCO	27/09/2021	Bylaws upward	2%	966,389	2.13%
FMR	30/09/2021	Bylaws upward	7%	3,291,051	7.27%
CDC Croissance	01/10/2021	Bylaws upward	2%	921,561	2.03%
WELLINGTON MANAGEMENT	07/10/2020	Bylaws downward	3% and 2%	891,639	1.97%
CDC Croissance	25/01/2021	Bylaws upward	3%	1,380,562	3.05%
MAJORELLE INVESTMENTS	29/10/2021	Legal and bylaws upward	10%	4,525,691	10.00%
NINETY ONE	02/11/2021	Bylaws upward	1%	481,189	1.06%
AMUNDI	23/11/2021	Bylaws upward	1%	457,048	1.01%
MAJORELLE INVESTMENTS	02/12/2021	Bylaws upward	11%	5,099,133	11.27%
FMR	20/12/2021	Bylaws upward	8%	3,623,378	8.01%

Since 1 January 2022, Maisons du Monde has received the following declarations relating to the crossing of legal thresholds and of thresholds contained in the bylaws:

Shareholder	Date of crossing	Type of crossing	Threshold crossed	Capital shares	% of share capital and voting rights
Majorelle Investments	12/01/2022	Bylaws upward	12%	5,487,609	12.13%
CDC Croissance	24/01/2022	Bylaws downward	3%	1,338,676	2.95%
Majorelle Investments	24/01/2022	Bylaws upward	13%	6,107,509	13.50%
Majorelle Investments	04/02/2022	Bylaws upward	14%	6,429,727	14.21%
CDC Croissance	16/02/2022	Bylaws downward	2%	900,332	1.99%
Majorelle Investments	24/02/2022 and 01/03/2022	Legal and bylaws upward	15% and 16%	7,249,749	16.02%
FMR	03/03/2022	Bylaws downward	8%	3,617,973	7.99%
Invesco	03/02/2022	Bylaws downward	2%	839,490	1.85%
FMR	08/03/2022	Bylaws upward	8%	3,665,723	8.10%
Majorelle Investments	11/03/2022	Bylaws upward	17%	7,861,587	17.38%
Majorelle Investments	18/03/2022	Bylaws upward	18%	8,352,740	18.46%
Invesco	25/03/2022	Bylaws downward	1%	90,721	0.20%
Majorelle Investments	31/03/2022	Bylaws upward	19%	8,833,064	19.52%
FMR	04/04/2022	Bylaws upward	9%	4,071,777	9.00%
FMR	07/04/2022	Bylaws downward	9%	4,059,433	8.97%

7.4.4 EMPLOYEE SHAREHOLDING

Pursuant to Article L. 225-102 of the French Commercial Code, we inform you that the proportion of the capital represented by shares held by employees as of 31 December 2021 was less than 3%; the Company not having established mutual funds for the benefit of Group employees. We inform you that the last Extraordinary General Meeting called to approve a capital increase reserved for employees was held on 12 June 2020.

The Board of Directors, using the authorisations granted by the Annual General Meeting of 12 June 2020, allocated free shares to certain Maisons du Monde employees, with a view to directly involving them in the future of the Group and its performance through trends in share prices.

Information regarding the allocation of free shares can be found in Chapter 4 of this Universal Registration Document.

7.4.5 TRANSACTIONS PERFORMED ON THE COMPANY'S SHARES BY OFFICERS AND PERSONS TREATED AS SUCH

Pursuant to the provisions of Articles 223-22-A *et seq.* of the AMF General Regulation, the table below shows the transactions carried out by executives and persons treated as such, as declared to the AMF.

Date of the transaction	Declarant	Nature of the transaction	Number of shares	Rounded unit price *(in euros)*	Amount of the transaction *(in euros)*
18/03/2021	Thierry FALQUE-PIERROTIN Director	Purchase	5,000	18.00	90,000.00
19/03/2021	Thierry FALQUE-PIERROTIN Director	Purchase	5,000	17.50	87,500.00
26/11/2021	Marc WALBAUM Closely related person	Disposal	3,125	20.72	64,763.13
26/11/2021	Julie WALBAUM Director and Chief Executive Officer	Disposal	19,949	20.64	411,719.43
29/11/2021	Julie WALBAUM Director and Chief Executive Officer	Disposal	11,179	20.48	228,906.79
01/12/2021	Julie WALBAUM Director and Chief Executive Officer	Disposal	8,872	20.25	179,591.46

7.4.6 ELEMENTS LIABLE TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

Pursuant to the provisions of Articles L. 233-13 and L. 22-10-11 of the French Commercial Code, the Company informs the public of the following elements liable to have an influence in the event of a takeover bid:

Shareholders' agreement

At the time of writing, Maisons du Monde was not aware of any shareholders' agreement providing for preferential terms for the sale or acquisition of Maisons du Monde shares or an agreement whose implementation could result in a change of control.

Significant nominal holdings

To the Company's knowledge, as at the date of this Universal Registration Document, there are no significant registered holdings within the share capital other than those detailed in Section 7.4.1 of this chapter.

Control mechanisms

The Company has not established double voting rights. Nor does it have any securities with particular prerogatives.

Shareholders' Meeting

8

At its Meeting held on 9 March 2022, the Board of Directors convened a Combined General Meeting (Annual Ordinary and Extraordinary) to be held **on 31 May 2022 at 3 pm at 55 Rue d'Amsterdam**, **75008 Paris,** France, to deliberate on the agenda below:

8.1 Agenda

8.1.1 AGENDA FOR THE ANNUAL GENERAL MEETING

- Approval of the annual financial statements for the financial year ended 31 December 2021;
- Approval of the consolidated financial statements for the financial year ended 31 December 2021;
- Approval of an agreement as referred to in Article L.225-38 of the French Commercial Code entered into with MAISONS DU MONDE FOUNDATION;
- Statutory auditors' special report on the agreements referred to in Article L. 225-38 of the French Commercial Code;
- Approval of the information relating to the compensation of the executive officers mentioned in Article L. 22-10-9 I of the French Commercial Code;
- Approval of the components paid during or allocated in respect of the 2021 financial year to Mr Peter CHILD, Chairperson of the Board of Directors until 30 June 2021;
- Approval of the components paid during or allocated in respect of the 2021 financial year to Mr Thierry FALQUE-PIERROTIN, Chairperson of the Board of Directors since 30 June 2021;
- Approval of the components paid during or allocated in respect of the 2021 financial year to Ms Julie WALBAUM, Chief Executive Officer;
- Approval of the compensation policy for the Chief Executive Officer;
- Approval of the total annual amount to be allocated to the members of the Board of Directors for the 2022 financial year;
- Approval of the compensation policy for the members of the Board of Directors for the 2021 financial year;
- Ratification of the provisional appointment of Mr Victor HERRERO AMIGO;
- Appointment of Ms Alexandra PALT as a new director;
- Renewal of the term of office as Primary Statutory Auditor of the firm DELOITTE & Associés;
- Non-renewal of the term of office as Alternate Statutory Auditor of the firm CISANE;
- Authorisation to be granted to the Board of Directors to purchase Company shares.

8.1.2 AGENDA FOR THE EXTRAORDINARY GENERAL MEETING

- Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, and/or securities giving entitlement to debt securities by public offering, with the exception of that referred to in Article L. 411-2-1 of the French Monetary and Financial Code, with cancellation of the preferential subscription right;
- Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, and/or securities giving entitlement to the debt securities by public offering with preferential subscription rights;
- Delegation of authority to be granted to the Board of Directors to decide to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, and/or securities giving entitlement to the allocation of debt securities in the context of an offer referred to in II of Article L. 411-2 of the French Monetary and Financial Code, with cancellation of the preferential subscription right;
- Authorisation to be given to the Board of Directors to set the issue price of ordinary shares and/or securities giving access to the share capital under certain conditions, up to a limit of 10% of the share capital per year, within the framework of share capital increases through the issue of shares without preferential subscription rights;

- Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights, within the framework of the provisions of Article L. 225-135-1 of the French Commercial Code;
- Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, with cancellation of the preferential subscription right, in order to compensate contributions in kind made to the Company and consisting of shares or securities giving access to the share capital, outside public exchange offers;
- Authorisation to be granted to the Board of Directors to increase the share capital by incorporation of reserves, profits, premiums or other;
- Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, reserved for members of company savings plans with cancellation of the preferential subscription right;
- Overall limit for issue authorisations with maintenance and cancellation of the preferential subscription right;
- Authorisation to be granted to the Board of Directors to reduce the share capital by cancelling shares held by the Company following the buyback of its own shares;
- Authorisation to be granted to the Board of Directors to allocate free shares, subject to performance conditions, to employees and eligible executive officers of the Company and its related companies;
- Powers to carry out formalities.

8.2 Presentation of the resolutions put forward by the Board of Directors

8.2.1 ANNUAL GENERAL MEETING

8.2.1.1 Approval of the annual and consolidated financial statements

1st and 2nd ordinary resolutions

The purpose of the 1st and 2nd resolutions is to approve the annual and consolidated financial statements for the financial year ended 31 December 2021.

The annual financial statements for the past financial year show a profit of EUR 22,325,677.53, compared to a loss of EUR 25,945,452 the previous year.

The Group's consolidated financial statements show a profit of EUR 79 million (of which EUR 77.4 million attributable to the owners of the parent), compared with a loss of EUR 16.1 million in 2020.

The non-deductible expenses for the financial year amounted to EUR 26,840. These expenses correspond to the rent and depreciation of the Company's fleet of company cars, and generated tax of EUR 7,625.

The annual and consolidated financial statements for the financial year ended 31 December 2021, as well as the statutory auditors' reports, are presented in Chapters 5 and 6 of this Universal Registration Document.

8.2.1.2 Proposed appropriation of the net income

3rd ordinary resolution

The purpose of the 3rd resolution is to appropriate the net income for the financial year ended 31 December 2021.

The net income for the financial year ended amounted to EUR 22,325,677.53.

At its Meeting of 9 March 2022, the Board of Directors decided to propose the payment of a dividend of EUR 0.55 per share. This proposal is in line with the Company's dividend distribution policy (between 30% and 40% of consolidated income).

The dividend would be paid on 10 June 2022 (coupon detached 8 June 2022).

Previous distributions were as follows:

- a dividend of EUR 13,509,001.80, or 45,030,006 shares receiving a dividend of EUR 0.30 per share for the 2020 financial year;
- no dividend for the 2019 financial year;
- a dividend of EUR 21,142,887.49, or 44,984,867 shares receiving a dividend of EUR 0.47 per share for the 2018 financial year.

8.2.1.3 Regulated agreements

4th ordinary resolution

The purpose of the 4th resolution is, after reading the special report of the Statutory Auditors on regulated agreements as provided for in Article L. 225-38 of the French Commercial Code, to approve the sponsorship agreement entered into during the past financial year, including its endowment fund "Maisons du Monde Foundation".

Under the terms of the agreement dated 27 March 2021, Maisons du Monde Foundation will benefit, for five years, from a contribution corresponding to 0.08% of Maisons du Monde S.A.'s annual revenue (for the 2021 financial year, the amount recognised was EUR 945,491.60).

Maisons du Monde Foundation's mission is to contribute to the preservation of forests and trees in France and abroad, by financially supporting associations that set up conservation programmes led by and for local populations, as well as by raising environmental awareness.

As Julie WALBAUM is both Chief Executive Officer of Maisons du Monde S.A. and Chairperson of the Maisons du Monde Foundation Endowment Fund, the sponsorship agreement constitutes a regulated agreement within the meaning of Article L. 225-38 of the French Commercial Code. As such, it was authorised by the Board at its Meeting of 27 January 2021, and is included in the statutory auditors' special report.

In addition, the term of office of the Chief Executive Officer, signed and authorised on 29 June 2018, expired on 30 June 2021. Julie WALBAUM's term of office as Chief Executive Officer was renewed for three years, without being the subject of a specific term of office, the components of the term of office are now subject to Say-on-Pay provisions rather than the provisions of regulated agreements.

The statutory auditors' report on regulated agreements can be found in Section 4.3.2 of Chapter 4 of this Universal Registration Document.

8.2.1.4 Compensation of the executive officers

5th to 11th ordinary resolutions

In accordance with the provisions of Articles L. 22-10-34 I and II of the French Commercial Code, the purpose of resolutions 5 to 11 is to submit for the approval of the shareholders the information relating to the compensation of executive officers referred to in Article L. 22-10-9 I of the French Commercial Code, and presented in the report on corporate governance.

Maisons du Monde's compensation policy is set out in Section 4.2.1 of Chapter 4 of this Universal Registration Document.

The standardised presentation of the compensation of executive officers is provided in Section 4.2.3.

Details of the compensation of executive officers are set out in Chapter 4 of this Universal Registration Document (Sections 4.2.2.1 to 4.2.2.4).

- **5th resolution:** shareholders are asked to approve the information relating to all executive officers, including the Chief Executive Officer, as well as the executive officers whose terms of office have ended and those newly appointed during the past financial year.

  If the Annual General Meeting does not approve this resolution, the payment of compensation to executive officers for the current fiscal year will be suspended until a revised compensation policy is approved at the next Annual General Meeting taking into account the shareholders' vote.
- **6th, 7th and 8th resolutions:** the shareholders are asked to approve the components of the total compensation (fixed, variable and exceptional) and benefits of any kind paid during the 2021 financial year, or granted in respect of said financial year, to the executive officers, namely Peter CHILD, Chairperson of the Board until 30 June 2021, and Thierry FALQUE-PIERROTIN, Chairperson of the Board of Directors from 30 June 2021. As well as those of Julie WALBAUM, Chief Executive Officer.

  These components are in line with the compensation policy approved by the Annual General Meeting of 4 June 2021, and are described in Sections 4.2.2.1 and 4.2.2.2 of Chapter 4.

  It is specified that the payment of the variable compensation of the Chief Executive Officer in respect of the 2021 financial year is subject to the approval of the Annual General Meeting of 31 May 2022.
- **9th resolution:** in accordance with Article L. 22-10-34 II of the French Commercial Code, you are asked to approve the compensation policy applicable to the Chief Executive Officer for the 2022 financial year.

  The components of the compensation policy for the Chief Executive Officer were approved by the Board of Directors on the recommendation of the Nomination and Compensation Committee. All of these components are described in detail in Section 4.2.2.1 of Chapter 4 of this Universal Registration Document.
- **10th and 11th resolutions:** Resolutions 10 and 11 concern the compensation policy applicable to the executive officers (excluding the Chief Executive Officer) for the current financial year. You are therefore asked to approve under the terms of the 10th resolution an overall budget of 600,000 euros attributable to all executive officers, the amount of which remains unchanged compared to the previous financial year. The 11th resolution sets out the terms and conditions for the distribution of the directors' compensation, including the compensation of the Chairperson of the Board of Directors. These components are set out in Section 4.2.2.1 to 4.2.2.3 of Chapter 4 of this Universal Registration Document.

8.2.1.5 Changes to the Board of Directors and to the terms of office of the statutory auditors

12th ordinary resolution

At its Meeting of 26 January 2022, the Board of Directors appointed Mr Victor HERRERO AMIGO as a new director, to replace the resigned Mr Peter CHILD, for the remaining term of his predecessor, *i.e.* at the end of the Annual General Meeting of 2023.

The purpose of the 12th resolution is, in accordance with the provisions of Article L. 225-24, paragraph 5, of the French Commercial Code, the ratification by the Annual General Meeting of this provisional appointment.

The biography of Mr HERRERO AMIGO appears in Section 4.1.1.10 of Chapter 4 of this Universal Registration Document.

13th ordinary resolution

It is reminded that the terms of office of Mmes Sophie GUIEYSSE and Marie-Christine LEVET will expire at the end of the Annual General Meeting of 31 May 2022.

On the recommendations of the Nomination and Compensation Committee, the Board proposes to the Annual General Meeting:

- to not renew these two terms of office;
- to appoint Ms Alexandra PALT as a new director.

Ms Alexandra PALT would be appointed for a period of four years as an independent member. She would bring her expertise in societal and environmental matters.

The detailed biography of Ms Alexandra PALT is presented in Section 4.1.1.12 of Chapter 4 of this Universal Registration Document.

14th and 15th ordinary resolutions

Under the 14th resolution, the Board submits to the shareholders, on the proposal of the Audit Committee, the renewal of the term of office of DELOITTE & Associés for a period of six financial years.

In accordance with Article 22, paragraph 2, of the Company's bylaws, and within the framework of the 15th resolution, the Board proposes to the shareholders not to renew the term of office of CISANE, Alternate Statutory Auditor.

8.2.1.6 Repurchase by the Company of its own shares

16th ordinary resolution

As part of the 16th resolution, the Board of Directors submits to the Annual General Meeting for approval the authorisation to trade in the Company's shares as part of a treasury share buyback programme, under the following main conditions:

- transactions may be carried out at any time except in the event of a public offering of the Company's shares;
- the proposed maximum unit purchase price is EUR 30;
- the maximum amount of the acquisitions net of costs may not exceed the sum of EUR 135.7 million;
- the maximum share that the Company may hold under this programme will be 4,524,189 shares, or 10% of the share capital (as of 31/12/2021);
- objectives of the programme: any allocation authorised within the legal framework and in particular the coverage of free performance share plans or buybacks for cancellation;
- duration of the programme: 18 months.

The description of the treasury share buyback programme can be found in Section 7.3.4 of Chapter 7 of this Universal Registration Document.

8.2.2 EXTRAORDINARY GENERAL MEETING

8.2.2.1 Delegations of authority to be granted to the Board of Directors

The purpose of Resolutions 17 to 25 is to grant the Board authorisations and delegations of authority to trade in the share capital; the authorisations granted would have the effect of cancelling those granted at the Annual General Meeting of 12 June 2020 for their unused parts.

17th extraordinary resolution

Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, and/or securities giving entitlement to allocation of debt securities by public offering, with the exception of that referred to in Article L. 411-2-1 of the French Monetary and Financial Code, with cancellation of the preferential subscription right,

La 17th resolution authorises the Board of Directors to increase the Company's share capital, on one or more occasions, in the proportions and at the times it deems appropriate, in France or abroad, through a public offering, through the issue of (i) shares (excluding preferred shares) or (ii) securities giving access to the Company's share capital (whether they are new or existing shares), to the exclusion of preferred shares, with the exception of those referred to in Article L. 411-2-1 of the French Monetary and Financial Code (whether they are new or existing shares), issued for consideration or free of charge, either in euros or in any other currency or monetary unit established by reference to several currencies, governed by Articles L. 228-91 *et seq.* of the French Commercial Code, with cancellation of the preferential subscription right.

Subscription to the shares and other securities referred to above may be made either in cash, by offsetting receivables, or partly by incorporation of reserves, profits or premiums or, under the same conditions, to decide on the issue of securities giving access to the Company's existing share capital or giving entitlement to the allocation of debt securities governed by Articles L. 228-91 of the French Commercial Code.

The Board of Directors may decide (i) to issue shares or securities giving access to the Company's share capital to be issued following the issue, by companies in which the Company directly or indirectly holds more than half of the share capital, of securities giving access to the Company's share capital and (ii) the issue of securities giving access to the share capital of companies in which it directly or indirectly owns more than half of the share capital.

We propose that you set the maximum nominal amount of the capital increases that may be carried out immediately or in the future under this delegation at EUR 14,650,000 (or the equivalent in any other currency or monetary unit established by reference to several currencies), *i.e.* approximately 10% of the Company's authorised share capital as of 31 December 2021. This amount will be deducted from the total ceiling of EUR 73,000,000 provided for in the 25th resolution. To these ceilings would be added, where applicable, the nominal amount of the shares to be issued, in the event of new financial transactions, to preserve, in accordance with the applicable legal and regulatory provisions and, where applicable, with the contractual provisions providing for other cases of adjustments, the rights of holders of securities giving access to the Company's share capital, share subscription or purchase options or free share allocation rights.

You are also asked to set at EUR 220,000,000 the maximum nominal amount of debt securities that may be issued immediately or in the future on the basis of this delegation.

We propose that you decide to cancel shareholders' preferential subscription rights to shares or other securities that may be issued pursuant to said delegation of authority. If the Board of Directors uses this delegation, this waiver of the preferential subscription right would be justified by the need to shorten the completion deadlines for the issues in order to facilitate the placement of the securities thus issued.

The Board of Directors of the Company would also have the option, once the Company's shares are admitted to trading on a regulated market, to assess whether the issues of shares or other securities carried out pursuant to this delegation of authority will include a priority subscription period in favour of shareholders under the conditions that the Board of Directors will set in accordance with the provisions of Article L. 22-10-51, paragraph 5, of the French Commercial Code.

The issue price would be set as follows:

- the issue price of the shares issued directly will be at least equal to the minimum stipulated by the regulatory provisions applicable on the date of issue (to date, the weighted average of the prices of the last three trading sessions on the regulated market of Euronext Paris SA prior to the start of the public offering within the meaning of Regulation (EU) No. 2017/1129 of 14 June 2017, less a maximum discount of 10%), after, where applicable, correction of this average in the event of difference between the dividend dates;
- the issue price of the securities giving access to the share capital and the number of shares to which the conversion, redemption or generally the conversion of each security giving access to the capital may give entitlement, will be such that the sum received immediately by the Company, increased, where appropriate, by that which may be received subsequently by it, be, for each share issued as a result of the issue of these securities, at least equal to the minimum subscription price defined in the preceding paragraph;

The Board of Directors would have all the powers, in accordance with the law and within the limits set by this delegation, to implement this delegation of authority and in particular to set the terms and conditions of any issues of share or other securities and the characteristics of the securities, as well as, where applicable, to defer them, record their completion, make the corresponding amendments to the bylaws and any other necessary or useful formalities.

In the event of an issue of debt securities giving access, immediately or in the future, to a portion of the Company's share capital, the Board of Directors would have full powers, in particular to decide whether or not they are subordinated, to set their interest rate, the currency of the issue, their term, the fixed or variable redemption price, with or without premium, the terms of amortisation depending on market conditions and the conditions under which these securities will give entitlement to Company shares.

However, in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting.

This authorisation would be granted for a period of twenty-six (26) months from 31 May 2022 and would therefore expire on 31 July 2024.

18th extraordinary resolution

Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, and/or securities giving entitlement to debt securities by public offering with preferential subscription rights

In accordance with the provisions of Articles L. 225-129-2, L. 225-132 and L. 225-134 and L. 22-10-49 of the French Commercial Code, as well as the provisions of Articles L. 228-91 *et seq.* of the said Code, we propose that you delegate your authority to the Board of Directors to decide on and carry out one or more capital increases with preferential subscription rights for holders of shares through the issue of Company shares and/or securities giving access by any means, immediately and/or in the future, to shares of the Company, issued for payment or free of charge, either in euros or in any other currency or monetary unit established by reference to several currencies whose subscription may be carried out either in cash or by offsetting receivables, or partly by incorporation of reserves, profits or premiums or, under the same conditions, to decide on the issue of securities giving access to the Company's existing share capital. Such issues could be carried out in France or abroad.

We propose that you decide that the total nominal amount of the share capital increases that may be carried out immediately and/or in the future under this delegation at EUR 73,000,000 (or the equivalent in any other currency or monetary unit established by reference to several currencies), *i.e.* approximately 50% of the Company's authorised share capital as of 31 December 2021. This amount would be deducted from the total ceiling of EUR 73,000,000 set in the 25th resolution. It would not take into account the nominal value of the shares to be issued in order to preserve, in accordance with the applicable legal and regulatory provisions and, where applicable, with the contractual provisions providing for other cases of adjustments, the rights of the holders of securities giving access to the Company's share capital, share subscription or purchase options or free share allocation rights.

We propose that you decide that the securities giving access to the Company's share capital that may be issued under this resolution may consist in particular of debt securities or be associated with the issue of such securities, or allow such securities to be issued as intermediate securities. In particular, they could take the form of subordinated or unsubordinated notes, with a fixed or indefinite duration, and be issued either in euros, or in foreign currencies, or in any monetary units established by reference to several currencies. We propose that the nominal amount of the debt securities thus issued be EUR 750,000,000 (or the equivalent value of this amount in foreign currency). This amount would be increased, where applicable, by any redemption premium above par.

However, in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting.

This authorisation would be granted for a period of twenty-six (26) months from 31 May 2022 and would therefore expire on 31 July 2024.

19th extraordinary resolution

Delegation of authority to be granted to the Board of Directors to decide to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, and/or securities giving entitlement to the allocation of debt securities in the context of an offer referred to Article L. 411-2-1 of the French Monetary and Financial Code, with cancellation of the preferential subscription right

La 19th resolution would enable the Board of Directors to decide to issue shares and/or securities giving access by any means, immediately and/or in the future, to shares of the Company without preferential subscription rights, by way of offers referred to in Article L. 411-2-1 of the French Monetary and Financial Code. The subscription could be made either in cash, by offsetting receivables, or partly by incorporation of reserves, profits or premiums or, under the same conditions, to decide the issue of securities giving access to the existing share capital of the Company.

The capital increases that may be carried out under this delegation of authority would be carried out through a so-called "private placement", *i.e.* by way of an offer intended exclusively for (i) persons providing portfolio management investment services on behalf of third parties, and (ii) qualified investors or to a limited circle of investors, provided that these investors are acting on their own behalf.

Within the meaning of paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code:

- a qualified investor is a person or entity with the necessary skills and resources to understand the risks inherent in transactions in financial instruments;
- a limited circle of investors is made up of persons, other than qualified investors, whose number is less than 150.

The issue price would be set as follows:

- the issue price of the shares issued directly will be at least equal to the minimum stipulated by the regulatory provisions applicable on the date of issue (to date, the weighted average of the prices of the last three trading sessions on the regulated market of Euronext Paris SA prior to the start of the public offering within the meaning of Regulation (EU) No. 2017/1129 of 14 June 2017, less a maximum discount of 10%), after, where applicable, correction of this average in the event of difference between the dividend dates;
- the issue price of the securities giving access to the share capital and the number of shares to which the conversion, redemption or generally the conversion of each security giving access to the capital may give entitlement, will be such that the sum received immediately by the Company, increased, where appropriate, by that which may be received subsequently by it, be, for each share issued as a result of the issue of these securities, at least equal to the minimum subscription price defined in the preceding paragraph.

We propose that you decide that the total nominal amount of the share capital increases that may be carried out immediately and/or in the future under this delegation be EUR 14,650,000 (or the equivalent in any other currency or monetary unit established by reference to several currencies). This amount would be deducted from the total ceiling of EUR 73,000,000 provided for in the 25th resolution. This ceiling would not take into account the nominal value of the shares to be issued in order to preserve, in accordance with the applicable legal and regulatory provisions and, where applicable, with the contractual provisions providing for other cases of adjustments, the rights of the holders of securities giving access to the Company's share capital, share subscription or purchase options or free share allocation rights. In addition, we propose that you set the nominal amount of the debt securities thus issued at EUR 220,000,000 (or the equivalent value of this amount in foreign currency). This amount would be increased, where applicable, by any redemption premium above par.

The use of this delegation supposes that you cancel the preferential subscription right of the holders of shares to the shares or securities to be issued, it being specified that we ask you to confer on the Board of Directors the power to institute for the benefit of the shareholders a priority subscription option.

However, in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting.

This authorisation would be granted for a period of twenty-six (26) months from 31 May 2022 and would therefore expire on 31 July 2024.

20th extraordinary resolution

Authorisation to be given to the Board of Directors to set the issue price of ordinary shares and/or securities giving access to the share capital under certain conditions, up to a limit of 10% of the share capital per year, within the framework of share capital increases through the issue of shares without preferential subscription rights

In order to promote equity financing and to respond to requests from investors, we propose that you authorise the Board of Directors for the issues proposed in the 17th and 19th resolutions, and within the limit of 10% of the share capital per year assessed on the issue date, to be waived from the rules for setting the issue price of the shares defined in said resolutions by applying a discount of up to 5% on the weighted average of the share price of the last three trading days on Euronext Paris preceding the setting of the subscription price of the capital increase.

21st extraordinary resolution

Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights, within the framework of the provisions of Article L. 225-135-1 of the French Commercial Code

In accordance with the provisions of Articles L. 225-135-1 and R. 225-118 of the French Commercial Code, the 21st resolution would enable the Board of Directors, in order to satisfy excess demand or to cope with market volatility, to decide, in the context of capital increases with or without preferential subscription rights decided in previous resolutions, to increase the number of securities to be issued at the same price as that used for the initial issue, within the deadlines and limits provided for by the regulations applicable on the date of issue.

We inform you that the nominal amount of the capital increases decided pursuant to this resolution would be deducted from the amount of the ceilings stipulated respectively in the 17th, 18th and 19th resolutions under which the initial issue is decided and from the amount of the overall ceiling provided for in the 25th resolution or, where applicable, from the amount of the ceilings provided for by resolutions of the same nature that may succeed said resolutions during the period of validity of this delegation.

However, in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting.

This authorisation would be granted for a period of twenty-six (26) months from 31 May 2022 and would therefore expire on 31 July 2024.

22nd extraordinary resolution

Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, with cancellation of the preferential subscription right, in order to compensate contributions in kind made to the Company and consisting of shares or securities giving access to the share capital, outside public exchange offers

We propose that you grant the Board of Directors a delegation of authority to increase the Company's share capital, up to a limit of 10% of the Company's share capital, by issuing shares and/or securities giving access by any means, immediately and/or in the future, to Company shares in order to compensate contributions in kind granted to the Company and consisting of equity securities or securities giving access to the share capital.

We inform you that the holders of shares would not benefit from preferential subscription rights to the shares or securities thus issued and that this delegation would entail the waiver by the holders of shares of their preferential subscription rights to the shares of the Company to which the securities that may be issued on the basis of this delegation may give entitlement.

We propose that you give full powers to the Board of Directors to implement this resolution and in particular to approve, on the basis of the Capital Contributions Auditors' report, the valuation of the contributions, determine the amount and conditions of the issues, the nature and the characteristics of the securities to be issued, as well as, where applicable, the amount of the cash balance to be paid, approve the granting of special benefits, reduce, if the contributors so agree, the valuation of the contributions or the remuneration of special benefits, set the dividend dates, even retroactive, of the securities to be issued.

The total nominal amount of the capital increases that may be carried out under this delegation may not exceed 10% of the share capital. This amount would be deducted from the total ceiling provided for in the 25th resolution. This amount would not take into account the nominal value of the shares to be issued in order to preserve, in accordance with the applicable legal and regulatory provisions and, where applicable, with the contractual provisions providing for other cases of adjustments, the rights of the holders of securities giving access to the Company's share capital, share subscription or purchase options or free share allocation rights.

However, in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting.

This authorisation would be granted for a period of twenty-six (26) months from 31 May 2022 and would therefore expire on 31 July 2024.

23rd extraordinary resolution

Authorisation to be granted to the Board of Directors to increase the share capital by incorporation of reserves, profits, premiums or other

The purpose of the 23rd resolution is to enable the Board of Directors to carry out, on one or more occasions, capital increases by incorporation into the share capital of premiums, reserves, profits or other items, the capitalisation of which would be legally and statutorily possible. This transaction, which does not necessarily result in the issue of new shares, must be taken by the Extraordinary General Meeting ruling in accordance with the quorum and majority conditions for Ordinary General Meetings.

The nominal amount of the capital increases that may be carried out under this delegation, increased by the amount necessary to preserve, in accordance with the applicable legal and regulatory provisions and, where applicable, with the contractual provisions providing for other cases of adjustments, the rights of holders of securities giving access to the Company's share capital, share subscription or purchase options or free share allocation rights may not exceed the amount that may be incorporated into the Company's share capital on the date of the decision of the Board of Directors to use the delegation up to a limit of 10% of the share capital (or the equivalent in any other currency or monetary unit established by reference to several currencies).

This amount would not be deducted from the total ceiling provided for in the 25th resolution, this delegation intervening without dilution for the shareholders and without modification of the volume of the Company's equity.

We propose that you give full powers to the Board of Directors to set the amount and nature of the sums to be incorporated into the share capital, set the number of new shares to be issued or the amount by which the par value of the existing shares comprising the share capital would be increased, set the date, even retroactive, from which the new shares will bear dividend rights or the date on which the increase in the par value will take effect.

However, in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting.

This authorisation would be granted for a period of twenty-six (26) months from 31 May 2022 and would therefore expire on 31 July 2024.

24th extraordinary resolution

Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, reserved for members of company savings plans with cancellation of the preferential subscription right

Article L. 225-129-6 of the French Commercial Code stipulates that in the event of any decision to increase the share capital by contribution in cash, unless it is the result of a prior issue of securities giving access to the share capital, the Extraordinary General Meeting must vote on a draft resolution for a capital increase under the conditions provided for by Articles L. 3332-18 *et seq.* of the French Labour Code. The Extraordinary General Meeting decides on such a draft resolution when it delegates its authority to carry out the capital increase in accordance with Article L. 225-129-2 of the French Commercial Code.

As a result of the 17th and 18th resolutions, and in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code, we propose that you grant the Board of Directors a delegation of authority to decide to increase the Company's share capital, on one or more occasions, the issuance of ordinary shares of the Company or any other securities giving, immediately or in the future, access to ordinary shares of the Company or any other company in which the Company directly or indirectly holds more than half of the share capital, reserved for members of a company savings plan of the Company and, where applicable, French or foreign companies linked to it under the conditions defined in Articles L. 225-80 of the French Commercial Code and L. 3344-1 of the French Labour Code.

The total nominal amount of the share capital increases that may be carried out, immediately or in the future, under this delegation may not exceed 2% of the Company's share capital on the day of the use of this delegation, without exceeding 1% per rolling 12-month period, it being specified that this amount will be deducted from the overall ceiling set in the 25th resolution and that this total nominal amount does not take into account any adjustments that may be made in accordance with the applicable legal and regulatory provisions, and, where applicable, with any contractual provisions providing for other cases of adjustment, to preserve the rights of the holders of securities giving access to the share capital.

The issue price of the new shares or securities giving access to the share capital would be determined in accordance with Articles L. 3332-18 *et seq.* of the French Labour Code and would be at least equal to 70% of the weighted average price of the Company's share on the regulated market of Euronext in Paris during the 20 trading sessions preceding the day of the Board of Directors' decision setting the opening date of the subscription for members of a savings plan company, or to 60% of this average when the period of unavailability provided for by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labour Code is greater than or equal to ten years.

We propose that you authorise the Board of Directors to allocate, free of charge, to the beneficiaries indicated above, in addition to the shares or securities giving access to the share capital to be subscribed in cash, shares or securities giving access to the share capital to be issued or already issued, as a replacement for all or part of the discount to the reference price and/or matching contribution, it being understood that the benefit resulting from this allocation may not exceed the applicable legal or regulatory limits under Articles L. 3332-10 *et seq.* of the French Labour Code.

In accordance with the law, the preferential subscription rights of shareholders to new shares or other securities giving access to the share capital would be cancelled in favour of the beneficiaries indicated above. This decision would also entail the waiver by the shareholders of any rights to the shares or securities giving access to the share capital, allocated free of charge pursuant to this resolution.

However, in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting.

This authorisation would be granted for a period of twenty-six (26) months from 31 May 2022 and would therefore expire on 31 July 2024.

25th extraordinary resolution

Overall limit for issue authorisations with maintenance and cancellation of the preferential subscription right

The 25th resolution would limit the maximum nominal amount of the delegations under the 17th, 18th, 19th, 21st, 22nd and 24th resolutions, at EUR 73,000,000. This is an overall ceiling common to the aforementioned resolutions, to which is added the nominal amount of the shares to be issued in addition, in the event of new financial transactions, to preserve, in accordance with the legislative and regulatory provisions and, where applicable, with the contractual stipulations providing for other cases of adjustments, the rights of holders of securities giving access to the Company's share capital, options to subscribe or purchase new shares or free share allocations.

The maximum overall nominal amount of the securities representing claims on the Company that may be realised under the 17th, 18th, 19th, 21st, 22nd and 24th resolutions would be set at EUR 73,000,000 or the equivalent in any other currency or monetary unit established by reference to several currencies.

In addition, the delegations granted to the Board to carry out capital increases without preferential subscription rights (in particular under the 17th, 19th and 22nd resolutions), may only be used within the limit of an overall ceiling of 10% of the share capital recorded on 31 December 2021.

8.2.2.2 Proposed capital reduction by cancellation of shares

26th extraordinary resolution

Authorisation to be granted to the Board of Directors to reduce the share capital by cancelling shares held by the Company following the buyback of its own shares

We propose that you, under the 26th resolution, authorise and grant full powers to the Board of Directors, for a period of 26 months, to:

- cancel, within the limit of 10% of the share capital per 24-month period, all or part of the treasury shares held as part of the treasury share buyback programme authorised by the 16th resolution;
- allocate the difference between the repurchase price of the cancelled shares and their par value to the premiums and available reserves;
- carry out and record capital reduction operations, carry out all acts and formalities for this purpose, and amend the bylaws accordingly.

8.2.2.3 Proposed allocation of free performance shares

27th extraordinary resolution

Authorisation to be granted to the Board of Directors to allocate free shares, subject to performance conditions, to employees and eligible executive officers of the Company and its related companies

Pursuant to Articles L. 225-197-1 *et seq.* and Articles L. 22-10-49 to L. 22-10-60 of the French Commercial Code, joint-stock companies may grant free shares, existing or to be issued, to their employees and eligible executive officers.

We therefore propose that you authorise the Board of Directors to allocate, on one or more occasions, free performance shares of the Company, existing or to be issued, for the benefit of all or some employees, or some categories of them belonging to the Company or to Group companies in France or abroad, and/or eligible executive officers under the conditions indicated below.

The free performance share allocations make it possible to better recognise, retain and motivate those who have an impact on results and whom the Group needs to grow.

In line with market practice, these allocations will also link the interests of beneficiaries to those of shareholders and, at the same time, strengthen the alignment of all around common medium-term objectives in line with Maisons du Monde's medium- and long-term ambitions, and thus support the Group's growth.

They are also part of the Board of Directors' reflection on the Group's compensation policy, and the desire to involve the Group's executives and key contributors in its development, encouraging them to take action over the long term.

The Board of Directors would determine the identity of the beneficiaries of the allocations, as well as the performance conditions and criteria for granting free shares.

The total number of free performance shares granted may not represent more than 2% of the Company's share capital over the period, while the total number of free shares granted to eligible executive officers of the Company may not represent more than 0.4% of the share capital over the period and 20% of the budget allocated each year to all beneficiaries.

The free allocation of said shares to their beneficiaries would become definitive under the following conditions:

- Presence conditions:

  Subject to the exceptions provided for by the plan's regulations and the legislation in force, as well as any exemptions decided by the Board of Directors, the free allocation of shares to their beneficiaries would therefore only become definitive at the end of a period of acquisition set by the Board of Directors, but which may not be less than three (3) years and subject to the presence of the beneficiary in the Company on the day of the definitive acquisition;

- Performance conditions:

  Any grant of shares would be subject to the achievement of several demanding performance conditions measured on:

  - internal performance indicators over a three-year period (*e.g.* growth criteria, profitability, shareholder feedback) and which may include several social and environmental criteria,

- an additional stock market performance condition at least for the Chief Executive Officer and the other members of the Executive Committee, measured by the total shareholder return (TSR) relating to a panel of companies or an index measured over a period of at least three years.

Lastly, the Board decided that the average vesting rate of performance shares of Executive Committee members at the end of a plan may not be higher than the average rate of the other beneficiaries.

The levels of achievement of the internal performance conditions would be measured by reference to the Group's medium-term plan with the determination of a performance threshold and a maximum. The trigger threshold for each internal performance condition may give entitlement to 50% of the allocation portion linked to this condition. The maximum performance may give entitlement to 100% of the allocation portion linked to the internal performance condition.

The performance levels of the Group's TSR will be compared to a panel of companies or an index. It is expected that below the index or the median of the comparator group, there would be no allocation of shares under this performance condition and that at the relevant median or index, 75% of the share of the award linked to this condition would vest.

In the event of a grant to the executive corporate officer, the latter would have to keep in registered form, until the end of his or her term of office, a percentage of the shares granted which would be set by the Board until an overall holding of the Company's shares is reached corresponding to 200% of his or her annual gross fixed compensation.

We therefore propose that you delegate to the Board of Directors all powers to: (i) determine, at the time of the issue by the Company of performance shares to be allocated free of charge, the number of these shares to be issued for the benefit of a beneficiary, (ii) determine, at the time of the issue of these shares, the amount of reserves, profits or premiums to be capitalised, (iii) define the terms of the related free share allocation plan, which will mainly be responsible for defining the terms and conditions for the allocation of free shares, as well as the obligations to retain these free shares, where applicable, (iv) record the capital increase(s) carried out and amend the Company's bylaws accordingly, (v) make, where applicable, during the vesting period, any adjustments to the number of shares to be allocated, which may be necessary as a result of any transactions on the Company's share capital, so as to preserve the rights of the beneficiaries, (vi) proceed as necessary to buy back the Company's shares for the purpose of their free allocation, in particular within the framework of the buyback programme authorised at the end of the 16th resolution, and (vii) carry out or cause to be carried out all acts and formalities that may arise from the implementation of the free share allocation plan, and more generally do everything necessary for this purpose.

This authorisation would be granted for a period of thirty-eight (38) months from 31 May 2022 and would therefore expire on 31 July 2025.

Powers

28th ordinary resolution

The 28th and last resolution submitted to your vote, is customary and enables all formalities required by law to be carried out at the end of the Annual General Meeting.

8.3 Text of the draft resolutions

8.3.1 RESOLUTIONS WITHIN THE REMIT OF THE ORDINARY GENERAL MEETING

1st resolution — Approval of the annual financial statements for the financial year ended 31 December 2021

The Annual General Meeting, acting in accordance with the quorum and majority requirements for Ordinary General Meetings, having read the Board of Directors' Management Report and the statutory auditors' report, approves in their entirety the Company's annual financial statements for the financial year ended 31 December 2021, as presented to it, and which show a profit of EUR 22,325,677.53, as well as the transactions reflected in these financial statements and summarised in these reports.

Pursuant to Article 223 *quater* of the French General Tax Code, the Annual General Meeting approves the amount of the non-tax-deductible expenses and charges referred to in Article 39-4 of the said Code, which amounted to EUR 26,840 for the financial year ended 31 December 2021, as well as the amount of corporate tax incurred as a result of these expenses and charges, which stood at EUR 7,625.

2nd resolution — Approval of the consolidated financial statements for the financial year ended 31 December 2021

The Annual General Meeting, acting in accordance with the quorum and majority requirements for Ordinary General Meetings, having read the Board of Directors' Management Report and the statutory auditors' report, approves in their entirety the Company's consolidated financial statements for the financial year ended 31 December 2021, as presented to it, as well as the transactions reflected in these financial statements and summarised in these reports.

3rd resolution — Appropriation of the net profit for the financial year ended 31 December 2021

The Annual General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, on the proposal of the Board of Directors, resolves to allocate the net income for the financial year ended 31 December 2021 as follows:

Net profit for the financial year EUR 22,325,677.53;

Allocation to the legal reserve EUR 1,116,283.88;

Previous retained earnings EUR 46,922,949.20;

TOTAL DISTRIBUTABLE AMOUNT EUR 68,132,342.85.

As a dividend to shareholders EUR 24,883,041.70;

Based on 45,241,894 shares, *i.e.* EUR 0.55 per share;

Retained earnings EUR 43,249,301.15;

TOTAL ALLOCATED AMOUNT EUR 68,132,342.85.

The Annual General Meeting resolves that the ex-dividend date will be 8 June 2022 and that the dividend will be paid on 10 July 2022.

It is specified that the Company will not receive a dividend in respect of the treasury shares it holds on the ex-dividend date, that the amounts corresponding to the dividends attaching to such shares will be allocated to "retained earnings" and that the overall dividend amount will be adjusted accordingly.

The Annual General Meeting notes that the shareholders have been informed of the following procedures:

- pursuant to the provisions of Article 200 A of the French General Tax Code, dividends received by individuals who are tax residents of France are subject to a single flat tax ("PFU" or "flat tax") of 12.8% in respect of income tax, to which is added 17.2% in social security contributions, i.e. an overall taxation rate of 30%;
- pursuant to the provisions of Article 117 quater of the French General Tax Code, these dividends are subject to a compulsory flat-rate withholding tax at source, the rate of which is aligned with that of the PFU and which constitutes an advance payment chargeable against the tax due the following year (any excess being refundable); individuals belonging to a tax household whose reference tax income for the penultimate year, as defined in 1° of IV of Article 1417 of the French General Tax Code, is less than EUR 50,000 (for single, divorced or widowed taxpayers) or EUR 75,000 (for taxpayers subject to joint taxation), may apply for exemption from the flat-rate withholding tax; where applicable, the request for exemption must, in accordance with Article 242 quater of the French General Tax Code, be made by the taxpayer, under his or her responsibility, no later than 30 November of the year preceding the year in which the dividend is paid;

- by way of derogation, the taxation of the dividend according to the progressive income tax scale remains possible, at the express, total and irrevocable option of the beneficiary resident for tax purposes in France, which must be indicated on his or her tax return and prior to the expiry of the tax return deadline;
- it is specified, in accordance with the provisions of Article 243 *bis* of the French General Tax Code, that the proposed dividend is fully eligible for the 40% tax allowance under Article 158-3-2 of the French General Tax Code and applicable to individuals who are tax residents of France, subject in particular to the exercise of the option for imposition of the progressive income tax scale.

The Annual General Meeting duly notes, in accordance with the provisions of Article 243 *bis* paragraph 1 of the French General Tax Code, that the Company:

- distributed, in respect of the 2020 financial year, a dividend of EUR 13,509,001.80, or 45,030,006 shares receiving a dividend of EUR 0.30 per share, fully eligible for the 40% rebate applicable, under certain conditions, and solely in the event of an option for imposition of the progressive income tax scale;
- did not distribute any dividends in respect of the 2019 financial year;
- distributed, in respect of the 2018 financial year, a dividend of EUR 21,142,887.49, or 44,984,867 shares receiving a dividend of EUR 0.47 per share, fully eligible for the 40% rebate applicable, under certain conditions, and solely in the event of an option for imposition of the progressive income tax scale.

4th resolution — Approval of an agreement as provided for in Article L.225-38 of the French Commercial Code entered into with MAISONS DU MONDE FOUNDATION

The Annual General Meeting, ruling in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report on the agreements referred to in Article L. 225-38 of the French Commercial Code, and voting on the basis of this report, approves the new agreement authorised by the Board of Directors and entered into with MAISONS DU MONDE FOUNDATION during the 2021 financial year, as referred to in this special report.

5th resolution — Approval of the information relating to the compensation of executive officers mentioned in Article L. 22-10-9 I of the French Commercial Code

The Annual General Meeting, acting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, pursuant to Article L. 22-10-34 I of the French Commercial Code, the information mentioned in I of Article L. 22-10-9 of the same Code appearing in the Board of Directors' report on corporate governance (as presented in Section 4.2 of Chapter 4 of the Company's 2021 Universal Registration Document).

6th resolution — Approval of the components paid during or allocated in respect of the 2021 financial year to Mr Peter CHILD, Chairperson of the Board of Directors until 30 June 2021

The Annual General Meeting, acting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the financial year or granted in respect of the 2021 financial year to Mr Peter CHILD, Chairperson of the Board of Directors until 30 June 2021, appearing in the Board of Directors' report on corporate governance (as presented in Section 4.2 of Chapter 4 of the Company's 2021 Universal Registration Document).

7th resolution — Approval of the components paid during or allocated in respect of the 2021 financial year to Mr Thierry FALQUE-PIERROTIN, Chairperson of the Board of Directors since 30 June 2021

The Annual General Meeting, acting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the financial year or granted in respect of the 2021 financial year to Mr Thierry FALQUE-PIERROTIN, Chairperson of the Board of Directors since 30 June 2021, appearing in the Board of Directors' report on corporate governance (as presented in Section 4.2 of Chapter 4 of the Company's 2021 Universal Registration Document).

8th resolution — Approval of the components paid during or allocated in respect of the 2021 financial year to Julie WALBAUM, Chief Executive Officer

The Annual General Meeting, acting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the financial year or granted in respect of the 2021 financial year to Julie WALBAUM, Chief Executive Officer, appearing in the Board of Directors' report on corporate governance (as presented in Section 4.2 of Chapter 4 of the Company's 2021 Universal Registration Document).

9th resolution — Approval of the compensation policy for the Chief Executive Officer

The Annual General Meeting, acting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the components of the compensation policy applicable to the Chief Executive Officer, appearing in the Board of Directors' report on corporate governance (as presented in Section 4.2 of Chapter 4 of the Company's 2021 Universal Registration Document).

10th resolution — Approval of the total annual amount to be allocated to the members of the Board of Directors for the 2022 financial year

The Annual General Meeting, acting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, sets, in accordance with Article L. 225-45 of the French Commercial Code, for the current financial year the maximum amount to be distributed among the members of the Board of Directors at EUR 600,000.

11th resolution — Approval of the compensation policy for members of the Board of Directors

The Annual General Meeting, acting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the components of the compensation policy applicable to the members of the Board of Directors, appearing in the Board of Directors' report on corporate governance (as presented in Section 4.2 of Chapter 4 of the Company's 2021 Universal Registration Document).

12th resolution — Ratification of the provisional appointment of Mr Victor HERRERO AMIGO

The Annual General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance, ratifies the appointment as director of Mr Victor HERRERO AMIGO, made on a provisional basis by the Board of Directors at its Meeting of 26 January 2022, to replace Mr Peter CHILD.

As a result, Mr Victor HERRERO AMIGO will hold said functions for the remainder of his predecessor's term of office, *i.e.* until the end of the General Meeting called to approve the financial statements for the financial year ended 31 December 2022.

13th resolution — Appointment of Ms Alexandra PALT as a new director

The Annual General Meeting, ruling under the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to appoint Ms Alexandra PALT as a new director, for a period of four (4) years. The term of office of Ms PALT will expire at the end of the Annual General Meeting called to approve the financial statements for the financial year ending on 31 December 2025.

14th resolution — Renewal of the term of office as Primary Statutory Auditor of the firm DELOITTE & Associés

As the term of office of DELOITTE & Associés, Principal Statutory Auditor, will expire at this Meeting, the Annual General Meeting, ruling under the quorum and majority conditions for Ordinary General Meetings, after having reviewed the Board of Directors' Management report, resolves to reappoint it for a further period of six (6) financial years, *i.e.* until the end of the General Meeting called to approve the financial statements for the financial year ending on 31 December 2027.

15th resolution — Non-renewal of the term of office as Alternate Statutory Auditors of CISANE

As the term of office of CISANE, Alternate Statutory Auditor, will expire at this Meeting, and the Annual General Meeting, ruling under the quorum and majority conditions for Ordinary General Meetings, after having reviewed the Board of Directors' report, decides not to renew the term of office of Alternate Statutory Auditor of CISANE and not to provide for its replacement.

16th resolution — Authorisation to be granted to the Board of Directors to purchase Company shares

The Annual General Meeting, acting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' Management Report and the description of the share buyback programme prepared in accordance with the provisions of Article 241-2 of the General Regulations of the Autorité des marchés financiers (the "AMF") (as presented in Section 7.3.4 of Chapter 7 of the Company's 2021 Universal Registration Document):

1. **authorises** the Board of Directors, with the possibility to sub-delegate under the conditions provided for by law, in accordance with the provisions of Articles L. 22-10-62 *et seq.* of the French Commercial Code, and of Regulation (EC) No. 596/2014 of 16 April 2014 of the European Parliament and Council, to purchase, on one or more occasions and at the times that it may determine, a number of Company shares that may not exceed 10% of the total number of shares comprising the Company's share capital at any time whatsoever (this percentage will be applied to the share capital adjusted on the basis of the capital transactions carried out after this Annual General Meeting, or, for indicative purposes, 4,524,189 shares as of 31 December 2021), with a view to:
   - their cancellation, subject to the terms and limits set out in the applicable regulations, or
   - holding them for delivery by way of future exchange or payment in connection with acquisitions, in accordance with market practices recognised by applicable regulations, up to a limit of 5% of the number of shares comprising the share capital of the Company, or
   - redeeming them following the exercise of rights attached to securities entitling holders by redemption, conversion, exchange, presentation of a warrant or in any other way to the allocation of shares of the Company, or
   - implementing stock option plans, or free share allocation plans, or employee shareholding transactions reserved for members of a company savings plan, carried out in accordance with Articles L. 3331-1 et seq. of the French Labour Code by the transfer of shares previously acquired by the Company, or providing for the free allocation of such shares by way of a contribution in securities of the Company and/or in substitution for the discount, or shares allocations for the benefit of employees and/or executive corporate officers of the Company and related companies, in accordance with the applicable legal and regulatory provisions, or
   - managing the market of the Company's shares under the terms of a liquidity contract entered into with an investment service provider in accordance with market practices approved by the AMF, or
   - more generally, the completion of any transaction permitted or which would come to be permitted by the law or the regulations in force or by the AMF, it being specified that the acquisitions carried out by the Company may not in any case lead it to hold more than 10% of its share capital;
2. **resolves** to set the maximum purchase price per share at EUR 30 excluding costs (or the equivalent value of this amount on the same date in any other currency). In view of the number of shares comprising the share capital at 31 December 2021, the total amount of purchases net of costs would not exceed EUR 135.7 million;
3. **resolves** that in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting;

4. **resolves** that the shares may, in whole or in part, be acquired, assigned, exchanged or transferred, on one or more occasions, by any means, in accordance with the regulations that are applicable or that would become applicable, in any market, including trading systems (MTF) or via a systematic internaliser, or over-the-counter, including through the acquisition or disposal of blocks of shares (without limiting the share of the buyback programme that can be realised through this means); such means include the use of any financial contract or forward financial instrument (such as, notably, any forward contract or option), excluding the sale of put options, in accordance with the regulations in force;
5. **gives** full powers to the Board of Directors, with the possibility to sub-delegate, under the conditions provided for by law, to, in compliance with the relevant legal and regulatory provisions, carry out the authorised reallocations of the shares bought back for the purpose of one of the programme's objectives, or for the purpose of another or several of said programme's objectives, or to sell the shares, on the market or off-market, it being specified that these reallocations and sales may relate to shares purchased under previously authorised programmes.

   Accordingly the Board of Directors is granted full powers, with the possibility to sub-delegate, under the conditions provided for by law, to decide on and implement this authorisation and to decide on the terms and conditions thereof, under the legal conditions and this resolution, and in particular, to place all stock market orders, enter into all agreements, in particular for the maintenance of stock option registers, [adjust the maximum purchase price to take into account the impact of capital transactions on the value of the share (such as a change in the nominal value of the shares, a capital increase through the capitalisation of reserves, allocation of free shares, a division or consolidation of shares, a distribution of reserves or any other assets, redemption of capital, or any other transaction affecting equity), make all declarations to the AMF or any other authority, draw up any information document, fill out any information documents, carry out all formalities, and in general, do whatever is necessary. The Board of Directors must inform, under the conditions established by law, the General Meeting of the transactions carried out pursuant to this authorisation;
6. **sets** at 18 months, as from the date of this Annual General Meeting, the period of validity of this authorisation, which supersedes, for the unused portion, and replaces that granted under the 13th resolution of the Annual General Meeting of 4 June 2021.

8.3.2 RESOLUTIONS WITHIN THE REMIT OF THE EXTRAORDINARY GENERAL MEETING

17th resolution — Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, and/or securities giving entitlement to allocation of debt securities by public offering, with the exception of that referred to in Article L. 411-2-1 of the French Monetary and Financial Code, with cancellation of the preferential subscription right

The Annual General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report,

in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135, L. 22-10-49, L. 22-10-51, L. 22-10-52, L. 22-10-54 and L. 225-136, and the provisions of Articles L. 228-91 *et seq.* of the French Commercial Code, after noting that the Company's share capital is fully paid up,

1. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, in accordance with the provisions of Articles L. 225-129 *et seq.* L. 22-10-49 and L. 228-91 *et seq.* of the French Commercial Code, its authority to decide to proceed with an increase in the Company's share capital, in one or more instalments, in the proportions and at the times that it deems appropriate, in France or abroad, by a public offering except for the one referred to in Article L. 411-2-1 of the French Monetary and Financial Code, by issuing (i) shares (excluding preferred shares) or (ii) securities giving access to the Company's share capital (either new or existing shares, excluding preferred shares), issued for payment or free of charge, either in euros or in any other currency or monetary unit established by reference to several currencies, it being specified that the subscription of shares and other securities may be made either in cash, or by offsetting receivables, or partly by incorporation of reserves, profits or premiums or, under the same conditions, to decide on the issue of securities giving access to the Company's existing share capital or giving entitlement to debt securities governed by Articles L. 228-91 *et seq.* of the French Commercial Code; the public offers decided pursuant to this resolution may be combined, within the framework of the same issue or several issues carried out simultaneously, with the offers referred to in Article L. 411-2-1 of the French Monetary and Financial Code;
2. **resolves** that in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting;
3. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide to carry out an issue of securities giving access to the share capital of companies in which it directly or indirectly owns more than half of the share capital;

4. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide to carry out the issue of shares or securities giving access to the share capital of the Company to be issued following the issue, by companies in which the Company directly or indirectly owns more than half of the share capital, of securities giving access to the Company's share capital; this decision automatically entails, in favour of the holders of securities that may be issued by companies of the Company's group, waiver by the Company's shareholders of their preferential subscription rights to the shares or securities giving access to the Company's share capital to which these securities give entitlement;
5. **resolves** to set the following limits for the amounts of capital increases authorised in the event of use by the Board of Directors of this delegation of authority:
   - the maximum nominal amount of the capital increases that may be carried out immediately or in the future under this delegation of authority is set at EUR 14,650,000 or the equivalent in any other currency or monetary unit established by reference to several currencies, *i.e.*, for information purposes, approximately 10% of the authorised share capital recorded on 31 December 2021, it being specified that this amount will be deducted from the amounts of the overall ceilings provided for in the 25th resolution hereof or, where applicable, on the amounts of any overall ceilings provided for by a resolution providing for new global ceilings (within the meaning of Article L. 225-129-2 of the French Commercial Code) that may succeed said resolution during the period of validity of this delegation of authority,
   - to these ceilings will be added, where applicable, the nominal amount of the shares to be issued, in the event of new financial transactions, to preserve, in accordance with the applicable legal and regulatory provisions and, where applicable, with the contractual stipulations providing for other cases of adjustments, the rights of holders of securities giving access to the Company's share capital, share subscription or purchase options or free share allocation rights;
6. **resolves** in the event of the issue of securities giving entitlement to the allocation of debt securities governed by Articles L. 228-91 *et seq.* of the French Commercial Code:
   - set the maximum nominal amount of the debt securities that may be issued immediately or in the future under this delegation of authority at EUR 220,000,000 or the equivalent in any other currency or monetary unit established by reference to several currencies on the issue date,
   - that this amount will be increased, where applicable, by any redemption premium above par;
7. **resolves** to cancel the preferential subscription right of shareholders to the securities covered by this resolution, while leaving it to the Board of Directors, pursuant to Article L. 22-10-51, of the French Commercial Code, the option to grant shareholders, for a period and in accordance with the terms and conditions that it will determine in accordance with the applicable legal and regulatory provisions and for all or part of an issue carried out, a priority subscription period not giving rise to the creation of negotiable rights and which must be exercised in proportion to the number of shares held by each shareholder and may be supplemented by a subscription on a reducible basis, it being specified that the securities not subscribed in this way will be the subject of an offer to the public in France or abroad;
8. **notes** the fact that if the subscriptions have not absorbed the entire issue of ordinary shares or securities giving access to the share capital, the Board of Directors may, at its option, use, in the order that it determine, the options offered by Article L. 225-134 of the French Commercial Code, or only some of them;
9. **notes** the fact that this delegation of authority automatically entails, in favour of the holders of the securities issued giving access to the Company's share capital, the express waiver by the shareholders of their preferential subscription rights to the shares to which the securities will give entitlement;
10. **notes** that in accordance with the provisions of Article L. 22-10-52, of the French Commercial Code:
    - the issue price of the shares issued directly will be at least equal to the minimum stipulated by the regulatory provisions applicable on the date of issue (to date, the weighted average of the prices of the last three trading sessions on the regulated market of Euronext Paris SA prior to the start of the public offering within the meaning of Regulation (EU) No. 2017/1129 of 14 June 2017, less a maximum discount of 10%), after, where applicable, correction of this average in the event of difference between the dividend dates,
    - the issue price of the securities giving access to the share capital and the number of shares to which the conversion, redemption or generally the conversion of each security giving access to the capital may give entitlement, will be such that the sum received immediately by the Company, increased, where appropriate, by that which may be received subsequently by it, be, for each share issued as a result of the issue of these securities, at least equal to the minimum subscription price defined in the preceding paragraph;

11. **sets** at twenty-six (26) months, from this date, the period of validity of the delegation of authority covered by this resolution, which cancels and replaces, to the extent of the unused portion, the delegation given in the 21st resolution of the Annual General Meeting of 12 June 2020;
12. **resolves** that the Board of Directors will have full powers to implement this delegation of authority, in particular to:
    - decide on the capital increase and/or determine the securities to be issued,
    - decide on the amount of the issue, the issue price and the amount of the premium that may, if appropriate, be requested at issue,
    - determine the dates and terms of the issue, the nature, number and characteristics of the securities to be created,
    - decide, in addition, in the case of bonds or other debt securities (including securities giving entitlement to the allocation of debt securities referred to in Article L. 228-91 of the French Commercial Code), whether or not they are subordinated (and, where applicable, their ranking of subordination, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate (in particular fixed or variable rate interest or zero coupon or indexed) and provide, where applicable, for mandatory or optional cases of suspension or non-payment of interest, provide for their term (fixed or indefinite), the possibility of reducing or increasing the par value of the securities and the other terms of issue (including the granting of guarantees or collateral) and amortisation (including redemption by delivery of the Company's assets); where applicable, these securities may be accompanied by warrants giving entitlement to the allocation, acquisition or subscription of bonds or other debt securities, or provide for the option for the Company to issue debt securities (which may or may not be assimilated) in payment of interest whose payment would have been suspended by the Company, or take the form of complex bonds as defined by the stock market authorities (for example, because of their repayment or remuneration terms or other rights such as indexation, option); modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
    - determine the method of payment of the shares and/or securities to be issued immediately or in future,
    - set, where appropriate, the terms and conditions for the exercise of the rights (where applicable, rights to conversion, exchange, redemption, including by surrender of assets of the Company such as treasury shares or securities already issued by the Company) attached to the shares or securities to be issued and, in particular, determine the date, even retroactive, from which the new shares will carry dividend rights, as well as any other conditions and procedures for carrying out the capital increase, if any,
    - set the terms and conditions under which the Company will, where appropriate, have the right to buy or exchange on the stock exchange, at any time or for specified periods, the securities issued or to be issued immediately or in the future, in order to cancel them or not, taking into account the legal provisions,
    - provide for the right to suspend the exercise of the rights attached to the securities issued, in accordance with the legal and regulatory provisions,
    - in the event of an issue of securities in order to remunerate securities contributed as part of a public offer with an exchange component, draw up the list of the securities tendered to the exchange, set the conditions of the issue, the exchange parity as well as, where applicable, the amount of the cash balance to be paid without the terms for determining the price provided for in this resolution being applied and determine the terms of the issue as part of either a public exchange offer, an alternative purchase or exchange offer, a single offer proposing the purchase or exchange of the securities in question for a settlement in securities and cash, or a public tender offer (takeover bid) or a principal exchange offer, together with a public exchange offer or a subsidiary takeover bid, or any other form of public offer in accordance with the law and regulations applicable to said public offering,
    - on its sole initiative, charge the costs of the capital increases against the amount of the premiums relating thereto and deduct from this amount the sums necessary to endow the legal reserve,
    - make any adjustments to take into account the impact of transactions on the Company's share capital or equity, in particular in the event of a change in the par value of the share, a capital increase through the incorporation of reserves, the allocation of free shares or equity securities, the division or consolidation of securities, the distribution of dividends, reserves or premiums or any other assets, the amortisation of capital, or any other transaction affecting equity, or on the share capital (including in the event of a public offering and/or a change in control), and set any other terms and conditions to ensure, where applicable, the preservation of the rights of holders of securities giving access to the share capital (including by means of cash adjustments),
    - ensure, where applicable, the admission of the ordinary shares to be issued for trading on a regulated market or on a multilateral trading facility within the meaning of Regulation No. 596/2014 of 16 April 2014 of the European Parliament and of the Council on market abuse of securities to be issued,
    - record the completion of each issue and, if necessary, make the corresponding amendments to the bylaws, and
    - in general, enter into any agreement, including signing any guarantee contract, in particular to achieve the successful completion of the envisaged issues, take all measures and carry out all formalities necessary for the issuance, listing and financial service of the securities issued under this delegation of authority as well as for the exercise of the rights attached thereto.

18th resolution — Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, and/or securities giving entitlement to debt securities by public offering with preferential subscription rights

The Annual General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report,

in accordance with the provisions of Articles L. 225-129-2, L. 225-132, L. 225-134, L. 22-10-49 and L. 228-91 *et seq.* of the French Commercial Code,

1. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide to proceed, with preferential subscription rights for holders of shares, to one or more capital increases, through the issue, both in France and abroad, in the proportions and at the times that it deems appropriate, shares of the Company and/or securities giving access by any means, immediately and/or in the future, to shares of the Company, issued against payment or free of charge, either in euros or in any other currency or monetary unit established by reference to several currencies, the subscription of which may be made either in cash, or by offsetting receivables, or partly by incorporation of reserves, profits or premiums or, under the same conditions, to decide on the issue of securities giving access to the Company's existing share capital;
2. **resolves** that in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting;
3. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide to carry out an issue of securities giving access to the share capital of companies in which it directly or indirectly owns more than half of the share capital;
4. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide to carry out the issue of shares or securities giving access to the share capital of the Company to be issued following the issue, by companies in which the Company directly or indirectly owns more than half of the share capital, of securities giving access to the Company's share capital; this decision automatically entails, in favour of the holders of securities that may be issued by companies of the Company's group, waiver by the Company's shareholders of their preferential subscription rights to the shares or securities giving access to the Company's share capital to which these securities give entitlement;
5. **resolves** that the total nominal amount of the share capital increases that may be carried out immediately and/or in the future under this delegation may not exceed EUR 73,000,000, or the equivalent in any other currency or monetary unit established by reference to several currencies, *i.e.*, for information purposes, approximately 50% of the authorised share capital recorded on 31 December 2021, excluding the par value of the shares to be issued to preserve, in accordance with the applicable legal and regulatory provisions and, where applicable, with the contractual stipulations providing for other adjustments to the rights of holders of securities giving access to the Company's share capital, share subscription or purchase options or free share allocation rights; it being specified that this amount will be deducted from the amount of the overall ceiling set in the 25th resolution of this Annual General Meeting;
6. **resolves** that the securities giving access to the Company's share capital issued under this resolution may in particular consist of debt securities or be associated with the issue of such securities, or allow the issue thereof as intermediate securities; they may in particular take the form of subordinated or unsubordinated notes, with a fixed or indefinite duration, and be issued either in euros, or in foreign currencies, or in any monetary units established by reference to several currencies, it being specified that the nominal amount of the debt securities thus issued may not exceed EUR 750,000,000 or the equivalent of this amount in foreign currency. This amount will be increased, where applicable, by any redemption premium above par;
7. **resolves** that the holders of shares may exercise, under the conditions provided for by law, their preferential subscription rights on an irreducible basis to the shares and securities that may be issued under this resolution and that the Board of Directors may also grant holders of shares a preferential subscription right on a reducible basis, which they may exercise in proportion to their subscription rights and, in any event, within the limit of their requests. If the subscriptions on an irreducible basis and, where applicable, on a reducible basis, have not absorbed the entire issue of shares or securities, the Board of Directors may use, at its option and in the order it will determine, the options offered by Article L. 225-134 of the French Commercial Code, or only some of them, and in particular the right to offer all or part of the unsubscribed securities to the public;
8. **notes** that this resolution entails the waiver by the holders of shares of their preferential subscription rights to the shares to which the securities that may be issued on the basis of this delegation may give entitlement;
9. **resolves**, in the event that the Board of Directors uses this delegation, that it will be responsible for reporting to the next General Meeting, in accordance with the applicable laws and regulations;

10. **sets** at twenty-six (26) months from the date of this Annual General Meeting, the period of validity of the issuance delegation covered by this delegation, which cancels and replaces, up to the portion unused, the delegation granted in the 22nd resolution of the Annual General Meeting of 12 June 2020;
11. **gives**, in particular and without this list being exhaustive, all powers to the Board of Directors, to:
    - decide on the capital increase and/or determine the securities to be issued,
    - decide on the amount of the issue, the issue price and the amount of the premium that may, if appropriate, be requested at issue,
    - determine the dates and terms of the issue, the nature, number and characteristics of the securities to be created; decide, in addition, in the case of bonds or other debt securities (including securities giving entitlement to the allocation of debt securities referred to in Article L. 228-91 of the French Commercial Code), whether or not they are subordinated (and, where applicable, their ranking of subordination, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate (in particular fixed or variable rate interest or zero coupon or indexed) and provide, where applicable, for mandatory or optional cases of suspension or non-payment of interest, provide for their term (fixed or indefinite), the possibility of reducing or increasing the par value of the securities and the other terms of issue (including the granting of guarantees or collateral) and amortisation (including redemption by delivery of the Company's assets); where applicable, these securities may be accompanied by warrants giving entitlement to the allocation, acquisition or subscription of bonds or other debt securities, or provide for the option for the Company to issue debt securities (which may or may not be assimilated) in payment of interest whose payment would have been suspended by the Company, or take the form of complex bonds as defined by the stock market authorities (for example, because of their repayment or remuneration terms or other rights such as indexation, option); modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
    - determine the method of payment of the shares and/or securities to be issued immediately or in future,
    - set, where appropriate, the terms and conditions for the exercise of the rights (where applicable, rights to conversion, exchange, redemption, including by surrender of assets of the Company such as treasury shares or securities already issued by the Company) attached to the shares or securities to be issued and, in particular, determine the date, even retroactive, from which the new shares will carry dividend rights, as well as any other conditions and procedures for carrying out the capital increase, if any,
    - set the terms and conditions under which the Company will, where appropriate, have the right to buy or exchange on the stock exchange, at any time or for specified periods, the securities issued or to be issued immediately or in the future, in order to cancel them or not, taking into account the legal provisions,
    - provide for the right to suspend the exercise of the rights attached to the securities issued, in accordance with the legal and regulatory provisions,
    - on its sole initiative, charge the costs of the capital increases against the amount of the premiums relating thereto and deduct from this amount the sums necessary to endow the legal reserve,
    - make any adjustments to take into account the impact of transactions on the Company's share capital or equity, in particular in the event of a change in the par value of the share, a capital increase through the incorporation of reserves, the allocation of free shares or equity securities, the division or consolidation of securities, the distribution of dividends, reserves or premiums or any other assets, the amortisation of capital, or any other transaction affecting equity, or on the share capital (including in the event of a public offering and/or a change in control), and set any other terms and conditions to ensure, where applicable, the preservation of the rights of holders of securities giving access to the share capital (including by means of cash adjustments),
    - ensure, where applicable, the admission of the ordinary shares to be issued for trading on a regulated market or on a multilateral trading facility within the meaning of Regulation No. 596/2014 of 16 April 2014 of the European Parliament and of the Council on market abuse of securities to be issued, and
    - in general, enter into any agreement, including signing any guarantee contract, in particular to achieve the successful completion of the envisaged issues, take all measures and carry out all formalities necessary for the issuance, listing and financial service of the securities issued under this delegation of authority as well as for the exercise of the rights attached thereto.

19th resolution

Delegation of authority to be granted to the Board of Directors to decide to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, and/or securities giving entitlement to the allocation of debt securities in the context of an offer referred to Article L. 411-2-1 of the French Monetary and Financial Code, with cancellation of the preferential subscription right

The Annual General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report,

in accordance with the provisions of Articles L. 225-129-2, L. 225-134, L. 225-135, L. 225-136, L. 22-10-49, L. 22-10-51, L. 22-10-52 and L. 228-91 *et seq.* of the French Commercial Code,

1. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide to carry out one or more capital increases, with cancellation of the preferential subscription rights of the holders of shares, in the proportions and at the periods that it will assess, through the issue, both in France and abroad, in the context of offers referred to in Article L. 411-2-1 of the French Monetary and Financial Code, of shares and/or securities giving access by any means, immediately and/or in the future, to Company shares with the same characteristics as those described in the 17th resolution, the subscription of which may be carried out either in cash or by offsetting receivables, or partly by incorporation of reserves, profits or premiums or, under the same conditions, to decide on the issue of securities giving access to the existing share capital of the Company; the offers decided under this resolution in accordance with the provisions of Article L. 411-2-1 of the French Monetary and Financial Code, may be combined, within the framework of the same issue or several issues carried out simultaneously, with public offers (with the exception of those referred to in Article L. 411-2-1 of the French Monetary and Financial Code) with cancellation of the preferential subscription right;
2. **resolves** that in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting;
3. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide to carry out an issue of securities giving access to the share capital of companies in which it directly or indirectly owns more than half of the share capital;
4. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide to carry out the issue of shares or securities giving access to the share capital of the Company to be issued following the issue, by companies in which the Company directly or indirectly owns more than half of the share capital, of securities giving access to the Company's share capital; this decision automatically entails, in favour of the holders of securities that may be issued by companies of the Company's group, waiver by the Company's shareholders of their preferential subscription rights to the shares or securities giving access to the Company's share capital to which these securities give entitlement,
5. **resolves** that:
   - the total nominal amount of the share capital increases that may be carried out immediately and/or in the future under this delegation may not exceed EUR 14,650,000 or the equivalent in any other currency or monetary unit established by reference to several currencies. *i.e.*, for information purposes, approximately 10% of the authorised share capital recorded on 31 December 2021, it being specified that this amount will be deducted from the nominal ceilings on capital increases provided for in the 25th resolution or, as the case may be, on the amounts of any ceilings provided for by a resolution of the same nature that may succeed said resolution during the period of validity of this delegation; it being specified that it is set without taking into account the par value of the shares to be issued in order to preserve, in accordance with the applicable legal and regulatory provisions and, where applicable, with the contractual stipulations providing for other cases of adjustments, the rights of the holders. securities giving access to the Company's share capital, share subscription or purchase options or free share allocation rights,
   - the nominal amount of the debt securities that may be issued under this delegation may not exceed EUR 220,000,000 or the equivalent value of this amount in foreign currency, it being specified that this amount will be increased, where applicable, by any redemption premium above par;
6. **resolves** to cancel the preferential subscription rights of holders of shares to shares or securities giving access to shares issued under this resolution and to propose these securities as part of an offer referred to in Article L. 411-2-1 of the French Monetary and Financial Code under the maximum legal conditions and limits provided for by laws and regulations;

7. **resolves** that, if the subscriptions have not absorbed the entire issue of shares or securities giving access to the share capital, the Board of Directors may use, in the order it determines, one or more one of the following:
   - limit the issue to the amount of the subscriptions provided that it reaches at least three quarters of the increase decided, or
   - freely distribute all or part of the unsubscribed shares;
8. **notes** that this resolution entails the waiver by the holders of shares of their preferential subscription rights to the shares to which the securities that may be issued on the basis of this delegation may give entitlement;
9. **notes** that due to the fact that, in accordance with the provisions of Article L. 22-10-52, of the French Commercial Code:
   - the issue price of the shares issued directly will be at least equal to the minimum stipulated by the regulatory provisions applicable on the date of issue (to date, the weighted average of the prices of the last three trading sessions on the regulated market of Euronext Paris SA prior to the start of the public offering within the meaning of Regulation (EU) No. 2017/1129 of 14 June 2017, less a maximum discount of 10%), after, where applicable, correction of this average in the event of difference between the dividend dates,
   - the issue price of the securities giving access to the share capital and the number of shares to which the conversion, redemption or generally the conversion of each security giving access to the capital may give entitlement, will be such that the sum received immediately by the Company, increased, where appropriate, by that which may be received subsequently by it, be, for each share issued as a result of the issue of these securities, at least equal to the minimum subscription price defined in the preceding paragraph;
10. **resolves**, in the event that the Board of Directors uses this delegation, it will be responsible for reporting to the next General Meeting, in accordance with the applicable laws and regulations;
11. **sets** at twenty-six (26) months from the date of this Annual General Meeting, the period of validity of the issuance delegation covered by this delegation, which cancels and replaces, up to the portion unused, the delegation granted in the 23rd resolution of the Annual General Meeting of 12 June 2020;
12. **gives**, in particular and without this list being exhaustive, all powers to the Board of Directors, to:
   - decide on the capital increase and/or determine the securities to be issued,
   - determine the form, nature and characteristics of the securities to be created and set the conditions of issue, in particular the dates, deadlines and terms of issue,
   - set the issue price, the amounts to be issued and the dividend date, even retroactive, of the securities to be issued,
   - determine the method of payment of the shares and/or securities,
   - set, where applicable, the terms and conditions under which the Company will have the option to purchase or exchange on or off the stock market, at any time or during specified periods, the shares or securities giving access to shares, or to be issued,
   - determine and make any adjustments to take into account the impact of transactions on the Company's share capital or equity, in particular in the event of a change in the par value of the share, a capital increase through the incorporation of reserves, free allocation of shares, division or consolidation of securities, distribution of dividends, reserves or premiums or any other assets, capital amortisation, or any other transaction affecting equity or share capital (including in the event of a public offer and/or change of control), and take, as a result of the issue of shares and/or securities giving access to the share capital, all necessary measures to protect the rights holders of securities giving access to the Company's share capital, share subscription or purchase options or free share allocation rights (including by way of cash adjustments), in accordance with the legal and regulatory provisions and, where applicable, with the contractual stipulations providing for other cases of adjustments, and suspend, where applicable, the exercise of the rights attached to these securities, in accordance with the legal and regulatory provisions,
   - at its sole discretion and if it deems it appropriate, charge the costs, duties and fees incurred by the issues to the amount of the corresponding premiums and deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new share capital after each issue,
   - ensure, where applicable, the admission of the ordinary shares to be issued for trading on a regulated market or on a multilateral trading facility within the meaning of Regulation No. 596/2014 of 16 April 2014 of the European Parliament and of the Council on market abuse of securities to be issued,
   - in general, take all measures, enter into all agreements and carry out all formalities to successfully complete the planned issues, record the completion of the resulting capital increases and amend the bylaws accordingly,
   - in the event of the issue of debt securities, decide, in particular, whether or not they are subordinated, set their interest rate, their term, the fixed or variable redemption price with or without premium, the terms of amortisation and the conditions under which these securities will give entitlement to Company shares; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities.

20th resolution

Authorisation to be given to the Board of Directors to set the issue price of the ordinary shares and/or securities giving access to the share capital under certain conditions, up to a limit of 10% of the share capital per year, within the framework of share capital increases through the issue of shares without preferential subscription rights

The Annual General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, in accordance with the provisions of Articles L. 225-129-2 and the 2nd paragraph of Article L. 22-10-52 of the French Commercial Code, authorises the Board of Directors, with the option of subdelegation under the bylaws or legal conditions, for the issues decided pursuant to the 17th and 19th resolutions of this Annual General Meeting and within the limit of 10% of the share capital assessed on the issue date over a period of one year, to be waived from the rules for setting the issue price of the shares defined in the aforementioned resolutions by applying a discount of up to 5% of the weighted average share price of the last three trading sessions on the regulated market of Euronext Paris prior to the date on which the subscription price of the capital increase is set.

The issue price of securities other than ordinary shares will be such that the amount received immediately by the Company plus, where applicable, that likely to be received subsequently by the Company, *i.e.*, for each ordinary share issued as a result of the issue of these securities, at least equal to the amount referred to in the paragraph above.

The Annual General Meeting notes that the Board of Directors must prepare an additional report, certified by the statutory auditors, describing the final terms of the transaction and providing information on the actual impact on the shareholder's position.

This authorisation is granted for a period of twenty-six (26) months from the date of this Annual General Meeting.

21st resolution

Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights, within the framework of the provisions of Article L. 225-135-1 of the French Commercial Code

The Annual General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report,

in accordance with the provisions of Articles L. 225-135-1 and R. 225-118 of the French Commercial Code,

1. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide to increase the number of shares to be issued in the event of an increase in the Company's share capital with or without preferential subscription rights by virtue of issues decided under each of the 17th, 18th and 19th resolutions, at the same price as that used for the initial issue, within the deadlines and limits provided for by the regulations applicable on the date of the issue (to date, within 30 days of the closing of the subscription and within the limit of 15% of the initial issue), in particular to grant an over-allotment option in accordance with market practices;
2. **resolves** that the nominal amount of the capital increases decided pursuant to this resolution will be deducted from the amount of the ceilings stipulated in the 17th, 18th and 19th resolutions under which the initial issue is decided and on the amount(s) of the overall ceiling(s) provided for in the 25th resolution of this Annual General Meeting or, where applicable, on the amount(s) of the ceilings provided for by resolutions of the same nature that may succeed said resolutions during the period of validity of this delegation;
3. **resolves** that in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting;
4. **sets** at twenty-six (26) months from the date of this Annual General Meeting, the period of validity of the issuance delegation covered by this delegation, which cancels and replaces, up to the portion unused, the delegation granted in the 25th resolution of the Annual General Meeting of 12 June 2020;
5. **resolves**, in the event that the Board of Directors uses this delegation, that it will be responsible for reporting to the next General Meeting, in accordance with the applicable laws and regulations.

22nd resolution

Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company’s share capital, with cancellation of the preferential subscription right, in consideration for contributions in kind made to the Company and consisting of shares or securities giving access to the share capital, outside public exchange offers

The Annual General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors’ report and the statutory auditors’ special report,

in accordance with the provisions of Articles L. 225-129-2 and L. 22-10-53 of the French Commercial Code,

1. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide, on one or more occasions, up to a limit of 10% of the Company’s share capital, to issue shares and/or securities giving access by any means, immediately and/or in the future, to Company shares to compensate contributions in kind granted to the Company and consisting of equity securities or securities giving access to the share capital, when the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable;
2. **resolves** that in the event of the filing by a third party of a public offer for the Company’s securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting;
3. **sets** at twenty-six (26) months from the date of this Annual General Meeting, the period of validity of the issuance delegation covered by this delegation, which cancels and replaces, up to the portion unused, the delegation granted in the 26th resolution of the Annual General Meeting of 12 June 2020;
4. **notes** the absence of preferential subscription rights for the holders of ordinary shares to the shares or securities thus issued and notes that this delegation entails the waiver by the holders of shares of their preferential subscription rights to the Company’s shares to which the securities that may be issued on the basis of this delegation may give entitlement;
5. **gives** full powers to the Board of Directors to implement this resolution and in particular to approve, on the basis of the Capital Contributions Auditors’ report on the contributions mentioned in the 1st and 2nd paragraphs of Article L. 225-147 of the French Commercial Code, the valuation of the contributions, determine the amount and conditions of the issues, the nature and characteristics of the securities to be issued, as well as, where applicable, the amount of the cash balance to be paid, approve the granting of special benefits, reduce, if the contributors so agree, the valuation of the contributions or the remuneration of special benefits, set the dividend dates, even retroactive, of the securities to be issued, make any adjustments to take into account the impact of transactions on the Company’s share capital or equity, in particular in the event of a change in the par value of the share, a capital increase through the incorporation of reserves, the allocation of free shares, the division or consolidation of securities, the distribution of dividends, reserves or premiums or any other assets, the amortisation of capital, or any other transaction affecting equity or capital, determines r the terms and conditions allowing, where applicable, the rights of holders of securities or other rights giving access to the share capital, share subscription or purchase options or free share allocation rights to be preserved, in accordance with the legal and regulatory provisions and, where applicable, with the contractual stipulations providing for other cases of adjustments, record the completion of the capital increase in consideration for the contribution, proceed with the listing of the securities to be issued deduct from the contribution premium, at its sole discretion and if it deems it appropriate, the costs, duties and fees incurred by these issues and deduct from this premium the sums necessary to increase the legal reserve to one tenth of the new share capital after each issue and make the corresponding amendments to the bylaws;
6. **resolves** that the total nominal amount of the capital increases that may be carried out under this delegation, which may not exceed 10% of the share capital, will be deducted from the ceilings provided for in the 25th resolution hereof or, as the case may be, on the amounts of any ceilings provided for by a resolution of the same nature that may succeed said resolution during the period of validity of this delegation; it being specified that it is set without taking into account the par value of the shares to be issued in order to preserve, in accordance with the applicable legal and regulatory provisions and, where applicable, with the contractual stipulations providing for other cases of adjustments, the rights of the securities holders giving access to the Company’s share capital, share subscription or purchase options or free share allocation rights.

23rd resolution **Authorisation to be granted to the Board of Directors to increase the share capital by incorporation of reserves, profits, premiums or other**

The Annual General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report,

in accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 225-130, L. 22-10-49 and L. 22-10-50 of the French Commercial Code,

1. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide, on one or more occasions, on capital increases, in the proportions and at the times it deems appropriate, by incorporation into the share capital of premiums, reserves, profits or other which may be capitalised by law and the bylaws, either by granting new free shares, by increasing the par value of existing shares, or by a combination of these two processes;
2. **resolves** that in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting;
3. **sets** at twenty-six (26) months from the date of this Annual General Meeting, the period of validity of the issuance delegation covered by this delegation, which cancels and replaces, up to the portion unused, the delegation granted in the 27th resolution of the Annual General Meeting of 12 June 2020;
4. **resolves** that the nominal amount of the capital increases that may be carried out pursuant to this delegation, increased by the amount necessary to preserve, in accordance with the applicable legal and regulatory provisions and, where applicable, with the contractual stipulations providing for other cases of adjustments, the rights of holders of securities giving access to the Company's share capital, share subscription or purchase options or free share allocation rights, may not exceed 10% of the authorised share capital as of 31 December 2021, or the equivalent in any other currency or monetary unit established by reference to several currencies, and is independent of and separate from the ceilings on capital increases that may result from the issue of shares or securities giving access to the share capital authorised through the other resolutions submitted to this Annual General Meeting;
5. **grants** to the Board of Directors, in particular and without this list being exhaustive, all powers to, in the event of use of this delegation, under the conditions set by the law:
   - set the amount and nature of the sums to be incorporated into the share capital, set the number of new shares to be issued or the amount by which the par value of the existing shares comprising the share capital will be increased, set the date, even retroactive, from which the new shares will carry dividend rights or that on which the increase in par value will take effect,
   - decide, in the event of a free share allocation, that the fractional rights will not be negotiable and that the corresponding shares will be sold; the sums resulting from the sale will be allocated to the holders of the rights no later than 30 days after the date of registration in their account of the whole number of shares allocated,
   - make any adjustments to take into account the impact of transactions on the Company's share capital or equity, in particular in the event of a change in the par value of the share, a capital increase through the incorporation of reserves, the allocation of free shares or equity securities, the division or consolidation of securities, the distribution of dividends, reserves or premiums or any other assets, the amortisation of capital, or any other transaction affecting equity or the share capital, and set any other terms and conditions to ensure, where applicable, the preservation of the rights of holders of securities or other rights giving access to the share capital (including by means of cash adjustments) in accordance with the legislative texts and regulatory provisions and, where applicable, with the contractual or statutory provisions providing for other cases of adjustment,
   - record the completion of each capital increase and amend the bylaws accordingly, and
   - in general, take all necessary measures and enter into all agreements to ensure the successful completion of the proposed transactions, take all measures and carry out all formalities necessary for the issue, listing and financial servicing of the securities issued, and, do whatever is necessary, carry out all acts and formalities in order to finalise the capital increase(s) that may be carried out under this delegation.

24th resolution — Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to the Company's share capital, reserved for members of company savings plans with cancellation of the preferential subscription right

The Annual General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, notably Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and the provisions of Articles L. 3332-18 to L. 3332 -24 of the French Labour Code:

1. **delegates** to the Board of Directors, with the option of subdelegation under the conditions provided for by law, its authority to decide, on one or more occasions, the issuance of ordinary shares of the Company or any other securities giving, immediately or in the future, access to ordinary shares of the Company or any other company in which the Company directly or indirectly holds more than half of the share capital, reserved for members of a company savings plan of the Company and, where applicable, French or foreign companies linked to it under the conditions defined in Articles L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labour Code;
2. **resolves** that in the event of the filing by a third party of a public offer for the Company's securities, the Board of Directors may not use this delegation of authority during the offer period without the prior authorisation of the Annual General Meeting;
3. **resolves** that the total nominal amount of the share capital increases that may be carried out, immediately or in the future, under this delegation may not exceed 2% of the Company's share capital on the day of the use of this delegation, without exceeding 1% per rolling 12-month period, it being specified that this amount will be deducted from the overall ceiling set in the 25th resolution and that this total nominal amount does not take into account any adjustments that may be made in accordance with the applicable legal and regulatory provisions, and, where applicable, with any contractual stipulations providing for other cases of adjustment, to preserve the rights of the holders of securities giving access to the share capital;
4. **sets** at twenty-six (26) months from the date of this Annual General Meeting, the period of validity of the issuance delegation covered by this delegation;
5. **resolves** that the issue price of the equity securities that may be issued pursuant to this delegation will be determined under the conditions provided for in Articles L. 3332-18 *et seq.* of the French Labour Code and will be at least equal to 70%of the weighted average of the Company's share price on the regulated market of Euronext in Paris during the 20 trading sessions preceding the day of the Board of Directors' decision setting the opening date for the subscription of shares for members of a company savings plan, or to 60% of this average when the lock-up period provided for by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labour Code is greater than or equal to ten years;
6. **resolves**, pursuant to Article L. 3332-21 of the French Labour Code, that the Board of Directors may grant, free of charge, to the beneficiaries indicated above, shares to be issued or already issued or other securities giving access to the Company's share capital to be issued or already issued, in respect of the matching contribution, and/or, where applicable, as a substitute for the discount, provided that their financial countervalue is taken into account, measured at the subscription price, does not exceed the limits provided for in Articles L. 3332-18 *et seq.* of the French Labour Code;
7. **resolves** that the characteristics of the other securities giving access to the Company's share capital will be determined by the Board of Directors, or its delegatee, under the conditions set by the regulations;
8. **resolves** to cancel, in favour of the beneficiaries indicated above, the preferential subscription rights of shareholders to the shares and securities giving access to the share capital of which the issue is the subject of this delegation, the aforementioned shareholders also waiving, in the event of allocation free of charge to the beneficiaries indicated above of shares or securities giving access to the share capital, to any right to said shares or securities giving access to the share capital, including to the portion of reserves, profits or premiums incorporated into the share capital, in respect of the free allocation of said shares on the basis of this resolution;
9. **resolves** that the Board of Directors has full powers to determine all the terms and conditions of the transactions, postpone the completion of the capital increase, and in particular: (i) decide whether subscriptions may be carried out directly or by the intermediary of company mutual funds, or other structures or entities permitted by the applicable legal or regulatory provisions, where applicable, (ii) set the scope of the companies concerned by the offer, (iii) set the closing dates opening and closing of subscriptions, take all necessary measures to protect the rights of holders of securities or other rights giving access to the Company's share capital, in accordance with the legal and regulatory provisions and, where applicable, with the contractual stipulations providing for other adjustments, (iv) record the completion of the capital increase up to the amount of the equity securities, or securities giving access to the share capital that will be effectively subscribed and make the corresponding amendment to the bylaws, (v) charge the costs, duties and fees incurred by the issues to the amount of the corresponding premiums and deduct from this amount the sums necessary for the legal reserve, (vi) allow, where applicable, the admission to trading on a regulated market of ordinary shares, securities to be issued or shares that would be issued by the exercise of securities giving access to the share capital to be issued, (vii) carry out all formalities and declarations and request all authorisations that may prove necessary for the completion of these issues, and (viii) more generally, do whatever is necessary to complete the transactions.

25th resolution Overall limit for issue authorisations with maintenance and cancellation of the preferential subscription right

The Annual General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report:

1. **resolves**, as a result of the adoption of the 17th, 18th, 19th, 21st, 22nd and 24th resolutions, to set as follows the limits of the amounts of the authorised issues in the event of use by the Board of Directors of the Company of these delegations of authority;
   - the maximum nominal amount of the capital increases, immediate or in the future, that may be carried out pursuant to the 17th, 18th, 19th, 21st, 22nd and 24th resolutions is set at EUR 73,000,000 or the equivalent in any other currency or monetary unit established by reference to several currencies,
   - the maximum nominal amount of the capital increases, immediate or in the future, that may be carried out pursuant to the 17th, 19th and 22nd resolutions is set at EUR 14,650,000 or the equivalent in any other currency or monetary unit established by reference to several currencies, *i.e.*, for information purposes, approximately 10% of the Company's authorised share capital as of 31 December 2021,
   - to the above ceilings will be added, where applicable, the nominal amount of the shares to be issued in addition, in the event of new financial transactions, to preserve, in accordance with the legislative and regulatory provisions and, where applicable, with the contractual stipulations providing for other adjustments to the rights of holders of securities giving access to the Company's share capital, options to subscribe for or purchase new shares or allocate free shares;
2. **resolves**, as a result of the adoption of the 17th, 18th, 19th, 21st, 22nd and 24th resolutions, to set as follows the limits of the amounts of the authorised issues in the event of use by the Board of Directors of the Company of these delegations of authority:
   - the maximum overall nominal amount of the securities representing claims on the Company that may be realised under the 17th, 18th, 19th, 21st, 22nd and 24th resolutions is set at EUR 73,000,000 or the equivalent in any other currency or monetary unit established by reference to several currencies.

26th resolution Authorisation to be granted to the Board of Directors to reduce the share capital by cancelling shares held by the Company following the buyback of its own shares

The Annual General Meeting, acting in accordance with the quorum and majority requirements for Extraordinary General Meetings, after having read the statutory auditors' special report, in accordance with the provisions of Article L. 22-10-62 *et seq.* of the French Commercial Code,

1. **authorises** the Board of Directors to cancel, on one or more occasions, up to a limit of 10% of the total number of shares comprising the share capital existing at the date of the transaction, per 24-month period, all or part of the shares that the Company holds and that it may hold, to reduce the share capital accordingly and to allocate the difference between the purchase value of the cancelled shares and their nominal value against the premiums and available reserves, including the legal reserve up to 10% of the cancelled capital;
2. **authorises** the Board of Directors to reduce the share capital accordingly; and
3. **resolves** that the Board of Directors will have full powers, with the possibility to sub-delegate, under the conditions provided for by law, to implement this resolution and in particular to:
   - determine the definitive amount of this or these capital reductions, determine their terms and conditions and record their completion,
   - amend the bylaws accordingly, and
   - carry out all formalities, procedures and declarations to all bodies and, in general, do whatever is necessary.

This authorisation replaces that granted by the Annual General Meeting of 4 June 2021, and is granted for a period of 26 months as from this day.

27th resolution — Authorisation to be granted to the Board of Directors to allocate free shares, subject to performance conditions, to employees and eligible executive officers of the Company and its related companies

The Annual General Meeting, ruling under the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' report, in accordance with the provisions of Articles L. 225-197-2 to L. 225-197-3 and Articles L. 22-10-59 to L. 22-10-60 of the French Commercial Code,

1. **authorises** the Board of Directors to allocate, on one or more occasions, free shares, existing or to be issued, of the Company, subject to performance conditions, for the benefit of employees, certain employees and certain categories of employees and/or eligible executive officers of the Company, and companies related to it, under the conditions of Article L. 225-197-2 of the French Commercial Code;
2. **resolves** that the total number of free shares allocated under this resolution may not represent more than 2% of the Company's authorised share capital recorded on 31 December 2021, this ceiling not taking into account the additional shares to be issued or allocated to preserve the rights of the beneficiaries in the event of transactions involving the Company's share capital;
3. **resolves** that the total number of free shares allocated under this resolution to eligible executive officers of the Company may not represent more than 0.4% of the authorised share capital recorded on 31 December 2021 (subject to any additional shares mentioned in the previous paragraph);
4. **resolves** that, subject to the foregoing, the Board of Directors will determine the identity of the beneficiaries of the allocations, the number of free shares allocated to each of them as well as the performance conditions to which the vesting of the shares will be subject;
5. **resolves** that the free allocation of said shares to their beneficiaries will become definitive at the end of a vesting period, the duration of which will be set by the Board of Directors, it being understood that this duration may not be less than thirty-six (36) months;
6. **authorises** the Board of Directors to provide for the definitive allocation of the shares before the end of the vesting period, and the free transferability of these shares, in the event of disability of the beneficiary corresponding to the classification in the second or third of the categories provided for in Article L. 341-4 of the French Social Security Code;
7. **resolves** that the free allocation of new shares to be issued pursuant to this decision will, at the end of the vesting period, result in a capital increase by incorporation of reserves, profits or share premiums for the benefit of the beneficiaries of said shares, excluding the allocation of free existing shares previously purchased by the Company as part of the share buyback programme approved under the terms of the 16th resolution;
8. **notes** that, when the allocation relates to shares to be issued, this authorisation automatically entails, in favour of the beneficiaries of the free shares, the waiver of their preferential subscription rights;
9. **authorises** the Board of Directors to make, where applicable, during the vesting period, any adjustments to the number of shares to be allocated, which may be necessary due to any transactions on the Company's share capital, in order to preserve the rights of the beneficiaries;
10. **resolves** to set up a special unavailable reserves account and to endow it during the vesting period in order to carry out this free share allocation;
11. **grants** full powers to the Board of Directors, with the option of subdelegation under the legal conditions, to implement this authorisation and the free share allocation plan, and in particular to:
    - determine, when the Company issues free shares, the number of shares to be issued to a beneficiary,
    - determine, at the time of the issue of these shares, the amount of reserves, profits or premiums to be capitalised,
    - define the terms of the related free share allocation plan, the main purpose of which will be to define the terms and conditions for the allocation of free shares, as well as the performance conditions and the retention obligations for these free shares,
    - record the capital increase(s) carried out and amend the Company's bylaws accordingly,
    - make, where applicable, during the vesting period, any adjustments to the number of shares to be granted, which may be necessary due to any transactions on the Company's share capital, in order to preserve the rights of the beneficiaries,
    - buy back the Company's shares, as necessary, for the purposes of their free allocation under the conditions provided for in this resolution, in particular under the buyback programme authorised under the 20th resolution, and
    - carry out or cause to be carried out all acts and formalities that may result from the implementation of the free share allocation plan, and more generally do everything necessary for this purpose.
12. **sets** at thirty-eight (38) months from this date, the period of validity of this authorisation, which replaces that granted by the Annual General Meeting of 12 June 2020 under the 31st resolution.

Each year, the Board of Directors will inform the Annual General Meeting of the transactions carried out under this resolution.

28th resolution **Powers to carry out formalities**

The Annual General Meeting grants full powers to any bearer of an original, a copy or a certified extract of the minutes of this Meeting, in order to carry out any filing, publicity or any other formalities required;

8.4 Special report of the Board of Directors on free share allocation transactions

In accordance with Article L. 225-197-4 of the French Commercial Code, the Board of Directors reports on transactions carried out pursuant to the provisions of Articles L. 22-10-59 of said Code concerning the allocation of free Company shares during the past financial year.

8.4.1 ALLOCATION OF FREE PERFORMANCE SHARES DURING THE 2021 FINANCIAL YEAR

	2021 Plan
Date of Annual General Meeting	06/12/2020 (31st resolution)
Allocation date (Board of Directors)	03/25/2021
Total number of shares allocated	209,292 (0.46% of the share capital)
of which to executive officers	36,360 (0.08% of the share capital)
Start of vesting period	03/25/2021
End of vesting period (definitive vesting)	03/25/2024
Holding period	N/A
Number of shares vested at 12/31/2021	0
Cumulative number of shares cancelled or lapsed at 12/31/2021	9,082
Remaining performance shares at the end of the financial year	200,210
Closing price on the allocation date	EUR 19.07

8.4.2 ACQUISITIONS OF FREE PERFORMANCE SHARES DURING THE 2021 FINANCIAL YEAR

No free share allocation plan expired during the 2021 financial year.

As a result, no free performance shares were acquired during the past financial year.

The history of free share allocations (Table 10 – Appendix 2 of the AMF Guide) is provided in Section 4.2.3 of Chapter 4 of this Universal Registration Document.

Additional information

9

9.1 Persons responsible

9.1.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Julie WALBAUM, Chief Executive Officer

9.1.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

"I hereby declare that, the information contained in this Universal Registration Document is, to the best of my knowledge, correct and that it does not contain any omission liable to alter its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and that they give a true and fair view of the assets, financial position and results of the Company and of all the companies included in the consolidation, and that the Management Report, referenced in the cross-reference table on page 315 of this Universal Registration Document gives a true picture of business developments, the results and financial position of the Company and of all companies included in the consolidation, as well as a description of the main risks and uncertainties facing them. I have obtained from the statutory auditors a letter of completion in which they indicate that they have verified the information concerning the financial position and the financial statements given in this Universal Registration Document, and that they have read the entire document."

15 April 2022,

Julie WALBAUM

Chief Executive Officer

9.1.3 PERSON RESPONSIBLE FOR FINANCIAL REPORTING

Régis MASSUYEAU, Chief Financial Officer

MAISONS DU MONDE
Le Portereau
Route du Port-aux-Meules
BP 52402
44124 Vertou Cedex, France

Tel.: + 33 (0) 2 51 71 17 17
E-mail: investor.relations@maisonsdumonde.com
Website: https://corporate.maisonsdumonde.com

9.2 Persons responsible for auditing the financial statements

9.2.1 INFORMATION ON THE STATUTORY AUDITORS

Statutory auditors

KPMG SA

Represented by Vincent BROYE.

Registered member of the Compagnie régionale des comptes de Versailles.

3 cours du Triangle
Immeuble Le Palatin
92939 Paris La Défense Cedex

Appointment renewed at the Annual General Meeting of 12 June 2020 for a period of six years, *i.e.* until the end of the Annual General Meeting called to approve the financial statements for the financial year ending 31 December 2025.

Deloitte & Associés

Represented by Alexis LEVASSEUR.

Registered member of the Compagnie régionale des comptes de Versailles.

6, place de la Pyramide
92908 Paris-La Défense Cedex

Appointed at the Annual General Meeting of 29 April 2016 for a period of six years, *i.e.* until the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2021. The renewal of the term of office for six financial years will then be proposed.

Alternate statutory auditors

CISANE

Registered member of the Compagnie régionale des comptes de Versailles.

6, place de la Pyramide
92908 Paris-La Défense Cedex

Appointed at the Annual General Meeting of 29 April 2016 for a period of six years, *i.e.* until the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2021.

9.2.2 STATUTORY AUDITORS' FEES

For more information, see note 29 of Section 6.1.6 “Notes to the consolidated financial statements” of Chapter 6 “Financial Statements” of this Universal Registration Document.

9.3 Investor relations and documents on display

9.3.1 INVESTOR RELATIONS

The Investor Relations Department is responsible for the Maisons du Monde's financial communication. It also manages relations with financial analysts, institutional investors and shareholders of the Company, including individual shareholders. Throughout the year, the Investor Relations Department maintains regular contact with the financial community and ensures that the market has the most up-to-date and comprehensive information possible in order to correctly grasp the Company's business model, strategy and financial outlook. These exchanges and the disclosure of financial information are carried out in strict compliance with market regulations and the principle of equality of treatment and information for investors.

Maisons du Monde organises conference calls for financial analysts and institutional investors as part of the release of its quarterly sales and annual and interim results. Meetings between officers of the Company and institutional investors are also held several times a year at roadshows and conferences organised by financial intermediaries in France and internationally.

INVESTOR RELATIONS CONTACT

Clémence MIGNOT-DUPEYROT, Investor Relations Director

MAISONS DU MONDE
Le Portereau
Route du Port-aux-Meules
BP 52402
44124 Vertou Cedex, France

Tel.: + 33 (0) 2 51 71 17 17
E-Mail: investor.relations@maisonsdumonde.com
Website: https://corporate.maisonsdumonde.com

9.3.2 FINANCIAL INTERMEDIARY FOR REGISTERED SHAREHOLDERS

Maisons du Monde has entrusted the management of registered shareholder accounts to Société Générale Securities Services.

SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES
32, rue du Champ-de-Tir
BP 81236
44312 Nantes Cedex 3, France

Tel.: + 33 (0) 2 51 85 50 00
Website: www.securities-services.societegenerale.com

9.3.3 INDICATIVE FINANCIAL COMMUNICATION CALENDAR

Maisons du Monde's indicative financial communication calendar for 2022 is as follows:

Date	Event
04/05/2022	First quarter 2022 sales
31/05/2022	Combined General Meeting
28/07/2022	First half 2022 results
27/10/2022	Third quarter 2022 sales

9.3.4 DOCUMENTS ON DISPLAY

The documents relating to the Company to be made available to the public, and in particular the bylaws, minutes of Annual General Meetings, statutory auditors' reports and other corporate documents, as well as historical financial information, may be consulted in accordance with the applicable law at the registered office (Maisons du Monde, Le Portereau 44120 Vertou, France). Regulated information within the meaning of the provisions of the General Regulation of the AMF, is also available on the website of the Company (https://corporate.maisonsdumonde.com).

9.4 Information incorporated by reference

Pursuant to Article 19 of European Commission Regulation (EC) 2017-1129, the following information is incorporated by reference into this Universal Registration Document:

- the consolidated and annual financial statements as well as the corresponding audit reports presented in Sections 6.1 to 6.4 of the 2020 Universal Registration Document filed with the Autorité des marchés financiers on 22 April 2021 under number D. 21-0340;
- the consolidated and annual financial statements as well as the corresponding audit reports presented in Sections 6.1 to 6.4 of the 2019 Universal Registration Document filed with the Autorité des marchés financiers on 20 April 2020 under number D. 20-0304;

These reference documents are available on the website of the Company (https://corporate.maisonsdumonde.com) and of the Autorité des marchés financiers (www.amf-france.org).

9.5 Information on the Group's business and markets, and third-party information

This Universal Registration Document contains statistics, data and information on the Group's businesses and markets, including information on the size, historical developments and outlook for these markets, Maisons du Monde's market positions and the competitive environment, as well as other segment and macroeconomic information. Unless otherwise specifically indicated to the contrary, this information was obtained from third parties, including public sources, such as the Banque de France, INSEE (the French national institute of statistics and economic studies) and IPEA (the French institute for the outlook and studies on the furniture market). To the best of the Group's knowledge, no facts have been omitted which would render the information provided inaccurate or misleading.

9.6 Material contracts

9.6.1 MATERIAL CONTRACTS SIGNED IN 2021

On 26 October 2021, Maisons du Monde entered into an agreement with a consortium of investors led by Optimal Investment Group - an American investment fund - to reduce its stake in Modani by 70% and to acquire 15% of the American holding company for the acquisition of Modani. This contract is described in detail in Notes 1 and 13 of the consolidated financial statements.

9.6.2 MATERIAL CONTRACTS SIGNED IN 2020

9.6.2.1 State-guaranteed loan (PGE)

The Group obtained a term loan of EUR 150 million, entered into under the PGE scheme (loan guaranteed up to 90% by the French State) with a syndicate of six banking groups. This loan has a maturity of one year with an extension option for up to five additional years (June 2026). The rate is 0% for the first year.

However, the Group is subject to a guarantee premium of 0.5% of the amount borrowed. At the beginning of June 2021, the Group repaid the term loan of EUR 150 million entered into under the SGL and paid the guarantee premium for EUR 0.8 million. For further information, see note 22 "Net debt" in Section 6.1.6 "Notes to the consolidated financial statements" of Chapter 6 "Financial Statements" of this Universal Registration Document.

9.6.2.2 Logistics credit facility

As part of its project to set up a new logistics platform in the north of France, the Group has set up a new loan of EUR 47.5 million consisting of a confirmed line of credit for EUR 40.3 million and an unconfirmed line for EUR 7.2 million.

This loan will make it possible to finance the mechanisation and development of this new warehouse. This loan will be repayable between 30 June 2022 and 31 December 2029.

For more information, please refer to paragraph 29.3 of note 29 "Off-balance sheet commitments and contingent liabilities" in Section 6.1.6 "Notes to the consolidated financial statements" of Chapter 6 "Financial Statements" of this Universal Registration Document.

9.7 Information on payment terms

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, the following table presents the information relating to supplier and customer payment terms:

	Article D. 441 I.-1: Invoices received, unpaid and overdue at the reporting date						Article D. 441 I.-2: Invoices issued, unpaid and overdue at the reporting date					
	0 day (indicative)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**	**0 day (indicative)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**
(A) LATE PAYMENT INSTALMENTS												
Number of invoices concerned	-	2	-	-	5	7	1	1	-	-	-	1
Total amount of invoices concerned, excl. tax	-	8,515	-	-	16,718	16,648	25,233	57,402	-	-	-	57,402
Percentage of the total amount of purchases for the year	0.00%	0.19%	0.00%	0.00%	0.37%	0.55%	-	-	-	-	-	-
Percentage of revenue for the year							0%	0%	0%	0%	0%	1%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNISED DEBTS AND CLAIMS												
Number of invoices excluded	-	-	-	-	-	-	-	-	-	-	-	-
Total amount of invoices excluded, excl. tax	-	-	-	-	-	-	-	-	-	-	-	-
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL TERM – ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE FRENCH COMMERCIAL CODE)												
Payment terms used to calculate late payment												

9.8 Cross-reference tables

9.8.1 UNIVERSAL REGISTRATION DOCUMENT

This cross-reference table sets out the headings defined by Annexes I and II of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 and refers to those pages of this Universal Registration Document on which reference is made to the information relating to each of these headings.

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14.5	Potential material impacts on Corporate governance	4.1.2	147
15.	Employees		
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15.2	Profit-sharing and stock options	4.2.3 6.1.6 - Note 2.6	163-164 192
15.3	Agreement for investment by employees in the capital of the issuer	7.4.4	271
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16.2	Existence of different voting rights	7.2	263
16.3	Control of the issuer	7.4.2	269
16.4	Description of arrangements, known to the issuer, whose implementation could, at a subsequent date, result in a change in control of the issuer	7.4.6	272
17.	Transactions with related parties	6.3.3 - Note 23	251
18.	Financial information concerning assets and liabilities, financial position and profits and losses		
18.1	Historical financial information	6.3.3 - Note 26	254
18.2	Interim and other financial information	N/A	N/A
18.3	Audit of annual financial information	6.2 6.4	233 255
18.4	Pro-forma financial information	N/A	N/A
18.5	Dividend policy	5.2.1	173
18.6	Legal and arbitration proceedings	2.2.2 6.1.6 - Note 26	50 224
18.7	Significant change in the issuer's financial or trading position since the end of the last fiscal year	N/A	N/A

No.	Information	Section(s)	Page(s)
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19.1.2	Shares not representing capital	N/A	N/A
19.1.3	Shares held by the issuer itself or on its behalf, or by its subsidiaries	7.3.4	266
19.1.4	Convertible or exchangeable securities or securities with warrants	6.1.6 - Note 23	217
19.1.5	Acquisition rights and/or obligations over authorised but unissued capital or an undertaking to increase the capital	7.3.3	158, 265
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9.8.2 ANNUAL FINANCIAL REPORT

This Universal Registration Document includes all elements of the Annual Financial Report as listed in Article L. 451-1-2 of the French Commercial Code and Article 222-3 of the General Regulation of the Autorité des marchés financiers.

No.	Information	Section(s)	Page(s)
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5.	Management Report containing at least the information referred to in Articles L. 225-100, L. 225-100-2, L. 225-100-3 and L. 225-211 paragraph 2 of the French Commercial Code	9.8.3	315
6.	Statement by the person responsible for the Annual Financial Report	9.1.2	306
7.	Fees of the Statutory Auditors	6.1.6 - Note 31 9.2.2	230 307

9.8.3 MANAGEMENT REPORT

This Universal Registration Document includes all elements of the Management Report as listed in Articles L. 225-100 et seq., L. 232-1.II and R. 225-102 et seq. of the French Commercial Code.

No.	Information	Section(s)	Page(s)
1.	Situation and activity		
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1.2	Objective and comprehensive analysis of the Company's and Group's business, results and financial position	5.2 5.3	172 177
1.3	The Company's key financial and non-financial operating metrics	5.2.1 3.1.7	173 82
1.4	Significant events occurring between the close of the fiscal year and the date on which the Management Report is prepared	6.1.6 - Note 33	232
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2.	Accounting and financial information		
2.1	Investments made by the Company during the last three fiscal years	1.7	31
2.2	Changes made to the method of presentation of the Company's annual financial statements	6.1.6 - Note 2	190
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2.4	Table of results of the Company over the last five years	6.3.3 - Note 26	254
2.5	Information on supplier payment terms	9.7	311
2.6	Amount of non-deductible tax expenses	N/A	N/A
2.7	Injunctions or financial penalties for anti-competitive practices	N/A	N/A
3.	Subsidiaries and holdings		
3.1	List of subsidiaries and holdings	6.1.6 - Note 32	231
3.2	Significant shareholdings in or takeovers of companies having their registered office in France	N/A	N/A
4.	Risk factors and internal control		
4.1	Description of the main risks and uncertainties	2.2.2	39
4.2	Financial risks related to the effects of climate change and measures taken by the Company to reduce them through the implementation of a low-carbon strategy	3.2	81
4.3	Hedging objectives and policy and the Company's exposure to price, credit, liquidity, treasury and share price risk	2.2.2	40
4.4	Internal control and risk management procedures relating to the preparation and processing of accounting and financial information set up by the Company	2.4	56
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5.2	Vigilance plan and report on its effective implementation	Chap 3	59

No.	Information	Section(s)	Page(s)
6.	Shareholders and capital		
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6.2	Statement of employee shareholdings in the share capital of the Company	7.4.4	271
6.3	Acquisitions and disposals by the Company of its own shares	7.3.4	266
6.4	Information on transactions carried out by management and related parties on the Company's shares	7.4.5	271
6.5	Information on the allocation of free shares to executives and employees	4.2.2	156
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7.2	Information on payment terms	9.7	311

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This Universal Registration Document includes all elements of the Corporate Governance Report as listed in Articles L. 225-37 et seq. of the French Commercial Code.

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2.	Elements of the compensation and benefits of all kinds paid to corporate officers	4.2.2	156
3.	Level of compensation paid to corporate officers with regard to the average compensation paid on a full-time equivalent basis to employees of the Company	4.2.1.3	155
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9.	Potential limitations of the powers of the Chief Executive Officer	4.1.2.1	147
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11.	Application of the principle of gender equality within the Board of Directors	4.1.1.4	132
12.	Diversity policy applied to members of the Board of Directors	4.1.1.5	132
13.	Diversity policy in terms of gender equality within the executive bodies and in positions with particularly significant responsibilities	4.1.4	153
14.	Reference Code of Corporate governance	4.2.4	167
15.	Specific procedures governing shareholder participation in Annual General Meetings	7.2	263
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17.	Provisions having an impact in the event of a public offering	7.4.6	272
18.	Statutory Auditors' Report on the Corporate Governance Report	4.3.2	168

9.8.5 NON-FINANCIAL PERFORMANCE STATEMENT

This Universal Registration Document includes all elements of the non-financial performance statement as listed in Articles R. 225-102-1 and R. 225-105 of the French Commercial Code.

No.	Information	Section(s)	Page(s)
I.	Company's business model	Profile	10-11
II.	Analysis of the Company's risks		
1.	Description of the main risks in connection with the Company's activity	3.1.1.2	64-67
2.	Description of the policies applied by the Company to plan for, identify and mitigate the occurrence of the risks listed in 1.	3.1.1.2	67
3.	Results of these policies, including key performance indicators	3.1.1.2	67
III .	Declaration of relevant information with regard to the key risks or policies listed in II.		
1.	Social information		
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1.3.1	Health and safety in the workplace	3.3.2.2	115-117
1.3.2	Workplace accidents, in particular, frequency and degree of seriousness thereof, and occupational illness	3.3.2.2	115
1.4	Employer-employee relations		
1.4.1	Organisation of social dialogue, notably procedures for the provision of information to and consultation with employees and negotiations with the latter	3.3.2.2	118-120
1.4.2	Outcome of collective bargaining agreements, notably in relation to health and safety in the workplace	3.3.2.2	118-120
1.5	Training		
1.5.1	Training policies implemented, in particular in relation to the protection of the environment	3.1.2.4 3.3.2.1	71 113-115
1.5.2	Total number of hours of training	3.3.2.1	114
1.6	Equal treatment		
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1.6.2	Measures taken to promote the employment and inclusion of persons with disabilities	3.3.2.1	109-111
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1.7	Promotion and observance of the provisions of the fundamental conventions of the International Labour Organisation		
1.7.1	Respect for freedom of association and the right to collective bargaining	3.3.1	102-106
1.7.2	Elimination of professional and job-related discrimination	3.3.1	102-106
1.7.3	Elimination of forced or mandatory labour	3.3.1	102-106
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2.	Environmental information		
2.1	General policy on environmental matters		
2.1.1	Organisation of the Company to take into account environmental issues and, if applicable, environmental assessment or certification measures	3.2.2	85-100
2.1.2	Resources devoted to the reduction of environmental risks and pollution	3.2.2	85-100

No.	Information	Section(s)	Page(s)
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2.2	Pollution		
2.2.1	Measures taken to prevent, reduce or mitigate any air, water or soil pollution have a serious impact on the environment	3.2.2.4	1,100
2.2.2	Inclusion of any form of pollution specific to an activity, notably noise and light pollution	3.2.2.4	1,100
2.3	Circular economy		
2.3.1	Waste management and reduction	3.2.2.2	94-99
a.	*Measures taken to reduce, recycle, re-use, add value to and eliminate waste*	*3.2.2.2*	*94-99*
b.	*Measures to prevent food waste*	*N/A*	*N/A*
2.3.2	Sustainable use of resources		
a.	*Consumption of water and water supply based on local constraints*	*3.2.2.4*	*1,100*
b.	*Consumption of raw materials and measures taken to improve the efficiency of their use*	*3.2.1*	*76-81*
c.	*Consumption of energy, measures taken to improve energy efficiency and use of renewable energies*	*3.2.2*	*86-90*
d.	*Use of land*	*3.2.2.4*	*1,100*
2.4	Climate change		
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2.4.2	Measures taken to adapt to the consequences of climate change	3.2.2	85-94
2.4.3	Reduction targets set on a voluntary basis in the medium- and long-term to reduce greenhouse gases and measures implemented in this respect	3.2.2	85-94
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2.5.1	Measures taken to protect and promote biodiversity	3.2.2.3	99-100
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3.1.1	Impact of the Company's activity in terms of local development and employment	3.3.1	102-106
3.1.2	Impact of the Company's activity on local or neighbouring communities	N/A	N/A
3.1.3	Relations with the Company's stakeholders and detailed methods used to dialogue with the latter	3.1.2.5	71-7
3.1.4	Partnership or philanthropic actions	3.2.3 3.3.3	100-102 122-123
3.2	Subcontracting and suppliers		
3.2.1	Inclusion of social and environmental challenges in purchasing policies	3.3.1	102-106
3.2.2	Inclusion in relations with suppliers and sub-contractors of their own corporate and environmental responsibility	3.3.1	102-106
3.3	Fair trade practices		
3.3.1	Actions to prevent corruption	3.1.3	75
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3.4.2	Actions taken to promote animal welfare	3.2.1	76-81

9.9 Glossary

Glossary
AMF
Autorités des Marchés Financiers – French Financial Markets Authority. Independent public authority that regulates French financial market participants and products.
AFEP-MEDEF CORPORATE GOVERNANCE CODE
Set of recommendations relating to the corporate governance and compensation of executive corporate officers of listed companies, issued by the *Association française des entreprises privées* (AFEP) and the *Mouvement des entreprises de France* (MEDEF).
SALES
Sales represent the revenue from sales of decorative items and furniture through the Group's retail stores, website and B2B activities. They mainly exclude customer contribution to delivery costs, revenue for logistics services provided to third parties, and franchise revenue.
LIKE-FOR-LIKE SALES GROWTH
Represents the percentage change in sales from the Group's retail stores, website and B2B activities, net of product returns between one financial period (n) and the comparable preceding financial period (n-1), excluding changes in sales attributable to stores that opened or were closed during either of the comparable periods. Sales attributable to stores that closed temporarily for refurbishment during any of the periods are included.
GROSS MARGIN
Gross margin is defined as sales minus cost of sales. Gross margin is also expressed as a percentage of sales.
EBITDA
EBITDA is defined as current operating profit, excluding depreciation, amortisation, and allowance for provisions, the change in the fair value of derivative financial instruments, and store preopening expenses. EBITDA margin is defined as EBITDA divided by sales.
EBIT
EBIT is defined as EBITDA after depreciation, amortisation, and allowance for provisions. EBIT margin is defined as EBIT divided by sales.
NET DEBT
Net debt is defined as the Group's convertible bonds ("OCEANE"), revolving credit facilities, lease debt, deposits, guarantees and bank borrowings, net of cash and cash equivalents (excluding bank borrowings).
LEVERAGE RATIO
Leverage ratio is defined as net debt divided by EBITDA.
FREE CASH FLOW
Free cash flow is defined as the net cash flow from operating activities less: property, plant and equipment and intangible assets, changes in amounts payable on fixed assets and the reduction in interest on lease liabilities, and plus: proceeds from sale of non-current assets.

Designed & published by LABRADOR INFORMATION DESIGN +33 (0)1 53 06 30 80

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