MAISONS DU MONDE

2022 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

Contents

AFR *Items in the Annual Financial Report are identified by this pictogram.*
NFPS *Items in the Non-Financial Performance Statement are identified by this pictogram.*

2022 Universal Registration Document
including the Annual Financial Report

This Universal Registration Document was filed on 27 April 2023 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.

This is a translation into English of the (Universal) Registration Document of the Company issued in French and it is available on the website of the Issuer (article 3 de l'instruction AMF DOC-2019-21).

The Universal Registration Document may be obtained free of charge from the Company, or via its website (https://corporate.maisonsdumonde.com/en/finance), as well as on the AMF website (https://www.amf-france.org/en/homepage).

INTERVIEW
with Julie Walbaum and François-Melchior de Polignac

On 26 January 2023, Maisons du Monde announced a change of governance. On 15 March 2023, after nine years at Maisons du Monde, including five years as Chief Executive Officer, Julie Walbaum left the Group. After a two-month transition period, François-Melchior de Polignac took over the reins of our beautiful house. This interview is an opportunity to review the fundamentals of Maisons du Monde, take stock of the past year and discuss projects for 2023.

Julie Walbaum

François-Melchior de Polignac

"Inspiring everyone to open up to the world, so that we create unique, heartful and sustainable places, together"

How do you see Maisons du Monde?

JW_I am very happy and deeply proud to have been at the head of Maisons du Monde during these five memorable years. Together, we shaped an ambitious vision, fostered a vibrant culture of responsible and balanced growth and made remarkable progress on our transformation journey towards making Maisons du Monde an industry leading, digital first and sustainable company.

Maisons du Monde is now a recognised leader in omnichannel retail, with more than half of its revenue from digital and a high-performing marketplace that has allowed us to complement our offering and expand our customer base.

Maisons du Monde has also become highly internationalised in recent years, with a presence in nine countries in Europe and more than half of its revenue generated outside France, in a sector where the majority of its players are local.

Maisons du Monde is no longer just a creator-distributor, it is now a preference brand, a Love Brand for consumers, professional clients and opinion leaders thanks to its unique positioning: accessible, desirable and sustainable.

At the heart of our brand and our strategy is our CSR ambition through our *Good is beautiful* movement and its five pillars of commitment to the environment and equal opportunities.

To accomplish all this, we were driven by the Purpose that we defined last year together with all our teams:

"Inspiring everyone to open up to the world, so that we create unique, heartful and sustainable places, together".

This Purpose is far from being a marketing slogan, it is our compass. It guides our decisions and our daily actions, it permeates our corporate culture.

What were the highlights of the Group's business in 2022?

JW_In 2022, we navigated a complex geopolitical and macroeconomic environment, marked by the war in Ukraine and rampant inflation, after two years of crisis linked to the global Covid-19 pandemic.

These unprecedented conditions naturally affected consumer confidence from the second quarter of the year. They also had a significant impact on our profitability, with an additional cost of more than

EUR 100 million generated by inflation, including EUR 65 million for sea freight alone.

In this context, our Group demonstrated its resilience by implementing a proactive action plan to achieve its revised annual objectives, whilst continuing to advance its medium-term roadmap.

From a strategic standpoint, we strengthened our omnichannel model with the deployment of new omnichannel services, such as split payment and the strengthening of our marketplace. It was rolled out in 2022 in two new countries, Spain and Italy, with results as promising as when it was launched in France. We also set up a dedicated corner in six stores in France, allowing customers to have physical access to products and making our marketplace one of the leading European omnichannel marketplaces in the Home & Living sector.

We also launched our second distribution centre which was a key step in improving the customer experience and operational efficiency in the medium term.

Finally, we made good progress with the commitments of our *Good is beautiful* CSR brand movement launched in February 2022. Thanks to our decisive action, the gender equality index reached 91%, compared to 82% the previous year, and women represented 50% of our Top 100, thus placing us in the top 10 SBF120 companies in terms of women in senior management in 2022. We also rolled out our diversity and inclusion programme and continued to reduce the Group's carbon footprint. Finally, to support the purchasing power of our employees in Europe (head offices and stores) in a highly inflationary context, we paid an average cumulative amount of EUR 800 per employee over the year.

At the operational level, we continued to strengthen our brand with the launch of capsule collections in collaboration with inspiring artists and the creation of unique events thanks to innovative partnerships such as the one signed with the Stade de France.

We also accelerated our "For business" activity for professionals, with solid growth in direct and online sales channels and the deployment of the "Business Corners" in stores to offer a distinctive omnichannel proposition.

These initiatives, on top of the continued commitment of our teams to our customers, enabled us to be named, for the seventh consecutive year, the second favourite furniture and decoration brand of French people.

Finally, we made further progress in our internal transformation by significantly improving our skills and tools in terms of purchasing and sales forecasting. At the financial level, we were able to achieve all of our revised annual targets thanks to the implementation of the action plan to protect our profitability and secure our cash generation in an environment of high inflation and slowed consumption.

Lastly, I firmly believe that Maisons du Monde is in excellent hands and is ready to begin a new chapter in its history with François-Melchior de Polignac. I wish him and Maisons du Monde's teams every success.

Thank you.

What were your first impressions of Maisons du Monde?

FMP_ First of all, I would like to thank Julie WALBAUM, on behalf of all employees, for her commitment, for all the initiatives carried out, often in less than favourable conditions, which have made Maisons du Monde a leader in its category, a unique company with a distinctive value proposition, a true CSR identity and an essential purpose that meets the challenges of our time. I also wish to thank her for this fruitful and generous two-month transition period.

During the first two months of my arrival, I made it my mission to meet the men and women of Maisons du Monde. I met the teams in the stores, in our distribution centres and at the head office. I was able to appreciate their skills, their professionalism, their strong commitment to the Group's values and Purpose, as well as their determination to achieve the Company's immediate commercial and financial objectives.

Being in the field with the teams also allowed me to listen to consumers and discover all aspects of the company's unique omnichannel profile. These discussions confirmed my confidence in the fact that Maisons du Monde has very solid foundations on which to build.

What will be the priorities for 2023?

FMP_ Maisons du Monde has considerable assets and numerous opportunities to reinforce its leadership in the inspirational and affordable home & living sector. I am looking forward to taking the customer experience to the next level and continuing the transformation towards a higher-performing organisation.

This includes our solid omnichannel model, our ability to develop new growth areas, such as the marketplace or B2B, a brand that benefits from strong recognition and an active community on social networks and, finally, our highly committed teams.

For the time being, we will continue to focus on strengthening Maisons du Monde's balanced growth model while capitalising on our assets and strengths, in order to regain a higher level of profitability and cash flow.

Over the next few weeks, I will work with our teams and prioritise listening to our customers so that we can adapt our roadmap for the year if necessary.

As announced during the publication of the 2022 annual results, I am looking forward to meeting you in May to share more on this with you.

Thank you.

ABOUT US

Our Purpose

Inspiring everyone to open up to the world, so that we create unique, heartful and sustainable places, together

Our Manifesto

In a complex world, driven by societal changes and new environmental challenges, companies must play their role in the transformation of our production and consumption models. Our vision of the company of the future is a company that goes well beyond its own interests.

At Maisons du Monde, we are convinced that openness to others and to the world is a powerful source of fulfillment. Openness makes it possible to cultivate and express our singularities while remaining curious and attentive to others.
It is in this openness that dialogue becomes possible, that human ties are enriched.

We have always chosen to democratise style in a cheerful and generous manner, to allow everyone to reveal their personality through homes filled with emotions and stories.

Today, we want our homes to be beautiful, original, joyful and also more respectful of the planet and people. With you, we want to work to create a positive, supportive and sustainable world, where it is good to live and grow. More than just homes or workspaces, we dream and design living spaces where people can be their best.

We are creative and committed optimists. Because the Earth and people inspire us and because we do not want to have to choose, we have decided to put style and commitment at the heart of everything we do.

Inspiring everyone to open up to the world, so that we create unique, heartful and sustainable places, together. This is our purpose. This is what makes us get up every morning.
We know that we have a long way to go, and we travel this road with humility but also with enthusiasm.

Together, let’s create the company of tomorrow: both desirable and committed at the same time.

Our values

Maisons du Monde's values are in line with its Purpose, with openness as a watchword.

Optimism, Creativity, Commitment, Proximity

According to the principle of symmetry of attentions, we have chosen to align the values of our culture with those of our brand in order to have the same commitments for our employees as for our customers.

OPTIMISM

"We want to be an actor of well-being and conveyor of positive energy."

CREATIVITY

"We continue to democratise style and dare to imagine new aesthetic perspectives."

COMMITMENT

"We want to be an agent of change alongside you and move forward together towards a more sustainable and responsible world."

PROXIMITY

"We believe in collective strength and we thrive through openness to the world and others."

OUR HISTORY

Over 25 years of style and inspiration

2023

François-Melchior de Polignac succeeds Julie Walbaum as Chief Executive Officer

Maisons du Monde: **#2 favourite retailer in France** for the 7th consecutive year (Furniture/Decoration category - EY Parthenon study March 2023)

2022

Creation of the "Good for Women" Club

Launch of the ***Good is beautiful* brand movement** around five CSR pillars

Launch of the **Maisons du Monde Marketplace and decoration service** (Rhinov) **in Spain and Italy**

Launch of Maisons du Monde **collaborations: Lisa Gachet and Sakina M'Sa**

Inauguration of a **a second distribution centre** in the North West of France

Opening of a first series of **Business corners** in stores in **France**

New **omnichannel split payment solution** in partnership with the **fintech Alma**

2021

Definition of our **Purpose**

Creation of a returns management and **furniture repair** division in Saint Martin de Crau

Two new hotels in **Marseille** and **La Rochelle**

Launch of **Click & Collect**

Disposal of Modani **(US)**

2020

Launch of the Maisons du Monde **Marketplace** in **France**

2019

Opening of the first store in **Portugal** and acquisition of **Rhinov**

Launch of Maisons du Monde Hôtel & Suites in **Nantes** in collaboration with Vicartem

2017

Launch of rounding at check-outs

2016

IPO - **Euronext Paris**

2015

Creation of the **Maisons du Monde Foundation**

2014

Opening of the first store in **Switzerland**

2013

Opening of the first store in **Germany**

Opening of the Maisons du Monde factory in **Vietnam**

1% for the Planet

2011

Launch of the **junior collection**

2009

Launch of the **outdoor furniture line**

2007

Opening of the first store in **Italy** and launch of the textile product offering

2005

Acquisition of Maisons du Monde by **Equistone and Nixen**

2004

Opening of the first store in **Belgium**

2003

Opening of the first store in **Spain**

1996

Creation of by Xavier Marie

Opening of the first four Maisons du Monde stores in **France**

OUR BRAND IDENTITY

A European Love brand, desirable and sustainable

Maisons du Monde is **a brand of openness and dialogue** which federates its **7.2 million customers** and its **communities** around **desirable & sustainable lifestyles.**

Creativity, Inspiration and Commitment drive the Love brand in line with our purpose

Number of subscribers*

	in Europe:	N° 1 in France:
Instagram	5.5 million	2.6 million
Pinterest	517,000	486,000

The most popular brands in the world

N° 5 LOVE BRAND
TOP 50** 2022

Love Brands · Hootsuite · Talkwalker

When sustainable brands win the hearts of consumers - 2022

French people's favourite retailers

N° 2 LOVE BRAND
TOP 10*** 2023

EY Parthenon

Annual study of French people's favourite retailers - March 2023

* At 31 December 2022, ** Brands all categories - World, *** Furniture-Decoration category - France

OUR 2022 KEY FIGURES

Equal opportunities at the heart of our daily actions

8,108
EMPLOYEES

35 years
Average age

4.87 years
Average length of service (permanent contracts)

91/100
GENDER EQUALITY INDEX

Breakdown of workforce
Group scope

34% **66%**

WOMEN LEADERSHIP

50% of Top Management are women

66% of women from internal promotion
67% Registered office
77% Retail network

1 Women's Club

YOUTH AND DISABILITY

172 work-study students (x2 vs 2021)

308 employees have been trained in the second module: "Keeping an employee with a disability in employment."

Financial performance in line with updated full-year guidance[1]

	Updated guidance 2022	Achieved 2022
Sales	Mid single-digit decrease in growth	- 5.1% (GMV -1.2%)
EBIT margin	5% or above	5.5%
Free cash flow	EUR 10 to 30 million	EUR 32 million
Distribution rate	30% to 40%	37%

BASIC EARNINGS PER SHARE: EUR 0.80

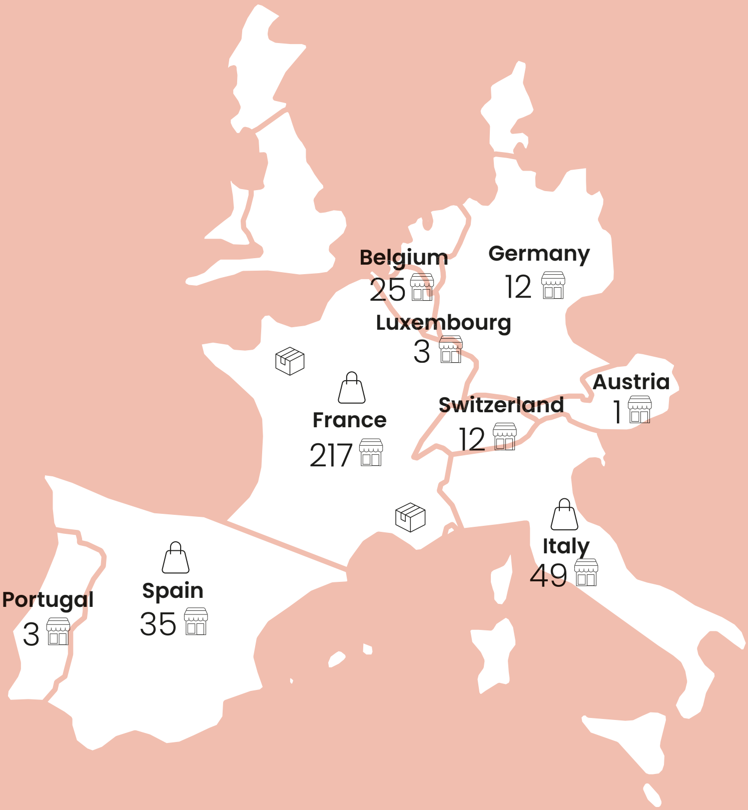
PROPOSED DIVIDEND [2]: EUR 0.30

[1] 2022 updated guidance: Sales: Decrease in the mid-single digit range - EBIT margin: 5% or above - Free cash flow: EUR 10 million to EUR 30 million– Dividend Payout rate: 30% to 40% - ESG: carbon neutrality for scopes 1 and 2.

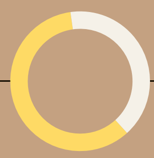
[2] Combined General Meeting of 29 June 2023.

OUR LOCATIONS

European leader in affordable, desirable and sustainable homeware



PRESENCE IN 9 COUNTRIES



357 stores
Retail sales area:
435,000 square meters
at 31 December 2022

Online sales in **100%** of countries

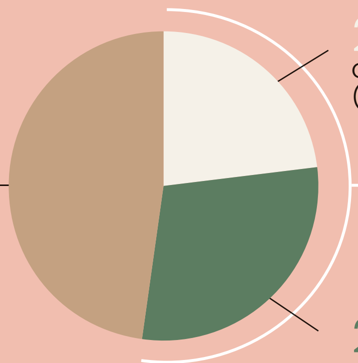
Marketplace
France,
Spain, Italy

2 logistics distribution centres
Surface area:
470,000 square meters

TYPE OF STORES
(As a % of network)

12%: City centres
19%: Shopping centres
69%: Retail parks

A unique omnichannel model in Europe



CUSTOMERS

ACTIVE CUSTOMERS
7.2 m - 4% vs 2021, +**4%** vs 2019

OMNICHANNEL CUSTOMERS
+8% vs 2021, **+50%** vs 2019

WHAT WE DO?

Our Mission

Empowering everyone to create
their own **desirable & responsible** home

Our Offering

To create our collections, the Artistic Department and our Internal style office build on **3 types of homes, 3 "lifestyles"** illustrating our customers' interiors and habits.

THE CONVENTIONAL HOME

classic and elegant

THE FEEL GOOD HOME

bohemian, inspired from travel

THE ARTIST HOME

highly personalised and expressive

Stylish and responsible collections

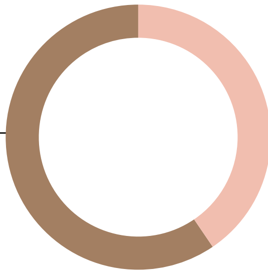
Decoration

13,000
SKUs

Furniture

> 5,000
SKUs

BREAKDOWN OF SALES IN 2022



30% of Maisons du Monde collections are GOOD

interior decoration service **100%** online RHINOV

E-CATALOGUES

2 collections
Spring-Summer/Fall-Winter


Outdoor


Indoor


1 Junior collection


1 Business collection

INSPIRATIONAL LIMITED-EDITION COLLABORATIONS

Our selective and omnichannel marketplace

Our marketplace is available in three countries: France, Spain, Italy.
We welcome partner brands that are carefully selected by our teams on our online sales sites. They all meet the criteria of style, quality and responsibility, which are qualities valued by Maisons du Monde.

The continued success of our selective and omnichannel marketplace demonstrates our ability to maintain our competitive advantage in digital.

3 COUNTRIES

France, Spain, Italy

ACCESSIBILITY

500
Sellers

1,500
Brands

> 200,000
SKUs

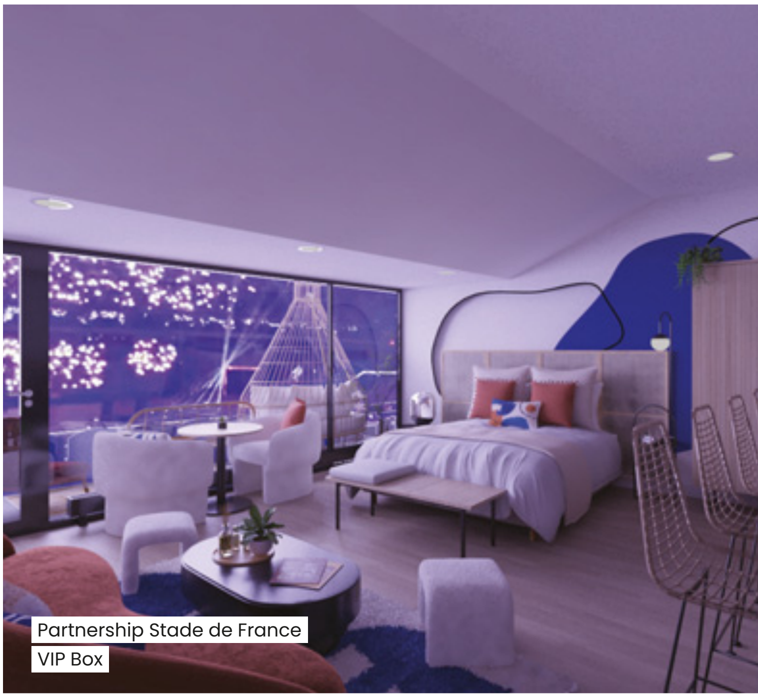
EUR 112 million
GMV 2022, X2 vs 2021

25%
of GMV online

THE ADVANTAGES OF THE MARKETPLACE

- Additional sales
- Accretive on margin
- Acquisition of new customers
- Improved online marketing ROI


Maisons du Monde Hotels & Suites
Nantes, La Rochelle, Marseille


Partnership Stade de France
VIP Box

Business Corners
in stores

3 SALES CHANNELS

Business Service	Web Business incl. B2B Marketplace	Stores

Dedicated team of **50 people**

500 exclusive products

1 Showroom
Paris - Grand Boulevards

EUR 73 million[1]
+6% vs 2021 | +9%vs 2019

EUR 48 million[1] GMV	EUR 25 million[2] GMV

THE STRENGTHS OF THE BUSINESS SERVICE

- Omnichannel
- 21 sales representatives France, Spain, Italy, Germany
- A single integrated 360° solution including an interior design service
- 1 Key Accounts division to develop innovative partnerships


Attendance
at trade shows

Our B2B offering for professionals

For more than 12 years, Maisons du Monde has supported its professional customers: interior designers, hoteliers, companies, restaurants, etc., in their opening and renovation projects.

With 50 B2B experts, this department works to offer professionals a quality customer experience by designing, furnishing and decorating their spaces in a unique way in compliance with intensive use standards.

[1] Including Business marketplace
[2] Estimate

Our CSR brand movement

In line with its purpose, Maisons du Monde strengthened its CSR strategy by creating its CSR brand movement, ***Good is beautiful*** in early 2022. Shaped around five commitment pillars, the CSR approach strengthens the brand's commitments based on the conviction that it is possible to combine style and responsibility.

GOOD
IS BEAUTIFUL

SO THAT BEAUTIFUL
CANNOT LIVE WITHOUT GOOD

Because we want our homes to be both joyful and responsible, both stylish and committed, both trendy and sustainable and because we love both our planet and its inhabitants, we have decided to play our role in change.

OUR 5 COMMITMENTS

ACHIEVEMENTS IN 2022

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. **In 2025, 40% of our offering must meet these *Good is beautiful* selection criteria.**

- **30%** of our offering includes the *Good is beautiful* selection (vs. 20% in 2021)

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. **By 2025, the group has committed to creating 100 *Good is beautiful* living spaces.**

- **EUR 1.3 million** (MdM grant + customer donations) allocated to preserve trees and forests
- **29** new sites redeveloped, in partnership with non-profit organisations *(Fondation des Femmes, French Red Cross…)*

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 and enhancement.** Together we are stronger.

- **47%** of women among the Top 100 highest-paid employees
- **x2** number of people with disabilities in one year

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**. We also work with the social and solidarity-oriented economy to promote reuse.**

- **> 25,000** furniture items repaired or reconditioned in our dedicated workshop (+42% vs. 2021)

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.**

- **- 20%** reduction in carbon intensity (vs. 2018)
- **- 8%** reduction in carbon footprint (vs. 2018)
- Contribution to neutrality for Scope 1 and 2 emissions through the financing of verified carbon units (VCU)

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

OUR STRATEGY

Our Vision

Be the **European leader** in Home & Living
Inspirational, accessible, desirable and sustainable

Maisons du Monde aims to become the go-to lifestyle partner by offering a set of relevant solutions around the home, a smooth and inspiring customer experience, as well as a rich dialogue between the brand and its communities, in an open and responsible approach.

Our ambition

Creating sustainable value for all our stakeholders

Diversified and committed governance

Composition and organisation of the Board of Directors

As of 19 April 2023

10
members

2
representatives of employees

40 %
are women*

8
meetings in 2022

30%
are not french

49
age average

60%
are independent directors

99%
rate attendance

Main skills

Retail businesses	Digital professions	Senior Management of an international group	Human resources and Social relations	Finance, risk management and control	Societal and environmental challenges

Composition of the Board

INDEPENDENT DIRECTORS

- **Thierry Falque-Pierrotin****
  Chairperson of the Board of Directors
- **Cécile Cloarec**
- **Laure Hauseux** ★
- **Victor Herrero** ★
- **Alexandra Palt**
- **Michel-Alain Proch**
  Vice-Chairperson of the Board of Directors

★ Term of office expiring during the AGM of 29 June 2023.

OTHER DIRECTORS

- **Gabriel Naouri**
- **Teleios Capital Partners**
  Adam Epstein
  (Permanent representative)

DIRECTORS REPRESENTING THE EMPLOYEES

- **Samira Mouaddine**
- **Gregory Crozzolo**

3 Specialised Board committees

Audit Committee
Chaired by
Michel-Alain Proch

5 meetings***

Nomination and Compensation Committee
Chaired by
Cécile Cloarec

10 meetings***

CSR Committee
Chaired by
Alexandra Palt

3 meetings***

* Including the director representing the employees.

** At the Board of Directors' meeting held on 22 March 2023, Thierry Falque-Pierrotin resigned as Chairperson and member of the Board of Directors, for personal reasons, effective no later than the next Annual General Meeting to be held on 29 June 2023. The Board of Directors has begun the search for a new independent Chairperson.

*** In 2022

BUSINESS MODEL

A business model open to the world, actively committed to creating sustainable value that is shared with our stakeholders

RESOURCES MOBILISED

A multi-style offering perfectly balanced between furniture and decoration

55% of products designed or adapted in-house
Over 18,000 furniture and decoration item SKUs

Expert teams

8,108 employees in **9** countries
66% network, **13%** headquarters,
11% production, **9%** logistics, **1 %** Rhinov
66% of employees are women

Supplier partners

More than **900** third-party suppliers
92% of strategic plants are compliant with the Group's social requirements

Solid organisation of the supply chain

14 sea & air freight providers
47 road & rail carriers
2 logistic distribution centres covering a total surface area of **470,000** m²

An international and omnichannel retail network

357 stores in **9** European countries
69% in joint development areas, **13%** in city centres,
18% shopping centres

A disciplined financial model in a complex environment

Free cash flow of **EUR 32.5 million**
Leverage ratio[1] of **0.95x** at end-December 2022

Sustainably managed natural resources

68,770 MWh of energy consumed
of which **92%** renewable

STRATEGIC VALUE

Be the European leader in Home & Living…

A preferred brand close to its customers

A unique omnichannel model in Europe

Stores

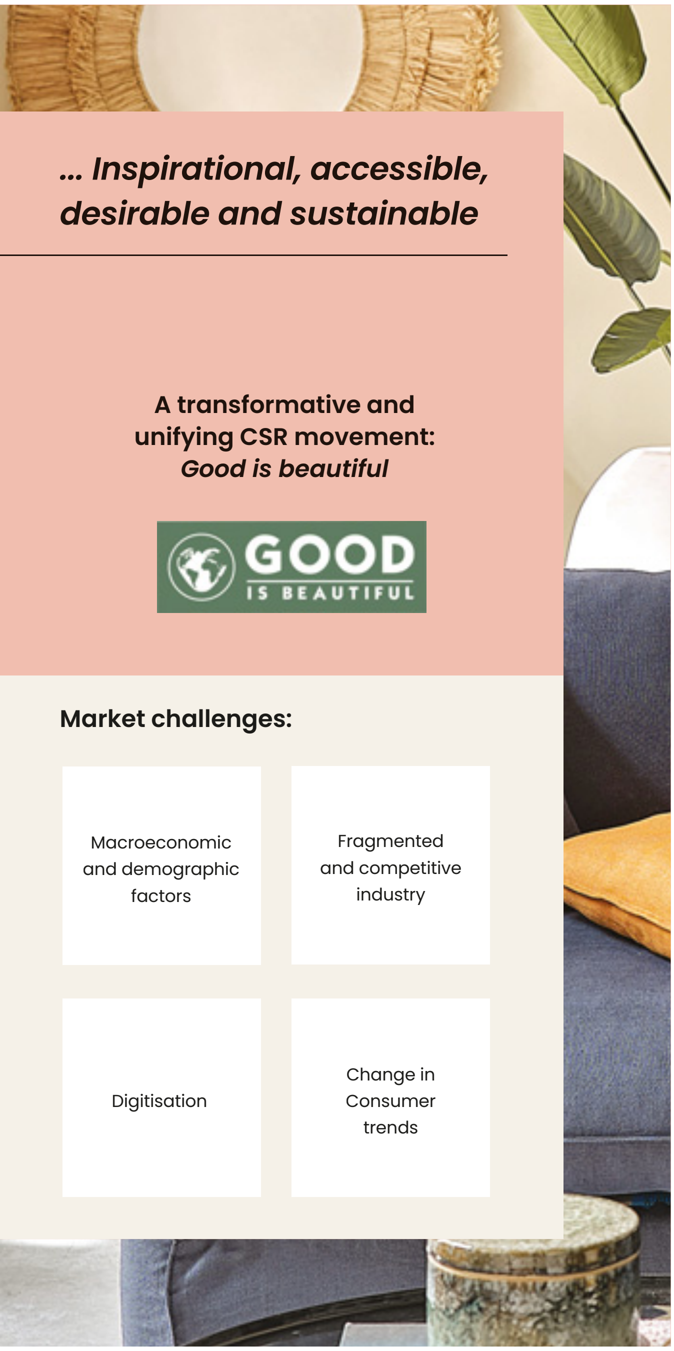
Digital
(Web and Click-in-Store)

Inspiring everyone to open up to the world, so that we create unique, heartful and sustainable places, together

Optimism, Creativity, Commitment, Proximity

1 Before application of IFRS 16 as of 31 December 2022.
2 AGM of 29 June 2023.

CREATION DRIVERS



… Inspirational, accessible, desirable and sustainable

A transformative and unifying CSR movement: ***Good is beautiful***

Market challenges:

- Macroeconomic and demographic factors
- Fragmented and competitive industry
- Digitisation
- Change in Consumer trends

Stakeholders:

IMPACTS AND VALUE SHARING

INVESTORS

Shared financial value

Proposed dividend of **EUR 0.30** per share[2]
EUR 500,000 donated to social and environmental causes thanks to the outperformance of the ESG share buyback programme

EMPLOYEES

Committed and inclusive teams

Employee engagement rate of **60%** in the last survey
7.5 hours average training per employee
66% of women have been promoted internally
Deployment of ambassadors *Good is beautiful* in **100%** of stores

CUSTOMERS

A community of loyal customers

7.2 million active customers
5.5 million Instagram followers in Europe
Nearly **EUR 465,000** raised through rounding up at check-out

ASSOCIATIONS/ NGOs

A real social impact

29 *Good is beautiful* living spaces
EUR 832,193 donated to field projects by Maisons du Monde Foundation

PLANET

A controlled environmental impact

Contribution to carbon neutrality on **scopes 1 & 2**
Carbon intensity: **-19.8%**
ISO 50001 certification of the French store network and **ISO 14001** for the production plant in Vietnam
99.7% of stores supplied with renewable energy
58% 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 Home & Living. 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 13,000 decoration SKUs (59.5% of sales in 2022) and just over 5,000 furniture SKUs (40.5% of sales in 2022). 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 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 themed collection of decoration items for the holidays.

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.

Maisons du Monde offers two furniture collections per year, spring/summer and autumn/winter, as well as an Outdoor line dedicated to outdoor furniture with around 650 SKUs. Each of these collections incorporates several styles. Substantially all of the Group's furniture is assembled and delivered to the customer's home.

The Group is also developing a "junior" collection consisting of decoration items and furniture for children. Maisons du Monde also supports the projects of professionals (hotels, restaurants, shops, architects, etc.) with a Business collection tailored to their activities.

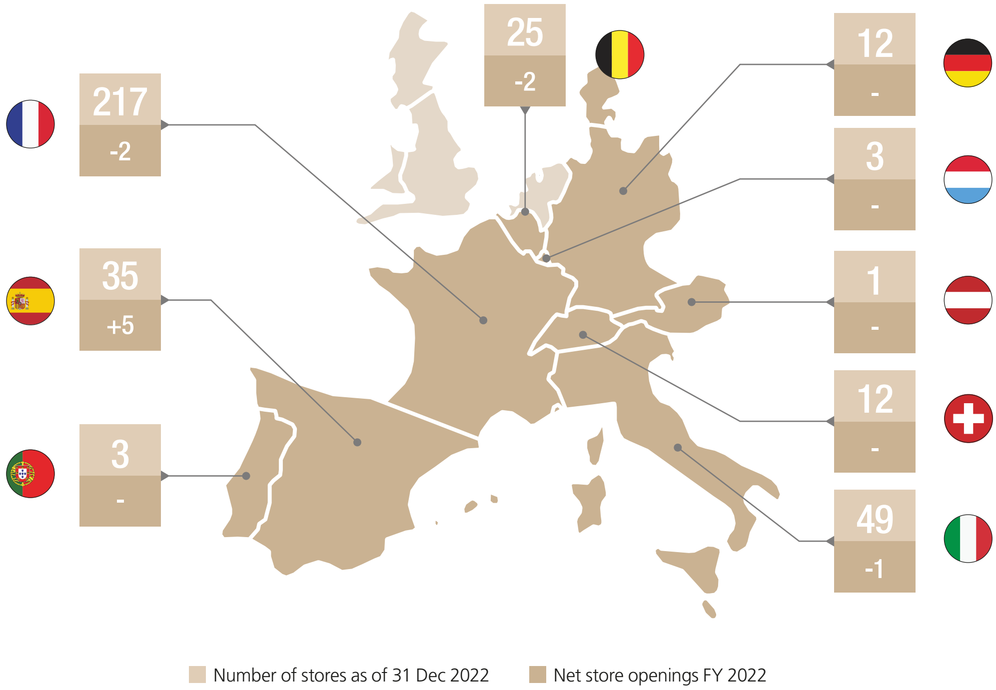
All collections are showcased in stores, on online sales sites and in e-catalogues.

1.1.2 GEOGRAPHIC LOCATIONS

Founded in France in 1996, the Group has operated across Europe since 2003. Maisons du Monde has developed an omnichannel network in nine European countries (France, Italy, Spain, Belgium, Luxembourg, Germany, Switzerland, Portugal, Austria), with a network of 357 stores, e-commerce sites and three marketplaces in France, Spain and Italy.

The Group also has an e-commerce platform in the Netherlands and the United Kingdom.

As of 31 December 2022, the Group had 357 stores in nine countries:



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

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 Home & Living. 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 Home & Living. 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 11% 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 (59%);
- in Vietnam (12%); and
- in India (17%).

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

A. INTERNAL MANUFACTURING

A proportion of the furniture sold by Maisons du Monde is produced at its manufacturing site in Vietnam, *via* its subsidiary, Mekong Furniture, which was created in 2013.

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

(1) *Study conducted by Simon Kucher & Partners.*

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.

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 "Non-financial performance statement" 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 2022. 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 keeps a close eye on its margins, as part of a 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 manage its promotions and markdowns with agility and selectivity. They represented just under 8% of revenue for the financial year ended 31 December 2022, relatively similar to pre-Covid levels.

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 at its distribution centres.

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 2022, 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 2022 were just shy of EUR 61 million and represented almost 5% of sales.

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.

In 2022, in order to reduce its environmental footprint, the catalogues will be fully digitised and downloadable online.

Customer Engagement and Social Media

The Group has significantly expanded its customer database and, at 31 December 2022, had a base of 7.2 million active customers (up 4% compared to 2019). 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. Maisons du Monde's global community grew by +5% yoy on social media (+70% compared to 2019), reaching 8.6 million followersacross Europe.

(1) Start-up specialising in 3D simulation of interior fit-outs.

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.

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 and 2022, 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 2022, the Group managed approximately 470,000 square metres 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.

Since July 2022, the Group has had a new logistics distribution centre intended to be fully automated in north-western France. This centre initially opened in its first manual configuration. The distribution centre will be automated by the end of 2023, which will make it an automated warehouse unique in Europe in terms of its size and the nature of the products processed (furniture).

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 2022, the average home delivery time for all Europe is ten days for decoration items and 20 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, fully digitised in 2022, 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 and the store openings in each country where the Group operates, as well as the entire retail trading space of the network, as of 31 December 2022:

Number of stores by Country	December 31, 2022
France	217
Italy	49
Spain	35
Belgium	25
Germany	12
Switzerland	12
Luxemburg	3
Portugal	3
Austria	1
Number of stores	**357**
Total sales area (in thounsouds of sqm)	**441**

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, 7% of in-store sales). These stores of 300 to 800 square metres mainly sell decoration items. They are very popular and establish the reputation of the brand;
- in shopping centres (19% of stores, 16% of in-store sales). These stores of 300 to 1,000 square metres mainly sell decoration items. The majority are located outside city centres. Shopping centres are selected according to the target demographic, accessibility and diversity of other tenants; or
- in peripheral retail areas (69% of stores, 76% of in-store sales). These stores of 500 to 4,500 square metres offer a wider range of furniture. They are generally located near major roads and served by public transport.

In 2022, 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 centre 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 2022, nine stores were renovated including one extension. 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 in France, followed in 2022 by two new deployments in Spain and in Italy. 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 359.6 million for the year ended 31 December 2022, *i.e.* 29% of Group sales. 48% of the Group's online sales were generated in France, notably thanks to the rapid development of the marketplace offer launched in 2020. Furniture accounted for 65% of online sales, and decoration items for 35% (identical to 2021).

In 2022, the marketplace has also been rolled out in Spain and Italy. In all three countries, the marketplace has over 200,000 SKUs from more than 1,500 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. In 2022, teams made a breakthrough on online and direct sales of the Business service, reaching around EUR 73 million in GMV, including an estimated contribution on stores of around EUR 25 million, i.e. an overall growth of +6% compared to the previous year (+9% vs. 2019). Hotels in particular showed spectacular growth (+46%), followed by interior designers and the real estate sector. The B2B segment is enjoying increasing awareness and credibility thanks to the success of the Maisons du Monde Hotels & Suites, higher visibility in international fairs, and also successful partnerships such as with the Stade de France.

The B2B offering included 500 SKUs designed for professionals.

To build upon our unique omnichannel model, a first series of Business corners was launched in 5 stores last November, displaying inspiring and immersive hotel and restaurant atmospheres.

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 230.7 billion in 2023 and expected to show a Compound Annual Growth Rate ("CAGR") of 2.8% over the 2023-2027 period [(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 the markets where the Group operates; The same is the case for IKEA, with the exception of 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 [(2)], 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.

1.2.1 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;
- decrease in the attractiveness of city centres as places of daily life: families, in particular, are looking for more space and a better quality of life. As housing surface areas expand, so does the area to be furnished;
- 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. While the population of the European Union (EU27) is expected to grow slightly, from nearly 447 million in 2019 to just over 449 million in 2030, Millennials will represent 75% of the working population by 2030, making them the largest market that has ever existed, and therefore the priority for most companies offering services and consumer goods.

(1) Source: Statista (https://www.statista.com/outlook/cmo/furniture/europe?currency=EUR).
(2) [1] Source: Made.com filed for bankruptcy in November 2022.

1.3 The Group's assets and competitive strengths

1.3.1 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.

1.3.2 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.

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 its CSR objectives for 2025 (See Chapter 3 "Non-financial performance statement").

This strong conviction and these concrete actions are recognised by consumers. In the study on French people's favourite retailers, published by EY Parthenon in March 2023, Maisons du Monde was ranked number 2 in the Furniture/Decoration category with 19.9% of fans (+1.2% vs. 2022) for the 7th consecutive year.

1.3.3 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 29% of online sales at 31 December 2022, compared to only 7% in 2010.

Two years after the successful launch of its marketplace in France in 2020, Maisons du Monde extended it to two new countries, Spain and Italy. The marketplace currently offers 200,000 SKUs proposed by more than 500 vendors. It is available across the web and stores in all three countries.

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 Group sells a wide range of products in view of the average surface area of its stores and the number of products displayed in them. Thanks to the combination of the two complementary distribution channels and a differentiated merchandising approach, approximately 55% of in-store furniture sales in 2022 were generated by products that were not physically presented in the points of sale.

As of 31 December 2022, digital sales represented 52% of sales (29% online sales and 23% click-in-store) and store sales 48% of sales.

1.4 Group strategy and outlook

In November 2021, the Group organised its Investors' Day and shared 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 has presented 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.

1.4.1 A STRONG BRAND AND A DIFFERENTIATING OFFERING

Maisons du Monde is the European leader in inspirational and affordable Home & Living. 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.

Maisons du Monde has a style office, composed of a team of 30 people, including 19 stylists, which enables it to capture the most sought-after trends. Teams work with suppliers to develop desirable and sustainable products.

Maisons du Monde is also partnering with renowned designers to launch emblematic collaborations, such as, in 2022:

- a limited-edition collection of decoration products inspired by the Memphis movement, with influencer Lisa GACHET;
- a limited-edition collection of inspirational and sustainable decoration products (ceramics made in Europe and organic cotton for textiles) with Sakina M'Sa, a pioneer designer and key opinion leader in sustainable fashion.

Maisons du Monde is also focusing on the intersection of creativity, digital technology and data. The marketplace (France, Spain, Italy) has 1,500 brands 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, split payment solution in France) 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.

1.4.2 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 52% of its revenue from digital technology, thanks to its online platform and its digital store sales. At the end of 2020, Maisons du Monde launched a selective marketplace in France to supplement its offering and become the go-to inspirational and affordable Home & Living staple. In 2022, the marketplace expanded to two countries, Spain and Italy.

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

- the online platform: Its traffic has been impacted by macroeconomic conditions that have affected consumer confidence. Nevertheless, an average of 4.5 million monthly visitors in France and nearly 11.5 million across Europe visited the Group's online sales sites. This very large and highly qualified audience explains the success of the marketplace. The Maisons du Monde online market share increased by 18% between 2019 and 2022 with stronger growth in 2020 in the context of the health crisis;
- the marketplace addresses all consumers: 660,000 orders were processed over one year with a satisfaction rate equivalent to that of Maisons du Monde with 500 sellers and 1,500 brands. The marketplace has become the primary point of sale for many sellers, creating long-term and fruitful relationships. All stores in France, Spain and Italy can offer marketplace products to order.

In addition, pop-up corners were rolled out in December 2022 in six stores in France, allowing customers to have physical access to products from the marketplace.

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 2020 in France has now been rolled out in Spain and Italy and other countries are planned in 2023.

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 of end-of-life and recycling.

Maisons du Monde has made major progress on its *Good is beautiful* brand movement, launched one year ago:

- Development of sustainable product offering: 30% of the offer integrated into the *Good is beautiful* selection (vs. 20% in 2021).
- Reduction of total carbon footprint: -20% reduction of the Group's carbon intensity (tCO2/EUR m of sales, on scopes 1, 2 & 3) compared to 2018, ahead of our -25% 2025 trajectory. In absolute terms, our carbon footprint has been reduced by 8% vs. 2018, well in line with our SBTI-approved trajectory.
- Achievement of carbon neutrality for scopes 1 & 2 in line with 2022 guidance, through the financing of 5,000 verified carbon units (VCUs) generated by the Katingan Mentaya Project in Indonesia, to offset remaining scope 1 & 2 emissions.
- Deployment of the *Good is beautifu*l ambassadors' programme: Target of 100% of stores reached, with the aim of implementing green practices on energy consumption, waste and packaging management.
- Creation of *Good is beautiful* living spaces: 29 new locations refurbished for free to benefit people in need, in partnership with non-profit organisations (Fondation des Femmes, French Red Cross…).

Maisons du Monde has also delivered key milestones on its Diversity & Inclusion programme, focusing on three main populations: women, youth and people with disabilities.

With regard to governance, in early 2022, the Board of Directors decided to create a CSR Committee to amplify its expertise and skills in these subjects and support the transformation of the business model towards a low-carbon model, with a low environmental impact and an extremely positive social and societal impact. The Committee's objectives are to examine the Group's CSR strategy, ambitions, policies, commitments and results (ethics and compliance, human rights, personal health and safety, environment and climate, and sponsorship with the Maisons du Monde Foundation, etc.) and to formulate opinions in this regard.

Composed of three independent directors, the CSR Committee is chaired by Alexandra PALT, Chairwoman of the Committee, independent director and Chief Executive Officer of Corporate Social Responsibility and of the L'Oréal Foundation.

Maisons du Monde's CSR performance is regularly analysed by non-financial rating agencies, investors and other stakeholders. In 2022, 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	2022 rating	2021 rating
Vigeo Eiris	57/100 - segment rank: 7/82	57/100 - segment rank: 4/71
CDP Climate	B	B
CDP Forest	B	B
MSCI	A 7/10	A 6.6/10
Sustainalytics (ESG risk)	12 (low risk) Segment rank (home retailing): 5/43 Segment rank (retail): 25/487	10.5 (low risk) Segment rank (home retailing): 2/39 Segment rank (retail): 8/468
EthiFinance (Gaïa Rating)	76/100	70/100
EcoVadis	63/100	57/100
Standard & Poor's	50/100	41/100

1.4.3 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.

2022 was marked by sharply rising inflation in Europe and geopolitical uncertainty, which weighed on consumer confidence.

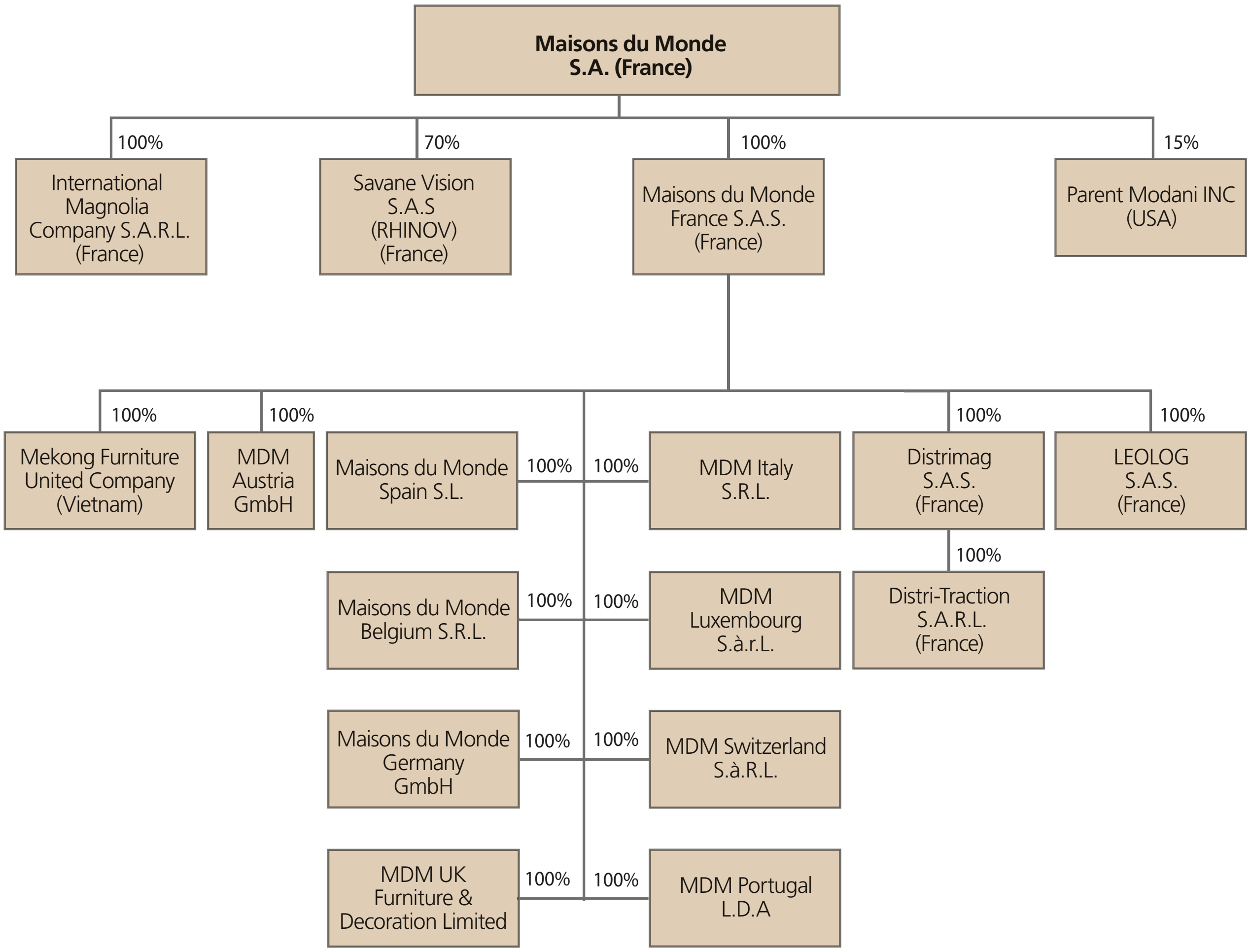
In this environment of difficult trading conditions, Maisons du Monde has implemented proactive initiatives to preserve and improve its economic equation by adapting its cost structure and optimising Capex with the ambition of progressively restoring its historical profitability level and cash generation.

Thus, without calling into question the Group's strategy, the 2025 financial objectives are suspended pending better visibility.

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 2022. 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 2022 are presented in the table below.

The complete list of companies included in the Group's scope of consolidation is presented in note 31 of Section 6.1.6 "Notes to the consolidated financial statements" of Chapter 6 "Financial Statements" of this Universal Registration Document.

1.6 Legislative and regulatory environment

1.6.1 REGULATIONS

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. A Voluntary Partnership Agreements (VPA) is a bilateral trade agreement between the EU and a partner country (producing or processing timber). It is an example of an effective market mechanism, designed to promote better forest governance. VPAs incorporate the commitments and actions of both parties to end the illegal timber trade, mainly through the implementation, by the partner country, of a system of authorisations for timber exported outside the EU. Once the system is in place, only recognised legal timber from this country can be authorised to enter the EU. Each Member State is responsible for setting up an exclusion mechanism for unauthorised timber from a partner country that has entered into a VPA. Each authorisation system will be supported by a Legality Verification System (LVS) that monitors and verifies legal compliance throughout the supply chain, from forests to ports and markets.

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;
- 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 2022, 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. These buildings are let to the Group's founder, Mr. Xavier MARIE, in connection with commercial leases entered into in accordance with standard market practices;
- 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.

1.8.1 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 be 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.

1.8.2 THIRD-PARTY LICENCES

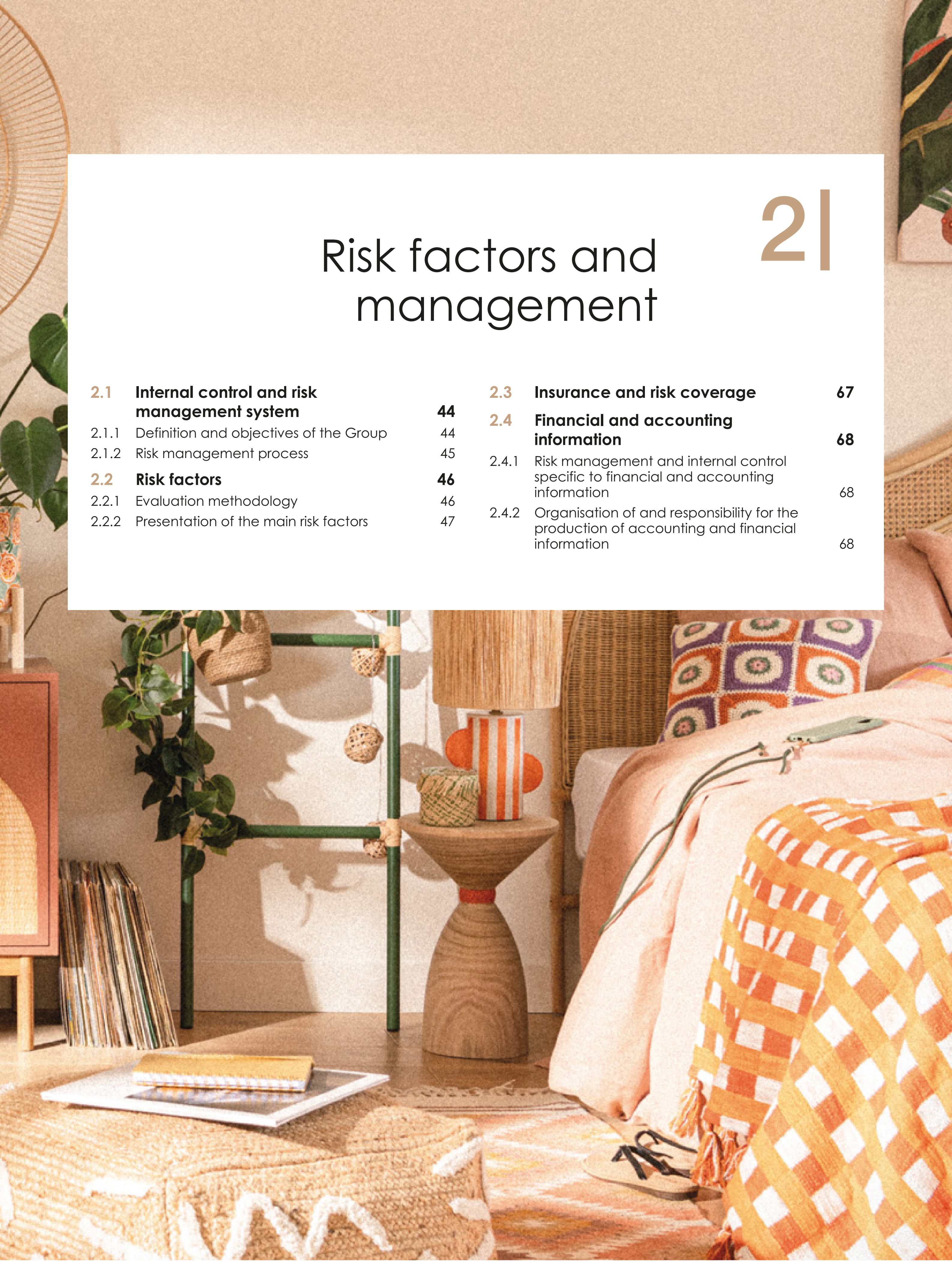
Some of the Group's products integrate third-party technologies. In order to obtain the rights to use these third-party technologies, the Group has entered:

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

1.8.3 SECURITY INHERENT TO THE GROUP'S INTELLECTUAL PROPERTY RIGHTS

Not applicable.

2| Risk factors and management



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.

2.1.1 DEFINITION AND OBJECTIVES OF THE GROUP

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 objectives, 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, employees, 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.

2.1.2 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 2022 by notably taking the following actions:

- the implementation of a decision support tool (Finance Report Planning), the deployment of which is planned for 2023. This information system will make it possible to improve the quality of financial information and to industrialise, automate and accelerate the production and revision of accounts. This project aligns Maisons du Monde with best market standards and best practices to support its development.
- 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 and 2022, the Internal Control Department reviewed the Accounting and Finance, Inventories, Human Resources, Treasury, Sales and Purchasing 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 2022, 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 2022 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.

		– Risks related to talent or employee management	– Risks related to macroeconomic, political, health and economic events in the Group's key markets – Risks related to the availability of products in those markets where they are sourced
	– Risks related to the management of the Group's image – Risks of theft/misappropriation of inventories – Risks related to the confidentiality and protection of personal data	– Risks related to poor anticipation regarding developments in the market, demand, consumer preferences and behaviour – Risks related to the logistics chain: in warehouses or on upstream/downstream transport flows – Risks related to quality, safety or compliance of products – Risks linked to the competitive environment – Foreign exchange risk	– Risks related to information systems and cybercrime
	– Risks of corruption or fraud – Risks related to litigation, intellectual property rights and the fight against counterfeiting	– Risks related to non-compliance with the Group's CSR commitments – Risks related to the impacts of climate change	– Risks related to non-compliance with laws and regulations

PROBABILITY

IMPACT

2.2.2 PRESENTATION OF THE MAIN RISK FACTORS

The following paragraphs set out the main risks identified in 2022 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.

Two risks were added to the risk mapping in 2022 concerning the Group's Societal and Environmental Responsibility:

- risks related to non-compliance with the Group's CSR commitments;
- risks related to the impacts of climate change.

These risks are discussed in detail in Chapter 3 of this document ("Non-financial performance statement"). The choice was made to include them in the Group's risks in order to highlight the efforts made by Maisons du Monde to:

- achieve its CSR commitments;
- limit the impacts of climate risks on the Group's business and assets.

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
Risks related to non-compliance with the Group's CSR commitments*
Risks related to the impacts of climate change
Financial risks
Currency risks

Impacts of the Conflict in Ukraine and the Covid-19 epidemic on the main risk factors

The year 2022 was marked by an unstable political and economic situation, due in particular to the war in Ukraine and the Western sanctions taken against Russia, leading to a significant increase in the prices of energy and certain foodstuffs, with the following resulting in a record level of inflation in the euro zone. In this context and against a backdrop of pressure on purchasing power, consumer confidence has deteriorated sharply, leading to a shift in their budgets to the detriment of discretionary spending.

The effects of this crisis have spread to retail players and in particular to the entire furniture and decoration sector. From the second quarter of the year, this resulted in a decrease in footfall within the Maisons du Monde store network and its online sales sites.

At the same time, after two years of crisis linked to the global Covid-19 pandemic, the measures taken by the Chinese government to contain new contaminations led to disruptions in the supply chain in the first half of 2022, leading to major bottlenecks in the transport of goods imported by Maisons du Monde, additional costs as well as high inflation in maritime freight costs. All this had the effect of slowing down the replenishment plans resulting in a lack of availability of certain products, particularly in the Furniture category, weighing on both the Group's sales and profitability.

These unprecedented conditions have led Maisons du Monde to revise downwards its 2022 objectives, and to implement a cost savings plan (EUR 5 million in gross margin and EUR 20 million in operating expenses).

2

2.2.2.1 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, international conflicts on the doorstep of our source/sales markets as well as any weather event likely to disrupt operations. 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.

Details of State-guaranteed loans are provided in note 1.1 to the financial statements.
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, MDM has organised itself within its Management Committee to closely monitor the evolution of these risks with the implementation of the following system:

- the Executive Committee closely follows the evolution of Covid-19, 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, precise monitoring of economic indicators in each country, in particular inflation and local support measures;
- on a monthly basis, the Executive Committee reviews the allocation of resources, in particular investments relating to the store opening plan, in order to find the right balance between investments for future sales growth and the preservation of results and short-term cash generation;
- 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 impacting 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 of demand with regards to price changes accompanied by a price watch on the prices charged by a panel of competitors. This monitoring, carried out by a team dedicated to products similar to Maisons du Monde, makes it possible to adjust the Group's pricing policy in line with our strategic positioning;
- using the marketplace as a tool for incrementality, complementarity and market exploration;
- the Group's differentiation from its competitors, in terms of:
  - product offering, with products developed in-house, a responsible offering, as well as a strong brand and concept. With this in mind, the Group increased the share of products developed or adapted in their own right in 2022,
  - quality/price ratio and positioning,
  - a strategy of segmentation of the collection by lifestyles offering a range of assortments catering to a wide variety of customers;
- developing the attractiveness of the brand by signing collaborations that position MDM as a benchmark for the desirable and sustainable house. In 2022, the Group collaborated with Lisa GACHET and Sakina M'SA on its collection. The Group also collaborated, through its marketplace, with the Surya brand in the development of a range of carpets for 2022;
- balancing the structure of its collections with an adaptation of the price positioning on the most competitive product families;
- managing the Group's commercial strategy with an omnichannel approach to centralise the brand's voice and bring consistency to the pricing policy as well as to the messages intended for the market;
- development of new activities/new services. For example, by including in its offering, via the start-up Rhinov, the possibility of obtaining professional advice from an interior decorator, adapted 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 social media, website or e-catalogue and then visit one of the stores before making a final decision.

Elements relating to the Group's competitive positioning are detailed in Section 1.3 "The Group's assets and competitive strengths".
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. In 2022, the marketplace was launched in Spain and Italy.

This digital acceleration is part of a vision that remains resolutely omnichannel. In 2022, Maisons du Monde deployed its marketplace in stores, thereby accentuating the differentiation of its model in a universe of "pure player" marketplaces.
During 2022, 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.

2

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, 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, causing them to lose market share or end up with inventory levels that are higher than forecasts. 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 product ranges. This work is supported by the style department which translates these trends into collections and products.
The marketplace is also part of this process and enables the Group to:
- monitor changes in trends in order to adapt its offering in an agile manner;
- strengthen the Group's product offering by promoting items that complement its product range.

Lastly, with a view to continuously improve the management of its collections, the Purchasing Department is investing in a Product Life Management system the first batches of which will be deployed between 2023 and 2024.
The Group focuses on improving the customer experience, particularly its after-sales experience, in order to meet new consumer requirements at all points of contact with Maisons du Monde. The various stages of consumption are monitored *via* the collection of customer opinions (CSAT) enabling the Group to continually improve its operational processes (stores, web, delivery, after-sales service). In addition, customer reviews and product-related disputes are analysed by the Purchasing teams as part of a continuous improvement process.

In addition, the Group carries out an annual assessment to measure the level of satisfaction on a panel of customers and prospects. The Group uses operational opinion barometers to keep track of customer satisfaction by monitoring the Net Promoter Score in addition to the annual barometer and including, since the end of 2022, the B2B business.

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".

2.2.2.2 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	Potential effects on the Group
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, as well as Le Havre; • 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 adequately 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, CO_2 emissions, transport of goods in urban and peri-urban areas, etc. that could have a negative impact on the Group's logistics costs.	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 has created a logistics centre located in the north-west of France (Rouen *via* the port of Le Havre) which opened its doors in 2022 and has 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, makes it possible to secure and limit the risk related to the blockage or unavailability of the port of Marseille-Fos. The management of this subsidiary is 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. A LEAN management programme is at the heart of management methods and enables everyone to be involved in continuous improvement.

The Group's warehouses, located near the port areas of Marseille-Fos and Le Havre, are independent units, all equipped with sprinklers. The storage and preparation centres are guarded with access and exit control for the main warehouses. The warehouses of secondary activities (returns, furniture repairs and overflow storage) are monitored remotely. The capital expenditure associated with this new warehouse are detailed in Section 5.3.1 "Cash flow analysis".

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. These tools were implemented in 2021 on furniture and will be fully deployed in decoration in 2023 and in MLP in 2024.
The Group is developing a Transportation Management System scheduled for deployment in 2023/2024. It will support the establishment 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 foreign goods and import restrictions; • risks related to labour practices and social conflicts, manufacturing and product safety standards; • environmental issues. The global context in which Maisons du Monde's sourcing operates generates availability risks for our manufactured products. This situation may be impacted by the following factors: • the drop in the availability of raw materials due to health crises (COVID China 2022), political (conflict in Ukraine) or climate crises; • the increase in global demand for finished products and responsible materials, according to consumer trends in the United States, Asia and Europe. 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 has strengthened collaboration with its strategic partners through the implementation of framework contracts. The Group has adapted its organisation by creating, in 2021, a Purchasing Department separate from the Collections Department, whose main objectives are:

- optimisation of supplier base (50% reduction in the number of suppliers);
- improved steering and management of the supplier relationship;
- integration of the Group's non-financial objectives in the selection and management of suppliers;
- the integration into the sourcing strategy of a management of the Asia/Europe mix combined with a consideration of the changing political, economic and health contexts of these regions.

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 subsidiary in Vietnam 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.

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

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. Details of these regulations are provided in Section 1.6 "Legislative and regulatory environment".

The Quality Department, supported by a specialised firm as well as the Legal Department, constantly monitors regulations relating to the quality of Furniture and Decoration products in order to guarantee the compliance of products purchased by the Group.
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 Group's warehouses. The Group ensures compliance with the quality standards of its products as well as the consistent execution of product specifications from one supplier to another, by selectively controlling:

- prototypes and pre-production samples. Material, product and packaging specifications are sent to suppliers and included in contracts for certain types of products to serve as a framework for manufacturing. The Group also ensures the continuous improvement of products based on customer feedback and disputes;
- deliveries in its 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.

A process of monitoring the quality of the offering makes it possible to identify products that do not comply with the Group's requirements and to withdraw them from sale.

Audited suppliers are selected on the basis of their history, criticality or specific product development.

Risks related to information systems and cybercrime

Description of the risk	Potential effects on the Group
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.	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 Group's Digital Director and are managed internally by a team of nearly 250 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.

The Group has secured its production environments by switching them to the Google Cloud Platform in 2022 and plans to deploy all remaining environments in 2023.
This system is reinforced by the presence of a Chief Information Security Officer, reporting directly to the Group's Digital 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 analysis of the maturity of the Group's cybersecurity environment and an overall information system master plan were carried out, with a logic of implementation of market solutions and separation of roles and responsibilities to limit risks. This system is accompanied by the periodic information systems security assessment performed on an annual basis. For example the Group performs "Ethical Hacking" campaigns to identify risks of intrusion into the Group's operating system.
Campaigns to detect security breaches of the Group's e-commerce site ("Bug Bounty") are conducted annually. At the same time, in 2022, the Group partnered with an external service provider, Crowdstrike Falcon Complete, (managed EDR) to alert or remedy cyberattacks on the Group's operating 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, which 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. In a highly stressed labour market environment, the Group faces risks associated with talent management. 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 openness to the world. 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. In addition, the generalisation of remote working may reveal or reinforce certain psychosocial risks, such as isolation, which would require the implementation of appropriate actions.	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 and integration processes to attract and retain 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.

The improvement of the processes for assessing, developing and valuing employees' skills is based in particular on:
- the implementation of a training programme dedicated to the Group's managers to acquire the fundamentals of management and team leadership;
- the strengthening of training programmes for store operational staff in order to align the skills of the teams with the expected customer experience, through the launch of the MyMDM Coach application, rolled out in 2022 in all the countries where the Group operates;
- the structuring and ritualisation of an HR cycle allowing a review for all Group employees in terms of both skills and performance assessment and compensation reviews. In this respect, the Group has set up a Compensation Committee to guarantee equal compensation between employees. Also, people reviews aim to identify, with the help of managers, the key talents in their teams and their succession plan, making it possible to secure the organisation in the short, medium and long term. These reviews also make it possible to draw up action plans to develop and commit them.

The Group has signed the following agreements on diversity, equal opportunities and inclusion:
- a three-year agreement on the employment of disabled people in 2021;
- the 2021 Diversity Charter;
- a three-year agreement on gender equality in 2022.

In 2021, the Group rolled out training to raise awareness on disability issues in recruitment procedures for the Company's 370 managers. In 2023, 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 compensation 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 2022, 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 tools:

- 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 and Le Havre warehouses;
- securing of goods to be sent to stores by using security seals on the trucks leaving from warehouses;
- reception portal enabling real-time monitoring of goods from the warehouse to the stores;
- a programme to improve returns management should be rolled out in 2023 and will improve the traceability of product returns in the warehouse;
- the anti-theft device directly at the supplier's or in store for 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.
- The systems relating to inventory management in warehouses and stores are described in Section 1.1.5 "Distribution".

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. 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. A procedure is planned for the withdrawal of products unfit for sale in stores in the event of a quality problem detected with our products.

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.

Through its purpose and HR policy, the Group promotes its commitments to equal opportunities. This issue is an element of differentiation in the employer brand. In this respect, the Group makes its employees aware of recruitment and inclusive managerial practices and ensures their implementation through internal surveys.

2

2.2.2.3 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 use of Google Analytics and the migration of our tools to the cloud expose the Group to a risk of non-compliance with the General Data Protection Regulations (GDPR). The Group must comply with European General Data Protection Regulations but also with the local legislation of the countries where its stores are located and whose independent administrative authorities issue their own recommendations. 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.

Management 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.
The Chief Information Security Officer is appointed by the Group's Digital Director as the main 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 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 manages, in direct partnership with the IT and Data teams, its roadmap enabling it to include personal data issues in the Group's technological developments.

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.

Every year, the Group launches ethical hacking campaigns, like Bug Bounty, to verify the integrity of the systems, particularly when there are major changes affecting customer data.

The Group has a network of GDPR contacts within each department in charge of processing personal data and reporting any data management issues.

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.

2

Risks related to 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 (see Specific risks), customs duties, consumer protection, personal health and safety, etc.; • **the Group must also comply with a certain number of labour regulations** on weekly working hours or provisions of law relating to overtime and social dialogue.	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. 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.

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 Quality Department, supported by an external firm, constantly monitors regulations relating to the quality of Furniture and Decoration products in order to guarantee the compliance of products purchased by the Group.

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 system in place within the Group to combat fraud, corruption and money laundering includes:
- the anti-corruption risk map that identifies and orders the Company's risks of exposure to corruption and enables proportionate internal procedures. This risk map was updated in 2022;
- the Maisons du Monde professional Code of Conduct that 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; This Code of Conduct was updated in 2022 and will be communicated in 2023;
- a whistle-blower's charter and a speak up platform that enable 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.

The Group also rolled out training for those employees most exposed to the risk of corruption as well as for all service managers.
- 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 being renewed and the new version will be rolled out in 2023 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 directly sent to suppliers by the purchasing team, 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 2022, the vast majority of merchant suppliers had signed the Code of Conduct.

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 mechanism is entrusted to the Group's Internal Control Department.

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.

Risks related to non-compliance with the Group's CSR commitments

Description of the risk

In the current context, regulations and societal expectations related to CSR issues are multiplying and can impose ambitious objectives on companies that are likely to represent real adaptation challenges for the Group.

The Group's activities generate social and environmental impacts. Failure to control these impacts and non-compliance with the Group's CSR commitments represent a risk for the Group, the impacts of which are distinguished by their environmental, social or health/safety nature:

- **the environmental impact** of the production of the raw materials used (*e.g.* deforestation, greenhouse gas emissions, alteration of biodiversity, depletion of natural resources), processing and transportation of products (*e.g.* overconsumption of energy and water, greenhouse gas emissions, air, soil and water pollution) and the Group's distribution operations (*e.g.* energy consumption, waste management, soil development);
- **the social impact** of the working conditions practised by the Group's suppliers in the production, processing and transportation of raw materials and finished products as well as the working conditions of the Group's employees and partners;
- **the impact on the health and safety** of suppliers, external service providers and the Group's employees exposed to risks related to working conditions and exposure to chemicals;
- **the impact on the health and safety** of customers exposed to risks relating to the quality and safety of the products sold by the Group.

Potential effects on the Group

Failure by the Group to comply with its voluntary and regulatory CSR commitments could expose it to impacts of a different nature:

- a deterioration in the Group's image leading to a loss of consumer/investor and employee confidence, which could lead to a drop in demand as well as a deterioration in the Group's ESG assessment;
- the endangerment of workers (workplace accidents) and customers (chemicals in products) that could affect their health/safety;
- litigation that could result in the Group being convicted.

Risks related to non-compliance with the Group's CSR commitments

Management of the risk

The Group has built a solid governance around responsibility issues, in particular through the creation in 2022, within the bodies of the Board of Directors, of a CSR Committee to ensure the monitoring of the Group's roadmap and commitments.
In addition, at the operational level, compliance with the Group's social and environmental commitments is managed by the CSR Commitments Department, which coordinates this work with the Human Resources, Responsible Offering and QSE teams in conjunction with the Internal Control Department.
In addition, all Group stakeholders have access to the whistleblowing line to report any non-compliance with the Group's CSR commitments. This will be updated with the service provider Whispli in 2023.

To ensure that our suppliers comply with the Group's environmental commitments, the following system is in place:
- signature by all suppliers of the Group's raw materials policy (exclusion of certain materials or high-risk sourcing regions);
- implementation of a traceability programme for high-risk raw materials (*e.g.* wood, leather, cotton);
- environmental audits of the factories of the Group's high-risk suppliers;
- development of responsible product offering incorporating raw materials with a limited environmental impact and subject to certifications from specialised organisations (*e.g.* wood certification, integration of recycled materials, organic cotton).

To ensure compliance with its environmental commitments within its operations, the Group has implemented the following measures:
- management of CO_2 emissions to ensure compliance with the commitments made by the Group by 2025 and 2030 (Science Based Targets trajectory);
- management of the energy consumption of the Group's buildings (ISO 50001 certification of the French store network);
- management of waste reduction targets for the Group's operations;
- ISO 14001 certification of the MDM factory in Vietnam;
- BREEAM certification for the Le Havre warehouse.

In order to ensure its partners' compliance with its social commitments, the Group ensures:
- the signature, by the majority of merchant suppliers, of the Code of Conduct incorporating the Group's social requirements as well as the fundamental conventions of the ILO;
- the performance of social audits of its suppliers' factories. The proportion of strategic factories meeting the Group's assessment criteria is presented in the non-financial performance statement (Section 3.1 "Maisons du Monde's CSR vision and strategy").

In order to ensure that its social commitments are respected internally, the Group monitors the agreements signed with its social partners. A CSR-HR Committee meets monthly to monitor the main HR indicators with a CSR impact.

In order to ensure the control of health and safety risks for our suppliers, our employees and our customers, the Group has implemented the following system:
- the signature, by all suppliers, of the Group's substance specifications (compliance with European regulations, exclusion of certain controversial substances);
- the performance of social audits integrating the risks to the health and safety of workers in the factories of the Group's suppliers;
- testing of substances on a sample of at-risk product families;
- training of the Group's teams and service providers in best safety practices and management of in-store accident data;
- implementing prevention campaigns among the Group's most exposed employees concerning safety in the workplace.

The Group has local safety representatives, ensuring that the Group's compliance with the new health and safety regulations is monitored.
Details of the controls and action plans implemented on CSR risks are presented in the Non-financial performance statement (Section 3.1 "Maisons du Monde's CSR vision and strategy").

Risks related to the impacts of climate change

Description of the risk	Potential effects on the Group
As confirmed by scientific studies, the increase in the concentration of greenhouse gases of human origin is the main cause of climate change. The latter poses new physical or transition risks forcing companies to find adaptation measures. These risks may materialise as follows: • the increase in extreme weather events impacting: – the availability of raw materials, – the production capacity of the Group's suppliers, – the transport infrastructure, – the operating capacity of the Group's stores and warehouses; • the strengthening of regulations concerning the reduction of greenhouse gas emissions; • unfavourable market developments upstream of the value chain or in consumer behaviour; • the development of social conflicts as a consequence of the energy transition.	The impacts of climate change could expose the Group's activities in different ways: • an increase in the cost of raw materials and finished products purchased from the Group's suppliers; • supply chain disruption and/or increased transportation costs; • an increase in operating costs related to energy costs or the tightening of regulations related to climate issues; • a decline in sales of products considered too carbon-intensive or non-essential; • a deterioration of the brand image associated with the failure to achieve the Group's objectives and resulting in a loss of confidence among consumers, investors and recruitment candidates.

Management of the risk

Maisons du Monde assessed, in a detailed map, the physical and transition risks that could impact the Company in its value chain (see Section 3.2.2.1 “Energy and climate commitments”). This map enables the implementation of a climate change adaptation plan.
This plan is based on:

- an assessment of the exposure of the Group's value chain to extreme weather events associated with a plan to relocate sourcing to less exposed suppliers and/or geographical areas. This relocation plan allows to:
  - identify raw materials and areas of sourcing at risk;
  - adapt our purchasing strategy as well as the design of collections according to the risks identified;
- an SBTi (Science Based Targets initiative) validated greenhouse gas emissions reduction trajectory by 2030, including:
  - a programme to reduce the Group's energy consumption including targets for 2025;
  - the purchase of green electricity for all of the Group's operations (warehouses, stores and administrative premises);
  - a decarbonisation programme for the Group's product offering *via* the analysis of the product's life cycle and the development of products incorporating recycled materials;
  - the development of a data tool for the automatic monitoring of the CO_2 emissions of Maisons du Monde's main items, enabling precise management of the Group's actions to reduce emissions.

Details of the risk map as well as the Group's commitments relating to the fight against climate change are described in the Non-financial performance statement (Section 3.1 “Maisons du Monde's CSR vision and strategy”).

2.2.2.4 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: non-euro revenue share < 10% in 2022), 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 Hedging Committee, in which the Group's Senior Management participates, and then by the Audit Committee on the basis of various business development scenarios and foreign exchange rate projections.

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

2.4.1 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.

2.4.2 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.

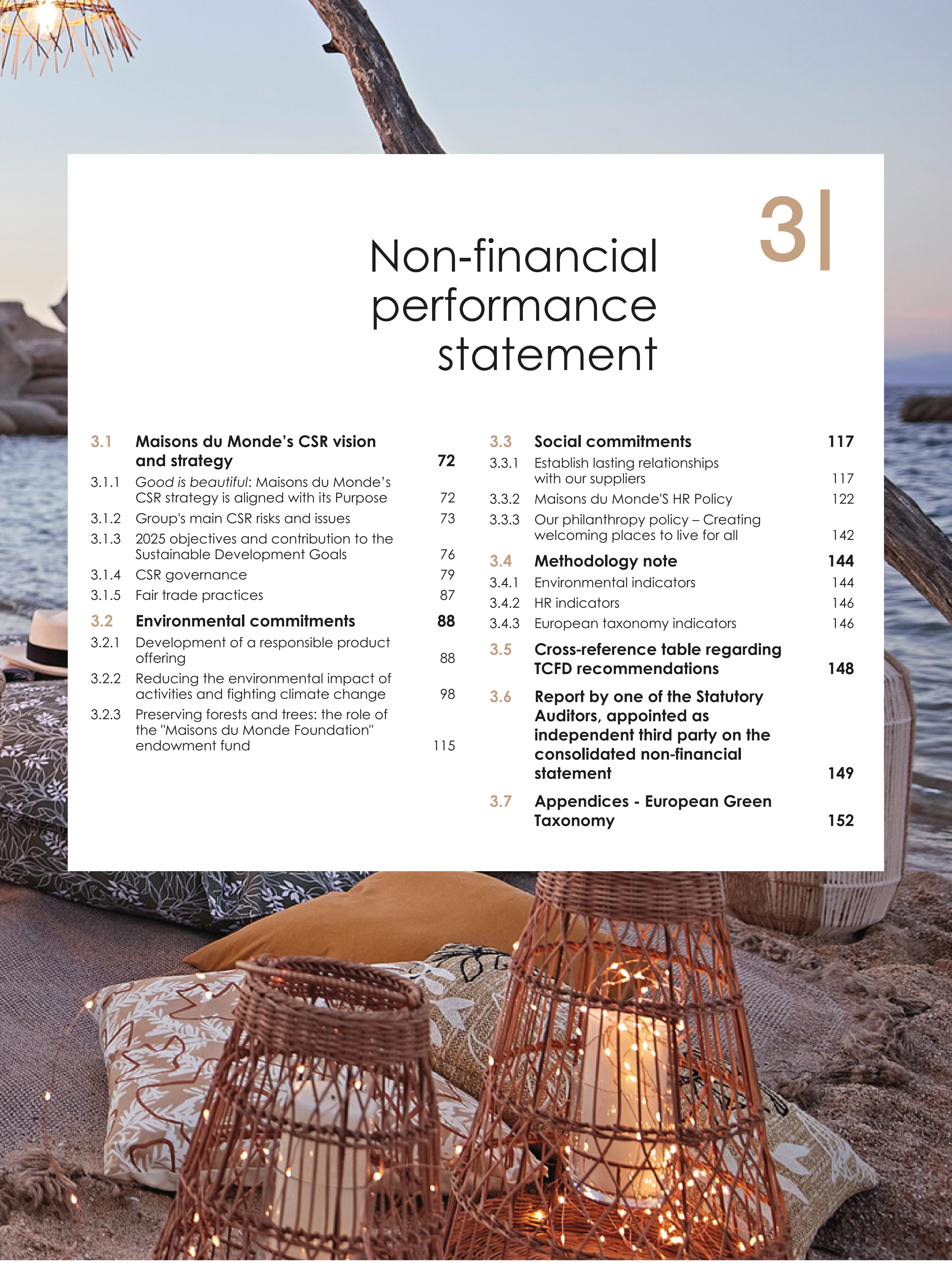
The Investor Relations Department is responsible for all communications with investors and the Autorité des marchés financiers (French financial market authority). The Finance Department coordinates the drafting of the Universal Registration Document and ensures compliance with the planning, preparation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



3

Non-financial performance statement

3.1 Maisons du Monde's CSR vision and strategy

3.1.1 *GOOD IS BEAUTIFUL*: MAISONS DU MONDE'S CSR STRATEGY IS ALIGNED WITH ITS PURPOSE

The success of Maisons du Monde is based on a value creation model described on pages 18-19 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.

In line with its purpose, Maisons du Monde launched its *Good is beautiful* brand movement in February 2022, which structures the Group's CSR strategy around five pillars and objectives for 2025:

Commitment #1: Deliver a trendy and responsible offer

To promote responsible consumption and reduce the environmental impact of its products, Maisons du Monde has developed the *Good is beautiful* collection within its offering. Co-constructed with a panel of stakeholders, the *Good is beautiful* selection framework values products, meeting the essential prerequisites (see Section 3.2.1) of one of the following objectives:

- Reduce the environmental impact of products;
- Expand European manufacturing;
- Preserving know-how from here and elsewhere.

By 2025, the Group wants the *Good is beautiful* collection to represent **40%** of the global offering.

Commitment #2: Work with grassroots associations to preserve the environment and help those in need

To act as a responsible company, the Group is committed to protecting forests alongside the Maisons du Monde Foundation (see Section 3.2.3), and through the donation of products by furnishing and decorating living spaces for disadvantaged or vulnerable people. A *Good is beautiful* living space brings comfort and reassurance to those who need it most in partnership with associations (see Section 3.3.3).

By 2025, the Group is committed to creating 100 living spaces in Europe and to donating more than EUR 10 million to associations supported by the Maisons du Monde Foundation.

Commitment #3: Promote equal opportunities

Committed to equal opportunities as part of its HR policy (see Section 3.3.2), the Group acts to develop the inclusion of people with disabilities, young people and gender equality (see Section 3.3.2.1).

Maisons du Monde wants to mentor **500** young people by 2025.

Commitment #4: Offer a circular, social and solidarity-oriented life cycle

To reduce its impact and promote more responsible consumption patterns, the Group's CSR strategy forms part of a circular economy approach. The Group is already working to repair and refurbish its products (see Section 3.2.1.3) and plans to launch a second-hand offering by the end of 2023.

In 2023, Maisons du Monde wants to offer used Maisons du Monde products from customer returns.

Commitment #5: Transform our businesses to reduce our environmental footprint

All of the Group's business lines are involved in reducing its environmental footprint, starting with the reduction of its greenhouse gas emissions (see Sections 3.1.4.4 and 3.2.2). This pillar makes it possible to include the reduction of the Group's environmental footprint in the overall brand strategy and to make it a key area of its commitments.

By 2025, the Group wants to reduce its **carbon intensity** by 25% (tCO_2/M EUR revenue) compared to 2018.

Maisons du Monde's CSR commitment is therefore a reflection of its 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.

3.1.2 GROUP'S MAIN CSR RISKS AND ISSUES

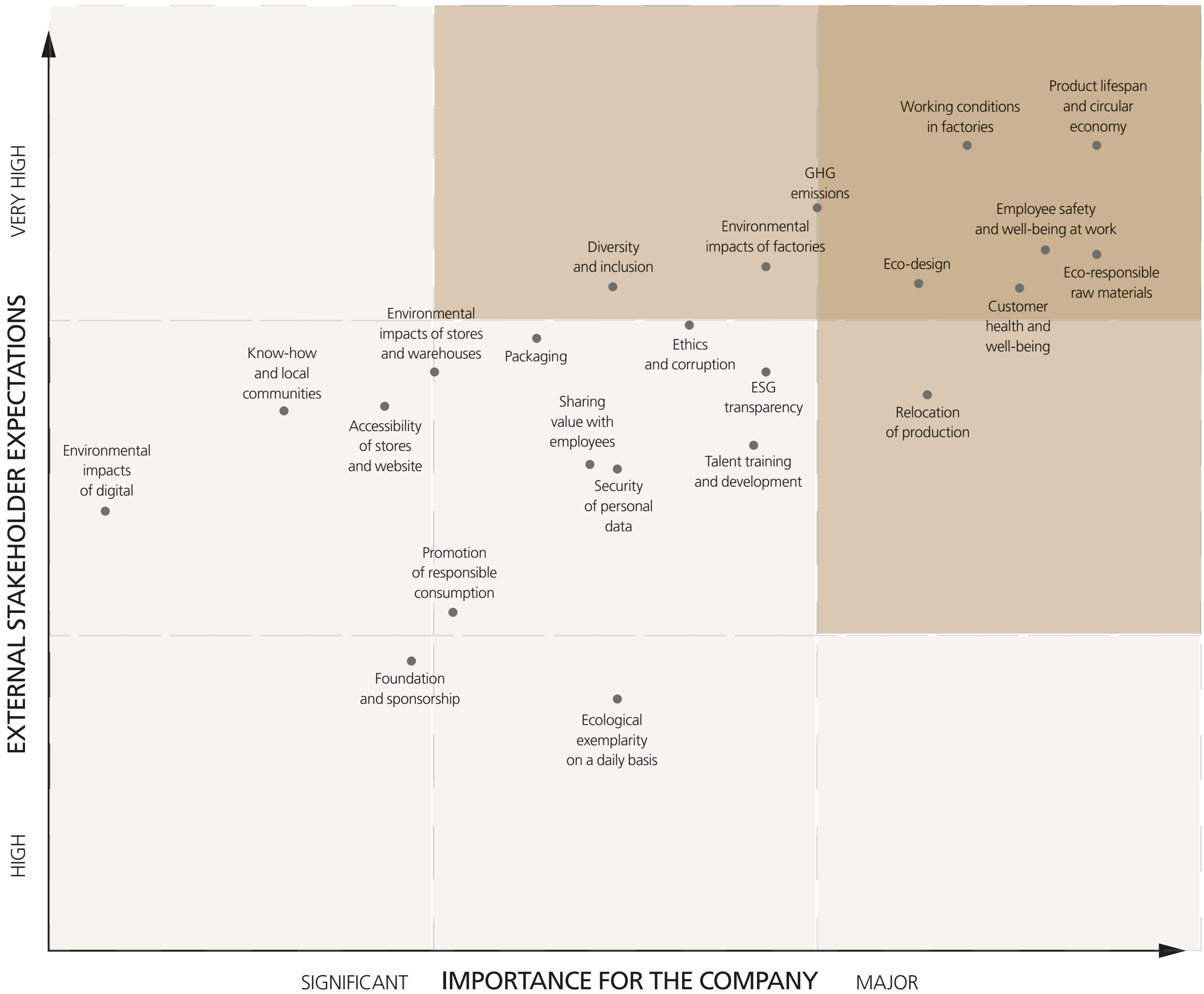
3.1.2.1 CSR materiality analysis

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. It 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.

The analysis, which was updated in 2021, takes 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 the 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 sufficiently transparent and comply with best practices in terms of ethics and the fight against corruption.

3.1.2.2 Non-financial risk review

This risk map, developed jointly by the CSR Department and the Internal Control Department, includes 35 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 CSR pillars 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 2022, the risk analysis was updated to take into account developments in regulations and context. When the map was updated, 9 gross priority risks were identified among the 35 covered.

Priority gross risks

- Risk of disclosure of an environmental impact related to raw materials in the supply chain: wood (deforestation), leather (deforestation, animal welfare, GHG impact), cotton (pesticides, water consumption, GHG impact, etc.);
- Risk of disclosure of a social impact related to raw materials on the supply chain: cotton/agricultural production (forced labour, child labour, exposure to pesticides), timber (forced labour), etc.;
- 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: climate change, regulatory changes (CITES), increase in demand;
- Risk of non-compliance with the ban on the destruction of non-food products;
- Risk of environmental pollution at our suppliers or highlighting the environmental impact of the supply chain;
- Risk of an extreme climate event which impacts suppliers (flooding, etc.);
- Risk of non-compliance with the requirements of the European Union Timber Regulation (EUTR);
- Risk of non-compliance of products with the REACH regulation.

In addition to the analysis of CSR risks, a mapping of physical and transition risks related to climate issues was carried out in 2022 and is detailed in Section 3.2.2.1.

3.1.2.3 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 had a formalised vigilance plan since 2018.

The mapping of the vigilance plan was overhauled in 2022 with the help of the various business lines in order to have a more exhaustive view of the risks of serious harm to human rights, fundamental freedoms, the health and safety of people and the environment generated by Maisons du Monde's direct or indirect activity.

For each of these issues, the analysis made it possible to identify the risks at the various stages of the Maisons du Monde product life cycle: raw materials, manufacturing, transport, distribution, use and end-of-life.

A list of 22 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 12 risk families:

Duty of vigilance risk families

- Freedom of association, fair compensation and working hours
- Forced labour
- Child labour
- Hazardous work and chemical exposure
- Physical or psychological harassment
- Energy consumption and greenhouse gas emissions
- Non-compliance with social and environmental requirements by Marketplace sellers
- Discrimination
- Corruption and theft
- Overexploitation of resources
- Pollution and hazardous substances
- Water management

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 2022 and refers back to the corresponding sections of this report.

Priority non-financial risks	Duty of vigilance: family of risks	Material issues	KPI	NFPS reference
Sustainable management of resources: • disclosure of an environmental impact related to raw materials in the supply chain • non-compliance with the EUTR Regulation • pressure on the availability of responsible raw materials	• Overexploitation of resources • Water management	• Product sustainability	• 30.1% responsible offering (*Good is beautiful*)	3.2.1 Development of a responsible product offering
Circular economy: • non-compliance with the ban on the destruction of non-food products	• Overexploitation of resources	• Product sustainability	+62,000 refurbished and repaired products (+22% compared to 2021)	3.2.1.3 Encourage responsible consumption among customers
Social and environmental impacts in the supply chain: • non-compliance with social requirements • disclosure of a social impact related to raw materials in the supply chain	• Freedom of association, fair compensation and working hours • Forced labour • Child labour • Physical or psychological harassment	• Product sustainability	• 86% of strategic plants meeting social assessment criteria	3.3.1 Establish lasting relationships with our suppliers
Social and environmental impacts in the supply chain: • environmental pollution by our suppliers • non-compliance of products with the REACH regulation	• Pollution and hazardous substances • Hazardous work and chemical exposure	• Product sustainability	• 47% of textiles and furniture coverings with chemical-free certification	3.3.1.1 An established control mechanism 3.2.1.2 Customer health and safety – Chemical management
Social and environmental impacts in the supply chain: • disclosure of a social impact related to raw materials in the supply chain • environmental pollution by our suppliers • extreme climate event impacting suppliers	• Energy consumption and greenhouse gas emissions • Overexploitation of resources • Water management	• Environmental impacts and the fight against climate change	• A 19.8% reduction in the carbon intensity of the Group's activities (tCO_2/M EUR revenue excluding "other operating income") compared to 2018	3.2.2 Reduce the environmental impact of activities and the fight against climate change
• N/A	• Hazardous work and chemical exposure • Physical or psychological harassment • Discrimination • Freedom of association, fair compensation and working hours	• HR challenges	• Group commitment rate is 60% • Frequency rate of workplace accidents is 21	3.3.2 Maisons du Monde's HR Policy
• N/A	• Corruption and theft • Non-compliance with social and environmental requirements by Marketplace sellers	• ESG transparency and business ethics	3 alerts submitted to the Group whistleblowing line	3.3.1 Establish lasting relationships with our suppliers 3.1.4.1 Business ethics and the fight against corruption

3.1.3 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;
- reduce the environmental impact of all Group activities:
- make our commitment a brand differentiation and preference driver (retail brand and employer brand).

Through the *Good is beautiful* movement, the CSR commitment is part of the Group's strategic ambition for 2025 through a series of objectives for the 2020-2025 period. These objectives contribute to 11 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 2022 with regard to these objectives is presented in the various sections of this chapter.

2020-2025 Plan	2022 Performance	Progress	Contribution to SDGs	Contribution to *Good is beautiful*	Corresponding sections
			Environmental issues		
Responsible offering					
40% of "*Good is beautiful*" responsible products in the Maisons du Monde offering	30.1%	■■■□	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 15 LIFE ON LAND	#1: Deliver a trendy and responsible offer	3.2.1/Development of a responsible product offering
80% of furniture comes from sustainably managed forests	56% of wooden furniture made with timber from sustainably managed forests	■■■□			3.2.1.1/Integration of eco-responsible materials
50% of textile articles and furniture coverings made of responsible material	33% of textile SKUs and furniture coverings made of responsible cotton	■■□□			3.2.1.1/Integration of eco-responsible materials 3.2.1.2/Customer health and safety – Chemical management
	47% textile SKUs and furniture coverings chemical-free certified (Oeko-Tex Standard 100 & GOTS)	■■■□			
Fight against global warming					
Reduce the surface area energy intensity (kWh/m^2) by 45% on all our sites (basis 2016)	-21%	■■□□	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION	#5: Transform our businesses to reduce our environmental footprint	3.2.2.1/Energy and climate commitments
Achieve 100% renewable electricity in the energy mix of our sites (network and administrative premises)	99.7% of renewable electricity in the energy mix of our sites	■■■■			
90% of sites sort waste and 80% of waste is sorted for recycling (Group excluding Mekong)	92% of sites sort waste	■■■■	13 CLIMATE ACTION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION		3.2.2.2/Waste and packaging management, fight against waste
	58% of waste is sorted for recycling	■■■□			
100% recyclable packaging	100% of packaging used at check-outs and 96% of packaging used in logistics are recyclable	■■■■	13 CLIMATE ACTION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	#4: Offer a circular, social and solidarity-oriented life cycle	3.2.2.2/Waste and packaging management, fight against waste

2020-2025 Plan	2022 Performance	Progress	Contribution to SDGs	Contribution to *Good is beautiful*	Corresponding sections
Reduce CO_2 emissions by 25% for the main items in scopes 1, 2, 3 compared to 2018	-19.8% in the carbon intensity of the Group's activities (tCO_2/M EUR revenue excluding "other operating income") for all the main items compared to 2018		13 Climate action	#5: Transform our businesses to reduce our environmental footprint	3.2.2.1/Energy and climate commitments
Social issues					
Establish lasting relationships with suppliers					
100% of SKUs traced to the factory	Map of Tier-1 factories – 98% of SKUs of the 2022 collection are tracked		8 Decent work and economic growth	#1: Deliver a trendy and responsible offer	3.3.1/Establish lasting relationships with our suppliers
100% of strategic plants meeting our social assessment criteria	86%		8 Decent work and economic growth; 10 Reduced inequalities; 16 Peace, justice and strong institutions		
100% of high-risk strategic manufacturing plants audited for their rank 1 or 2 environmental practices	68%		13 Climate action; 14 Life below water; 15 Life on land		
Maisons du Monde's HR Policy					
80% of employees recommend Maisons du Monde as a good employer	63%		8 Decent work and economic growth	#3: Promote equal opportunities	3.3.2/Maisons du Monde'S HR Policy
4% of employees with disabilities in France	2.1%		10 Reduced inequalities; 17 Partnerships for the goals		
Reach 300 work-study students as of 31/12	172		4 Quality education; 8 Decent work and economic growth; 10 Reduced inequalities		
50% of women among the Top 100 highest-paid employees	47% of women among the Top 100 highest-paid employees		5 Gender equality; 10 Reduced inequalities		
A gender equality index of at least 90/100	91/100				
100% of managers trained in management	65%		4 Quality education		
500 young mentees	49 young mentees		4 Quality education; 10 Reduced inequalities	#3: Promote equal opportunities	3.3.2.1/Maisons du Monde, a "sustainable" employer

2020-2025 Plan	2022 Performance	Progress	Contribution to SDGs	Contribution to *Good is beautiful*	Corresponding sections
An occupational accident frequency rate with lost time of less than 24 accidents per million hours worked (store network)	27.39		3 Good health and well-being	#3: Promote equal opportunities	3.3.2.2 a "warm" employer
Sponsorship					
Furnishing 100 *Good is beautiful* living spaces	29 living spaces		10 Reduced inequalities; 17 Partnerships for the goals	#2: Work with grassroots associations to preserve the environment and help those in need	3.3.3/Our philanthropy policy – Creating welcoming places to live for all
EUR 10 million donated to associations thanks to ROUNDING UP at check-outs (since 2016)	EUR 6.8 million donated to associations				3.2.3/Preserving forests and trees: the role of the "Maisons du Monde Foundation" endowment fund
30 million customer donations collected thanks to ROUNDING UP at check-outs (since 2016)	19.2 million micro-donations made		15 Life on land; 17 Partnerships for the goals		
40,000 people informed (since 2016)	11,700 people informed				

3.1.4 CSR GOVERNANCE

3.1.4.1 ESG performance management: mobilisation of the Board of Directors and Executive Committee

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. Coordinated by the Maisons du Monde CSR Commitments 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 () Executive Committee) 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:

- Operations Department:
  - support for suppliers on social and environmental issues, responsible management of resources and chemicals used in products, structuring of the *Good is beautiful* responsible offering and traceability at plant level,
  - reduction of CO_2 emissions in upstream and downstream transport, reduction in volumes and recovery of waste from logistics activities within a circular economy approach;
- Consumption Department: reduction of the environmental impact of stores, energy consumption and waste management, monitoring of the regulatory compliance rate;
- HR Department: training and skills development, employee well-being, equal opportunities;
- IT, Digital & B2B Department:
  - energy performance and streamlining of IT equipment, digital sobriety, collaborative working methods and projects that serve the Group's environmental performance,
  - strengthening the visibility of the responsible product offering and the brand's commitment to digital drivers, reducing the environmental impact of digital,
  - developing the responsible B2B offering and promotion of our commitments in Maisons du Monde hotels;
- Finance Department:
  - management of non-financial risks, valuation of CSR performance with financial partners,
  - responsibility for non-marketable purchases, recyclability and reduction of packaging volumes;
- Offer, Brand & CSR Department:
  - development of the *Good is beautiful* offering in collections and enhancement of the brand's communication commitments,
  - overall management of the commitment strategy, coordination of the Group's low-carbon strategy actions, development of sponsorship actions *via* 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, since 2021, the main annual non-financial performance indicators and objectives have been included in the Group's overall performance management scorecard, which tracks Group carbon footprint and intensity as well as the monitoring of repairs by the EVA division. This scorecard is discussed regularly within the Executive Committee and the Board.

In early 2022, the Board of Directors decided to create a CSR Committee to amplify its expertise and skills in these subjects and support the transformation of the business model towards a low-carbon model, with a low environmental impact and a really positive social and societal impact. The Committee's objectives are to examine the Group's CSR strategy, ambitions, policies, commitments and results (ethics and compliance, human rights, personal health and safety, environment and climate, and sponsorship with the Maisons du Monde Foundation, etc.) and to formulate opinions in this regard.

The Committee comprises three independent directors:

- Alexandra PALT, Chairperson of the Committee, Independent Director and Chief Executive Officer of Corporate Social and Environmental Responsibility and of the L'Oréal Foundation;
- Thierry FALQUE-PIERROTIN, member of the Committee, Independent Director and Chief Executive Officer of Vulcain;
- Cécile CLOAREC, member of the Committee, Independent Director and Human Resources, Communication and Sustainable Development Director at FM Logistic Group.

As a result, three meetings were held this year, enabling the members of the CSR Committee to review all the subjects that are part of the *Good is beautiful* brand movement. From 2023, the CSR Committee will meet four times a year.

3.1.4.2 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 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%. Thus, 20% of the variable compensation of Julie WALBAUM, Chief Executive Officer of Maisons du Monde, depends on the Group’s CSR performance on climate and social issues. 15% of the Chief Executive Officer’s variable portion is linked to the Group’s ambition to reduce CO_2 emissions by 25% in terms of carbon intensity (tCO_2eq / M EUR revenue) between 2018 and 2025 and to build an internal management tool for CO_2 emissions, and 5% depends on the achievement of social objectives as part of the Group’s policy on young people and equal opportunities. All criteria are detailed in Section 4.2.2.1 on the compensation of Senior Management.

Since 2021, the compensation of all Executive Committee members also includes a variable portion linked to the achievement of the CSR objectives defined in the roadmaps of their business lines. In 2022, to reinforce the importance of these challenges, the variable portion was increased to 15%: 10% for a Group objective shared with the Chief Executive Officer and 5% for an individual CSR objective linked to her management.

At the same time, 20% of the allocation of profits under the 2022 long-term incentive plan depends on the achievement of the target share of the *Good is beautiful* offering in the overall Maisons du Monde offering at 31 December 2024, as well as the employee engagement rate through the "Your Voice" survey.

Lastly, since 2022, managers in the Leadership Group have had to include at least one CSR objective in their variable compensation (see Section 3.3.2.3), while this is optional for the others. From 2023, all Group executives will have a mandatory CSR target in the variable portion of their compensation.

EMPLOYEES UNDER THE LONG-TERM INCENTIVE PLAN INCORPORATING ESG CRITERIA

Scope: beneficiaries of the LTIP plan

	2022	2021
Number of employees benefiting from the long-term incentive plan which includes ESG criteria (including the Executive Committee & CEO)	209	283

3.1.4.3 Integration of ESG criteria in the Group's financing mechanisms

In order to integrate its social and environmental commitments into all of its actions, in 2022 the Group voluntarily integrated ESG objectives into its financing transactions.

- The Group has thus committed to donating 100% of the outperformance of its ESG-focused share buyback programme carried out in 2022 to social and environmental causes. The outperformance of the programmes generated a sponsorship grant of EUR 500,000. These funds were divided between a grant to the Maisons du Monde Foundation, in the amount of EUR 325,000 (see Section 3.2.3) and the Emmaüs movement (see Section 3.3.3.2) in the amount of EUR 175,000. Support for the Emmaüs movement will primarily help to support textile and furniture upcycling sectors in France as well as the actions of Emmaüs Europe to host refugees of the Ukraine war.
- In 2022, the Group also took out a sustainability-linked loan of EUR 150 million with a pool of banking partners. Three ESG criteria whose annual performance impacts the margin have been integrated with annual targets and an objective for 2025. The achievement of these targets on two of these indicators (Group carbon intensity (tCO_2/EUR M of revenue) and share of the *Good is beautiful* responsible offering) at the end of 2022 is presented in the Sections 3.2.1 and 3.2.2.1 of this report.

3.1.4.4 Team Engagement

Good is beautiful ambassadors

Since 2017, Maisons du Monde has implemented a network of ambassadors 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 between the brand’s stores (particularly in terms of energy consumption and waste management), disseminate the Company’s actions/operations to in-store teams and raise their awareness and unite them around the *Good is beautiful* movement.

Already deployed in French, Swiss, Belgian and Italian stores, in 2022 the network of ambassadors was extended to Spanish, Portuguese, German and Austrian stores. 100% of the portfolio is currently covered with a *Good is beautiful* ambassador in each store.

NUMBER OF *GOOD IS BEAUTIFUL* AMBASSADORS IN STORES

Scope: Store network - 100% of stores

	2022	2021	2020
Number of *Good is beautiful* ambassadors in stores	358	311	251
Percentage of stores covered by an ambassador	100%	87%	71%

Training on CSR issues

Employee engagement is key to achieve Maisons du Monde's CSR ambitions and transform its business lines. In 2022, a training course on the Group's CSR commitment was put online on a mobile app developed in-house and dedicated to in-store teams: My MDM Coach (see pages 115 - 118). The training aims to present the five pillars of the *Good is beautiful* movement through concrete actions (see Section 3.1.1). The training is divided into five modules, one per commitment. The first two training modules were released in June and September 2022, and the third will be released in March 2023. The full training course will be available in June 2023.

Lastly, two onboarding sessions are held each year for the new *Good is beautiful* ambassadors in order to familiarise them with the Company's CSR commitments, and give them an overall vision of their role.

Awareness raising on CSR issues

In order to raise the teams' awareness of the Group's commitments and unite employees around the *Good is beautiful* movement, various events are held during the year on the themes of biodiversity, solidarity, waste management, the fight against climate change, the circular economy, diversity and inclusion.

Following the launch of *Good is beautiful* in February 2022, a dedicated action and information week for the movement was set up for employees. Each day was structured around the presentation of one of the pillars of the brand movement, based on a variety of events, including competitions, a Forest Fresk workshop, a tableware upcycling workshop, collecting toys for charity, inspiring talks and a conference with a leading figure committed to the cause.

Employees were also able to participate in World Clean Up Day. 43 employees from the Maisons du Monde headquarters and stores in France and Italy took part in a clean-up operation which was near to their home.

October 2022 was also marked by the implementation of the energy sobriety plan (see Section 3.2.2.1) in order to raise employee awareness of the current energy crisis and the efforts made to reduce energy consumption. All employees received instructions on heating, lighting and door closures to be adopted accordingly.

Furthermore, to raise awareness among teams about the protecting biodiversity and improve the working environment of the teams at the headquarters in Vertou, a vegetable garden is run on the site and welcomes 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.

3.1.4.5 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 (scope Maisons du Monde France)

2022: Agreement on equal opportunities for men and women

2022: Agreement to promote the professional inclusion and job retention of workers with disabilities (scope Distrimag)

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, Business customers, Suppliers and providers, 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 3.3.2.1). 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 2022, ESC meetings discussed CSR topics, including the overhaul of the Code of Professional Conduct, health and safety in stores and the Group's energy sobriety plan.

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 3.1.4.6.

CUSTOMERS

Defining the Purpose and launching *Good is beautiful* brand movement have strengthened 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. Dialogue with our customers to meet their expectations and invite them into our CSR approach now involves various channels:

- promoting the *Good is beautiful* range of products developed by the Group. The range appears on the e-commerce site, in stores and in catalogues based on the creation and communication of visual logos describing the various causes supported by the movement. Our in-store *Good is beautiful* ambassadors help with this promotion;
- communicating the brand's overall CSR commitment, through statements integrated into the Group's sales promotion plan and relayed across all of the brand's communication channels;
- rolling out ROUNDING UP at check-outs in all French stores to offer customers the opportunity to participate and get involved by supporting associations selected by the Maisons du Monde Foundation. In 2022, over 2.7 million donations, worth over EUR 464,000, were made by the brand's in-store customers (see Section 3.2.3.3);
- conducting regular customer surveys to understand customer expectations on social and environmental issues, as well as regular monitoring of the brand consumer survey. In 2022, these surveys focused on the range of responsible products, the perception of the *Good is beautiful* movement, and the circular economy.

BUSINESS CUSTOMERS

Over the last 12 years, Maisons du Monde has provided business customers with a business 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 business customers, 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 2022, 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 (63/100). The Group has drawn up an action plan for 2023 to improve its score in future years.

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 3.3.1 "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 Earthworm Foundation, FSC France and the Leather Working Group. This dialogue feeds the Group's discussions on the actions to be taken and ensures that they 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 67 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 Emmaüs France network and Croix Rouge Insertion 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 revenue 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 A ("Responsible Brand") following an evaluation carried out by SGS, the certifying body.

3.1.4.6 Recognition of the Group

Maisons du Monde's CSR performance is regularly analysed by non-financial rating agencies, investors and other stakeholders. In 2022, through dialogue and transparent communication with analysts, the Group's ratings within the various ESG indices and assessments evolve and reflect a strong social and environmental commitment.

Agency	2022 rating	2021 rating
Vigeo Eiris	57/100 sector rank: 7/82	57/100 sector rank: 4/71
CDP Climate	B	B
CDP Forest	B	B
MSCI	A 7/10	A 6.6/10
Sustainalytics (ESG risk)	12 (low risk) Segment rank (home retailing): 5/43 Segment rank (retail): 25/487	10.5 (low risk) Segment rank (home retailing): 2/39 Segment rank (retail): 8/468
EthiFinance (Gaïa Rating)	76/100	70/100
EcoVadis	63/100	57/100
Standard & Poor's	50/100	41/100

3.1.4.7 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.

The specification of KPIs is determined in accordance with Appendix I of Art. 8 of the delegated act. For the 2022 financial year, Maisons du Monde has determined the eligible KPIs aligned with the Taxonomy in accordance with the legal requirements as presented in the methodology note below.

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

TAXONOMIC ALIGNMENT ASSESSMENT

SUBSTANTIAL CONTRIBUTION

In order to determine whether an economic activity is aligned with the taxonomy, it must contribute substantially to one or more of the two climate objectives (mitigation and/or adaptation) of the six environmental objectives. Some activities contribute to both mitigation and adaptation to climate change. In order to contribute to an environmental objective, an activity must meet specific technical selection criteria defined for that activity in the relevant appendix of the delegated climate act. All eligible activities were reviewed in the light of these criteria and none were considered to be aligned.

DO NOT SIGNIFICANTLY HARM (DNSH)

For all economic activities where the Group is able to demonstrate a substantial contribution to climate change mitigation, it analyses in more detail the criteria of the various DNSH.

MINIMUM GUARANTEES

The final step in the alignment of the taxonomy is compliance with the minimum guarantees. Minimum guarantees include all procedures implemented to ensure that economic activities are carried out in accordance with:

- OECD Guidelines for Multinational Enterprises;
- United Nations Guiding Principles on Business and Human Rights (UNGP), including the principles and rights set out in the eight core conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work;
- International Bill of Human Rights.

In addition, the Group based its assessment on the "final report on minimum guarantees" published by the European Sustainable Finance Platform in October 2022 around the following four themes:

- Human rights (including labour and consumer rights);
- Fight against corruption;
- Taxation;
- Fair competition.

KEY PERFORMANCE INDICATORS (KPIS)

The KPIs include the revenue KPI, the CapEx KPI and the OpEx KPI for the year 2022. For the 10 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)*	Share of activities aligned with the taxonomy *(in%)*	Proportion of eligible activities not aligned with the taxonomy *(as a %)*	Proportion of activities not eligible for taxonomy *(as a %)*
Total revenue	**1,278.1**	0%	0%	100%
OpEx	**18.7**	0%	3.2%	96.8%
CapEx	**185.1**	0%	69.5%	30.5%
CapEx related to the acquisition of right-of-use assets – new leases signed in 2022	124.6			
CapEx for the installation and maintenance of equipment promoting energy performance (replacement of lighting and A/C systems with lower-energy systems).	4.1			

Eligible OpEX corresponds to the replacement of lighting by LED lamps (EUR 0.6 million)

The amount of EUR 124.6 million corresponds to the CapEx related to new store leases and vehicle leases.

EUR 4.1 million corresponds to CapEx related to the replacement of air conditioning equipment by more efficient equipment (EUR 3.3 million), as well as CapEx related to the replacement of lighting by LED lamps (EUR 0.9 million).

The majority of building rentals concern Maisons du Monde's store network. When the buildings were built, the building standards in force did not meet the current level of requirements and, in most cases, they have not benefited from recent thermal renovation work. As a result, in the absence of convincing supporting documents, Maisons du Monde does not have a CapEx aligned with the rights of use for 2022. Nevertheless, Maisons du Monde is strongly committed to energy sobriety, with a plan to replace light bulbs for several years and ISO 50001 certification obtained since 2021.

Details of the revenue, CAPEX and OPEX tables are available in Section 3.7 of this document.

3.1.5 FAIR TRADE PRACTICES

3.1.5.1 Business ethics and the fight against corruption

Since 2017 and the entry into force of the French Sapin II law [1], Maisons du Monde has set up a system for the prevention and detection of corruption and influence peddling applicable to all Group subsidiaries (see Section 2.2 "Risk factors").

In 2022, Maisons du Monde benefited from the support of an external firm to strengthen its anti-corruption system with the update of the anti-corruption risk mapping, the overhaul of the Code of Conduct and the provision of a new alert platform.

This map identifies and orders the Group's risks of exposure to corruption and enables proportionate internal procedures. This risk mapping was updated in 2022 in order to capture any changes in risks related to the evolution of the Group's activity.

The Internal Control Department and the Legal Department conducted a series of interviews with the heads of the Group's key functions and compiled questionnaires to:

- identify the Group's processes and all potential corruption risks to which the Group is exposed;
- assess the impact and probability of occurrence of these risks as well as the level of control of the associated control systems.

The results of the mapping update were presented to, and approved by, the Executive Committee. Corrective and preventive measures are being rolled out.

Updated in 2022 following the update of the risk mapping, the Maisons du Monde Code of Conduct defines and illustrates the types of behaviour to be adopted and prohibited in terms of preventing and combating corruption and influence peddling. The Code of Conduct highlights the Group's zero tolerance policy with regard to proven acts of corruption and fraud. Employees who committed these criminal acts could be subject to disciplinary measures, which could lead to dismissal for misconduct and legal action before the civil and criminal courts.

It sets out the fundamental principles that must govern everyone's professional behaviour, both individually and collectively. These principles are reaffirmed through our commitments as a responsible company, our commitments as an employer and our commitments as a respectful player for society and the planet.

The Code of Conduct is appended to the Group's Internal Regulations and is being translated into all Group languages.

The whistleblower platform (https://maisonsdumonde.whispli.com/speakup) was rolled out in all the countries in which Maisons du Monde operates in the course of 2022. It enables employees and third parties to report a situation that they believe is contrary to the Code of Conduct or regulations in force. The internal teams that receive the alerts have been trained on how to receive, analyse and process these alerts.

Maisons du Monde has also updated its Whistleblower Charter in order to specify the procedure followed by the Group for handling alerts and the protections granted to whistleblowers, primarily to comply with the Warsmann law from March 2022. The charter is also appended to the Group's Internal Regulations and is being translated into all the Group's languages. The Group's whistleblowing system resulted in the collection of three reports in respect of the 2022 financial year. None of them related to corruption.

To ensure compliance with these procedures, the Group is preparing a training programme for all employees on the principles and values of the Code of Conduct and more specifically on raising employee awareness of the risk of corruption and conflicts of interest. It will be rolled out in 2023.

3

(1) Law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life.

3.2 Environmental commitments

3.2.1 DEVELOPMENT OF A RESPONSIBLE PRODUCT OFFERING

2020-2025 Plan	2022 Performance	Progress
Achieve 40% *Good is beautiful* responsible offering	30.1%	

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. By way of example, the various stages of production of the materials composing the products distributed by Maisons du Monde represent approximately 53% of the Group's total carbon footprint.

The following paragraphs therefore describe the existing control procedures and action plans and their results which are able 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 brand commitment.

The first pillar of the *Good is beautiful* strategy, which involves delivering a trendy and responsible offering, is based on the demanding criteria listed below. To be included in the *Good is beautiful* selection, a product must first and foremost meet the following three prerequisites:

- consumer health: by complying with "chemicals" requirements aimed at limiting the presence of harmful substances in the Group's products;
- at-risk raw materials: by complying with our "raw materials" requirements, suppliers undertake not to source controversial materials (*e.g.* Syrian cotton, Amazon wood, endangered natural species, etc.);
- working conditions in factories: we ensure that our suppliers' factories comply with social criteria by regularly collecting and analysing social audit reports.

Once these three fundamental criteria are guaranteed, a product must be aligned with one of the following three causes:

- the use of responsible materials (*e.g.* GRS recycled materials, GOTS organic cotton, LWG leather, etc.):
  - the use of a majority of responsible materials in the product, through recycled materials to reduce the carbon footprint, and/or certified materials thus reducing a predetermined social and/or environmental impact;
- European manufacturing, which supports European industry, while helping to reduce the environmental impact generated by the transportation of the product. To respond to this criterion, the product's main manufacturing steps must be carried out either in a country of the European Union or in Norway, Switzerland or the United Kingdom;
- protecting know-how in order to promote local and cultural heritage, which boosts the economic development of regions and communities.

RESPONSIBLE PRODUCT OFFERING

Scope: Group - 100% of Maisons du Monde products (1)

Percentage of responsible offering	2022	2021	2020
Number of SKUs that include an eco-responsible material	6,068	5,072	3,342
Percentage of products that include an eco-responsible material in Maisons du Monde's overall offering	34%	29%	21%
Number of references in the *Good is beautiful* selection	5,370	3,760	
Percentage of *Good is beautiful* offering	**30.1%**	**21.3%**	
PERCENTAGE OF REVENUE LINKED TO THE RESPONSIBLE *GOOD IS BEAUTIFUL* OFFERING	**28.9%**	**21%**	

(1) Marketplace products are excluded from this indicator.

GOOD IS BEAUTIFUL SKUS BY CRITERIA

Breakdown of *Good is beautiful* SKUs by criteria	2022	%
Number of "Made in Europe" SKUs	443	8.25%
Number of "Responsible materials" SKUs	3,568	66.44%
Number of "Know-how" SKUs	188	3.5%
Number of "Made in Europe" and "Responsible materials" SKUs	1,160	21.6%
Number of "Responsible materials" and "Know-how" SKUs	11	0.20%
TOTAL NUMBER OF REFERENCES IN THE *GOOD IS BEAUTIFUL* SELECTION	**5,370**	**100%**

3.2.1.1 Integration of eco-responsible materials

2020-2025 Plan	2022 Performance	Progress
80% of wooden furniture made with timber from sustainably managed forests [1]	**56%** of wooden furniture made with timber from sustainably managed forests	
50% of textile articles and furniture coverings made of responsible material	**33%** of textile SKUs and furniture coverings made of responsible cotton	
	47% textile SKUs and furniture coverings chemical-free certified (Oeko-Tex Standard 100 & GOTS)	

(1) The indicator was modified and extended in 2022 to include all wooden furniture and small furniture products.

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. Indeed, it is essential to consider social and environmental issues and risks in the raw materials sectors when building a credible and robust responsible purchasing policy.

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. 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. Since 2022, this policy has been included in the framework agreement signed by all Maisons du Monde suppliers. It is available for download on the Group's corporate website.

In 2022, Maisons du Monde carried out in-depth work to identify and prioritise the risks related to the extraction of the main raw materials used in the brand's products. Thanks to the support of the Earthworm Foundation, a mapping of social and environmental risks was carried out, enabling the Group to refocus its actions on managing priority risks in its responsible purchasing roadmap. These risks are also part of the CSR risk mapping (see Section 3.1.2.2) and the mapping of risks related to the duty of care (see Section 3.1.2.3), ensuring global alignment on these issues. These priority risks include deforestation caused by the extraction of wood and leather, forced labour in the cotton fields, as well as animal cruelty potentially present in the wool and feather supply chains. A risk management procedure common to all high-risk materials was formalised in 2022 to allow harmonised monitoring and to facilitate progress measurement.

At the same time, Maisons du Monde continues to develop a more responsible product offering with its suppliers in line with the new *Good is beautiful* objectives, a natural progression of the 2025 objectives related to the supply of wood, textiles and recycled materials.

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.

In line with the *Good is beautiful* trajectory, all teams in the Offering Department are working actively to support suppliers in obtaining certification and in looking for more responsible supply sources. Today, 56% of our wood products for all business areas come from responsible sources (FSC® or PEFC™ certified, traced or recycled).

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

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 the strict monitoring of the following three steps:

- 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.

In 2022, Maisons du Monde will continue to support its suppliers affected by the regulation. The Group therefore 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 supply countries for the brand's timber, to help them better understand European legislation. This training was delivered in two formats:

- webinars for all regulated suppliers. Recordings and training materials were made available to the remaining suppliers;
- individual interviews with ten major at-risk suppliers to carry out a detailed review of their supply chains in order to remove persistent bottlenecks.

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 prioritise 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 2022, 165 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 2022, the total number of certified products increased to a total of 3,515 SKUs (2,409 FSC® certified SKUs and 1,106 PEFC™-certified SKUs), an increase of 15% compared to the previous year. 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. In 2022, 179 timber SKUs were traced. 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. Therefore, 18 Indian suppliers representing 88% 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.

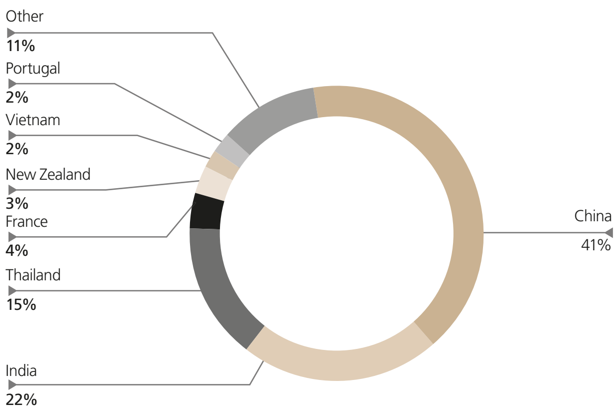
NUMBER OF WOODEN SKUS MEETING ONE SUSTAINABILITY CRITERION

Scope: Group

Product references	2022
Number of responsible timber SKUs	3,859
Percentage of responsible wooden furniture SKUs	85%
Percentage of responsible wooden decoration SKUs	15%
Percentage of certified wooden SKUs	51%
Percentage of responsible wooden SKUs	**56%**

In 2022, the number of SKUs made of certified timber (FSC or PEFC), furniture and decoration combined, represented 51% of wooden furniture and decoration offering.

GEOGRAPHICAL DISTRIBUTION FOR THE SOURCING OF TIMBER



Close to two-thirds (63%) of the timber sourced by Maisons du Monde comes from China and India.

VOLUME OF TIMBER PURCHASED

Scope: Group

tonnes	2022	Percentage
Total volume of timber purchased	**51,352.2**	**100%**
Of which traced timber	2,047	4%
Of which recycled timber	1,214	2%
Of which FSC® certified timber	9,895	19%
Of which PEFC™ certified timber	2,020	4%

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;
- voluntary certification control procedures;
- the development of products incorporating materials from responsible sources.

Minimum requirements	Exclusion of high-risk areas such as Uzbekistan, Turkmenistan, Syria or Xinjiang province in China

RESPONSIBLE COTTON

Faced with the social and environmental challenges related to cotton growing (water consumption, use of pesticides and fertilizers, forced labour, etc.), Maisons du Monde's strategy to ensure a more responsible sourcing is based on two areas: controlling risks in the upstream sector while offering a more responsible product offering to the brand's customers.

Traceability of cotton and managing the related risks

As part of the risk mapping related to the extraction of raw materials, forced labour in cotton fields was identified as one of the priority risks for Maisons du Monde.

Thus, in addition to signing the minimum requirements concerning the exclusion of at-risk sourcing areas, Maisons du Monde has set up a procedure to verify compliance with these requirements by the Group's suppliers. Like the "due diligence" on timber legality, this procedure is based on the same key components:

- collecting information and documents to trace the entire chain to the origin of the cotton;
- analysis of the risk of origin from areas at risk of forced labour;
- implementation of risk mitigation procedures.

This risk management procedure was rolled out in 2022 by integrating 65 suppliers using cotton, which represents approximately 65% of the cotton SKUs distributed by the brand.

At the same time, the Responsible Offering team supports buyers and suppliers with looking for new supply sources to mitigate the risks identified.

Finally, at the end of 2022, Maisons du Monde launched a project to identify weavers based in China and using traced and guaranteed cotton without the use of forced labour. As the cotton sector is very complex and very high-risk in this sourcing country, the idea of the project is to offer local and secure sourcing to the Group's Chinese suppliers who are not able to guarantee the origin of their cotton.

Product offering made from 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 has the right to review 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 2022, 353 textile SKUs are made from organic cotton, *i.e.* approximately 19% 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 2022, 237 textile SKUs are made from recycled cotton, *i.e.* approximately 13% of the cotton SKUs distributed by the brand.

NUMBER OF COTTON TEXTILE SKUS MEETING ONE SUSTAINABILITY CRITERION

Scope: Group

Responsible cotton	2022	2021
Number of responsible cotton SKUs	590	306
Percentage of responsible cotton textile items	33%	16%

VOLUME OF COTTON PURCHASED

Scope: Group

tonnes	2022	%
Volume of cotton purchased	**1,519**	**100%**
Of which certified organic cotton (GOTS, OCS)	199	13%
Of which recycled cotton	467	31%

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 2022 collection includes 608 recycled polyester SKUs, *i.e.* 19% of SKUs containing polyester distributed by the brand.

NUMBER OF POLYESTER SKUS MEETING ONE DURABILITY CRITERION

Scope: Group

Polyester	**2022**	**2021**
Number of responsible polyester SKUs	608	93
Percentage of recycled polyester items	19%	2%

VOLUME OF POLYESTER PURCHASED

Scope: Group

tonnes	**2022**	**%**
Volume of polyester purchased	**3,599**	**100%**
Of which recycled polyester	623	17%

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

TRACEABILITY OF LEATHER GOODS

The mapping of raw material risks has put deforestation back at the heart of Maisons du Monde's priorities in terms of risk management related to leather extraction.

Risk management requires detailed knowledge of the supply chains and the local context in the countries of origin of the material. It is with this in mind that Maisons du Monde is continuing the in-depth work on the traceability of its leather supplies, and in 2022 it formalised a procedure to verify compliance with its minimum requirements by the Group's suppliers.

The procedure is based on the same steps of collecting information and purchasing documents to trace the chain to the farm, followed by a systematic review by a third party for all leather of Brazilian origin. In 2022, 65 leather SKUs were traced to slaughterhouses, *i.e.* 39% of total SKUs.

Without waiting for the first results of this new procedure and in order to help suppliers find sourcing that meets the Group's requirements, Maisons du Monde launched a project to identify tanneries in Brazil using leather guaranteed to be deforestation-free.

The results of the project are expected in the first quarter of 2023.

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 2022, the number of SKUs made with leather from LWG certified tanneries increased to 70, which represents an increase of 192% compared with the previous year and approximately 42% of the leather SKUs distributed by the brand;
- **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 2022, 9 SKUs were made with recycled leather, representing 5.4% of the SKUs containing leather distributed by the brand.

PERCENTAGE OF RESPONSIBLE LEATHER PRODUCTS

Scope: Group

Leather	2022	2021
Number of responsible leather SKUs	79	40
Percentage of leather SKUs included in an environmental approach	**48%**	**18%**

VOLUME OF LEATHER PURCHASED

Scope: Group

tonnes	2022	%
Volume of leather purchased	**268**	**100%**
Of which leather from LWG certified tanneries	156	58%
Of which recycled leather	17	6%

Other materials

2022 was marked by the integration of new materials into the Group's responsible sourcing roadmap. These include metal and plastic, materials for which there are multiple issues at stake and which are widely used in Maisons du Monde products.

With the support of an external service provider, the Group successfully completed a project to define strategic CSR priorities for the materials in question. This project can be summarised in five key stages:

- inventory of the use of metal and plastic materials in Maisons du Monde products;
- identifying social, environmental and health issues throughout their life cycle, from extraction to end-of-life;
- identifying and analysing responsible alternatives;
- defining strategic priorities for processing metal and plastic products;
- preparing an operational roadmap in the short/medium/long term.

In view of the environmental and social issues surrounding the Metal and Plastic sectors, Maisons du Monde intends to prioritise:

- for metal: the use of recycled metal and certifications guaranteeing a low environmental and social impact (ASI and Responsible Steel);
- for plastics: the use of recycled plastics, the use of polymers of plant origin (not from crops that can be used for food) and the continued withdrawal of PVC.

The operational roadmap by product family will be rolled out and launched in the first quarter of 2023.

In addition, Maisons du Monde has identified new materials and fibres with a low environmental impact to validate the Sustainable Materials criterion as part of its *Good is beautiful* approach. These are materials such as cane or wicker, which naturally grow back, or hemp or jute, which require very little water and do not require pesticides, unlike conventional materials such as cotton.

In order to avoid creating further issues, these materials and fibres with a low environmental impact must be sourced locally from the manufacturing plant of the finished product to be able to validate the Sustainable Materials criterion. Case-by-case checks will be carried out by the Responsible Offering team if there is any doubt as to the origin of the material.

3.2.1.2 Customer health and safety – Chemical management

This monitoring work is a response to the risks identified in Section 3.1.2 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 structure of the Offering Department, the chemical substances division is responsible for:

- regulatory and technological monitoring of substances;
- setting Maisons du Monde requirements for chemical substances;
- implementing and updating tools to help quality teams to manage the monitoring of their products.

In addition, the chemical substances division provides expertise to the quality teams for all regulatory or analytical aspects related to issues in this area.

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

- regulatory oversight based on regulatory news, research organisations and non-governmental organisations (KEMi, Greenpeace and Chemsec) and documentary oversight to supplement Maisons du Monde "chemicals" specifications;
- supplier support by sending targeted requirements allowing suppliers to focus on the issues related to their products;
- monitoring of products through the analysis of product risks and the implementation of control tests for the chemical substances found in the most at-risk products;
- a voluntary action plan to reduce certain problematic substances.

Chemicals specifications

Through regulatory oversight, it is possible to determine which problematic substances are associated with the manufacturing processes and materials used in products. To guarantee the compliance and chemical safety of our products, all regulated substances, as well as those for which there are obvious risks, are listed, material by material in our specifications matrix. The regulations taken into account are, for example, the restrictions of the REACh and Persistent Organic Pollutants ("POP") regulations, as well as regulations specific to sensitive product categories (toys and electrical products). In addition to regulatory restrictions, chemical substances listed as of very high concern by the REACh regulation are also monitored and banned in Maisons du Monde products. They include substances which studies have shown could pose risks for consumers, such as allergenic textile dyes.

The list is reviewed every year. The main change in 2022 was the addition of several bisphenols, in addition to bisphenol A, which was already listed, in order to take into account new knowledge on the risks of this family of substances.

Our requirements are communicated to suppliers and sent together with commercial contracts. They are included in the quality specifications for each product family, in the form of a grid showing substances for materials, manufacturing processes and uses of the product family. For example, for the "textile cushion" family, there will be requirements related to the use of textile fibres as well as obligations related to the textile dyeing or printing process. This allows the supplier to focus on the real issues, and to discuss any issues related to that product family with its own suppliers.

The products most exposed to chemical substances, in particular candles and fragrance diffusers, are subject to specific regulatory requirements. For example, the REACH regulation requires the registration of all chemical substances found in imported mixtures or products exceeding one tonne per year, and specific labelling detailing precautionary measures for users. In 2022, Maisons du Monde wanted to go beyond the current regulations, by working to reduce the number of mixtures classified as hazardous because they may contain allergenic substances. For the spring-summer 2023 collection, more than 75% of the candles will be classified as non-hazardous compared to around 10% last year.

An ambitious control policy

The validation of compliance with these specifications involves the implementation of targeted tests on the distributed products. 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 2022, 3,290 chemical substance tests were carried out. 9% 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.

COMPLIANCE WITH THE CHEMICALS SPECIFICATIONS

Scope: Group

	2022	2021
Number of chemical tests carried out	3,290	1,533
Number of non-compliance issues identified	30	18
Number of unresolved non-compliance issues resulting in the cancellation or recall of a product	1	0

For emerging chemical substances, impact sheets are drawn up to share the issues with the Quality and Responsible Offering teams, define the level of Maisons du Monde’s exposure to the issue and write related action plans. In 2022, impact sheets were drafted on the following topics: bisphenols, fluorinated substances, nano substances and endocrine disruptors.

Fluorinated substances (PolyFluoroAlkyl Substances - PFAS) are a large family of substances whose technical properties provide stability. However, they represent a risk to health and the environment as they do not easily decompose, hence their nickname “forever chemicals”. European regulations already exist but tend to be extended to all fluorinated substances. In anticipation of a future restriction, tests on total fluorine are set up and the results of these tests will make it possible to assess the Group’s level of exposure and to be able to anticipate future regulations with suppliers, by implementing any substitutions where required.

Oeko-Tex Standard 100 certification

To ensure that its products are not harmful, Maisons du Monde is continuing to develop the voluntary OEKO-TEX® Standard 100 certification for its textile SKUs as well as the use of certified fabrics in its furniture products.

OEKO-TEX® Standard 100 is a globally standardised independent testing and certification system which ensures that textile products (raw materials, intermediate and final products) have been tested for substances harmful to human health and that they comply with the conditions, test criteria and limit values of the standard.

In addition, the development of GOTS-certified cotton products provides the same level of protection for the health of the brand’s consumers, because it provides the same guarantees concerning the absence of harmful substances.

In 2022, 1,121 textile SKUs and 1,418 furniture SKUs were covered by this certification process on the absence of harmful substances.

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

Scope: Group

	2022	2021
Percentage of textiles and furniture coverings with chemical-free certification	2,539	2,058
Percentage of textiles and furniture coverings with chemical-free certification	**47%**	**38%**

3.2.1.3 Encouraging responsible consumption among customers

Promoting the responsible offering, consumer information

The brand's commitments include selecting eco-responsible raw materials, promoting local production, protecting traditional know-how and promoting circular economy solutions to offer an increasingly responsible offering.

The offering teams are therefore actively working on increasing the proportion of products that meet sustainability and eco-responsibility criteria in the Group's collections each year. The *Good is beautiful* responsible offering currently includes more than 5,370 SKUs, *i.e.* more than 30.1% of the collections for 2022 (furniture and decoration).

The launch of the *Good is beautiful* brand movement in February 2022 aims to give concrete expression to the Group's global CSR commitment, and to promote the selection of responsible products to our customers in order to guide them towards more responsible consumption. The process for valuing the Group's five commitments and selecting *Good is beautiful* responsible products is as follows:

- identifying responsible *Good is beautiful* products in the customer experience and the regular promotion of the offering in the sales promotion plan;
- highlighting the five *Good is beautiful* commitments in stores, on the e-commerce website and in the brand's communication;
- organising specific in-store and online operations to promote Maisons du Monde's commitments. At the end of 2022, the Group once again joined the *Make Friday Green Again* collective to confirm its commitment to promoting more responsible consumption, in opposition to *Black Friday*. Like last year, Maisons du Monde is once again celebrating *Giving Tuesday* by marketing a sharing candle in France, Spain, Belgium, Germany and Italy, for which 100% of the profits are 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. In 2022, Maisons du Monde collaborated with two committed female designers to co-produce pop-up capsule collections. The collected profits were donated to partner associations.

In May 2022, Maisons du Monde partnered with Lisa GACHET to create a joyful and colourful capsule collection. 100% of the profits were donated to the association "*En avant Toutes*", which acts for gender equality and ending violence against women and LGBTQIA+ people. Lastly, in September, Maisons du Monde launched a responsible capsule collection in collaboration with Sakina M'sa. The profits [1] were donated to the association "*La Maison des Femmes*" in Marseille, which takes action on violence against women.

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. Commitment No. 4 of the *Good is beautiful* brand movement is part of a desire to offer its customers a range of products and services based on a circular, social and solidarity life cycle. The Group seeks to extend the life of its products, encourage reuse among its customers and promote recovery and recycling. To this end, the Group is already working to repair and refurbish its products, and in 2023 will launch its used Maisons du Monde product sales service from customer returns.

The Group is already implementing the following actions:

- a repair activity located in the Distrimag warehouses in Saint-Martin-de-Crau (13), which repaired and refurbished more than 62,000 products to put back into new stock in 2022, marking a 22% increase compared with 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 eco-organisations like Écomaison or Refashion;

(1) Net operating margin.

- 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 upcycle our products.

3.2.2 REDUCING THE ENVIRONMENTAL IMPACT OF ACTIVITIES AND FIGHTING CLIMATE CHANGE

To become the European leader in inspiring, accessible, desirable and sustainable homes, Maisons du Monde is committed to transforming its businesses to reduce its environmental footprint. To this end, the Group's work is based on a continuous improvement process on the issues identified as priorities: energy consumption and greenhouse gas emissions, waste management, the environmental impact of general purchases and biodiversity. Reducing Maisons du Monde’s carbon and environmental footprint in all business lines is commitment #5 of the *Good is beautiful* movement. The actions and results with respect to the 2020-2025 objectives are presented in the paragraphs below.

3.2.2.1 Energy and climate commitments

2020-2025 Plan	2022 Performance	Progress
Reduce CO_2 emissions by 25% for the main items in scopes 1, 2, 3 compared to 2018	-19.8% in the carbon intensity of the Group’s activities (tCO_2/M EUR revenue excluding “other operating income”) for all the main items compared to 2018	■■■□

The Maisons du Monde group has set its objectives for reducing its global carbon footprint by 2025, to achieve “zero net emissions” on scopes 1 and 2 in 2022 and reduce the overall carbon intensity (in tCO_2eq/M EUR revenue) of the Group by 25% compared to 2018.

Lastly, Maisons du Monde has also had SBTi (*Science Based Targets 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.

Greenhouse gas emissions and risks related to climate change

Climate change poses new risks for the Group. These risks, whether physical (increase in extreme weather events, rise in temperatures, fall in agricultural yields, etc.) or transition-related (changes in energy prices, carbon prices, raw materials, changes in demand for agricultural products, etc.) are encouraging Maisons du Monde to find adaptation measures.

To better understand and anticipate future changes in the economic, social and societal environment for Maisons du Monde in relation to climate change, a study was launched at the end of 2022 with an external firm to identify and quantify these physical and transition-related risks. The use of medium- and long-term climate scenarios enables the Group to integrate these risks and opportunities into its decision-making processes, and to work on the resilience of its model.

The main risks weighing on the Group’s activities were identified based on the various assets and value chain of Maisons du Monde: stores, warehouses, own and supplier production plants, supply areas for main raw materials (wood, cotton, leather, etc.) and logistics infrastructures. The TCFD (Task Force on Climate-related Financial Disclosure) framework was used to identify all physical and transition risks according to the following types of risks: political, regulatory and legal, technological, market, reputational, acute or chronic. This first mapping made it possible to identify the following nine families of risks across the entire value chain:

Family of risks related to climate change (physical and transition)
• **Risk of increase in the cost of raw materials and finished products** purchased from the Group’s suppliers • **Risk of increased transport costs** • **Risk of supply and distribution chain disruption** • **Risk of increased operating costs** • **Risk of the loss of attractiveness** of the brand (employer and customers) • **Risk of business disruption, increase in insurance costs** • **Risk of decline in sales** • **Risk of increased operating costs related to the strengthening of regulations** (traceability, reporting, circular economy, etc.) • **Risk of difficulty in accessing financing** (green taxonomy)

The quantification of the Group's exposure to risks and financial vulnerability, based on the RCP 4.5 and RCP 8.5 quantative and quanlitative climate scenarios defined by the IPCC (Intergovernmental Panel on Climate Change) for the medium (2030) and long term (2050) will be presented in the course of 2023 to the Executive Committee and to the Board of Directors' CSR Committee to formalise an adaptation plan for 2023.

GROUP CARBON EMISSIONS SCOPE 1-2-3

Scope: Group - 100% of Group emissions

Emissions *($tCO_2eq.$)*	**2022**	**2021**	**2018** [(2)]
Scope 1 – direct emissions	2,920	3,010	3,739
Scope 2 – indirect emissions (market-based)	1,589	1,799	4,468
Scope 2 – indirect emissions (location-based)	13,750	13,243	14,294
Scope 3 – indirect emissions	455,168	467,268	493,449
TOTAL SCOPE 1-2-3 EMISSIONS *(TCO_2EQ)*	**459,677**	**472,077**	**501,656**
CARBON INTENSITY *(TCO_2EQ/M EUR REVENUE)* [(1)]	**371**	**361**	**462**

(1) The revenue used corresponds to the EUR 1,240 million in Group sales, which excludes the "Other operating income" category. The lines of the income statement are detailed in Section 5.2.3.

(2) The calculation assumptions of the 2018 data were made more reliable, reviewed and validated by an ITO in the course of 2022.

DETAIL OF SCOPE 1-2 EMISSIONS (TCO2EQ) BY COUNTRY

Scope: Group

Country	**Scope 1**	**Scope 2 – market-based**	**Scope 2 – location-based**
Germany	-	80	1,049
Austria	-	-	-
Belgium	13	-	556
Spain	-	-	1,761
France	2,788	4	2,084
Italy	50	-	5,934
Luxemburg	-	-	75
Portugal	-	-	36
Switzerland	2	-	35
Vietnam	67	1,505	2,220
TOTAL	**2,920**	**1,589**	**13,750**

DETAIL OF SCOPE 1-2 EMISSIONS (TCO_2EQ) BY ENTITY

Scope: Group

Premises	Scope 1	Scope 2 – market-based	Scope 2 – location-based
Store network and administrative premises	1,375	80	11,301
Rhinov	-	4	4
Logistics – Distrimag	1,478	-	225
Production – Mekong	67	1,505	2,220
TOTAL	**2,920**	**1,589**	**13,750**

Contribution to global neutrality

As part of its trajectory to reduce our greenhouse gas emissions and in line with the 2022 objective of contributing to scopes 1 and 2 neutrality, the Group has committed to financing conservation projects and the sustainability of a carbon sink.

In 2022, through the purchase of certified carbon credits from ClimateSeed, Maisons du Monde contributed to the preservation of a forest rich in biodiversity of more than 150,000 hectares in the heart of Indonesia in close collaboration with local communities: 34 villages, employing 500 people locally.

CONTRIBUTION TO GLOBAL NEUTRALITY ON SCOPE 1-2

Scope: Group

CO_2 emissions Scope 1-2 *($tCO_2eq.$)*	2022
Total Scopes 1 & 2 emissions (market-based)	4,509

Contribution to neutrality	2022
Preservation and sustainability of a carbon sink	5,000

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

2020-2025 Plan	2022 Performance	Progress
Reduce the average surface energy intensity (kWh/m^2) by 45% at all our sites (stores and logistics) compared to 2016	-21%	
Achieve 100% renewable electricity in the energy mix of our sites (network and administrative premises)	99.7%	

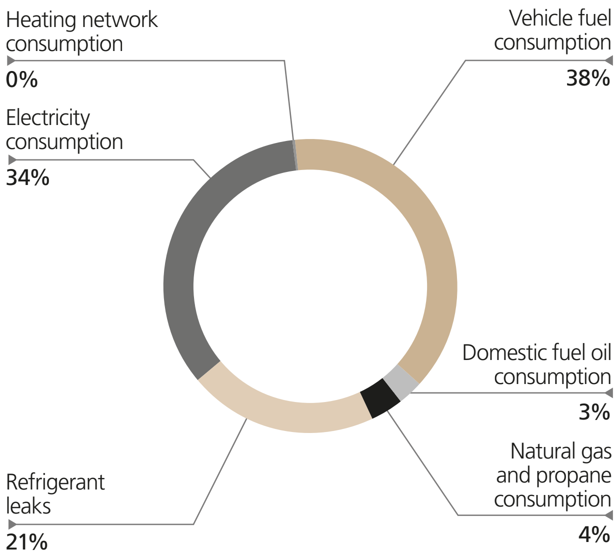
For the Maisons du Monde group, optimising energy consumption is a major environmental challenge in terms of preserving resources and combating global warming. Whether it is the energy needed for production operations, stores and warehouses, or fuel consumed by Distri-Traction commercial vehicles and 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.

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.

MAIN SOURCES OF GHG EMISSIONS IN SCOPE 1-2



ENERGY CONSUMPTION OF BUILDINGS AND PURCHASES OF RENEWABLE ELECTRICITY

ENERGY CONSUMPTION OF BUILDINGS – GROUP

Scope: Group - 100% of energy consumption

Energy *(MWh)*	2022	2021	2020	2019	2018
MDM network and administrative sites	56,920	56,404	54,487	65,388	64,417
Rhinov	79				
Logistics	6,457	6,153	7,224	11,418	10,001
Production	5,313	4,452	5,077	5,066	4,230
GROUP TOTAL	**68,770**	**67,010**	**68,976**	**81,872**	**78,618**
% renewable energy	**92%**	**91%**	**84%**		

3

ENERGY CONSUMPTION OF BUILDINGS – GROUP

Scope: Group - 100% of energy consumption

Energy *(MWh)*	2022	2021
Non-renewable electricity	3,733	4,266
Renewable electricity	63,431	60,791
Heating network	454	832
Natural gas	451	415
Domestic fuel oil	378	363
Propane	323	343
RENEWABLE ENERGY	**63,431**	**60,791**
TOTAL ENERGY	**68,770**	**67,010**
% renewable energy	**92%**	**91%**

AVERAGE SURFACE ENERGY INTENSITY

Scope: Network, administrative premises & Distrimag - 92.2% of energy consumption (1)

		2022	2021	2020	2016
Energy Network (stores and administrative premises)	MWh	56,920	56,404		
Energy Distrimag	MWh	6,457	6,153		
Network (stores and administrative premises)	kWh/m^2	100	99	100	156
Logistics (buildings)	kWh/m^2	15.4	15.4	16.8	22.0
INTENSITY (LOGISTICS & NETWORK)	**KWH/M^2**	**64**	**64**	**63**	**82**

(1) *Mekong is excluded from this indicator as the energy intensity reported in kWh/m2 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.*

The area energy intensity is stagnant with a more significant upturn in activity showing the effectiveness of the actions deployed in 2022.

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 2022, the total energy consumption of the administrative buildings and stores in the Maisons du Monde network remained stable at 56,960 MWh despite a more significant recovery in activity demonstrating efforts to reduce energy consumption.

ENERGY CONSUMPTION OF BUILDINGS – NETWORK AND ADMINISTRATIVE PREMISES

Scope: Network & administrative premises

Energy *(MWh)*	**Electricity**	**Heat network**	**Natural gas**	**Domestic fuel oil**	**2022**	**2021**	**2020**	**2019**	**2018**
Stores	55,228	454	282	0	55,964	55,296	53,326	64,174	63,124
Administrative premises	813	0	72	71	956	1,137	1,161	1,214	1,294
TOTAL STORES AND ADMINISTRATIVE PREMISES	**56,041**	**454**	**354**	**71**	**56,920**	**56,433**	**54,487**	**65,388**	**64,417**

Optimising energy consumption 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 use, through the engagement of the network of *Good is beautiful* ambassadors.

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 for a period of three years for the entire French store network. The certification was successfully renewed in 2022. 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 the Group's energy performance.

In conjunction with the ISO 50001 certification process, the Group's Technical Department teams and stores continued their efforts to reduce the average surface area energy intensity of Maisons du Monde stores through two major areas:

- Rolling out an energy sobriety plan focused on the significant energy uses previously analysed by Maisons du Monde:
  - Reducing the use of heating and air conditioning: the flagship measure of the energy sobriety plan concerns the new instructions on heating of premises. These new instructions limit the heating temperature of store sales areas to 18°C, and the temperature of employee and office premises to 20°C,
  - Reducing lighting for signs and shop windows: at the end of 2022, new lighting instructions for shop windows and signs in Maisons du Monde stores were set to reduce lighting periods. As a result, the time slots have been reduced;
- 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,
  - New energy performance monitoring indicators: in the course of 2022, a quarterly analysis tool of the energy performance of the Group's buildings was rolled out, thus making it possible to launch corrective actions for premises considered to be deviating from usual consumption levels.

These different measures make a direct contribution to optimising the Group's sites. So, in 2022, the stores and administrative premises of the Group consumed an average of 100 kWh/m^2, representing a drop of 36% compared to the reference year 2016 (156 kWh/m^2).

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 2022, 99.7% of 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 2022. The objectives, which are aligned with the CSR roadmap, are to achieve by 2025:

- a workplace accident frequency rate with lost time of less than 24 accidents per million hours worked;
- 100% renewable electricity in the energy mix of our premises;
- a 45% reduction in our average surface energy intensity compared to 2016;
- an 80% recycling and recovery rate for in-store waste.

In 2023, this policy will be communicated to all internal stakeholders and published on the Maisons du Monde corporate website for our external stakeholders.

Logistics

ENERGY CONSUMPTION OF BUILDINGS – LOGISTICS

Scope: Distrimag

Energy *(MWh)*	Electricity	Natural gas and propane	Domestic fuel oil	2022	2021(2)	2020 (1)	2019	2018
WAREHOUSES AND OFFICES	5,907	420	131	6,458	6,154	7,224	11,418	10,001

(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.

(2) Adjustment and correction of natural gas consumption data in 2021 in kWh LHV.

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 2022, energy consumption at Distrimag logistics sites totalled 5,907 MWh, a decrease of around 5% compared to 2021. In order to manage the monitoring of energy consumption, service provider invoices have been automated in the Deepki tool since 2022. Therefore, the Group can have a complete view of the energy in the store network, the administrative premises and now Distrimag.

In order to improve energy performance, the LED relamping operations were finalised in 2022, and all Distrimag buildings are now fitted with LED lighting. In addition, the installation of a battery charging management system is underway (70% complete), and the end of the project is scheduled for the first quarter of 2023.

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 2022, Mekong Furniture's activities generated energy consumption of 5,313,279 kWh.

ENERGY CONSUMPTION OF BUILDINGS – PRODUCTION

Scope: Mekong

			Total				
Energy *(MWh)*	Electricity	Domestic fuel oil	2022	2021	2020	2019	2018
ENERGY CONSUMPTION	5,137	176	5,313	4,452	5,077	5,066	4,230
Renewable electricity production	1,655		1,655	1,054			

Relamping actions have been rolled out at Mekong Furniture premises to cover 100% of buildings with LED lighting. In addition, in order to use mainly natural light and reduce the costs of electricity consumption, the windows and doors of the buildings are open during working hours, and transparent sheets have been installed on the roofs and sides of factory buildings.

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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 factory buildings. The facilities, with a capacity of 3.3 Megawatts, generated 1,654,926 kWh clean electrical energy, covering 62% of the production unit's electricity needs, *i.e.* 32% of the company's overall electricity consumption.

VEHICLE FUEL CONSUMPTION

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 2022 is estimated at 152,753 litres (35,066 litres of diesel and 117,687 litres of petrol) compared with 146,207 litres in 2021.

The 4% increase in fuel consumption in 2022 is mainly due to business recovery.

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 therefore 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 for commuting to and from work, 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 2022, this type of travel accounted for the consumption of an estimated 56,368 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 2022, this consumption amounted to 514,800 litres. The 21% decrease in consumption compared to 2021 is mainly due to the fall in volumes transported and the monitoring and action plan implemented for consumption.

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 tyres, and systematically retreads and regrooves rubber to improve their longevity.

In 2022, all stakeholders were involved in a project on monitoring fuel consumption. In this context, a shared indicator has been set up specifically to manage consumption, and consumption has been included in drivers' variable compensation. At the same time, geolocation monitoring has been integrated into 200 vehicles (*i.e.* the entire fleet) to identify empty journeys, reduce them and thus improve efficiency. Thus, we recorded an average reduction of 12% (40,000 litres of fuel not consumed in 2022).

Almost all of the fleet of light vehicles (company vehicles and inter-site vehicles), which accounts for around 5% of logistics business fuel consumption, has been replaced by hybrid and electric vehicles since 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 8,928 litres for 2022. This represented a 24% rise due to business recovery.

REFRIGERANTS

In addition to energy consumption, refrigerant emissions, particularly those associated with leaking air from conditioning units, are a major challenge for Technical 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	2022	2021	2020	2019	2018
Network – R407C	9.15	82	5	58	81
Network – R410A	466	297	41.4	201.4	301
Logistics – R410A	10.4	2.5	-	26	52
Logistics – R32	0	0.25	-	1.3	-
TOTAL	**485**	**381**			

Main sources of scope 3 emissions

In 2022, all calculations relating to the Group's greenhouse gas emissions were automated by the data team in an internal management tool audited by an independent third party. Thus, certain emission items are updated daily or monthly, which means that we can anticipate the effectiveness of the actions taken to achieve the objectives set in terms of reducing the Maisons du Monde carbon footprint.

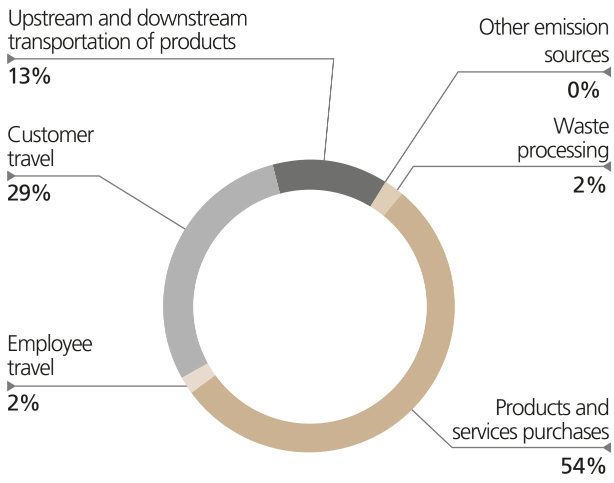
MAIN INDIRECT EMISSION ITEMS – SCOPE 3

Scope: Group

Emissions *($tCO_2eq.$)*	2022	2021	2018	GHG protocol cross-reference
Maisons du Monde product offering	244,064	273,213	266,099	1.
• Impact of raw materials and transformation	195,074	228,355	219,862	
• Product manufacturing (factories)	44,269	37,301	36,530	
• Non-marketable products	4,721	7,557	9,706	
Upstream transport of products (sea or air)	31,590	23,795	32,479	4.
Downstream transport of products (by road or rail)	29,613	33,934	25,999	9.
• Road freight	29,386	33,403	25,893	
• Rail freight	227	531	106	
Customer travel	132,319	121,463	154,932	9.*bis*.
Business travel (plane, train and short-term lease vehicles)	860	453	1,678	6.
Employee home/work travel	9,594	8,362	8,493	7.
Energy not included in Scopes 1 & 2	412	539	1,346	3.
Waste processing	6,716	5,509	2,424	5.
TOTAL MAIN SCOPE 3 ITEMS	**455,168**	**467,268**	**493,449**	

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

MAIN SOURCES OF SCOPE 3 EMISSIONS



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 54% of the Group's overall carbon footprint and therefore includes:

- the overall carbon footprint of its general purchasing (logistics packaging, catalogues, etc.) representing 4,721 tonnes of CO_2;
- the overall carbon footprint of all its products (from the extraction of raw materials to their arrival in the manufacturing plants of the Group's suppliers). Each year, Maisons du Monde assesses the carbon footprint of each of its products individually on the basis of product sales data, and information on their composition. In 2022, the carbon footprint of products represented 195,074 tonnes of CO_2;
- with the carbon footprint from the impact of its manufacturing plants (energy consumption) representing 44,269 tonnes of CO_2.

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%.

Efforts to reduce the environmental footprint of products are focused on three materials: polyester, cotton and polyurethane foam. In the course of 2021, the SKUs were identified as being the most emitting and therefore priority to be transformed given their composition, their weight or their high sales volumes. In addition, the use of recycled materials in our new products, which are far lower emitters and contribute to the circular economy, is increasing as we develop our collections. This contributes to reducing carbon intensity.

Also, in 2022, the Group identified suppliers of recycled fabrics and fillings, thus making it possible to secure purchases and buy in bulk to reduce prices and ensure both quantity and quality for 2023.

In early 2023, a life cycle analysis will be conducted on seven standard products identified as priorities due to their composition and sales volume. These LCAs provide a detailed assessment of the environmental impact of a product, from its design to its end of life on various indicators including greenhouse gas emissions. These new targeted eco-design drivers will accelerate the decarbonisation of our product offering.

CARBON INTENSITY OF PRODUCTS

Scope: Group - 100% of Maisons du Monde products sold

Carbon intensity *($KgCO_2eq$/products sold)*	**2022**	**2021**
Carbon intensity *($KgCO_2eq$/products sold)*	2.84	3.32

CUSTOMER TRAVEL

Customer travel to the Group's stores represents 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 9% increase in emissions compared to 2021 is directly related to the post-Covid business recovery.

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, Saint-Martin-de-Crau and Heudebouville.

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 2022 this upstream transportation accounted for 31,589 tCO_2eq compared with 23,795 tCO_2eq in 2021.

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;
- the choice of alternative and lower emission transport solutions: move towards "container carrier" fleets of 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;
- optimising container filling and using more 40-foot containers. In 2022, the container fill rate is around 98%, and 90% of the fleet is made up of 40-footers.

DISTRIBUTION OF UPSTREAM MEANS OF TRANSPORT

Scope: Group

	2022
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 2022, emissions from the road and rail freight of products to the Group's stores or customers accounted for 29,613 tCO_2eq.

In 2021, the Group committed to the FRET21 initiative by ADEME and AUTF. This enabled it to step up the specific commitment of reducing greenhouse gas emissions from downstream transportation of products, and making calculations of emissions associated with these flows more reliable.

Four major areas of progress have been identified:

- reducing the number of trucks through the deployment of bulk cargo. In 2022, savings achieved 31%, *i.e.* 1,676 metric tons of CO_2e;
- reducing the kilometres travelled by bringing the store distribution hubs closer to regional centres;
- selecting transportation partners committed to reducing CO_2 emissions (CO_2 charter or label);
- developing alternative modes of transport: less carbon-intensive fuels, rail transport, 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 0.2% of the Group's indirect greenhouse gas emissions. Thus, in 2022, these trips by Maisons du Monde and Distrimag employees generated around 860 metric tons of CO_2eq, compared to 453 tCO_2eq in 2021, an increase due to the resumption of post-Covid travel.

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.

3.2.2.2 Waste and packaging management, fight against waste

2020-2025 Plan	2022 Performance	Progress
90% of sites sort waste	92%	
80% of waste is sorted for reuse (excl. production)	58%	

Waste

Waste management is a real issue for the Group in reducing the overall environmental footprint of its business. By reducing waste at source, optimising packaging, selective sorting in 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 business activities at all stages of the life cycle.

VOLUME OF WASTE PRODUCED BY TYPE OF WASTE

Scope: Group excluding Rhinov - 99.9% of the group's m^2

tonnes	2022	2021	2020 (1)	2019	2018
Store network	11,646	8,601	7,386	10,945	11,135
Administrative premises	35	64	55	97	39
Logistics – Distrimag	3,199	4,628	4,902	4,977	5,497
Production – Mekong	4,072	3,686	3,943	4,014	3,377
GROUP TOTAL	**18,954**	**16,979**	**16,286**	**20,033**	**20,049**

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

VOLUME OF WASTE PRODUCED

Scope: Group excluding Rhinov - 99.9% of the group's m^2

Tonnes	2022	2021
Total recycled tonnages	12,653	11,067
Total non-recycled tonnages	6,259	5,883
Total hazardous waste	41.9	29.2
GROUP TOTAL	**18,954**	**16,979**
Percentage of recycled waste *(%)*	67%	65%
Percentage of waste sorted for reuse (excluding production) *(%)*	**58%**	**56%**

The Group's business generated 18,954 tonnes of waste in 2022 across its various activities. The 12% increase in waste tonnages compared to 2021 is mainly due to business recovery and the increase in waste production due to openings and closures of stores that did not exist in 2021.

NETWORK & ADMINISTRATIVE PREMISES

VOLUME OF WASTE PRODUCED – ADMINISTRATIVE PREMISES

Scope: Administrative premises

Tonnes administrative premises	2022	2021
Non-recycled waste	27.2	48.4
Recycled waste	8.5	15.7
Percentage of waste sorted for reuse *(%)*	24%	24%

VOLUME OF WASTE PRODUCED – NETWORK

Scope: Store network

Tonnes stores	2022	2021
Non-recycled waste	5,517	4,838
Recycled waste	6,130	3,762
Percentage of waste sorted for reuse *(%)*	**53%**	**44%**
Percentage of stores sorting cardboard and/or plastic *(%)*	**92%**	**92%**

The Group's stores mainly generate cardboard, plastic and polystyrene 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. Therefore, 92% of sites sorted waste in 2022.

Waste management from the stores and administrative premises of Maisons du Monde is centralised by the Technical Department in the head office for 76% 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, and is estimated according to the trend in waste production for all stores. 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.

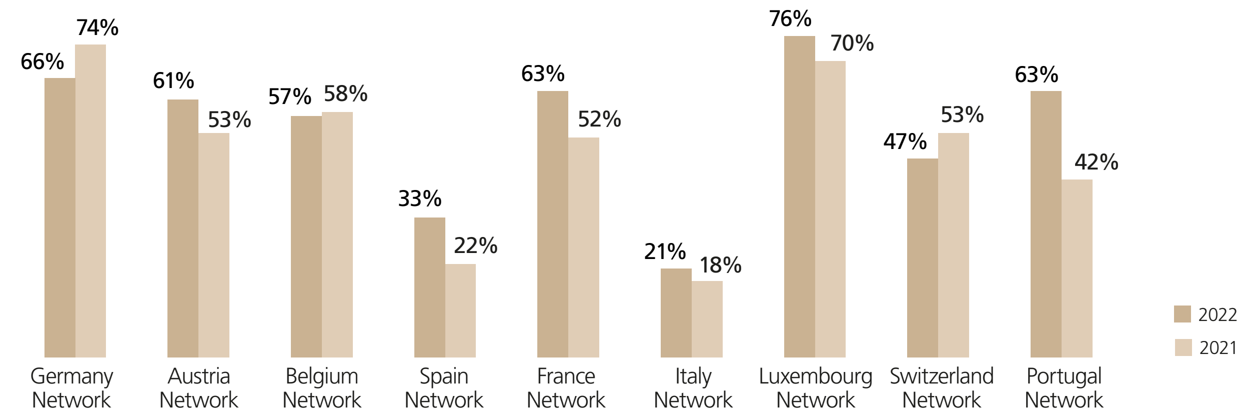
In 2022, the stores and administrative premises generated 11,682 tonnes of waste, including:

- 6,138 tonnes of cardboard or plastic sent to recycling companies;
- 5,544 tonnes of non-hazardous industrial waste (polystyrene).

This increase of 35% compared to last year is explained by a changing store base, which includes openings and closures leading to an increase in waste volumes. At the same time, a new type of wooden packaging has been created to protect fragile products, which has led to an increase in the weight of waste produced. Lastly, the increase in sales volumes at the end of the year is another reason for the increase in waste.

The overall rate of sorted and recovered waste increased by 9 points compared to 2021. This increase is explained by the fact that a new internal waste collection system is being implemented in France. Sorting instructions are being distributed to the entire network *via* the action and involvement of the *Good is beautiful* ambassadors, who will ensure that these instructions are complied with.

SHARE 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.

Stores in Spain and Italy still have the lowest waste sorting and recycling rates compared to rates for all stores. They are however likely to improve, due to the distribution of new internal sorting instructions and the awareness-raising carried out by the QSE coordination team. Consequently, stores in Spain have a reuse rate of 33%, *i.e.* 11 points more than in 2022.

In France, the rate of sorted and reused waste increased by 11 points thanks to the distribution of new instructions and a new internal waste collection call module in stores. From now on, we will have better analysis of any failure to meet waste management targets for each site, so that we can define relevant action plans and immediate relevant corrective actions.

Lastly, Maisons du Monde has developed its network of local partner associations enabling them to take back certain used or broken products in store. At the end of 2022, more than 91% of the stores in the network and 99% of the stores in France had identified a local partner association.

A policy has been formalised to support donations to stores and make stores aware of this action. It helps to boost the regional social and community economy by promoting reuse and reducing store waste. These actions will be renewed and encouraged in 2023.

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 2022, the Logistics subsidiary's warehouse and offices generated 3,199 tonnes of waste, which breaks down as follows.

VOLUME OF WASTE PRODUCED – DISTRIMAG

Scope: Distrimag

Tonnes Distrimag	2022	2021
Hazardous waste	4.7	1.8
Non-hazardous waste	3,195	4,627
Non-recycled waste	706	985
Recycled or recovered waste	2,493	3,644
Percentage of waste sorted for reuse *(%)*	**78%**	**79%**

In 2022, sorting of waste in the warehouses and offices of the Logistics entities ensured that 78% of the waste generated by Distrimag was recycled or reused. It should be noted that tonnages of waste from the Logistics business decreased in 2022 thanks to the continuous efforts of the EVA division to reintegrate certain furniture and decoration items into reuse circuits, thus reducing tonnages of HFW and NHIW. A 28% decrease in NHIW tonnage was observed in 2022 compared to 2021.

In 2023, new sorting channels will be rolled out and an improvement in the recycling of plastics will be implemented.

Repairs and partnerships with social and solidarity-oriented structures

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*) Department aims to improve the waste recycling ratio, primarily by reducing the volumes of products from customer returns directed towards recycling and optimising refurbishment and repairs.

The EVA Department is equipped with an "EcoCentre" service with specific repair skills offered by wood, leather and textile workers. Products from customer returns that can be repaired or refurbished are thus reintegrated into new stock. In 2022, a new production line was implemented which specialises in sofas, increasing the overall repair rate.

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.

VOLUME OF WASTE RECONDITIONED, REPAIRED OR DONATED

Scope: Group

	2022	2021
Number of products refurbished	37,432	28,823
Number of products repaired	25,371	22,807
Number of products donated	110,527	114,110

In 2022, the EVA division increased the number of products repaired and refurbished to be returned to stock compared to 2021 (+22%). 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:

- wood and veneer waste from the processing of raw materials or semi-finished products. This waste is collected by an external company to be recycled into 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 for recycling;
- household 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 Mekong	2022	2021
Hazardous waste	37.2	27.4
Non-hazardous waste	4,035.2	3,658.5
Non-recycled waste	51	41
Recycled waste	4,021.74	3,645.41
Percentage of waste sorted for reuse *(%)*	**99%**	**99%**

The total tonnage of waste generated by the activity of the Mekong Furniture factories increased significantly in 2022 following the closure of the Mekong 2 factory, which resulted in various types of waste.

With a real desire to use recyclable packaging, Mekong Furniture also seeks to optimise it 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	2022 Performance	Progress
100% of packaging is recyclable	100% of packaging used at check-outs and 96% of packaging used in logistics are recyclable	▮▮▮▮

SUPPLIERS PACKAGING REQUIREMENTS

In 2022, Maisons du Monde asked a consulting firm to support it in carrying out an inventory of the main packaging materials used by the Group's suppliers, and in identifying the main challenges associated with the materials used.

Following this study, several commitments were defined by Maisons du Monde in order to favour the use of bio-sourced, certified and/or recycled materials, and to limit the presence of non-recyclable materials, in line with the obligations imposed as part of the implementation of the AGEC law (Acting against Waste and Promoting the Circular Economy).

In 2023, the focus will be on integrating Maisons du Monde's action plans into the specifications sent to suppliers, and on supporting them in identifying technical solutions to reduce the environmental impact of packaging.

PURCHASES OF PACKAGING OF THE GROUP

In order to continue the efforts initiated to reduce the environmental impact of in-store packaging and continue to raise customer awareness of more responsible consumption, the 2021 trial of the provision of reusable large-format bags was continued in 2022. At the same time, a system to challenge stores on their consumption was devised in 2022 and will be rolled out in early 2023, with the aim of reducing the use of packaging by re-examining consumption habits in relation to customer needs.

Awareness-raising actions in our stores continue through the dissemination of informative and specialised content on more responsible checkout packaging, such as bubble wrap made with at least 50% recycled materials and 100% recyclable & reusable materials. The stores are therefore now more aware of their role in the reuse of packaging and overwrapping of products.

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, Distrimag 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 this cardboard by customers, specific sorting instructions are attached.

Finally, to accelerate efforts to reduce packaging quantities, support from a specialised firm was set up in April 2022 to identify and implement several optimisation drivers: optimising purchases, reviewing designs and uses, and the search for less impactful recycled and recyclable materials. Several cardboard alternatives that are lightweight in their design and a reduction in the thickness of the stretch films are being approved for deployment in 2023.

PACKAGING VOLUME

Scope: Group - 100% of group packaging

Tonnes of packaging	2022	2021
Network packaging tonnages	917.1	821.8
Logistics packaging tonnages	2,107.4	3,861.5
TOTAL PACKAGING TONNAGES	**3,024.6**	**4,684.3**
Tonnes of packaging/M EUR revenue	**2.44**	**3.49**

VOLUME OF PACKAGING BY RESPONSIBLE MATERIAL

Scope: Group - 100% of group packaging

Packaging tonnages	Tonnage 2022 (1)	Recycled tonnes	Recyclable tonnes	Certified tonnes
Plastic	858.12	115.4	769.6	
Wood	91.52		91.52	91.52
Paper/cardboard	2,028.7	1,703.5	2,007.01	1,227.7
Textiles	46.23		46.23	
TOTAL	**3,024.6**	**1,818.8**	**2,914.34**	**1,319.23**

(1) A packaging SKU can be recycled, recyclable or certified. Thus, the total tonnage for 2022 is not equal to the sum of the recycled, recyclable and certified tonnages.

CATALOGUES, COMMERCIAL PUBLICATIONS & PAPER

In 2022, Maisons du Monde accelerated the digitisation of its catalogues, with the autumn-winter 2022 catalogue and Kids 2022 only distributed in digital format. Only the spring-summer 2022 and business catalogues were printed. An effort was also made to reduce the number of pages by 53% (312 total pages compared to 660 pages in 2021). In 2023, all of the collections will be presented in digital format except for the business offering, whose technical catalogue will continue to be printed. It is around 50 pages long and intended for professional customers.

At the same time, Maisons du Monde has been issuing digital receipts in France since March 2022. This system will be rolled out internationally in 2023, and will be supplemented by digital card receipts.

VOLUME OF COMMERCIAL PUBLICATIONS

Scope: Group - 100% of the Group's commercial publications

Commercial publications	Tonnage 2022	Recycled tonnes	Recyclable tonnes	Certified tonnes
Paper/cardboard	1,019.5	0.04	1,019.5	1,015.38

3

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 on the corporate website) directly contributes to the traceability of supply chains and the responsible management of resources. Concerning wood and leather, the geographies most exposed to deforestation are excluded from the Group's supplies, and the offering of more responsible products (certified, traced or recycled) 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 3.3.1.1 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. In 2022, a new warehouse was opened in Normandy with BREEAM Excellent building certification;
- 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.

Lastly, Maisons du Monde will work in 2023 to calculate the impact of its activities on biodiversity in order to put in place an action plan on the subject and include it in the same way as carbon in its overall environmental 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. In 2023, water consumption will be monitored on the basis of invoices for the entire European scope. The data will be integrated into our energy monitoring tool (Deepki) so that we have an overall vision of our challenges in this area.

However, water consumption is monitored on the logistics sites and represented 21,058 m^3 in 2022.

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.

Each Mekong Furniture site has a wastewater treatment centre (domestic and industrial). Each centre meets environmental standards and specifications. Tests are carried out periodically to compare and inform of any discrepancies.

VOLUME OF WATER CONSUMED

Scope: Distrimag and Mekong - 45% of the group's m^2

M^3 of water	2022	2021
Distrimag	21,058	18,440
Mekong	20,713	24,789
TOTAL WATER CONSUMPTION	**41,771**	**43,229**

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.

Distrimag complies with its regulatory obligations related to classified facilities (ICPEs), particularly with regard to air, water and soil emissions or noise pollution.

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.

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

2020-2025 Plan	2022 Performance	Progress
EUR 10 million donated to associations thanks to ROUNDING UP at check-outs (since 2016)	EUR 6.8 million donated to associations	
30 million customer donations collected thanks to ROUNDING UP at check-outs (since 2016)	19.2 million micro-donations made	
40,000 people informed (since 2016)	11,700 people informed	

Active since 2016, the purpose of the "Maisons du Monde Foundation" (MDM Foundation) endowment fund, a sponsorship organisation set up by the Group, is to carry out a general interest mission to protect trees around the world. This mission is carried out through support for associations and the organisation of awareness-raising programmes.

In total, 33 non-profit projects were supported in 14 countries, and EUR 464,695.49 was collected by four partner associations, with 2,709,231 million donations from Maisons du Monde customers made through ROUNDING-UP at check-outs.

NUMBER OF PROJECTS SUPPORTED AND FINANCED BY THE MDM FOUNDATION

Scope: MDM Foundation

	2022	2021
Number of projects supported by the MDM Foundation	33	33
Number of countries involved	14	15
Number of customer donations collected through “ROUNDING-UP” at check-outs to support associations supported by the MDM Foundation	2,709,231	3,238,378
Amount collected thanks to “ROUNDING-UP” at check-outs	EUR 464,695.49	EUR 586,854.51

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;
- Julien VIGOUROUX, Supply Chain Director of Maisons du Monde and Treasurer of the MDM Foundation;
- Stéphanie SOUCHON, HR Operations Manager of Maisons du Monde and Secretary of the MDM Foundation;
- Raffaella LAMBRI, Director of the Maisons du Monde International Network and Director of the MDM Foundation.

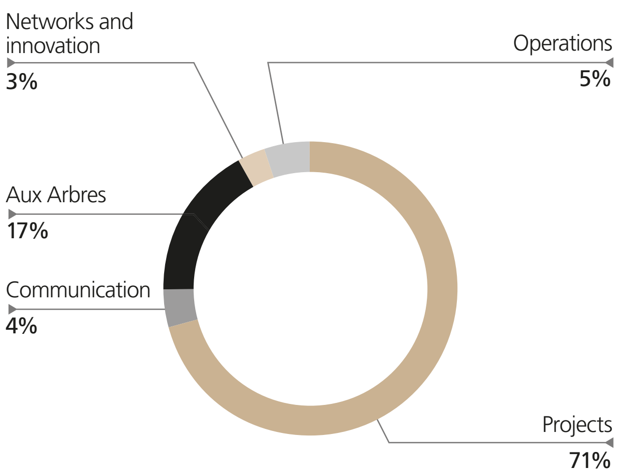
This Board meets at least once a year to define the main strategic guidelines.

An expert committee, which includes five external 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 5.2.3). In 2022, resources amounted to EUR 1,073,057, plus an additional endowment of EUR 325,000. This additional allocation was made as part of the share buyback programme carried out by the Group as part of the 2022 ESG focused share buyback programme. The total allocation made by Maisons du Monde to the Maisons du Monde Foundation endowment fund therefore amounted to a total of EUR 1,398,057.

BREAKDOWN OF RESOURCE USE



3.2.3.3 Projects

Support actions in the field

In 2022, 33 projects were financed thanks to an endowment from the MDM Foundation and to the ROUNDING-UP at check-outs in Maisons du Monde French stores:

- 20 forest preservation projects in 10 southern countries;
- 13 non-forest tree preservation projects in Europe (11 of which in France).

The selection of new projects, submitted as part of a renewal of partnerships and a call for projects, focused on the impact of associations on the ground, their environmental and social-economic approach and the strengthening of skills. This last area will be monitored particularly closely.

An additional budget was set aside for two associations participating in Meetings for the Planet as part of the 1% for the Planet France network, for a reforestation project in France and a second participatory reforestation project in Tanzania.

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

Solidaritrips gives willing employees from the Group's workforce (from head office, the France network, the international network, Distrimag and Rhinov since 2022) the chance to be drawn at random to come and work with a tree protection association the ground, supported by the MDM Foundation. Each year, two associations are selected to host a group of employees.

After a two-year interruption during the pandemic, a first trip was organised in 2022 on the Île Saint-Honorat and in the Massif des Maures, in France. 12 employees went to find out more about this project to preserve rare and ancient fruit trees, led by the *Conservatoire Méditerranéen Partagé*.

The stay in Ecuador alongside the Ishpingo association, postponed several times since 2020 due to the pandemic followed by social unrest in the host country, was also held at the end of 2022. The seven employees selected at random in 2020 were able to find out more about and participate in the Amazon rainforest preservation project led by the association.

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 in France and abroad.

In six years, this scheme has raised nearly EUR 2.6 million through more than 19 million donations. Since 2016, 24 associations have been supported and promoted through ROUNDING-UP at check-outs.

In 2022, four associations received funding from the scheme: Ishpingo for its programme in Ecuador, the *Conservatoire Méditerranéen Partagé* for its actions in France, GRET for its programme in Madagascar and *Des Enfants et des Arbres* for its project in France. In 2022, the average participation was 33%.

<RE>CONNECTION TO TREES

Created by the MDM Foundation in 2018, our tree movement aims to raise awareness and encourage everyone to take action to protect trees. In 2022, the movement focused on the <Re>connection to trees through partnerships with festivals known for their environmental commitment: WE LOVE GREEN and *Nuits des Forêts*.

With WE LOVE GREEN, from 2 to 5 June 2022, the MDM Foundation stand offered festival goers the opportunity to take part in a virtual reality experience in the tropical forest in Panama, make plant crowns and jewellery, and calculate their daily impact on forests. Participants were also able to hang their wish in the symbolic tree created by designer duo Béton Puzzle and Laure Devenelle for the MDM Foundation.

To enable as many people as possible to experience its <Re>connection to trees experience, the MDM Foundation also partnered with the *Nuits des Forêts* festival in Marseille and Vigneux-de-Bretagne on 18 June, then in Morcenx-la-Nouvelle on 25 June, to offer new workshops in the heart of the forest.

From 2 to 13 June 2022, Maisons du Monde employees also completed as many steps as they could to help protect trees by participating in the "I walk for trees" sports challenge. Thanks to their actions, the Earthworm Foundation, supported by the Maisons du Monde Foundation since 2016, received an additional EUR 5,000 for its project in India.

3.2.3.4 Network & philanthropic innovation strategy

For the past two years, the Maisons du Monde Foundation has supported the development of the all4trees network, as well as the creation and coordination of a collective approach bringing together experts, project leaders and sponsors around the development of a common impact measurement methodology.

The endowment fund also participates in a working group coordinated by the French Committee of the International Union for the Conservation of Nature (IUCN), whose objective is to structure the network of French biodiversity associations. It was created to meet the growing needs of these organisations, both in terms of experience sharing, meetings, and financial requirements.

In 2022, the Maisons du Monde Foundation took part in a joint call for projects led by the Pays de la Loire region and a collective of biodiversity sponsors. Two associations were supported in the Nantes region for projects to promote trees in the city.

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 200 members and aims to develop philanthropy in France.

3.3 Social commitments

3.3.1 ESTABLISH LASTING RELATIONSHIPS WITH OUR SUPPLIERS

2020-2025 Plan	2022 Performance	Progress
100% of SKUs traced to the factory	Mapping of tier-1 factories – 98% of SKUs in the 2022 collection are traced	■■■■
100% of strategic plants meeting our social assessment criteria	86%	■■■□
100% of high-risk strategic manufacturing plants audited for their rank 1 or 2 environmental practices	68%	■□□□

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. The Group seeks to limit the number of partner suppliers, currently comprised of 1,286 tier 1 suppliers of which 94 strategic (representing 55% of purchase expenditure), as well as the number of product SKUs in order to better monitor its value chain and the related risks to transform its offering: framework agreements have been established to include the *Good is beautiful* prerequisites (on chemical substances and Code of conduct).

At the heart of the Group's roadmap, the work of supporting and monitoring suppliers has been extended to all Maisons du Monde suppliers, based on several criteria:

- all suppliers undertake to comply with the Group's requirements by signing the Supplier Code of Conduct;
- all supplier factories located in a country at risk must be audited on their social practices every two years, to be able to assess their social compliance in line with the Group's social requirements;
- Maisons du Monde's two own production plants, Mekong Furniture, located in Vietnam, are audited for their social and environmental practices every two years.

The Covid-19 health crisis, which continued in 2022, led to travel restrictions, lockdowns and even production plant closures in some of the Group's production countries. This situation, which is particularly prevalent in China, has led to delays in conducting physical social audits.

However, the health situation has largely eased, particularly in Europe, and thanks to the mobilization of internal teams and the cooperation of suppliers, 146 ICS social audits were commissioned in the factories in 2022 by Maisons du Monde, enabling the Group to achieve social compliance of 86% of its fleet of strategic plants, representing 96% of the purchasing volume of strategic suppliers.

Extending its efforts to trace its entire production chains and assess the social risk of all tier-1 plants in the context of the Duty of Vigilance law, Maisons du Monde has therefore mapped, assessed and recorded in its systems more than 1,793 existing plants, covering 98.3% of the product SKUs in the 2022 collection.

Lastly, the coordination of the purchases and supplier teams was strengthened in 2022, by sending *flashnews* to Maisons du Monde's internal teams and hosting webinars with suppliers, to enable the Group to maintain contact in the field. A major face-to-face and remote training session for internal teams was held to raise awareness among teams of social and environmental issues that may arise in production chains. Finally, the first tools were made available to the purchasing teams to identify potential social risks during site visits. These tools aim to engage and raise awareness among teams about these particularly crucial issues.

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 Suppliers Code of Conduct serves as common ground for managing social impacts in the supply chain.

This document, which sets out Maisons du Monde's social and environmental requirements, has been included in the contract sent to all suppliers since 2022. It covers 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

In order to be able to collaborate with Maisons du Monde, suppliers must sign the Code of Conduct, which has been appended to the contract since 2022.

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 2022. This tool allows Maisons du Monde to collect alerts reported anonymously.

Social audits and associated non-compliance issues

As part of the Group's vigilance plan since 2018, all Maisons du Monde suppliers are required to comply with the social requirements set by the Group. If the supplier is considered to be non-compliant *via* the social assessment process mentioned below, they are offered support.

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 control and monitoring procedures for social practices: identification of suppliers to be audited, types of audits commissioned, monitoring procedures and conditions for disengagement in the event of non-cooperation. This policy was built with the Purchasing Department and is sent to all suppliers prior to the annual social audit campaign.

2022 was characterised by the implementation of a social assessment system for all Group suppliers to indicate their social performance. Each supplier's social compliance is assessed based on a social audit report, required by any factory manufacturing for Maisons du Monde. A corrective action plan can then be drawn up and adapted to the social risk identified. Maisons du Monde recognises only four international social audit standards: BSCI, ICS, SEDEX/SMETA and SA8000 (also a certification) in order to ensure the robustness of the audit report. Any other audit standards presented by a supplier are not recognised, and the plant is then considered unaudited.

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 social assessment mechanism is therefore based on three risk levels: low, moderate and high. Only a low level of risk allows the factory to be considered as compliant (OK) with the Group's social requirements. The other two risk levels imply that the factory must improve and become compliant (it is then considered NOK). The three risk levels can be characterised as follows:

Social assessment of each plant	ICS AUDIT Assessment based on an audit score (from A to E)	OTHER STANDARDS (BSCI/ SMETA/SA8000) Assessment based on identified non-compliance	Recommended action plan
OK - LOW RISK	A/B/C	≤ 5 major compliance issues (NC) and 0 critical NC	Factory compliant. **Re-audit within 24 months.**
NOK - MODERATE RISK	D	> 5 major NCs and 0 critical NC	Improvements needed. Re-audit within 12 months. **Factory must be compliant within 18 months.**
NOK - HIGH RISK	E	> 0 critical NC	Improvements necessary and rapid. Re-audit within 6 months. **Factory must be compliant within 12 months.**
	The factory has not been audited within 2 years.		**Mandatory audit within 6 months.** The Purchasing team will be notified of any audit refusal.

Maisons du Monde has been a member of the Initiative for Compliance and Sustainability (ICS) since 2017 with the aims 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 is a multi-sector initiative (agri-food, clothing, decoration, furniture, etc.) with more than 60 members, allowing for collaborat with many other stakeholders on similar issues.

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.

Then, for potential 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:

- Mandatory 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 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 plant's compliance with social practices. Specific support is put in place based on these criteria to enable each factory to meet the Group's social requirements.

Lastly, Maisons du Monde launched a pilot project in September 2022 with the NGO Earthworm Foundation on social and environmental risks in production chains, beyond tier-1. For this pilot project, which will conclude in the first half of 2023, Maisons du Monde has chosen six suppliers based in India, considered strategic, to look into their tier-2 and -3 rankings. This pilot project focuses on four materials considered to be at risk for Maisons du Monde: wood, metal, textiles and leather, and is divided into three main stages. Initially, Earthworm contacted and supported these selected suppliers to indicate their entire production chain to the Group. This first step was completed in December 2022. The second stage, which began in January 2023, consists of a dozen on-site visits by the NGO to the identified factories, to verify potential social and environmental risks. Finally, following these visits, Earthworm will produce guidelines to be sent to suppliers in order to indicate the risks present on these production lines and potential solutions to remedy them.

SOCIAL AUDITS BY TYPE

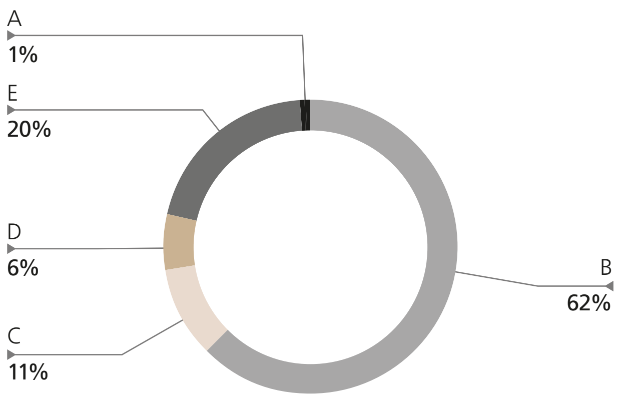
Scope: Group

	2022 (1)	2021	2020	2019	2018
ICS audits ordered by MDM	146	135	129	87	49
ICS audits at shared factories, ordered by other members	44	13	16	14	14
Social audits under other international standards (BSCI, SMETA with no critical non-compliance)	444	79	4	-	-
TOTAL	**634**	**227**	**149**	**101**	**63**

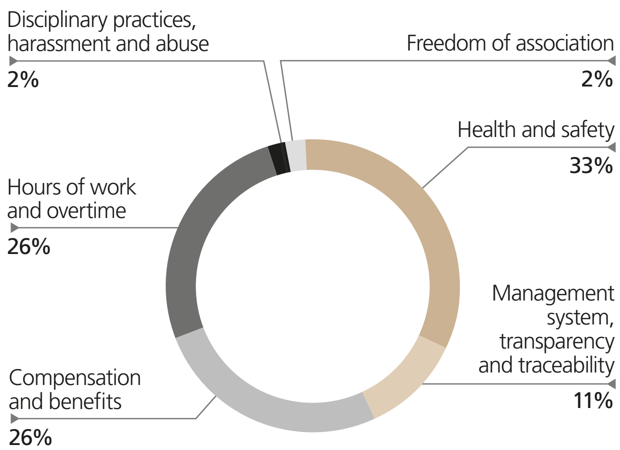
(1) Data for 2022 relate to strategic suppliers located in a country at risk. In previous years, data related to strategic suppliers only.

In 2022, 146 audits were initiated by Maisons du Monde based on the ICS framework, and 44 social audits were commissioned by other members of the initiative on suppliers shared with Maisons du Monde. In addition, 444 audits were carried out in 2022 according to other standards recognised by Maisons du Monde. The number of social audits almost tripled between 2021 and 2022.

RATING OF ICS AUDITS AT MAISONS DU MONDE SUPPLIERS IN 2022



MAIN NON-COMPLIANCE IN THE RESULTS OF SOCIAL AUDITS



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 mapping 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. Around 15 raw materials were assessed for their environmental risk.

This environmental approach was ramped up in 2022 with the conduct of 42 ICS environmental audits, focused on Maisons du Monde's "tier-2" suppliers in the textile and metal sector, considered to be the most at-risk materials. Suppliers are audited *via* the ICS framework, based on eight main areas:

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.

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.

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. In line with this objective, Maisons du Monde focused on strategic manufacturing suppliers using at least one material considered to have a high environmental risk during the production processes.

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

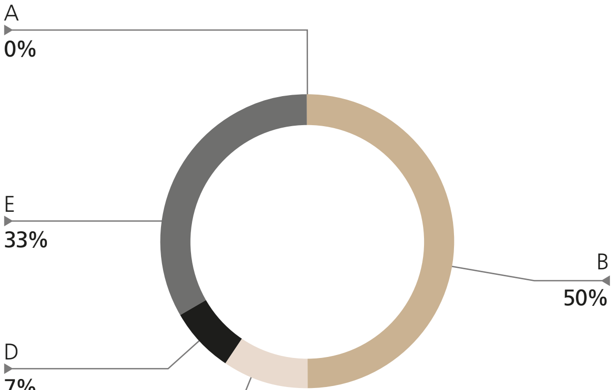
In addition, in the second half of 2022, the ICS and the International Trade Center launched an environmental checklist for suppliers enabling them to self-assess their environmental practices, including energy use, water use, waste and wastewater. This monitoring tool, which is used in addition to the ICS environmental audit, was sent to around ten of our suppliers so that they could manage this data. In 2022 the project was still in its pilot phase, and should be officially launched in 2023 and sent to all our strategic suppliers.

ENVIRONMENTAL AUDITS BY TYPE

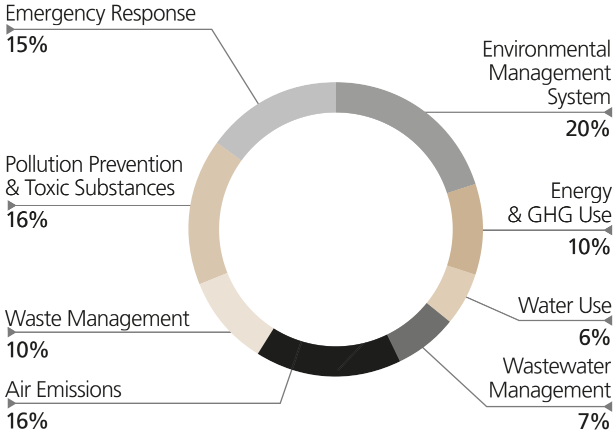
Scope: Group

	2022	2021	2020
ICS audits ordered by MDM	31	6	0
ICS audits at shared factories, ordered by other members	11	3	4
TOTAL	**42**	**9**	**4**

RATING OF ICS ENVIRONMENTAL AUDITS



MAIN NON-COMPLIANCE IN THE RESULTS OF ENVIRONMENTAL AUDITS



As indicated previously, the ICS environmental audit verifies the current practices of suppliers. After this audit, each plant is assessed on its actual level of risk. Each risk level (low, moderate, high) gives rise to an appropriate action plan. Maisons du Monde is currently in the process of assessing the environmental practices of suppliers. Subsequently, this environmental performance will be incorporated into our supplier vetting procedure.

Following the environmental audit, Maisons du Monde undertakes a support process with each supplier by automatically introducing a corrective action plan with a compliance deadline. This deadline varies according to the level of criticality of the non-compliance issue identified during the audit. At the same time, a meeting is scheduled with the supplier to present the non-compliance issue identified by the auditor, identify possible improvements already made and answer any questions that may arise. Suppliers do not always fully understand environmental issues, so it is essential for Maisons du Monde to support and raise awareness among suppliers as far as possible.

3.3.1.2 Training of teams and suppliers

Supplier training

2022 was characterised by a desire to extend training to all Maisons du Monde suppliers, and not only to strategic suppliers. With this in mind, a webinar dedicated to the Group's social requirements was organised during the year for all Chinese traders (strategic and non-strategic). This webinar, delivered in English and Chinese to improve understanding, aimed to present the necessary actions that each trader must put in place to ensure the social compliance of its factories. On this occasion, the concept of "shared responsibility" was presented to traders in order to explain to them that Maisons du Monde and the supplier jointly bear the responsibility for the social compliance of each plant, and must work together to improve the social conditions of the factories. This webinar was also open to the offering teams, to promote continuous awareness of our social requirements. Around 70 Chinese supplier traders (*i.e.* 26% of all Chinese traders) and around 50 employees of Maisons du Monde attended.

In addition, the project launched in 2021 in partnership with the Hong Kong-based consulting firm Mind Up on the responsibility of traders in the social compliance of factories, continued in 2022. In addition to site visits to assess the level of responsibility of the strategic trader chosen to lead this project, many proposals and opportunities for improvement were presented to the trader. This pilot project will subsequently be extended to other traders collaborating with Maisons du Monde.

In parallel with these actions, and for the first time, Maisons du Monde's social requirements were formalised and sent to all suppliers. These documents, written in English and Chinese, come in two versions: a version focused on social requirements for manufacturers, and a version for traders. Each version has requirements adapted to the type of supplier. These guidelines were launched in the first half of 2022, and will be updated annually. Specifically, they were reviewed at the end of 2022 and shared with all suppliers and the offering teams in January 2023. This update forms part of a continuous improvement process for plants.

These actions, carried out in 2022, aim to meet Maisons du Monde's ambition to have all its suppliers trained on social and environmental requirements by 2025.

Training of offering teams

In 2022, Maisons du Monde decided to expand the scope of internal teams aware of the social and environmental challenges of production chains. In addition to purchasing, the quality, style and collections teams have also been identified as priorities for these training and awareness-raising sessions. continued this process for internal teams in 2022, by organising *flashnews* focused on current economic, political, social and environmental issues in Asian production countries. These *flashnews* are issued every six months, in partnership with the consulting firm Mind Up, based in Hong Kong and therefore close to the ground.

In addition, in September 2022, two major training sessions were organised for internal teams (purchasing, style, collections and quality), run as hybrid face-to-face and remote sessions, to raise awareness among teams of the social and environmental issues that may arise in the production lines. These training sessions were co-organised with Mind Up. Each session was attended by around 60 employees.

In addition, the first tools were made available to internal teams in order to be able to identify potential social risks during on-site visits. In particular, a checklist was distributed to the offering teams in order to be able to identify potential social risks during plant visits. It lists around ten points, focused on non-compliance issues critical for Maisons du Monde, which can be easily verified during visits. These tools aim to engage and raise awareness among teams about these particularly crucial issues.

Finally, a training and awareness session on social and environmental issues is held for all new Maisons du Monde employees who are part of the offering teams. These training sessions present the challenges for the Group as well as the actions implemented to date.

3.3.2 MAISONS DU MONDE'S HR POLICY

2020-2025 Plan	2022 Performance	Progress
80% of employees recommend Maisons du Monde as a good employer	63%	
4% of employees with disabilities in France	2.1%	
Reach 300 work-study students as of 31/12	172	
50% of women among the Top 100 highest-paid employees	47%	
A gender equality index of at least 90/100	91/100	
100% of managers trained in management	65.2%	
An occupational accident frequency rate with lost time of less than 24 accidents per million hours worked (store network)	27.39	

To continue rolling out its HR policy launched three years ago, Maisons du Monde this year defined its four new values in line with its Purpose: **OPTIMISM, CREATIVITY, APPROACHABILITY AND ENGAGEMENT**.

These new values reinforce the ambition to be an "inspiring, warm and sustainable" employer and to embed long-term **equal opportunities** in each of the HR programmes; linked to commitment #3 of the *Good Is Beautiful* movement.

The three priorities of the 2025 HR plan are to:

- reduce staff turnover;
- maintain a high level of team engagement;
- implement effective Human Resources management and governance at Group level.

Consequently, the Group's HR policy is based on four major issues:

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 and responsible leadership;
4. Steer human resources management in a context of international development and strengthening of internal control processes.

In 2022, several projects were set up to help the Group's people grow at each stage of their career: onboarding, skills assessment and development, approachability and support and the development of equal opportunities and well-being at work.

The fourth "YOUR VOICE FLASH" engagement survey, rolled out in October 2022 to all Group employees in Europe, showed a still high level of engagement from our teams despite a disruptive external context.

In 2022, Maisons du Monde ranked sixth in the ranking of women in the governing bodies of SBF 120 companies, and in third position among companies committed to diversity for the retail sector (Capital ranking).

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 2022, the Group had 8,108 employees (7,140 full-time equivalents), down 6% compared to 2021.

GROUP WORKFORCE BY GEOGRAPHICAL AREA AND BY ACTIVITY

Scope: Group - 100% of the workforce

	2022	2021	2020	2019	2018
France Network	2,928	3,200			
Logistics	743	776			
Headquarters France	1,018	1,078			
Rhinov	85	84			
Total France	**4,774**	**5,138**	**5,115**	**5,020**	**4,496**
Europe Headquarters	37				
Store network Europe	2,412	2,645	2,318	2,413	2,138
Production plant in Asia	885	868	1,031	1,026	896
TOTAL	**8,108**	**8,651**	**8,577**	**8,628**	**7,648**

Nearly 60% of employees work in France. Overall, the workforce fell very slightly (-6%). The Mekong production factory in Vietnam accounts for 11% of the Group's employees.

Two-thirds of employees work in stores within the Maisons du Monde store network.

BREAKDOWN OF WORKFORCE BY CONTRACT TYPE

Scope: Group - 100% of the workforce

		2022	2021
Permanent contract	Women	4,409	4,462
	Men	2,128	2,152
Fixed-term contract	Women	953	1,283
	Men	618	754
TOTAL		**8,108**	**8,651**
Proportion of female employees		**66%**	**66%**

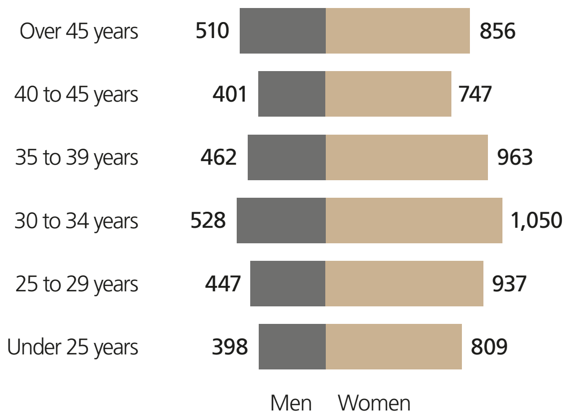
Over 80% of employees have permanent contracts. The average length of service of employees on permanent contracts is 4.87 years.

- Permanent contracts are prioritised in the network and the logistics business. The use of fixed-term contracts is mainly to replace absent employees and increased activity related to the Company's commercial seasons.
- As regards production in Vietnam, the number of fixed-term contracts (564) 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 2022, women represented 66% of the total workforce, as in 2021.

BREAKDOWN OF WORKFORCE BY AGE

The average age of employees is 35 years, stable compared to 2021.



BREAKDOWN BY GENDER, MEMBERS OF THE EXECUTIVE COMMITTEE AND LINE MANAGER

Scope: Administrative premises

	2022	2021	2020	2019	2018
Women	18	27	29	31	42
Men	29	32	26	34	34
TOTAL	**47**	**59**	**55**	**65**	**76**
Proportion of female employees	**38%**	**46%**	**53%**	**48%**	**55%**

BREAKDOWN OF STORE MANAGERS BY GENDER

Scope: Stores

	2022	2021	2020	2019	2018
Women	269	273	264	264	248
Men	79	82	84	87	78
TOTAL	**348**	**355**	**348**	**351**	**326**
Proportion of female employees	**77%**	**77%**	**76%**	**75%**	**76%**

Hiring, departures and local economic impact

Maisons du Monde is a local employment player, and continues to create jobs thanks to the opening of new stores in 2022 and the development of digital technology.

BREAKDOWN OF HIRES UNDER PERMANENT CONTRACTS BY GEOGRAPHICAL AREA [(1)]

Scope: Network of stores, administrative and Distrimag sites - 88% of the workforce

	2022	2021
France	899	812
Europe	363	222
TOTAL	**1,262**	**1,034**

(1) Mekong hires are excluded from this indicator, as fixed-term contracts are converted into permanent contracts after three years but are not categorised in the HR tools as a "hire".

BREAKDOWN OF PERMANENT HIRES BY GENDER AND AGE

Hires in 2022	Total	- 25 yrs	25-29 yrs	30-34 yrs	35-39 yrs	40-45 yrs	+ 45 yrs
Women	882	270	186	144	110	77	95
Men	380	112	87	65	45	41	30
TOTAL	**1,262**	**382**	**273**	**209**	**155**	**118**	**125**

In 2022, 1,262 employees were hired under permanent contracts (1,034 in 2021). 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 - 100% of permanent employees

	2022	2021	2020	2019	2018
France	1,334	1,043	865	1,272	1,148
Europe	443	242	179	245	286
Asia	75	76	52	79	30
TOTAL	**1,852**	**1,361**	**1,223**	**1,688**	**1,512**

BREAKDOWN OF DEPARTURES OF STAFF EMPLOYED UNDER PERMANENT CONTRACTS BY GENDER AND AGE

Departures 2022	Total	- 25 yrs	25-29 yrs	30-34 yrs	35-39 yrs	40-45 yrs	+ 45 yrs
Women	1,285	284	286	264	178	122	151
Men	567	118	137	104	77	66	65
TOTAL	**1,852**	**402**	**423**	**368**	**255**	**188**	**216**

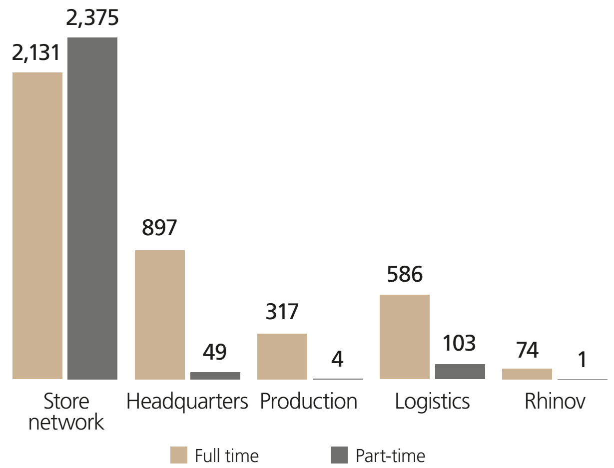
There were 311 dismissals in 2022 (281 in 2021). The average length of service of departing employees on permanent contracts is 3.39 years.

WORKING HOURS AT MAISONS DU MONDE

61% of employees in logistics, the production plant and head office are full-time. In the store network, more than 47% of employees are full-time.

As a result of its activities, the Group may use temporary staff to meet more specific demands, 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.

BREAKDOWN OF EMPLOYEES UNDER FULL-TIME/ PART-TIME PERMANENT CONTRACTS



Developing openness to the world: inclusion and diversity policy

In line with its purpose, Maisons du Monde has defined equal opportunities as being at the heart of its social and societal commitments and being an integral part of pillar 3 of its *Good is beautiful* movement. It takes the form of three actions:

- **gender equality** to strengthen leadership on this subject with real social advances and differentiation;
- developing the inclusion of **young people and social diversity** within teams for ever greater collective performance;
- the integration of **people with disabilities**, to meet legal obligations and develop team engagement.

Thus, a governance process led by the Group HR department was put in place with the creation of a Diversity and Inclusion division within the HR Development Department, in order to steer the development of the action plan included in our Group objectives.

All actions implemented on diversity and inclusion are reviewed by the Human Resources Director, who is responsible for these decisions.

DIVERSITY CHARTER

In order to go the extra mile, the Group has been a signatory of the "Diversity Charter" since 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.

INTEGRATION OF PEOPLE WITH DISABILITIES

Continuation of the Maisons du Monde disability agreement

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 2022, the Group's actions in the second year of deployment of the agreement, led to:

- 44 hires of people with disabilities (fixed-term contracts, permanent contracts, work-study contracts or internships);
- 4 employees have declared themselves to Mission Handicap to be recognised as workers with disabilities;
- 308 managers have been trained in the second module "Keeping an employee with a disability in employment".

These actions have increased the employment rate from 1.5% in 2021 to 2.14% in 2022.

Within the Group, in line with the initiatives taken in the area of disability in 2021 and early 2022, Distrimag also secured its ambitions for inclusion by signing its first company agreement on disability in partnership with existing trade unions.

The agreement was approved by DREETS in May 2022. It has been signed for 2022, 2023 and 2024 with a target of a 4% employment rate for workers with disabilities.

The Company's objectives are to keep its employees employed and promote the inclusion of workers with disabilities. This is reflected in the provisions identified in the agreement:

- ensure that employees with disabilities are not excluded from employment and can benefit from a career in the same way as an employee who does not have a disability;
- promote the integration and inclusion of employees with health conditions, and develop work-study programmes for workers with disabilities;
- fight against stereotypes and prejudices and equip internal players by communicating internally and externally;
- raise awareness and train teams;
- change practices to develop inclusive partnerships by promoting the use of adapted companies and offering employees salary rounding.

NUMBER OF WORKERS WITH DISABILITIES IN FRANCE

Scope: France network, administrative sites in France, Distrimag, Rhinov - 59% of the workforce

	2022	2021	2020
Number of workers with disabilities in the network	75		
Number of workers with disabilities on administrative premises	10		
Percentage of workers with disabilities in France	**2.14**	**1.5%**	**1.03%**
Number of workers with disabilities at Distrimag	31		
Number of workers with disabilities at Rhinov	1		
Number of workers with disabilities in France	**117**	**65**	**41**

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 future talent for recurring needs: store openings, work-study campaigns, etc.

Maisons du Monde has continued its recruitment actions, with a specific in-store programme called "*Pépites*", to target and support candidates with disabilities. Seven recruitments were made in 2022.

At Distrimag, 2022 saw the construction, implementation and integration of a new class of 15 workers with disabilities on a work-study programme. This group prepared a professional qualification for furniture renovation jobs and order picking.

The approach was used again in May 2022 by onboarding a group of nine temporary workers with disabilities, to prepare for a professional order picker qualification.

Retention in employment and workstation adjustments

Since 2021, the Employment Retention Unit has met twice a year to assess the various workstation adjustments to be put in place. It is composed of a member of the Prevention department, a member of the social affairs 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 (recognition of disabled worker status), disability, etc.) in order to raise awareness among potential beneficiaries and to support all our employees. Since May 2022, the choice has been made to entrust the management of job retention for employees with disabilities to an expert service provider in this area, for the sake of organisation but also to give employees more freedom to express themselves by going through an external partner.

In 2022, 33 workstation adjustment requests were processed (9% from head office; 88% from retail and 3% from Distrimag).

Lastly, Distrimag carried out its first workstation adjustment in November 2022 following the official launch of the disability approach.

Internal Communication and Awareness raising

Maisons du Monde launched Disability Week in 2018 to raise employee awareness on these issues.

This week was developed in 2022 to include the **three social commitments of disability, youth and gender equality** in order to raise awareness among all employees.

Several formats were offered during this week for all employees, including a webinar on inclusive recruitment, introductions to French sign language, a webinar for work-study students to share their experiences and an inspiring talk led by the Good For Women club (see Section 3.3.2.1).

In addition, in order to pursue its objective of raising awareness of disability, Maisons du Monde chose to sign a partnership with two young Paralympic athletes, who ran a sports challenge with staff throughout the week and throughout Europe.

At Distrimag, the approach was broken down into the **commitment month**. Various actions have been deployed, including visiting sites and communication with employees on the new disability agreement, and involvement of specialist organisations to inform and raise employee awareness about disability and RQTH. Awareness-raising actions were held with 425 employees.

In 2022, Maisons du Monde offered its French employees (head office and stores) the opportunity to participate in the " national event 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, **21** managers were paired with people with disabilities in November 2022, for European Disability Employment Week.

In addition to internal communication and in order to achieve the ambitions defined in the Maisons du Monde agreement, it is essential to train and raise awareness amongst managers. **Two modules** are mandatory for all retail and corporate managers:

- Module 1: Recruiting and integrating an employee with a disability;
- Module 2: Retaining an employee with a disability.

At Distrimag, in order to best integrate the **31 workers** with disabilities, **management teams** received training through the organisation *Théâtre à la Carte*. Given the onboarding of a worker with a hearing loss disability, the welcoming management team and the HR network were also trained on deafness.

NUMBER OF EMPLOYEES TRAINED ON DISABILITY

Scope: France Network and administrative premises (excluding Distrimag and Rhinov)

	2022	2021
Number of employees trained on disability	308	360

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, waste management from certain stores and, since 2021, has been working with a recruitment firm which provides support in this area.

In 2022, more than EUR 215,730 of purchases were made from the sheltered sector.

Accessibility work on points of sale

The accessibility of points of sale and the reception of people with disabilities in stores are key issues to which the Group is committed through two main action drivers: training for teams and fitting out buildings.

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.

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 part of this accessibility scheme and due to delays caused by the pandemic in 2020 and 2021, Maisons du Monde was able to obtain an extension from Ad'Ap 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 2022, 98.2% of French stores were compliant. Regarding the scope of our foreign stores, all of our sites are considered compliant. Thus, at the end of 2022, 98.8% of stores were compliant in Europe (France and abroad).

MAINTAINING AND DEVELOPING WOMEN'S RIGHTS

Gender equality, whether within the workforce or in management bodies, is now a real differentiating factor and asset for the Group.

As part of its annual review of the gender equality situation, the Board of Directors approved the Group's gender equality policy, at the recommendation of its CSR Committee. By 2025, this policy aims to achieve:

- 50/50 gender parity in the Group's top 100 employees, with no management committee having a gender balance of under 20%;
- a commitment rate among women that is equivalent to that among men, for equal positions and status;
- a gender equality index of at least 90 points.

Women represented 66% of the Group's workforce in 2022 and they have a strong presence in the Group's management bodies:

- 44% of Board members are women;
- Maisons du Monde has a female CEO: Julie WALBAUM;
- 50% of Executive Committee members are women;
- 47% of the Top 100 highest-paid employees are women.

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 sixth in the SBF 120 ranking of female representation in governing bodies in 2021.

New gender equality agreement

In order to help monitor its commitments, Maisons du Monde signed a new gender equality agreement with the trade unions in December 2022, which came into force for the period from 1 December 2022 to 30 November 2025.

This agreement was drafted around three main objectives in order to provide greater support to female employees:

- promotion and development of female leadership;
- work-life balance;
- parenting and health.

In order to bring the measures of this agreement to life, the Human Resources Department and the Good For Women club described below undertake to communicate them to staff and managers on a regular basis.

Women's empowerment

In order to raise awareness among teams about gender equality, promote initiatives aimed at improving the working conditions of women in the Company and develop female leadership, Maisons du Monde set up the "Good For Women" club in 2022.

This club, which meets every month, comprises ten employees involved at different levels of the Company, from corporate and network, with different backgrounds and different types of jobs in France.

Good For Women initiatives must work towards:

- **raising awareness** of women's interests and the issues that concern them (equal pay, career development, work-life balance, maternity, etc.) and thus change mentalities;
- **encouraging** the sharing of best practices among women in the Company;
- **inspiring** both female and male employees through meetings and thus opening up a range of possibilities;
- **increasing** the cultural dimension of the Company with a strong position for women and the implementation of concrete actions;
- **supporting** the implementation of employee benefits for women within Maisons du Monde.

Equal pay for women and men

Maisons du Monde is working to reduce the gender pay gap. In 2022, two new measures were applied: an individual increase in the average for each socio-professional category when returning from maternity leave, and the creation of an increased catch-up budget in order to achieve overall consistency on the average compensation for each role.

AVERAGE AND MEDIAN COMPENSATION OF FULL-TIME FEMALE AND MALE EMPLOYEES IN FRANCE (1)

Scope: France network, French administrative sites - 49% of the workforce

	Average salary, women	Average salary, men	Median wage, women	Median salary, men
Executive salary	37,080	46,720	33,491	42,075
Non-executive salary	20,525	20,645	20,308	20,308

(1) This indicator concerns employees present in 2022 (from 01/01/2022 to 31/12/2022).

DEVELOPING THE EMPLOYMENT OF YOUNG PEOPLE

Maisons du Monde has made the inclusion of young people a pillar of its diversity and inclusion policy. Maisons du Monde is a player in local recruitment through the diversity of its store locations, but also in terms of the diversity of its business lines. Thus, equal opportunities are applied at all levels of the recruitment process, and a number of systems have been deployed to ensure this principle across all business lines and recruit future talent. The recruitment of work-study students has continued, ensuring the diversity of the profiles recruited. The Group also launched new programs to support access to studies for all with the continuity of the mentoring program and the Sirius program (see Section 3.3.2.1).

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, committed to this programme in 2021 with a four-year plan through the implementation of a work-study development strategy. The Group thus strengthened its commitment in 2022 with the aim of considerably increasing its work-study workforce and reaching 5% in 2025.

In 2022, 172 (147 at MDM, 17 in logistics and 8 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. 26% of work-study students ending their contracts in 2022 were hired by Maisons du Monde group either on work-study contracts, on fixed-term contracts of at least six months, or on permanent contracts. This rate has been identified by the Group as a key area for improvement.

In 2022, Maisons du Monde also launched its **first year group of work-study students** in partnership with CFA Codis of the IGS Group, including 25 young people taking an undergraduate course in Sales and Marketing Management. All of these young people are welcomed in stores throughout France through work-study programmes.

NUMBER OF WORK-STUDY STUDENTS AT 31 DECEMBER

Scope: France Network, administrative premises, Distrimag and Rhinov

	2022	2021
Number of work-study students	172	156

Guidance & support for young people: mentoring and the SIRIUS programme

After partnering with the association Article 1 in 2021 to launch mentoring with the Dema1n.org programme, Maisons du Monde hopes to expand its offer by integrating **Banlieues School**, a new association that supports high school students from priority urban areas in France. This project will be launched in 2023 with corporate employees.

The aim is to support **500 young people** through the various mentorships by the end of 2025.

In November 2022, Maisons du Monde also became a partner of the SIRIUS programme with the Audencia business school, in order to help and cover part of the tuition fees of young people with the professional Baccalaureate starting a Bachelor's degree programme. The purpose of this programme is to enable young people not destined for higher education to join a top French business school, and thus develop equal opportunities.

Developing the employability of our teams

CAREERS, EMPLOYABILITY AND INTERNAL PROMOTIONS

Maisons du Monde strongly promotes internal mobility but also internal promotion, in order to develop the employability of its talented staff but also to continue to maintain its culture and know-how. Each position is open both externally and internally. Each request for an internal transfer results in discussions with the recruitment service and human resources, which enables employees to take advantage of HR support and assess their skills and know-how.

NUMBER OF INTERNAL PROMOTIONS

Scope: Group - 100% of the workforce

	2022	2021	2020	2019	2018
Store network	212	200	215	250	247
Logistics	10	41	36	94	72
Production	84	71	92	102	102
Head office	135	98	69	101	100
Rhinov	3	1	21	10	-
TOTAL	**444**	**411**	**433**	**557**	**521**
Percentage of women from internal promotion	**66%**				

In 2022, 444 people were promoted internally.

Women also benefit from internal promotions, especially in the network and at the Maisons du Monde head office, including in 2022:

- 67% of women in internal promotions at the head office;
- 77% of women in internal retail promotions;
- 50% of women in internal Distrimag promotions;
- 36% of women in internal Distrimag promotions;
- 100% 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

	2022	2021	2020
Store managers	55%	55%	55%
Logistics managers	91%	91%	95%
TOTAL	**60%**	**61%**	**61%**

Each promotion or transfer is monitored by the Human Resources Department and may be accompanied by a mobility and skills development programme.

TRAINING AND SKILLS DEVELOPMENT

Maisons du Monde is continuing to implement tools and programmes to develop the skills of in-store teams, and staff in the logistics warehouses and support functions.

Training figures

PERCENTAGE OF PERMANENT EMPLOYEES TRAINED BY ACTIVITY (1)

Scope: Group

	Trained	Not trained	Training rate
Store network	4,060	446	90.1%
Logistics	556	133	80.7%
Production	320	1	99.7%
Administrative premises	638	308	67.4%
Rhinov	25	50	33.3%
TOTAL	**5,599**	**938**	**85.7%**

(1) 2022 permanent workforce.

TRAINING EFFORT

Scope: Group

	2022	2021	2,020	2019	2018
France	1.34%	1.65%	0.94%	2.2%	2.42%
Europe	2.20%	1.87%	0.72%	2.8%	2.54%
Asia	0.08%	0.16%	0.22%	0.17%	0.11%
TOTAL	**1.55%**	**1.67%**	**0.86%**	**2.32%**	**2.40%**

In 2022, Maisons du Monde allocated a budget of EUR 2.8 million of the Group's payroll to the training of its employees based in Europe (*i.e.* 14% more than in 2021). The training effort represents training expenses in relation to the total payroll.

NUMBER OF HOURS OF TRAINING

Scope: Group - 100% of the workforce

Number of hours of training	- 25 yrs	25-29 yrs	30-34 yrs	35-39 yrs	40-45 years	+ 45 yrs	2022
Women	3,593	8,538	10,987	10,916	7,437	8,159	49,630
Men	1,756	3,739	5,432	5,796	4,189	5,196	26,108
TOTAL	**5,349**	**12,277**	**16,419**	**16,712**	**11,626**	**13,355**	**75,738**
AVERAGE NUMBER OF HOURS PER EMPLOYEE							**7.5 hours**

In 2022, 75,738 hours of training were provided to permanent and fixed-term employees, *i.e.* an average of 7.5 hours per employee. Thus, 5,599 permanent employees had followed at least one training course during the year at 31 December 2022.

Store network

With the aim of developing its employees, Maisons du Monde continued to roll out major training programmes and introduced new ones in 2022 to support retail employees in the launch of new projects.

2022 was marked by the launch of the mobile learning app My MDM Coach across the entire store network. The aim of the app is to help sales teams to develop their skills in products and services.

It enables Maisons du Monde employees to provide better advice to customers on products, inspire them and showcase Maisons du Monde's know-how and commitments. This application was acclaimed by the brand's employees with more than 94% of retail employees connected (*i.e.* 5,005 employees) but also by the publisher of the solution, which awarded Maisons du Monde a Jury's favourite prize. In 2022, 51 modules have already been made available to employees with an average of 14.6 modules completed per employee connected to My MDM Coach, *i.e.* an average of 2.5 hours of training per employee.

Existing training programmes continued in 2022, with:

- the end of the Customer Priority rollout in the first half of 2022 to all managers in the remaining French regions and in French-speaking Belgium, which continued with new Store Managers in France and Italy;
- the rollout of the Marketplace training in stores, which began in 2021, was completed in the first quarter of 2022 in the French network;
- the "developing checkout capture with the preferred customer programme" training programme has been extended to core salespeople;
- the roll-out of the "Disciplinary Power" training programme, which began in 2021, was continued for some of the French Store Managers in 2022.

In addition, the Retail Training Department rolled out three new products E-learning modules "From wood to furniture", "Outdoor 2022" and "The art of the sofa". 3,367 employees completed at least 1 of the 3 modules in 2022. Launches of new services such as Rhinov and the marketplace in Italy and Spain were accompanied by a new rollout of training modules in Blended format (digital and face-to-face).

Lastly, a new programme for store openings was piloted in 2022 with four test stores, so that teams can be trained in the basics of products, sales and services as well as team leadership for managers. Following the excellent results of this test, this model will be rolled out to all French-speaking openings in 2023.

Administrative premises

To support our employees in their careers at Maisons du Monde, a training plan is put in place each year. Numerous training topics are offered to develop employees' skills and thus guarantee their employability, in three main areas: business expertise (IT, Digital, Offering), the creation of the MDM Management School to develop managerial culture, and management and personal development skills.

In 2021, Maisons du Monde began a training plan dedicated to the transformation of some of the brand's business lines to embed the business basics, which continued in 2022 with the supply teams.

A training programme dedicated to "Project Management" was also set up, based on two modules, a "Project Management Basics" module and an "Expert" module. This training programme will be continued in 2023.

Logistics

Given the working environment and the business sector, Distrimag continues to deliver mandatory training on safety at work. Distrimag used a new service provider for fire extinguisher handling training to boost the session and make it more attractive.

2022 was also a promising year for the onboarding project for new employees, through a structured process and the implementation of Distrischool (specific training programmes and training rooms for new employee onboarding, and refresher courses for existing employees: company overview, safety process, quality and business line).

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 supporting 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. Indeed, the Company continued to train new employees in high-tech digital machinery of the CNC type thanks to new investments made on the two sites (training provided by the suppliers of the machines).

Training of workers, supervisors and managers for the ISO 14001 certification continued on technical subjects, machine and fire safety and the working environment.

Finally, a training and promotion programme for women within Mekong Furniture was launched on the use of more sophisticated machinery and equipment (CNC type). The first results are bearing fruit and the programme is set to continue during 2023.

3.3.2.2 A "warm" employer

New values and behavioural skills

In December 2022, Maisons du Monde unveiled its new values in connection with the brand platform and the Purpose, which illustrate the warm and unique culture of Maisons du Monde: **Optimism, Creativity, Commitment and Approachability**.

Thus, the expected soft skills have been reworked and now translate into **eight behavioural skills** for all, which will feed into the "MDM manager" module of the managerial training course as well as all 2023 (RAIs).

HOME path

In 2022, a new induction path called "**HOME**" was introduced.

The path aims to address **three major challenges**:

- retaining new employees, creating cohesion and a strong sense of belonging;
- enabling everyone to make their mark quickly and get up and running, by familiarising themselves with the company and its practices;
- strengthening the employer brand and attracting new talent.

For corporate employees, it has been designed for **each stage** of integration.

The path includes a number of different tools:

- **the HOME onboarding booklet** for corporate employees: it is sent to each new employee before they take up their position.

  The HOME Retail onboarding booklet is being finalised and will be integrated into the My MDM Coach application for employees in our stores;
- **HOME onboarding seminars** for head office employees: these onboarding mornings are held each month in Paris and Nantes. They enable a dozen new employees to discover the Company's culture, values, business lines and commitments. In 2022: **180 employees (58 in Paris and 122 in Nantes)** took part in these morning events;
- **store days**: managers organise a day in one of our stores for their new employees, to enable them to understand the Retail culture, discover our store business lines, our products, and have contact with our customers.

Lastly, twice a year, we assess new employees' satisfaction; with their onboarding path. In December 2022, **93% of employees said they were satisfied** with their onboarding at Maisons du Monde. In 2023, this path, which is currently adapted to the retail professions, will be rolled out to the network.

Health & Safety Policy and working conditions

WORKPLACE ACCIDENTS

NUMBER OF WORKPLACE ACCIDENTS WITH LOST TIME

Scope: Group - 100% of total workforce

	2022	2021	2020 (1)	2019	2018
Store network	183	190	167	218	232
Head office	-	2	6	6	11
Logistics	32	47	44	54	71
Production	31	35	40	39	
TOTAL	**246**	**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 - 100% of the workforce

	2022	2021	2020	2019	2018
Store network	27.39	27.2	26.2	39.3	42.7
Head office	0.00	1.3	3.8	4.5	8.2
Logistics	25.26	36.5	37.8	45.3	59.6
Rhinov	0.00				
TOTAL EXCLUDING PRODUCTION	**22.02**	**23.9**	**23.5**	**34.4**	**39.4**
Production	15.98	23.1	19.3		
TOTAL	**21.03**	**23.8**	**22.7**		

SEVERITY RATE OF WORKPLACE ACCIDENTS (2)

Scope: Group - 100% of the workforce

	2022	2021	2020	2019	2018
Store network	0.79	0.76	0.80	1.73	1.44
Head office	0.00	0.05	0.15	0.03	0.12
Logistics	2.14	2.7	2.84	3.39	3.03
Rhinov	0.00				
TOTAL EXCLUDING PRODUCTION	**0.81**	**0.88**	**0.94**	**1.69**	**1.45**
Production	0.14	0.5	0.28		
TOTAL	**0.70**	**0.83**	**0.81**		

(1) Number of accidents with lost time / hours worked x 1,000,000 - indicator excludes commuting accidents.
(2) Number of days lost due to temporary disability / hours worked x 1,000 - the indicator excludes commuting accidents.

TRAINING ON HEALTH AND SAFETY TOPICS

Scope: Group - 100% of the workforce

	2022
Number of employees trained	4,883

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 QSE Prevention and Coordination service has provided better understanding of the current professional risks and the expectations of employees.

In 2022, all Regional Directors were challenged on ten safety objectives as part of the QSE (Quality, Safety and Environment) visits. These indicators were monitored on a monthly basis by the Maisons du Monde Retail Committee, as were statistics related to workplace accidents.

Maisons du Monde trains all its employees in the network on workplace health and safety, both face-to-face and remotely (workstation safety, fire risk, electrical risk, manual handling of loads, etc.). 112 employees at the head offices also received first-aid training.

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, movement and posture.

In 2022, management continued to invest in safety and rolled out the following actions:

- training new employees in safety: raising awareness of business line risks, complying with regulations and providing best practices for manual handling;
- prevention throughout the company for each new workplace accident to inform and raise awareness: "WA Alert" process and weekly safety briefing for teams;
- half-yearly analysis of the cause of workplace accidents;
- improvement of the protection system for lone workers and deployment of general safety signage on site.

Production

Over the years, Mekong Furniture has strengthened its HSE team in charge of health, hygiene, safety and environment issues. Constant changes in issues relating to the environment, workspace layout and health and safety at production sites require special attention. Mekong Furniture's factories are committed to ensuring full transparency and compliance with local and international prerequisites and requirements.

In 2022, training is being carried out on a regular basis to improve the safety of machine operators. In addition, Mekong Furniture distributed safety instructions and instructions on the proper use of machines through videos made available on the intranet. Operators have thus become aware of risks at their workstations. This made it possible to reduce and limit accidents and thus maintain a low frequency rate (15.98).

Subsequently, Mekong Furniture's 98% result in its ICS environmental audit confirms that climate and environmental issues have been taken into account and properly managed by the production plant. At the same time, the HSE team increased training for teams on the implementation of procedures and rules relating to ISO 14001. As a result, there is now greater consideration of the environment, the layout of workspaces and health and safety at production sites. Mekong Furniture was ISO 14001 certified at the end of 2022.

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.

RATES OF ABSENTEEISM DUE TO ILLNESS

Scope: Group -100% of workforce

	2022	2021	2020 (1)	2019 (2)	2018 (3)
France	5.73%	4.40%	4.69%	4.51%	4.10%
Europe	11.19%	6.74%	6.56%	6.78%	5.05%
TOTAL (EXCLUDING ASIA)	**7.41%**	**5.12%**	**5.35%**	**5.23%**	**4.32%**
Asia	1.38%	0.72%	1.12%		
TOTAL	**6.58%**	**4.38%**	**4.60%**		

(1) The data for the "Europe" scope do not include employee absences in Portuguese and UK stores.

(2) The data for the "Europe" scope do not include employee absences in the Swiss, Portuguese and UK stores, nor of Rhinov employees.

(3) The data for the "Europe" scope do not include employee absences in the German, Spanish and UK stores.

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 approachability with their teams. In this regard, procedures for communication and discussion are written into the managerial and HR standards.

In the interests of approachability, 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.

Improving the well-being of our employees

LISTENING AND REGULAR COMMUNICATION WITH EMPLOYEES

Regular communication has been put in place for both the network teams and head office teams. Regular "MDM Talks" enable the Executive Committee to communicate the Group's news to all employees, and developments on strategic projects in each business line. Regular information meetings are also organised for each business line to streamline information.

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. In addition, the internal "MDM INSIDE" Instagram page was created in 2022 for all employees in Europe, to share day-to-day information and news. The account has more than 2,000 subscribers.

At the head office, two managerial rites were deployed for everyone: the individual meeting and the team meeting for monitoring and better communication with employees.

Help line

Maisons du Monde has 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. In 2022, 11 people benefited from the help line with 21 conversations.

YOUR VOICE 2022 survey

The fourth "YOUR VOICE" engagement survey was rolled out in September 2022 to all Group employees in Europe. In a "flash" format, its purpose was to assess: the employee engagement rate, as well as morale within the teams. The engagement rate is the average of four indicators:

- I am proud to work for my company
- I intend to stay in my company for a long time
- I would recommend my company as a good employer
- My company makes me want to excel

It therefore demonstrated the engagement of the teams despite a disrupted social and economic context (60% of employees say they are engaged), and which actions must be taken to continue to grow the teams and improve the employee experience.

RESULTS OF THE YOUR VOICE FLASH SURVEY

Scope: Group excluding Mekong - 89% of the workforce

	2022	2021
Rate of participation in the Maisons du Monde survey	**79%**	**81%**
Employee engagement rate	**60%**	**68%**
Percentage of employees who would recommend Maisons du Monde as a good employer	63%	73%
Percentage of employees who are proud to work for Maisons du Monde	76%	82%
Percentage of employees who intend to stay at Maisons du Monde for a long time	53%	62%
Percentage of employees who find that Maisons du Monde makes them want to excel	49%	58%

Any changes in these areas were measured, as well as the remaining actions to be taken to improve the employee experience.

All of the results are shared with employee representatives and all our employees, and action plans by business line are put in place and managed by each Executive Committee member.

SOCIAL DIALOGUE AND PROGRESS

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.

PERCENTAGE OF EMPLOYEES COVERED BY EMPLOYEE REPRESENTATIVES AND BY COLLECTIVE BARGAINING AGREEMENTS

Scope: Group - 100% of the workforce

	2022	2021
Percentage of employees covered by employee representatives (MDM France)	99.8%	99.8%
Percentage of employees covered by employee representatives (MDM Europe)	40%	65%
Percentage of employees covered by employee representatives (Distrimag)	100%	100%
Percentage of employees covered by employee representatives (Rhinov)	100%	100%
Percentage of employees covered by employee representatives (Mekong)	100%	100%
Percentage of total employees covered by employee representatives	**82%**	**89%**
Percentage of total employees covered by collective bargaining agreements	**96.6%**	**96%**

NUMBER OF MEETINGS WITH STAFF REPRESENTATIVES

Scope: France, Belgium, Luxembourg network and administrative sites, Distrimag, Rhinov and Mekong

	2022	2021	2020	2019	2018
MDM France	14	35	27	19	19
Distrimag	19	25	44	34	39
MDM Belgium	22	23	31	23	23
MDM Luxembourg	1	2	6	2	-
Rhinov	6	7	11		
Mekong	3	3			
TOTAL	**65**	**95**	**119**	**78**	**81**

Network and 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. Both the CFDT and UNSA trade unions operate within the Company.

It should be noted that professional elections took place in 2022, allowing all our employees in France to elect their new representatives. There are now 11 permanent elected members and ten substitutes, as well as two union representatives.

In line with the discussions that took place in 2022, other committees exist or have been set up to respond more specifically to particular topics. This is notably the case for the health, safety and working conditions committee, the disability committee, the training committee, the information and housing assistance committee, the professional equality committee, the economic committee, the welfare and health expenses committee, the social fund committee and the business sector and variable compensation committee.

Discussions with staff representatives were reflected in the following agreements in 2022:

- trade union rights agreement (Maisons du Monde France);
- agreement on the award of a value-sharing bonus (Maisons du Monde France);
- mandatory annual negotiations on compensation, working time and professional equality (Maisons du Monde France);
- amendment to the new version of the Group profit-sharing agreement (Maisons du Monde France);
- agreement on equal opportunities for men and women (Maisons du Monde France);
- amendment to the Group incentive agreement (Maisons du Monde France);
- Company incentive agreement for 2022 (Maisons du Monde Italy);
- agreement on non-current benefits related to results (Maisons du Monde Belgium);
- agreement organising the award of a bonus for certain categories (Maisons du Monde Belgium);
- agreement on the use of video surveillance systems and equipment (Maisons du Monde Italy);
- agreement to extend the terms of office of RLS (safety union representatives) (Maisons du Monde Italy).

Logistics

2022 was a year of social dialogue. Several agreements were signed, including:

- an agreement relating to compensation and other compensation benefits signed in March 2022;
- amendment to the incentive agreement signed in May 2022;
- disability approved agreement signed in May 2022;
- amendment to the gender equality agreement in May 2022.

The first part of 2022 was also marked by the reappointment of the employee representative body, with the implementation of professional elections which required the negotiation of a pre-electoral memorandum of understanding with all trade unions. present at the negotiations.

Convinced of the importance of social dialogue, Distrimag has redoubled its efforts to establish a climate of trust and calm with the new trade unions.

Discussions are underway as part of the implementation of a unilateral decision by the employer to grant a value-sharing bonus for 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 factory sites.

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.

During 2022, ongoing dialogue between the trade union, the HR department and the management team led to the extension of trade union agreements and changes to internal regulations in order to comply with the new Vietnamese labour laws.

Rhinov

A total of six ESC meetings were held in 2022. The main topics of discussion focused on compensation and the improvement of working conditions.

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.

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. It has been decided that in the 12 months preceding the planned retirement date, all full-time employees will be able to benefit from a transition to part-time at 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.

Furthermore, pregnant women with a length of service of at least one year will 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 six months or more pregnant. In addition, as part of its agreement on professional gender equality dated 8 December 2022, the Company has granted pregnant employees one working day of leave before maternity leave subject to six months of service. Employees covered by a fixed-rate days agreement will benefit from a half-day of leave per week from the fifth month of pregnancy. In the same agreement, the Company decided to grant an employee undergoing fertility treatment two days of authorised paid leave per year in addition to the authorised leave granted by the French Labour Code.

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 with this in mind that during the mandatory annual negotiations in 2022 and in the professional gender equality agreement of 8 December 2022, it was decided to continue the commitments made in this area by allowing employees to take leave without loss of pay for a maximum of three hours, in order to support their children's first school year in nursery or primary school. It was also decided to allow network employees assigned to a store to request a Saturday holiday once per calendar semester (January-June/July-December) to allow them a better work-life balance.

Finally, this same agreement provides that each employee will benefit from one paid hour per day to express breastmilk for a maximum of 12 months from the date of delivery (or a maximum of 18 months for medical reasons justified by a medical certificate from the doctor).

Distrimag also signed an agreement on gender equality in 2021. An amendment was signed in 2022 to expand the provision of the agreement, in relation to:

- working conditions during pregnancy: the workstation can be adjusted as needed and teleworking is also possible for positions that allow for it;
- the link between professional life and family responsibilities: Distrimag neutralises the impact of maternity leave or adoption leave on professional development, days off may be donated, a skills review is offered with a view to retraining after a long absence, and the company also helps employees find childcare solutions with 15 nursery places already set aside. Finally, a room has been set up as a dedicated space for breastfeeding women;
- support for victims of domestic violence: contacts are appointed within the company to take ownership 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. In 2022, one employee benefited from the scheme and Distrimag matched the 14 days already donated by employees.

3.3.2.3 An inspiring employer and managers

Strengthen management to support and inspire teams

Launched in 2021 through the creation of the Leadership Group, which brings together all line managers in the Executive Committee, Maisons du Monde continued its action to develop a managerial culture and management skills, primarily by creating the **MDM Management School**, to provide teams with inspiring managers who stand behind Maisons du Monde's values. The MDM Management School is dedicated to Group Leadership and managers, and includes the Impulse and Essentials paths.

PERCENTAGE OF MANAGERS TRAINED IN MANAGEMENT

Scope: Group excluding Mekong

% of managers working on 31/12	2022	2021	2020	2019	2018
Managerial training	65%	71%	66%	64%	58%

CONTINUATION OF THE LEADERSHIP GROUP

The rollout of the Leadership Group, the foundation of the managerial culture, continued in 2022 through various working seminars, in particular on strategy but above all on the definition of Maisons du Monde's values.

IMPULSE AND ESSENTIAL PATHS

In 2022, the rollout of the "IMPULSE" path for members of the Leadership Group continued. This path, which comprises two phases, allows each participant to take the INSIGHTS test to discover their communication style and approach, and then to attend coaching aimed at a deep dive into management themes.

At the end of 2022, all members of the Group's leadership team had taken this course.

To continue the development of managers 'skills, build a common managerial base and disseminate values, the" ESSENTIAL "course has been built. It consists of four modules:

- Module 1: Test Insight (for managers) or Parcours Impulse (for LG members),
- Module 2: "The MDM manager" allowing the experimentation, appropriation and development of behavioural skills,
- Module 3: "Managerial techniques" to develop cross-functional managerial skills,
- Module 4: "Managing your team & business for performance" to define priorities, measure performance and collectively lead a team project.

At the end of the last module, each manager will receive a certification and sign the MDM manager's charter.

As of 31 December 2022, 149 managers have completed module 1 and are therefore eligible for module 2, which will start in 2023. In addition, 40 non-manager employees also held the Insights Day in 2022.

On the Network side and with a view to supporting Store Managers in their managerial role, Maisons du Monde continued to roll out "Conducting effective business" training for its new managers in France, Italy and French-speaking Belgium. A new face-to-face managerial module, "Train and Coach" was rolled out to all French and Italian Store Managers. This module has boosted the skills of Store Managers in terms of coaching and therefore being able to train their teams and coach them on a daily basis to embed professional actions.

At Distrimag, 2022 was a year of support and skills development for managers. Two paths have been set up:

1. the "Manager" course with the purpose of providing the company's managers with the keys and tools for success, so that it can adapt to new structures (*collaborative work*, *remote working*);
2. the "Lean Management" course with the purpose of providing the company's managers with the tools to lead and apply the 5S methodology on a daily basis.

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 meeting allows the manager to readjust the objectives set during the annual interview with the employee, and to feed back any training needs.

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 December the year before.

Executive employees who arrived after the 1 January of the same year will have an objective-setting interview, to define the expectations and objectives for the coming year.

PERCENTAGE OF EMPLOYEES WHO COMPLETED AN RAI

Scope: Group excluding Rhinov and Mekong - 88% of the workforce

Percentage of employees who completed an RAI	2022	2021
Administrative premises	94%	97%
Store network	89%	87%
Distrimag	87%	80%
Percentage of employees who completed an RAI	**89%**	**88%**

At Mekong Furniture, annual interviews are carried out by managers and HR for employees and supervisors. Manager periodic and annual performance reviews are carried out by HR Managers.

PERFORMANCE-RELATED BONUSES AND VARIABLE COMPENSATION

Maisons du Monde is scrupulous about setting fair and equitable compensation for all employees. Compensation levels are adjusted according to changes in social and contractual minima in the various countries of operation, but also as part of the annual compensation review. This is the perfect moment to align compensation with the internal and external market.

Maisons du Monde also promotes collective performance. This is why, from 2021, the Company set itself the mission that all of the Company's managers should receive variable compensation by 2024. In 2022, 65% of managers received variable compensation.

This system is based on the achievement of individual objectives, as defined in the RAI, but also on the achievement of collective financial objectives, shared by all, in order to encourage everyone to contribute to the Group's success. In the interests of transparency, the bonus grids are shared within the organisation and depend on the organisational level: Executive Committee, Leadership Group, Manager, Executive.

In addition, all employees in the network also benefit from a variable portion based on collective and commercial performance.

Finally, in order to manage compensation internally, in addition to the Nomination and Compensation Committee, a Compensation Committee has been set up and is composed of the CEO, the Group HR Department and the HR Development Director. 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 by the Company:

- 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);
- three-year plan: through a free share award plan for certain Group employees. The vesting is based on the achievement of performance conditions as well as a presence condition set at three years. These awards are subject to approval by the Board of Directors.

PERCENTAGE OF EMPLOYEES WITH PROFIT-SHARING BONUSES

Scope: Group

Percentage of employees with results-based bonuses	2022	2021
Number of employees with results-based bonuses	5,913	6,891
Percentage of employees with results-based bonuses	73%	80%

PERCENTAGE OF EMPLOYEE SHAREHOLDERS

Scope: Network and administrative premises

Percentage of employee shareholders	2022	2021
Number or proportion of employee shareholders at MDM	218	282
Volume of percentage of employee shareholders at MdM	3%	3%

3.3.3 OUR PHILANTHROPY POLICY – CREATING WELCOMING PLACES TO LIVE FOR ALL

Maisons du Monde supports the influence of local and regional associations through product donations, or by creating long-term partnerships with financial donations.

FINANCIAL SPONSORSHIP DONATIONS

Scope: Group

€	2022
Donations *via* Maisons du Monde (sharing product and Emmaüs)	205,975
Donations *via* the Maisons du Monde Foundation	1,398,057
TOTAL DONATIONS	**1,604,032**

3.3.3.1 Partnerships with social and community 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 processing and recovery channels.

The Distrimag warehouses in Saint-Martin-de-Crau (Bouches-du-Rhône) are therefore equipped with an "Eco-centre" 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 therefore collected by partner associations such as the Emmaüs network or *Croix-Rouge Insertion* at the warehouse or in the brand's stores, to supply their community stores and support their reuse activities. These associations can then renovate, repair or revamp donated products and share them with their beneficiaries at a social rate, by combining the circular economy with their community mission.

In addition to these partnerships, donations of downgraded products also directly support the creation of warm and sustainable living spaces for all. Thus, Maisons du Monde supports the "Solidarity Bank for Equipment" programme created by Emmaüs Défi. The products donated enable people in precarious situations, to furnish to their first permanent home at a low cost.

In 2022, more than 139,000 products were donated to those who need them most.

3.3.3.2 Other philanthropic projects supported

2020-2025 Plan	2022 Performance	Progress
Furnishing 100 *Good is beautiful* living spaces	29	■□□□

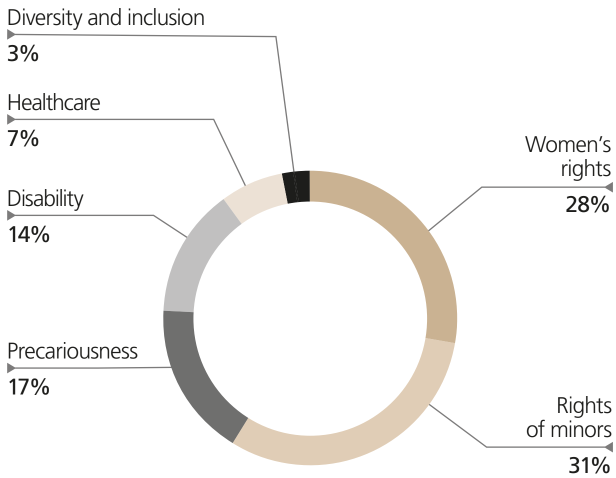
Good is beautiful living spaces

As part of its commitment #2 of the *Good is beautiful* movement, Maisons du Monde is committed to taking action with grassroots associations to help those in need. 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.

The Group's objective is to furnish 100 *Good is beautiful* living spaces by 2025. A living space is a space with a "social" dimension where Maisons du Monde products can dress and decorate the room, bringing comfort and reassurance to those who need it most. At the end of 2022, 29 living spaces had already been furnished.

As part of this commitment, great projects have been carried out in collaboration with internal teams and associations closely involved on the ground. As is the case every year, Maisons du Monde has renewed its partnership with the French Red Cross by furnishing and decorating seven childcare centres in the "Children-Family" sector. Since 2015, 41 Red Cross establishments have been furnished. Similarly, very touched by the cause of women and the violence that may be inflicted on them, Maisons du Monde provides both financial aid and product donations to the Fondation des Femmes. In 2022, the Group furnished a house for six female refugees and an apartment for female refugees in Paris.

DIVERSITY OF SOCIAL ISSUES AFFECTED THROUGH LIVING SPACES



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, soya wax and a recycled paper cover. All proceeds from the product were donated to local partner associations in each country in which it was sold:

- in Belgium, to the *Collectif contre les Violences Familiales et l'Exclusion* (CVFE), which tackles violence against women;
- in Germany, to the *Bundesverband Kinderhospiz* association, which supports children, teenagers and young adults with incurable diseases;
- in Italy, to 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, to 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.

Emmaüs France Partnership

In 2022, as part of a EUR 50 million share buyback programme called "ESG Impact", the outperformance linked to the buyback made it possible to award EUR 175,000 to the Maisons du Monde Foundation to preserve and protect forests, and EUR 175,000 to Emmaüs France during the 2022-2024 period, broken down as follows:

- EUR 20,000 allocated to the Emmaüs wood upcycling support programme, including event costs, management, coordination and support for the network of Emmaüs furniture creation stakeholders;
- EUR 105,000 allocated to the Emmaüs textile upcycling support programme including the provision of a financial support fund for the start-up or consolidation of Emmaüs textile upcycling projects, external costs related to coordinating the collective of Emmaüs textile upcycling projects, and management fees;
- EUR 50,000 allocated to the Emmaüs Europe Ukraine solidarity fund.

This partnership will be used to develop actions in relation to the circular economy in collaboration with vulnerable people in reintegration projects.

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:

- Measures to prevent food waste. The Group's business does not generate food waste beyond employee meals;
- Measures against food insecurity. The Group's business has no impact on consumers' access to food;
- Respect for responsible, fair and sustainable food. The Group's business has no impact on consumers' access to food;
- Actions to promote physical and sporting activities. The Group's business has no impact on consumers' physical activity and sports.

The information mentioned in Article L. 225-102-4 relating to the vigilance plan is shown in Section 3.2.1.3 of the chapter.

Scope and reporting period

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;
- Rhinov: impact of the service company's activities in France;
- 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.

The Group's reporting scope does not include franchise activities, which represented less than 0.3% of the Group's revenue in 2022. Concerning Rhinov, 70.9% consolidated in 2019, only the HR indicators and energy indicator are presented in the document. 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, and updated in 2022. The extrapolation represents 35% of network tonnages. In addition, the tonnages of waste generated at administrative premises are limited to the quantities monitored by service providers. Waste from administrative premises that is collected directly by municipal services or that is not weighed by the service provider is excluded, and waste considered hazardous (WEEE and batteries) is not included in the reporting scope. 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 2022 and do not necessarily reflect exact consumption for the reporting period due to discrepancies in invoicing.

Regarding electricity consumption, if the available data cover less than nine full months of the year, then consumption is estimated on the basis of an average surface area intensity in kWh/m^2 per geographical cluster, or if the data available cover more than nine full months of the year, based on the average consumption of the rest of the year by store. These electricity estimates represent approximately 5% of consumption in 2022 for the network and 5% for Distrimag. Regarding consumption related to the heating and gas networks, respectively 58% heating network information and 27% 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 1% of the total energy consumption and is therefore not considered significant. At the same time, Distrimag's energy consumption (electricity, fuel oil, propane) does not include the consumption of buildings subleased to external companies.

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, Rhinov, Network and administrative premises) as well as fuel consumption (petrol, 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 as a customer visits an average of 2.5 retailers during their trip, the total emissions attributed to Maisons du Monde for customer travel are 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.

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.

ACTIVITY

An economic activity is aligned with the taxonomy when it meets the technical selection criteria defined in the delegated climate act and is carried out in compliance with the minimum guarantees concerning human and consumer rights, fight against corruption and bribery, taxation and fair competition. To meet the technical selection criteria, an economic activity must contribute substantially to one or more environmental objectives without significantly harming any of the other environmental objectives.

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 2022 to 31 December 2022. 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 policies 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, see 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, see notes 16-17-18 in Section 6.

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.

Cross-reference

Total expenses may be reconciled with the financial statements, see note 8 of the Universal Registration Document. It corresponds to the “Maintenance and repairs” line in note 8 of Section 6.

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)** 3.1.4.1/ESG performance management: mobilisation of the Board of Directors and Executive Committee **b)** 3.1.4/CSR governance
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)** 3.2.2.1/Energy and climate commitments **b)** 3.2.2.1/Energy and climate commitments **c)** 3.2.2.1/Energy and climate commitments
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)** 3.2.2.1/Energy and climate commitments **b**) 3.2/Environmental commitments **c)** 3.1.4/CSR governance
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)** 3.2.2.1/Energy and climate commitments **b)** 3.2.2.1/Energy and climate commitments **c)** 3.2.2.1/Energy and climate commitments

3.6 Report by one of the Statutory Auditors, appointed as independent third party on the consolidated non-financial statement

For the year ended 31 December 2022

To the Shareholders 'Meeting,

In our capacity as statutory auditor of your company (hereinafter "entity"), designated as an independent third party ("third party"), accredited by COFRAC under number 3-1886 (Cofrac Inspection Accreditation, scope available on www.cofrac.fr), we carried out work aimed at formulating a reasoned opinion expressing a conclusion of limited assurance on the historical information (observed or extrapolated) of the consolidated statement of performance extra Financial, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the financial year ended 31 December 2022 (hereinafter the "Information" and the "Statement" respectively), presented in the report Group management in accordance with the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

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 an independent third party

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

- the compliance of the Statement with the 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.

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

Our work described below was carried out in accordance with our audit program pursuant to the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional doctrine of the *Compagnie nationale des commissaires aux comptes*, and the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

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 January and March 2023 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.

Our work involved the use of information and communication technologies allowing the work and maintenance to be carried out remotely without hindering their execution.

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 [(1)].
- 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;
- 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 [(2)] 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 [(3)] between 21% 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 26 April 2023

One of the Statutory Auditors,

Deloitte & Associés

Jérôme Quero
Partner, Audit

Julien Rivals
Partner,
Sustainable
Development

(1) Existence of formalised procedures concerning the following aspects addressed in the Statement: CSR materiality analysis; Review of non-financial risks; ESG performance management; Development of a "Good is beautiful" responsible product offering; Mapping of raw material environmental risks; "Your Voice Flash" survey.

(2) Environmental data: Percentage of "Good is beautiful" responsible offering; Percentage of revenue linked to the "Good is beautiful" responsible offering; Number of responsible timber SKUs; Percentage of certified timber SKUs; Total volume of timber purchased: FSC® and PEFC™ certified timber, Volume of leather purchased (tonnes) of which leather from LWG certified tanneries and recycled leather; Percentage of waste sorted for recycling; Percentage of recyclable packaging; Energy consumption of buildings - Group; Energy consumption of buildings by energy source; Scope 1-2 CO2 emissions (tCO2eq); Average surface energy intensity (kWh/m2); Carbon intensity (tCO2/€M of revenue)
Social and societal data: Group workforce by geographical area and activity by contract type, by gender; Frequency rate of workplace accidents; Severity rate of workplace accidents; Number of work-study students; Number of "Good is beautiful" living spaces; Results of the "Your Voice Flash" 2022 survey: Rate of participation in the Maisons du Monde survey, employee engagement rate.

(3) Maisons du Monde USA Distrimag; Mekong.

3.7 Appendices - European Green Taxonomy

REVENUE TABLE

				Substantial contribution criteria						Does Not Significantly Harm (DNSH) criteria										
Economic activities	**Code(s)**	**Absolute revenue**	**Share of revenue**	**Climate change mitigation**	**Adaptation to climate change**	**Aquatic and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Adaptation to climate change**	**Aquatic and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum guarantees**	**Share of revenue aligned with the taxonomy, year N**	**Share of revenue aligned with the taxonomy, year N-1**	**Enabling activity category**	**Transitional activity category**
EUR million			**%**	**%**	**%**	**%**	**%**	**%**	**%**	**YES / NO**	**YES / NO**	**YES / NO**	**YES / NO**	**YES / NO**	**YES / NO**	**YES / NO**	**%**	**%**	**H**	**T**
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																				
A.1. Environmentally sustainable activities (aligned with taxonomy)	**N/A**	**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0**	**0**	**N/A**	**N/A**
Revenue from environmentally sustainable activities (aligned with taxonomy) (A. 1)	N/A	0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	N/A	N/A
A.2. Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)	**N/A**	**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0**	**0**	**N/A**	**N/A**
Revenue from activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) (A. 2)	N/A	0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	N/A	N/A
Economic activities		0	0%	0%	0%	0%	0%	0%	0%											
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																				
Revenue from activities not eligible for taxonomy (B)	N/A	1,278	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	N/A	N/A
TOTAL (A + B)		**1,278**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**												

CAPEX TABLE

Economic activities	Code(s)	Absolute CapEx	Share of CapEx	Substantial contribution criteria: Climate change mitigation	Adaptation to climate change	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Does Not Significantly Harm (DNSH) criteria: Climate change mitigation	Adaptation to climate change	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum guarantees	Share of CapEX aligned on the taxonomy, year N	Share of CapEx aligned on the taxonomy, year N-1	Enabling activity category	Transitional activity category
EUR million			%	%	%	%	%	%	%	YES / NO	YES / NO	YES / NO	YES / NO	YES / NO	YES / NO	YES / NO	%	%	H	T
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																				
A.1. Environmentally sustainable activities (aligned with taxonomy)	**N/A**	**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0%**	**0%**	**N/A**	**N/A**
CapEx of environmentally sustainable activities (aligned with taxonomy) (A. 1)	N/A	0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A
A.2. Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)	**N/A**	**128.7**	**68%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0%**	**0%**	**N/A**	**N/A**
Acquisition and ownership of buildings	7.7																			
CapEx of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A. 2) - CapEx related to the acquisition of rights of use - new leases	7.7	124.6	66%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A
Installation, maintenance and repair of equipment promoting energy performance	7.3																			
CapEx activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A. 2) - CapEx related to the installation and maintenance of energy efficiency equipment (replacement of lighting or air conditioning systems using less energy-intensive systems)	7.3	4.1	2%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A
TOTAL (A.1 + A.2)		**128.7**	**68%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**											
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																				
CapEx of activities not eligible for taxonomy (B)	N/A	61.3	32%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A
TOTAL (A + B)		**190**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**											

OPEX TABLE

Economic activities	Code(s)	Absolute OpEx	Share of OpEx	Substantial contribution criteria						Does Not Significantly Harm (DNSH) criteria										
				Climate change mitigation	Adaptation to climate change	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum guarantees	Share of OpEx aligned with the taxonomy, year N	Share of OpEx aligned with the taxonomy, year N-1	Enabling activity category	Transitional activity category
EUR million			%	%	%	%	%	%	%	YES / NO	YES / NO	YES / NO	YES / NO	YES / NO	YES / NO	YES / NO	%	%	H	T
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																				
A.1. Environmentally sustainable activities (aligned with taxonomy)	**N/A**	**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0%**	**0%**	**N/A**	**N/A**
OpEx environmentally sustainable activities (aligned with taxonomy) (A.1)	N/A	0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A
A.2. Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)	**7.3**	**0.6**	**3%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0%**	**0%**	**N/A**	**N/A**
Installation, maintenance and repair of equipment promoting energy performance	7.3																			
OpEx of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A. 2) - installation, maintenance and repair of energy efficiency equipment	7.3	0.6	3%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A
TOTAL (A.1 + A.2)		**0.6**	**3%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**											
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																				
OpEx of activities not eligible for taxonomy (B)	N/A	22	96%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A
TOTAL (A + B)		**22.8**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**											


Life in Pictures
Design

4 Corporate governance

The Corporate Governance Report describes the governance organisation and practices, the compensation policy for corporate officers and its implementation during the 2022 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 meetings of 8 and 22 March 2023, 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 of Directors

At the date of publication of this Universal Registration Document (1), the Board of Directors is composed of ten members: eight were appointed by the shareholders, and two represent employees.

Personal information					Position on the Board					Service on the Board's Committees
	Age	Gender	Natio-nality	Number of shares vested at 31/12/2022	Offices in listed companies	Inde-pen-dence	1st appoint-ment or co-option	Expiry of term of office	Length of service on the Board	
Executive Directors/directors										
Thierry FALQUE-PIERROTIN Chairperson of the Board of Directors (2)	63 years	M	French	24,000	1 office	Yes	12/06/20	AGM 2024	3 years	Member of the Nomination and Compensation Committee and the CSR Committee
Directors										
Cécile CLOAREC	52 years	F	French	2,700	1 office	Yes	04/06/21	AGM 2025	2 years	Chairperson of the Nomination and Compensation Committee and member of the CSR Committee
Laure HAUSEUX	60 years	F	French	4,000	3 offices	Yes	12/06/20	AGM 2023	3 years	Member of the Audit Committee
Victor HERRERO	54 years	M	Spanish	12,600	Three offices, two of which are abroad	Yes	26/01/22	AGM 2023	1 year	Member of the Audit Committee
Michel-Alain PROCH Vice-Chairperson of the Board	53 years	M	French	15,000	2 offices	Yes	10/03/20	AGM 2024	3 years	Chairperson of the Audit Committee and member of the Nomination and Compensation Committee
Alexandra PALT	50 years	F	Austrian	3,930	1 office	Yes	31/05/22	AGM 2026	1 year	Chairperson of the CSR Committee (2)
Gabriel NAOURI	41 years	M	French	N/A (3)	1 office	No	31/05/22	AGM 2026	1 year	N/A
TELEIOS CAPITAL PARTNERS LLC	N/A	N/A	Switzerland	11,246,400	1 office	No	31/05/22	AGM 2026	1 year	N/A

(1) 27 April 2023. As of 31 December 2022, Julie WALBAUM was a Director of the Company, see Section 4.1.1.3 of Chapter 4 of this Universal Registration Document. She resigned from her term of office as a director on 15 March 2023. See Section 4.1.1.10 of Chapter 4 of this Universal Registration Document for the biography of Julie WALBAUM.
(2) At the meeting of the Board of Directors held on 22 March 2023, Thierry FALQUE-PIERROTIN resigned as Chairperson and member of the Board of Directors, for personal reasons, effective no later than the next Annual General Meeting of 29 June 2023. The Board of Directors has launched the search for a new independent Chairperson (see Section 4.1.1.3).
(3) In accordance with the Internal Regulations of the Board of Directors, a natural person appointed on the proposal of a legal entity shareholder of the Company is not required to hold Company shares in a personal capacity.

Personal information					Position on the Board					Service on the Board's Committees
Directors representing the employees										
Gregory CROZZOLO	38 years	M	French	N/A	1 office	No	26/10/22	AGM 2026	< 1 year	Member of the Nomination and Compensation Committee
Samira MOUADDINE	46 years	F	French	N/A	1 office	No	26/10/22	AGM 2026	< 1 year	Member of the CSR 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	N/A

4.1.1.2 Changes in the composition of the Board of Directors

Changes during the 2022 financial year

	Departure	Appointment	Reappointment
Board of Directors	**Sophie GUIEYSSE** (Resignation on 31/05/22) **Marie-Christine LEVET** (Resignation on 31/05/22) **Mustapha OULKHOUIR** (End of term of office on 31/05/22)	**Alexandra PALT** (Appointment on 31/05/22) **Gabriel NAOURI** (Appointment on 31/05/22) **TELEIOS CAPITAL PARTNERS LLC** (Appointment on 31/05/22) **Gregory CROZZOLO** (Appointment on 26/10/22) **Samira MOUADDINE** (Appointment on 26/10/22)	
Audit Committee		**Victor HERRERO** (Appointment on 31/05/22)	
Nomination and Compensation Committee		**Gregory CROZZOLO** (Appointment on 26/10/22)	
Strategy Committee	Dissolution on 31/05/22		
CSR Committee		**Alexandra PALT** (Appointment on 31/05/22) **Thierry FALQUE-PIERROTIN** (Appointment on 31/05/22) **Cécile CLOAREC** (Appointment on 31/05/22) **Samira MOUADDINE** (Appointment on 26/10/22)	

Changes since the beginning of the 2023 financial year

	Departure	Appointment	Reappointment
Board of Directors (1)	**Julie WALBAUM** (Resignation with effect from 15/03/22) (2)		
Audit Committee			
Nomination and Compensation Committee			
CSR Committee			

(1) At the meeting of the Board of Directors held on 22 March 2023, Thierry FALQUE-PIERROTIN resigned as Chairperson and member of the Board of Directors, for personal reasons, effective no later than the next Annual General Meeting of 29 June 2023 (see Section 4.1.1.3).

(2) See Section 4.1.1.3 of Chapter 4 of this Universal Registration Document.

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. This method of governance is regularly reviewed and then confirmed by the Board. At its meeting of 25 March 2021, the Board 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 the 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.

At its meeting of 25 January 2023, the Board of Directors decided that François-Melchior de POLIGNAC will be appointed Chief Executive Officer as from 15 March 2023, to succeed Julie WALBAUM, whose term of office as Chief Executive Officer will expire on that date (without modifying the Group's governance structure providing for this separation of the functions of Chairperson of the Board of Directors and Chief Executive Officer).

During this meeting, François-Melchior de POLIGNAC was appointed Deputy Chief Executive Officer with immediate effect and until 15 March 2023, in order to ensure an efficient transition during this period.

On 8 March 2023, the Board of Directors appointed François-Melchior de POLIGNAC as Chief Executive Officer with effect from 15 March 2023.

At the meeting of the Board of Directors held on 22 March 2023, Thierry FALQUE-PIERROTIN resigned as Chairperson and member of the Board of Directors, for personal reasons, effective no later than the next Annual General Meeting of 29 June 2023. The Board of Directors has launched the search for a new independent Chairperson.

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 of Directors;
- 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

As of 31 December 2022, the Board was composed of four female members and five male members (excluding directors representing employees, members not included in the calculation of the representation threshold). At the date of publication of this Universal Registration Document, and given the resignation of Julie WALBAUM from her term of office as a director on 15 March 2023, the Board is composed of three female members and five male members, excluding the directors representing the employees, who are not included in the calculation of the representation threshold. This composition of the Board remains in line with the provisions of Article L. 225-18-1 of the French Commercial Code concerning the proportion of directors of the same gender.

Following the resignation of the Chairperson of the Board of Directors announced on 22 March and effective no later than the next Annual General Meeting of 29 June 2023, the Board of Directors has launched the search for a new independent Chairperson, and will ensure that the composition of the Board remains in line with the legal provisions concerning the proportion of directors of the same gender.

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.

	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
Thierry FALQUE-PIERROTIN	✓	✓	✓	✓		
Cécile CLOAREC	✓			✓		✓
Laure HAUSEUX	✓		✓		✓	
Victor HERRERO	✓		✓		✓	✓
Michel-Alain PROCH		✓	✓		✓	
Alexandra PALT				✓		✓
Gabriel NAOURI	✓	✓	✓		✓	
TELEIOS CAPITAL PARTNERS LLC					✓	
Gregory CROZZOLO	✓			✓		
Samira MOUADDINE	✓					

4.1.1.5 Succession plan for Executive Directors

Over the last few years, 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.

To this end, the Committee had prepared a succession plan for the Chief Executive Officer and regularly updated it, in particular by means of market mapping, with the assistance of a leading external consulting firm. This plan separates unplanned successions and medium and long term planned successions.

During the second part of the past financial year, the Committee worked on the implementation of this plan, leading to the change of Chief Executive Officer decided in January 2023 (see Section 4.1.1.3).

In addition, given the resignation of the Chairperson of the Board of Directors announced in March 2023 and taking effect at the latest before the Annual General Meeting of 29 June 2023, the Board of Directors and the Nomination and Compensation Committee have also updated their work on the succession plan for the Chairperson of the Board of Directors.

Lastly, the Board and the Committee continued their work on the succession plans for all members of the Executive Committee.

4.1.1.6 Independence of Board members

The Nomination and Compensation Committee, and then the Board of Directors review the situation of each director in relation to the eight independence criteria defined by the AFEP-MEDEF Code every year:

Criterion	Criterion number
Is not nor has been during the previous five years (i) an employee or executive director of the Company, (ii) an employee, executive director or director of a company consolidated by the Company, or (iii) an employee, executive director or director of the Company's parent company or of a company consolidated by this parent company.	1
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.	2
Is not a customer, supplier, investment banker, or investment banker of (i) significant value to the Company or the Group, or (ii) for which the Company or the Group represents a significant part of the business (nor be directly related or indirectly to such a person).	3
Does not have any close family ties with a corporate officer.	4
Has not been a statutory auditor of the Company in the last five years.	5
Has not been a director of the Company for more than twelve years, the loss of the status of independent director occurring on the date of twelve years.	6
Does not, for an executive director, receive variable compensation in cash or securities or any compensation linked to the performance of the Company or the Group.	7
Does not hold 10% or more of the Company's share capital or voting rights, or represent a legal entity holding such a stake.	8

Summary table by director regarding the criteria set out in the AFEP-MEDEF Code
Situation with regard to the independence of each director as at 8 March 2023

Last name	1	2	3	4	5	6	7	8	Qualification adopted by the Board of Directors
Thierry FALQUE-PIERROTIN	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Michel-Alain PROCH	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Laure HAUSEUX	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Cécile CLOAREC	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Victor HERRERO	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Alexandra PALT	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Gabriel NAOURI	✓	✓	✓	✓	✓	✓	✓		Not independent
TELEIOS CAPITAL PARTNERS LLC	✓	✓	✓	✓	✓	✓	✓		Not independent
Grégory CROZZOLO		✓	✓	✓	✓	✓	✓	✓	Not independent
Samira MOUADDINE		✓	✓	✓	✓	✓	✓	✓	Not independent

In this table, ✓ represents an independence criterion met.

4.1.1.7 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, at the beginning of the past financial year, the Board of Directors had only one Director representing the employees, as the number of Directors appointed by the Annual General Meeting did not exceed the legal threshold of eight members.

At the Annual General Meeting of 31 May 2022, this legal threshold was reached, the Board having nine members at that date, and having a legal period of six months to appoint a second director representing employees.

The term of office of Mustapha OULKHOUIR, Director representing employees since 1 June 2018, expired on 31 May 2022.

Gregory CROZZOLO 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 26 October 2022.

Samira MOUADDINE was appointed by the trade union organisation in second place in the professional elections of Maisons du Monde and its subsidiaries whose registered office is located in France, and was appointed by the Board for a term of four years on 26 October 2022.

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.

As of 31 December 2022, Group employees represented less than 3% of the Company's share capital.

4.1.1.8 Lead independent 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.

4.1.1.9 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 1 December 2022
24,000

THIERRY FALQUE-PIERROTIN (1)

Business address: Le Portereau 44120 Vertou

Main position

Independent Director
Chairperson of the Board of Directors
Member of the Nomination and Compensation Committee
Member of the CSR 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 expired during the last five years

French companies
- None

Foreign companies
- None

(1) At the meeting of the Board of Directors held on 22 March 2023, Thierry FALQUE-PIERROTIN resigned as Chairperson and member of the Board of Directors, for personal reasons, effective no later than the next Annual General Meeting of 29 June 2023.

CÉCILE CLOAREC

Business address: Le Portereau 44120 Vertou

Main position

Independent Director
Chairperson of the Nomination and Compensation Committee
Member of the CSR 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 31 December 2022
2,700

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 Bt C and BtoB 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 expired during the last five years

French companies
- None

Foreign companies
- None

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 31 December 2022
4,000

Main position

Independent Director
Member of the Audit Committee

Other positions

Independent Director

Biography

Laure HAUSEUX has carried out her career in Senior Management and Finance Management positions, mainly in B2B and B2C distribution within prestigious brands, and also in industry (automotive, IT), and services. She is a recognised expert in the strategic and financial fields, in the identification and management of ambitious, innovative, profitable and complex transformation projects, with multiple experience, from SMEs to large groups, listed and unlisted, in France and internationally.

Currently an independent Director, Laure HAUSEUX held these positions at Zodiac Aerospace from 2011 to 2018, at Casino Guichard Perrachon and at European Camping Group until 2021. She currently sits on the Boards of Plastics du Val de Loire (Plastivaloire), Maisons du Monde, Fnac-Darty, Empruntis and the Pomona Group.

Previously, she held various senior management positions at Control Data France and Gérard Pasquier, then within the PPR Group (currently Kering), notably at FNAC, Printemps, and Conforama Italy. She then pursued her career successively as Vice-President Finance and Information Systems and Services at Inergy Automotive Systems, then at the management of Virgin Stores, and GAC 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 Fnac-Darty S.A. (listed group)
- Director of Plastiques du Val de Loire S.A. (listed group)
- Member of the Supervisory Board of Pomona S.A.
- Member of the Supervisory Committee of Empruntis SAS
- Manager of SCI Le Nid

Foreign companies
- None

Terms of office expired during the last five years

French companies
- Director of Casino Guichard Perrachon S.A.
- Director of ECG Holding SAS
- Member of the Supervisory Board of Zodiac Aérospace

Foreign companies
- None

4

VICTOR HERRERO

Business address: Le Portereau 44120 Vertou

Main position held in the Company

Independent Director
Member of the Audit Committee

Other positions

Director at G-III Apparel Groupe

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 31 December 2022
12,600

Biography

Victor HERRERO 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.

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 expired during the last five years

French companies
- None

Foreign companies
- CEO and Director Guess Inc.

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 2022
15,000

Main position

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 Supervisory Board of Iris Capital Management SAS
- 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
- Chairperson of the Board of Directors and Director of Publicis Ré S.A.
- Representative of MMSFH, Chairperson of Ologir SAS

(1) All of the French and foreign mandates held by Michel-Alain PROCH are exercised within the Publicis Group, with the exception of those of Maisons du Monde and Iris Capital Management.

Foreign companies
- Chairperson and Director of Multi Market Services Canada Holdings Inc. (Canada)
- Chairperson and Director of TMG Mac Manus Canada Inc. (Canada).
- Chairperson of the Board of Directors of MMS Italy Holdings S.r.l. (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 Multi Market Services Australia Holdings Pty Ltd (Australia)
- Director of MMS USA Investments Inc. (USA)
- 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 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 Profitero UK Ltd (United Kingdom)
- 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 expired during the last five years

French companies
- Representative of MMSFH, Chairperson of Publicis Sapient France DBT SAS
- Director of Worldline S.A.
- 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
- Representative of MMSFH, Chairperson of Ella Factory SAS

Foreign companies
- Director of MMS USA Investments Inc.
- Co-Manager of Re Sources Germany GmbH
- Director of Ingenico Holdings Asia II Limited (Hong Kong)
- Director of Ingenico Support Americas, S. de RL de CV (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 B.V. (Netherlands)
- Director of Stichting Beheer Derdengelden Ingenico Financial Solutions (Netherlands)
- Director of Bambora Top Holding AB (Sweden)
- Chairperson, Director and Treasurer of Obtineo USA, Inc. (USA)
- Director of Publicis Communication Pty Ltd (Australia)
- Director of BBH Holdings Limited (United Kingdom)

ALEXANDRA PALT

Business address: Le Portereau 44210 Vertou

Date of birth
25 May 1972

Nationality
Austrian

Date of 1st appointment
31 May 2022

End of term of office
2026 Annual General Meeting

Number of Company shares held at 31 December 2022
3,930

Main position held in the Company

Independent Director
Chairperson of the CSR Committee

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.

Main offices held in the last five years

Current terms of office:

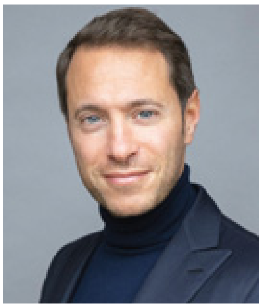
French companies
- None

Foreign companies
- None

Terms of office expired during the last five years

French companies
- SA HAPPYCHIC

Foreign companies
- None



GABRIEL NAOURI

Business address: Le Portereau 44210 Vertou

Date of birth
6 July 1981

Nationality
French

Date of 1st appointment
31 May 2022

End of term of office
2026 Annual General Meeting

Number of Company shares held at 31 December 2022
None

Main position held in the Company

Director

Other positions

Chairperson of Majorelle Investments

Biography

Gabriel NAOURI is the founder of Majorelle Investments, an investment holding company that invests in all segments of the consumer industry.

He is also the Chairperson and Founder of FIGANA, an investment platform that provides expertise and funds to entrepreneurs in the new technology sector worldwide.

He began his career in New York, at Rothschild Bank, as an analyst specialising in mergers and acquisitions. In 2007, he joined the Casino Group where, for more than 10 years, he held various positions in France, Asia and Latin America. In 2018, he became Senior Advisor to the CEO of Aeon Group (the largest Japanese retailer). Gabriel NAOURI has previously served on the Board of Directors of numerous listed and private companies worldwide.

He holds a master's degree in applied mathematics from the University of Paris Dauphine and is a Board member certified by NYSE-Euronext.

Main offices held in the last five years

Current terms of office:

French companies
- Chairperson of Financière GN

Foreign companies
- Chairperson of the Management Board of Majorelle Investments S.à r.l.

Terms of office expired during the last five years

French companies
- None

Foreign companies
- Director of TicTrac Ltd
- Director then Chairperson of the Board of Directors of Yandex.market

TELEIOS CAPITAL PARTNERS

Permanent representative: Adam EPSTEIN

Business address: Le Portereau 44210 Vertou

Nationality
Company incorporated under Swiss law

Date of 1st appointment
31 May 2022

End of term of office
2026 Annual General Meeting

Number of Company shares held at 31 December 2022
11,246,400

Main position held in the Company

Director

Other positions

Biography

Teleios Capital, founded in 2013, is an independent investment firm that manages assets on behalf of institutional clients comprising endowment funds, foundations and pension funds, as well as family offices.

Teleios Capital invests in medium-sized European listed companies through the acquisition of substantial minority stakes over the long term.

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
- None

Foreign companies
- None

GREGORY CROZZOLO

Business address: Le Portereau 44210 Vertou

Date of birth
7 October 1984

Nationality
French

Date of 1st appointment
26 October 2022

End of term of office
2026 Annual General Meeting

Number of Company shares held at 31 December 2022
None

Main position held in the Company

Director representing the employees
Member of the Nomination and Compensation Committee

Other positions

Maisons du Monde France Training Project Manager

Biography

Grégory CROZZOLO has more than 16 years of experience with Maisons du Monde.

Grégory CROZZOLO joined Maisons du Monde as a salesperson, then moved on to various managerial positions in France and through missions in Italy and Belgium, thus developing his vision of retail and the operational reality of the teams.

Grégory CROZZOLO joined the Maisons du Monde head office when the training department was created and is tasked with managing multimodal training projects for retail employees, from the definition of the need to the deployment of training, through educational engineering. This function involves working with both the head office and the retail business lines and gives him knowledge of both the back-office and the front-office.

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 expired during the last five years

French companies
- None

Foreign companies
- None

Date of birth
28 October 1976

Nationality
French

Date of 1st appointment
26 October 2022

End of term of office
2026 Annual General Meeting

Number of Company shares held at 31 December 2022
None

SAMIRA MOUADDINE

Business address: Le Portereau 44210 Vertou

Main position held in the Company

Director representing the employees
Member of the CSR Committee

Other positions

Director of the Maisons du Monde Mondeville store

Biography

Samira MOUADDINE has more than 20 years of experience in retail, particularly in large food distribution, fashion and decoration.

Samira MOUADDINE is a graduate of the Institut Universitaire et Technologique de Lisieux in Marketing Techniques.

Samira began her career in 1999 by joining the Carrefour group, where she worked until 2004 as a Textile Manager in various hypermarkets.

Samira MOUADDINE then joined the H&M Group from 2004 to 2019 as Store Manager. For 15 years, she carried out numerous cross-functional assignments, such as employee training as well as their skill development and store openings.

Samira MOUADDINE joined the Maisons du Monde group in 2019 and is currently Director of the Caen Mondeville Megastore.

Main offices held in the last five years

Current terms of office:

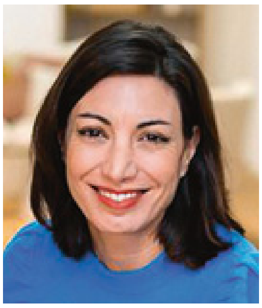
French companies
- Director representing the employees of Maisons du Monde S.A.

Foreign companies
- None

Terms of office expired during the last five years

French companies
- None

Foreign companies
- None



JULIE WALBAUM [(1)]

Business address: Le Portereau 44210 Vertou

Date of birth
30 November 1977

Nationality
French

Date of 1st appointment
3 June 2019

End of term of office
15 March 2023

Number of Company shares held at 31 December 2022
43,265

Main position held in the Company

Director until 15 March 2023
Chief Executive Officer until 15 March 2023

Other positions

Other positions

Biography

Julie WALBAUM was Chief Executive Officer of Maisons du Monde from 1 July 2018 to 15 March 2023.

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 at 31 December 2022:

French companies
- Chief Executive Officer of Maisons du Monde S.A.
- Chairperson of Distrimag S.A.S (Maisons du Monde group)
- Chairperson of Savane Vision SAS (Rhinov) (Maisons du Monde group)

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 (Maisons du Monde group)Chairperson of Mekong Furniture Ldt (Maisons du Monde group)

Terms of office expired during the last five years

French companies
- None

Foreign companies
- None

(1) *Chief Executive Officer and Director of the Company until 15 March 2023.*

4.1.1.10 Status of the terms of office of the members of the Board of Directors

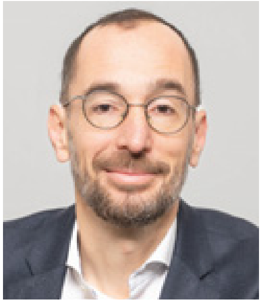
As a reminder, Julie WALBAUM resigned from her duties as Director with effect from 15 March 2023, as part of the change of Chief Executive Officer decided by the Board of Directors at its meeting of 25 January.

Laure HAUSEUX's term of office will expire at the end of the Annual General Meeting of 29 June 2023.

In addition, Victor HERRERO was appointed as a director to replace Peter CHILD as director by the Board of Directors on 26 January 2022. The ratification of this appointment was approved by the Annual General Meeting held on 31 May 2022. The appointment of Victor HERRERO was then decided, in accordance with the law, for the remaining term of his predecessor, *i.e.* at the end of the Annual General Meeting to be held in 2023.

This Annual General Meeting, in accordance with the recommendations of the Nomination and Compensation Committee, will therefore be asked to renew the terms of office of Laure HAUSEUX and Victor HERRERO for a period of four years expiring at the end of the 2027 Annual General Meeting called to approve the financial statements for the previous financial year.

4.1.1.11 Detailed presentation of the Chief Executive Officer



Date of birth
24 March 1973

Nationality
French

Number of Company shares held at 31 December 2022
None

FRANÇOIS-MELCHIOR DE POLIGNAC

Business address: Le Portereau 44210 Vertou

Main position held in the Company

Chief Executive Officer

Other positions

None

Biography

François-Melchior de POLIGNAC has been Chief Executive Officer of Maisons du Monde S.A. since 15 March 2023. He was Deputy Chief Executive Officer between 25 January 2023 and 15 March 2023.

He was previously Executive Director and Zone General Manager in charge of Belgium, Romania and Poland within the Carrefour Group since 2020. Previously, he held the position of Group Executive Vice President Merchandise from 2018 to 2020 and Chief Executive Officer for Romania from 2011 to 2018 after leading a Group’s organisational transformation programme in France from 2009 to 2011. He joined the Carrefour Group in 2000.

François-Melchior de POLIGNAC began his career at L'Oréal in the Financial Control team of Lancôme Italy in 1995 before joining the Boston Consulting Group in Paris.

He graduated from HEC in 1994 and holds a master’s degree in International Relations from the University of Cambridge.

Main offices held in the last five years

Current terms of office at the date of publication of this Universal Registration Document:

French companies
- Chief Executive Officer of Maisons du Monde S.A.
- Chairperson of Savane Vision SAS (Rhinov) (Maisons du Monde group)

Foreign companies
- Manager of Maisons du Monde Germany GmbH
- Manager of Maisons du Monde Autriche GmbH
- Director of Maisons du Monde Belgium S.A.
- Sole Director of Maisons du Monde España SL
- Director of Maisons du Monde Italy SRL
- 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 (Maisons du Monde group)
- Chairperson of the Board of Directors of Mekong Furniture United Limited (Maisons du Monde group)

Terms of office expired during the last five years

French companies
- Carrefour Marchandises Internationales SAS
- Hyparlo
- Carrefour Import

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.

Potential limitations of the powers of the Chief Executive Officer

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.

Details of these updated authorisations appear in Appendix I of the Board's Internal Rules, which are regularly reviewed and updated by the Board of Directors, and which are published on the Group's website.

Ethics of directors of Maisons du Monde

Holding of shares

In accordance with Maisons du Monde's Internal Rules and in application of the AFEP-MEDEF Code, each director, whether a natural person or a legal entity, must be a shareholder in a personal capacity (or, (i) if the director is a management company, through the investment funds or clients it manages, (ii) if the director is a natural person appointed on the proposal of a legal entity shareholder of the Company, through the intermediary of this shareholder) and own a relatively significant number of 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, effective in 2022.

If they do not own shares when they take office, directors must use the compensation in respect of their directorship to acquire Company shares within eighteen (18) 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 a minimum number of Company shares equivalent to the sum of EUR 40,000, using the weighted average purchase price of the shares as a reference value.

Confidentiality

The directors, as well as any person called to attend the meetings of the Board or its Committees, are bound by an absolute obligation of confidentiality which goes beyond the simple obligation of discretion provided for by the texts, with regard to the content of the discussions and deliberations of the Board and its committees, and all the information and documents presented therein, or provided to them in the preparation of their work, or that may have come to their attention in the course of their duties.

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.

The permanent representative of a legal entity that is a director or an executive director or representative of a legal entity that is a shareholder of the Company, acting in the normal exercise of his/her duties, may provide documents, in particular preparatory documents, to the Board of Directors and confidential information (some of which may constitute insider information) to the corporate officer(s) of this legal entity or to members of the management, legal and compliance teams in charge of investment in the Company, in the event that an investment fund is a direct or indirect shareholder, and to their advisors, it being specified that:

- this dissemination may be made only for the proper performance of the mission of director of the legal entity, and must be limited, both in its content and in the number of recipients, to that strictly necessary for this purpose, and in the compliance with applicable regulations;
- the legal entity must take all necessary measures to ensure strict confidentiality on the part of the corporate officer or members of the management, legal and compliance teams in charge of investment in the Company, in the cases where an investment fund is a direct or indirect shareholder, and their advisors.

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 2022

In 2022, the Board met 8 times, compared to 11 meetings in the previous financial year.

In 2022, the Board's deliberations focused on the following topics:

- the approval of the budget for financial year 2022;
- the closing of the 2021 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 2022 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 (each Committee Chairperson giving a detailed oral report on the work of his/her committee at the following Board meeting, the written minutes of the meetings of the Committees being also sent to the directors before the Board meeting following these meetings);
- the definition of the Group’s strategy, updates to strategic plans and monitoring of 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 financing;
- the review and authorisation of share buyback programme, the first programme being implemented in the autumn of 2021 and the second in the summer of 2022;
- the analysis and authorisation of the cancellation of treasury shares held by the Company in the summer of 2022;
- the review and authorisation of regulated agreements entered into or continued during the financial year;
- 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 convening of the 2022 Annual General Meeting;
- the annual review of the Group’s situation with regard to gender equality rules;
- the update of the Board’s Internal Rules published on the Group’s website.

In addition, several executive sessions were held during the financial year during which the members of the Board meet without the presence of the Chief Executive Officer.

In terms of governance, the Board reviewed and approved, on the recommendation of the Nomination and Remuneration Committee:

- changes in the composition of the Board due to the appointment of new directors;
- changes in the composition of the Committees due to the election of these new directors;
- the study and creation of a Corporate Social Responsibility Committee (CSR Committee);
- the decision to dissolve the Strategy Committee;
- the annual review and determination of all the components of the compensation system for the Executive Director and non-executive corporate officers and members of the Board;
- 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;
- the update to management succession plans;
- the analysis and determination of the mission of the Chief Executive Officer and the monitoring of the recruitment procedure for the new Chief Executive Officer;
- lastly, as every year, the Board examined the progress made in the implementation of the policy for the representation of women in the Group’s management bodies (see next paragraph).

Policy for the representation of women in the Group's management bodies

As part of its annual review of the situation in terms of gender equality, on 8 December 2022, the Board of Directors reviewed the progress of the implementation of the new policy for the representation of women in management bodies decided in December 2021.

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;
- maintain ranking 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 2022

In 2022, 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 CSR Committee meetings
Cécile CLOAREC	88%	N/A	100%	100%
Thierry FALQUE-PIERROTIN	100%	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	75%	N/A
Michel-Alain PROCH	100%	100%	100%	N/A
Julie WALBAUM	100%	N/A	N/A	N/A
Victor HERRERO	100%	100%	N/A	N/A
Alexandra PALT**	75%	N/A	N/A	100%
Gabriel NAOURI	100%	N/A	N/A	N/A
TELEIOS CAPITAL PARTNERS	100%	N/A	N/A	N/A
Gregory CROZZOLO	100%	N/A	100%	N/A
Samira MOUADDINE	100%	N/A	N/A	100%
Average attendance	97%	100%	94%	100%

** Information on the changes that took place within the Board and committees during the 2022 financial year is provided in Section 4.1.1.2.*

*** Alexandra PALT was appointed as a Director at the Annual General Meeting of 31 May 2022. She attended three of the four Board meetings held since her appointment.*

Summary of the work of the Chairperson of the Board

Thierry FALQUE-PIERROTIN has been Chairperson of the Board since 1 July 2021.

The Chairpersonship of the Board involves participation in the work of the Nomination and Compensation Committee and the CSR Committee, and 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 his/her teams within the Executive Committee teams benefit from close support and also from a permanent but benevolent challenge from the members of the Board.

During the 2022 financial year, the Chairperson's activities included:

- preparation of the Annual General Meeting of May 2022, including the study of the recommendations of the voting advisory agencies;
- preparation for the integration of new directors elected at the Annual General Meeting of 31 May 2022;
- meetings with the Company's main shareholders;
- the preparation of the numerous executive session meetings of the Board of Directors in 2022;
- in conjunction with the Nomination and Compensation Committee, the update of management succession plans, and in particular the search for a new Chief Executive Officer whose appointment was decided in January 2023 along with the review and modification of the terms and conditions functioning of the Board.

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. In 2022 as in 2021, the Board updated this assessment internally, on the basis of a questionnaire prepared by this firm, and aimed in particular at an annual progress report on the various improvement measures implemented since the 2020 external assessment. 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 carried out end 2021, 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).

During the assessment of its operations carried out at the end of 2022, the directors noted the progress made in the Board's governance and positively assessed its functioning during the financial year. New improvements (in terms of information sent to the Board, or subjects to be dealt with further during meetings) have been requested and are being implemented.

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 CSR 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
	Victor HERRERO – 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 2022

In 2022, the Committee met five times with an attendance rate of 100% at each meeting.

During the financial year, the Audit Committee's work consisted of:

- examining the 2021 annual financial statements and the 2022 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 measures implemented to strengthen internal control;
- reviewing the risk factors included in the Universal Registration Document;
- 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 provided by them other than the certification of the financial statements (in 2022, these services, which were approved by the Audit Committee, consist mainly of the verification of the Group's CSR data);
- reviewing the Group's related-party agreements and current agreements;
- reviewing the Group's financial position;
- reviewing the security status of the Group's information systems;
- 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	Gregory CROZZOLO - Director representing employees
	Thierry FALQUE-PIERROTIN – Independent Director
	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 2022

During the 2022 financial year, the Nomination and Compensation Committee met ten times. In accordance with the compensation policy approved by the Annual General Meeting of 31 May 2022, the number of meetings that may be subject to compensation was capped at seven. As a result, three meetings were held for which the members of the Nomination and Compensation Committee did not receive any compensation. The overall attendance rate (calculated on the only meetings giving rise to remuneration) is 94%.

During the year, the 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;
- examining 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 2022 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;
- preparing the annual executive session of the Board of Directors.

In addition, in 2022, the Nomination and Compensation Committee worked extensively on the update and then the implementation of a succession plan for Executive Management. This work, carried out with the help of a leading firm, and in conjunction with the non-executive directors who met in executive session on several occasions, resulted in the replacement of the Chief Executive Officer, decided by the Board of Directors on 25 January 2023.

4.1.3.3 The CSR Committee

The CSR Committee is composed of the following members:

Chairperson	Alexandra PALT - Independent Director
Members	Thierry FALQUE-PIERROTIN – Independent Director
	Cécile CLOAREC – Independent Director
	Samira MOUADDINE – Director representing the employees

The main mission of the CSR Committee is to assist the Board in terms of social and environmental responsibility and to support the transformation of the business model towards a low-carbon model, with a low environmental impact and a strong positive social and societal impact.

Summary of CSR Committee's work in 2022

The CSR Committee met three times during the past financial year, with an attendance rate of 100% at each meeting.

Its work was in particular devoted to:

- establishing its mission;
- reviewing the Group's CSR commitments and results;
- examining the environmental, climate, social and human rights risks related to the Group's business;
- presenting the work and objectives of the "Maisons du Monde Foundation" endowment fund.

4.1.4 THE MAISONS DU MONDE EXECUTIVE COMMITTEE

4.1.4.1 Composition and diversity

As of 31 December 2022, the Executive Committee was composed as follows:

- Julie WALBAUM - Chief Executive Officer;
- Yohann CATHERINE - Operations Director;
- Constance FOUQUET - Executive Director of Digital, IT & B2B;
- Régis MASSUYEAU - Chief Administrative and Financial Officer;
- Sophie MOUHIEDDINE - Executive Director of Human Resources and Internal Communication;
- Julien VIGOUROUX - Executive Director of Operations.

The Maisons du Monde Executive Committee has three female members, representing 50% of its members.

Since 15 March 2023, François-Melchior de POLIGNAC has been Chief Executive Officer, replacing Julie WALBAUM, after having served as Deputy Chief Executive Officer from 25 January 2023 to 15 March 2023.

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 based on its Company purpose: "Inspiring everyone to open up to the world, to create together unique, warm and sustainable places to live."

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 Articles L. 22-10-8 and R. 22-10-14 of the French Commercial Code, the compensation policy applicable to the corporate officers of Maisons du Monde is described in this corporate governance report.

The Board of Directors established the compensation policy for corporate officers, on the recommendation of the Nomination and Compensation Committee and in accordance with the principles set out in the AFEP-MEDEF Code, whose general principles are as follows:

Corporate interest and alignment of interests

- 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 Board of Directors ensures that the compensation policy is in line with the Company's strategy and contributes to its sustainability;
- 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.

Equal compensation

- 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;

Transparency and performance

- 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 Decision-making process followed for the implementation of the compensation policy

Each year, the Nomination and Compensation Committee reviews the various components of the compensation of the members of the Board of Directors, the Company's Senior Management and other corporate officers.

In light of the recommendations of the Nomination and Compensation Committee, the Board of Directors establishes the compensation policy that is submitted to the vote of the next General Meeting of the Company's shareholders.

In accordance with the provisions of Articles L. 22-10-8 II. and L. 22-10-34 of the French Commercial Code, the Annual General Meeting is called to vote on:

- the resolutions of the "ex ante" vote on the compensation policy for year N; and
- the resolutions of the "ex post" vote on the components of compensation and benefits of any kind paid or awarded in respect of year N-1;
- relating to all executive officers on the one hand, and to each executive officer on the other.

4.2.1.3 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;
- enable transparency with regard to shareholders and;
- be consistent with the Company's objectives, as well as the Company's normal practices in terms of executive compensation.

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 a performance threshold, 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 and sustainable 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 "*prorata 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 and François-Melchior de POLIGNAC, the components from which the corporate officers benefit are described in detail in Section 4.2.2.1.

4.2.1.4 Implementation of the compensation policy over the last five years (pay ratio)

In accordance with Article L. 22-10-9 of the French Commercial Code, the ratios between the compensation of the Chief Executive Officer and Chairperson of the Board of Directors and the average and median compensation of employees of Maisons du Monde in France, over the last five financial years are provided below:

	2018	Evolution	2019	Evolution	2020	Evolution	2021	Evolution	2022	Evolution
Compensation of employees *(in euros)*										
Average compensation of employees	24,500	4%	25,500	4%	24,000	-6%	25,000	4%	24,745	-2%
Median compensation of employees	22,500	0	23,500	4%	22,500	-4%	24,500	9%	22,425	-9%
Compensation of the executive corporate officer (CEO) *(in euros)*										
Julie WALBAUM	N/A	N/A	1,366,000 *	N/A	1,148,000 **	-16%	1,374,500	20%	1,722,984	25%
Gilles PETIT	919,000 ****	-55%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ratio *vs.* average	37.51 n/r	-	53.57	-	47.83	-	54.98	-	69.63	
Ratio *vs.* median	40.84 n/r	-	58.13	-	51.02	-	56.10	-	76.83	
Compensation of the Chairperson of the Board of Directors *(in euros)*										
Thierry FALQUE-PIERROTIN	N/A	N/A	N/A	N/A	N/A	N/A	150,000†	Annualised 4%	150,000	0%
Peter CHILD	N/A	N/A	N/A	N/A	143,750 **	N/A	150,000†	Annualised 4%	N/A	N/A
Sir Ian CHESHIRE	105,000	-5%	100,000	-5%	N/A	N/A	N/A	N/A	N/A	N/A
Ratio *vs.* average	4.29		3.92		5.99		6.00		6.06	1%
Ratio *vs.* median	4.67		4.26		6.39		6.12		6.69	9%
Maisons du Monde indicators *(in millions of euros***)***										
Total revenue	1,111	10%	1,125	1.26%	1,178	5%	1,307	10.6%	1,240	-5%
Current operating profit	108.2	7%	117.0	8%	94.4	-22.3%	115.7	27.3%	70.9	-39%
Profit / (loss)	61	-4%	62	2%	(16.1)	N/A	79.1	N/A	34.2	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 200,000 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.*

† Compensation awarded pro rata to the duration of the term of office during the 2021 financial year.

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 retained for executive corporate officers corresponds to the compensation paid in year N in respect of N-1. It consists of the fixed portion including benefits in kind, the variable portion paid in year N in respect of year N-1, and performance shares granted in year N;
- when an element of compensation must be considered for a period of less than the year (for example a bonus 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), the compensation used corresponds to the compensation paid during financial year N (including 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 and performance shares allocated during financial year N.
- 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.
- The increase in the equity ratio in 2022 is linked to the payment of the Chief Executive Officer's 2021 bonus in March 2022 while the variable bonuses of network and logistics employees are paid on a month-to-month basis in the reference year 2022.

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 2022 financial year

Julie WALBAUM received the following compensation for 2022:

- **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 2021 financial year:

  In 2022, Julie WALBAUM received variable compensation due in respect of the 2021 financial year for a total amount of EUR 579,000.

  This amount represents an achievement rate of 115.8% of the target value, and 115.8% of the reference fixed compensation for the period.

  The variable compensation owing to Julie WALBAUM for 2021 was approved by the Annual General Meeting of 31 May 2022.

  Amount due for the 2022 financial year:

  For 2022, the Board, at its Meeting on 8 March 2023, on the recommendations of the Nomination and Compensation Committee, set variable compensation for Julie WALBAUM at the sum of EUR 100,000.

  It should be noted that the Board set the terms of this variable compensation at its Meeting of 9 March 2022 as follows:

  The annual variable bonus 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 following defined performance thresholds, targets and ceilings.

  - Assessment of financial objectives:
  - Group sales: 30% of the target variable portion, with a maximum of 150% in the event of outperformance. The achievement rate is 0%,
  - Group EBIT: 25% of the target variable portion, with a maximum of 140% in the event of outperformance. The achievement rate is 0%,

    Group Free Cash Flow: 25% of the target variable portion capped at 100%. The achievement rate is 0%.
  - Assessment of non-financial objectives:
    - For 5% of the target variable portion: implement and improve the reliability of a new internal carbon footprint management tool to define a trajectory for reducing CO2 emissions over the medium- and long-term of Group activities (scope 1, 2 and 3) before the end of 2022. The Board of Directors' meeting of 8 March 2023, on the recommendation of the CSR Committee and the Nomination and Compensation Committee, noted that the project had been successfully completed. The achievement rate is therefore 100% for this objective.
    - Reduction in carbon intensity compared to 2018, for 10% of the target variable portion (with a maximum of 100% not resulting in an outperformance): the objective announced was -18.5% at the end of 2022. It was part of the ambition to reduce CO2 emissions by 25% in carbon intensity between 2018 and 2025 on the Group scope and on scopes 1, 2 and 3. Carbon intensity reached 371 tCO2eq/EUR m of revenue in 2022, i.e. a decrease of 19.8% compared to the level observed in 2018 (462 tCO2eq/EUR m of revenue). The achievement rate is therefore 100% for this objective.
    - Corporate social responsibility, for 5% of the variable portion. 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. The development of the employer brand as well as the policy of integrating work-study students has enabled Maisons du Monde to exceed its initial objective by integrating just over 170 work-study students, resulting in a 100% achievement rate of this objective.

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 2022 at 20% of the target performance, with the following attainment rates by criterion:

	Target weighting	Target attainment rate	Attainment rate *vs.* target variable
Financial objectives			
• Group sales	30%	0%	0%
• Group EBIT	25%	0%	0%
• Free cash flow	25%	0%	0%
Non-financial objectives (quantifiable)			
• Climate Objective 1: Reduction of carbon emissions in intensity between the end of 2021 and the end of 2022 compared to the 2018 reference value	10%	100%	10%
• Climate Objective 2: adopt and implement a reliable internal carbon footprint management tool	5%	100%	5%
• Social objective: reach 150 work-study students in the Group by 31/12/22	5%	100%	5%
Attainment rate/bonus			20%
• 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 100,000**

The variable portion for 2022 will therefore be paid, subject to shareholder approval at the Annual General Meeting of 29 June 2023, rounded to EUR 100,000, or 20% of the reference fixed compensation for the period.

- **Medium/long-term incentives:**
  - **Performance shares vested in 2022**

Julie WALBAUM did not vest any shares resulting from free share allocation plans, as the performance conditions were not met for the Executive Committee for the plan that expired in 2022.

- **Performance shares granted in 2022**

  At its meeting of 9 March 2022, the Board of Directors, on the recommendations of the Nomination and Compensation Committee, allocated 39,242 free performance shares (or 0.09% of the share capital) to Julie WALBAUM. This decision allowed the Chief Executive Officer to take part in the 2022 Plan set up for the 200 Group employees.

  The vesting 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 (1).

  The final number of performance shares that will vest will be dependent on the achievement of performance conditions measured as follows:

  - SALES CAGR: Compound annual growth rate between 2022 and 2024 – Weighting of the criterion: 30%;
  - EBIT: Average EBIT/revenue over three financial years – Weighting of the criterion: 30%;
  - TSR: Total Shareholder Return, 3-year rate of return measured against the CAC Mid 60 index. GR (including dividends) - Weighting of the criterion 20%;
  - CSR:
    - share of the responsible offering in MdM's overall offering at 31 December 2024 - weighting of the criterion 15%,
    - employee engagement rate in 2024 compared to the results of the 2021 survey of all Group employees (excluding Mékong) - 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.

(1) *See the section "Plan allocated in 2022" on page 190 regarding 39,242 shares.*

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 vested shares in registered form 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 2022, 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.

  In 2022, she benefits from a supplementary defined-contribution pension plan (*Plan d'Épargne Retraite Entreprise Obligatoire*), open to managers of Maisons du Monde S.A. whose gross annual compensation exceeds three social security ceilings. The mandatory payments used to finance the pension contract correspond to 5% of the reference compensation, calculated within the limit of five social security ceilings.

  These mandatory payments are fully covered by the company.

- **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 2023 financial year

Following the change in governance that took place on 25 January 2023, several compensation policies should be determined for the 2023 financial year.

COMPENSATION POLICY FOR THE 2023 FINANCIAL YEAR - JULIE WALBAUM.

This compensation policy runs from 1 January 2023 to 15 March 2023, the date of termination of her term of office.

- **Fixed compensation:**

Julie WALBAUM will receive a gross annual fixed compensation of EUR 500,000, in accordance with the compensation policy adopted by the shareholders, *prorata temporis* of the duration of her term of office from 1 January 2023 to 15 March 2023.

- **Variable compensation:**

The Board of Directors, on the proposal of the Nomination and Compensation Committee, set the annual variable compensation of Julie WALBAUM for the period from 1 January 2023 to 15 March 2023 as follows:

- the annual variable compensation of the Chief Executive Officer may be between 0% and 100% of her gross annual fixed compensation *prorata temporis* over the duration of her term of office, *i.e.* from 1 January 2023 to 15 March 2023, based on the achievement of the objectives set by the Board of Directors;
- these cumulative objectives to be achieved, which will be assessed by the Board of Directors, are as follows: quality of the transition with the future Chief Executive Officer and quality of internal and external communication during this transition period.

Medium/long-term incentives:

Allocation of free performance shares for the 2023 financial year

Julie WALBAUM is not a beneficiary of free performance shares for the 2023 financial year.

Vesting of performance shares

Plan awarded in 2020 for 53,900 shares:

The Board of Directors, at its Meeting of 8 March 2023, on the recommendations of the Nomination and Compensation Committee, reviewed the achievement of the performance conditions for the free performance share plan granted in 2020 to the Chief Executive Officer, and to the Group's other senior executives, executives and high potential employees, the conditions of which related to financial years 2020 and 2021.

The vesting was subject to the following economic performance conditions: 20% on 2021 revenue, 50% on cumulative 2020 + 2021 Ebitda and 30% on cumulative 2020 + 2021 normative EPS.

Based on the financial statements for 2020 and 2021, with 2021 revenue of over EUR 1,350 million, Ebitda over EUR 500 million and EPS equivalent to EUR 1.72 exceeded, and the overall achievement rate is 100%.

Thus, the 53,900 shares of the Company allocated by the Board of Directors on 10 March 2020 were vested on 10 March 2023, the date of the end of the vesting period.

Plan awarded in 2021 for 36,360 shares:

In accordance with the option provided for in the compensation policy for the Chief Executive Officer, the Board of Directors decided to waive, on an exceptional basis, the condition of presence of Julie WALBAUM, while maintaining the rule of prorata temporis to shares in the process of vesting and maintaining the requirement to meet the performance conditions set out in the plan to determine the number of shares. The Board of Directors justified this decision by noting that Julie WALBAUM will have completed two of the three years of performance of the plan, while continuing to carry out her duties in a committed manner. In addition, the waiver of the condition of continued employment prorata temporis gives full effect to the performance conditions for the 2023 financial year for the calculation of the number of shares that will actually vest in March 2024, which contributes to the alignment of Julie WALBAUM and the shareholders in the transition period with the new Chief Executive Officer.

Plan awarded in 2022 for 39,242 shares:

Julie WALBAUM will not be able to acquire any of the 39,242 free shares allocated to her under this plan.

- **Mandatory PER pension plan (Article 83):**

In 2023, the Chief Executive Officer benefits from a supplementary defined-contribution pension plan (*Plan d'Épargne Retraite Entreprise Obligatoire*), open to managers of Maisons du Monde S.A. whose gross annual compensation exceeds three social security ceilings. The mandatory payments used to finance the pension contract correspond to 5% of the reference compensation, calculated within the limit of five social security ceilings.

These mandatory payments are fully covered by the company.

Julie WALBAUM retains the benefit of the mandatory PER pension plan until the end of her duties.

- **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.

The Board of Directors has decided, in order to protect the interests of the Company, that Julie WALBAUM will be subject to the non-compete commitment that she has subscribed, as from the end of her corporate office, under the conditions set in the compensation policy adopted by the shareholders on 31 May 2022. Julie WALBAUM will thus receive, for a period of twelve months from the effective date of the termination of her corporate office, a special flat-rate monthly sum equal to 50% of her average gross monthly compensation received during the last twelve full months of her activity.

- **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 25 January 2023 and on 8 March 2023, and is, in any event, subject to its approval by the Annual General Meeting to be held on 29 June 2023.

COMPENSATION POLICY FOR THE 2023 FINANCIAL YEAR - FRANÇOIS-MELCHIOR DE POLIGNAC - DEPUTY CHIEF EXECUTIVE OFFICER.

This compensation policy runs from 25 January 2023 to 15 March 2023.

- **Fixed compensation:**

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to set the fixed compensation of the Deputy Chief Executive Officer at EUR 500,000, *prorata temporis* for the duration of his term of office as Deputy Chief Executive Officer, *i.e.* from 25 January to 15 March 2023.

- **Variable compensation:**

The variable compensation of the Deputy Chief Executive Officer for the 2023 financial year, *prorata temporis*, will 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).

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 a performance threshold, a target and ceiling. The triggering threshold for financial targets corresponds to the payment of 75% of the target amount; the target corresponds to 100%, and the caps are set as follows:

- Financial objectives: 85% of the target variable
  - Group sales: 30% of the target variable portion, with a maximum of 125% of this amount in the event of outperformance.
  - Group EBIT: 25% of the target variable portion; with a maximum of 140% of this amount in the event of outperformance,
  - Group Free Cash Flow: 30% of the target variable portion; with a maximum of 125% of this amount in the event of outperformance.

Between the threshold, the performance target and the outperformance target, the variable compensation for each criterion is achieved on a proportional and linear basis.

- CSR targets: 15% of the target variable
  - Climate: 10% of the target variable compensation capped at 100%: pursue Maisons du Monde's ambition to reduce CO_2 emissions in terms of carbon intensity (tCO_2eq/EUR M of revenue) between 2018 and 2025 for the Group and on scopes 1, 2 and 3 and achieve a reduction in carbon intensity to -21.5% at the end of 2023 compared to 2018.
  - Social: 5% of the target variable portion, capped at 100%: as part of the Group's policy in favour of young people and equal opportunities, the target objective this year is to reach 230 work-study students (work-study or professional training) within the Group as of 31 December 2023. This objective enables to maintain the trajectory of 300 young people on work-study contracts within the Group by the end of 2025.

- **Mandatory PER pension plan (Article 83):**

In the same way as the managers of Maisons du Monde S.A. whose gross annual compensation exceeds three social security ceilings, the Deputy Chief Executive Officer benefits from the mandatory defined-contribution pension plan. The mandatory payments used to finance the pension contract correspond to 5% of the reference compensation, calculated within the limit of five social security ceilings.

These mandatory payments are fully covered by the company.

- **Non-compete commitment:**

The Deputy Chief Executive Officer is subject to a non-compete obligation in the event of termination of his duties within the Company.

In exchange for this twelve-month commitment, starting from the termination of his term of office, the Deputy Chief Executive Officer would receive, once his term of office has been terminated and for the entire duration of this non-compete clause, a special fixed monthly payment of 50% of his average gross monthly fixed compensation received over the last twelve complete months of his activity.

However, the Board of Directors may waive the application of the non-compete obligation upon the termination of the Deputy Chief Executive Officer's term of office. In this case, the special fixed monthly payment would not be made.

The Deputy Chief Executive Officer would no longer receive special fixed monthly payments once he exercises his right to retire.

In any event, no compensation will be paid after she reaches the age of sixty-five.

- **Other benefits:**

During his term of office, the Deputy Chief Executive Officer benefits from various benefits, in particular in terms of personal risk insurance, health expenses, civil liability insurance, unemployment insurance and company car.

The compensation policy applicable to François-Melchior de POLIGNAC was published in detail on the Company's website on 25 January 2023 and on 24 March 2023, and is, in any event, subject to its approval by the Annual General Meeting to be held on 29 June 2023.

COMPENSATION POLICY FOR THE 2023 FINANCIAL YEAR - FRANÇOIS-MELCHIOR DE POLIGNAC - CHIEF EXECUTIVE OFFICER.

This compensation policy applies from 15 March 2023.

- **Fixed compensation:**

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to set the fixed compensation of the Chief Executive Officer at EUR 500,000, *prorata temporis* for the duration of his term of office as Chief Executive Officer, *i.e.* from 15 March 2023. This compensation is in line with that granted to the previous Chief Executive Officer.

- **Variable compensation:**

The variable compensation of the Chief Executive Officer for the 2023 financial year, *prorata temporis*, will 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).

The variable compensation of the Deputy Chief Executive Officer (term of office held from 25 January to 15 March 2023) for the 2023 financial year, *prorata temporis*, will 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). This variable compensation is also in line with that granted to the previous Chief Executive Officer.

- Each criterion will be assessed independently, in relation to a target set by the Board of Directors.

  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, a target and a ceiling. The triggering threshold for financial targets corresponds to the payment of 75% of the target amount; the target corresponds to 100%, and the caps are set as follows:

- Financial objectives: 85% of the target variable
  - Group sales: 30% of the target variable portion, with a maximum of 125% of this amount in the event of outperformance.
  - Group EBIT: 25% of the target variable portion; with a maximum of 140% of this amount in the event of outperformance.
  - Group Free Cash Flow: 30% of the target variable portion; with a maximum of 125% of this amount in the event of outperformance.

Between the threshold, the performance target and the outperformance target, the variable compensation for each criterion is achieved on a proportional and linear basis.

- CSR targets: 15% of the target variable
  - Climate: 10% of the target variable compensation capped at 100%: pursue Maisons du Monde's ambition to reduce CO_2 emissions in terms of carbon intensity (tCO_2eq/EUR M of revenue) between 2018 and 2025 for the Group and on scopes 1, 2 and 3 and achieve a reduction in carbon intensity to -21.5% at the end of 2023 compared to 2018.
  - Social: 5% of the target variable portion, capped at 100%: ss part of the Group's policy in favour of young people and equal opportunities, the target objective this year is to reach 230 work-study students (work-study or professional training) within the Group as of 31 December 2023. This objective enables to maintain the trajectory of 300 young people on work-study contracts within the Group by the end of 2025.

The achievement of the annual variable compensation targets for François-Melchior de POLIGNAC will be assessed by the Board of Directors at its meeting to approve the Company's 2023 financial statements.

This annual variable compensation may be between 0% and 125% of the gross annual fixed compensation *prorata temporis* with regard to the achievement of these objectives.

The assessment of the achievement of these objectives will be carried out over the period beginning when he takes office in the Group. As a reminder, these objectives will be valid, *prorata temporis*, for the period from 25 January to 15 March 2023 during which François-Melchior de POLIGNAC served as Deputy Chief Executive Officer, and for the period from 16 March to 31 December 2023 during which he will serve as Chief Executive Officer.

- **Allocation of free performance shares for the 2023 financial year**
  - Under the authorisation conferred by the Annual General Meeting on 31 May 2022, the Board of Directors decided, on 22 March 2023, following a proposal from the Nomination and Compensation Committee, to allocate 71,944 free performance shares to the Chief Executive Officer.
  - These are existing Company shares or shares to be issued by the Company, corresponding to 0.16% of the share capital and for which the amount valued under IFRS 2 is no more than 120% of his 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 0.96% of the share capital.
  - The vesting of all shares allocated to François-Melchior de POLIGNAC is subject to a continuous three-year

presence condition until 22 March 2026, as well as to the performance conditions defined below.

The final number of performance shares that will vest will be dependent on the achievement of performance conditions measured as follows:

- SALES CAGR: Compound annual growth rate for financial years 2023-2025 – Weighting of the criterion: 20%;
- EBIT: Cumulative EBIT expected over the 2023-2025 period (in millions of euros) - Weighting of the criterion: 40%;
- TSR: Total Shareholder Return, measured by the cumulative increase in share price (calculated on the average of the 30 quotations before the plan grant date and before the maturity date of this plan) and its yield (including dividends), relative to a specific index composed of (i) 50% of the CAC Mid 60 index. GR (including dividends) and (ii) 50% of an index composed of six European retailers (Fnac Darty / Roche Bobois / Cafom / Home 24 SE / Dunhelm Group PLC / DFS Furniture PLC). However, no payment will be due in respect of this performance criterion if the average of the 30 quotations before the maturity date of this plan does not reach a demanding floor price and higher than the price on the grant date - Weighting of the criterion: 20%;
- CSR:
  - climate/environmental criterion: share of the *Good is beautiful* responsible offering in Maisons du Monde's overall offering at the end of 2025 - Weighting of the criterion: 10%,
  - social criterion: employee engagement rate at the end of 2025 *vs.* the end of 2022 (the engagement rate is calculated using a constant method on the basis of the average of the four Indicators) - Weighting of the criterion: 10%.

  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.

Regarding the TSR stock market criterion:

Subject to achievement of a demanding floor price that is higher than the price on the vesting date:

- The performance threshold allowing the acquisition of 50% of the shares bearing this TSR condition was set at the achievement of a performance at least equivalent to the specific index used.
- The target allowing the acquisition of 75% of the shares with a TSR condition is set at 120% of the index.
- The level allowing the acquisition of 100% of the shares with a TSR condition is set at 130% of the index.
- The level of outperformance allowing the acquisition of 125% of the shares linked to this criterion is set at 150% of the index.
- Between the lower limit and the performance target, the shares for this condition are acquired on a proportional and straight-line basis.

  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 vested shares in registered form until the end of his term of office, until he holds a quantity of shares representing at least 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 François-Melchior de POLIGNAC's commitment not to use such hedging transactions including on the allocated performance shares.
- **Medium-/long-term incentives: for years 2024, 2025 and 2026**
  - **Applicable principles:**
  - 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 link the interests of the beneficiaries with those of the shareholders and, at the same time, strengthen the alignment of all around common objectives, in line with Maisons du Monde's medium- and long-term ambitions, thus supporting the Group's profitable and sustainable growth.

- The vesting 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 vesting of free performance shares will only become definitive after a vesting period set by the Board of Directors;

    This vesting period must 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:

    All vesting of shares is subject to the achievement of several demanding performance conditions, measured over three years, on:
    - one or more internal quantifiable indicators including at least one CSR performance condition,
    - an additional TSR type performance condition.
  - The Chief Executive Officer must also keep in registered form, until the end of his/her term of office, 55% of the shares vested.
  - Lastly, the Chief Executive Officer may not use hedging products on Company shares or on any related financial instruments.

The allocations to the Chief Executive Officer in 2025 and 2026 must not exceed 50,000 performance shares per year.

However, for the year 2024, and as part of the implementation of a plan to boost the Group's commercial and financial performance, and subject to the approval of a new authorisation by the Annual General Meeting of a new budget of free shares for 38 months, the Board intends, in addition to an allocation of 50,000 shares, to decide on an additional specific allocation. It will represent 90,000 additional shares, thus taking the total for 2024 to 140,000 shares. The aim is to establish a strong link between the long-term compensation of the Chief Executive Officer in the months following his/her appointment and this recovery plan.

- **Mandatory PER pension plan (Article 83):**

In the same way as the managers of Maisons du Monde S.A. whose gross annual compensation exceeds three social security ceilings, the Chief Executive Officer benefits from the mandatory defined-contribution pension plan. The mandatory payments used to finance the pension contract correspond to 5% of the reference compensation, calculated within the limit of five social security ceilings.

These mandatory payments are fully covered by the company.

- **Non-compete commitment:**

The Chief Executive Officer is subject to a non-compete obligation in the event of the termination of his duties within the Company.

In exchange for this twelve-month commitment, starting from the termination of his term of office, the Chief Executive Officer would receive, once his term of office has been terminated and for the entire duration of this non-compete clause, a special fixed monthly payment of 50% of his average gross monthly fixed compensation received over the last twelve complete months of his 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 he exercises his right to retire.

In any event, no compensation will be paid after she reaches the age of sixty-five.

- **Other benefits:**

No severance payment will be granted to the Chief Executive Officer in the event of the termination of his term of office.

During his term of office, the Chief Executive Officer is entitled to various benefits, particularly in terms of personal risk insurance, health expenses, civil liability insurance, unemployment insurance and company car.

With regard to the unemployment insurance with the GSC, the initial period of compensation of 12 months will be increased to 18 months as soon as the conditions of the GSC allow during 2023, subject to the approval of the shareholders.

The compensation policy applicable to François-Melchior de POLIGNAC for 2023 was published in detail on the Company's website on 24 March 2023, and is, in any event, subject to its approval by the Annual General Meeting to be held on 29 June 2023.

4.2.2.2 Compensation of corporate officers (excluding Chief Executive Officer)

Summary of compensation paid for the 2022 financial year

- **Principles of the compensation for directors:**

The Annual General Meeting of 31 May 2022 approved the following compensation policy for the 2022 financial year:

	Amount allocated
Total amount allocated for the 2022 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

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.

The number of meetings of the Audit Committee and the Nomination and Compensation Committee was capped at seven and the number of CSR Committee meetings was capped at five.

- **Setting of compensation for 2022:**

On the recommendations of the Nomination and Compensation Committee, and taking into account directors' attendance at Board Meetings during the 2022 financial year, at its meeting of 8 March 2023, 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 548,091. This compensation will be paid to the directors in July 2023 following the Annual General Meeting called to approve the financial statements for the 2022 financial 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 2023 financial year

At its meeting of 22 March 2023, the Board decided to propose to the Annual General Meeting to increase the total amount of compensation allocated to the directors from EUR 600,000 to EUR 660,000, taking into account the increase in the number of directors entitled to compensation since 2021, and to keep the existing compensation policy unchanged, with the exception of the following point:

	Amount allocated
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 - Fixed - Variable • Member - Fixed - Variable	EUR 20,000 EUR 2,500/meeting EUR 5,000 EUR 2,500/meeting
Nomination and Compensation Committee and CSR Committee • Chairperson - Fixed - Variable • Member - Fixed - Variable	EUR 10,000 EUR 2,500/meeting 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.

Thus, the compensation policy for Directors in 2023 would be identical to that of 2022, with the exception of the caps on the annual number of committee meetings that will give rise to compensation which are adjusted as follows, given the constant increase in the amount of work of the various committees observed in recent years:

- cap at ten Audit Committee meetings (instead of seven in 2022);
- cap at ten Nomination and Compensation Committee meetings (instead of seven in 2022); and
- cap at five CSR Committee meetings (instead of four in 2022).

4.2.2.3 Interests of corporate officers

Regulated agreements

- **Agreements entered into over the course of the past financial year**

  The Company's Board of Directors has authorised the following agreements:

- Governance agreement between the Company and Majorelle Investments, notably providing for standstill commitments (Authorisation of the Board of Directors of 3 May 2021 and information published on the Group's website, governance section, and on the AMF website under the number 222C1010).

- Governance agreement between the Company and Teleios Capital Partners, notably providing for standstill commitments (Authorisation of the Board of Directors of 3 May 2021 and published on the Group's website in the governance section, and on the AMF website under number 222C1015).
- Sponsorship agreement between the Company and the Maisons du Monde Foundation endowment fund (Authorisation of the Board of Directors on 3 May 2022) published on the Group's website in the governance/ regulated agreements section.
- **Agreements entered into previously which continued during the 2021 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, in the governance/ regulated agreements section).

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.

Current agreements

In accordance with Article L. 22-10-12 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 2023, 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 euros)*	2022	2021
Compensation awarded for the year (details of which are given in Table 2)	1,099,033	773,033
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)	623,948	597,395
Valuation of other long-term compensation plans	N/A	N/A
TOTAL	**1,722,981**	**1,370,428**

Summary table of the compensation of each Executive Director (Table 2 – Appendix 2 of the AMF Guide)

Julie WALBAUM, Chief Executive Officer *(in euros)*	2022		2021	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed compensation	500,000	500,000	500,000	500,000
Annual variable compensation	100,000	579,000	579,000	253,000
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	**620,033**	**1,099,033**	**1,099,333**	**773,033**

Thierry FALQUE-PIERROTIN, Chairperson of the Board of Directors *(in euros)*	2022		2021	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed compensation	N/A		N/A	N/A
Annual variable compensation	N/A		N/A	N/A
Exceptional compensation	N/A		N/A	N/A
Compensation allocated in respect of directorship	150,000		150,000 (1)	98,214
Benefits in kind	N/A		N/A	N/A
TOTAL	**150,000**		**150,000**	**98,214**

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Table of compensation awarded in respect of directorships other compensation received by non-executive corporate officers (Table 3 – Appendix 2 of the AMF Guide)

	2022	2021
Cécile CLOAREC		
Compensation (fixed, variable)	74,820	28,123
Other compensation	N/A	N/A
Sophie GUIEYSSE		
Compensation (fixed, variable)	16,438	40,000
Other compensation	N/A	N/A
Laure HAUSEUX		
Compensation (fixed, variable)	57,500	57,500
Other compensation	N/A	N/A
Marie-Christine LEVET		
Compensation (fixed, variable)	23,493	62,500
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)	95,000	80,000
Other compensation	N/A	N/A
Victor HERRERO		
Compensation (fixed, variable)	50,455	N/A
Other compensation	N/A	N/A
Alexandra PALT		
Compensation (fixed, variable)	33,271	N/A
Other compensation	N/A	N/A
Gabriel NAOURI		
Compensation (fixed, variable)	23,562	N/A
Other compensation	N/A	N/A
TELEIOS CAPITAL PARTNERS		
Compensation (fixed, variable)	23,562	N/A
Other compensation	N/A	N/A
Gregory CROZZOLO		
Compensation (fixed, variable)	N/A	N/A
Other compensation	N/A	N/A
Samira MOUADDINE		
Compensation (fixed, variable)	N/A	N/A
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 2022.

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 2022 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 8 of 09/03/2022	39,242	EUR 623,948	09/03/2025	N/A	• 30% of the shares are subject to a Sales CAGR condition: compound annual growth rate for the financial years 2022-2024 • 30% 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 • 20% have a CSR condition: proportion of the responsible offering in 2024 (15%) and employee engagement rate in 2024 vs. 2021 (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 2022 financial year.

History of stock option allocations (Table 8 – Appendix 2 of the AMF Guide)

Not applicable.

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
François-Melchior de POLIGNAC				
Chief Executive Officer since 15 March 2023 (Deputy Chief Executive Officer from 25 January 2023 to 15 March 2023)	No	No*	No	Yes

** Excluding defined-contribution collective pension scheme.*

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 REGULATED AGREEMENTS

Annual General Meeting held to approve the financial statements for the financial year ended 31 December 2022.

To the Annual General Meeting of Maisons du Monde S.A.,

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, 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.

Agreements authorised and signed during the financial year

Governance agreement between the Company and Majorelle Investments ("Majorelle")

Authorisation: Board of Directors' meeting of 3 May 2022.

Person concerned: Majorelle holds more than 10% of the Company's share capital and voting rights.

Nature and purpose: The Company undertakes to appoint a Majorelle representative to the Board of Directors.

Majorelle undertakes:

- not to file or announce a public offering for the Company's shares without the prior recommendation of the Board of Directors and, consequently, not to exceed the threshold of 29.9% of the Company's share capital or voting rights;
- not to support or participate in a public offering for the Company's shares that has not been recommended by the Board of Directors, said undertaking not preventing Majorelle from submitting its shares to a public offering for the Company's shares, provided that it has been declared compliant by the AMF;
- not to file or announce the filing of a resolution at the Company's Annual General Meeting without the prior recommendation of the Board of Directors;
- not to request or take any action to obtain an additional representative on the Board of Directors (unless it holds more than 24% of the Company's share capital and voting rights and the representative of another Company investor has resigned from their duties on the Board of Directors).

Benefits to the Company: The appointment of a reference shareholder to the Board of Directors ensures a balanced composition of the Board of Directors and corresponds to market practices.

The commitments made by Majorelle Investments demonstrate its support for the Board of Directors.

Financial terms: N/A.

Termination of the agreement: 24 months from its signature, i.e. 2 May 2024.

Governance agreement between the Company and Teleios Capital Partners LLC ("Teleios")

Authorisation: Board of Directors' meeting of 3 May 2022.

Person concerned: Teleios holds more than 10% of the Company's share capital and voting rights.

Nature and purpose: The Company undertakes to appoint a Teleios representative on the Board of Directors.

Teleios undertakes:

- not to file or announce a public offering for the Company's shares without the prior recommendation of the Board of Directors and, consequently, not to exceed the threshold of 29.9% of the Company's share capital or voting rights;
- not to support or participate in a public offering for the Company's shares that has not been recommended by the Board of Directors, said undertaking not preventing Teleios from submitting its shares to a public offering for the Company's shares, provided that it has been declared compliant by the AMF;
- not to file or announce the filing of a resolution at the Company's Annual General Meeting without the prior recommendation of the Board of Directors;
- not to request or take any action to obtain an additional representative on the Board of Directors (unless it holds more than 24% of the Company's share capital and voting rights and the representative of another Company investor has resigned from their duties on the Board of Directors).

Benefits to the Company: The appointment of a reference shareholder to the Board of Directors ensures a balanced composition of the Board of Directors and corresponds to market practices.

The commitments made by Teleios demonstrate its support for the Board of Directors.

Financial terms: N/A.

Termination of the agreement: 24 months from its signature, i.e. 2 May 2024.

Corporate sponsorship agreement between the Company and Maisons du Monde Foundation

Authorisation: Board of Directors' meeting of 3 May 2022.

Person concerned: Julie WALBAUM, Chief Executive Officer of Maisons du Monde S.A. and Chairperson 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 highlight Maisons du Monde S.A.'s commitment as a sustainable company, and to help fund innovative, active sponsorship.

Financial terms: The Company has committed to donating 65% of the amount corresponding to the outperformance achieved by the bank in charge of implementing the share buyback programme to the endowment fund. This buyback programme was completed in H1 2022 and the amount of the outperformance allocated to the endowment fund amounted to EUR 325,000.

Termination of the agreement: from the payment of the amount indicated, i.e. 20 October 2022.

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.

Corporate sponsorship agreement between the Company and Maisons du Monde Foundation

Authorisation: Board of Directors’ meeting of 27 January 2021.

Person concerned: Julie WALBAUM, Chief Executive Officer of Maisons du Monde S.A. and Chairperson 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 highlight 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 a contribution equal to 0.08% of Maisons du Monde S.A.'s 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 came into effect on 27 March 2021 for five years, renewable. In 2022, the Company recognised as expenses an amount of EUR 1,073,056 in favour of the endowment fund on the basis of the revenue for the 2021 financial year.

Termination of the agreement: 3 February 2026.

French original signed in Rennes and Saint-Herblain, 26 April 2023

The Statutory Auditors

KPMG Audit	**Deloitte & Associés**
Vincent BROYE	Jérôme QUERO

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Notes to financial year 2022

5.1 2022 Key highlights

Maisons du Monde achieved its updated guidance. This guidance reflected the challenging environment in which the company operated in 2022, marked by surging inflation in Europe and geopolitical uncertainty weighing on consumer confidence.

The Group supported sales through a number of initiatives, including inspiring collaborations, targeted promotions and new customer financing options.

To mitigate gross margin erosion in a highly inflationary context, Maisons du Monde managed its supplier relationships and its products catalogue with agility and implemented selective price increases.

Moreover, the Group successfully completed the cost and cash savings action plan launched in Q2 2022, underscoring its disciplined approach in allocating resources.

At the same time, the Group continued to advance its strategic agenda and lay solid foundations for the future, capitalising on the strength of its brand, its omnichannel model and its ESG achievements.

5.1.1 WAR IN UKRAINE AND COVID-19 PANDEMIC

The year 2022 was marked by an unstable political and economic situation, due in particular to the war in Ukraine and the Western sanctions taken against Russia. These led to a significant increase in the prices of energy and certain foodstuffs, with, as a result, a record level of inflation in the euro zone. In this context and against a backdrop of pressure on purchasing power, consumer confidence has deteriorated sharply, leading to a shift in their budgets to the detriment of discretionary spending.

The effects of this crisis have spread to retail players and, in particular, to the entire furniture and decoration sector. From the second quarter of the year, this resulted in a decrease in footfall within the Maisons du Monde store network and its online sales sites.

At the same time, after two years of crisis linked to the global Covid-19 pandemic, the measures taken by the Chinese government to contain new contaminations led to disruptions in the supply chain in the first half of 2022, leading to major bottlenecks in the transport of goods imported by Maisons du Monde, additional costs as well as high inflation in maritime freight costs. All this had the effect of slowing down the restocking plans, resulting in a lack of availability of certain products, particularly in the Furniture category, weighing on both the Group's sales and profitability.

These unprecedented conditions led Maisons du Monde to revise downwards its 2022 objectives [(1)], at the end of May 2022, and to implement a cost savings plan (EUR 5 million in gross margin and EUR 20 million in operating expenses).

5.1.2 COMMERCIAL DEVELOPMENTS

In 2022, Maisons du Monde continued to strengthen its direct-to-consumer love brand through creativity, inspiration and engagement, as well as to further deploy its unique omnichannel model.

5.1.2.1 Brand and customers

Total active customers reached 7.2 million at 31 December 2022, -4% yoy due to soft consumption (+4% *vs.* 2019), of which 3 million new customers (43% of the active customer base). Omnichannel customers grew by +8% over the year and by +50% *vs.* 2019. Maisons du Monde's global community grew by +5% yoy on social media (+70% compared to 2019), reaching 8.6 million followers across Europe.

5.1.2.2 Collections

Over the year, Maisons du Monde's collections have been praised by the press and influencers across Europe, as demonstrated by the +30% yoy increase in press mentions.

Furthermore, fulfilling its mission to be the most desirable and sustainable home & living brand in Europe, Maisons du Monde teamed up with renowned creators to launch two iconic collaborations:

- a limited-edition collection of decoration products inspired by the Memphis movement, with influencer Lisa Gachet;
- a limited-edition collection of inspirational and sustainable decoration products (ceramics made in Europe and organic cotton for textiles) with Sakina M'Sa, a pioneer designer and key opinion leader in sustainable fashion.

(1) Revised annual targets for 2022 (press release of 26 May 2022). Sales: mid-single digit decrease; EBIT margin: 5% or above; Free Cash Flow: EUR 10 - 30 million; Payout rate: 30% to 40%; ESG: carbon neutrality for Scopes 1 and 2.

5.1.2.3 Commercial and operational initiatives

Maisons du Monde implemented various initiatives to enhance the shopping experience and customer satisfaction:

- Internationalisation of the marketplace: Two years after launching the marketplace in France, Maisons du Monde extended it to two additional countries, Spain and Italy. Maisons du Monde's marketplace generated GMV of EUR 170 million over 2021-2022. It currently offers 200,000 references proposed by more than 500 vendors, available on-line and in stores in all three countries.

In addition, an in-store marketplace corner was deployed in France in 6 stores at the end of the year, bringing to life marketplace products for store customers, a highly valuable feature for customers and marketplace vendors alike.

- New customer financing solution in France: Maisons du Monde launched an omnichannel free-of-charge split payment solution designed with fintech provider Alma.
- Acceleration of the B2B business line: In 2022, teams made a breakthrough on online and direct sales of the Business service, reaching around EUR 73 million in GMV, including an estimated contribution on stores of around EUR 25 million, *i.e.* an overall growth of +6% compared to the previous year (+9% *vs.* 2019). Hotels in particular showed spectacular growth (+46%), followed by interior designers and the real estate sector. The B2B segment is enjoying increasing awareness and credibility thanks to the success of the Maisons du Monde Hotels & Suites, higher visibility in international fairs, and also successful partnerships such as with the Stade de France. To build upon our unique omnichannel model, a first series of Business corners was launched in 5 stores last November, displaying inspiring and immersive hotel and restaurant atmospheres.
- Second distribution centre: A second distribution centre started operations in July 2022 to support future growth and operational efficiency. The distribution centre will be automated by the end of 2023, which will make it an automated warehouse unique in Europe in terms of its size and the nature of the products processed (furniture).

5.1.3 CSR ROADMAP DEVELOPMENTS

Maisons du Monde has made major progress on its *Good is beautiful* brand movement, launched one year ago:

- Development of sustainable product offering: 30% (*vs.* 20% end of 2021) of the offer integrated into the *Good is beautiful* selection.
- Reduction of total carbon footprint: -20% reduction of the Group's carbon intensity (tCO_2/€m of sales, combined scopes 1, 2 & 3) compared to 2018, ahead of our -25% 2025 trajectory. In absolute terms, carbon footprint has been reduced by 8% *vs.* 2018, well in line with our SBTI-approved trajectory.
- Achievement of carbon neutrality for scopes 1 & 2 in line with 2022 guidance, through the financing of 5,000 verified carbon units (VCUs) generated by the Katingan Mentaya Project in Indonesia, to offset remaining scope 1 & 2 emissions.
- Deployment of *Good is beautiful* ambassadors' programme: Target of 100% of stores reached, with the aim of implementing green practices on energy consumption, waste and packaging management.
- Creation of *Good is beautiful* living spaces: 29 new locations refurbished for free to benefit people in need, in partnership with non-profit organisations (Fondation des Femmes, French Red Cross…).

Maisons du Monde has also delivered key milestones on its Diversity & Inclusion programme, focusing on three main populations: women, youth and people with disabilities.

- Increase of gender equality: Women make up 66% of the Group's workforce and 50% of the top management positions. In December 2022, the company signed a new three-year gender equality agreement with ambitious measures in favour of parenthood, equality, work/life balance and women's leadership.
- Development of apprenticeship: Doubling in number of apprentices to facilitate access to employment to young people, particularly from underprivileged backgrounds.
- Increase of roles allocated to people with disabilities: Doubling since end of 2021, combined with the development of training sessions for managers to promote inclusive recruitment and adequately address disability issues (70% of managers trained).
- Grant of exceptional allowances to support employees' purchasing power in the highly inflationary context: average cumulated amount of EUR 800 per employee in Europe (headquarters and stores) for the year.

5.2 Business overview and consolidated results

SELECTED OPERATING INFORMATION

Data as of 31 December	2022	2021	2020
Number of stores	**357**	**357**	**369**
France	217	219	228
International	140	138	141
Sales area *(thousand sq.m.)*	**441**	**433**	**435**
Storage area *(thousand sq.m.)*	**470**	**459**	**385**
Number of employees	**8,108**	**8,651**	**8,577**
France	4,774	5,138	5,115
International	**3,334**	3,513	3,462

5.2.1 KEY METRICS

KEY FINANCIAL INDICATORS FOR THE FULL YEAR 2022

(in EUR million)	2022	2021	% Change
Sales [1]	**1,240.4**	**1,306.8**	**-5.1%**
Like-for-like sales [2]	1,175.2	1,261.6	-6.9%
EBIT	**68.5**	**123.8**	**-44.7%**
% of sales	5.5%	9.5%	-
Profit / (loss)	**34.2**	**79.1**	**56.8%**
Base EPS (in EUR)	0.80	1.72	-
Diluted EPS (in EUR)	0.79	1.62	-
Free Cash Flow	**32.3**	**89.8**	**-64.0%**
Net debt [3]	**105.1**	**61.1**	**+72.0%**
Leverage [4]	0.96x	0.36x	

[1] Defined as sales of goods, marketplace commissions, service revenues and commissions less franchise and promotional sales (EUR 3.6 million in 2022 and EUR 4.5 million in 2021).

[2] Like-for-like sales (LFL) growth corresponds to the percentage change in sales from the Group's retail stores, websites and B2B activities 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.

[3] Net debt (excluding finance leases). See Note 5.3.1 to the consolidated financial statements in Chapter 6 of this document.

[4] Defined under the Group senior debt facility as net debt less finance leases divided by EBITDA over the last twelve months (LTM EBITDA) as calculated in accordance with IAS 17 and adjusted for share-based payments (including social security contributions) and post-employment benefits - defined benefit plan.
EBITDA is defined as profit (loss) from continuing operations, excluding (i) depreciation, amortisation, and allowance for provisions, (ii) the change in the fair value of derivative financial instruments and (iii) expenses incurred before new store opening

5.2.2 ANALYSIS OF SALES

OVERVIEW OF FULL YEAR 2022 SALES

	Year ended 31 December		
(in EUR millions)	2022	2021	% Change
Group GMV	1,337.1	1,353.0	-1.2%
Group sales	1,240.4	1,306.8	-5.1%
Group Sales Like-for-like	*1,175.2*	*1,261.6*	*-6.9%*
SALES BY PRODUCT CATEGORY			
DECORATION	738.3	766.2	-3.6%
% of sales	59.5%	58.6%	
FURNITURE	502.1	540.6	-7.1%
% of sales	40.5%	41.4%	
SALES BY DISTRIBUTION CHANNEL			
STORE NETWORK	880.9	881.4	-0.1%
% of sales	71.0%	67.4%	
ONLINE SALES	359.6	425.4	-15.5%
% of sales	29.0%	32.6%	
SALES BY GEOGRAPHY			
FRANCE	663.8	701.7	-5.4%
% of sales	53.5%	53.7%	
INTERNATIONAL	576.6	605	-4.7%
% of sales	46.5%	46.3%	

FY 2022 **Group GMV** was EUR 1,337 million, down -1% yoy (+13% *vs.* 2019), with **online GMV** representing 34% of Group GMV, a level comparable to 2021.

FY 2022 **online GMV** was EUR 449 million down -5% year-on-year, due to lower traffic, in line with the sector, and partly offset by robust marketplace growth in France (+60% yoy) and by the dynamic ramp-up of the marketplace in Spain and in Italy. **Marketplace GMV** doubled compared to 2021 to EUR 122 million, accounting for 25% of total online GMV.

FY 2022 sales were EUR 1,240 million down -5% yoy (+5% *vs.* 2019), in line with the updated guidance.

5.2.2.1 Sales by distribution channel

Online sales totalled EUR 360 million, down -16% year-on-year, but up +21% *vs.* 2019. They accounted for 29% of the Group's sales.

FY **store sales** amounted to EUR 881 million, stable compared to 2021 and 2019. Store traffic improved during the period compared to 2021, due to a positive base effect (stores were partly closed in H1 2021) but remained down from 2019.

In 2022, Maisons du Monde continued the dynamic management of its store network. At end December 2022, its network had 357 stores, a figure stable year-on-year, with 13 openings and 13 closures during the year.

5.2.2.2 Sales by category

FY **decoration sales** amounted to EUR 738 million, down 4% yoy, but up+12% *vs.* 2019, and accounted for 60% of total sales. Frames, tableware, lighting, and scented candles performed particularly well amid persistently soft discretionary spending.

FY **furniture sales** totalled EUR 502 million, down -7% yoy and -4% *vs.* 2019. Armchairs, sofas, bookcases and shelves were among best-sellers.

Both categories benefitted from targeted promotions and continuing improvement in immediate availability.

5.2.2.3 Sales by geography

Sales in France reached EUR 664 million, down -5% year-on-year due to the soft consumption environment and negative net store openings. Sales were broadly stable *vs.* 2019 (-1%). Online sales were down -16% year-on-year but up +19% *vs*. 2019.

FY **international sales** totalled EUR 577 million, down -5% yoy, but up +14% *vs.* 2019. Combined sales in Spain and Italy (58% of total international sales) were up +2% yoy partly thanks to positive net store openings, and up +12% *vs*. 2019. Combined sales in Belgium, Germany, and Switzerland (35% of total international sales) decreased by -13% yoy due to particularly poor market conditions and negative net store openings. Compared to 2019, sales in that region were up by +15%.

5.2.3 FINANCIAL PERFORMANCE

In 2022, Maisons du Monde fully met its updated financial targets, thanks to the implementation of its forceful action plan to protect profit and cash in a soft consumption and highly inflationary environment.

The Group succeeded in delivering its target of EUR 5 million in cost savings at gross margin level and adjusting costs by EUR 20 million at SG&A level to mitigate the impact of rising costs.

EBIT margin at 5.5%, compared to an updated guidance of 5% or above.

(in EUR million)	2022	2021	% Change
Sales	**1,240.4**	**1,306.8**	**-5.1%**
Cost of sales	(437.9)	(438.2)	-0.1%
Gross margin	**802.5**	**868.5**	**-7.6%**
% of sales	64.7%	66.5%	
Store operating and central costs	(355.0)	(354.4)	0.0%
Advertising costs	(60.6)	(64.9)	-6.7%
Logistics costs	(159.8)	(170.0)	-5.7%
Operating Costs	**(575.5)**	**(589.4)**	**-2.4%**
EBITDA	227.0	279.2	-18.7%
% of sales	18.3%	21.4%	
Depreciation, amortisation, and allowance for provisions	(158.5)	(155.4)	2.0%
EBIT	68.5	123.8	-43.6%
% of sales	5.5%	9.5%	

5.2.3.1 Gross margin

FY2022 **gross margin** came in at 64.7%, above the revised objective but down 180 bps compared to 66.5% in 2021.

Facing adverse market conditions including a sharp increase in freight and raw material costs, energy price inflation and a material deterioration in the EUR/USD currency rate, the Group partly offset its gross margin erosion thanks to:

- a dynamic category mix management and discount strategy, containing the level of discount below 8% (similar to the pre-Covid period);
- gradual and selective price increases;
- the generation of ambitious operating efficiencies, notably *via* further negotiations with suppliers, and freight forwarders and extra operational efficiencies.

5.2.3.2 Operating expenses

Store operating and central costs were broadly stable at EUR 355 million *vs.* EUR 354 million in 2021, despite the inflationary context that impacted direct costs such as energy and rent and the reversal of EUR 12 million in one-off unemployment subsidies and lease payment reductions that had been obtained in 2021. All initiatives to contain costs have been delivered on target. In December, Maisons du Monde paid to its employees an exceptional bonus as part of measures to support their purchasing power.

Advertising expenses were managed with strict discipline, decreasing by 7% to EUR 61 million *vs.* EUR 65 million in 2021. Focus was put on supporting online sales including the marketplace and on brand-reinforcing initiatives in a context of rising customer acquisition costs. Conversely, the discontinuation of paper catalogues resulted in substantial savings.

Logistics costs decreased by 6% to EUR 160 million compared to last year, even though the Group opened a second distribution centre, thanks to further negotiations with carriers and enhanced efficiencies in operations.

5.2.3.3 EBIT

EBITDA was down -19% to EUR 227 million with a margin at 18.3% *vs.* EUR 279 million in 2021 (margin at 21.4%)

Depreciation and amortisation expenses increased by EUR 4 million at EUR 159 million *vs.* EUR 155 million in 2021, mainly due to amortisation directly linked to the EUR 32 million increase in other intangible assets, property, plant and equipment and rights of use related to leases (IFRS 16).

EBIT reached EUR 68.5 million with an associated margin of 5.5%.

Other net operating expenses, at EUR 5 million, were mainly related to store closure costs.

5.2.3.4 Net income

Net financial result was -EUR 18 million *vs.* -EUR 19 million in 2021, due to lower long-term debt and revolving credit facility interest expense, as well as gains on currency transactions.

Income tax represented EUR 18 million *vs.* EUR 26 million in 2021. The effective tax rate increased from 28% in 2021 to 35% due to a one-off international tax risk provision.

Net income amounted to EUR 34 million (*vs.* EUR 79 million in 2021, including EUR 11 million of income from disposed activities). EPS was EUR 0.80, compared to EUR 1.72 in 2021 (EUR 1.52 without the positive 2021 effect of Modani's disposal).

5.3 Liquidity and capital resources

5.3.1 ANALYSIS OF CASH FLOWS

Free Cash Flow above updated guidance, at EUR 32 million

	Year ended 31 December	
(in EUR million)	**2022**	**2021**
EBITDA	227.0	279.2
Change in working capital	(2.8)	9.8
Change in other operating items	(12.2)	(37.9)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	**212.0**	**251.1**
Capital expenditures (Capex)	(66.6)	(51.5)
Change in net debt on fixed assets	5.3	2.4
Proceeds from sale of non-current assets	0.8	1.2
Decrease in lease debt	(107.3)	(102.1)
Interest on lease debt	(11.8)	(11.3)
FREE CASH FLOW	**32.3**	**89.8**

In 2022, **total CAPEX** amounted to EUR 67 million, up +EUR 15 million *vs.* 2021, mainly related to the opening of the new distribution centre and priority IT projects (Alma, Appshop and Marketplace). Conversely, the reduction in store openings (13 *vs.* 21 in 2021) reduced network CAPEX needs.

Regarding **working capital requirement**, the Group made significant headway on implementing more favourable payment term agreements with key suppliers. It also actively managed its shipping plans throughout the second half of 2022 to mitigate the excess inventory risk, while selectively rebuilding inventories to support upcoming sales. Net value was EUR 246 million at year end (+EUR 52 million *vs.* 2021) mainly due to the significant increase in the cost of goods.

Free cash flow amounted EUR 32 million compared to EUR 90 million in 2021, above the updated guidance of EUR 10 million to EUR 30 million, reflecting the EUR 52 million decrease in EBITDA, additional capex described above, and negative effect of inventory offset by other working capital adjustments.

5.3.2 NET DEBT AND LEVERAGE

The change in net debt between 31 December 2021 and 31 December 2022 breaks down as follows:

	Year ended 31 December	
(in EUR million)	**2022**	**2021**
Convertible bonds ("OCEANE")	195.6	191.0
Term loan	(0.5)	-
Revolving Credit Facilities (RCFs)	(0.7)	(0.1)
Share buyback	28.1	29.3
Other debt	1.7	1.5
GROSS DEBT	**224.2**	**221.7**
Finance leases	613.1	594.2
Cash and cash equivalents	(121.3)	(163.2)
NET DEBT (IFRS 16)	716.0	652.6
Less: Lease debt (IFRS 16)	(613.1)	(594.2)
Plus: Lease debt (finance lease)	**2.2**	**2.7**
NET DEBT	**105.1**	**61.1**
LTM (Last twelve months) EBITDA (1)	109.5	169.0
LEVERAGE RATIO (2)	**0.96X**	**0.36X**

(1) EBITDA restated in accordance with the senior credit facility agreement dated 22 April 2022.

(2) Calculated in accordance with the senior credit facility agreement.

The Group's **gross debt** position as of 31 December 2022 was EUR 224 million, broadly stable *vs.* EUR 222 million at the end of December 2021. Finance leases were up +EUR 19 million mainly linked to the opening of the second distribution centre in the North of France.

Taking into account its **cash and cash equivalents position** of EUR 121 million (*vs.* EUR 163 million as of 31 December 2021), Maisons du Monde's **net debt position** on 31 December 2022 was EUR 105 million (leverage of 0.96x, compared to 0.36x on 31 December 2021).

5.4 Significant events after the reporting date

5.4.1 CHANGE OF GOVERNANCE

- The Board of Directors of Maisons du Monde, which met on 25 January 2023, decided to appoint François-Melchior de POLIGNAC as Chief Executive Officer from 15 March 2023, at the end of a transition period, to succeed Julie WALBAUM whose term of office as Chief Executive Officer expired on that date.

5.5 Outlook

5.5.1 2023 PRIORITIES – TO BE SPECIFIED IN MAY

- In the context of high inflation and macroeconomic uncertainty, Maisons du Monde is fully committed to continuing to grow revenues by leveraging its highly attractive product portfolio and well-developed omnichannel approach. At the same time, the company will put clear emphasis on store productivity and operational excellence to restore its margins and return to robust cash generation. The company remains focused on developing a profitable and sustainable growth model, while capitalising on its assets and strengths:
  - enhancing customer experience through its unique product portfolio and international omnichannel model to further increase customer loyalty and develop Maisons du Monde's brand awareness,
  - continuing its ESG journey by further reducing its environmental impact and promoting equal opportunities as well as diversity and inclusion in its teams and beyond.
- Given the persistent difficulties related to the macroeconomic context that affect consumption and the high comparison base, we expect Q1 to be the low point of the year, with sales down in low double digits. The comparable base will start to ease in May and more so in the second half of the year.

  In this environment of persistently difficult trading conditions, Maisons du Monde is developing proactive initiatives to preserve and improve its economic equation by adapting its cost structure and optimising Capex with the ambition of progressively restoring its historical profitability level and cash generation. Maisons du Monde will specify its 2023 guidance in May.

  In the context of the current economic conditions, management is fully focused on the execution of the 2023 roadmap. As a result, the 2025 medium-term guidance is suspended until visibility improves.

Financial Statements

6

6.1 Consolidated financial statements for the year ended 31 December 2022

6.1.1 CONSOLIDATED INCOME STATEMENT

(in EUR thousands)	Notes	31 December 2022	31 December 2021
Retail sales and commissions related to ordinary activities		1,244,055	1,311,253
Other revenue from ordinary activities		34,007	42,410
Revenue	**6**	**1,278,062**	**1,353,663**
Cost of sales	5.2	(437,935)	(438,255)
Personnel expenses	7	(248,917)	(252,057)
External expenses	8	(372,332)	(381,032)
Depreciation, amortization and allowance for provisions		(158,488)	(155,435)
Fair value – derivative financial instruments	21	7,415	(8,026)
Other current operating income	9	11,961	1,830
Other current operating expenses	9	(3,855)	(4,944)
Current operating profit before other operating income and expenses		**75,911**	**115,744**
Other operating income and expenses	10	(5,045)	(2,087)
Operating profit (loss)		**70,866**	**113,657**
Cost of net debt		(6,027)	(6,519)
Cost of lease debt		(12,374)	(11,481)
Finance income		4,970	2,772
Finance expenses		(4,817)	(4,203)
Financial profit (loss)	**11**	**(18,248)**	**(19,431)**
Profit (loss) before income tax		**52,618**	**94,226**
Income tax expense	12	(18,393)	(26,127)
Net income from continuing operations		**34,225**	**68,099**
Net income from discontinued activities		-	10,956
PROFIT (LOSS)		**34,225**	**79,055**
Attributable to:			
• Owners of the Parent		34,295	77,368
• Non-controlling interests		(70)	1,687
Profit (loss) from continuing operations attributable to:		**34,225**	**68,099**
• Owners of the Parent		34,295	68,147
• Non-controlling interests		(70)	(48)
Profit (loss) from discontinuing operations attributable to:		**-**	**10,956**
• Owners of the Parent		-	9,221
• Non-controlling interests		-	1,735
Earnings per share attributable to the owners of the parent:			
Basic earnings per share	13	0.80	1.72
Diluted earnings per share	13	0.79	1.62

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 2022	31 December 2021
PROFIT (LOSS) FOR THE PERIOD		**34,225**	**79,055**
• Remeasurements of post employment benefit obligations	*24*	3,336	62
• Income tax related to items that will not be reclassified		(727)	(110)
Total items that will not be reclassified to profit or loss		**2,609**	**(48)**
• Cash-flow hedge	21	(20,511)	59,930
• Currency translation differences		586	1,919
• Income tax related to items that will be reclassified		5,298	(18,686)
Items that will be reclassified subsequently to profit or loss		**(14,627)**	**43,163**
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		**(12,017)**	**43,115**
TOTAL COMPREHENSIVE INCOME (LOSS)		**22,207**	**122,170**
Attributable to:			
• Owners of the Parent		22,268	119,775
• Non-controlling interests		(61)	2,395
Total comprehensive income (loss) from continuing operations attributable to:		**22,207**	**110,498**
• Owners of the Parent		22,268	110,546
• Non-controlling interests		(61)	(48)
Total comprehensive income (loss) from discontinuing operations attributable to:		**-**	**11,672**
• Owners of the Parent		-	9,229
• Non-controlling interests		-	2,443

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 2022	31 December 2021
Goodwill	14	327,027	327,027
Other intangible assets	15	238,906	232,677
Property, plant and equipment	16	174,786	164,929
Rights of use	17	617,331	601,251
Other non-current financial assets	18	16,445	17,032
Deferred income tax assets	19	9,770	8,587
Derivative financial instruments	21	-	3,378
Non-current assets		**1,384,265**	**1,354,881**
Inventories	20	245,728	193,752
Trade receivables and other current receivables	20	82,395	105,647
Current income tax assets		9,875	13,009
Derivative financial instruments	21	9,443	13,125
Cash and cash equivalents	23	121,255	163,229
Current assets		**468,696**	**488,762**
TOTAL ASSETS		**1,852,961**	**1,843,643**

Equity and Liabilities

(in EUR thousands)	Notes	31 December 2022	31 December 2021
Share capital		140,253	146,584
Share premiums		102,734	134,283
Consolidated Reserves		325,629	292,890
Profit (loss) for the period		34,295	77,368
Equity attributable to owners of the Company		**602,911**	**651,125**
Non-controlling interests		1,180	1,241
TOTAL EQUITY		**604,091**	**652,366**
Long-term borrowings and financial debt	23	267	976
Convertible bond	23	-	191,355
Medium and long term lease liability	17	494,167	483,643
Deferred income tax liabilities	19	46,292	52,310
Post-employment benefits	24	9,228	12,450
Provisions	25	12,939	9,491
Derivative financial instruments	21	6,192	236
Other non-current liabilities		4,178	4,177
Non-current liabilities		**573,263**	**754,638**
Current portion of borrowings and convertible bond	23	223,908	29,257
Short term lease liability	17	118,973	110,602
Trade payables and other current payables	20	322,680	290,183
Provisions	25	6,441	5,679
Corporate income tax liabilities		3,526	918
Derivative financial instruments	21	79	-
Current liabilities		**675,607**	**436,639**
TOTAL LIABILITIES		**1,248,870**	**1,191,277**
TOTAL EQUITY AND LIABILITIES		**1,852,961**	**1,843,643**

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 2022	31 December 2021
Profit (loss) before income tax		**52,618**	**105,191**
Adjustments for:			
• Depreciation, amortization and allowance for provisions		163,017	157,685
• Net (gain) loss on disposals		2,949	(3,045)
• Change in fair value – derivative financial instruments	*21*	(7,415)	8,026
• Share-based payments		581	284
• Other		(72)	-
• Cost of net debt	*11*	6,027	6,531
• Cost of Lease debt	*11*	12,374	12,211
Cash flow before cost of net financial debt and taxes		**230,079**	**286,883**
Change in operating working capital	*20*	(2,826)	10,039
Income tax paid		(15,274)	(38,193)
Net cash flow from/(used in) operating activities		**211,979**	**258,729**
Of which operating flow related to discontinued operations		-	*7,618*
Acquisitions of non-current assets:			
• Property, plant and equipment	*16*	(47,600)	(42,402)
• Intangible assets	*15*	(19,606)	(9,841)
• Financial assets	*18*	-	(1,999)
Change in loans and advances granted		619	(355)
Disposal of consolidated companies net of cash disposed of		-	12,228
Change in debts on fixed assets		5,294	2,439
Sale of non-current assets		800	1,184
Net cash flow from/(used in) investing activities		**(60,493)**	**(38,746)**
Of which investment flow related to discontinued operations		-	*11,149*
Proceeds from borrowings	*23*	587	75
Borrowings [(1)]	*23*	(48,723)	(200,490)
Decrease in lease debt	*17*	(107,315)	(105,044)
Acquisitions (net) of treasury shares		(652)	(20,352)
Dividends paid		(23,375)	(13,508)
Interest paid	*23*	(2,427)	(2,158)
Lease interest paid		(11,837)	(12,007)
Net cash flow from/(used in) financing activities		**(193,742)**	**(353,484)**
Of which financing flow related to discontinued operations		-	*(3,684)*
Exchange gains/(losses) on cash and cash equivalents		194	(26)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(42,061)**	**(133,527)**
Cash and cash equivalents at beginning of period		163,199	296,726
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**121,138**	**163,199**

(in EUR thousands)	31 December 2022	31 December 2021
Cash and cash equivalents (excluding bank overdrafts)	121,255	163,229
Bank overdrafts	(117)	(30)
CASH AND CASH EQUIVALENTS	**121,138**	**163,199**

(1) Of which -EUR 48.3 million are related to the share buyback (see notes 2.3 and 23.1).

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 2021		**146,584**	**134,283**	**312,470**	**(937)**	**592,400**	**2,315**	**594,715**
Non-controlling interest put option		-	-	-	-	-	-	-
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 30 JUNE 2021		**146,584**	**134,283**	**369,984**	**274**	**651,125**	**1,241**	**652,366**
Balance as of 1 January 2022		**146,584**	**134,283**	**369,984**	**274**	**651,125**	**1,241**	**652,366**
Dividends cash-settled		-	-	(23,375)	-	(23,375)	-	(23,375)
Share-based payments	7.2	-	-	581	-	581	-	581
Treasury shares [(1)]		(6,331)	(31,549)	(9,809)	-	(47,689)	-	(47,689)
Profit (loss) for the period		-	-	34,295	-	34,295	(70)	34,225
Other comprehensive income for the period		-	-	(12,612)	586	(12,026)	9	(12,017)
BALANCE AS OF 30 JUNE 2022		**140,253**	**102,734**	**359,064**	**860**	**602,911**	**1,180**	**604,091**

(1) Under the share buyback programs, the Group bought back 4,489,737 shares and cancelled 1,953,797 (see notes 2.2 and 2.3).

The accompanying notes are an integral part of the consolidated financial statements.

6.1.6 NOTES TO THE CONSOLIDATED FINANCIAL

Contents

Note 1 Generalities

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 Home & Living 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 2022, were approved by the Board of Directors on 8 March 2023, and will be submitted to the Annual Shareholders' Meeting for approval on 29 June 2023. All amounts are expressed in thousands of euros unless otherwise stated.

Note 2 Significants events

2.1 Market place

Launch of the marketplace in Spain in May 2022 and in Italy in September 2022. As of 31 December 2022, the Maisons du Monde marketplace will include more than 200,000 items offered by over 500 partners.

2.2 Financing operations

a) New fundings

As the previous bank loans expired in April 2022, the Group finalised and signed new financing:

- EUR 150 million credit line (RCF) for five years with two one-year extension options (see note 21.1);
- a new long-term credit line of EUR 100 million refundable over five years (see note 21.1).

Those credit lines are undrawn as of 31 December 2022.

Maisons du Monde has chosen to introduce an ESG component into its bank financing, based on three indicators:

- carbon intensity;
- the share of responsible supply;
- the rate of recommendation of Maisons du Monde as an employer.

Targets are defined for each indicator and for each period. The achievement or non-achievement of these targets has a positive or negative impact on the credit margin. The *bonus* or *malus* thus generated systematically benefits the Maisons du Monde Foundation.

b) Cancellation of fundings

In the context of the negotiation of new financing, the Group has cancelled its logistics loan of EUR 47.5 million which was undrawn as of 31 December 2021 (see note 23.1).

2.3 EUR 50 million "ESG Impact" shares buyback and capital reduction

In the first quarter of 2022, Maisons du Monde completed its EUR 50 million "ESG Impact" share buyback programme, launched in October 2021. The Group bought back 2,553,797 shares at an average market price of EUR 19.57. 600,000 shares were allocated to employee share ownership programmes and 1,953,797 shares are to be cancelled.

The ESG Impact component achieved an outperformance of EUR 500,000 which is donated:

- 65% to the Maisons du Monde Foundation endowment fund;
- 35% to the Emmaüs France association for economic inclusion projects and specific programmes to help refugees from the war in Ukraine.

On 27 July 2022, the Board of Directors decided to cancel 1,953,797 shares that were acquired under this share buyback programme. The capital reduction was completed on 29 July 2022.

The share capital of Maisons du Monde S.A. now amounts to EUR 140,253,434.28 divided into 43,288,097 shares.

2.4 New share buyback programme

Despite the current environment, the Group remains fully confident in the fundamental strength of its business model and the appropriateness of its strategic choices. The Board of Directors and the management team believe that the Group's current market value does not accurately reflect the Company's value creation and cash generation potential. Capitalizing on the Group's strong balance sheet, Maisons du Monde launched a second share buyback program in July 2022. The Group believes that this buyback represents an attractive investment opportunity for the benefit of its long-term shareholders.

Under this new plan, the Group intends to buy back up to 10% of its shares at market price over a period of several months starting on 29 July 2022. This programme is currently being carried out within the limits of the authorisation granted for the share buyback in accordance with the 18th resolution adopted by the General Meeting on 31 May 2022. A description of this share buyback programme is available on the Group's website: www.corporate.maisonsdumonde.com

The shares acquired under this new share buyback programme are intended to be cancelled, to reduce Maisons du Monde's share capital at the end of the program.

As of 31 December 2022, the Group had bought back 1,935,940 shares at an average market price of EUR 9.77.

On 8 March 2023, the Board of Directors decided to cancel part of the shares purchased (see note 32.2).

2.5 Governance

At the General Meeting of 31 May 2022, the appointment of three new directors was approved:

- Ms Alexandra PALT as an Independent Director;
- TELEIOS CAPITAL PARTNERS LLC as a non-Independent Director;
- Gabriel NAOURI, Managing Director of Majorelle Investments as a non-Independent Director.

The representatives of Teleios and Majorelle have given certain undertakings. They will not file or announce a public offer for the Company's securities that is not recommended by the Board of Directors, Also, they can't hold more than 29.9% of the Company's share capital or voting rights during the next 24 months. The Company has entered into two agreements, one with Teleios and one with Majorelle, which govern this governance framework. The main terms of these agreements are published on the Company's and the AMF's websites. It has been specified that Teleios and Majorelle have declared that they are not acting in concert with the Company.

2.6 Review of operational prospects and impacts of the conflict in Ukraine and the pandemic on the business

The year 2022 was marked by an unstable political and economic situation, due in particular to the war in Ukraine and the Western sanctions taken against Russia. These led to a significant increase in the prices of energy and certain foodstuffs, with, as a result, a record level of inflation in the euro zone. In this context and against a backdrop of pressure on purchasing power, consumer confidence has deteriorated sharply, leading to a shift in their budgets to the detriment of discretionary spending.

The effects of this crisis have spread to retail players and, in particular, to the entire furniture and decoration sector. From the second quarter of the year, this resulted in a decrease in footfall within the Maisons du Monde store network and its online sales sites.

At the same time, after two years of crisis linked to the global Covid-19 pandemic, the measures taken by the Chinese government to contain new contaminations led to disruptions in the supply chain in the first half of 2022, leading to major bottlenecks in the transport of goods imported by Maisons du Monde, additional costs as well as high inflation in maritime freight costs. All this had the effect of slowing down the restocking plans, resulting in a lack of availability of certain products, particularly in the Furniture category, weighing on both the Group's sales and profitability.

These unprecedented conditions led Maisons du Monde to revise downwards its 2022 objectives, at the end of May 2022, and to implement a cost savings plan (EUR 5 million in gross margin and EUR 20 million in operating expenses).

Note 3 Accounting policies and consolidation rules

3.1 Basis of preparation

The 2022 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 3.2, applicable since 1 January 2022.

Financial data is presented in EUR 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.

3.2 New standards, amendments and interpretations

a) New standards, amendments to existing standards and interpretations whose application is mandatory as of 1 January 2022

Adopted by the European Union:

- several amendments to IFRS 3 – Business Combinations;
- amendments to IAS 16 – Property, Plant and Equipment;
- amendment to IAS 37 – Provisions, contingent liabilities and contingent assets;
- annual improvements 2018-2020.

These texts had no impact on the Group's consolidated accounts

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 IAS 1 – Presentation of Financial Statements – Disclosure of Accounting Policies;
- amendments to IAS 8 – Definition of Accounting Estimates;
- amendments to IAS 12: Deferred tax on assets and liabilities arising from a single transaction;
- amendments to IFRS 17: Initial application of IFRS 17 and IFRS 9 – Comparative information.

Not yet adopted by the European Union:

- amendments to IAS 1 – Presentation of Financial Statements – Classification of current and non-current liabilities;
- amendments to IFRS 16 – Leases – Lease Obligation under Sale and Leaseback.

Other mandatory texts:

- IFRIC interpretation on configuration and adaptation costs for software used in SaaS mode (Software as a Service)

During 2022, the IFRS Interpretations Committee (IC) clarified the accounting for the costs of configuration and customization of software made available in the cloud under a SaaS contract. The committee's interpretation is to recognize these costs as an intangible asset if the customer controls, within the meaning of IAS 38, the separate asset resulting from the configuration or customization. If control within the meaning of IAS 38 is not proven, these costs should be recognized as current operating expenses. If they cannot be distinguished from the main service of providing the software, then they can be spread over the duration of the contract.

A survey has been carried out at all Group entities in order to assess the materiality of installation costs for SaaS contracts. The application of this interpretation in the Group's consolidated financial statements has no material impact, as the residual net book value of configuration and customization costs of capitalized SaaS contracts is not material.

3.3 Climate risks

The Group's current exposure to the consequences of climate change in the short term is limited. Therefore, the impact of climate change on the financial statements is not material.

Committed to climate change, the Group is fully aware of the environmental impact of its activities. In addition to developing a responsible product offering, the Group is undertaking a continuous improvement process on issues identified as priorities: energy consumption and greenhouse gas emissions, waste management, environmental impact of general purchasing, procurement of goods and biodiversity. Climate risks have no impact on the business plans defined by the Group.

3.4 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.

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.

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.

3.5 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 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.

3.6 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.

3.7 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 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.

a) 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.

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.

b) 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.

3.8 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.

3.9 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.

3.10 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.

3.11 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.

3.12 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.

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.

3.13 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.

3.14 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.

a- 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 3.12 and 3.13.

b) "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.

c) 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.

d) Exemptions

Leases for low value or short-term assets are recorded directly in expenses.

e) 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.

3.15 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.

3.16 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.

This category also includes investments in equity instruments (mainly shares) with an irrevocable option. In this case, on disposal of the securities, unrealised gains or losses previously recognised in equity (other comprehensive income) will not be reclassified to profit or loss; only dividends are recognised in profit or loss

c) Financial assets measured at fair value through profit or loss (FVPL)

This last category includes all assets that do not fall into any of the categories described above as well as investments in equity instruments of the share type (GIE and non-consolidated shares) for which the option of recognition at fair value through other comprehensive income has not been chosen.

Value in use is determined according to the financial criteria most appropriate to the particular situation of each company. The criteria generally used are: share of equity and profitability prospects.

These assets are measured at fair value with changes in value recorded in the financial result.

3.17 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.

3.18 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.

3.19 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.

3.20 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".

3.21 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.

3.22 Share capital

a) Ordinary shares

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.

b) Treasury shares

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.

3.23 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.

3.24 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.

3.25 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.

3.26 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.

3.27 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.

3.28 Current and deferred income tax

a) Current 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 last this case, the tax is also recognised in other comprehensive income or directly in equity.

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.

b) Deferred tax

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.

3.29 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.

3.30 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, disposed of are those that 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;

are presented on a separate line of the consolidated income statement and consolidated statement of cash flows at the year-end.

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 4 Critical estimates and judgements

The preparation of consolidated financial statements in compliance with IFRS requires the use of certain critical accounting estimates and judgement 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 3.12 a and b and 3.15;
- deferred tax: see note 3.28;
- financial instruments and their classification: see note 3.18;
- provision for litigations: see note 3.24;
- the duration used for the rental contracts and the Group's marginal debt ratio: see note 3.14;
- uncertain tax positions in accordance with IFRIC 23.

NOTES ON CONSOLIDATED INCOME STATEMENT

Note 5 Geographical segment information

5.1 Principle

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 14).

5.2 Segment income statement

(in EUR thousands)	31 December 2022	31 December 2021
Retail sales	1,214,709	1,294,136
France	*640,899*	*687,503*
International	*573,810*	*606,633*
Cost of sales [(1)]	(437,935)	(438,255)
Gross margin	**776,774**	**855,881**
Gross margin (%)	**63.9%**	**66.1%**
EBITDA	**226,984**	**279,205**
France	*175,593*	*203,331*
International	*132,276*	*168,155*
Corporate	*(80,885)*	*(92,281)*
Depreciation, amortization and allowance for provisions	(158,488)	(155,435)
EBIT	**68,496**	**123,770**
Change in fair value – derivative financial instruments	7,415	(8,026)
Current operating profit before operating income and expenses	**75,911**	**115,744**
Other operating income and expenses	(5,045)	(2,087)
Operating profit (loss)	**70,866**	**113,657**
Financial profit (loss)	(18,248)	(19,431)
Profit (loss) before income tax	**52,618**	**94,226**
Income tax expense	(18,393)	(26,127)
Profit (loss) after income tax	**34,225**	**68,099**
Net income from activities held for sale	-	10,956
PROFIT (LOSS)	**34,225**	**79,055**

(1) Cost of sales mainly includes purchases of goods and products stock variations

5.3 Segments 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 2022			
(in EUR thousands)	France	International	Corporate	Total
Segment assets [(1)]	334,550	149,872	256,296	740,718
Rights of use	362,787	247,307	7,237	617,331
Non-segment assets				494,912
TOTAL ASSETS				**1,852,961**

(1) Goodwill, other intangible and tangible assets.

	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.

Note 6 Revenue

6.1 Revenue breakdown

(in EUR thousands)	31 December 2022	31 December 2021
Sales	1,211,085	1,289,633
Sales to franchise and promotional sales	3,624	4,503
Sub-total of sales	**1,214,709**	**1,294,136**
Services and commissions	29,346	17,117
Retail sales and commissions related to ordinary activities	**1,244,055**	**1,311,253**
Transportation to customers	28,700	36,764
Supply chain services	467	522
Other services	4,840	5,124
Other Revenue from ordinary activities	**34,007**	**42,410**
TOTAL REVENUE	**1,278,062**	**1,353,663**

6.2 Revenue of goods and commissions related to ordinary activities by channel

(in EUR thousands)	31 December 2022	31 December 2021
Stores	884,499	875,761
Web	359,556	435,492
TOTAL SALES	**1,244,055**	**1,311,253**

6.3 Revenue of goods and commissions related to ordinary activities by product

(in EUR thousands)	31 December 2022	31 December 2021
Decoration	711,121	757,070
Furniture	503,588	537,106
Benefits and services	29,346	17,077
TOTAL SALES	**1,244,055**	**1,311,253**

Note 7 Personnel expenses

7.1 Wages and salaries

Personnel expenses are broken down as follows:

(in EUR thousands)	31 December 2022	31 December 2021
Wages and salaries	(182,434)	(178,833)
Social security costs	(53,962)	(54,615)
Share-based payment (including social security costs)	(224)	(748)
Employee profit-sharing (including social security costs)	(10,848)	(16,205)
Post-employment benefits – Defined benefit plans	(1,449)	(1,656)
TOTAL PERSONNEL EXPENSES	**(248,917)**	**(252,057)**

The evolution of personnel costs is mainly explained by the decrease in employee profit-sharing and incentive payments in line with the evolution of the net result.

The average number of full-time equivalent employees is 7143 for the 2022 financial year 2022 compared to 7,266 for the 2021 financial year. The change relates mainly to our Vietnamese subsidiary.

7.2 Free share plan

a) New performance share plan

The 31st resolution adopted by the Shareholders' Meeting held on June 12, 2020, authorizes the Board of Directors to grant bonus shares to Group employees, up to a limit of 2% of the share capital recorded on 31 December 2019 over a period of 38 months. Pursuant to this authorization, the Board of Directors adopted "Bonus Share Plan No. 7" on 9 March 2022, which provides for the allocation of 286,093 performance shares to 209 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.*, 9 March 2022;
- 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 n°6	Plan n°7	Plan n°8
	10 March 2020	25 March 2021	9 March 2022
Duration of plan	3 years	3 years	3 years
Fair value of performance shares (in euros)	8.64	16.43	15.90

In the financial year 2022, in the context of the performance share plans, an expense of EUR 0.6 million (excluding social security charges) was recorded in the income statement within personnel expenses (compared with an expense of EUR 0.3 million in 2021), with a corresponding increase in equity.

The defined performance conditions were calculated for plan 7 and 8 and deemed to have been fully met at the valuation date for plan 6.

Note 8 External expenses

External expenses are broken down as follows:

(in EUR thousands)	31 December 2022	31 December 2021
Energy and consumables used	(30,713)	(26,465)
Leases and related expenses	(37,956)	(30,001)
Repairs and maintenance	(22,807)	(22,032)
Insurance	(1,533)	(2,270)
Advertising & marketing	(57,372)	(57,154)
Transportation	(133,971)	(152,748)
Bank services	(9,215)	(9,242)
Taxes other than on income	(13,758)	(13,076)
Other external expenses	(65,007)	(68,045)
TOTAL EXTERNAL EXPENSES	**(372,332)**	**(381,032)**

The related rends and expenses include in particular:

- EUR 0.3 million in variable rents in 2022 (EUR 0.7 million in 2021);
- EUR 1.2 million in short-term contracts in 2022 (EUR 1.4 million in 2021);
- EUR 5.5 million in rent for low-value contracts in 2022 (EUR 4.0 million in 2021);
  - in 2022, there were no rent relief payments. In 2021, theses reliefs amounted to EUR 3.9 million in accordance with the IFRS 16 amendment relating to Covid-19 rent relief EUR 2 million in rental expenses.

The evolution of external expenses can be explained by:

- the increase in “energy and other non-stored supplies” is mainly due to changes in energy costs in 2022;
- the decrease in transport costs is due to the decrease in direct deliveries to customers or shops in line with the evolution of sales.

Note 9 Other income and expenses from operations

Other income and expenses from operations are broken down as follows:

(in EUR thousands)	31 December 2022	31 December 2021
Gains and losses on disposals (1)	(1,285)	(866)
Commercial disputes, losses and gains (2)	10,754	(1,008)
Leases & related expenses (1)	(299)	(177)
Other current operating income	(1,064)	(1,063)
TOTAL OTHER CURRENT OPERATING INCOME AND EXPENSES	**8,106**	**(3,114)**

(1) Refers to stores repositioned in the same area.

(2) Includes revenue related to the cancellation of unused customer gift cards that have expired

Note 10 Other operating income and expenses

Other operating income and expenses are broken down as follows:

(in EUR thousands)	31 December 2022	31 December 2021
Restructuring costs	(1,211)	(201)
Impacts related to store closures [(1)]	(3,876)	(3,208)
Other	42	1,322
TOTAL OTHER OPERATING INCOME/(EXPENSES)	**(5,045)**	**(2,087)**

(1) 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.

Note 11 Financial Income

Finance income and expenses are broken down as follows:

(in EUR thousands)	31 December 2022	31 December 2021
Interests on term loan	(301)	(290)
Interests on convertible bond	(4,871)	(4,756)
Interests on loans, including Revolving Credit Facilities	(854)	(1,470)
Others	(1)	(3)
Cost of net debt	**(6,027)**	**(6,519)**
Cost of lease debt	(12,374)	(11,481)
Exchange gains and losses	1,894	803
Commission costs	(1,585)	(2,222)
Other finance income & costs	(155)	(12)
TOTAL FINANCIAL PROFIT (LOSS)	**(18,248)**	**(19,431)**

Note 12 Income tax

Income tax is broken down as follows:

(in EUR thousands)	31 December 2022	31 December 2021
Current income tax	(21,011)	(33,176)
Deferred tax	2,618	7,049
INCOME TAX EXPENSE	**(18,393)**	**(26,127)**

The tax effects of other comprehensive income are as follows:

(in EUR thousands)	31 December 2022	31 December 2021
Cash-flow hedge (1)	5,298	(18,686)
Income tax relating to items that may be subsequently reclassified to profit or loss	**5,298**	**(18,686)**
Tax on actuarial gains (losses) on post-employment benefits	(727)	(110)
Income tax relating to items that will not be subsequently reclassified to profit or loss	**(727)**	**(110)**
TOTAL INCOME TAX ON OTHER COMPREHENSIVE INCOME (LOSS)	**4,571**	**(18,796)**

(1) See note 21.

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 2022	31 December 2021
Net imcome from continuing operations	34,225	68,099
Less income tax expense	(18,393)	(26,127)
Profit (loss) of consolidated companies before tax	**52,618**	**94,226**
Theoretical tax rate	25.83%	28.41%
Theoretical income tax expense (+)/ product (-)	**13,591**	**26,770**
Difference in income tax rates in other countries	(191)	100
Tax (1)	2,803	2,967
Impact of tax credits	(2,584)	(2,776)
Impact of permanent differences (2)	4,775	(934)
ACTUAL INCOME TAX EXPENSE	**18,393**	**26,127**
Effective tax rate	34.96%	27.73%

(1) Includes mainly the CVAE (France), the IRAP (Italy) and the Gewerbesteuermessbetrag (Germany).

(2) Includes in 2022 a tax charge of EUR 0.2 million related to the end of tax audit on Maisons du Monde France (presented in 2021 as a contingent liability), a provision for risk and donations to foundations. The amount for 2021 included a reversal of a provision for risk.

Note 13 Earnings per share

Earnings per share as of 31 December 2022, can be analysed as follows:

Earnings per share as of 31 December 2022 *(in EUR thousands, unless otherwise stated)*	**Group part** **Continued activities**
Profit (loss) for the period attributable to shareholders of the parent	**34,295**
Weighted average number of ordinary shares	43,107
BASIC EARNINGS PER SHARE (IN EUROS)	**0.80**

(in EUR thousands, unless otherwise stated)	**Group part** **Continued activities**
Profit (loss) for the period attributable to shareholders of the parent	**34,295**
Convertible and exchangeable instruments (1)	3,340
Profit (loss) for the period attributable to shareholders of the parent	**37,635**
Weighted average number of ordinary shares	43,107
Adjustment for dilutive impact of performance shares	394
Dilutive effect of convertible bonds	4,198
Adjusted weighted average number of ordinary shares, excluding treasury shares	**47,699**
DILUTED EARNINGS PER SHARE (IN EUROS)	**0.79**

(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.

The earnings per share as of 31 December 2021, was as follows:

Earnings per share as of 31 December 2021 *(in EUR 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 EUR thousands, unless otherwise stated)	**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 restated for interest on the convertible bond, net of tax.

The share capital of the Group as of 31 December 2022, consists solely of the ordinary shares of Maisons du Monde S.A. and the number of ordinary shares decreased during 2022 fiscal year (see note 2.2).

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 22.2).

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 23.1a).

NOTES ON CONSOLIDATED BALANCE SHEET

Note 14 Goodwill

14.1 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
Net carrying amount as of 1 January 2021	246,793	80,234	327,027
Net carrying amount as of 31 December 2021	246,793	80,234	327,027
NET CARRYING AMOUNT AS OF 31 DECEMBER 2022	**246,793**	**80,234**	**327,027**

14.2 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.

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.

The gross margin assumption is based on an analysis of expected changes in exchange rates, shipping costs and raw material inflation, combined with the pricing and sales strategy for each product sub-family.

The projection period is limited to four years. Cash flows are discounted at a rate corresponding to the year-end weighted average cost.

14.3 Analysis of the situation as of 31 December 2022

Impairment tests carried out as of 31 December 2022 showed that the recoverable amount was higher than the value of the assets for both the France and International CGUs. As a result, no impairment of goodwill and other assets was recognized as of 31 December 2022.

This simulation consisted of:

- the projection of financial data based on different business scenarios by country and business line;
- discounting of WACC France and International as of 31 December 2022;
- discounting of long-term growth rates as of 31 December 2022.

KEY ASSUMPTIONS USED FOR VALUE IN USE CALCULATIONS AS OF 31 DECEMBER 2022:

	Discount factor (WACC)	Average growth rate over the 5 year period	Terminal value growth rate
France	9.5%	4.3%	1.9%
International	9.7%	6.5%	1.6%

Average growth rate used for the impairment test is on a like-for-like basis.

14.4 Sensitivity tests

The sensitivity of the impairment tests was also verified with respect to changes in the following key assumptions, through increases and decreases:

- discount rate by 100 basis points;
- perpetual growth rate by 100 basis points;
- EBITDA by 500 basis points;
- €/$ conversion rate by 200 basis points;
- cost of containers by 1,000 basis points.

No impairment loss would be recorded whether these changes are taken individually or in combination.

Note 15 Other intangible assets

Other intangible assets have the following net values:

(in EUR thousands)	Brand, Trademarks, licenses, patents	Commercial leasehold rights	Internally generated software development costs	Other	Total
Net carrying amount as of 1 January 2021	**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	(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**	**4,079**	**232,677**
Change in scope of consolidation	-	-	-	-	-
Acquisitions	1,111	137	12,786	4,156	18,190
Disposals	(2)	(720)	-	(3)	(725)
Amortization charge	(1,649)	(134)	(10,663)	-	(12,446)
Reversals	-	1,122	-	-	1,122
Other	3,241	(29)	1,175	(4,301)	86
Currency translation differences	2	-	-	-	2
NET CARRYING AMOUNT AS OF 31 DECEMBER 2022	**208,410**	**6,437**	**20,128**	**3,931**	**238,906**

Note 16 Tangible fixed assets

Tangible fixed assets have the following net values:

(in EUR thousands)	Constructions	Technical installations, industrial equipment and machinery	Other property, plant and equipment	Fixed assets under construction	Advances and payments on property, plant and equipment	Total
Net carrying amount as of 1 January 2021	**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**
Change in scope of consolidation	-	-	-	-	-	-
Acquisitions	17,698	1,587	9,051	16,903	2,361	47,600
Disposals	(1,222)	(50)	(327)	(826)	(100)	(2,525)
Amortization charge	(22,116)	(2,932)	(10,213)	-	-	(35,261)
Impairment	(489)	7	62	-	-	(420)
Other	1,591	2,011	(850)	814	(3,640)	(75)
Currency translation differences	385	74	78	-	1	538
NET CARRYING AMOUNT AS OF 31 DECEMBER 2022	**103,765**	**7,127**	**29,549**	**32,722**	**1,622**	**174,786**

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Note 17 Right of use and lease debt

17.1 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 2021	**613,317**	**5,146**	**10,136**	**628,599**
New contracts included revaluation	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**
New contracts included revaluation	121,511	3,354	(294)	124,571
Amortization charge	(106,220)	(1,599)	(2,357)	(110,176)
Reclassification	(10)	-	-	(10)
Currency translation differences	1,694	-	1	1,695
NET CARRYING AMOUNT AS OF 31 DECEMBER 2022	**605,575**	**4,763**	**6,993**	**617,331**

17.2 Lease debt

The changes in lease debt are detailed as follows:

		Cash impact	Without cash impact			
(in EUR thousands)	**31 December 2021**	**Decrease**	**New contracts included revaluation**	**Interest**	**Change effect**	**31 December 2022**
Lease debt	594,245	(107,315)	123,655	537	2,018	613,140
TOTAL NET DEBT	**594,245**	**(107,315)**	**123,655**	**537**	**2,018**	**613,140**

As of 31 December 2022, the maturities of lease debt are analysed as follows:

	Maturity as of 31 December 2022			
(in EUR thousands)	Less than 1 year	From 1 to 5 years	More than 5 years	**Total**
Lease debt	118,973	316,240	177,927	613,140
TOTAL BORROWINGS	**118,973**	**316,240**	**177,927**	**613,140**

As of 31 December 2022, the lease debt bears interest at a fixed rate.

Note 18 Note 18 Other non-current financial assets

(in EUR thousands)	31 December 2022	31 December 2021
Equity securities [1]	4,316	4,244
Other financial assets [21]	12,129	12,788
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**16,445**	**17,032**

(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 19 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 2022	31 December 2021
Deferred tax assets	9,770	8,587
Deferred tax liabilities	(46,292)	(52,310)
TOTAL DEFERRED TAX ASSETS/(LIABILITIES)	**(36,521)**	**(43,723)**

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.

(En milliers d'euros)	Brand	Tax loss carry-forwards	Temporary differences	Hedging instruments	Commercial leasehold rights	Step/ Free rents	IFRS 16	Others	Deferred tax on Oceane	Total
31 december 2020	**(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)**
Change in P&L	18	(127)	2,819	(1,496)	138	(353)	892	(366)	1,093	2,617
Change in equity	-	-	-	5,298	-	-	-	(727)	-	4,571
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	6	8	-	14
31 DECEMBER 2022	**(53,308)**	**1,071**	**7,696**	**(820)**	**3,528**	**1,409**	**5,765**	**(821)**	**(1,040)**	**(36,522)**

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 fully activated tax loss carry forwards.

It amounts to EUR 4.3 million as of 31 December 2022 compared to EUR 4.3 million as of 31 December 2021.

(in EUR thousands)	**France (excluding of tax consolidation)**	**Portugal**	**Total loss carryforwards**
Loss carryforwards until			
2019	-	-	-
2020	-	-	-
2021	-	-	-
> 2022	-	-	-
Loss carryforwards undefinitely	4,284	19	4,303
Total loss carryforwards 2022	**4,284**	**19**	**4,303**
Of which recognized	*4,284*	*19*	*4,303*
Of which not recognized	-	-	-
Total loss carryforwards 2021	**4,162**	**174**	**4,336**
Of which recognized	*4,162*	*174*	*4,336*
Of which not recognized	-	-	-

A projected budget has been established to demonstrate the use of this deferred tax asset within a reasonable period.

Note 20 Analysis of Working Capital

(in EUR thousands)	**31 December 2021**	**Change in Working Capital**	**Other changes [1]**	**Change effect**	**31 December 2022**
Inventories	193,752	51,506	-	469	245,728
Trade receivables and other current receivables	105,647	(23,358)	-	106	82,395
Assets	**299,400**	**28,148**	**-**	**576**	**328,123**
Trade payables and other current payables	290,183	25,321	6,798	379	322,680
Other non-current liabilities	4,177	1	-	(0)	4,178
Liabilities	**294,360**	**25,322**	**6,798**	**378**	**326,858**
WORKING CAPITAL	**5,040**	**2,826**	**(6,798)**	**197**	**1,265**

(1) Includes mainly the change in payables on fixed assets

20.1 Inventories

(in EUR thousands)	**31 December 2022**	**31 December 2021**
Packaging and supplies	8,136	6,135
Semi-finished products	1,667	1,814
Merchandise	240,421	188,775
Gross value	**250,224**	**196,724**
Depreciation	(4,496)	(2,972)
NET CARRYING AMOUNT	**245,728**	**193,752**

20.2 Trade receivables and other current receivables

(in EUR thousands)	31 December 2022	31 December 2021
Trade receivables	15,756	14,805
Impairment of receivables	(3,461)	(4,328)
Trade receivables – Net	**12,295**	**10,477**
Advances paid to suppliers	4,299	45,308
Receivables from suppliers	6,645	1,670
Taxes and duties	32,393	21,605
Other receivables	2,962	4,035
Prepaid expenses	23,801	22,552
Other receivables	**70,100**	**95,170**
TOTAL TRADE AND OTHER RECEIVABLES	**82,395**	**105,647**

The decrease in trade and other receivables of EUR 23.3 million is mainly due to:

- a major decrease in advances made to our suppliers for -EUR 41.0 million. In 2021, due to the economic context, the Group had secured part of its merchandise purchases for the first half of 2022 by paying advances on orders;
- an increase in taxes and duties of EUR 10.9 million, notably linked to a VAT credit of EUR 7.4 million to be received;
- EUR 5.0 million increase in trade payables, mainly due to the increase in year-end discounts.

20.3 Trade and other payables

(in EUR thousands)	31 December 2022	31 December 2021
Trade payables	156,642	102,439
Advance payments received on orders in progress	57,064	61,502
Social and tax payables	88,743	85,745
Amounts payable on fixed assets	10,308	5,006
Deferred revenue	9,924	35,491
TOTAL TRADE PAYABLES AND OTHER PAYABLES	**322,680**	**290,183**

The increase in trade and other payables of EUR 33.5 million is mainly due to:

- an increase in trade payables of EUR 54.2 million in connection with the standardization of Group payment terms;
- a decrease in deferred income of -EUR 25.6 million, mainly due to the decrease in sales of undelivered goods;
- an increase in fixed asset payables of EUR 5.3 million in connection with the increase in Group investments in 2022.

20.4 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 2022.

The change in the fair value of these debts is recognized in the Group's equity.

Call option on Savane Vision ("Rhinov") shares

The acquisition of a majority stake by the Group in the capital of Savane Vision ("Rhinov") was accompanied by two call options granted to the Group on the minority interests, *i.e.* 29.6% of the shares, exercisable over two exercise periods. The first call option is exercisable in the first half of 2023 and concerns a portion of the shares between 65% and 75%. The second exercise window is in 2025 and relates to the remaining shares. The purchase price of the 29.6% share has been set according to an EBITDA multiple at the date of exercise of the option.

Note 21 Derivative financial instruments

The fair value of derivative financial instruments is broken down as follows:

	31 December 2022		31 December 2021	
(in EUR thousands)	Asset	Liabilitiy	Asset	Liabilitiy
Forward foreign exchange contracts	9,443	6,271	16,503	236
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**9,443**	**6,271**	**16,503**	**236**

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 2022	31 December 2021
Contracts in US dollars (in million of US dollars)	543.0	506.0
Contracts in Swiss Francs (in million of Swiss francs)	(18.0)	(15.0)
Contracts in pounds sterling (in million of pounds sterling)	(3.5)	(4.2)

The amount recognized directly in equity at the end of December 2022 is -EUR 20.5 million. It corresponds to the valuation of contracts outstanding at the balance sheet date, which are intended to hedge forecast flows. EUR 7.4 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 22 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.

22.1 Shares

On 27 July 2022, the Board of Directors decided to cancel 1,953,797 shares acquired under the "ESG Impact" share buyback program.

As a result, as of 31 December 2022, the share capital of Maisons du Monde S.A. consisted of 43,288,097 ordinary shares. Based on a par value of EUR 3.24 per share, the share capital of Maisons du Monde S.A. thus amounted to EUR 140,253,434.28.

22.2 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 2022, the Group held:

- 57,870 treasury shares under the liquidity contract, compared with 57,870 treasury shares on 31 December 2021;
- 729,420 treasury shares under the share buyback programs allocated to performance share plans;
- 1,935,940 shares to be cancelled under the ESG share buyback program.

22.3 Dividend per share

For fiscal year 2021, an ordinary dividend of EUR 0.55 per share was approved at the Annual Shareholders' Meeting of 31 May 2022 and paid on 10 June 2022 for a total amount of EUR 23,385 thousand. 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".

At its meeting on 8 June 2023, the Board of Directors asked shareholders to approve a dividend of EUR 0.30 per share for the year ended 31 December 2022, *i.e.,* a total dividend of EUR 12,169 thousand based on shares net of treasury stock at December 31, 2022.

Note 23 Net debt

23.1 Net debt

The variations in net debt are broken down as follows:

(in EUR thousands)	31 December 2021	Cash impact: Increase	Cash impact: Decrease	Without cash impact: Interest and commission paid/remitted	Without cash impact: Issuance fees	Without cash impact: Interest	Without cash impact: Change effect	Without cash impact: Other	31 December 2022
Cash at bank and in hand	163,213	-	(41,960)	-	-	-	(90)	-	121,163
Short term investments & cash equivalent	16	77			-	-	(1)	-	91
Total Cash and cash equivalents	**163,229**	**77**	**(41,960)**	**-**	**-**	**-**	**(91)**	**-**	**121,255**
Convertible bond	190,991	-	-	(250)	250	4,621	-	-	195,612
Term loan	-	-	-	(776)	86	219	-	-	(471)
Logistic credit	(186)	-	-	(29)	-	215	-	-	0
Revolving Credit Facilities	3	-		(1,359)	183	438	-	-	(735)
Other borrowings	658	-	(194)	(4)	-	6	-	-	466
Share buy back program [1]	29,348	-	(48,268)	-	-	-	-	47,036	28,116
Deposits and guarantees	744	587	(261)	-	-	-	-	-	1,070
Banks overdrafts	30	87	-	(9)	-	9	-	-	117
Total debt	**221,588**	**674**	**(48,723)**	**(2,427)**	**519**	**5,508**	**-**	**47,036**	**224,175**
TOTAL NET DEBT	**58,359**	**597**	**(6,763)**	**(2,427)**	**519**	**5,508**	**91**	**47,036**	**102,920**

(1) Corresponds to the amount of remaining shares to be acquired under the share buyback program (see Note 2.3).

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:

(in EUR thousands)	31 December 2022: EUR	CHF	GBP	USD	Others currency	Total
Convertible bond	195,612	-	-	-	-	195,612
Term loan	(471)	-	-	-	-	(471)
Revolving Credit Facilities	(735)	-	-	-	-	(735)
Other borrowings	466	-	-	-	-	466
Treasury shares	28,116	-	-	-	-	28,116
Deposits and guarantees	1,070	-	-	-	-	1,070
Banks overdrafts	117	-	-	-	-	117
Cash and cash equivalents	(108,958)	(4,888)	(196)	(6,233)	(980)	(121,255)
TOTAL NET DEBT	**115,217**	**(4,888)**	**(196)**	**(6,233)**	**(980)**	**102,920**

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	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	658	-	-	-	-	658
Share buy back programs	29,348	-	-	-	-	29,348
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**

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 31 May 2022, decided to distribute a dividend of EUR 0.55 per share, resulting in a change in the conversion/exchange ratio.

According to the stipulations specified in Article 2.6. (B).10 of "Terms & Conditions" related to OCEANE, the Conversion/Exchange Ratio is increased from 1,012 shares to 1,033 Maisons du Monde S.A. shares for 1 OCEANE (up to three decimals and rounded to the nearest thousand). The effective date of this new ratio is 10 June 2022.

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).

On 31 December 2022:

- the amount of the convertible bond, net of issuance fees, is EUR 195.6 million;
- effective interest rate stands at 2.50% and the financial expense amounts to EUR 4.9 million (debt accretion effect using the effective interest rate method).

During the period, no bonds were converted or refunded.

	31 December 2022
Number of convertible bonds	
Beginning of the period	4,100,041
Conversion of the period	-
At the end of the period	4,100,041
Number of shares issued in respect of the convertible bond	
Beginning of the period	-
Transactions for conversions	-
End of the period	-
Number of shares that may be issued by 6 December 2023	
Minimum number	**4,100,041**
Gross amount of initial issue (in thousands of euros)	**200,000**

The bond issue will be repaid on December 6, 2023 using the credit facilities detailed below (250.0 million euros) and the Group's cash and cash equivalents (121.3 million euros at December 31, 2022).

b) Senior Credit Facilities ("Term Loan" and "RCF") and additional Credit Revolving Facility ("Additional RCF")

In April 2022, the Group entered:

- a new credit line (RCF) of EUR 150 million for 5 years with two 1-year extension options;
- EUR 100 million long term credit line repayable over 5 years. The margin applicable to this credit is based on a leverage ratio.

Issuance costs amounted to EUR 1.5 million, including EUR 0.9 million for the RCF and EUR 0.6 million for the long-term loan.

RCF issue costs are amortized on a straight-line basis over the period to maturity. However, the issuance costs of the long-term loan are amortized on a straight-line basis until the loan is drawn down, after which they are included in the calculation of the EIR.

On 31 December 2022, both revolving credit facilities are undrawn.

The credit facilities are subject to compliance with a leverage ratio, which is the ratio of total net debt at the last day of the reporting period to consolidated EBITDA adjusted of the impact of IFRS 16.

Maisons du Monde has chosen to introduce an ESG component into its bank financing, based on 3 indicators:

- carbon intensity;
- the share of responsible supply;
- the rate of recommendation of Maisons du Monde as an employer.

Targets are defined for each indicator and for each period. The achievement or non-achievement of these targets has a positive or negative impact on the credit margin. The *bonus* or *malus* thus generated systematically benefits the Maisons du Monde Foundation instead of Maisons du Monde (bonus) or the bank (malus).

23.2 Maturity of borrowings and other financial debts

As of 31 December 2022, the maturity ranges of borrowings are as follows:

	Maturity as of 31 December 2022			
(in EUR thousands)	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Convertible bond	195,612	-	-	195,612
Term loan	(60)	(372)	(39)	(471)
Revolving Credit Facilities	(119)	(558)	(58)	(735)
Other borrowings	242	219	5	466
Share buy back programs	28,116	-	-	28,116
Deposits and guarantees	-	-	1,070	1,070
Bank overdraft	117	-	-	117
TOTAL BORROWINGS	**223,908**	**(711)**	**978**	**224,175**

23.3 Fixed and variable rate

(in EUR thousands)	31 December 2022	31 December 2021
Floating rate	18	24
Fixed rate	224,157	221,564
TOTAL BORROWINGS	**224,175**	**221,588**

Floating rate borrowings includes the Term Loan, Credit revolving facilities, financial leases and bank overdrafts.

Note 24 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 2022	31 December 2021
France	1,919	2,842
Switzerland	337	1,450
Italy	6,972	8,158
DEFINED BENEFIT OBLIGATION	**9,228**	**12,450**

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 2020	**11,406**
Current service cost	1,656
Interest expense/(income)	86
TOTAL EXPENSE/(INCOME)	**1,742**
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)
Balance as of 31 December 2021	**12,450**
Current service cost	1,449
Interest expense/(income)	122
TOTAL EXPENSE/(INCOME)	**1,571**
Actuarial (gains) and losses – demographic assumptions	22
Actuarial (gains) and losses – financial assumptions	(3,616)
Experience (gains)/losses	258
TOTAL REMEASUREMENTS	**(3,336)**
Benefits paid	(1,504)
Currency impact	48
TOTAL PAYMENTS	**(1,456)**
NET CARRYING AMOUNT AS OF 31 DECEMBER 2022	**9,228**

The significant actuarial assumptions were as follows:

	31 December 2022			31 December 2021		
	France	Italy	Switzerland	France	Italy	Switzerland
Discount rate	3.75%	3.75%	2.30%	1.25%	1.15%	0.40%
Turnover rate	0,00% to 12,50%	9%	10%	0,00% to 12,50%	9%	10%
Mortality rate	INSEE 2016-2018	IPS55	BVG 2020 GT	INSEE 2009-2011	IPS55	BVG 2020 GT
Estimated future salary increase	1,50% to 2,50%	3.4%	1.0%	1,50% to 2,50%	2.4%	1.0%
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 2022 and 2021 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 2022:

(in EUR thousands)	Change in assumptions	Increase in assumptions	Decrease in assumptions
Discount rate	0.50%	(847)	403
Salary growth rate	0.50%	776	(400)

The estimated of benefits to be paid in 2022 is EUR 1.1 million.

As of 31 December 2022, the average duration of the Group's benefit obligation was 18 years (17 years as of 31 December 2021).

Note 25 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 2021	**4,405**	**900**	**642**	**81**	**5,935**	**11,962**
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	-	-	-	3
Reclassement	-	-	47	-	(47)	-
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
Balance as of 1 January 2022	**435**	**3,843**	**1,390**	**85**	**9,418**	**15,170**
Additional provisions	93	5,999	1,371	279	1,642	9,384
Unused amounts reversed	-	(243)	-	(25)	(547)	(815)
Amounts used during the year	-	(3,146)	(395)	-	(826)	(4,367)
Currency translation differences	-	5	-	-	3	8
Balance as of 30 June 2022	**528**	**6,457**	**2,366**	**339**	**9,690**	**19,380**
Of which non-current	*528*	*6,457*	*1,435*	*88*	*4,431*	*12,939*
Of which current	-	-	*931*	*251*	*5,259*	*6,441*

On 31 December 2022, the change in provisions amounted to EUR 4.2 million, broken down as follows:

- -EUR 5.2 million in reversals following the settlement of several disputes (including -EUR 2.1 million recognized in other operating income and expenses);
- EUR 9.4 million in new provisions (including 4.1 million recognized in other operating income and expenses).

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Note 26 Financial instruments

26.1 Financial instruments by category

(in EUR thousands)	Loans and receivables	Hedging derivatives	Total	Fair value
Assets – 31 December 2022				
Other non-current financial assets	16,445	-	16,445	16,445
Trade receivables	12,295	-	12,295	12,295
Other receivables (excl. Prepaid expenses and Corporate Income Tax)	46,299	-	46,299	46,299
Derivative financial instruments	-	9,443	9,443	9,443
Cash and cash equivalents	121,255	-	121,255	121,255
TOTAL	**196,293**	**9,443**	**205,736**	**205,736**

(in EUR thousands)	Other financial liabilities at amortized costs	Hedging derivatives	Total	Fair value
Liabilities – 31 December 2022				
Borrowings	267	-	267	267
Derivative financial instruments	-	6,271	6,271	6,271
Borrowings and current convertible bond	223,908		223,908	223,908
Trade payables and other payables (excl. Deferred revenue)	312,756	-	312,756	312,756
TOTAL	**536,931**	**6,271**	**543,202**	**543,202**

(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**

26.2 Fair value estimation

As of 31 December 2022, 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 21) 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 2022			
Derivative financial instruments	-	3,172	-
Balance as of 31 December 2021			
Derivative financial instruments	-	16,267	-

The following table presents the Group's financial assets and liabilities that are measured at fair value as of 31 December 2022:

	Notes	IAS 39 measurement principles	IFRS 7 Fair value hierarchy
Financial assets:			
Derivatives financial instruments	21	Fair value	2
Trade and other receivables	20.2	Amortised cost	N/A
Cash and cash equivalents	23.1	Fair value	1
Other current/non-current financial assets	18	Amortised cost	N/A
Financial liabilities:			
Borrowings and other financial debts (excl. Bank overdrafts)	23.1	Amortised cost	N/A
Derivatives financial instruments	21	Fair value	2
Bank overdrafts	23.1	Fair value	1
Trade and other payables	20.3	Amortised cost	N/A

FINANCIAL RISK MANAGEMENT

Note 27 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.

27.1 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 3.2 million as of 31 December 2022 compared to EUR 16.2 million as of 31 December 2021 (see note 21).

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

As of 31 December 2022, the Group has no debt exposed to changes in interest rates.

c) Liquidity risk

Financial liabilities 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 23.1).

In order to manage its liquidity risk, the Group entered into:

- revolving credit lines or bank facilities with various banking institutions. Unsed credit facilities as of 31 December 2022 amounts to EUR 250 millions (see note 23.1 b);
- various credit facilities amount to EUR 31.1 million (see note 28.1).

The tables below analyse the Group's financial liabilities based on their contractual maturities:

	Contractual cash flows as of 31 December 2022				
(in EUR thousands)	Carrying amount	Total	Less than 1 year	From 1 to 5 years	More than 5 years
Interests on Term Loan	64	333	333	-	-
Issuance fees related to Term Loan	(535)	(535)	(124)	(411)	-
TOTAL TERM LOAN	**(471)**	**(203)**	**209**	**(411)**	**-**
Convertible bond	175,366	200,000	200,000	-	-
Interests on convertible bond	20,909	250	250	-	-
Issuance fees related to convertible bond	(663)	-	-	-	-
TOTAL CONVERTIBLE BOND	**195,612**	**200,250**	**200,250**	**-**	**-**
Interests on RCF (1)	67	1,584	368	1,216	-
Issuance fees related to RCF	(802)	(802)	(186)	(616)	-
TOTAL REVOLVING CREDIT FACILITIES	**(735)**	**782**	**182**	**600**	**-**
Other borrowings	466	466	242	219	5
Share buy back programs	28,116	28,116	28,116	-	-
Deposits	1,070	1,070	-	-	1,070
Bank overdraft	117	117	117	-	-
TOTAL BORROWINGS	**224,175**	**230,598**	**229,115**	**408**	**1,075**
Other non current liabilities	4,178	4,178	-	4,178	-
Trade and other payables	322,680	322,680	322,680	-	-
TOTAL OTHER LIABILITIES	**326,858**	**326,858**	**322,680**	**4,178**	**-**

(1) The contractual cash flows for interest on the revolving credit facilities and interest on long term loans are based on a minimum contractual rate for the periods presented based on the forecasted leverage.

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(in EUR thousands)	Contractual cash flows as of 31 December 2021				
	Carrying amount	**Total**	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**
Convertible bond	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	658	658	240	393	25
Treasury shares	29,348	29,348	29,348	-	-
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	-
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 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.

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 28 Off-balance sheet commitments

Bilateral Lending Facilities

Maisons du Monde France has contracted various credit facilities (for a total of 31.1 million euros) with Banque Populaire, BNP Paribas, CIC Ouest, Crédit Agricole Corporate and Investment Bank, LCL, Natixis and Société Générale.

Note 29 Transactions with related parties

29.1 Relations with the Group's other shareholders

Attendance fees

Some members of the Board of Directors are paid by attendance fees. The total gross amount of attendance fees due for the 2022 financial year by the Company and its subsidiaries to all members of the Board of Directors was EUR 536 thousands compared to EUR 466 thousands for the fiscal year 2021.

29.2 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 2022 and 2021 according to the following detail:

(in EUR thousands)	31 December 2022	31 December 2021
Short-term employment benefits	3,966	3,459
Termination benefits	400	303
Share-base payments	190	(262)
TOTAL COMPENSATION AND BENEFITS	**4,556**	**3,500**

Members of the Board of Directors of the Company did not receive any compensation from the Group except attendance fees (see note 29.1).

Share-based compensation corresponds to the portion of share-based compensation plus the net amount of charges and reversals recorded in respect of the various plans. For the fiscal year 2022, the amount of charges and reversals is higher than the amount of reversals, contrary to the year 2021, when the amount of reversals was higher than the amount of charges recorded, as the 5a and 5b plans were fully reversed.

Note 30 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 2022	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2021
Audit								
Statutory audit fees, certification, auditing of the accounts	**389**	**269**	**91%**	**75%**	**326**	**192**	**99%**	**97%**
- Parent company	117	98	30%	36%	117	98	36%	51%
- Subsidiaries	272	171	70%	64%	209	94	64%	49%
Other services rendered by auditors' networks to fully-consolidated subsidiaries	**39**	**92**	**9%**	**25%**	**2**	**6**	**1%**	**3%**
- Other	39	92	100%	100%	2	6	100%	100%
TOTAL FEES PAID TO THE STATUTORY AUDITOR	**428**	**361**	**100%**	**100%**	**328**	**198**	**100%**	**100%**

Note 31 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 2022.

As of 31 December 2022, 17 companies have been fully consolidated in the financial statements (17 in 2021).

			31 December 2022		31 December 2021	
Activity	**Country of incorporation**	**Consolidation method**	**Contr. (en %)**	**Part. (en %)**	**Contr. (en %)**	**Part. (en %)**
Holding Company – Parent entity	France	Full	100%	100%	100%	100%
Retail stores selling home furnishings and decorations/Main buyer	France	Full	100%	100%	100%	100%
Retail stores selling home furnishings and decorations	Germany	Full	100%	100%	100%	100%
Retail stores selling home furnishings and decorations	Austria	Full	100%	100%	100%	100%
Retail stores selling home furnishings and decorations	Belgium	Full	100%	100%	100%	100%
Retail stores selling home furnishings and decorations	Spain	Full	100%	100%	100%	100%
Retail stores selling home furnishings and decorations	Italy	Full	100%	100%	100%	100%
Retail stores selling home furnishings and decorations	Luxemburg	Full	100%	100%	100%	100%
Retail stores selling home furnishings and decorations	Portugal	Full	100%	100%	100%	100%
Retail stores selling home furnishings and decorations	Switzerland	Full	100%	100%	100%	100%
Retail stores selling home furnishings and decorations	United Kingdom	Full	100%	100%	100%	100%
Warehouse logistics and order preparation	France	Full	100%	100%	100%	100%
Container transport between harbor and warehouses	France	Full	100%	100%	100%	100%
Furniture manufacturing	Vietnam	Full	100%	100%	100%	100%
Design	France	Full	100%	70%	100%	70%
Warehouse logistics and order preparation	France	Full	100%	100%	100%	100%
Dormant entity	France	Full	100%	100%	100%	100%

Note 32 Events subsequent to 31 December 2022

32.1 Governance

The Board of Directors of Maisons du Monde, meeting on 25 January 2023, decided that François-Melchior de Polignac will be appointed Chief Executive Officer as of 15 March 2023, to succeed Julie Walbaum, whose term of office as Chief Executive Officer will expire on that date. François-Melchior joined Maisons du Mondfe on 25 January 2023 as Executive Vice-President to ensure a smooth and efficient transition during this period.

32.2 Share buyback program

On 8 March 2023, the Board of Directors decided, under the delegation of powers granted to it by the General Meeting of 31 May 2022, to cancel 2,300,000 shares acquired under the second share buyback program launched on 29 July 2022. The capital reduction was completed on 10 March 2023.

The share capital of Maisons du Monde S.A. now amounts to EUR 132,081,434.28 divided into 40,988,097 shares.

6.2 Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by 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 Meetings, we have audited the accompanying consolidated financial statements of Maisons du Monde S.A. for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under 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, 2022 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).

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to 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, 2022, goodwill, intangible assets and underlying assets of the Group had a net carrying amount of €740.7 million (excluding lease right-of-use assets of €617.3 million, net), compared with total assets of €1,853.0 million. As disclosed in Notes 3.12 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 14.1 and 14.2 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, including the 2023 budget approved by the Board of Directors and the 2023-2026 strategic plan; • 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 3.12 a) & b), 14, 15 and 16 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 (code de commerce) 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 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 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 17 December 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 included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

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 at December 31, 2022, KPMG SA was in the 9th year of total uninterrupted engagement and the 7th year since securities of the Company were admitted to trading on a regulated market and Deloitte & Associés was in the 7th 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) N° 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 (code de déontologie) 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 26, 2023

The Statutory Auditors

KPMG SA	**Deloitte & Associés**
Vincent BROYE	Jérôme QUERO

6.3 Separate financial statements

(Financial year from 1 January 2022 to 31 December 2022)

6.3.1 INCOME STATEMENT

(in EUR thousands)	Notes	31 December 2022	31 December 2021
Total revenue	14	3,923	5,150
Reversal of depreciation, amortisation and provisions, and transferred expenses	-	459	341
Other income	-	1	0
TOTAL OPERATING INCOME	**-**	**4,383**	**5,491**
Purchases of goods and related inventory changes	-	-	-
Purchases of raw materials, other supplies and related inventory changes	-	-	-
Other purchases and external expenses	16	(3,915)	(4,577)
Taxes and levies	-	(239)	(200)
Personnel expenses	15	(4,685)	(6,102)
Depreciation and amortisation	-	(2,194)	(1,369)
Other expenses	-	(500)	(625)
TOTAL OPERATING EXPENSES	**-**	**(11,533)**	**(12,874)**
OPERATING PROFIT (LOSS)	**-**	**(7,150)**	**(7,382)**
FINANCIAL PROFIT (LOSS)	**17**	**20,126**	**60,990**
EXCEPTIONAL PROFIT (LOSS)	**18**	**(26)**	**(33,006)**
PROFIT/(LOSS) BEFORE INCOME TAX	**-**	**12,950**	**20,602**
Income tax	19	2,206	1,724
PROFIT (LOSS) FOR THE PERIOD	**-**	**15,156**	**22,326**

6.3.2 BALANCE SHEET

Asset *(in EUR thousands)*	**Notes**	**31 December 2022** Gross values	Depreciation and amortisation	Net values	**31 December 2021** Net values
Intangible assets					-
Property, plant and equipment					-
Equity interests	3	644,739	(2)	644,738	644,738
Receivables from equity interests	3	3	-	3	1
Other equity interests	3		-	0	0
Other financial assets	3-9	21,194	(387)	20,807	10,681
Financial assets	**3**	**665,936**	**(389)**	**665,547**	**655,420**
NON-CURRENT ASSETS		665,936	(389)	665,547	655,420
Trade receivables	4	970	-	970	589
Other receivables	4	35,817	-	35,817	61,355
Marketable securities	5	13,863	(2,839)	11,024	14,212
Cash and cash equivalents		356	-	356	13,926
Prepaid expenses		100	-	100	208
CURRENT ASSETS		**51,105**	**(2,839)**	**48,267**	**90,289**
Issuance fees to be amortised	6	1,705		1,705	804
Currency translation adjustments (losses)		0		0	0
TOTAL ASSETS		**718,746**	**(3,227)**	**715,519**	**746,513**

Liability *(in EUR thousands)*	**Notes**	**31 December 2022**	**31 December 2021**
Share capital	7-8	140,253	146,584
Share, merger and contribution premiums	8	270,435	301,975
Legal reserve	8	8,525	7,408
Others reserves	8	0	0
Retained earnings	8	44,757	46,923
Result for the year	8	15,156	22,326
Regulated provisions	8-9	3,254	3,126
EQUITY	**8**	**482,380**	**528,342**
Provisions for risks and charges	9	9,176	9,411
PROVISIONS	**9**	**9,176**	**9,411**
Convertible bonds (OCEANE)	10	200,021	200,021
Borrowings and debt from credit institutions	10	131	47
Financial liabilities	**10**	**200,152**	**200,068**
Trade payables	11	2,006	2,068
Social and tax payables	11	2,189	3,216
Other debt	11	19,616	3,408
Operating liabilities	**11**	**23,810**	**8,692**
LIABILITIES		**223,963**	**208,760**
Currency translation adjustments (gains)			
TOTAL EQUITY AND LIABILITIES		**715,519**	**746,513**

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6.3.3 NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Contents

Maisons du Monde S.A. is a *société anonyme* (limited liability 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 8 March 2023.

Maisons du Monde's shares have been listed on Euronext Paris since May 2016.

Note 1 Significant events

1.1 War in Ukraine and Covid-19 pandemic

The year 2022 was marked by an unstable political and economic situation, due in particular to the war in Ukraine and the Western sanctions taken against Russia, leading to a significant increase in the prices of energy and certain foodstuffs, with the following resulting in a record level of inflation in the euro zone. In this context and against a backdrop of pressure on purchasing power, consumer confidence has deteriorated sharply, leading to a shift in their budgets to the detriment of discretionary spending.

The effects of this crisis have spread to retail players and in particular to the entire furniture and decoration sector. From the second quarter of the year, this resulted in a decrease in footfall within the Maisons du Monde store network and its online sales sites.

At the same time, after two years of crisis linked to the global Covid-19 pandemic, the measures taken by the Chinese government to contain new contaminations led to disruptions in the supply chain in the first half of 2022, leading to major bottlenecks in the transport of goods imported by Maisons du Monde, additional costs as well as high inflation in maritime freight costs. All this had the effect of slowing down the replenishment plans resulting in a lack of availability of certain products, particularly in the Furniture category, weighing on both the Group's sales and profitability.

These unprecedented conditions have led Maisons du Monde to revise downwards its 2022 objectives [(1)], at the end of May 2022, and to implement a cost saving plan.

1.2 Financing transaction

The previous bank loans expired in April 2022, the Group has therefore finalised and signed new financing, consisting of:

- a new credit facility (RCF) of EUR 150 million for five years with two one-year extension options (see note 10.2)
- a new long-term credit facility of EUR 100 million repayable over five years (see note 10.2).

These credit lines were undrawn as of 31 December 2022.

Maisons du Monde has chosen to introduce an ESG component in its bank financing, based on three indicators:

- carbon intensity;
- percentage of responsible offering;
- MDM's recommendation rate as an employer.

Targets are defined for each indicator and for each period. The achievement or non-achievement of these targets has a positive or negative impact on the credit margin. The bonus or penalty thus generated systematically benefits the Maisons du Monde Foundation.

1.3 EUR 50 million "ESG Impact" share buyback programme and capital reduction

In the first quarter of 2022, Maisons du Monde completed its EUR 50 million "ESG Impact" share buyback programme, launched in October 2021. The Group repurchased 2,553,797 shares at an average market price of EUR 19.57. 600,000 shares were allocated to employee shareholding programmes and 1,953,797 shares are intended to be cancelled.

The ESG Impact component achieved an outperformance of EUR 500,000, which is given:

- 65% to the Maisons du Monde Foundation endowment fund;
- 35% to the Emmaüs France association in favour of economic inclusion projects as well as specific programmes to help war refugees in Ukraine given this exceptional situation.

On 27 July 2022, the Board of Directors decided to cancel 1,953,797 shares that were acquired under this share buyback programme. The capital reduction was carried out on 29 July 2022.

The share capital of Maisons du Monde S.A. now amounts to EUR 140,253,434.28 divided into 43,288,097 shares.

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(1) *Revised annual targets for 2022 (press release of 26 May 2022). Sales: mid-single digit decrease; EBIT margin: 5% or above; Free Cash Flow: EUR 10m to EUR 30m; Payout rate: 30% to 40%; ESG: carbon neutrality for Scopes 1 and 2.*

1.4 New share buyback programme

Despite the current environment, the Group remains fully confident in the fundamental strength of its business model and the relevance of its strategic choices. The Board of Directors and the management team believe that the Group's current market value does not accurately reflect the Company's potential for value creation and cash generation. As a result, and capitalising on the strength of the Group's balance sheet, Maisons du Monde launched a second share buyback programme in July 2022. The Group believes that this acquisition is an attractive investment opportunity for the benefit of its long-term shareholders.

As part of this new plan, the Group announced its intention to buy back up to 10% of its outstanding shares at market price over a period of several months from 29 July 2022. This programme will be carried out within the limits of the authorisation granted for the share buyback, in accordance with the 18th resolution adopted by the Annual General Meeting on 31 May 2022. A description of this share buyback programme is available on the Group's website: www.corporate.maisonsdumonde.com.

The shares acquired under this new buyback programme are intended to be cancelled, in order to reduce the share capital of Maisons du Monde as soon as the programme ends.

At 31 December 2022, the Group had bought back 1,935,940 shares at an average market price of EUR 9.77.

On 8 March 2023, the Board of Directors decided to cancel some of the shares purchased (see note 27.2).

1.5 Governance

At the Annual General Meeting of 31 May 2022, the appointment of three new directors was approved:

- Ms Alexandra PALT as an independent director;
- TELEIOS CAPITAL PARTNERS LLC as a non-independent director;
- Mr. Gabriel NAOURI, Chief Executive Officer of Majorelle Investments as a non-independent director.

The representatives of Teleios and Majorelle made certain commitments, including not to file or announce a public offering on the Company's shares that would not be recommended by the Board of Directors nor to hold more than 29.9% of the Company's share capital or voting rights over the next 24 months. The Company has entered into two agreements, one with Teleios and one with Majorelle, which govern this governance framework. The main terms of these agreements are published on the websites of the Company and the AMF, it being specified that Teleios and Majorelle have declared that they are not acting in concert with the Company.

1.6 Outlook

In the context of high inflation and macroeconomic uncertainty, Maisons du Monde is fully committed to continuing to grow revenues by leveraging its highly attractive product portfolio and well-developed omnichannel approach. At the same time, the company will put clear emphasis on store productivity and operational excellence to restore its margins and return to robust cash generation. The Group remains focused on developing a profitable and sustainable growth model, while capitalising on its assets and strengths:

- enhancing customer experience through its unique product portfolio and international omnichannel model to further increase customer loyalty and develop Maisons du Monde's brand awareness;
- continuing its ESG journey by further reducing its environmental impact and promoting equal opportunities as well as diversity and inclusion in its teams and beyond.

Considering continued headwinds from macro-economic trends that affect consumption and the high comparison base, we expect Q1 to be the low point of the year, with sales down in low double digits. The comparable base will start to ease in May and more so in the second half of the year.

In this environment of persistently soft trading conditions, Maisons du Monde is developing forceful initiatives to preserve and improve its economic equation by adapting its cost structure and optimising Capex with the ambition of progressively restoring its historical profitability level and cash generation. Maisons du Monde will specify its 2023 guidance in May.

In the context of the current economic conditions, management is fully focused on the execution of the 2023 roadmap. As a result, the 2025 medium-term guidance is suspended until visibility improves.

Note 2 Accounting policies and rules

The financial year lasts 12 months, covering the period from 1 January 2022 to 31 December 2022.

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:

- going concern;
- 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 investments

Gross value is valued at acquisition cost excluding incidental expenses.

An impairment loss is recognised when, at the end of the year, the valuation of the securities held (based on the higher of the net carrying amount and the value in use) is lower than their net carrying amount.

- 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.
- The value in use of the securities is determined on the basis of estimated future cash flows discounted, reduced or increased by net debt or net cash.

As of 31 December 2022, the value in use of all the Maisons Du Monde Group's holdings was estimated based on future net cash flows discounted over a period of four years, then projected using a perpetual growth rate adjusted for the net debt of each of the companies concerned. The discount rate used for this impairment test is 9% and the long-term growth rate used is 2.0%.

No impairment was recognised during the financial year.

In accordance with current 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 special depreciation allowances.

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 2022, 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.

Maisons du Monde S.A. owes the Treasury for the tax calculated on the sum of taxable income for consolidated companies. The tax savings resulting 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 2021	Acquisitions, contribution, increases	Reclassification	Disposals, decreases	31 December 2022
Equity interests	644,739	-	-	-	644,739
Receivables from equity interests	1	2	-	-	3
Other equity interests	-	-	-	-	-
Other financial assets (1)	10,680	48,383		(37,870)	21,194
• deposits	0	-	-	-	0
• treasury shares as per liquidity agreement	1,051	-	-	-	1,051
• treasury shares	8,407	48,383		(37,870)	18,920
• other long term receivables as per liquidity agreement	1,223	-	-	-	1,223
FINANCIAL ASSETS – GROSS VALUE	**655,420**	**48,385**		**(37,870)**	**665,935**

(1) 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 programme. They break down as follows:

	Number		Amount *(in EUR thousands)*					
Liquidity agreement	**31 December 2021**	**31 December 2022**	**Average purchase price**	**Average price December 2022**	**Average price December 2021**	**Total**	**Provision**	**Depreciation**
Treasury shares	57,870	57,870	18.15	11.49	20.36	1,050	-	0
Mutual funds – other long-term receivables	53	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 2021	31 December 2022	Average purchase price	Average price December 2022	Average price December 2021	Total	Provision	Depreciation
Treasury shares	420,134	1,935,940	9.77	11.49	20.36	18,920	-	(387)

Note 4 Maturity of receivables

(in EUR thousands)	31 December 2021	Maturing 31 December 2022: 31 December 2022	Less than 1 year	1 to 5 years	More than 5 years
Receivables from equity interests	1	3	3	0	-
Other financial assets	10,681	21,194	21,194	-	-
Trade receivables	589	970	970	-	-
Other receivables	61,355	35,817	33,779	2,038	-
• Social	173	128	128	-	-
• State – tax and duties (1)	11,304	7,150	7,150	-	-
• Group and associates (2)	42,685	23,811	23,811	-	-
• Sundry debtors (3)	7,193	4,726	2,688	2,038	-
• Prepaid expenses	208	100	100	-	-
TOTAL RECEIVABLES	**72,834**	**58,082**	**56,044**	**2,038**	

(1) Including EUR 6,941 million in tax payments advance (overpayment).

(2) Of which EUR 20,326 million in MDM France S.A.S. current account

(3) Consists of accrued income between the Group's subsidiaries related to performance share plans costs.

Note 5 Marketable securities

At 31 December 2022, marketable securities correspond to treasury shares that were allocated to specific performance share plans and amounted to EUR 7.33 million. Other marketable securities correspond to treasury shares also intended for future allocation plans not yet determined and amounted to EUR 6.53 million.

Note 6 Expenses amortised over several years

The expenses amortised over several years correspond to issuance fees of financing.

As of 31 December 2022, 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 802 thousand as of 31 December 2022);
- the convertible bonds issued on 6 December 2017 spread over the term of the agreement on the basis of an effective interest rate (EUR 368 thousand as of 31 December 2022);
- the long-term loan taken out in April 2022, distributed on a straight-line basis until the drawdown date of the loan (EUR 535 thousand as of 31 December 2022).

Note 7 Share capital

The share capital of the Company as at 31 December 2022 stood at EUR 140,253,434.28, divided into 43,288,097 ordinary shares each of a nominal value of EUR 3.24.

To the Company's knowledge, at 31 December 2022, those shareholders holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 60.66%, 90% 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	26.0%	26.0%	27.7%
Majorelle Investments SARL	24.0%	24.0%	25.6%
Fidelity Investments (Boston)	5.3%	5.3%	5.6%

The exercisable voting rights take include treasury shares as of 31 December 2022: the Company held 2,723,230 Maisons du Monde S.A. shares.

- 57,870 shares classified as "Other financial assets" under the liquidity contract.
- 1,935,940 shares classified as "Other financial assets" which are subject to cancellation.
- 729,420 Maisons du Monde S.A. shares classified as "Marketable securities" intended to cover free share allocation commitments.
- 414,209 of these are allocated to existing plans.
- 315,211 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 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**
Appropriation of result 2021 (2)	-	-	1,116	(2,167)	(22,326)		(23,377)
Capital decrease (3)	(6,330)	(31,540)					(37,870)
Result for the year	-	-	-		15,156		15,156
Regulated provisions	-	-	-			129	129
SITUATION AT 31 DECEMBER 2022	**140,254**	**270,435**	**8,524**	**44,757**	**15,156**	**3,254**	**482,380**

(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.

(2) For the 2021 financial year, an ordinary dividend of EUR 0.55 per share was allocated at the Annual General Meeting of 31 May 2022 and paid on 10 June 2022 for a total amount of EUR 24,883 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 1,506 thousand, were allocated to retained earnings and the total amount of the dividend was adjusted accordingly.

(3) Changes in the share capital: the Board of Directors meeting of 27 July 2022 decided to cancel 1,953,797 shares and to reduce the related capital, the share capital being consequently reduced from EUR 146,584 thousand to EUR 140,254 thousand. The difference between the carrying amount of the shares (EUR 37,870 thousand) and the nominal value (EUR 6,330 thousand), equal to EUR 31,540 thousand, was charged to the share premium account.

Note 9 Provisions

(in EUR thousands)	31 December 2021	Depreciation	Reclassification	Reversals used	Reversals unused	31 December 2022
Tax amortisation	3,126	129	-	-	-	3,254
Regulated provisions	**3,126**	**129**	**-**	**-**	**-**	**3,254**
Provision for HR risks and expenses	426	1,300	-	(406)	(20)	1,300
Free share plan no. 5A	1,423		-	(1,423)	-	0
Free share plan no. 5B	0		-	-	-	0
Free share plan no. 6	5,043	226	-	-	(362)	4,907
Free share plan no. 7	2,519		-	-	(1,631)	888
Free share plan no. 8	0	1,669	-	-	-	1,669
Provision for URSSAF risk	0	412	-	-	-	412
Provisions for risks and charges	**9,411**	**3,607**	**-**	**(1,829)**	**(2,013)**	**9,176**
Equity interests	2	2	-	(2)	-	1
Other financial assets	0	387	-	-	-	387
Sicav	56	2,783	-	-	-	2,839
Depreciation	**57**	**3,172**	**-**	**(2)**	**0**	**3,227**
TOTAL PROVISIONS	**12,594**	**6,907**	**-**	**(1,831)**	**(2,013)**	**15,658**
Operating allowances/reversals	-	1,802	-	(406)	(20)	-
Financial	-	3,172	-	(2)	-	-
Exceptional	-	1,933	-	(1,423)	(1,993)	-

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 5);
- the progress of the plans over time for the beneficiaries of Maisons du Monde S.A.;
- a new allocation plan (plan 8) issued in March 2022 (see note 24);
- depreciation of mutual funds.

Note 10 Financial liabilities

10.1 Non-current convertible bonds

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.

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.

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 were issued at par on 6 December 2017, the settlement and delivery date of the bonds and 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). Issuance fees amounted to EUR 2.3 million.

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).

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 Bonds are listed on the Euronext Access market of Euronext Paris since 12 December 2017.

The Annual General Meeting of 31 May 2022 decided to distribute a dividend of EUR 0.55 per share, resulting in a change in the conversion/exchange ratio.

Following this distribution and according to the stipulations specified in Article 2.6.(B).10 of "Terms & Conditions" related to OCEANE, the conversion/exchange ratio is increased from 1.012 shares to 1.033 Maisons du Monde S.A. shares for 1 OCEANE (up to three decimals and rounded to the nearest thousandth). The effective date of this new ratio is 10 June 2022.

During the period, no bonds were converted or refunded.

10.2 Term loan and revolving credit facilities

In April 2022, the Group subscribed to:

- a new credit line (RCF) of EUR 150 million for five years with two one-year extension options;
- a new long-term credit facility of EUR 100 million repayable over five years. The margin applicable to this loan is based on debt leverage.

Issuance costs amounted to EUR 1.5 million, of which EUR 0.9 million for the RCFs and EUR 0.6 million for the long-term loan.

Issuance costs related to the Revolving Credit Facilities are amortised on a straight-line basis over their maturity. However, long-term loan issuance costs are amortised on a straight-line basis until the drawdown date of the loan and then included in the calculation of the effective interest rate.

As of 31 December 2022, these two revolving credit facilities are undrawn.

The credit facilities are subject to compliance with a debt leverage ratio, which is the ratio between total net debt on the last day of the period in question and consolidated EBITDA restated for the impact of IFRS 16.

This debt leverage ratio, which must remain below 3, was met as of 31 December 2022.

Maisons du Monde has chosen to introduce an ESG component in its bank financing, based on three indicators:

- carbon intensity;
- percentage of responsible offering;
- MDM's recommendation rate as an employer.

Targets are defined for each indicator and for each period. The achievement or non-achievement of these targets has a positive or negative impact on the credit margin. The bonus or penalty thus generated systematically benefits the Maisons du Monde Foundation instead of benefiting Maisons du Monde (bonus) or the bank (penalty).

Note 11 Maturity of liabilities

(in EUR thousands)	31 December 2021	Maturing 31 December 2022			
		31 December 2022	Less than 1 year	1 to 5 years	More than 5 years
Convertible bonds ("OCEANE") (1)	200,021	200,021	200,021	-	-
Borrowings and debt from credit institutions	47	131	131	-	-
Trade payables	2,068	2,006	2,006	-	-
Social payables	2,745	1,880	1,880	-	-
Tax payables	471	309	309	-	-
Other debt	3,408	19,616	19,616	-	-
• Group	1,858	17,873	17,873	-	-
• miscellaneous	1,550	1,743	1,743	-	-
TOTAL DEBT	**208,760**	**223,963**	**223,963**	**-**	**-**

(1) The bond issue will be repaid on 6 December 2023 using the credit facilities detailed in Section 10.2 (EUR 250.0 million) as well as the Company's cash and cash equivalents.

(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 (1)	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**	**-**

Note 12 Related companies

Gross values *(in EUR thousands)*	**31 December 2022**	**31 December 2021**
Asset	**-**	**-**
Equity interests	644,739	644,739
Receivables from equity interests	3	1
Trade receivables	970	589
Other receivables	28,538	49,878
Liability	**-**	**-**
Trade payables	-	1
Other debt	17,873	1,858
Operating income	**-**	**-**
Total revenue	3,923	5,150
Expenses transferred	-	-
Operating Costs	**-**	**-**
Leases	25	25
Fees	-	-
Finance income	**-**	**-**
Dividends received	24,000	40,163
Income from equity interests	-	187
Interests	76	201
Finance expenses	**-**	**-**
Interests	2	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 2022**	**31 December 2021**
Convertible bonds (OCEANE)	21	21
Borrowings and debt from credit institutions	131	47
Trade payables	3,040	3,011
Social and tax payables	1,555	2,562
Accrued expenses	**4,746**	**5,640**
Prepaid expenses	**100**	**207**
Receivables from equity interests	3	1
Trade receivables	901	531
Other receivables	4,727	6,481
Accrued income	**5,631**	**7,013**
Deferred income	**-**	**-**

Note 14 Revenue

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 2022 financial year was 8.25 employees, *vs.* 10.25 employees in 2021. The Company only employed managers for the 2022 and 2021 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 2022, attendance fees allocated to members of the Board of Directors amounted to EUR 548,091;
- for the financial year ended 31 December 2021, attendance fees allocated to members of the Board of Directors amounted to EUR 466,407.

These fees are recorded as other operating expenses.

Note 16 Other purchases and external expenses

(in EUR thousands)	31 December 2022	31 December 2021
Leases & related expenses	56	69
Leases	47	37
Repairs and maintenance	10	17
Insurance	184	181
Temporary staff	149	117
Fees	1,346	2,552
Travel and meeting expenses	126	138
Bank services	315	514
Sponsorship	1,636	946
Other external expenses	46	7
TOTAL EXTERNAL EXPENSES	**3,915**	**4,577**

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;
- due to the outperformance of the "ESG Impact" component, linked to the completion of the share buyback programme, the sum of EUR 500,000 was donated to the Maisons du Monde Foundation and the Emmaüs France association, in addition to the sums donated since 2021 to the Maisons du Monde Foundation.

Note 17 Net finance income (expense)

(in EUR thousands)	31 December 2022	31 December 2021
Dividends received [1]	24,000	40,163
Equity income [2]		187
Interest income on current account	76	201
Term loan interest [3]	(219)	(204)
Interest on convertible bonds [4]	(250)	(250)
Interest on loans, including revolving credit facilities [5]	(391)	(532)
Interest expense on current account	(2)	(3)
Allowance for provisions net of reversals [6]	(3,170)	21,510
Net foreign exchange differences	82	(75)
Other	1	(7)
FINANCIAL PROFIT / (LOSS)	**20,126**	**60,990**

(1) During the 2022 financial year, Maisons du Monde France S.A.S. paid dividends to its shareholder Maisons du Monde S.A. in the amount of EUR 24 million.

(2) Related to income from receivables from equity interests.

(3) Related to interest on the long-term credit line (see note 10).

(4) Related to interest on the convertible bond (see note 10).

(5) Related to interest on the revolving credit facility (see note 10).

(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 2022	31 December 2021
Gain or loss on treasury shares [1]	-	296
Performance shares [2]	103	(31)
Reversal/allowance on regulated provisions	(129)	(37)
Other exceptional income and expenses [3]	-	(33,234)
EXCEPTIONAL PROFIT (LOSS)	**(26)**	**(33,006)**

(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 Income tax

The Company recorded a tax consolidation profit of EUR 2,206 thousand for the year ended 31 December 2022 (profit of EUR 1,724 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.

The estimate of these commitments was undertaken by an independent actuary.

The main actuarial assumptions are as follows:

- discount rate: 3.80%;
- rate of salary increase: between 1.5% and 2.5% for executives;
- retirement age: 64 for executives;
- mortality table: INSEE 2016-2018.

At 31 December 2022, commitments stood at EUR 162 thousand.

Note 22 Share price

At 31 December 2022, the share price of Maisons du Monde S.A. was EUR 11.75.

Note 23 Transactions with related parties

For the financial year 2022:

- the Company received dividends from its subsidiary Maisons du Monde France S.A.S. amounting to EUR 24,000 thousand.

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.

Net financial income and expenses on these transactions are outlined in note 17.

Note 24 Attribution of performance shares

	Plan No. 6	Plan No. 7	Plan No. 8
Grant date	10 March 2020	25 March 2021	9 March 2022
Status	in progress	in progress	in progress
Number of shares at the start of the plan	352,940	209,292	286,093
Number of beneficiaries	413	193	201
Vesting period (years)	3	3	3
Holding period (years)	0	0	0

The attribution of performance shares is subject to the following conditions:

- a requirement for continuous employment within the Group during the vesting period: the shares awarded to a beneficiary will only be ultimately vested if he/she has been employed by one of the Group's companies during a vesting period, calculated from the grant date, set at:
  - 3 years for beneficiaries of "Free share plan no. 6",
  - 3 years for beneficiaries of "Free share plan no. 7",
  - 3 years for beneficiaries of "Free share plan no. 8".

  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.
- an environmental and societal performance requirement based, on the one hand, on the proportion of the *Good is beautiful* offer in relation to the overall Maisons du Monde offer and, on the other hand, on the employee commitment rate. This CSR criterion is determined only for plans 7 and 8.

For all plans, there is no holding obligation for beneficiaries.

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 consoli-dation	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)*	Guaran-tees 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	KEUR	1	100%	Yes	1	1	14	N/A	-
Maisons du Monde France	KEUR	57,376	100%	Yes	159,054	159,054	3,859	N/A	24,000
SAS Savane Vision – RHINOV	KEUR	48	70%	N/A	4,343	4,343	3,467	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	KEUR	25	100%	N/A	25	25	-	N/A	-
Maisons du Monde Belgique	KEUR	50	100%	N/A	50	50	-	N/A	-
Maisons du Monde Espagne	KEUR	50	100%	N/A	50	50	-	N/A	-
Maisons du Monde Italie	KEUR	120	100%	N/A	100	100	-	N/A	-
Maisons du Monde Luxemburg	KEUR	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	KEUR	20	100%	N/A	20	20	-	N/A	-
Maisons du Monde Autriche	KEUR	35	100%	N/A	35	35	-	N/A	-
MDM Furniture & Decoration	KGBP	20	100%	N/A	27	27	-	N/A	-
Distrimag	KEUR	40	100%	Yes	40	40	-	N/A	-
Léolog	KEUR	15,040	100%	Yes	15,040	15,040	-	N/A	-
Mekong Furniture	MVND	86,027	100%	N/A	3,189	3,189	-	N/A	-
Subsidiaries of Distrimag									
Distri-Traction	KEUR	150	100%	Yes	150	150	-	N/A	-

Revenues, profits and capital other than share capital of subsidiaries are not disclosed for confidentiality reasons related to business and industrial strategy.

Note 26 Results of the last five financial years

(in euros)	31 December 2018	31 December 2019	31 December 2020	31 December 2021	31 December 2022
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	140,253,434
Number of ordinary shares	45,241,894	45,241,894	45,241,894	45,241,894	43,288,097
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					
Total revenue	3,795,790	3,679,340	4,228,300	5,150,127	3,923,370
Income before tax, employee profit-sharing, depreciation and amortisation	64,872,283	36,653,449	(2,447,636)	2,607,680	16,405,036
Income tax	(7,189,535)	(1,634,482)	(2,421,360)	(1,723,971)	(2,205,969)
Employee profit-sharing	-	-	-	-	-
Depreciation and amortisation	1,943,229	(2,103,201)	25,919,176	(17,994,027)	3,455,324
Profit / (loss)	70,118,589	40,391,132	(25,945,452)	22,325,678	15,155,681
Profit distributed (1)	21,263,690	0	13,572,568	24,883,042	12,986,429
Earnings per share					
Income after tax and employee profit-sharing, but before depreciation and amortisation	1.59	0.85	(0.00)	0.10	0.43
Income after tax, employee profit-sharing, depreciation and amortisation	1.55	0.89	(0.57)	0.49	0.35
Dividend allotted (1)	0.47	0.00	0.30	0.55	0.30
Personnel					
Average number of employees (FTEs), excl. SM	7	7	8	9	7
Wages and salaries	4,588,513	4,542,447	5,351,165	6,102,237	4,685,116
Amount paid to welfare bodies (social security, service projects, etc.)	1,722,110	1,874,760	2,316,050	2,059,517	1,374,930

(1) Amount including treasury shares. For 2022, pending the proposal for the Annual General Meeting of 29 June 2023.

Note 27 Events after the reporting period

27.1 Governance

The Board of Directors of Maisons du Monde meeting on 25 January 2023, decided that François-Melchior de POLIGNAC will be appointed Chief Executive Officer as of 15 March 2023, in succession to Julie WALBAUM, whose term of office as CEO will cease on that date. François-Melchior de POLIGNAC joined Maisons du Monde as Chief Operating Officer on 25 January 2023 to ensure a smooth and efficient transition during this period.

27.2 Share buyback programme

On 8 March 2023, the Board of Directors decided, within the framework of the delegation granted to it by the Annual General Meeting of 31 May 2022, to cancel 2,300,000 shares that were acquired in the as part of the second share buyback programme launched on 29 July 2022. The capital reduction was carried out on 10 March 2023.

The share capital of Maisons du Monde S.A. now amounts to EUR 132,081,434.28 divided into 40,988,097 shares.

The Group did not identify other events after the reporting period that may have an impact on the financial statements.

6.4 Statutory auditors' report on the financial statements

For the year ended 31 December 2022

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Maisons du Monde S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Maisons du Monde S.A. for the year ended 31 December 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under 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 1st January 2022 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).

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to 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, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

EVALUATION OF EQUITY INTERESTS AND RELATED RECEIVABLES

Risk identified	Our response
As at 31 December 2021, the equity interests, as described in Notes 2.1 and 3, are reported on the balance sheet for a net amount of 644,7 M€, compared to total assets of 715,5 M€. The company ensures that no year-end impairment loss needs to be recorded by comparing the fair value with the net carrying amount recorded in the accounts. At year-end, a provision for impairment is established when the net carrying amount of the equity interests is greater than their fair value (determined as the higher value between the net equity of the subsidiary and the value in use): • The net equity of the subsidiary 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; • The value in use is determined according to the discounted net future cash flows, adjusted for net debt or net cash. • We consider the evaluation of Maisons du Monde S.A.'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 S.A.'s equity interests, based on the information we were provided with, our work mainly consisted in: • Assessing whether the valuation method and figures used by Management to estimate the fair value are appropriately justified; • Verifying that the model used for calculating fair values is appropriate; • Assessing the reasonable nature of the cash flow projections, including the 2023 Budget approved by the Board of Directors and the 2023-2026 Strategic Plan, with regard to our knowledge of the economic environment in which the group operates; • Assessing the coherence of the long-term growth rate and the discount rate applied with market analyses, with the support of our appraisal specialists. In addition to assessing the fair value measurement of the Maisons du Monde S.A.'s 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 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 (*Code de commerce*).

Information relating to corporate governance

We attest that the section of the Board of Directors' report devoted to corporate governance on corporate governance sets out the information required by Articles L.225-37-4, L22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified the 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 companies 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 identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements 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 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 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements 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 12 June 2020 for KPMG S.A. and by your Annual General Meeting held on 29 April 2016 for Deloitte & Associés.

As at 31 December 2022, KPMG S.A. and Deloitte & Associés were in the 9th year and 7th year of total uninterrupted engagement respectively, which are the 7th year since securities of the Company were admitted to trading on a regulated market.

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

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- ssesses 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 to the Audit Committee a report 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) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the 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 26, 2023

The Statutory Auditors

KPMG SA	Deloitte & Associés
Vincent BROYE	Jérôme QUERO

7 Information on the Company and its capital

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 2022, the Company's share capital amounted to EUR 140,253,434.28 divided into 43,288,097 shares with a par value of EUR 3.24 each, fully paid up and of the same class.

At the date of publication, the Company's share capital amounted to EUR 132,801,434.28 divided into 40,988,097 shares with a par value of EUR 3.24 each, fully paid up and of the same class.

7.3.2 HISTORY OF CHANGES IN THE SHARE CAPITAL OVER THE LAST THREE FISCAL YEARS

Since 31 December 2019, the share capital of Maisons du Monde has changed as follows:

Date	Nature of the transaction	Share capital after transaction	Number of shares after transaction
Fiscal year 2020	None		
Fiscal year 2021	None		
Fiscal year 2022 July 2022	Capital reduction: cancellation of 1,953,797 shares	EUR 140,253,434.28	43,288,097
Fiscal year 2023 March 2023	Capital reduction: cancellation of 2,300,000 shares	EUR 132,801,434.28	40,988,097

7.3.3 AUTHORISED CAPITAL (ISSUED AND NOT ISSUED)

7.3.3.1 Current delegations and financial authorisations

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 past financial year.

Nature of the delegation and/or authorisation given to the Board of Directors	Maximum amount authorised	Duration of the authorisation	Expiry	Use in 2022
CAPITAL INCREASE BY ISSUING SECURITIES				
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) (AGM 31/05/2022 – 17th Resolution)	14,650 million	26 months	12/08/2022 31/07/2025	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) (AGM 31/05/2022 – 18th Resolution)	73 million	26 months	12/08/2022 31/07/2025	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) (AGM 31/05/2020 – 19th Resolution)	14,650 million	26 months	12/08/2022 31/07/2025	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) (AGM 31/05/2022 - 22nd Resolution)	10% of share capital	26 months	12/08/2022 31/07/2025	N/A
Share capital increase by incorporation of reserves, profits, premiums or other (AGM 12/06/2020 - 27th Resolution) (AGM 31/05/2022 - 23rd Resolution)	10% of share capital	26 months	12/08/2022 31/07/2025	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) (AGM 31/05/2022 - 24th Resolution)	2% of share capital	26 months	12/08/2022 31/07/2025	N/A
SHARE BUYBACK PROGRAMME				
Share buyback programme (AGM 04/06/2021 – 13th Resolution)	10% of share capital and maximum purchase price set at EUR 30 per share, *i.e.* a maximum of EUR 135.7 million	18 months	04/12/2022	N/A
Share buyback programme (AGM 31/05/2022 – 16th Resolution)	10% of share capital and maximum purchase price set at EUR 30 per share, *i.e.* a maximum of EUR 135.7 million	18 months	30/11/2023	6.29% of the share capital 2,723,230 treasury shares at 31/12/2022
Share capital reduction by cancelling treasury shares (AGM 04/06/2021 – 14th Resolution) (AGM 31/05/2022 – 26th Resolution)	Capped at 10% of share capital per 24-month period	18 months	04/12/2022 30/11/2023	4.51% of the share capital 1,953,797 shares at 27/07/2022 and 5.3% of share capital 2,300,000 shares at 10/03/2023
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) (AGM 31/05/2022 – 27th Resolution)	2% of share capital	38 months 38 months	12/08/2023 31/05/2025	N/A

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During the 2022 financial year, the Board of Directors, using the delegation of authority granted to it by the Annual General Meeting, reduced the amount of share capital by EUR 6,330,302.28, bringing it from EUR 146,583,736.56 to EUR 140,253,434.28 through the cancellation of 1,953,797 shares acquired under the 2021/2022 Share Buyback Programme implemented by the Company (Board of Directors' meeting of 27 July 2022).

Since the beginning of the 2023 financial year, the Board of Directors has used the delegation of authority granted to it by the Annual General Meeting, to reduce the amount of the share capital by EUR 7,452,000 from EUR 146,583,736.56 to EUR 140,253,434.28 through the cancellation of 2,300,000 shares acquired under the 2022/2023 Share Buyback Program implemented by the Company (Board of Directors' meeting of 8 March 2023).

7.3.3.2 Delegations and financial authorisations to the Combined General Meeting of 29 June 2023

At the Annual General Meeting of 29 June 2023, shareholders are asked to renew the following financial authorisations and delegations:

SHARE BUYBACK PROGRAMME

Nature of the delegation and/or authorisation given to the Board of Directors	Maximum amount authorised	Duration of the authorisation	Expiry
Share buyback programme	10% of share capital and maximum purchase price set at EUR 25 per share, *i.e.* a maximum of EUR 108,2 million	18 months	29/12/2024
Share capital reduction by cancelling treasury shares	Capped at 10% of share capital per 24-month period	18 months	29/12/2024

7.3.4 INFORMATION ON TREASURY SHARE BUYBACKS

At 31 December 2022, Maisons du Monde directly held a total of 2,723,230 treasury shares, *i.e.* 6.29% of its share capital, with a par value of EUR 3.24.

Objective	Number of shares	Percentage of share capital	Average purchase price *(in EUR)*
Liquidity agreement	57,870	0.13%	18.15
Coverage of performance share plans and other employee benefits	729,420	1.69%	19.01
Treasury shares to be cancelled	1,935,940	4.47%	9.77

2022 results of the share buyback programme

Share buyback programme

Pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, the Annual General Meetings of 4 June 2021 and 31 May 2022 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 2022 financial year the Company used these authorisations in the following manner:

- 1,953,797 shares were cancelled;
- no shares were sold;
- 1,935,940 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 was 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 consisted of an allocation from the outperformance in purchasing the shares over the programme's execution

The programme ended in the first half of 2022. The outperformance amounted to EUR 500,000. 65% of the outperformance amount, *i.e.* EUR 325,000, was donated to the Maisons du Monde Foundation for trees and forests, and the remaining 35%, *i.e.* EUR 175,000, was donated to the Emmaüs France association.

Liquidity agreement

Since 19 December 2018, the Company has entrusted Exane BNP Paribas with the implementation of a liquidity agreement in accordance with 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.

At 31 December 2022, the liquidity account contained 57,870 shares and the credit to the liquidity account amounted to EUR 1,221,436.

During the 2022 financial year, no shares were purchased under the liquidity contract.

Description of the share buyback programme put to vote at the 2023 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.

Objective 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 29 June 2023, will be 4,328,809 shares of the Company corresponding to 10% of the share capital at 31 December 2022.

The maximum authorised purchase price would be EUR 25 per share. Purchases could not exceed the cumulative net sum of EUR 108.2 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 29 June 2023, *i.e.* until 29 December 2024 and would replace the approval granted by the 18th resolution of the Annual General Meeting of 31 May 2022.

7.4 Shareholding

7.4.1 CHANGES TO THE BREAKDOWN OF CAPITAL AND VOTING RIGHTS

Breakdown of capital and voting rights at 31 December 2022

As of 31 December 2022, the Company's share capital amounted to EUR 140,253,434.28 divided into 43,288,097 shares.

At that date, the structure of the share capital was as follows:

As of 31 December 2022	Capital shares		Theoretical voting rights		Exercisable voting rights [1]	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**
Teleios Capital Partners LLC [1]	11,246,400	25.98%	11,246,400	25.98%	11,246,400	27.72%
Majorelle Investments S.à.r.l. [2]	10,383,129	23.99%	10,383,129	23.99%	10,383,129	25.60%
FMR LLC	2,289,400	5.29%	2,289,400	5.29%	2,289,400	5.64%
Treasury shares [3]	2,723,230	6.29%	2,723,230	6.29%	-	-
Free float	16,645,938	38.45%	16,645,938	38.45%	16,645,938	41.04%
TOTAL	**43,288,097**	**100%**	**43,288,097**	**100%**	**40,564,867**	**100%**

(1) See Chapter 4, Section 4.2.2.3 on the governance agreement between the Company and Teleios Capital Partners.

(2) See Chapter 4, Section 4.2.2.3 on the governance agreement between the Company and Majorelle Investments.

(3) Treasury shares at 31 December 2022 (including the liquidity agreement, which totalled 57,870 shares).

To the knowledge of Maisons du Monde, Teleios Capital Partners LLC, Majorelle Investments S.à.r.l. and FMR LLC 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 2021 and at 31 December 2020

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, compared to that at 31 December 2020:

	Situation at 31 December 2021				Situation at 31 December 2020			
Shareholders	**Shares**	**% of share capital**	**Theoretical voting rights**	**Exercisable voting rights**	**Shares**	**% of share capital**	**Theoretical voting rights**	**Exercisable voting rights**
Teleios Capital Partners LLC	9,736,778	21.52%	21.52%	22.13%	9,134,920	20.19%	20.19%	20.29%
Majorelle Investments S.à.r.l.	5,099,133	11.27%	11.27%	11.59%	2,476,426	5.47%	5.47%	5.50%
FMR LLC	3,623,378	8.01%	8.01%	8.23%	-	-	-	-
Treasury shares	1,240,118	2.74%	2.74%	-	229,923	0.51%	0.51%	-
Free float	25,542,487	56.46%	56.46%	58.05%	33,241,894	73.83%	73.83%	74.20%
TOTAL	**45,241,894**	**100%**	**100%**	**100%**	**45,241,894**	**100%**	**100%**	**100%**

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 six Independent Directors, who also hold a majority in the specialised committees (Audit Committee, Nomination and Compensation Committee and CSR 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 2022, 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
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%
Majorelle Investments	25/04/2022	Legal upward	20%	9,202,704	20.34%
FMR	05/08/2022	Legal upward	10%	4,511,114	10.42%
FMR	23/09/2022	Legal downward	10%	4,324,475	9.99%
Teleios Capital Partners	21/06/2022	Legal downward	20%	11,239,246	24.84%
Teleios Capital Partners	03/08/2022	Legal downward	25%	11,247,397	25.98%

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Since 1 January 2023, 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
FMR	14/03/2023	Legal upward	10%	4,105,607	10.02%
FMR	06/04/2023	Legal downward	10%	4,095,907	9.99%
Majorelle Investments	17/04/2023	Legal upward	25%	10,383,129	25.33%
Teleios Capital Partners	16/03/2023	Bylaws upward	26% and 27%	11,246,397	27.44%

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 2022 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 and Chapter 8 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)*
17/03/2022	Julie Walbaum	Disposal	4,614	18.0805	83,423.43
18/03/2022	Julie Walbaum	Disposal	27,635	18.0266	498,165.09
21/03/2022	Julie Walbaum	Disposal	7,751	18.1222	140,465.17
06/04/2022	Laure Hauseux	Acquisition	1,000	17.0000	17,000.00
27/05/2022	Michel-Alain Proch	Acquisition	5,000	13.1800	65,900.00
15/06/2022	Teleios Capital Partners	Acquisition	327,272	10.2887	3,367,203.43
16/06/2022	Teleios Capital Partners	Acquisition	448,804	10.5044	4,714,416.74
17/06/2022	Teleios Capital Partners	Acquisition	7,151	10.3210	73,805.47
20/06/2022	Alexandra Palt	Acquisition	3930	10.1800	40,007.40
01/08/2022	Julie Walbaum	Acquisition	5,000	10.5985	52,992.50
01/08/2022	Thierry Falque-Pierrotin	Acquisition	10,000	10.5000	105,000.00
01/08/2022	Régis Massuyeau	Acquisition	2,500	10.4900	26,225.00
11/08/2022	Laure Hauseux	Acquisition	500	10.7000	5,350.00
22/08/2022	Victor Herrero	Acquisition	9,600	10.5200	100,992.00
26/09/2022	Majorelle Investments	Acquisition	30,000	8.2034	246,102.00
27/09/2022	Majorelle Investments	Acquisition	35,000	8.3163	291,070.50
28/09/2022	Majorelle Investments	Acquisition	39,894	8.2944	330,896.79
09/03/2023	Michel-Alain Proch	Acquisition	10,000	10.5588	105,588.00
10/03/2023	Julie Walbaum	Acquisition of free shares	53,900	9.6450	519,865.50
10/03/2023	Régis Massuyeau	Acquisition	2,500	9.7558	24,389.50
10/03/2023	Thierry Falque-Pierrotin	Acquisition	10,000	9.8800	98,800.00
10/03/2023	Michel-Alain Proch	Acquisition	5,000	10.5588	52,794.00

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.

8 | Annual General Meeting

At its Meeting held on 8 March 2023, the Board of Directors convened a Combined General Meeting (Annual Ordinary and Extraordinary) to be **held on 29 June 2023 at 10 am at 55 Rue d'Amsterdam, 75008 Paris, France**, to deliberate on the agenda below:

8.1 Agenda

8.1.1 AGENDA FOR THE ORDINARY GENERAL MEETING

- Approval of the annual financial statements for the financial year ended 31 December 2022
- Approval of the consolidated financial statements for the financial year ended 31 December 2022
- Appropriation of the net profit for the financial year ended 31 December 2022
- Approval of an agreement as provided for in Article L. 225-38 of the French Commercial Code entered into with MAISONS DU MONDE FOUNDATION
- Approval of an agreement as provided for in Article L. 225-38 of the French Commercial Code entered into with MAJORELLE INVESTMENTS
- Approval of an agreement as provided for in Article L. 225-38 of the French Commercial Code entered into with TELEIOS CAPITAL PARTNERS
- Reappointment of Laure HAUSEUX as a Director
- Reappointment of Victor HERRERO as a Director
- Approval of the information relating to the compensation of executive officers mentioned in Article L. 22-10-9 I of the French Commercial Code
- Approval of the components of the total compensation and benefits of any kind paid during the financial year ended 31 December 2022 or granted in respect of said financial year to Julie WALBAUM, in her capacity as Chief Executive Officer
- Approval of the components of the total compensation and benefits of any kind paid during the financial year ended 31 December 2022 or awarded in respect of said financial year to Thierry FALQUE-PIERROTIN, in his capacity as Chairperson of the Board of Directors
- Approval of the compensation policy for the Chairperson of the Board of Directors
- Approval of the compensation policy for Julie WALBAUM, Chief Executive Officer from 1 January to 15 March 2023
- Approval of the compensation policy for François-Melchior de POLIGNAC, Chief Executive Officer from 15 March 2023
- Approval of the compensation policy for François-Melchior de POLIGNAC, Deputy Chief Executive Officer from 25 January to 15 March 2023
- Approval of the total annual amount to be allocated to the members of the Board of Directors for the 2023 financial year
- Approval of the compensation policy for members of the Board of Directors
- Authorisation to be granted to the Board of Directors to purchase Company shares

8.1.2 AGENDA FOR THE EXTRAORDINARY GENERAL MEETING

- 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 for formalities

8.2 Presentation of the resolutions put forward by the Board of Directors

8.2.1 ORDINARY 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 2022.

The annual financial statements for the past financial year show a net profit of EUR 15,155,680.73, compared to a net profit of EUR 22,325,677.53 the previous financial year.

The Group's consolidated financial statements show a net profit of EUR 34.2 million, compared to a net profit of EUR 79 million in 2021.

The non-deductible expenses for the financial year amounted to EUR 18,412. These expenses correspond to the rent and depreciation of the Company's fleet of company cars, and generated tax of EUR 4,755.

The annual and consolidated financial statements for the financial year ended 31 December 2022, 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 profit

3rd ordinary resolution

The purpose of the 3rd resolution is to appropriate the net profit for the financial year ended 31 December 2022.

The net profit for the financial year ended amounted to EUR 15,155,680.73.

At its Meeting of 8 March 2023, the Board of Directors decided to propose the payment of a dividend of EUR 0.30 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 7 July 2023 (coupon detached 5 July 2023).

Previous distributions were as follows:

- a dividend of EUR 24,883,041.70, or 45,241,894 shares receiving a dividend of EUR 0.55 per share for the 2021 financial year;
- 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.

8.2.1.3 Regulated agreements

4th to 6th ordinary resolutions

The purpose of resolutions 4 to 6, after reading the Statutory Auditors' special report on regulated agreements pursuant to Article L. 225-38 of the French Commercial Code, is to approve the regulated agreements approved by the Board of Directors during the 2022 financial year.

The Statutory Auditors' report on regulated agreements can be found in Section 4.3.2 of Chapter 4 of this Universal Registration Document.

- **4th resolution:** shareholders are asked to approve the sponsorship agreement entered into during the past financial year with its endowment fund, "Maisons du Monde Foundation".

  Under the terms of the agreement dated 30 September 2022, the Company undertook to give to the endowment fund 65% of the amount corresponding to the outperformance achieved by the bank in charge of implementing the "ESG Impact" share buyback programme approved by the Annual General Meeting of 4 June 2021 and launched by the Board of Directors on 26 October 2021. This buyback programme was completed in the first half of 2022 and the amount of the outperformance allocated to the endowment fund amounted to EUR 325,000.

  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.

  At the date of signing the agreement, as Julie WALBAUM was 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 3 May 2022, and is included in the Statutory Auditors' special report.
- **5th resolution:** shareholders are asked to approve the governance agreement between the Company and Majorelle Investments.

Under the terms of the agreement, the Company undertakes to appoint a Majorelle representative to the Board of Directors and Majorelle undertakes:

- not to file or announce a public offering for the Company's shares without the prior recommendation of the Board of Directors and, therefore, not to exceed the threshold of 29.9% of the Company's share capital or voting rights;
- not to support or participate in a public offering for the Company's shares that has not been recommended by the Board of Directors, the said commitment does not prevent Majorelle from submitting its shares to a public offer for the Company's shares Company provided that it has been declared compliant by the AMF;
- not to file or announce the filing of a resolution at the Company's Annual General Meeting without the prior recommendation of the Board of Directors;
- not request or take any measures to obtain an additional representative on the Board of Directors (unless it comes to hold more than 24% of the share capital and voting rights of the Company and the representative of another Company investor has just resigned from its duties on the Board of Directors).

Majorelle holds more than 10% of the Company's share capital and voting rights. This agreement thus constitutes a regulated agreement within the meaning of Article L. 225-38 of the French Commercial Code. As such, it was the subject of an authorisation by the Board at its meeting of 3 May 2022, a publication in the AMF under number 222C1010 and appears in the Statutory Auditors' special report.

- **6th resolution:** shareholders are asked to approve the governance agreement between the Company and Teleios Capital Partners.

  Under the terms of the agreement, the Company undertakes to appoint a representative of Teleios to the Board of Directors and Teleios undertakes:

  - not to file or announce a public offering for the Company's shares without the prior recommendation of the Board of Directors and, therefore, not to exceed the threshold of 29.9% of the Company's share capital or voting rights;
  - not to support or participate in a public offering for the Company's shares that has not been recommended by the Board of Directors, the said commitment does not prevent Teleios from submitting its shares to a public offer for the Company's shares Company provided that it has been declared compliant by the AMF;
  - not to file or announce the filing of a resolution at the Company's Annual General Meeting without the prior recommendation of the Board of Directors;
  - not request or take any measures to obtain an additional representative on the Board of Directors (unless it comes to hold more than 24% of the share capital and voting rights of the Company and the representative of another Company investor has just resigned from its duties on the Board of Directors).

  Teleios holds more than 10% of the Company's share capital and voting rights. This agreement thus 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 3 May 2022, a publication in the AMF under number 222C1015 and is included in the Statutory Auditors' special report.

8.2.1.4 Changes in the composition of the Board of Directors

7th ordinary resolution

It is recalled that the term of office of Laure HAUSEUX is coming to an end. On the recommendation of the Nomination and Compensation Committee, the Board proposes to the Annual General Meeting to renew her term of office for a period of four years.

The biography of Laure HAUSEUX appears in Section 4.1.1.9 of Chapter 4 of this Universal Registration Document.

8th ordinary resolution

At its Meeting of 26 January 2022, the Board of Directors appointed Victor HERRERO as a new director, to replace Peter CHILD, who resigned, for the remaining term of his predecessor, *i.e.* at the end of the 2023 Annual General Meeting.

On the recommendation of the Nomination and Compensation Committee, the Board proposes to the Annual General Meeting to renew his term of office for a period of four years.

The biography of Victor HERRERO appears in Section 4.1.1.9 of Chapter 4 of this Universal Registration Document.

8.2.1.5 Compensation of executive officers

9th to 17th 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 9 to 17 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.

The Company'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 4.2.2.3).

- **9th resolution:** pursuant to Article L. 22-10-9 II of the French Commercial Code, you are asked to approve the information relating to the fixed, variable and exceptional compensation and benefits of any kind paid or awarded to all corporate officers, including the Chief Executive Officer, as well as corporate officers whose terms of office have expired 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.

- **10th and 11th resolutions:** pursuant to Article L. 22-10-9 II of the French Commercial Code, you are asked to approve the components of the total compensation (fixed, variable and exceptional components) and the benefits of any kind paid during the 2022 financial year to the executive corporate officers, namely Thierry FALQUE-PIERROTIN, Chairperson of the Board of Directors (Resolution 10) and Julie WALBAUM, Chief Executive Officer (Resolution 11).

  These components are in line with the compensation policy approved by the Annual General Meeting of 31 May 2022, 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 2022 financial year is subject to the approval of the Annual General Meeting of 29 June 2023.
- **12th resolution:** in accordance with Article L. 22-10-9 II of the French Commercial Code, you are asked to approve the compensation policy applicable to the Chairperson of the Board of Directors.

  The components of the compensation policy for the Chairperson of the Board of Directors 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 4.2.2.2 of Chapter 4 of this Universal Registration Document.
- **13th resolution:** pursuant to Article L. 22-10-34 II of the French Commercial Code, you are asked to approve the compensation policy for the Chief Executive Officer (fixed, variable and exceptional components) for the period from 1 January 2023 until at the end of her term of office on 15 March 2023.

  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.
- **14th and 15th resolutions:** pursuant to Article L. 22-10-34 II of the French Commercial Code, you are asked to approve the compensation policy for François-Melchior de POLIGNAC for the performance of his office as Chief Executive Officer as from 15 March 2023 (14th resolution) and for his term of office as Deputy Chief Executive Officer for the period from 1 January 2023 to 15 March 2023 (15th resolution).

  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.
- **16th and 17th resolutions:** Resolutions 16 and 17 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 16th resolution a global budget attributable to all corporate officers. The Board proposes to increase the total amount of compensation allocated to directors from EUR 600,000 to EUR 660,000, taking into account the increase in the number of directors entitled to compensation that has occurred since 2021. The 17th resolution sets out the terms and conditions for the distribution of the directors' compensation, including the compensation of the Chairman 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.

8.2.1.6 Repurchase by the Company of its own shares

18th ordinary resolution

As part of the 18th 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 25;
- the maximum amount of the acquisitions net of costs may not exceed the sum of EUR 108.2 million;
- the maximum share that the Company may hold under this programme will be 4,328,809 shares, or 10% of the share capital (as of 31 December 2022);
- 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 Proposed capital reduction by cancellation of shares

19th 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, under the 19th resolution, that you 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 19th 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.

8.2.2.2 Proposed allocation of free performance shares

20th 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 to L. 225-197-5 and Articles L. 22-10-59 to L. 22-10-60 of the French Commercial Code, joint-stock companies may grant existing or not yet issued free shares to their employees and eligible executive officers.

We therefore propose that you authorise the Board of Directors to allocate, on one or more occasions, existing or not yet issued free shares in the Company, subject to performance conditions, to all or some employees, or certain categories thereof employed by the Company or Group companies in France or abroad, and/or eligible executive officers in accordance with the conditions presented below.

The free 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.

These allocations will also link the interests of beneficiaries to those of shareholders and, at the same time, strengthen the alignment of all around shared medium-term objectives in line with Maisons du Monde's medium- and long-term ambitions, and thus support the Group's profitable and sustainable 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 shares granted under this authorisation may not represent more than 3.5% of the Company's share capital as recorded at the end of this Meeting, over the authorisation period, the total number of free shares allocated to the Company's eligible executive officers may not represent more than 0.6% of the statutory share capital as recorded at the end of this Meeting over the authorisation period.

With regard to the Chief Executive Officer in particular, it is specified that the allocation must not exceed 50,000 performance shares per year. However, for the year 2024, and as part of the implementation of a plan to boost the Group's commercial and financial performance, and subject to the approval of a new authorisation by the Annual General Meeting of a new budget of free shares for 38 months, the Board intends, in addition to an allocation of 50,000 shares, to decide on an additional specific allocation. It will represent an additional 90,000 shares, thus taking the total for 2024 to 140,000 shares. The aim is to establish a strong link between the long-term compensation of the Chief Executive Officer in the months following his/her appointment and this recovery plan.

These free shares will vest under the following conditions, which are to be definitively determined by the Board of Directors:

- Presence conditions: unless exceptions provided for by the plan's rules and the legislation in force, as well as any exemptions decided by the Board of Directors, the allocation of free shares to their beneficiaries would therefore only become definitive at the end of a vesting period (and a holding period, where applicable) set by the Board of Directors, but which may not be less than three (3) years and subject to the beneficiary being employed by the Company at the end of this vesting period;
- Performance conditions: all allocations of shares are subject to the achievement of several demanding performance conditions, measured over a period of three (3) years, on:
  - one or more internal quantifiable performance indicators (e.g. revenue, profitability, EBIT), including at least one social and environmental performance condition;
  - one or more additional stock market performance conditions (TSR).

In the event of an allocation to an executive director, the latter must retain 55% of the shares granted in registered form until the end of his or her term of office.

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 free shares, the number of these shares to be issued in favour 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) buy back, where required, 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 18th 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 29 June 2023 and would therefore expire on 29 August 2026. It would replace that granted by the Annual General Meeting of 31 May 2022 at the end of the 27th resolution,

8.2.2.3 Powers

21st extraordinary resolution

The 21st 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 2022

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 2022, as presented to it, and which show a net profit of EUR 15,155,680.73, 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 18,412 for the financial year ended 31 December 2022, as well as the amount of corporate tax incurred as a result of these expenses and charges, which stood at EUR 4,755.

2nd resolution — Approval of the consolidated financial statements for the financial year ended 31 December 2022

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 2022, as presented to it, as well as the transactions reflected in these financial statements and summarised in these reports.

3rd resolution — Appropriation of result for the financial year ended 31 December 2022

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 profit for the financial year ended 31 December 2022 as follows:

Net profit for the financial year	**EUR 15,155,680.73**
Allocation to the legal reserve	EUR 757,784.04
Previous retained earnings	EUR 44,756,899.00
TOTAL DISTRIBUTABLE AMOUNT	**EUR 59,154,795.69**
Payment of a dividend of EUR 0.30 per share to shareholders	EUR 12,169,460.10
Retained earnings	EUR 46,985,335.59
TOTAL AMOUNT ALLOCATED	**EUR 59,154,795.69**

The Annual General Meeting resolves that the ex-dividend date will be 5 July 2023 and that the dividend will be paid on 7 July 2023.

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 unpaid dividends related 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") on the gross dividend amount at a fixed rate 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%;
- 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, to which is added 17.2% in social security contributions;

- in accordance with the provisions of Article 117 quater of the French General Tax Code, and irrespective of the income tax method, these dividends are subject to a compulsory non-discharging flat-rate deduction at source, the rate of which is aligned with that of the PFU, i.e. 12.8%, and which constitutes an advance payment chargeable against the income tax due by taxpayer in respect of the year during which it was made (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 request an exemption from the non-discharging flat-rate deduction at source; where applicable, the request for exemption must, in accordance with Article 242 quater of the French General Tax Code, be made by the taxpayer, on his/her responsibility, no later than 30 November of the year preceding the year in which the dividend is paid, by providing the paying institution with a sworn statement indicating that their reference tax income on the tax notice prepared for the penultimate year preceding the payment of the dividend is below the aforementioned thresholds (depending on the marital status of the taxpayer);
- French resident taxpayers whose reference tax income exceeds certain thresholds are subject to the exceptional contribution on high incomes at a rate, depending on the case, of 3% or 4%, in accordance with the provisions of Article 223 sexies of the French General Tax Code;
- it is specified, in accordance with the provisions of paragraph 1 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.

Shareholders, regardless of their situation, are invited to contact their usual tax advisor.

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 2021 financial year, a dividend of EUR 24,883,041.70, or 45,241,894 shares receiving a dividend of EUR 0.55 per share, fully eligible for the 40% rebate mentioned in Article 158-3-2° of the French General Tax Code applicable, under certain conditions, and solely in the event of an option for imposition of the progressive income tax scale;
- 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 aforementioned 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.

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 2022 financial year, as referred to in this special report.

5th resolution — Approval of an agreement as provided for in Article L. 225-38 of the French Commercial Code entered into with MAJORELLE INVESTMENTS

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 MAJORELLE INVESTMENTS during the 2022 financial year, as referred to in this special report.

This resolution is submitted to a vote in which the shareholder concerned does not participate, its shares being excluded from the calculation of the majority.

6th resolution — Approval of an agreement as provided for in Article L. 225-38 of the French Commercial Code entered into with TELEIOS CAPITAL PARTNERS

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 TELEIOS CAPITAL PARTNERS during the 2022 financial year, as referred to in this special report.

This resolution is submitted to a vote in which the shareholder concerned does not participate, its shares being excluded from the calculation of the majority.

7th resolution — Reappointment of Laure HAUSEUX as a Director

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, resolves to renew the term of office of Laure HAUSEUX for a term of four (4) years. The term of office of Laure HAUSEUX will expire at the end of the Annual General Meeting called to approve the financial statements for the financial year ending on 31 December 2026.

8th resolution — Reappointment of Victor HERRERO as a Director

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, resolves to renew the term of office of Victor HERRERO for a term of four (4) years. The term of office of Victor HERRERO will expire at the end of the Annual General Meeting called to approve the financial statements for the financial year ending on 31 December 2026.

9th resolution — 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

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 4.2.1 of the Company's 2022 Universal Registration Document).

10th resolution — Approval of the components of the total compensation and benefits of any kind paid during the financial year ended 31 December 2022 or granted in respect of said financial year to Julie WALBAUM, in her capacity as 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 2022 financial year to Julie WALBAUM, Chief Executive Officer, appearing in the Board of Directors' report on corporate governance (as presented in Section 4.2.2.1 of the Company's 2022 Universal Registration Document).

11th resolution — Approval of the components of the total compensation and benefits of any kind paid during the financial year ended 31 December 2022 or awarded in respect of said financial year to Thierry FALQUE-PIERROTIN, in his capacity as Chairperson 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. 22-10-34 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 2022 financial year to Thierry FALQUE-PIERROTIN, Chairperson of the Board of Directors, appearing in the Board of Directors' report on corporate governance (as presented in Section 4.2.2.2 of the Company's 2022 Universal Registration Document).

12th resolution Approval of the compensation policy for the Chairperson 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 Chairperson of the Board of Directors, appearing in the Board of Directors' report on corporate governance (as presented in Section 4.2.2.2 of the Company's 2022 Universal Registration Document).

13th resolution Approval of the compensation policy for Julie WALBAUM, Chief Executive Officer for the period between 1 January and 15 March 2023

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 Julie WALBAUM, Chief Executive Officer until 15 March 2023, appearing in the Board of Directors' report on corporate governance (as presented in Section 4.2.2.1 of the Company's 2022 Universal Registration Document).

14th resolution Approval of the compensation policy for François-Melchior de POLIGNAC, Chief Executive Officer from 15 March 2023

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 François-Melchior de POLIGNAC, Chief Executive Officer from 15 March 2023, included in the Board of Directors' report on corporate governance (as presented in Section 4.2.2.1 of the Company's 2022 Universal Registration Document).

15th resolution Approval of the compensation policy for François-Melchior de POLIGNAC, Deputy Chief Executive Officer from 25 January 2023 to 15 March 2023

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 François-Melchior de POLIGNAC, Deputy Chief Executive Officer from 25 January 2023 to 15 March 2023, appearing in the Board of Directors' report on corporate governance (as presented in Section 4.2.2.1 of the Company's 2022 Universal Registration Document).

16th resolution Approval of the total annual amount to be allocated to the members of the Board of Directors for the 2023 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 660,000.

17th 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 4.2.2.2 of the Company's 2022 Universal Registration Document).

18th resolution — Approval 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 the Company's 2022 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 (EU) No. 596/2014 of 16 April 2014 of the European Parliament and Council, to allow the Company 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, 4,328,809 shares as of 31 December 2022), 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 25 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 2022, the total amount of purchases net of costs would not exceed EUR 108.2 million;
3. **resolves** that in the event of the filing by a third party of a public offering 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); these 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 Ordinary 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 16th resolution of the Annual General Meeting of 31 May 2022.

8.3.2 RESOLUTIONS WITHIN THE REMIT OF THE EXTRAORDINARY GENERAL MEETING

19th 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. **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 28th resolution of the Annual General Meeting of 31 May 2022, and is granted for a period of 18 months as from this day.

20th 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 companiess

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. 225-197-1 to L. 225-197-5 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, existing or yet to be issued free shares of the Company, subject to performance conditions, to employees, certain employees, 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 3.5% of the Company's authorised share capital recorded at the end of this Meeting, this limit 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 0.6% of the authorised share capital recorded at the end of this Meeting (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 conditions and performance conditions in particular 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, accompanied where applicable by a holding period the duration of which will be set by the Board of Directors;

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 the disability of the beneficiary corresponding to the classification in the second or third of the categories set out 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 existing free shares previously purchased by the Company as part of the share buyback programme approved under the terms of the 18th 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 holding 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 allocated, 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 31 May 2022 under the 27th resolution.

Each year, the Board of Directors will inform the Annual General Meeting of the transactions carried out under this resolution.

21st 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 FOR THE 2022 FINANCIAL YEAR

	2022 Plan
Date of Annual General Meeting	12/06/2020 (31st resolution)
Allocation date (Board of Directors)	09/03/2022
Total number of shares allocated	286,093 (0.63% of the share capital)
of which to executive officers	39,242 (0.09% of the share capital)
Start of vesting period	09/03/2022
End of vesting period (definitive vesting)	10/03/2025
Holding period	N/A
Number of shares vested at 31/12/2022	TBC
Cumulative number of cancelled or lapsed shares at 31/12/2022	21,707
Remaining performance shares at the end of the financial year	257,129
Closing price on the allocation date	EUR 18.18

8.4.2 ACQUISITIONS OF FREE PERFORMANCE SHARES DURING THE 2022 FINANCIAL YEAR

No free share allocation plan expired during the 2022 financial year.

As a result, no free performance shares were acquired during the past financial year.

8.4.3 HISTORY OF FREE SHARE ALLOCATIONS

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				
	2018 Plan	**2019 Plans**	**2020 Plan**	**2021 Plan**	**2022 Plan**
Date of Annual General Meeting	19/05/2017	19/05/2017	19/05/2017	12/06/2020	12/06/2020
Date of Board of Directors Meeting	18/05/2018	09/05/2019 24/06/2019	10/03/2020	25/03/2021	09/03/2022
Total number of shares allocated	146,435	265,344	352,940	209,292	286,096
of which number allocated to: Julie WALBAUM	16,000*	43,125	53,900	36,360	39,242
Vesting date of shares	18/12/2020	09/05/2022 24/06/2022	10/03/2023	25/03/2024	09/03/2025
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 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% to a 2019 + 2020 EPS condition, 30% are subject to a 2018 + 2019 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 conditions	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 EBIT/ revenue ratio over three financial years, 20% of the shares are subject to a TSR condition: rate of return on the share over three years measured against the CAC Mid 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%),	30% of the shares are subject to a Sales CAGR condition: compound annual growth rate between 2022 and 2024, 30% of the shares are subject to an EBIT condition: average EBIT/revenue ratio over three financial years, 20% of the shares are subject to a TSR condition: rate of return on the share over three years measured against the CAC Mid 60 GR index, 20% are subject to a CSR condition: share of the responsible offering in 2024 (15%) and employee engagement rate between 2024 vs. 2021 (5%).
Number of shares vested	58,363	32,694	242,598	Vesting on-going	7,260 (Vesting on-going)
of which Julie WALBAUM (total number vested at the end of the vesting period)	6,944	0**	53,900	Vesting on-going Pro rata temporis	Will not vest
Cumulative number of cancelled or lapsed shares	88,072	232,650	110,342	46,357	21,707
Remaining free shares at the end of the financial year	0	0	0	162,935	(257,129)

** Allocation made in respect of Julie WALBAUM's position as Digital, Marketing and Customer Relations Director.*

*** Conditions not met for the Executive Committee.*

Additional information

9|

9.1 Persons responsible

9.1.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

François-Melchior de POLIGNAC, 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 pages 334 and 335 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."

26 April 2023

François-Melchior de POLIGNAC

Chief Executive Officer

9.1.3 PERSON RESPONSIBLE FOR FINANCIAL REPORTING

Régis MASSUYEAU, Chief Financial Officer

MAISONS DU MONDE

Le Portereau
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 financial 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 Jérôme QUERO.

Registered member of the Compagnie régionale des comptes de Versailles.

6, place de la Pyramide
92908 Paris-La Défense Cedex

Appointment renewed at the Annual General Meeting of 31 May 2022 for a period of six financial years, *i.e.* until the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2027.

9.2.2 FEES OF THE STATUTORY AUDITORS

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

Carole ALEXANDRE, Head of Investor Relations

MAISONS DU MONDE

Le Portereau
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 2023 is as follows:

Date	Event
11/05/2023	First quarter 2023 sales
29/06/2023	Combined General Meeting
27/07/2023	Second quarter sales and first half 2023 results
26/10/2023	Third quarter and first nine months of 2023 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 2022 Universal Registration Document filed with the Autorité des marchés financiers on 15 April 2022 under number D. 22-0300;
- 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;

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 2022

None

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	-	1	2	-	9	12	-	-	-	-	-	-
Total amount of invoices concerned, excl. tax	-	218	11,920	-	53,329	65,467	-	-	-	-	-	-
Percentage of the total amount of purchases for the year	-	0.01%	0.30%	0.00%	1.36%	1.67%	-	-	-	-	-	-
Percentage of revenue for the year	-	-	-	-	-	-	-	-	-	-	-	-
(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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1.1	Identity of the persons responsible for the information contained in the document	9.1.1	326
1.2	Declaration of the persons responsible for the document	9.1.2	326
1.3	Declaration or report by any individual acting in the capacity of expert	N/A	N/A
1.4	Statement relating to information provided by third parties	N/A	N/A
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2.	Statutory auditors		
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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	305
17.	Transactions with related parties	6.3.3 - Note 23	285
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9.8.2 ANNUAL FINANCIAL REPORT

This Universal Registration Document includes all the elements of the Annual Financial Report as listed in Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulation of the Autorité des marchés financiers.

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9.8.3 MANAGEMENT REPORT

This Universal Registration Document includes all the 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.

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2.2	Changes made to the method of presentation of the Company's annual financial statements	6.1.6 - Note 2	185
2.3	Amount of dividends paid by the Company during the last three fiscal years	6.1.6 - Note 22.3	250
2.4	Table of results of the Company over the last five years	6.3.3 - Note 26	288
2.5	Information on supplier payment terms	9.7	330
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		
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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		
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4.5	Information on facilities classified as at risk	N/A	N/A
5.	Environmental, social and societal information		
5.1	Non-financial performance statement	Chap. 3	71
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6.1	Breakdown of the Company's capital and voting rights	7.4.1	302
6.2	Statement of employee shareholdings in the share capital of the Company	7.4.4	304
6.3	Acquisitions and disposals by the Company of its own shares	7.3.4	300
6.4	Information on transactions carried out by management and related parties on the Company's shares	7.4.5	305
6.5	Information on the allocation of free shares to executives and employees	4.2.3 8.4.3	199 321
6.6	Names of controlled companies and share of the Company's capital held	6.1.6 - Note 31	265
6.7	Disposal of shares in order to settle cross-shareholdings	N/A	N/A
6.8	Information on elements liable to have an impact in the event of a public offering	7.4.6	305
7.	Other information		
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7.2	Information on payment terms	9.7	330

9.8.4 REPORT ON CORPORATE GOVERNANCE

This Universal Registration Document includes all the 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	187
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	4.2.1.4	186
4.	Level of compensation paid to corporate officers with regard to the median compensation paid on a full-time equivalent basis to employees of the Company	4.2.1.4	186
5.	Offices and positions held by the corporate officers	4.1.1.9	163
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7.	Table summarising current delegations granted by the Annual General Meeting in respect of share capital increases	7.3.3	299
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9.	Potential limitations of the powers of the Chief Executive Officer	4.1.2.1	177
10.	Composition, preparation conditions and organisation of the Board of Directors	4.1.2.2	178
11.	Application of the principle of gender equality within the Board of Directors	4.1.1.4	160
12.	Diversity policy applied to members of the Board of Directors	4.1.1.5	160
13.	Diversity policy in terms of gender equality within the executive bodies and in positions with particularly significant responsibilities	4.1.2.2	179
14.	Reference Code of Corporate governance	4.2.4	200
15.	Specific procedures governing shareholder participation in Annual General Meetings	7.2	297
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17.	Provisions having an impact in the event of a public offering	7.4.6	305
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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.

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II.	Analysis of the Company's risks		
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3.	Results of these policies, including key performance indicators	3.1.1.2	67
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1.1.2	Hiring and dismissals	3.3.2.1	123 - 133
1.1.3	Compensation and changes thereto	3.3.2.1	123 - 133
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1.2.1	Organisation of working time	3.3.2.1	126
1.2.2	Absenteeism	3.3.2.2	133-139
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1.3.1	Health and safety in the workplace		
1.3.2	Workplace accidents, in particular, frequency and degree of seriousness thereof, and occupational illness	3.3.2.2	133-139
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	3.3.2.1	137
1.4.2	Outcome of collective bargaining agreements, notably in relation to health and safety in the workplace	3.3.2.2	137
1.5	Training		
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2.1.1	Organisation of the Company to take into account environmental issues and, if applicable, environmental assessment or certification measures	3.2.2	98
2.1.2	Resources devoted to the reduction of environmental risks and pollution	3.2.2	98

No.	Information	Section(s)	Page(s)
2.1.3	Provisions and guarantees securing environmental risks, subject to this information not being liable to cause serious harm to the Company in any on-going litigation	3.2.2.4	114
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	114
2.2.2	Inclusion of any form of pollution specific to an activity, notably noise and light pollution	3.2.2.4	114
2.3	Circular economy		
2.3.1	Waste management and reduction	3.2.2.2	107 - 113
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b.	*Measures to prevent food waste*	N/A	N/A
2.3.2	Sustainable use of resources		
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b.	*Consumption of raw materials and measures taken to improve the efficiency of their use*	3.2.1	88 - 98
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2.5.1	Measures taken to protect and promote biodiversity	3.2.2.3	113 - 114
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3.1.1	Impact of the Company's activity in terms of local development and employment	3.3.1	117 - 122
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	3.1.4.5	82 - 84
3.1.4	Partnership or philanthropic actions	3.2.3 3.3.3	115 - 117 142 - 143
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9.9 Glossary

Glossary

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).
AMF	Autorité des marchés financiers – French Financial Markets Authority. Independent public authority that regulates French financial market participants and products.
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.
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.
GROSS MARGIN	Gross margin is defined as sales minus cost of sales. Gross margin is also expressed as a percentage of Sales.
LEVERAGE RATIO	Leverage ratio is defined as net debt divided by EBITDA.
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.
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).
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.

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