FNAC DARTY

2021

UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

CONTENTS

The items of the Annual Financial Report are identified in the section headings using the pictogram AFR

The items related to the Non-financial Performance Declaration (DPEF) are identified in the section headings using the pictogram NFPD

FNAC DARTY

2021 UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

All our publications can be found on the website www.fnacdarty.com

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed with the French Markets Authority (Autorité des marchés financiers – AMF) in its capacity as the competent authority under Regulation (EU) 2017/1129 on March 17, 2022, without prior approval in accordance with Article 9 of that Regulation.

The Universal Registration Document may be used for the purposes of a public offer of financial securities or for admitting financial securities for trading on a regulated market if it is supplemented by a Securities Note and, if applicable, a summary and all amendments made to the Universal Registration Document. The resulting documents are then approved by the AMF in accordance with Regulation (EU) 2017/1129.

The Annual Financial Report is a translation into English of the official version in French of the Annual Financial Report, which was prepared in XHTML format and is available on the AMF (www.amf-france.org) and Fnac Darty (www.fnacdarty.com) websites.

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.

Message from the Chief Executive Officer

Enrique MARTINEZ, Chief Executive Officer of Fnac Darty

The year 2021, still marked by the effects of an unprecedented health crisis, saw Fnac Darty consolidate its position as European leader in omnichannel retail and prepare for the future with the launch of Everyday, our strategic plan. Built around service, advice and sustainability, this plan embodies a real turning point for our Group and, by 2025, should enable us to become a key ally to consumers, helping them to be sustainable in their consumption habits and daily household tasks. Everyday is a paradigm shift and takes account of the disruptions and innovations that are impacting consumer society, with the increasing power of digital habits and practices on the part of consumers, their increasingly acute awareness of environmental and social challenges, and their increased need for human advice. It is a global response to our customers' expectations and illustrates our ability to project ourselves into a future world where commerce will no longer be quite as we have previously known it.

From 2021, we have therefore accelerated the implementation of the first stages of Everyday. We have developed a new chat and videoconferencing service that enables you to receive quality advice from our specialist in-store salespeople in your own home, so that you can enjoy a more human and personalized shopping experience. It reflects our commitment to offering an alternative to an entirely digitalized and dehumanized e-commerce model.

We have also extended Darty Max, our iconic unlimited subscription repair service, to all household products, thereby consolidating our leading position in home assistance services and once again confirming our commitment to extending product life span.

Our commitment to product sustainability is also part of the support we provide to help customers and consumers adopt sustainable behaviors. In 2021, this approach was embodied in particular through the development and structuring of our reconditioned product offering. While the French are increasingly consumers of second-life products, our investment in this growing market allows us to align our retailer activities with our impact on the environmental transition.

In the same spirit of raising customer awareness and increased education, we have continued to roll out other flagship initiatives aimed at extending product life span and providing our customers with more information about the products we sell. This has been reflected in the publication of the fourth edition of our "After-Sales Service Barometer", with 77 product families studied and analyzed by Fnac Darty teams this year. Accessible to the general public, this barometer aggregates more and more data on the products that we repair, to inform the debate on the issue of sustainability and to provide all the information that our customers need prior to purchasing.

Furthermore, we have launched our new recommendation website, "L'Éclaireur Fnac", which introduces a new way of looking at and understanding current developments in the cultural and technological spheres and the societal challenges they present, to guide internet users towards an educated choice and sustainable consumption. The quality of this new website is based on our strengths, namely the expertise and know-how of our teams, who now have a dedicated channel through which they can share this with as many people as possible.

On a different note, for Fnac Darty, 2021 was also a year synonymous with our continued international expansion. In fact, we launched our first Fnac store in Senegal and our first Nature & Découvertes store in Portugal, taking the number of countries in which we are present up to 13. However, we also continued to develop strategic partnerships with players such as Manor, the largest department store chain in Switzerland, with which we plan to roll out 27 Fnac shop-in-shops by the first half of 2022.

Our initiatives with regard to social and environmental responsibilities were also welcomed by Moody's ESG Solutions and the CDP. The profound transformation of our business model, which earmarks our CSR approach as a fundamental pillar of Everyday, is already a reality for our French customers. Our involvement in promoting the attractiveness of our territories and our human resources policy, which is firmly focused on the preservation of local, non-relocatable jobs, are clear examples of this.

Lastly, I wanted to give culture a central place throughout this year. Our in-store events starting in May are there to demonstrate this. With our cultural events presented in unprecedented hybrid formats, such as Salon Fnac Livres and the Fnac Live concerts, we have been there for the people who love Fnac for its ability to bring culture to life in all its forms. Nor must we forget our ongoing commitment to industry recognition, with the organization of the Goncourt des Lycéens award and the BD Fnac France Inter prize as stand-out examples of this.

In this difficult and testing time for us all, Fnac Darty stayed on course and continued with its roadmap in preparation for the commerce of the future. Here, I would like to thank our 25,000 employees for their day-to-day commitment to serving our customers and for shaping our Company project.

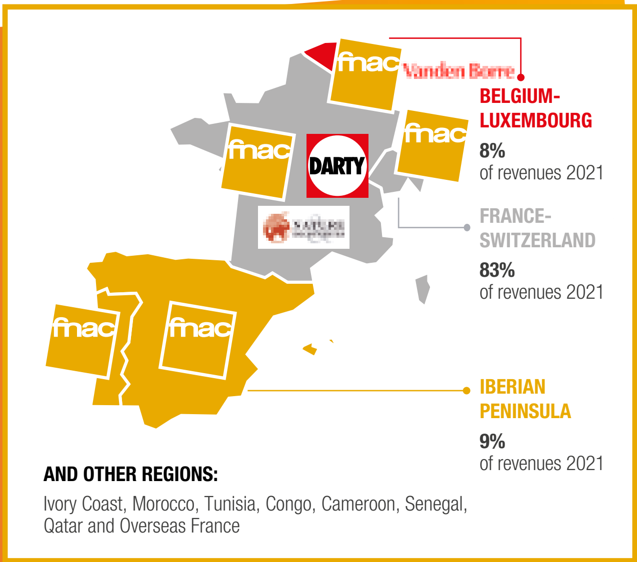
Fnac Darty at a glance in figures

2021 consolidated revenue: **€8,043 million**

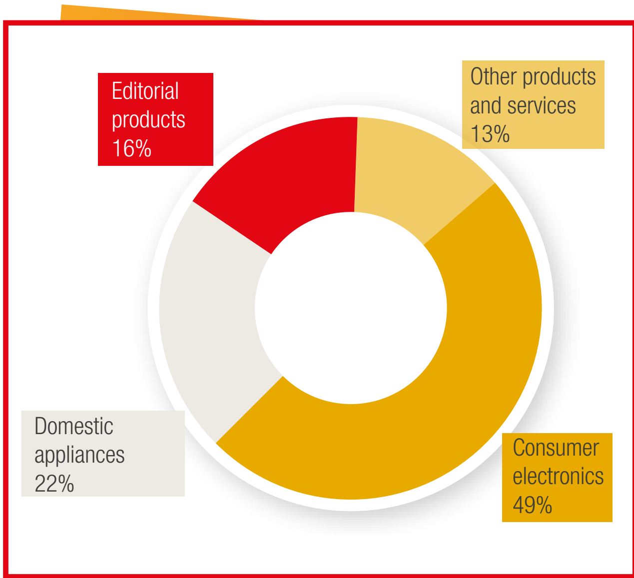
Presence in **13 countries**

Breakdown of 2021 revenue by:

GEOGRAPHICAL REGION



PRODUCT AND SERVICES OFFERING



STRATEGIC PLAN EVERYDAY

In its day-to-day work and for the long haul, to be the key ally for consumers, helping them to be sustainable in their consumption habits and daily household tasks.

3 clear ambitions by 2025:

- embodying new standards for **successful digital and human omnichannel retail in the future;**
- helping consumers adopt **sustainable behaviors;**
- becoming the **leader in subscription home assistance services**.

→ The generation of cumulative recurring free cash-flow from operations of €500 million between 2021 and 2023 and > €240 million from 2025.

→ A regular return for shareholders with a > 30% payout ratio in the medium term.

CSR COMMITMENTS

Raison d'être: **commit to an educated choice and a sustainable consumption.**

- **Environment:**
  - 2.1 million products repaired in 2021;
  - 52,000 metric tons of WEEE collected in 2021;
  - -14% of CO_2 emissions related to transportation and energy consumption of the sites compared to revenue in 2021 vs 2019.
- **Social:**
  - 94% of employees received training in 2021;
  - 27% of women in leadership positions in 2021;
  - gender equality index of 88/100 at Group level in 2021.
- **Governance:**
  - 50% of women on the Board [(1)] and an independence rate of 79% in 2021;
  - 98% attendance rate for Board members in 2021;
  - enhanced CSR governance with the creation of a Sustainability Committee and a Circular Economy Committee.

(1) Excluding employee Directors; 43% of all Directors are women.

1

Presentation of the Group

1.1 / Business Model

1.1.1 / COMPANY PROFILE

1.1.1.1 / A European leader in omnichannel retail

Operating in 13 countries, principally France, Switzerland, Belgium, Spain, Portugal and Luxembourg, Fnac Darty is a European leader in the retail of entertainment and leisure products, consumer electronics and domestic appliances. The acquisition in August 2019 of Nature & Découvertes, a leading omnichannel retailer of natural and wellbeing products, enabled the Group to penetrate the Wellbeing and Outdoor Activities sectors and, in doing so, accelerate its diversification.

With more than 25,000 employees, Fnac Darty generated revenue of more than €8 billion in 2021. The relevance of its omnichannel model is based on a dense territorial network combined with sustained momentum on digital platforms. As of the end of 2021, the Group has a multi-format network of 957 stores, including 798 in France [(1)]. It is France's third largest e-commerce retailer in terms of audience in France with its three commercial websites: fnac.com, darty.com, and natureetdecouvertes.com. Its position as leader is based, in particular, on its high volume of traffic: 181 million visits to stores across the Group and a cumulative average of nearly 27 million unique online visitors per month in France [(2)]. It should be noted that in-store traffic in 2021 continued to be impacted by the closure of some stores in the first half of the year and ongoing capacity restrictions as part of efforts to combat the Covid crisis. The attraction of digital platforms skyrocketed, with an uptick in online consumption, which accounts for a high a proportion of total Group revenue, at 26%. By combining the strengths of Fnac, Darty and Nature & Découvertes, the Group's omnichannel sales accounted for 46% of online orders in 2021, against a backdrop of very strong growth in e-commerce volumes compared with the pre-crisis level. Momentum thus remained very strong, with the proportion of click&collect sales picking up sharply in the last quarter, up +8 points to 53%.

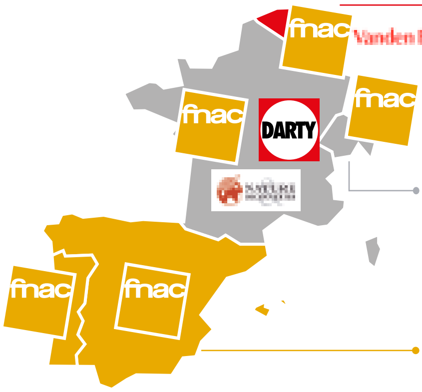
The Group operates primarily in Europe via three regions: France and Switzerland, Belgium and Luxembourg, and the Iberian Peninsula. The France and Switzerland region covers the Group's French and Swiss activities and represented more than 83% of sales in 2021. The Belgium-Luxembourg region covers the activities of Fnac and Vanden Borre in Belgium and Luxembourg and represented 8% of sales in 2021. Lastly, the Iberian Peninsula covers Fnac activities in Spain and Portugal, and represented almost 9% of revenue in 2021. The Group is also developing its franchise business internationally and now has 14 stores in Africa and the Middle East, and 17 stores in French overseas departments and territories.

In these geographic regions, the Group reproduces the strategy implemented in France, adjusted to the local context. This is mainly through a strong network of directly owned stores, as well as franchise development. Fnac Darty has solid e-commerce platforms in all its countries, with five main international websites and partnerships with specialist sites. Meanwhile, the Group is rolling out a single platform for all sellers, so they can connect to the countries that are most relevant to them within the Marketplaces ecosystem.

By bringing together its in-store and digital offerings, the Group can provide services such as "click&mag", "click&collect" and the express or by-appointment delivery offering. These services guarantee a seamless, hybrid purchasing experience, combining in-store and online shopping.

(1) Including 16 Fnac Darty/N&D stores in Switzerland and 31 stores abroad.
(2) Fevad, cumulative average for Fnac and Darty for 2021.

The Group's omnichannel experience is outlined below.



	A DENSE NETWORK OF STORES	A GROWING FRANCHISE NETWORK	STRONG DIGITAL PLATFORMS	OMNICHANNEL & SERVICES
BELGIUM-LUXEMBOURG **8%** of revenues 2021	**85 stores:** • 13 Fnac • 72 Vanden Borre	Kitchen stores, as franchises	Fnac.be and Marketplace Vandenborre.be	Logistics platforms Click&collect After-sales service
FRANCE-SWITZERLAND **83%** of revenues 2021	**413 stores:** • 100 Fnac • 223 Darty • 90 Nature & Découvertes	**385 stores:** • 131 Fnac • 242 Darty • 1 Fnac Darty • 11 Nature & Découvertes	Fnac.com and Marketplace Darty.com and Marketplace Fnac.ch Natureetdecouvertes.com and Marketplace	Logistics platforms After-sales service Click&collect Click&mag
IBERIAN PENINSULA **9%** of revenues 2021	**69 Fnac stores**	**5 Fnac stores**	Fnac.es and Marketplace Fnac.pt and Marketplace	Logistics platforms After-sales service Click&mag

AND OTHER REGIONS:

Ivory Coast, Morocco, Tunisia, Congo, Cameroon, Senegal, Qatar and Overseas France

Store network as of December 31, 2021.

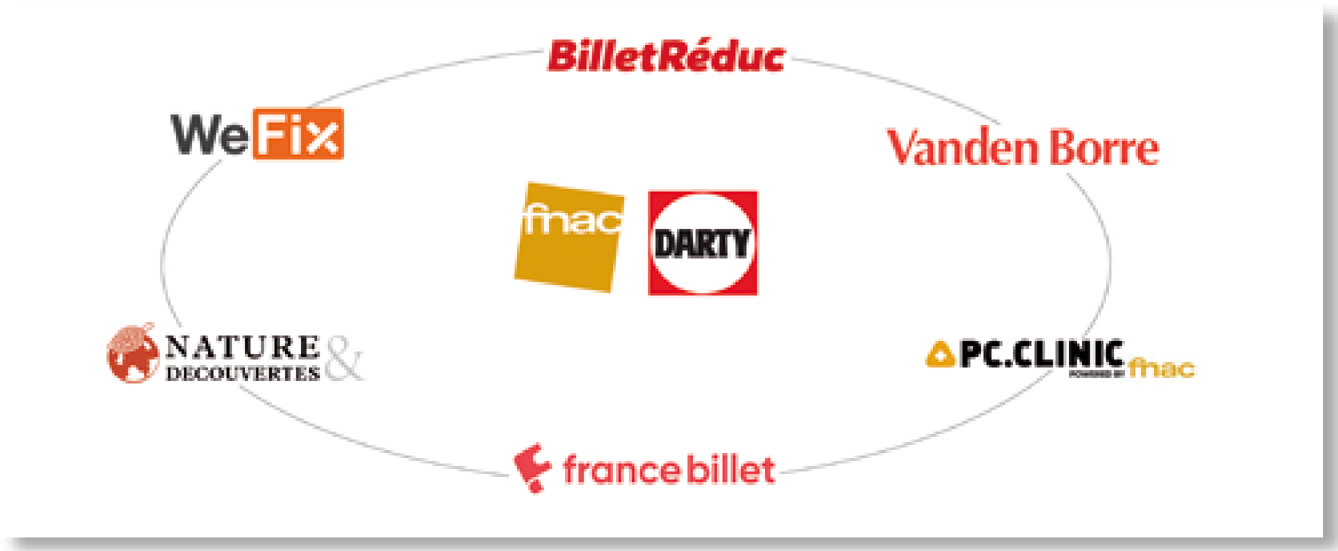
1.1.1.2 / A galaxy of brands orbiting Fnac and Darty

Since their creation more than 60 years ago, both Fnac and Darty have strived to embed their values and promote their deeply held convictions. In 2016, Fnac Darty was created from the merger of these well-known brands, both of which boast strong reputations and excellent consumer loyalty. These two brands have complementary positions and missions.

Three strong values make up the essence of the Fnac brand: independence, passion and the spirit of discovery. These values are reflected in its salespeople, in its recognized expertise and in its product selections, as well as in the unique place that Fnac occupies in French culture (Fnac Live Paris, the Salon Fnac Livres fair, the BD Fnac France Inter comic prize in association with French national radio, the Prix Goncourt des Lycéens literary prize for senior high school students, and more recently L'Éclaireur Fnac). Fnac is the brand of discovery, of diversity, of open-mindedness. It is a strong brand that occupies a special place in the French retail landscape, and which has made curiosity its mission.

As for Darty, its identity is anchored in three key values: confidence, service and accessibility. Darty, a heritage brand, is the brand for everyone. It is there for its customers at every stage of their lives, from the big moments to the smallest. It is a pioneer in terms of service, especially after-sales services.

Since the merger between Fnac and Darty, the Group has expanded to include new brands to form a major specialized retail group. The Group has strengthened its presence in the ticketing sector with the 2019 consolidation of Billetreduc.com and increased its offering in the express repair of electronic devices, first in France in 2018 with the acquisition of WeFix and then in Portugal in 2019 with the consolidation of PC Clinic. The acquisition of Nature & Découvertes in 2019 represents the most significant external growth transaction since the merger of Fnac and Darty. A strong label whose core values complement the Group's brands, Nature & Découvertes advocates for ethical and more environmentally friendly consumption. This aligns with Fnac Darty's commitment to educated choice and sustainable consumption.



A shared ambition unites all these brands: to guide customers and help them make the best choice. This commitment is also shared by all the Group's employees, a commitment to creating an honest business where the customer is able to make an educated choice.

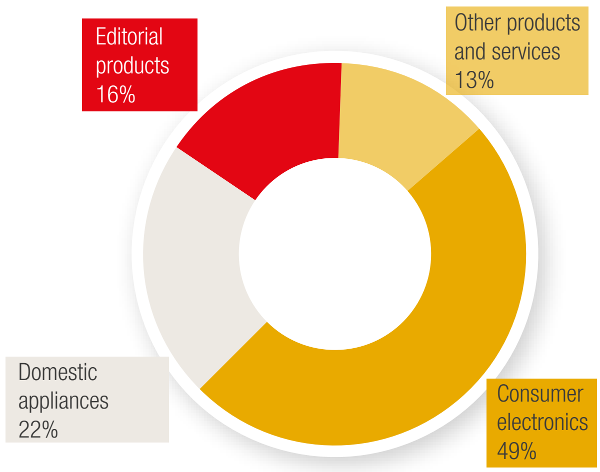
1.1.1.3 / A diverse, balanced range of products and services

The Group proposes a balanced offering, built around product and service categories with complementary growth and margin profiles.

The Fnac and Darty brands each market consumer electronics (49% of the Group's revenue in 2021), a sector in which growth experiences short innovation cycles. This shared offering is enhanced, on the one hand, by Fnac and Nature & Découvertes' strength in editorial products (16% of the Group's revenue) and, on the other, by Darty's leadership position in the domestic appliances market (around 22% of Group revenue). Moreover, the Group continued to diversify its product and services offering in 2021. The sale of other products and services (some 13% of the Group's revenue) such as Toys and Games, Stationery, Natural and Wellbeing Products, Kitchen, Urban Mobility, After-sales Service, and Warranties are solid levers for growth. The product and services offering is described in section 1.4.3 "A diversified product and services offering" of this Universal Registration Document.

A diverse range of products and services

(as a % of revenue 2021)



1.1.1.4 / A committed group recognized as a responsible player

1.1.1.4.1 / Context

In these times of hyperchoice, consumers are looking for trust and guidance in their everyday lives. According to the study by Forrester [(1)], six out of ten French consumers express a preference for buying sustainable products. Additionally, the annual study conducted by the Group on consumption in France shows that its inhabitants are increasingly seeking transparency and meaning in the way they consume. Although the oldest habits, such as recycling batteries and reducing energy consumption, are the most firmly entrenched, this year's study shows two strong trends are standing out: product repair gained +4 points and *made in France* increased by +11 points.

In 2021, we also noted an upturn in the markets for reconditioned products, which are cheaper and more environmentally friendly. According to the Xerfi Precepta [(2)] study, the growth of reconditioned products in France extends to the main product categories in the home equipment sector. After reconditioned smartphones, it also applies to large and small domestic appliances, IT, furniture, games, toys and many other categories. The context of an unprecedented health crisis in the shape of Covid-19 is acting as a trend accelerator: accelerated environmental awareness among consumers, accelerated digitalization of physical stores, and acceleration of online ordering and home delivery. 67% of online buyers say it is easier to source products from the circular economy on the internet.

1.1.1.4.2 / Sustainability at the heart of Fnac Darty's *raison d'être* and its strategic plan Everyday

Since 2018, Fnac Darty has relied on its *raison d'être* of being "committed to providing an educated choice and more sustainable consumption" to incorporate all of its CSR challenges into its business model. With its strategic plan Everyday, a key focus of which is sustainability, Fnac Darty has set itself the ambition of helping to change consumer habits by positioning itself as a sector leader in sustainable consumption, addressing the product life span, selection and advice in particular, and developing more responsible services. As a consequence, the Group has set sustainability objectives, set out in paragraph 1.5 "Group strategy and objectives".

Bolstered by widespread geographical coverage, with 957 stores in 13 countries at the end of 2021, Fnac Darty is a group with strong roots in its various regions, and whose main ambition is to share cultural creation, new technology and innovative services with as many people as possible, while promoting employment and social inclusion. The Group's cornerstone is its robust social policy, which covers more than 25,000 skilled employees via an HR policy focused on talent management, employability and employee commitment through the development of training, quality of life in the workplace and gender equality. For example, Fnac Darty is aiming for at least 35% of its top 200 managers to be women by 2025.

The Group has been the leading repair brand in France for 50 years, with more than 2.1 million products repaired in 2021 by more than 3,000 after-sales service employees. It plans to recruit an additional 500 technicians by 2025 who will be trained via its classes, with 18 set up in 2021. Fnac Darty is also the biggest collector of WEEE (waste electrical and electronic equipment) with 52,000 tons of products collected each year for recycling and re-use Group-wide, including 47,000 tons in France alone. A Circular Economy Committee was also created in 2021, chaired by the General Secretary, a member of the Executive Committee, with the aim of overseeing projects aimed at reducing packaging, optimizing unsold products and managing waste recycling.

The Group is pursuing its approach to more responsible consumption by taking action in three main areas:

- firstly, the Group intends to continue with its customer information efforts, encouraging customers to choose sustainable products via the sustainability score, which is displayed on websites and in-store; a score of 135 is expected by 2025 (compared with 105 in 2020 and 111 in 2021). This independent, proprietary Fnac Darty tool is based on our after-sales repair database – the only one on the market – which rates products on their reliability and the availability of spare parts. This indicator weights the volume of each product sold throughout the year by its sustainability score. The Group uses the sustainability score to draw up its "After-Sales Service Barometer", the fourth edition of which was published in September 2021. This provides consumers with the opportunity to learn about the sustainability and reliability of products and brands, while at the same time providing industry with an overview of product life spans and identifying opportunities for improvement in this area. Lastly, the Group recently launched L'Éclaireur Fnac (https://leclaireur.fnac.com/), a digital media tool that aims to help readers by providing content designed to inform their opinions and choices on major cultural and technological issues;

(1) Consumer Energy Index and Retail Pulse Survey by Forrester and Pure Spectrum, published July 2021.
(2) Study by Xerfi on reconditioned products, published January 4, 2021.

- the Group also intends to expand its offer towards more sustainable products, with the potential for delisting Marketplace products and partners that do not meet sustainability criteria. The massive expansion of the Group's Second Life offer and its scheme for taking back used products also helps to make our economy more circular. The acquisition of Nature & Découvertes in 2019 enhances the Group's positioning in terms of responsible business practices and sustainable consumption. For example, Nature & Découvertes puts 10% of its net profits back into the Fondation Nature & Découvertes, which has raised more than €14.2 million for the protection of biodiversity and nature-based education through nearly 2,931 projects, 128 of which took place in 2021. Nature & Découvertes' commitment to responsibility is set out in greater detail in Chapter 2;
- finally, services that enable customers to "use better to consume better" and to repair products more often have been strengthened, with the goal of having 2.5 million products repaired each year by 2025. To achieve this, the Group is encouraging consumers to repair products more often, by continuing to open more WeFix corners (WeFix being the leading express repair service for smartphones and tablets), and by rolling out Darty Max (the unlimited repair subscription service). Additionally, Fnac Darty promotes self-repair by providing usage and maintenance advice via its collaborative website, https://sav.darty.com/, launched in 2018, which has recorded a 30% increase in traffic with over 10 million users in 2021. All these projects are described in Chapter 2.

Fnac Darty also affirmed its environmental strategy, by setting a quantified objective of reducing its CO_2 emissions by 50% by 2030, compared to the 2019 level. The Group-wide scope defined concerns transport, direct and indirect emissions, and site energy.

The Group has strengthened its governance to achieve this objective and take a strategic approach to addressing climate issues. A focus of attention within several bodies, including the CSR Committee, which reports directly to the Board of Directors, these issues have been explored and addressed by the Climate Committee since 2019. The Climate Committee monitors the trajectory of the CO_2 emissions generated by the Group's activities, draws up action plans, monitors the roadmaps for the various operational sectors, and finally, works toward the expansion of the low-carbon strategy to other indirect emission items.

Fnac Darty is therefore determined to continue its efforts in this area, by defining an objective for reducing the indirect emissions (scope 3) generated by the products it sells, throughout their life cycle, as well as employee travel and IT systems, covering more than 95% of its carbon footprint. The Group aims to submit these objectives for approval by the Science Based Target (SBT) initiative in 2022.

1.1.1.4.3 / ESG objectives serving the financial ambitions of the 2025 plan Everyday

Everyday strategic ambitions	ESG objectives for 2025	Added value	Financial targets for 2025
1 Embodying new standards for successful digital and human omnichannel retail in the future	✓ 50% of online sales will be picked up using click&collect ✓ Continued expansion of the store network, primarily through franchises	➤ Promotion of C&C, which is more environmentally friendly than home delivery ➤ Wider access to culture ➤ Increased positive impact on the territories (employment and social inclusion)	**Generate recurring free cash-flow** ✓ **Cumulative free cash-flow (b) of around €500 million for 2021-2023** ✓ **Recurring free cash-flow (b) ≥ €240 million in 2025**
2 Helping consumers adopt sustainable behaviors	✓ Achieve a sustainability score of 135 (a) ✓ 2.5 million products repaired ✓ Divert 100% of "non-saleable" products into a second life sector	➤ An unparalleled offer ➤ Enhanced sustainability of equipment ➤ Customer loyalty	
3 Becoming the leader in subscription home assistance services	✓ > 2 million subscribers to our Darty Max unlimited repair service	➤ An unparalleled offer ➤ A captive ecosystem and increased customer loyalty ➤ A solution to deal with planned product obsolescence ➤ A move upmarket in products sold	

(a) *Sustainability score: average of a reliability score and a reparability score, calculated on the basis of data collected by Fnac Darty's After-Sales Service Department over the last two years for each product listed, weighted by the volume of products sold by the Group in the year in question.*

(b) *Excluding IFRS 16.*

1.1.1.4.4 / Corporate Social Responsibility policy

With more than 25,000 employees worldwide, 957 stores and millions of loyal customers, Fnac Darty is keenly aware of its responsibilities. The Group is committed to transforming itself to meet the challenges of a changing market, while at the same time developing its people and making a positive impact on society.

The Corporate Social Responsibility policy aims to address the four major CSR challenges that were identified as the result of a risk analysis conducted in 2018:

- the development of business lines in a context of digital acceleration;
- the sustainability of our model and new modes of consumption;
- the climate emergency and its consequences for companies;
- ethics for all based on a model of development through partnership.

The challenges associated with these risks have been placed on a materiality matrix, given in Chapter 2.

These four major risks and challenges result in the following five pillars of the Group's CSR policy: sustainable consumption, climate protection, business ethics, territories and culture, and finally human capital.

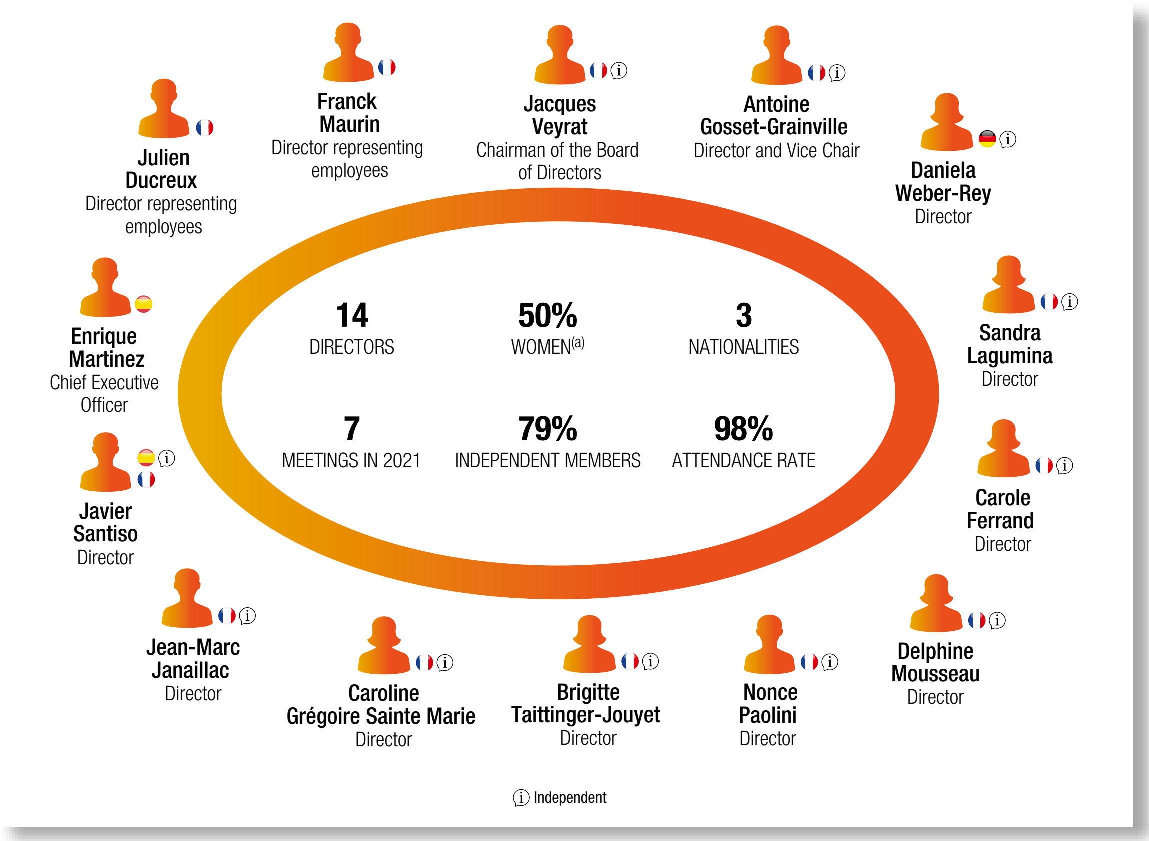
All five of these pillars are described in Chapter 2 of this document.

The incorporation of CSR issues into the Fnac Darty business model is set out in section 1.1.2.

The strengthening of Fnac Darty's governance and CSR policy was welcomed by the ESG ratings agencies, as detailed in section 1.1.1.4.7.

1.1.1.4.5 / Solid and stable governance

Key figures and composition of the Board of Directors at December 31, 2021



(a) *Excluding employee directors; 43% of all directors are women.*

Operation of the Board of Directors

The Fnac Darty Board of Directors is composed of Directors with broad and diversified experience, especially in corporate strategy, finance, economics, industry, accounting, Corporate Social Responsibility, management and the control of commercial and financial companies.

In 2019, Fnac Darty appointed Franck Maurin as a Director representing employees, and Enrique Martinez, Chief Executive Officer, as a Director for a term of four years, reflecting the Board of Directors' confidence in Enrique Martinez's ability to ensure that the Group's day-to-day management is conducted in a sustainable way.

In 2020, the Group appointed a second Director representing employees, Julien Ducreux.

Furthermore, in 2021, Franck Maurin, a Director representing employees, was appointed to the Appointments and Compensation Committee to represent the interests of employees on this committee.

At the end of December 2021, the Board was composed of 14 Directors, 11 of whom were independent.

Four committees, all chaired by Independent Directors

Each committee is composed of Directors who have been identified as having the specific skills required to carry out its duties. A comprehensive description of each committee can be found in section 3.2.1 of this document.

- Audit Committee:
  - monitors the process of preparing financial information;
  - is chaired by Carole Ferrand (Independent Director);
  - has 3 members;
  - meets at least four times a year.
- Appointments and Compensation Committee:
  - assists the Board in determining the composition of the Company and Group executive management bodies and in the regular assessment of all compensation and benefits paid to the Group's corporate officers and executive Directors;
  - is chaired by Antoine Gousset-Grainville (Independent Director);
  - has 4 members, including one Director representing employees;
  - meets at least once a year and as many times as it deems necessary.
- Corporate, Environmental and Social Responsibility Committee:
  - reviews the Company's corporate, social and environmental policies;
  - is chaired by Brigitte Taittinger-Jouyet (Independent Director);
  - has 3 members;
  - meets twice a year.
- Strategy Committee:
  - considers the broad strategic priorities of the Group that may be implemented by the executives, specifically in the fields of business, investments, partnerships or any other matter that may be considered to be relevant;
  - is chaired by Jacques Veyrat (Chairman of the Board, Independent Director);
  - has 5 members;
  - meets at least once a year and as many times as it deems necessary.

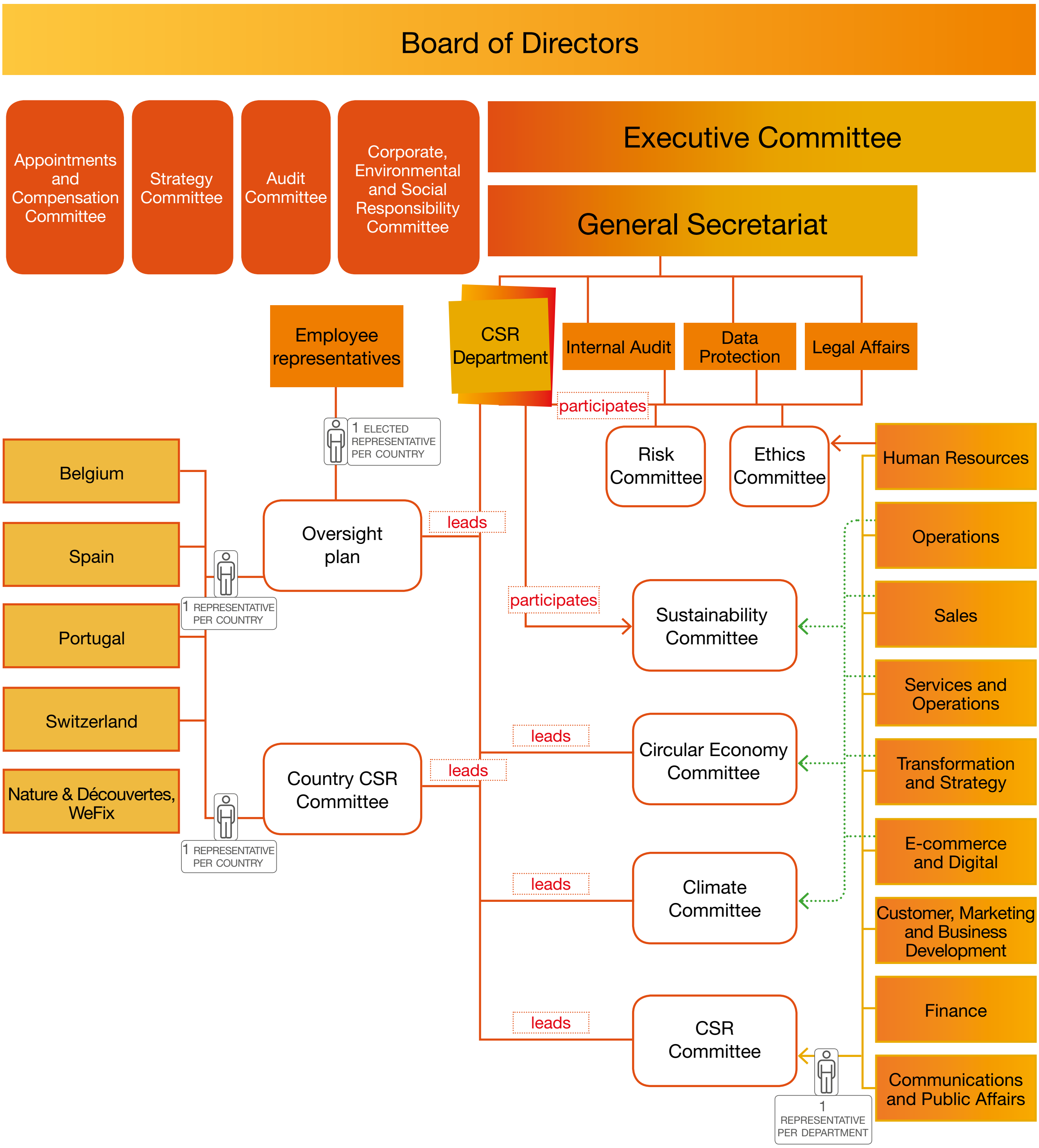
Governance dedicated to best practices in Corporate Social Responsibility (CSR)

In order to incorporate these challenges into its strategy and the day-to-day operations of its business lines, the Group has adopted a decentralized approach to CSR.

These concerns are driven right from the top of the Company, with focal point representatives in the Group's subsidiaries and various departments.

The CSR Department reports to the General Secretary, and relies on various bodies and business line representatives to manage and assess the Group's CSR strategy. Each department in the Group has appointed a CSR officer, who is tasked with setting out a roadmap with defined objectives specific to each Group department, and monitoring these objectives on a regular basis.

In addition, two committees were created in 2021: a Sustainability Committee, which aims to develop the Group's product offer to make it more sustainable and a Circular Economy Committee that will oversee projects aimed at reducing packaging, optimizing unsold stock, improving waste collection, and recycling and re-use of materials. These two committees are sponsored by two and three members of the Executive Committee respectively.


Board of Directors
Appointments and Compensation Committee
Strategy Committee
Audit Committee
Corporate, Environmental and Social Responsibility Committee
Executive Committee
General Secretariat
Employee representatives
CSR Department
Internal Audit
Data Protection
Legal Affairs
participates
Risk Committee
Ethics Committee
1 ELECTED REPRESENTATIVE PER COUNTRY
Belgium
Spain
Portugal
Switzerland
Nature & Découvertes, WeFix
1 REPRESENTATIVE PER COUNTRY
Oversight plan
leads
participates
Sustainability Committee
leads
Country CSR Committee
leads
Circular Economy Committee
leads
Climate Committee
leads
CSR Committee
1 REPRESENTATIVE PER COUNTRY
1 REPRESENTATIVE PER DEPARTMENT
Human Resources
Operations
Sales
Services and Operations
Transformation and Strategy
E-commerce and Digital
Customer, Marketing and Business Development
Finance
Communications and Public Affairs

The various committees are set out in detail in Chapter 2.

Furthermore, Fnac Darty has continued to strengthen the integration of CSR criteria with the inclusion of a CSR criterion in the variable compensation of all Group managers in addition to an increase in the weight of these criteria for all members of the Executive Committee.

Finally, the Group has set an objective to increase the number of women in the Group's top 200 managers to 35% by 2025, compared with 27% in 2021. The Group is also aiming for women to make up at least 40% of the Executive Committee by 2025, compared with 38% in 2021.

1.1.1.4.6 / Shareholding

Ceconomy has been the Group's reference shareholder since 2017, with 24.3% of the share capital. It does not hold any seats on the Board of Directors, but did participate in the coopting of three independent members. Details of the Group's Directors are given in section 3.1 of Chapter 3 of this document, entitled "Corporate Governance".

Since 2018, Indexia Développement (formerly French insurance broker SFAM) has been the Group's second-largest shareholder, with a stake of 11.3% in Fnac Darty's share capital.

Historical data regarding Fnac Darty shareholding and the latest threshold crossings are detailed in Chapter 7, section 7.3, "Shareholders", in this Universal Registration Document.

Fnac Darty takes advantage of opportunities for regular shareholder returns. Accordingly, the Group seized a market opportunity in 2018 and 2019 by conducting a share buyback program, implemented for the first time in October 2018, for a duration of 24 months. Given the health crisis and in accordance with the conditions for taking out a state-guaranteed loan, the Group did not conduct any share buyback programs or pay a dividend in 2020. In 2021, given the strength of its business model, the Group reactivated its shareholder return policy with the payment of an initial ordinary dividend of €1.0 per share, paid in cash on July 7, 2021. In 2022, the Group will propose to the forthcoming General Meeting the distribution of a dividend of €2.0 per share for 2021, in accordance with the announcement made as part of the strategic plan Everyday (see section 1.5.4 of this document, "Financial outlook and mid-term ambitions").

1.1.1.4.7 / Fnac Darty recognized as a responsible retailer by ESG rating agencies

Fnac Darty's approach to Corporate Social Responsibility is regularly assessed by ESG rating agencies and awarded a rating.

In 2021, Fnac Darty requested a sustainability rating from Moody's ESG Solutions (formerly Vigeo Eiris/VE) (www.vigeo-eiris.com). Based on its analysis of three main criteria – environment (business ethics, environmental policy), social (community engagement, respect for human rights and human resources) and governance (corporate governance) – for the third year running, Fnac Darty was awarded a rating of A2 and categorized as "robust", with an ESG score of 54/100, up +6 points compared to 2020 and up +10 points in 2 years, well above the European average rating of 35/100 for the sector. The Group is placed in the top 20% worldwide for the third consecutive year and ranks eighth among the 72 European companies in its sector [1], gaining one position in one year. Improvement was seen in each of the three ESG components, especially in Environment (up +14 points compared with 2020). Finally, the Group improved the transparency of the non-financial information it published, up +4 points in one year to 95%, significantly above the sector average [1] of 67%. This performance reflects Fnac Darty's environmental, ethical, social and governance commitments.

In addition, ratings agency Sustainalytics (www.sustainalytics.com) classifies the Group's ESG risks as low, awarding a score of 11.4/100, compared to the previous score of 12.2. Fnac Darty therefore ranks highly and is placed in the first percentile of the specialized retail market assessed. Sustainalytics assesses Fnac Darty's management of ESG issues as robust, with a score of 60.8/100.

MSCI (www.msci.com) confirmed the Group's AA rating in 2021 for the third consecutive time, with a retail industry-adjusted score of 7.8/10. The Group is just short of AAA, the best possible rating. Only 17% of the companies that are rated score between AA and AAA.

In 2021, Fnac Darty was awarded a rating of A- for the reporting on its climate actions by the Climate Disclosure Project (CDP) (www.cdp.net/en), a non-profit organization that recognizes the most active global companies in the fight against climate change, thereby significantly improving its score compared to last year (C). With a rating now above the average for European companies (B) and the average for the specialized retail market (B-), Fnac Darty has joined the "Leadership" category for the first time.

(1) Specialized retail market as defined by Moody's ESG Solutions (formerly Vigeo Eiris/VE).

The Group was also recently awarded a score of 81/100 by the Gaïa Rating agency (www.gaia-rating.com/), up +7 points from last year.

All of the above demonstrates Fnac Darty's solid foundations. It will continue to strive for ratings that best reflect its actions in terms of Corporate Social Responsibility through the quality and transparency of its data. The sustainable development approach is integral to the Company's strategy and the Group's non-financial data is published in most of its communication media.

Change in non-financial ratings

Agency	Rating and score			
	2021		2020	Trend
Moody's ESG Solutions (formerly Vigeo Eiris)	A2 (robust)	54/100	48/100	↗
Sustainalytics	Low ESG risks	11.4/100	12.2/100	↗
MSCI	AA (leader)	7.8/10	7.9/100	=
CDP	A-		C	↗
EthiFinance (Gaïa Rating)	81/100		74/100	↗

1.1.2 / A BUSINESS MODEL THAT CREATES SUSTAINABLE VALUE FOR OUR STAKEHOLDERS

Our resources

An ecosystem of renowned, complementary brands

Fnac and Darty, two iconic brands
WeFix, Nature & Découvertes, Billetreduc.com, PC Clinic: strategic acquisitions that are in tune with the Group's *raison d'être*

Committed human capital

More than 25,000 employees, including:
- **more than 75%** in direct contact with customers
- **more than 3,000** dedicated to after-sales service

A solid financial position

- **2021 revenue up +7.4%** based on reported data to over €8 billion
- **Free cash-flow from operations for 2021** (1) remaining high at €170 million
- **Net cash of €247 million** at the end of 2021
- **A solid liquidity position of nearly €1.2 billion** at the end of 2021

An omnichannel, multi-format model

- **957 stores** (including 390 franchises)
- **14** main **websites**
- **Third-largest player in e-commerce in France** in terms of audience (2)
- A high level of **click&collect**

A centralized, in-house logistics network

- **1,000** delivery centers
- **14 warehouses and around 90** physical sales, e-commerce, and after-sales service **platforms**
- An after-sales service centralized and delivered through 5 after-sales service workshops, 1 central spare parts warehouse and more than 100 technical centers in France

Key markets

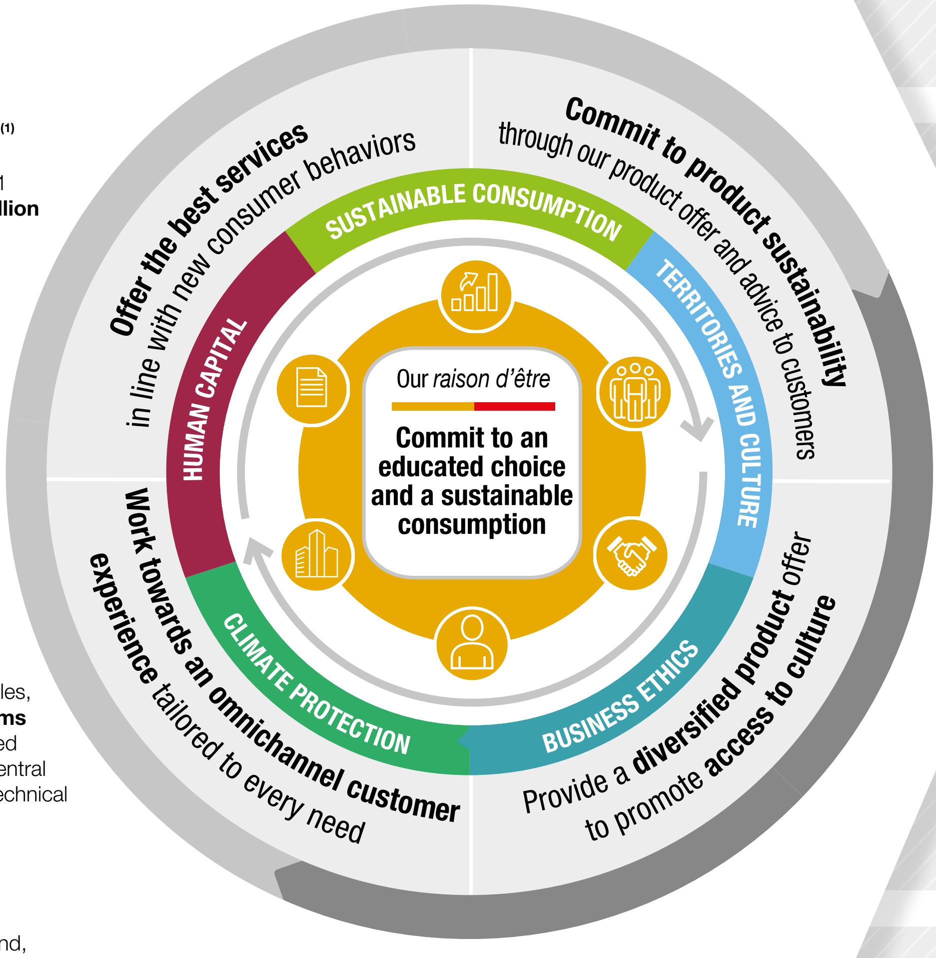
- **6 European markets:** France and Switzerland, Belgium and Luxembourg, and Iberian Peninsula
- Franchises in **Africa**, the **Middle East** and **Overseas France**
- A **diversified** product and services **offering**

Governance of the highest standard

- **A diverse range of skills** and a significant proportion of women (50% (3)) on the Board of Directors
- **An independence rate** of 79% and an **attendance rate** of 98% for Board members
- An Executive Committee **compensation system** that includes CSR criteria and long-term components

FNAC DARTY

An omnichannel European player, specializing in the retail of consumer electronics and domestic appliances, cultural and leisure goods, and a leader in after-sales service.



(1) Excluding IFRS 6.
(2) Source Fevad, Fnac and Darty cumulative average for 2021.
(3) Excluding employee Directors; women account for 43% of all Directors.

Added value for

Customers

- Services and independent advice to help them make an educated choice and promote sustainable consumption
- An omnichannel offering and operational performance that can be adapted to each individual's needs

> Approximately **500,000 subscribers to Darty Max,** the subscription-based repair service,
with a target of more than 2 million subscribers in 2025
> Extension of the Sustainable Choice label to Fnac with **more than 150 labelled products** across both brands
> **An increasing sustainability score** (111 in 2021 compared with 105 in 2020),
with a target of 135 by 2025

Employees

- Development of skills and employability
- Quality of life at work, diversity and professional equality

> 94% of employees received training in 2021
> **More than 30%** of salespeople trained in video/chat in 2021
> **27%** of leadership positions (4) held by women,
with a target of 35% in 2025
> **Creation of a gender equality network** rewarded with an LSA Gender Equality Award

Partners and suppliers

- Balanced and sustainable supplier relationships
- Synergies and cooperation

> More than **1/3 of the stores in our network operated under franchise** and **more than 4,000 sellers** on Marketplace
> Awarded the "Relations Fournisseurs & Achats Responsables" (**"Responsible Supplier Relations & Purchasing"**) label for a period of 3 years
> Relationships with suppliers of our commercial products that last **more than 15 years** on average, a number that is increasing
> **Strategic partnerships,** particularly in the urban mobility market and with Google **to offer an enhanced online shopping experience**

Shareholders

- A healthy balance sheet and highly robust liquidity position
- Improved non-financial ratings
- A strategic plan that aims to generate recurring free cash flow from operations and provide shareholders with a lasting return

> **Aggregate free cash-flow from operations** (5) of approximately €500 million over the period 2021-2023 and at least €240 million annually from 2025
> Distribution rate of at least **30% in the medium term** (6)
> Proposed **payment of an ordinary dividend of €2/share for 2021** (7)
> Moody's ESG Solutions (8) score up +6 points; **8th out of the 74 companies in its sector**

Company

- Democratization of culture and promotion of cultural diversity
- Historic partnerships with players in the Social and Solidarity Economy (SSE)

> Nearly **5,700 free cultural events,** in-store and online
> Launch of a digital suggestion tool: **l'Éclaireur Fnac**
> **€340,000** in micro-donations and **411,000 books** donated to associations
> More than **€10 million** in donations collected by Fnac Darty

Environment

- Extending product life span through repair and second life
- Waste collection and recycling
- Actions to reduce CO_2 emissions

> **2.1 million** products repaired,
with a target of 2.5 million products repaired in 2025
> **Nearly 52,000 tons** of electronic waste collected Group-wide
> Revenue-related **CO_2 emissions** from transport and energy **down -14%** compared with 2019

Public authorities

- Cooperation with institutions to promote product sustainability
- Fiscal responsibility

> **Signature of the Charter of Commitments** for Reducing the Environmental Impact of E-Commerce
> **Active support** for the law aimed at strengthening the book economy
> **More than €130 million in tax** and contributions paid, including more than €122 million in France

(4) About the top 200 managers at Group level.
(5) Excluding IFRS 16.
(6) Calculated on the net income, Group share from continuing operations.
(7) Proposal submitted to a vote at the General Meeting on May 18, 2022.
(8) Formerly Vigeo Eiris.

1.1.3 / STRATEGIC CHALLENGES AS SOURCES OF OPPORTUNITY ALIGNED WITH SUSTAINABLE DEVELOPMENT GOALS

Through its model, strategy and actions, Fnac Darty is focusing its efforts on and contributing to sustainable development goals (SDGs) 3, 4, 5, 8, 11, 12, 13 and 16. Adopted by UN countries in 2012 at the Rio Conference, they aim to address the urgent ecological, political and economic challenges the world is facing.

Fnac Darty, a leader in tackling the current challenges	Our strengths	Relevant SDGs	Our contribution to the SDGs
Unprecedented global health and economic crisis			
Disrupted supply chains and strained logistics and delivery capabilities	A high-quality, sustainable relationship with our suppliers, in line with our leading position in the specialized retail market in France A primarily premium positioning, providing the Group with better protection from product shortages mainly affecting the entry-level range Centralized, in-house logistics capabilities, providing the ability to adapt quickly and nimbly Partnerships with key delivery service providers and strong internal delivery capabilities that can be easily mobilized when required	3, 5, 8	■ Guarantee employee health and safety ■ Develop skills and employability ■ Promote gender equality and quality of life in the workplace ■ Increase positive impacts on the territories: employment and solidarity
Purchasing power impacted in an increasingly inflationary environment	Guaranteed prices suited to a climate of crisis and shortage of some products and a wide range of products at a wide range of prices		
Rethinking employee relations	An employer concerned with guaranteeing the health and safety of its employees, attracting talent and working hard to achieve gender equality An approach to in-store contact that means customers can visit in safety		

Our achievements and objectives

Achievements

- Ongoing provision of health protection (masks, freely available sanitizer gel, adjustment of working hours) and the roll-out of the "Welcomer" role in stores over the long-term
- Employee turnover of 16.4% in 2021, stable compared with the pre-crisis level
- 94% of employees trained in 2021, a sharp increase compared to 2020
- First Group agreement on quality of life in the workplace and gender equality signed in March 2021, applying to all employees
- First Group agreement on the widespread adoption of remote working for a maximum of three days/week, as a result of the wishes expressed by employees consulted regularly on this subject (via anonymized questionnaires)
- 100% of employees are covered by branch collective bargaining agreements
- Creation of "Ex Aequo", an in-house gender equality network
- Supplier relationships lasting more than 15 years on average
- Fnac Darty awarded the "Relations Fournisseurs & Achats Responsables" ("Responsible Supplier Relations & Purchasing") label for its indirect purchasing, for a period of three years [a]

Medium-term objectives

- More than half of Capex allocated to logistics and IT and digital infrastructure by 2025
- Additional investment of almost €40 million dedicated to modernizing and upgrading our logistics equipment by 2025
- 35% of women in the Leadership Group by 2025 (compared with 24% in 2020 and 27% in 2021)
- 40% of the Executive Committee to be women by 2025 (compared with 33% in 2020 and 38% in 2021)

Fnac Darty, a leader in tackling the current challenges	Our strengths	Relevant SDGs	Our contribution to the SDGs
New consumer expectations that are in keeping with their values			
A strong attachment to stores, which are essential to the consumer experience	Widespread geographical coverage, bringing us as close as possible to consumers The need for advice and expertise from our salespeople and an ever-present consumer need to see and test the products in-store A Group with a strong reputation that relies on a solid base of loyal customers	4 8 11 12	■ Increase positive impacts on the territories: employment and solidarity ■ Help customers make an educated choice ■ Encourage repairs ■ Give a second life to products ■ Ensure waste collection and recycling ■ Contribute to public debate around sustainability ■ Provide access to culture to as many people as possible
The lifestyle disruption wrought by the crisis has led to a redefinition of priorities and a re-examination of the concept of product use	A product offering tailored to consumer expectations, addressing the need for home equipment and technology for remote working and home-based learning A Nature & Découvertes product range that strengthens the Group's offer in the well-being and responsible consumption of natural products segments A broad, groundbreaking range of services to facilitate and guarantee product use		
Increasing consumer focus on the environmental and social impact of products and services	An innovative Group, particularly in terms of informing customers about product reliability and repairability, and about the environmental impact of e-commerce Fnac Darty, a pioneer in extending product life spans: leading after-sales service in France and expansion of second-life activity A Group that takes a responsible approach to waste management, particularly electrical and electronic waste		

Our achievements and objectives

Achievements

- A widespread network of 957 stores at the end of 2021, meaning 90% of French people have a Fnac or Darty store within 15 minutes of home
- Nearly 10 million members at the end of 2021, including more than 7 million in France
- Development of three complementary Darty Max offerings covering domestic appliances, sound, TV and multimedia, which has gained nearly 500,000 subscribers to date – Fnac Darty was awarded the 2021 LSA "Responsible Brand" Innovation Trophy for Darty Max
- Publication of the fourth edition of the "After-sales Service Barometer" in September 2021
- Extension of the "Sustainable Choice" label with more than 150 labeled products in both the Fnac and Darty brands
- A sales force of 5,000, who receive training on a regular basis to provide them with expertise, and more than 3,000 employees dedicated to after-sales services
- Continued roll-out of WeFix (acquired in October 2018) with the opening of 22 new points of sale in 2021 and PC Clinic in Portugal
- Accelerated roll-out of second-hand sales through the Fnac Seconde Vie and Darty Occasion brands, where volumes of resold products increased by +42% compared with 2020
- Biggest collector of WEEE, with 52,000 tons collected Group-wide in 2021, including 47,000 tons in France
- Extended partnership with La Bourse aux Livres to offer the first in-store book recovery service
- Nature & Découvertes, a B Corp company since 2015, renewed its certification for the third consecutive time
- The commitment charter for reducing the environmental impact of e-commerce signed in July 2021, with the Group making 10 concrete commitments in 4 major areas
- Launch of informed delivery on the Fnac and Darty websites, providing customers with transparent information on the CO_2 impact of various delivery options

Medium-term objectives

- A "sustainability score" of 135 in 2025 (vs 111 in 2021)
- 100% of "non-saleable" new products into a second-life sector by 2025
- 2.5 million products repaired in 2025 (compared with 2.1 million in 2021)
- ≥ 2 million Darty Max subscribers by 2025

Fnac Darty, a leader in tackling the current challenges	Our strengths	Relevant SDGs	Our contribution to the SDGs
Sharp upturn in e-commerce			
A highly competitive sector	Success of our omnichannel model combining the complementary strengths of stores and e-commerce Long-standing experience in digital technology (since 1999 with fnac.com) Differentiation through our diversified range of products and services (unlimited repair subscription service and France's leading after-sales service, which emphasizes product sustainability)	12 16	■ Protect the personal data of employees and customers ■ Prevent the risks of corruption ■ Implement a vigilance plan ■ Ensure fiscal responsibility ■ Help customers make an educated choice ■ Encourage repairs ■ Give a second life to products ■ Ensure waste collection and recycling
A demand for immediacy	A first-rate customer promise, with delivery times at the best market standards A store network providing an efficient C&C service in every country and covering all products, ensuring consumers are able to pick up their products quickly and safely		
Consumers faced with hyperchoice	A selective Marketplace that complements our in-stock offer Continuous innovations to make our salespeople's expertise available to all customers (in-store and on e-commerce sites)		
Managing high volumes of demand in a short time	Robust digital and logistics platforms, scaled to support very high demand Ability to adapt in response to reallocation of resources (human, technical, logistics) to meet and fulfill all orders as soon as possible		
Increasing concern among consumers and employees regarding the protection of their personal data	Fnac Darty, a highly trusted French company committed to transparency in the use of personal data		

Our achievements and objectives

Achievements

- A strong digital presence, representing nearly one-third of the Group's sales in 2021 (+7 points compared to 2019)
- The omnichannel platform accounted for 46% of online sales in 2021, picking up sharply during Q4
- A click&collect service run by our salespeople to provide expert assistance and offer services and add-ons to sales made on e-commerce sites
- Roll-out of video chat with salespeople to all integrated Darty stores, generating over 150,000 interactions on the websites of the two brands in 2021
- 17 million active references on our Marketplaces
- Creation of a digital media tool, L'Éclaireur Fnac, to help readers by providing content intended to inform their opinions and choices. The tool has already had more than 500,000 unique visitors per month since its launch in October 2021
- A GDPR program and data protection governance structure, to guarantee a high level of data protection
- First retailer in Europe to sign a strategic partnership with Google to accelerate the Group's digital trajectory and continuously improve customer satisfaction

Medium-term objectives

- Achieve online sales penetration of at least 30% in 2025
- Maintain click&collect levels at 50%

Fnac Darty, a leader in tackling the current challenges	Our strengths	Relevant SDGs	Our contribution to the SDGs
Growing climate and environmental challenges			
Growing awareness	The Group's firm commitment to reducing its CO_2 emissions through a trajectory aligned with the Paris Agreement Robust governance of CSR and environmental risks, with a Climate Committee that manages the trajectory of CO_2 emissions, draws up action plans and monitors the roadmaps for the various operational sectors	11, 12, 13	■ Help customers make an educated choice ■ Encourage repairs ■ Give a second life to products ■ Ensure waste collection and recycling ■ Contribute to public debate around sustainability ■ Strengthen governance and integration of climate risks ■ Reduce emissions generated by transportation and energy from sites ■ Extend the measurement and management of indirect emissions, particularly those generated by the products sold
Increasing regulation	Assisting with French government's implementation of the repairability index from January 1, 2021		
Innovation to foster a more circular economy	A Group that is leading the way in its efforts to promote a more circular economy, by developing customer information, new repair and DIY services, and responsible sectors for product re-use through second-hand sales and the donation of unsold goods		

Our achievements and objectives

Achievements

- Launch in 2021 of a project to set science-based targets for scope 3 CO_2 reduction, with a view to submitting them to the SBT for approval in 2022, which would account for over 90% of the Group's carbon footprint
- Launch of a project to measure the CO_2 emissions avoided by the Group through its repair and second-life activities (Darty Occasion and Fnac Second Vie)
- Environmental initiatives valued by non-financial rating agencies, with the CDP awarding an A- rating (compared with C in 2020) and an ESG score of 54/100 from Moody's ESG Solutions, reflecting an improvement in environmental responsibility of +14 points compared to 2020, and the MSCI renewing its AA rating for the third consecutive time
- A repairability index established by Darty in 2018 ahead of the legislation (which entered into force on January 1, 2021)
- A steady increase in the proportion of renewable energies in electricity purchases, with 99% of our energy consumption coming from green sources in other countries and 25% in France (up +11 points compared with 2020)
- A -14% drop in the Group's revenue-related CO_2 emissions compared with 2019
- Signature of a 10-year Corporate PPA agreement with Valeco for the construction and operation of a photovoltaic farm in central France to increase the proportion of green energy used by the Group

Medium-term objectives

- A 50% reduction compared to 2019 in CO_2 emissions related to transport and energy on sites by 2030

(a) Excluding commercial purchasing.

1.2 / History

1.2.1 / HISTORY OF FNAC

1954 Founded by André Essel and Max Théret. When it was created, "Fnac" was an acronym for the Fédération Nationale d'Achats des Cadres (National Federation for Purchases by Executives). At that time, it was set up to enable executives to buy photographic and cinematographic equipment at attractive prices.

1957 Fnac opened its first store, which specialized in photography and sound equipment, on Boulevard Sébastopol in the fourth arrondissement in Paris.

1960 Fnac's first laboratory tests comparing various consumer electronics were published in Contact magazine. The introduction of a testing laboratory forged Fnac's enduring image as a specialist in consumer electronics.

1965 The Group created a cultural association called Alpha (Arts et Loisirs Pour l'Homme d'Aujourd'hui or Arts and Leisure for Today's Man), which became the first ticketing business in France.

1974 This year saw the beginning of book sales, with the opening of the Fnac store at Montparnasse (in Paris) and the creation of the Forums de Rencontre cultural spaces, areas inside the stores that are entirely devoted to culture and interaction with artists, through events like concerts, book signings and discussions with leading figures.

1979 Fnac's Forum des Halles store opened its doors and quickly became the largest Fnac Group store in terms of both size and revenue.

1980 Fnac stock was first traded on the Paris Stock Exchange. A year later, it began to diversify internationally, opening its first store in Brussels, Belgium.

1993 After Belgium, Fnac headed south and established itself in Spain, with its first store in Madrid.

1994 The Crédit Lyonnais Group became Fnac's majority shareholder. Fnac then became part of the Kering Group, and its stock stopped being traded in December 1994.

1998 The brand opened its first store in Lisbon, Portugal.

1999 Fnac began its program of multi-channel development by launching a website (fnac.com) and continued its expansion outside Europe, opening its first store in São Paulo, Brazil.

2000 Fnac accelerated its international expansion by introducing its business to two new countries: Italy and Switzerland.

2006 Fnac began operating in outlying metropolitan areas with a new one-story store format, the first of which was located in Bordeaux Lac.

2012 The brand disposed of its activities in Italy and accelerated and strengthened its geographical coverage by opening new format stores operated directly or via a franchise.

2013 In keeping with its strategic refocus, Kering launched the Fnac spin-off and listed it for trading on June 20.

2015 The Fnac Group made an offer to acquire Darty with the goal of creating the leading retailer of consumer electronics, entertainment products and domestic appliances in France.

2016 Fnac Group shareholders decided to establish a strategic partnership with Vivendi, which became the shareholder of 15% of the Fnac Group's capital through a reserved capital increase in the amount of €159 million.

1.2.2 / HISTORY OF DARTY

1957 Creation of the Darty brand. “A customer is satisfied only when the product he purchases works and performs as expected,” observed the young brothers Natan, Marcel and Bernard Darty as they dealt with customers. This observation would become the basis for their business practices. In the months following the creation of the brand in 1957, they offered customers low prices and rapid delivery and repair.

1968 Opening in Bondy (Seine-Saint-Denis) of the first superstore specializing in domestic appliances in an 800 m^2 retail space, and launch of the first after-sales service.

1973 Launch of the customer promise “A bottle of champagne if you find a cheaper price elsewhere”, to reinforce Article 2 of the Darty Contract of Confidence on refunding the difference. This represents the first time a retailer made a written commitment to its customers guaranteeing prices, choices and services.

1976 Listed for trading, at a share price of 300 francs. One-third of the equity was available to the public.

1984 Partnership with “Envie”, a charitable aid network for social integration through work in the recovery and repair of devices that were past their useful life.

1988 In April, the management team took the initiative, with the support of the founders, to launch a public tender offer allowing Darty employees to assume ownership of their own company. The operation was a success: 90% of the 6,521 employees participated, taking control of 56% of the capital. It is still the largest MBO (management buyout) in Europe. Acquisition of a 49% stake in the company New Vanden Borre, a specialist retailer in domestic appliances in Belgium.

1989 Darty was the first retailer to sponsor a television show, the weather report.

1993 Darty joined the European Kingfisher Group which, after a spin-off in 2003, became Kingfisher Electricals SA (KESA). During this period, Darty adapted its range of services to meet new customer expectations by becoming a retailer of multimedia solutions and developing its darty.com website.

1996 Darty launched its first website (which would go on to become a retail site three years later). Customers who make purchases on www.darty.com or over the phone enjoy the benefits of the Contract of Confidence.

1999 Darty created a technical helpline for its multimedia customers, which is open seven days a week.

2006 With DartyBox, Darty became a service provider (internet, telephony, television).

2007 Successful launch of the Darty card, which offers customers access on darty.com to all of the products they have purchased, as well as their warranties, instructions and a selection of associated products. Creation of the first purpose-built kitchen space within the new Darty store on Rue de Rivoli in Paris.

2014 Starting with its first franchise store in Challans (Vendée), Darty set out to reach the 30% of the French population that does not have a Darty store nearby.

Launch of the Darty Button to celebrate the fortieth anniversary of the Contract of Confidence. A major innovation, this small connected object allows customers who subscribe to the service to receive telephone support for all home products purchased from Darty or elsewhere, whether under warranty or not. At the simple push of a button, customers receive an immediate callback, 24 hours a day, 7 days a week.

2015 Darty offers in-home repair and same-day delivery for large domestic appliances and televisions.

1.2.3 / HISTORY OF FNAC DARTY

2016 Fnac Darty is born: In July, the French Competition Authority authorized the acquisition of Darty by the Fnac Group. After several months of constructive discussions between Fnac and the Authority, the latter acknowledged that physical stores and online sales were part of the same market, a pioneering decision in Europe.

On August 17, Darty shares were delisted (from the London and Euronext Paris exchanges). At the end of the squeeze-out period, on September 12, 2016, Fnac had acquired 100% of Darty's share capital, of which 30.64% was paid in shares.

2017 Launch of the Confiance+ strategic plan.

2018 Acquisition of WeFix, the French leader in express smartphone repair.

2019 Acquisitions of Billetreduc.com, a leading player in "last-minute" event ticketing in France, and Nature & Découvertes, a leading omnichannel retailer of natural and well-being products. Partnership with CTS Eventim, the European leader in the ticketing sector.

Launch of Darty Max, a brand new subscription-based repair service intended to extend the life span of large appliances.

2020 Sale of BCC, a Dutch subsidiary specializing in electronics and household appliances in the Netherlands, to Mirage Retail Group.

2021 Launch of the strategic plan Everyday.

Upgrading of Darty Max with three complementary offerings ranging from large domestic appliances to small domestic appliances, TV, sound and multimedia.

1.3 / Solid results for 2021

KEY HIGHLIGHTS AND ANALYSIS OF 2021 FINANCIAL RESULTS

Fnac Darty's 2021 **revenue** was €8,043 million, up 7.4% on a reported basis and 7.0% on a like-for-like basis (1) compared to 2020, and up 8.2% compared to pro-forma 2019 figures (2). This performance was achieved in the context of a health crisis that continued into 2021 with a lockdown and several periods of store closures in the first half of the year. These health measures disrupted store operating conditions, but to a lesser extent than in 2020. As a result, revenue growth in 2021 is based on solid sales momentum in stores, driven by a higher conversion rate and average checkout value, while store traffic is gradually returning to normal. This performance also reflects the success of the major sales events at the end of the year. The level of online sales remains high at 26% of the Group's total sales, driven in particular by the gain of 5 million new active web customers and the power of omnichannel, which represents 46% of online sales in 2021, with a marked acceleration during the fourth quarter when all stores were open. The year 2021 thus marks the consolidation of the Group's digital positioning with a share of online sales up 7 points compared to the pre-crisis level of 2019.

The **gross margin rate** reached 29.5% in 2021, up 30 basis points from 2020. This increase is mainly due to a favorable mix effect as the easing of restrictions led to fewer store closures compared to 2020 and thus boosted sales of editorial products, which are very sensitive to impulse buying. This increase was also driven by services and the rollout of Darty Max offerings in particular, as well as the very gradual recovery of ticketing, where sales accelerated in the last quarter. These factors more than offset the impact of the decline in Nature & Découvertes' business, which was heavily impacted this year by the drop in store traffic caused by the closure of stores for several weeks and the dilutive technical effect of the franchise.

Operating expenses reached €2,103 million in 2021, up compared to 2020 in line with the increase in activity. Operating expenses, as a percentage of revenue, were 26.1% in 2021, down 20 basis points compared to last year. This decline reflects the Group's very good management of operating expenses thanks to the effectiveness of the performance plans put in place.

EBITDA amounted to €621 million, including €247 million related to the application of IFRS 16, up €54 million from 2020.

Current operating income amounted to €271 million, versus €215 million the previous year. The operating margin in 2021, at 3.4%, is up 50 basis points compared to 2020.

Excluding ticketing activities, which are still heavily impacted by the health restrictions, current operating income in 2021 is higher than that of 2019 pro forma (2).

Non-current items amounted to -€10 million in 2021, down -€6 million compared to 2020 and mainly include restructuring costs. As a reminder, the non-current items recognized in 2020 included one-off effects such as the impairment of the Darty brand and incremental costs directly related to the health crisis.

Operating income therefore stood at €260 million in 2021.

In 2021, **financial expenses** amounted to -€42 million, versus -€51 million in 2020. This decrease is mainly due to the upward revaluation of the fair value of the Group's shares in the Daphni Purple venture capital fund in which the Group invested in 2016. In addition, the new financing strategy put in place in March 2021 has optimized interest expenses and extended the average maturity of the Group's debt.

(1) Like-for-like basis: excludes the effect of changes in foreign exchange rates and scope of consolidation, and directly owned store openings and closures.

(2) Including Nature & Découvertes over the full year.

Net income from continuing operations, Group share was up €49 million to €145 million in 2021 after taking into account non-current items, financial expenses, and a tax expense of -€74 million. The latter, up year-on-year due to the increase in the Group's results, includes a decrease in the tax expense related to the CVAE of nearly €10 million compared to 2020. As a result, the effective tax rate is down by more than 6 points compared to 2020.

Net income from discontinued operations was €15 million, corresponding to an adjustment in 2021 for the tax treatment of the disposal of the Dutch subsidiary BCC in 2020, which brought **consolidated net income, Group share** to €160 million in 2021, compared to €1 million in 2020.

Fnac Darty continued its strong generation of **free cash-flow from operations** (1) at €170 million in 2021, compared to the exceptionally high level of €192 million in 2020. This change is mainly the result of the necessary replenishment of inventories at the beginning of the year in order to support the high level of demand. In 2021, the Group once again demonstrated its ability to manage its merchandise purchases and to control its inventories in order to ensure a good level of availability of its product and service offering throughout the year, in a context of tensions in the supply chain.

A GROUP COMMITTED TO ITS EMPLOYEES

In the context of the health crisis that continued into 2021, the Group maintained its priority of guaranteeing the health and safety of employees and customers by continuing to enforce the best possible protective measures and social distancing rules. The Group has been able to count on the commitment and mobilization of its teams throughout the two years of crisis. Moreover, Fnac Darty is committed to supporting the purchasing power of its employees and has decided to pay an exceptional purchasing power bonus to the employees who are most directly affected by the current inflationary pressures. For employees working in France with a gross annual salary of less than €35,000, this bonus will be €400. The Group will introduce a similar purchasing power measure for every country in which it operates – except for countries where one has already been implemented – which will be adapted to the specific context of each country. This bonus will be paid in March to over 19,000 Group employees.

The Group continued to work this year to improve the working conditions of its employees and, in March 2021, signed its first agreement on quality of life at work, which applies to all employees. For example, this new agreement covers new measures for employees recognized as "disabled workers," the right to disconnect, the fight against discrimination and professional equality.

Convinced that diversity is the foundation of a socially and economically successful society, the Group is committed to going beyond the legal framework of the fight against discrimination through proactive actions. This strong commitment has been renewed with the signing of the diversity charter in 2021, which expands and strengthens the actions already implemented in the Group's diversity policy. In this respect, Fnac Darty has been rewarded for promoting the inclusion of deaf and hard-of-hearing people in the workplace by obtaining, in 2021, the Inclusion Surdités award from the Fondation Pour l'Audition. An internal company network dedicated to gender parity, which is cross-functional and open to all of the Group's business lines, was also created this year to promote the rise in responsibility of women. In particular, Fnac Darty has made a formal commitment to achieve a 35% share of women in the Leadership Group (2) by 2025. This share reached 27% in 2021, an increase of 3 points compared to 2020. Following the implementation of the strategic plan Everyday and the changes to the Executive Committee that took place last March, the proportion of women in the Executive Committee has now reached 38%, with a target of over 40% of the underrepresented gender by 2025. All of the Group's actions in favor of gender parity have been recognized and Fnac Darty was awarded the LSA "La Conso s'engage" Trophy in the "Retailers" category, which ranks nearly 100 companies in the industry according to their diversity and CSR commitments.

(1) Excluding IFRS 16.
(2) About the top 200 managers at Group level.

INITIAL SUCCESS OF THE STRATEGIC PLAN EVERYDAY MARKING THE START OF THE GROUP'S PROFOUND TRANSFORMATION

A year ago, Fnac Darty unveiled its strategic plan Everyday with the ambition of being, both on a daily basis and over the long term, the key ally to consumers, helping them be sustainable in their consumption habits and in their daily household tasks.

In 2021, the first year of the plan's rollout, the Group can already measure its initial successes in terms of the three goals it has set itself for 2025:

- embody new standards for successful digital and human omnichannel retail in the future;
- helping consumers adopt sustainable behaviors;
- rolling out the reference subscription-based home assistance service.

1/ Embody new standards for successful digital and human omnichannel retail in the future

Innovations for a reinvented customer experience

Fnac Darty is reinventing the customer experience and the way it serves them on a daily basis, both in its stores and on its increasingly popular e-commerce platforms. This year, for example, the Group rolled out a nationwide video service for the Fnac and Darty brands, which enables customers to receive the same quality advice as from in-store salespeople, even remotely. More than 150,000 exchanges by video/chat have already been carried out in 2021. Thanks to the 1,500 salespeople trained in this new service, the conversion rate of a web customer using the video service is two to three times higher than that of a standard web customer. While this video service is available for all consumer electronics, it will soon be expanded to other product categories.

The Group has also launched L'Éclaireur Fnac https://leclaireur.fnac.com/, a digital medium designed to enable French people to reach educated opinions and choices on the major themes related to culture and technology. In line with the Group's desire to humanize the digital experiences it offers, L'Éclaireur Fnac allows the greatest number of people to share in the result of the hours that our teams of enthusiasts spend reading, listening, watching and testing on a daily basis. Launched last October, the site already attracts more than 500,000 unique visitors per month. This platform has also enabled the Group, in a context of health restrictions particularly affecting the world of entertainment, to continue to broadcast its cultural events in new hybrid formats to facilitate access to culture for all. This was notably the case for the Fnac Livres fair and the Fnac Live concerts.

All of these initiatives enable the Group to improve the mix of customers between the store and web channels and thus offer a complete omnichannel experience. As such, for both Darty and Fnac in France, the proportion of customers who have been active [(1)] on both the web and store channels continued to increase in 2021 compared to 2020. Customer satisfaction measured throughout the customer journey continued to improve in 2021 with an aggregate NPS (Net Promoter Score) that increased by almost 5 points compared to 2020.

Finally, Fnac Darty works every year to enrich its loyalty programs and its membership base, a real competitive advantage for the Group. By the end of 2021, the Group had a solid customer base of almost 10 million members, including over 7 million in France.

Digital ambitions to serve the omnichannel

In 2021, the Group consolidated its performance on its e-commerce sites with the gain of 5 million new active web customers. Online sales remain at a high level, at 26% of total sales in 2021, despite a very high comparison basis effect in 2020 and show an increase of 7 points compared to 2019. In response to the growing use of mobile devices by customers, Fnac Darty has continued to improve customer journeys and has redesigned the homepage of the fnac.com website. In 2021, mobile traffic represented 62% of total traffic on the fnac.com and darty.com e-commerce sites, an increase of 2 points compared to 2020.

Click&collect accounted for 46% of online sales in 2021, up in all regions, with momentum accelerating sharply in the fourth quarter by more than 8 points since the previous year. To improve the omnichannel customer journey, the Group has rolled out the click&collect service, which is led by a salesperson, to all integrated Darty stores, increasing the attach rate of accessories and services to products collected in store by an average of 10% over the year. This service is also being rolled out to integrated Fnac stores, with a target completion date of the first half of 2022.

(1) Customers who have made at least two purchases in the last 12 months on a rolling basis.

Fnac Darty confirms its ambition to achieve, by 2025, at least 30% of its total revenue on the web, while maintaining a click&collect rate of 50%. In order to accelerate its digital transformation, the Group has just announced a key strategic partnership with Google, focused on Cloud. This partnership is based on the deployment of the Google Cloud Retail Search solution on the fnac.com and darty.com websites, in order to increase their performance through a simpler, more customized and enhanced online shopping experience for customers. Fnac Darty is the first retailer in France to implement this new Google Cloud solution, a move which aims to set new standards in terms of online and mobile shopping experience. This partnership will also enable Fnac Darty to further improve the management of its activities (managing promotions more effectively, improving methods for prioritizing after-sales customer service actions among others) through the integration of data analytics, Machine Learning and Artificial Intelligence.

An optimized store network

Fnac Darty continued to expand its store network in 2021, with the opening of 55 stores, including 47 franchises. New stores continued to be opened on an opportunistic basis, such as the opening of the first Fnac store in Senegal, which allowed the Group to strengthen its presence in Africa, or the opening of the first Nature & Découvertes store in Portugal. The Group is now present in 13 countries and has 957 stores [(1)], including 390 franchises, as at the end of December 2021.

Kitchen also continued to expand this year with the opening of 19 points of sale, including 14 dedicated Darty stores [(2)]. At the end of 2021, the Group had more than 185 Kitchen points of sale, including 35 stores dedicated exclusively to this offering [(2)].

At the same time, a partnership agreement was concluded this year with Manor for the rollout of 27 Fnac shop-in-shops within Manor by the first half of 2022, significantly enhancing the presence of the Fnac brand in all regions of Switzerland. In 2021, 9 new Fnac shop-in-shops have been opened, in addition to the 4 test shop-in-shops already rolled out at the end of 2020. Through this partnership, Fnac Darty is aiming for additional revenue of at least €100 million over the full year.

The Group has also supported the development of its existing store base by activating various levers to optimize it. Thus, the Group has reviewed its entire existing stores network and launched all the necessary action plans for the stores concerned this year, in order to achieve its objective of having 100% of its integrated store network profitable by 2025. For example, the Group has transferred stores from city centers to retail parks in order to benefit from a more attractive catchment area and transferred stores to reduce the retail floor space and thus gain productivity per square meter.

At the same time, in order to adapt to the structural decline in the audio (excluding vinyl) and video categories in Fnac stores, part of the assortment areas for these products was reallocated to categories offering good levers for growth with the opening of seven Fnac Home [(3)] areas, the development of Toys and Games areas, and new Urban Mobility areas. In this respect, the Group has rolled out three XXL Urban Mobility spaces in stores, including a bicycle and electric scooter repair and maintenance workshop in partnership with Repair and Run. This partnership confirms the Group's commitment to extending the life span of its products. The Group has also integrated Darty Kitchen corners into some of its stores to increase store productivity per square meter. Finally, Nature & Découvertes opened one shop-in-shop in a Fnac store in 2021 and 6 Nature & Découvertes stores, including 4 new franchise stores in Portugal, Martinique, Guadeloupe and Réunion.

2 / Promote sustainable consumption and an educated choice

In 2021, as part of its strategic plan Everyday, Fnac Darty has accelerated its ambition to become a major player in the circular economy and a promoter of extending the life span of products.

Strengthening information on product sustainability

Support for customers in making educated choices and sustainable consumption was stepped up this year with the creation of a Sustainability Committee, which aims to develop the Group's offer toward a more sustainable offer. In this respect, the fourth edition of the After-Sales Service Barometer was published and aims to better inform the public about the life span of 77 product families in the household appliances and multimedia universe, compared to 63 last year. Vanden Borre also launched its first sustainability barometer, which gives an overview of the overall sustainability per product category and brand in the segment of large domestic appliances sold by the company. This barometer is based on the sustainability score [(4)], which aggregates both reliability and reparability criteria by product. This score reached 111 in 2021 compared to 105 in 2020, with a significant improvement in the availability of spare parts. Fnac Darty confirms its ambition to reach a sustainability score of 135 by 2025. The "Sustainable Choice" label, which highlights the most sustainable products in stores and on the Group's websites, was also expanded to Fnac this year and now covers more than 150 products at Fnac and Darty.

(1) Excluding Fnac shop-in-shops within Manor stores.

(2) Some Darty Kitchens, exclusively dedicated to this offer, also include a bedding offer.

(3) Excluding Manor.

(4) Sustainability score: average of a reliability score and a reparability score, based on data collected by Fnac Darty's after-sales service over the last two years for each product and weighted by the volumes of products sold by the Group in the year in question.

Acceleration in product repair

Fnac Darty facilitates product repairs by both encouraging suppliers to embrace eco-design and better informing consumers about product sustainability. As a result, 2.1 million products were repaired by the Group in 2021, up from 2020, with a target of 2.5 million products repaired by 2025. Fnac Darty promotes self-repair by providing usage and maintenance advice via its collaborative website, https://sav.darty.com/, launched in 2018, which has recorded a +30% increase in traffic with over 10 million users in 2021.

In order to encourage product repairs, the rollout of WeFix points of sale – the French leader in express smartphone repair acquired in October 2018 – continued this year, with the opening of 22 points of sale in 2021, bringing the network to 139 outlets in France at the end of 2021.

The second life of products, a major challenge for the Group

Fnac Darty has reaffirmed its ambitions in the second-hand segment by improving the visibility of its second-life offer through the Fnac Seconde Vie and Darty Occasion brands, in-store and on the Group's websites. A partnership with YesYes for the trade-in of video consoles was also concluded in 2021. In addition, a Circular Economy Committee was created in 2021 to oversee projects aimed at reducing packaging, optimizing unsold products, improving collection and recycling, and recovering materials. Finally, the Group is also committed to taking back its customers' old equipment and is the leading collector of WEEE (waste electrical and electronic equipment) with 52,000 metric tons of products collected and recycled in 2021, including 46,000 metric tons in France.

At the same time, as a leading retailer of cultural products, Fnac has extended its partnership with the French start-up La Bourse aux Livres in 2021 to offer a fast and efficient book collection service, in all Fnac stores in France, in order to give them a second life.

Fnac Darty has also strengthened its solidarity operations with the organization of the thirteenth annual Fnac Solidarity Flea Market in Dijon, the wide-scale book drive for Bibliothèques sans Frontières, and its partnership with Envie. More than €10 million was donated to associations in 2021 in the form of financial donations or products, either directly by the Group to partner associations or by customers by rounding up purchases at the time of checkout.

Climate issues integrated into all the Group's businesses

The Group has set itself a target of reducing its CO_2 emissions by 50% by 2030, compared to 2019 levels. The scope defined concerns transport, direct and indirect emissions, and site energy. In 2021, against a backdrop of strong growth in its business, Fnac Darty recorded a -14% drop in its revenue-related emissions compared to 2019. The Group relies on strengthened governance within a Climate Committee, in order to monitor the trajectory of its CO_2 emissions, draw up action plans, ensure the follow-up of the roadmaps of the various operational sectors and work toward the expansion of the low-carbon strategy to other indirect emission items. In 2022, the ambition is to define a CO_2 reduction target for scope 3 and to submit it for validation by the Science-Based Targets (SBT) initiative.

In 2021, the Group also launched the "Informed Delivery" project, which allows the Group's customers to estimate the environmental impact of the various delivery methods when purchasing online. This tool will help reduce the environmental impact of the Group's e-commerce and is in line with the commitments made by Fnac Darty when it signed the e-commerce charter last July.

Finally, Fnac Darty has just signed a second agreement with Valeco for the construction of a solar power plant in France in 2023. This agreement is in addition to the renewable energy purchase contract signed at the beginning of 2021 and will enable the Group to cover 30% of its annual electricity consumption with green electricity in France, while making a positive contribution to biodiversity and developing local employment.

A responsible purchasing policy

Aware of the impact of the Group's indirect purchases, Fnac Darty is committed to a process of continuous and sustainable improvement with all the stakeholders in its ecosystem. In this respect, the Médiation des Entreprises (Business Ombudsman) has just awarded Fnac Darty the Relations Fournisseurs & Achats Responsables ("Responsible Supplier Relations & Purchasing") label for its indirect purchasing [1] for a period of three years, thus welcoming the Group into the community of 65 companies distinguished by public authorities for the sustainable and balanced relations they maintain with their suppliers on a daily basis.

(1) Excluding commercial purchasing.

Improved results recognized by the major non-financial rating agencies

Fnac Darty's concrete commitments in terms of Corporate Social Responsibility were once again recognized in 2021 by the non-financial rating agencies. Thus, the Group obtained an A- rating from the CDP, above the average for European companies (B) and the average for the specialized retail market (B-), and was also included in the "Leadership" category for the first time. This recognition is in addition to the one obtained last October from Moody's ESG Solutions (Vigeo Eiris), which awarded an ESG score of 54/100, an increase of +6 points in one year, including +14 points for the environmental component; and the renewal by MSCI of Fnac Darty's AA rating for the third consecutive year. Finally, in 2021, Nature & Découvertes' B Corp certification was renewed for the third consecutive year.

3/ Roll out the reference subscription-based home assistance service

Acceleration in the number of subscribers to service offers

Fnac Darty has continued to roll out subscription-based services. In 2021, the Group recorded strong momentum for its Serenity Pack service offering, which protects each subscriber against device piracy and bank data theft with the use of Fnac Sécurité antivirus and password security via Fnac Mot de Passe, and prevents the loss of photos thanks to storage on the Fnac Cloud.

In addition, the Group is accelerating the rollout of its Darty Max repair service subscription to become the leader in home assistance services. The Group has thus developed two Darty Max offers that are complementary to the first offer launched at the end of 2019, which covers the repair of large domestic appliances. With these three Darty Max offers, the Group has expanded the service to the small domestic appliance, TV home cinema, sound, photo and multimedia segments, covering over 4 million products to date [1]. The momentum in new customer acquisitions has accelerated, with nearly 500,000 subscribers by the end of 2021, compared to nearly 200,000 by the end of 2020, thanks to the rollout of these offers combined with the use of new distribution channels such as the possibility of subscribing to the offers on the web, via the distribution partner Sofinco, and even the launch in early 2021 of the Vanden Borre Life offer in Belgium.

An enhanced service offering

In a context of strong growth in the network, a new Darty Max subscriber is a customer with a purchase frequency 1.5 times higher than that of a Darty customer and with an average checkout value 25% higher than the average checkout value of a Darty customer. This is evidence of a definite increase in value, linked to our service programs. The Group is committed to developing a range of offers for Darty Max customers, including exclusive offers on certain products and free delivery. The Darty Max service benefited from a high level of subscriber satisfaction with an NPS [2] for home or workshop call-out services that is above the Group average.

The Group is continually enhancing the exclusive services and customer experience of Darty Max subscribers, including the development of maintenance tips to help prevent breakdowns and the rollout of a video assistance service to complement the repair services.

All of these advances support the Group's ambition of having more than 2 million Darty Max subscribers by 2025. Fnac Darty was also awarded the LSA Innovation Trophy in the "Responsible Brands" category for its Darty Max repair subscription service. This award recognizes the Group's ability to invent the retail environment of the future.

Training and recruitment initiatives to support this new dynamic

In order to support the development of these services and the resulting increase in call-outs or repairs, Fnac Darty has clearly expressed its desire to recruit 500 technicians by 2025. In addition, the Group is eager to maintain the highest quality of service and places great importance on the regular training of its employees. To this end, 18 training classes were initiated in 2021, dedicated to the training of appliance technicians and repairers. The Group plans to open 21 Tech Academies across France in 2022 to train its future home appliance technicians.

(1) Number of Darty Max subscribers by average number of products per subscriber covered by Darty Max.
(2) Net Promoter Score.

FINANCIAL STRUCTURE

The Group's net cash was €247 million at December 31, 2021 compared with €114 million at December 31, 2020. Free cash-flow from operations [1] was high, at €170 million, down on the exceptionally high level of €192 million in 2020. This performance reflects the need to replenish inventories in order to keep pace with sales momentum, as a result of a controlled purchasing policy. Operational excellence and financial discipline continued to enable a very solid positive net cash position, against the backdrop of an unprecedented crisis.

At December 31, 2021, the Group's liquidity position stood at €1,181 million, on top of which was an unused €500 million RCF. During the year, Fnac Darty set up a new financing structure that enabled it to:

- repay in full its state-guaranteed loan *(Prêt Garanti par l'État – PGE)* of €500 million;
- place an OCEANE bond, maturing in 2027, for a total of €200 million; and
- extend its RCF to €500 million, with a maximum maturity of 2028 and a CSR component [2], and repay the Senior Term Loan Facility of €200 million, maturing in April 2023.

This new financing structure allows the Group simultaneously to diversify its sources of financing, strengthen its financial flexibility with a long-term maturity profile, and go on optimizing the average cost of its debt, in line with the strategic plan Everyday's goals for generating recurring free cash-flow.

Furthermore, at December 31, 2021, covenants on financing were respected.

Investments amounted to €117 million in 2021, an increase on the exceptionally low level in 2020. This amount, which includes the investments necessary to roll out the partnership with Manor in Switzerland, is in line with the normal level of €120 million indicated by the Group. However, Fnac Darty anticipates a slight upturn in its investments beginning in 2022, in line with its strategic plan Everyday, taking into account the roll-out of 14 additional shop-in-shops in Manor stores in the first half of 2022 and a portion of the total additional investment of about €40 million over the plan's duration, for modernizing and upscaling the Group's range of logistics equipment.

In addition, Fnac Darty is rated by the S&P Global, Scope Ratings and Moody's rating agencies. In March 2021, the rating agencies S&P and Moody's both raised their outlooks from "negative" to "stable" associated with their respective Fnac Darty BB and Ba2 credit ratings. Lastly, in May 2021, Scope Ratings confirmed the Group's credit rating at BBB- and raised its outlook from "under review" to "stable."

Finally, in July 2021, Fnac Darty paid an initial ordinary dividend of €1.0 per share on its 2020 results, totaling €27 million.

(1) Excluding IFRS 16.

(2) In line with the strategic goals of the strategic plan Everyday, this new credit facility includes a CSR component that will allow the Group to improve its financing terms if the designated targets are achieved.

1.4 / Fnac Darty markets and offering

1.4.1 / DESCRIPTION OF MARKETS

The Group is the leading retailer of domestic appliances, electronics and entertainment products in France and is primarily active in the following markets:

- editorial products: books (physical or digital), audio (CD, vinyl), DVD/Blu-Ray, video games and consoles, and stationery;
- consumer electronics: photography, TV and video, sound (hi-fi, headsets and speakers), computers and tablets, telephony and connected devices;
- domestic appliances, divided between large domestic appliances (including refrigerators, cookers, washing machines) and small domestic appliances (e.g. vacuum cleaners, cleaning appliances and small cooking equipment);
- services: After-sales services, insurance and warranties, gift boxes and gift cards, ticketing, Marketplace and franchise fees;
- diversification: Mobility, Toys and Games, Wellbeing.

The size of the primary markets in which the Group is present is described in the table below:

Size of markets in € million including tax in France [(a)]

	2021	Change from 2020		2021	Change from 2020
TV (Video)	2,829	0.3%	Books	4,053	21.2%
Sound	1,222	3.5%	Audio	288	4.3%
Photo	496	3.2%	Video	215	(17.6%)
IT	5,457	(3.7%)	Gaming	1,777	(0.1%)
Telephony	3,651	8.7%	Stationery	1,106	(3.4%)
Connected devices	3,162	16.6%	Large domestic appliances	6,090	9.1%
Toys and Games	3,318	2.9%	Small domestic appliances	4,049	3.8%

(a) Source: GfK, February 2022.

1.4.2 / MARKET TRENDS

1.4.2.1 / Digitization of retail and changes in consumer behavior

The expansion of the internet has radically changed the two brands' markets. These markets have experienced a huge boom in e-commerce, along with a change in the competitive environment and the digitalization of editorial products.

The advent of e-commerce has resulted in the emergence of new specialized online competitors, known as "pure players", who focus on competitive prices and services and an ever-expanding offering. Some of these pure players, like Amazon, have an international presence, while others, like Cdiscount or Rue du Commerce, are primarily focused on the French market.

International competitors offer their customers a very high level of service (high-quality websites, logistics, transport and customer service) and are forcing click & mortar companies to meet quality standards that are at least as high as theirs.

The evolution of the internet and the advent of pure players have changed consumer purchasing behavior. The development of e-commerce websites has led to an expanded range of available products and facilitated instant price comparisons. Consumers now have much more information about product features via technical fact sheets and consumer reviews. Armed with the knowledge they obtain from this information, they are becoming more demanding in stores in terms of price, advice and product offerings.

The rapid development of the internet has also led to the phenomenon of digitization, i.e. the transition from physical media to digital media, which has radically altered consumer spending patterns on editorial products as downloading and streaming have become more prevalent. Consumers increasingly prefer digital editorial products, partly because they are cheaper than their physical counterparts, but also because they save space, are more accessible, are ready for immediate use, etc. However, this digitization phenomenon affects each editorial product segment differently. The segments that are most affected are audio CDs, DVDs and Gaming [1]. Although the e-book market is growing in France, the rate of penetration remains low, at 4% [2] of the market in 2021.

The special circumstances that continued in 2021, marked by an unprecedented health crisis, leading to the implementation of lockdown measures, travel restrictions and curfews, accelerated digitalization in the retail sector, with e-commerce increasing its share. According to Fevad [3], e-commerce revenues increased by +15% in 2021, led by estimated increases in online product sales of +7% and 24% in services. With 2.1 billion transactions carried out online in 2021, an increase of +16% compared to 2020, the weight of e-commerce increased by almost +1 point in 2021, representing 14% of retail trade. However, this strong growth slowed in the fourth quarter of 2021, linked to the effects of a high basis for comparison (with e-commerce growing by +17.6% during Q4 2020) and store opening conditions that were more normal than they had been in the fourth quarter of 2020.

1.4.2.2 / Competitive environment

Fnac Darty's main competitors are:

- specialist online retailers, known as pure players, which account for the majority of online sales. They rely on competitive pricing and services and an ever-expanding offering. Fnac's main competitors in France are the Amazon, Cdiscount, Alibaba and Rue du Commerce websites;
- specialist retailers that offer products to their customers through a network of physical retail spaces (brick & mortar) and, where applicable, via a website (click & mortar). These players usually have an established reputation among the general public because they have existed for a long time and offer a general range of products. In France, for example, the best-known are HTM Boulanger, Conforama, But and Cultura;
- mass-market retailers (mainly hypermarket chains like Carrefour, Auchan, Leclerc, Géant Casino and Cora) that also offer consumer electronics, editorial products and domestic appliances; and
- ISPs (Internet Service Providers) and digital platforms that offer music (Spotify, Deezer, iTunes), VOD (Netflix) and online gaming (Steam, Origin).

1.4.2.3 / Market trends

The consumer electronics market depends heavily on product innovation cycles and household ownership rates. Innovation and its impacts are inherently hard to predict.

The traditional cycle of a consumer electronics product begins with its market launch, followed by high levels of growth as households equip themselves with the new technology. Once households are fully equipped, growth lessens progressively and the market reaches maturity. Following this period, which varies in length depending on the product in question and is generally reflected by a fall in prices, the product may experience a resurgence in growth when old models are replaced and when households buy multiple devices.

Innovations or societal events can disrupt the "purchase-maturity-replacement-multiple device" growth cycle, producing strong acceleration or deceleration effects. For example, the global health crisis in recent years has resulted in a huge increase in remote working and learning from home, which has led to a sharp growth in ownership of multimedia products. This has also led to an upgrade in IT products (a trend towards thinner and lighter computers, with superior screens and greater processing power, the growth of gaming computers, etc.).

Over the past few years, cycles have become shorter and shorter and consumers are now replacing their electronic devices at an ever-increasing rate.

This can be seen in the explosion of the smartphone market, which has given rise to new product categories, with a surge in demand for connected devices in particular.

Consumers are placing increasing importance on services related to consumer electronics (insurance), as well as delivery and after-sales service.

(1) At 31%, source SELL (Syndicat des éditeurs de logiciels de loisirs, the leisure software publishers' syndicate), end of November 2021.
(2) GfK, annual conference, February 8, 2022.
(3) Fevad, cumulative average for Fnac and Darty for 2021.

The health crisis also resulted in a significant increase in the amount of time spent at home, and the closure of theaters and cinemas created a desire among consumers to purchase entertainment products, generating high demand for wide-screen televisions and games consoles.

The white goods market is primarily dependent on consumers replacing household equipment, although it has been significantly boosted – mainly with regard to built-in and integrated appliances – by the sustained trend toward redesigning fitted kitchens (remote working and home leisure). The small domestic appliance market remains strong, especially in floor care (carpet sweepers and robots) and breakfast (espresso grinders). The innovation cycle has picked up since 2021 after a break in 2019 and 2020.

In 2021, the extension of the health crisis and the resultant health restrictions, such as periods of lockdown and mandatory remote working, changed how consumers viewed time spent at home. Consumers then realized the importance of wellbeing at home and of the use of home equipment, including large and small domestic appliances. As a result, almost all white goods categories grew in 2021 with the exception of the Air Conditioners and Fans segments, where sales were negatively impacted by a lack of heatwaves compared to 2020.

Consumers pay attention to the services associated with these products (warranties), including the delivery and collection of equipment, particularly in the large goods sector.

The editorial products market depends on the publishing schedule for new items. In reality, the slowdown of this market is a sign of the changing times and the rise of the digital economy. The CD and DVD market has been in decline in recent years, which is pushing retailers to invent new modes of consumption for this segment. This poor performance has, nevertheless, been partially offset by strong sales in vinyl.

The book market is highly sensitive to in-store impulse purchases. In 2020, this segment was impacted by the drop in in-store footfall associated with the two-month closure of almost the whole of our store network during the first lockdown and the measures imposed by governments to limit in-store traffic in order to contain the pandemic. However, 2021 was marked by an upturn in this category, driven by a wealth of new releases, particularly comics with the new Asterix album and manga, but also by the introduction of the Culture Pass in France in May, which provides all 18-year-olds with a €300 voucher to spend on books, audio and video products, or shows in all Fnac stores.

Gaming continued to benefit from strong interest in the next-generation PlayStation and Xbox consoles, released in November 2020, which were particularly affected by the inventory shortages that impacted industry worldwide. Furthermore, the health crisis also benefited this category as a result of lockdowns and the increased time spent at home.

In recent years, the Group's diversification has accelerated, particularly through the Toys and Games, and Urban Mobility segments:

- the Toys and Games market is driven by board and family games, construction sets, and figurines;
- the rapidly growing Urban Mobility market is driven by manufacturers' innovation (electric bicycles, electric scooters, electric mopeds) and by public policies that seek to cut down on the use of cars in city centers (reducing pollution, noise and traffic in city centers, providing French government subsidies for the purchase of "green" modes of transport). The health crisis in 2020 promoted the use of alternatives to public transport such as bicycles, scooters and electrically assisted vehicles. This trend continued in 2021 thanks to the sustained increase in remote working, which gives people the freedom to choose their method of transportation depending on their preference and/or the weather, removing the limitations of a monthly or annual travel card.

1.4.3 / A DIVERSIFIED PRODUCT AND SERVICES OFFERING

The Group is able to provide a balanced offering, built around product categories with complementary growth and margin profiles, across different distribution channels, including own stores, franchised stores, Group websites, and Marketplace.

The Group sells not only new products but also "second life" products in all of the product categories mentioned below, thus meeting consumers' high expectations as well as the obligations set out in the French Anti-Waste Law for a Circular Economy (loi anti-gaspillage pour une économie circulaire – AGEC). This management of unsold and so-called "non-saleable" (obsolete, outdated, etc.) products has become a priority development area for the Group in recent years. The "second life" business, which is growing rapidly, is developing several recovery channels: the resale of second-hand products, the resale of out-of-service products to discounters, and donations to charity.

1.4.3.1 / Consumer electronics offering

Both the Fnac and Darty brands are leaders in the retail of consumer electronics, which includes photography, TV & video, sound, computing, telephony and connected devices. In 2021, the Group generated consolidated revenue of €3,910.7 million from consumer electronics sales, representing 49% of its consolidated revenue.

The Group is at the core of the innovation strategy of its French and international suppliers, as it is well known for its expertise. On the one hand, customers appreciate the knowledge of the in-store salespeople and after-sales service and, on the other, suppliers recognize Fnac Darty as one of the retailers providing the best in-store sales experience. In 2021, the Group additionally rolled out a nationwide video service across all of its integrated Fnac and Darty stores with the aim of bringing the expertise of its salespeople to its e-commerce sites.

To achieve its goal of putting products at the heart of its relationship with customers, the Group is developing partnerships with suppliers in order to offer its customers the best possible shopping experience.

In France, the Group is a major retailer of Apple products, and, for example, has entered into an agreement to set up dedicated Apple areas (shop-in-shop) in its Fnac stores. Under this agreement, Apple provides the merchandising for these areas and supplies and pays facilitators, who provide demonstrations but do not perform any sales-related tasks. The terms and conditions of the supply agreement entered into with Apple are similar to those of Fnac's agreements with its other suppliers.

The Group is also collaborating with Microsoft to set up dedicated areas in stores in order to promote the sale of Microsoft products. Under this arrangement, Fnac promotes Microsoft products in stores, mainly through Microsoft demonstrators and dedicated counters displaying Microsoft products, and on the fnac.com website. The Group also allows Microsoft to benefit from its customer loyalty program and to present its products in its publications.

This method of collaboration, which was extended to other strategic suppliers such as Google and Samsung, means that the suppliers bear the costs of merchandising or promotions at the point of sale. The Group signed an agreement with Google granting Fnac Darty exclusive distribution rights for the launch of its flagship product, the Google Home smart speaker, in all Fnac and Darty stores and on their websites. The offering is now available in dedicated spaces across all the Group's stores, including around 50 corners.

1.4.3.2 / Editorial products offering

Physical products offering

Editorial products include books, music, video, and gaming products. In 2021, the Group generated consolidated revenue of €1,305.1 million from the sale of editorial products, representing 16% of its consolidated revenue.

Fnac, France's leading bookseller [1], leads the way in its markets, offering the largest range on the market with almost 500,000 titles sold. In 2021, the Group sold more than 50 million books in France.

Fnac is the leading record store in France with a catalog of nearly 140,000 titles.

As the leading player in the video market, Fnac has almost 40,000 active video, DVD and Blu-Ray titles.

In the gaming segment, Fnac has a catalog of 9,200 titles in France, including 3,000 second-hand video game titles.

Digital offerings

In order to keep pace with the digitalization of the book market, Fnac entered into a partnership with the Canadian company Kobo in September 2011 and now offers an innovative digital reading solution: Kobo by Fnac. Kobo's role is to provide and maintain the technology platform, provide the devices and develop applications, while Fnac is responsible for the cost of marketing and advertising in France. Both parties combine their platforms and share the income and the costs of adjusting and connecting the Kobo system to the fnac.com website interfaces.

In 2020, Fnac Darty consolidated its position as a leader in editorial product retailing. In the context of a health crisis marked by lockdowns and entailing the closure of all or part of the store network, the Group spearheaded two unprecedented campaigns to receive books free of charge in e-book format. During the first lockdown, Fnac made nearly 500 digital books available to readers free of charge. The campaign was repeated a second time in October 2020. These two campaigns helped to increase the number of new active web customers, and supported sales by creating a hive of activity on the Group's websites.

(1) Source: Livres Hebdo, August 2021, ranking of 400 booksellers in France.

Fnac Darty also digitalized its cultural promotion with the launch of L'Éclaireur Fnac (https://leclaireur.fnac.com/), a digital medium for facilitating informed opinions and educated choices. The objective of this new medium is to help readers by providing content designed to inform their opinions and choices on major cultural and technological issues. This platform will be supplied with existing prescriptive content, such as that from Claque Fnac or Labo Fnac, but also with new content that will help to strengthen online interactions with customers. In the context of health restrictions particularly affecting the cultural world, this platform has enabled the Group to present its cultural events in new hybrid formats, such as the Fnac Livres book fairs and Fnac Live concerts, thereby facilitating access to culture for all.

The Group is committed to manufacturing solid own-brand products by integrating Corporate Social Responsibility criteria into the processes and documents that frame its supplier relations in order to guarantee the safety and satisfaction of its customers during their use of these products. As such, over the course of the year Fnac Darty conducted a total of 94 audits of factories that manufacture own-brand products for the Group, primarily based in China. Factory audits cover a total of 103 different points – including 27 points relating to social and environmental issues, and 76 points concerning production quality. The number of "unscheduled" audits almost doubled in 2021. All the actions put in place are outlined in section 2.5.5.4 "Prevention and mitigation measures" of this document.

1.4.3.3 / Domestic appliances product offering

White goods include small and large domestic appliances. Large domestic appliances include products such as refrigerators, washing machines, dishwashers, dryers, microwaves, and cookers. Small domestic appliances include the Floor Cleaning segment with vacuum cleaners; kitchen appliances and accessories, such as food preparation appliances; the breakfast universe with coffee makers and espresso machines; and laundry care with, for example, irons; in addition to beauty and health products, such as hair dryers and electric razors. In 2021, the Group generated consolidated revenue of €1,755.1 million from domestic appliance sales, representing 22% of its consolidated revenue.

Sales of large domestic appliances were mainly related to product replacement and the behavior of the fitted kitchen market (the multiple lockdowns accelerated its revival). The small domestic appliances segment is sensitive to the innovation cycle. At low points in the innovation cycle, sales in this segment are fiercely competitive, with the market being boosted further still by prices. In 2021, the increase in time spent at home and stricter observance of health and hygiene rules as well as rising consumer awareness of the importance of using their domestic appliances, which are seeing more use than ever before, led to strong sales momentum throughout the year.

Darty does not sell just the major brands; it also sells a number of its own brands and brands under license. When Darty sells a brand under license, the Group acquires the right to sell merchandise (manufactured exclusively for Darty) under the name of an independent manufacturer with an established brand image and reputation. Darty sells its own brands under the entry price model for all product ranges, while brands under license are generally sold as the market's mid-range option. Darty's own brands are Proline (used across all product categories), Temium (used for accessories), IT works (used for multimedia), Okoia (used for personal care) and Aerian (used for treating air).

1.4.3.4 / Other products and services

The Group has also continued its efforts to enrich its products and services offering. In 2021, other products and services accounted for some 13% of the Group's consolidated revenue.

A / Services and subscriptions

Repair services

The Group's after-sales service is centralized and is delivered through five after-sales service workshops (four of which are repair workshops and one a subcontracting hub), one central spare parts warehouse and more than 100 technical centers in France.

Darty is the leader in France in after-sales service. The brand offers an in-store repair and support service at designated counters and workshops that provide customers with immediate repairs, rather than sending the products to a repair center. At the end of 2021, the Group had 16 Darty service areas. Furthermore, both brands offer in-store or at-home training services, and installation of equipment at home.

In 2018, the Group expanded its after-sales service offering with the launch of the sav.darty.com platform. The site shares information about repairs to allow customers to benefit from Fnac Darty's expertise and prolong the life span of their products. This activity is central to the Group's responsible business model. Furthermore, the acquisition of WeFix in October 2018, a French leader in express smartphone repair, and of PC Clinic in Portugal supported the Group's aim of positioning Fnac Darty as a leading player in smartphone repair and associated services, while offering customers an enhanced ecosystem.

In late 2019, Darty launched a brand new subscription-based repair service that was initially aimed at extending the life span of large domestic appliances. Named Darty Max, this service is available from all of Darty's integrated and franchised stores across France. In June 2021, the Group subsequently expanded Darty Max to include new product categories: small domestic appliances, home cinema TV, sound, photography, and multimedia. As a result of this expansion, three separate offers are now available to customers: Darty Max Essentiel at €9.99 per month incl. tax, Darty Max Évolution at €14.99 per month incl. tax, and Darty Max Intégral at €19.99 per month incl. tax. The Group also relies on B2B partnerships to roll out Darty Max on a larger scale. As such, the first distribution agreement was concluded in 2021 with Sofinco, a subsidiary of Crédit Agricole SA specializing in consumer finance, enabling the Group to offer Darty Max to a wider audience thanks to Sofinco's specialist expertise and its customer base. In addition, the Group launched two Vanden Borre Life offers in Belgium in 2021. The first offer covers unlimited repairs of large domestic appliances for €12.99 per month, while the second includes televisions on top of this for €14.99 per month.

These complementary offers aim to better meet customers' expectations in terms of repairs, but they also represent another step towards Fnac Darty's transformation of its business model. The Group firmly believes that a more circular economy creates jobs and value, and it is more committed than ever to extending the life span of products.

Darty MAX Price incl. VAT	Essentiel €9.99/month	Évolution €14.99/month	Intégral €19.99/month
Large Domestic Appliances	•	•	•
Small Domestic Appliances		•	•
TV Home Cinema, Sound		•	•
Photography			•
Multimedia			•

Insurance and warranty

Both brands sell warranty extensions in addition to the statutory warranty. Depending on the type of product in question, the extended warranty service enables the customer to have their appliance repaired or be paid the full replacement value, for a specified period of up to five years. The brands also offer insurance policies for damage/theft and loss of telephony and multimedia devices, which can be combined with service packs for even greater speed, added peace-of-mind and enhanced benefits.

Financing

Fnac Darty develops and offers its customers solutions to make technological innovations and the best products accessible to as many people as possible, notably in partnership with Crédit Agricole Consumer Finance in France.

Through its Mastercard credit card launched in May 2017, Fnac gives customers the option of postponing payment, at no charge, for up to two months after the purchase date, and financing options enabling costs to be spread over several monthly installments. All payments made with the card at Fnac or elsewhere earn cardholders Fnac loyalty program points and allow them to benefit from brand gift cards. The brand offers a Darty Visa card, which – beyond simply financing a purchase – allows customers to earn gift cards for use with future purchases and other benefits such as access to special product offerings, VIP shopping nights, flexible financing offers and interest-free credit.

Rental

Since 2018, Fnac Darty has continued to develop its rental offering, specifically by offering a combined service for the long-term lease of electronic items for both brands, which includes after-sales services for the entire duration of the agreement.

Subscriptions

With digital technology assuming an increasingly important role in customers' lives, Fnac Darty has developed a comprehensive range of services to support customers in connection with product categories such as computers, telephones, and televisions, in which the Group operates.

The two brands, Fnac and Darty, offer their customers the subscription-based "Serenity Pack" (single or dual version), which incorporates an unlimited cloud solution, antivirus software, a password manager, and an optional exclusive offer on Microsoft's Office Pack. This subscription has been extremely popular since 2020, in line with the strong momentum for purchasing equipment to allow remote working. This service can be supplemented by subscriptions for consumables that, for example, provide automatic delivery of ink cartridges when ink levels are low.

Furthermore, Fnac Darty is positioning itself as an intermediary by offering internet and telephony subscriptions (in partnership with Free and Bouygues Telecom), and energy subscriptions (electricity and gas) in partnership with Engie and Sowee, as well as subscriptions for Canal+, Deezer, and Microsoft Xbox All Access.

Lastly, Darty launched a subscription-based repair service, Darty Max, at the end of 2019 (see the above paragraph on "Repair services").

B / Fees

Marketplace

Marketplaces, which are intermediary platforms linking buyers and sellers, support the brand's online strategy by increasing the depth of the product range available on the sites and the number of items available to online shoppers. This helps increase the website's traffic and visibility and contributes to customer loyalty. As such, more than 17 million active products are available through the Group's Marketplaces.

The revenue generated by Fnac Darty comes from a percentage of the commissions taken by the Group on sales made by Marketplace sellers as well as from a monthly subscription.

The platforms allow more than 4,000 professional sellers who meet Fnac and Darty's service quality criteria and are managed by dedicated teams, to be listed and to use the website as a sales interface, making the most of the banners' visibility, reputation and transaction security in all the countries in which the Group operates.

Fnac Darty aims to retain its status as a specialist banner by using filters to create categories of listed products. The Group monitors the Net Promoter Score (NPS) of all its resellers to ensure the quality of its Marketplace is maintained.

The Group is committed to selecting responsible resellers on its Marketplace. This is to ensure the security of transactions and help fight money laundering and the financing of terrorism, in accordance with the ACPR (French Prudential Supervision and Resolution Authority). All the actions put in place are outlined in section 2.5.5.4 "Prevention and mitigation measures" of this document.

Franchise

The Group favors expansion through franchising. This is an asset-light model that enables the Company to benefit from the operating know-how of partners and their knowledge of the local market. This operating model limits investment costs while furthering the goal of rapidly increasing Fnac Darty's visibility. The franchisee then pays a fee for the use of the brand's distinctive features based on a percentage of revenue at the relevant sales point, and must comply with strict rules to maintain the brand's integrity in the eyes of consumers.

At the end of 2021, Fnac Darty had 390 stores operating as franchises. The Group's strong presence across regions, through its large network of stores, contributes to the local, social and cultural economy by creating jobs and widening access to culture for as many people as possible.

C / Customer loyalty

Membership cards

The Fnac Darty customer loyalty program is designed as a customer loyalty and retention tool that also allows the Group to carry out better-targeted and more effective sales promotions. Members represent an asset that provides the banner with a high level of differentiation. They visit the store four times more often than other customers, and on average spend three times as much in store as non-members.

As a consequence, in addition to its classic membership card, in 2016 Fnac successfully launched a premium membership service with its "Fnac+" loyalty card for €49 per year, which included unlimited access to all delivery services along with the benefits of the membership program. Darty+ was launched in October 2017 offering unlimited delivery for both brands, including two-hour delivery from the nearest store, as well as priority unlimited daily technical support. Darty+ customers can also benefit from exclusive rates for a breakdown service for all their devices not covered by a Darty warranty. Finally, the Nature & Découvertes loyalty card, which was launched in 2007 and currently has more than a million members, provides holders with special offers, two-year warranty extensions on certain products, free delivery once a year, and gift vouchers.

In 2020, the Fnac Darty Group revamped its loyalty program with the launch of the new Fnac+ card, which aims to support the digitalization of its customers' purchasing trends, offering them an enhanced cross-brand experience. Thanks to this new card, Fnac customers can enjoy numerous benefits (discounts, private sales, etc.) and free delivery to Fnac and Darty stores. Since the concept of accessibility for as many people as possible has always been a driving force for the Group, the new Fnac+ card is priced at €9.99 for the first year, and at €14.99 thereafter. As another new feature, to help enhance the synergy between the two brands, this new card gives all members the option of joining the Fnac and Darty shared balance program, allowing them to accumulate and spend gift vouchers across both brands.

To complement the new Fnac+ card, the Fnac One status, launched in 2009, is awarded to our most loyal customers and provides several benefits in addition to the Fnac card. These include: year-round unlimited standard home delivery from €15 per purchase, VIP evenings in-store and invitations to cultural events, dedicated customer service, and a "personal shopper" service by appointment, as well as access to a priority checkout.

At the end of December 2021, Fnac Darty boasted a substantial membership base of 10 million members in total, including 7 million in France. The number of members more than doubled over the 2010-2020 period. Every year, Fnac Darty works on expanding its loyalty programs and its membership base, ensuring a real competitive advantage for the Group.

At the end of December 2021, Fnac+ and Darty+ had 2.2 million members.

D / Other activities

Kitchen

In 2007, Darty opened its first in-store space dedicated to Kitchen. Darty's Kitchen offering complements its white-goods offering and allows it to capitalize on the Group's expertise and brand image. The roll-out accelerated in 2021 with the opening of 19 new spaces in France. At the end of 2021, the Group had more than 185 Kitchen points of sale, including 35 stores dedicated exclusively to this offering.

Ticketing

Fnac also provides customers with a ticketing and box office offering via the company France Billet (B2C sector), which is the leading French ticketing and box office seller for shows and events, and the companies Tick&Live and Eazieer (B2B sector).

France Billet operates white label ticketing sites for Fnac (meaning the sites use solutions and resources provided by Fnac without mentioning its name) and has long-term partnerships with major distribution brands for which it manages Ticketing retail solutions.

In terms of the B2B sector, the France Billet subsidiary Tick&Live (merger of Datasport and Kyro), which is co-owned with the Fimalac group, provides venues and event coordinators with a complete ticketing solution, and provides ticketing management for sporting events.

In 2019, Fnac Darty, through its subsidiary France Billet, purchased 100% of Billetreduc.com, a leading player in "last-minute" event ticketing in France, allowing the Group to reinforce its ticketing offering in France, in a changing market. At the same time, Fnac Darty finalized the strategic partnership between France Billet and the CTS Eventim Group, the European leader in the ticketing sector. This partnership allows France Billet to accelerate the development of its digital platform and enrich its value proposition towards its customers and partners. CTS Eventim will incorporate the retail of tickets for events and shows in France within its offering. This strategic partnership also involves France Billet acquiring a 100% stake in the equity of CTS Eventim France. CTS Eventim will also acquire a 48% minority stake in the equity of France Billet, and this subsidiary will remain under Fnac Darty's control.

Ticketing activity was heavily penalized in 2020 due to the restrictive measures that have affected the entertainment industry. These measures remained in force until the end of the first half of 2021. With the gradual easing of the restrictions, the Group recorded a very gradual recovery in ticketing, with a pickup in sales in the last quarter of 2021.

At the same time, and to offset the impact of the health crisis on the entertainment industry, the Group continued with its efforts to support the world of culture. As a result, Fnac launched L'Éclaireur Fnac (https://leclaireur.fnac.com/), a digital medium that supports consumers by providing content intended to inform their opinions and choices on cultural issues. The site has already attracted more than 500,000 unique visitors per month since its launch last October. In the context of health restrictions affecting the world of culture and entertainment in particular, this platform has enabled the Group to present its events in new hybrid formats, such as Fnac Live's 10 livestream concerts, which recorded more than 500,000 views.

Toys and Games

Since November 2011, Fnac has been developing sections devoted to 0-12 year-olds within its stores, called "Fnac Kids". These sections create a single area for toys, games, books, DVDs, CDs, consumer electronics and gaming products for children, and have a special layout built around accommodating very young children.

Stationery

To complement its book offering, the brand has also created dedicated Stationery spaces built around premium brands across the whole of its Fnac store network.

Urban Mobility

Since 2017, Fnac Darty has made a significant contribution to developing the market for scooters and democratizing soft/urban mobility vehicles (hoverboards, electric unicycles, etc.).

In 2019, Fnac Darty strengthened its positioning in the scooters segment by extending the scope of its strategic partnership with Xiaomi from smartphones to the exclusive distribution of its latest electric scooter, the MI Electric Scooter Pro. In addition, the Group has since opened a corner dedicated to this brand in Fnac Ternes.

In November 2019, Fnac Darty strengthened its positioning in the market for new electric means of transport by marketing electric bicycles, in particular with the Velair brand and then via an exclusive partnership with Angell Bike signed in 2020.

In 2020, Fnac Darty capitalized on its exclusive high-end positioning in the urban mobility segment. Following the success of its partnership with Xiaomi for the exclusive sale of its electric scooter, the Group entered into an exclusive distribution agreement to sell Xiaomi's folding electric bicycle and developed an electric bicycle offer with several brands (including Le Vélo Mad bicycles manufactured in Rouen, and Peugeot electric bicycles). Fnac Darty also expanded its offering in the urban mobility segment, signing a unique partnership with Citroën to exclusively market the Ami, the Citroën's fully electric mobility solution, in 39 Fnac and Darty stores. Finally, again in 2020, Fnac Darty added to its innovative offer by entering into a partnership with Red Electric for the distribution of the new Model E scooter, 100% electric and 100% French, in 30 Group stores.

In 2021, Fnac Darty continued to invest in the mobility sector by establishing a new merchandising concept in 15 stores, devoting 25–120 m^2 of retail space for this purpose. These spaces facilitate the roll-out of the product offer and the entire associated ecosystem, from add-ons and services (theft and damage insurance, long-term rentals) through to repairs. The Group additionally partnered with Repair And Run, a start-up specializing in the repair and maintenance of bicycles and electric scooters, and established three corners, in one Fnac store (Bordeaux) and two Darty stores (République and Rouen Tourville). This partnership is fully aligned with the Group's commitment to extending the lifespan of its products. The Group also invested in training its teams through the Fnac Darty Academy; a total of 140 salespeople benefitted from a practical, hands-on training day.

Well-being, décor, and miscellaneous

The consolidation of Nature & Découvertes into Fnac Darty in August 2019 enables the Group to strengthen its product offering in the Wellbeing and Natural Products sectors, both of which are becoming increasingly important for consumers.

A dedicated décor offer has been rolled out in around 30 stores, providing customers with products such as terrariums, lighting, and "zero waste" products.

The establishment of six Miniso corners in Fnac stores in 2021 strengthened the positioning of the Fnac brand in the Gift segment, expanding the selection of gift ideas with a range of Japanese-style products that reflect the explosion of the manga trend in France.

Lastly, the gift boxes offer also helps to meet consumers' needs in relation to gastronomy, travel, and well-being.

1.4.4 / GEOGRAPHICAL BREAKDOWN

The Group benefits from the complementarity of the network of its three principal brands in France – Fnac, Darty and Nature & Découvertes – with stores in different formats based in city centers, shopping malls and retail parks, as well as in train stations and airports, in order to adapt to the traffic in each area served. The Group also has 7 Proxi Darty outlets in System U hypermarkets, 7 Proxi Darty outlets in Intermarché stores, and 1 Fnac shop-in-shop within an Intermarché store, along with the 23 Proxi Fnac outlets in Intermarché shopping malls. Alongside this, in November 2018 Fnac Darty opened 2 Darty shop-in-shops in the Carrefour hypermarkets of Ville-du-Bois and Limoges. Finally, the Group entered into a partnership in Switzerland with Manor in order to take back control of the brand's culture and consumer electronics divisions. 13 Fnac shop-in-shops were opened in Manor stores in late 2021.

The Group can rely on the complementarity between Fnac and Darty in France and Belgium (through the Vanden Borre brand), as well as the local presence of Fnac in the Iberian Peninsula.

The Fnac, Darty and Nature & Découvertes brands conduct their business through a network of physical stores and e-commerce websites, making the Group a click & mortar retailer. Within each country, the stores under each brand are laid out according to an identical format and market the same range of products, subject to local market adaptations.

1.4.4.1 / Presence in France and Switzerland

The Group has a network of 798 stores in the France and Switzerland region, 385 of which were operated as franchises at the end of 2021.

The Fnac banner has 232 stores, while Darty has 465 stores and Nature & Découvertes has 101 stores [1]. The store network expanded with the opening of 52 stores over the period, including 47 operated as franchises (33 Darty franchised stores, 10 Fnac franchised stores in mainland France and French overseas territories – including 7 Fnac proximity format stores, 2 Fnac Travel retail stores, and 1 traditional store – and 4 Nature & Découvertes franchised stores, including 1 in a retail park). The first Fnac Darty store was also opened in 2017. Managed from France, the Fnac brand also developed franchises in other international markets such as the Congo, Cameroon, Morocco, Ivory Coast, Tunisia and Qatar. In 2021, the Group continued its expansion in Africa, with the opening of the first Fnac store in Senegal in partnership with Mercure International, a leading retail and distribution company that is well established in Africa. The Group previously collaborated with the company when launching its brands in Congo and Cameroon. Senegal is the thirteenth country in which Fnac Darty operates.

(1) *Including four stores in Belgium, one store in Luxembourg, one store in Portugal, and seven franchises in Switzerland.*

In late 2020, Fnac launched a test phase with Manor lasting several months, for the roll-out of 4 shop-in-shops in Switzerland. At the end of this successful pilot phase, the partnership continued with the opening of 9 new shop-in-shops in 2021. The current ambition is to open 14 additional shop-in-shops by the end of the first half of 2022. This partnership is helping both brands to strengthen their respective positions in the Swiss market.

The Group welcomed more than 121 million visits to the country's Fnac and Darty stores in 2021 despite numerous health restrictions (lockdown/limits on in-store traffic) that hindered footfall in 2020 and 2021. Conversely, these measures led to an explosion of traffic on digital platforms. As a result, Fnac Darty is the third biggest e-commerce player in France in terms of the average number of unique visitors per month [(1)].

The Fnac Switzerland subsidiary successfully launched its own e-commerce site in 2016.

Key figures	2019	2020*	2021*
Revenue	€6,030.7 million	€6,227.9 million	€6,700.9 million
Current operating income	€256.7 million	€193.8 million	€244.6 million
Operating margin	4.3%	3.1%	3.6%

* *2020 and 2021 were marked by an unprecedented crisis that impacted the gross margin rate and the operating margin for the France and Switzerland zone.*

1.4.4.2 / Presence in the Iberian Peninsula

At the end of December 2021, the Group had a network of 74 Fnac stores in the Iberian Peninsula, including three new integrated stores in Spain that opened during the year.

The Covid crisis and accompanying health restrictions continued to affect in-store traffic in 2021. As result, the Group received nearly 46 million in-store visits in 2021. Both the Fnac Spain and Fnac Portugal subsidiaries have an e-commerce website (fnac.es and fnac.pt).

The first Nature & Découvertes store in Spain opened in 2019, in the form of a shop-in-shop in a Fnac store in Barcelona. Lastly, the first Nature & Découvertes store in Portugal opened in Lisbon in 2021.

Key figures	2019	2020*	2021*
Revenue	€722.3 million	€653.8 million	€701.5 million
Current operating income	€25.0 million	€8.4 million	€10.8 million
Operating margin	3.5%	1.3%	1.5%

* *2020 and 2021 were marked by an unprecedented crisis that impacted the gross margin rate and the operating margin for the Iberian Peninsula zone.*

1.4.4.3 / Presence in Belgium-Luxembourg

At the end of 2021, the Group had a network of 85 stores under the Fnac and Vanden Borre brands in Belgium and Fnac in Luxembourg.

Diversification also remains a development factor in Belgium, where the roll-out of corners dedicated to small domestic appliances continued in 2021.

The Group recorded more than 14 million in-store visits in the region in 2021, and each brand has its own website.

Key figures	2019	2020*	2021*
Revenue	€595.6 million	€608.9 million	€640.1 million
Current operating income	€11.6 million	€13.1 million	€15.4 million
Operating margin	1.9%	2.2%	2.4%

* *2020 and 2021 were marked by an unprecedented health crisis. Despite this challenging environment, the Group recorded growth in its sales and operating margin compared to the previous year.*

(1) Fevad, cumulative average for Fnac and Darty for 2021.

1.5 / Group strategy and objectives

In February 2021, the Group launched its strategic plan Everyday for 2025. This reflects the Group's ambition to be – both on a daily basis and over the long term – consumers' key ally, helping them to be sustainable in their consumption habits and in their daily household tasks.

This strategic project bolsters the roll-out of the Group's mission, which is to "commit to providing an educated choice and sustainable consumption" to its customers.

The implementation of Everyday is based on three ambitions that are to be achieved by 2025, as detailed below.

1.5.1 / EMBODYING NEW STANDARDS FOR SUCCESSFUL DIGITAL AND HUMAN OMNICHANNEL RETAIL IN THE FUTURE

Omnichannel retail will be digitalized by improving the performance of sites with a web experience that is increasingly immersive, efficient, and fueled by artificial intelligence. As a result, over half of the Group's investment budget for the period of the plan will be devoted to supporting digital growth, particularly to modernizing and mechanizing the logistics platform.

Omnichannel retail will be humanized by showcasing the spirit of stores on the web and by investing in the expertise of the sales team.

Fnac Darty intends to put the advisory role of its salespeople at the heart of the customer's digital experience, with the aim of building an ever more personalized relationship of trust with consumers on these channels. Chats and video calls with salespeople, livestreaming and live shopping hosted by experts, and content on culture and entertainment recommendations on its digital platform L'Éclaireur Fnac will all strengthen online interactions with customers.

Advice and digitalization will be increased at all levels – the Group plans to invest in training its employees on how to showcase their expertise on digital and social networks. In order to improve the in-store experience, "welcomers" will retain a key role and the IT resources available to sales experts will be boosted to provide a response tailored to every in-store customer (order pick-up, after-sales service, repair needs, specific search, etc.). In doing so, Fnac Darty is enhancing its role of providing the customer with well-informed, independent advice appropriate to their uses and needs.

The Group is of the firm belief that stores are the cornerstone of this new retail. Also, 100% of our integrated stores will be profitable by 2025, with the specific challenges of each store being addressed and promising new formats such as the kitchen or small proximity formats being developed.

The purpose of all these initiatives is for at least 30% of the Group's revenue to be generated online by 2025, including half in omnichannel thanks to the proven success of click&collect, which reflects the complementary nature of in-store and online. These channels will be the best showcase for the Fnac Darty range of products and services – a high-value offering that is itself committed while also engaging others – and has strong aspirations in the territories we are penetrating, such as the large appliances and urban mobility markets.

In this way, the Group will be at its customers' side every day, in-store and on the web, to help them make educated choices, backed by the expertise of its 5,000 sales people in France.

1.5.2 / HELPING CONSUMERS ADOPT SUSTAINABLE PRACTICES

Fnac Darty is a committed group aware of the challenges relating to the future of our planet. This commitment will be ever more visible with Everyday.

The product offering will trend toward more sustainable products, with Marketplace products and partners that do not meet the sustainability criteria being possibly delisted, and the huge expansion of the second-life service and the option to return used products as part of a circular economy strategy.

Customer choices will be geared toward more sustainable products thanks to sustainability scores, which will be visible both online and in-store and is expected to reach 135 by 2025 (compared to 111 in 2021). These scores are based on our after-sales repair database – the only one on the market – which rates products on their reliability and the availability of spare parts. It is a unique and independent indicator created by Fnac Darty, which weights the volumes of each product sold in the year of the sustainability score.

Lastly, services that enable customers to "use better to consume better" and to repair products more often will be strengthened (sale of spare parts, express repair of smartphones, WeFix, Darty Max, repair communities, and so on), with the goal of having 2.5 million products repaired each year by 2025.

We will therefore support customers in their educated and socially responsible approach to consumption, allowing them to take advantage of the best that technology and entertainment has to offer, while at the same time consuming in a sustainable way.

1.5.3 / ROLLING OUT THE BENCHMARK SUBSCRIPTION-BASED HOME ASSISTANCE SERVICE

Fnac Darty's ambition is to become the leading provider of home assistance services, in the form of a subscription-based repair service, with no limit or commitment, that extends the lifespan of products.

Fnac Darty laid the foundations for this service for large domestic appliances with the launch of Darty Max at the end of 2019. This was followed by the launch of Vanden Borre Life in Belgium in early 2021. The Group expanded its Darty Max offer in 2021 to include new product categories: small domestic appliances, home cinema TV, sound, photography, and multimedia. As a result of this expansion, three separate subscriptions are now available to customers: Darty Max Essentiel at €9.99 per month incl. tax, Darty Max Évolution at €14.99 per month incl. tax, and Darty Max Intégral at €19.99 per month incl. tax. These supplementary offers aim to better meet customers' expectations in terms of repairs and can cover the entire home environment. The Group had nearly 500,000 Darty Max subscribers at the end of 2021 and aims to reach at least 2 million Darty Max subscribers by 2025.

The Group also relies on B2B partnerships to achieve this objective. One such example of this is the distribution agreement signed at the beginning of 2021 with Sofinco, a subsidiary of Crédit Agricole SA specializing in consumer finance, which is enabling Darty Max to be rolled out on a larger scale thanks to Sofinco's specialist expertise and its customer base.

Darty Max is really shaking up the way services are provided and sold. It gives customers peace of mind while maintaining a sustainable approach. For Fnac Darty, a new subscription-based business model, with recurring cash flows, allows us to consolidate a high-quality long-term relationship with our customers and works to extend the lifespan of products.

To make it a success, the Group will rely in particular on its in-depth knowledge of services, benefit from its unrivaled distribution network, capitalize on its ability to carry out high-quality repairs directly, and take advantage of its expertise in subscription management.

This new home assistance service makes Fnac Darty an absolute must for customers, as it builds a relationship of trust on a day-to-day basis and massively expands its repair service.

1.5.4 / FINANCIAL OUTLOOK AND MID-TERM AMBITIONS

Against the backdrop of the Covid crisis in 2020 and 2021, fulfillment of the various objectives listed below relies on the following assumptions: no new prolonged lockdown periods or store closures, no significant break in the supply chain, and no lasting downturn in consumer confidence levels.

With Everyday, Fnac Darty aims to:

- increase its revenue, which will come primarily from accelerated growth in online sales and continued opportunities for expansion in growth markets;
- increase its gross margin mainly via the subscription-based service sales model, which is a significant margin generator and will more than offset the dilutive effects of the less favorable product/service mix sold online and the expansion of the franchise;
- continue its program to reduce operating costs, which will more than make up for the effects of inflation each year;
- maintain its annual investment expenses at a normal level of around €120 million, excluding one-off investments of around €40 million for modernizing and upgrading logistics equipment, which will impact the first few years of the plan.

The purpose of the various strategic drivers of the Everyday plan implemented by the Group is to increase recurring cash generation with the following objectives:

- aggregate free cash-flow from operations [(1)] of around €500 million over the 2021-2023 period;
- free cash flow from operations [(1)] of at least €240 million each year, starting in 2025.

This growth in cash generation, along with a level of debt that will remain controlled and sustainable for the Company over the long term, with maximum leverage of 2.0× [(2)], will enable it to finance its activity through external growth operations and ensure a regular return to shareholders.

In 2021, the Group reactivated its policy of giving a return to shareholders and is aiming for a distribution rate of at least 30% in the medium term. In 2021, the Group also distributed a dividend of €1.0 per share for 2020 and aims to increase the amount per share from 2022, with a proposed payment of an ordinary dividend of €2.0 per share for 2021 [(3)].

Lastly and additionally, the Group will take the opportunity each year to look at the possibility of making an additional distribution to shareholders in the form of an exceptional dividend or share buyback, after financing any external growth operations and paying the ordinary dividend.

(1) Excluding IFRS 16.
(2) Ratio (net debt/EBITDA) excluding IFRS 16 which will be assessed at the end of June each year.
(3) Subject to the approval of the General Meeting of the shareholders of May 18, 2022.

1.6 / Innovation, brands, research and development

1.6.1 / INNOVATION, A GROUP PRIORITY

Fnac Darty prioritizes innovation and stepped up its efforts in 2019, focusing on six strategic areas: streamlining its online and mobile pathways, optimizing its data processing, revamping the in-store experience, making best use of its omnichannel tools, modernizing its technology and logistics, and improving its working methods.

Lastly, in addition to collaborating with start-ups, Fnac Darty is committed to fostering more disruptive innovation in its business lines through discussions on the development of new activities in line with the start-up model, or even on Web 3.0 and its implications.

1.6.1.1 / An ambitious Open Innovation approach

The Group initially formulated an Open Innovation approach to support the business lines, based on an internal network of approximately 60 Innovation Ambassadors representing each department, an external network of VC fund partnerships (with Daphni, Raise, 50 Partners, Plug & Play, BPI, Spring Invest, Partech Partners, etc.), and the introduction of tools to facilitate the launch, roll-out, and monitoring of proofs of concept (POCs). This approach is overseen by a committee that meets monthly, chaired on a rotational basis by a Comex member, and comprises around 50 members. The committee has its own budget funded by the Strategy and Transformation Department.

Since adopting this approach, approximately 20 POCs have been conducted each year. A proactive approach is taken to identifying start-ups that meet the needs of the business lines, collaborations with start-ups are structured and closely monitored to maximize the organization's ability to roll out a POC on a large scale, and acculturation of as many people as possible is treated as a priority. In addition, Fnac Darty participates in various events to promote innovation and relationships between large groups and start-ups. For example, the Chief Executive Officer sponsored the 2021 LSA Innovation Awards and Darty Max was awarded the Innovation Trophy in the "Responsible Brands" category.

Examples of the POCs implemented include the collaboration with the start-up DialOnce, whose solution helps customers contacting Fnac Darty by guiding them to the best resolution via the most appropriate channel (for example, directing unanswered calls to a digital route) and the collaboration with the start-up Mayday, whose solution enables the Group to better manage its entire after-sales knowledge base by centralizing all information and making it accessible in different forms (operating methods, video tutorials, etc.).

Furthermore, after investing in the Daphni fund in 2016, Fnac Darty wished to strengthen its ties with Raise and recently invested in its new vehicle Raise Seed for Good, the first European venture capital fund to integrate ESG criteria into its investment and support strategy right from the seed stage to promote the emergence of future European leaders in responsible tech.

1.6.1.2 / A data-driven strategy

The new frontier of digital innovation and transformation is that of data.

In 2021, the Group adopted a comprehensive data strategy, which aims to enable Fnac Darty to become data fluent. The challenge is twofold: enabling better management of activities on a daily basis by the large majority via the use of data-driven analyses, and accelerating advanced uses of data via artificial intelligence (AI).

Initiatives were implemented in 2021 to that end, such as optimizing the fnac.com search engine, improving the management of promotions, and better prioritizing after-sales service calls by means of dedicated AI built within the Group. To fulfil this data ambition, Fnac Darty is strongly committed to the Move to Cloud and to restructuring its data models. At the same time, data knowledge and data quality were improved in 2021 through the introduction of a governance system and dedicated action plans, particularly in terms of customer data.

To accelerate this trajectory in 2022, the Group recently signed a strategic partnership with Google, based on three pillars:

- rolling out the Google Cloud Retail Search solution on the fnac.com and darty.com sites in order to continuously improve customer satisfaction and increase conversion, thanks to improved performance on the part of its search engines;
- integrating data analysis and processing tools, machine learning (ML), and artificial intelligence (AI) to improve both operational efficiency and the customer experience, and to drive innovation in terms of the services provided;
- staff training and education on relevant issues and on the data and AI culture using Google's experience.

The aim of this new partnership focusing on the use of data is to accelerate the digital transformation of the Group against a backdrop of far-reaching change in business, to boost and increase its capacity for innovation through its wealth of data, and to offer its customers enhanced offers, experiences, and services.

1.6.2 / BRANDS, RESEARCH AND DEVELOPMENT

Given the nature of the Group's activities, it does not conduct any research and development and does not own any patents or licenses.

The Group owns a portfolio of 1,152 brands [1] that are registered across the world, primarily under the names "Fnac", "Darty" and "Nature & Découvertes" and the variations thereof that it uses in its commercial offerings.

The Group also owns a portfolio of over 1,545 domain names.

The Group's intellectual property policy centers around the protection of its brands (in particular the "Fnac", "Darty" and "Nature & Découvertes" brands and the variations thereof) and their domain names. This policy involves filings and reservations on either a local country basis or in the full range of countries where the Group operates or wishes to preserve its rights. The names "Fnac", "Darty" and "Nature & Découvertes" are reserved as domain names with the main generic extensions and the main geographic extensions.

The brand and domain name portfolios of the three "Fnac", "Darty" and "Nature & Découvertes" brands are managed coherently and centrally by the Group's Legal Department. The Group is only responsible for the monitoring of the WeFix brand portfolio, with other services (registration, renewal, opposition, litigation, etc.) being managed by WeFix directly, in agreement with the Fnac Darty Legal Department.

(1) Excluding WeFix, which has 15 brands.

1.7 / Store network and proprietary real estate

1.7.1 / STORE NETWORK

As its geographical coverage is a major asset of its omnichannel platform, the Group plans to continue expanding its development across various formats, primarily through franchises. This operating model limits investment costs while furthering the goal of rapidly increasing Fnac Darty's visibility. The franchisee pays a fee for the use of the brand's distinctive features based on a percentage of revenue at the relevant sales point. There were 390 stores operating under this model at the end of 2021.

With a network of 957 stores, and thanks to the continuous development of its store network, 90% of French consumers now have a Fnac or Darty store less than 15 minutes from their home.

Fnac stores, which were traditionally developed for city center locations, have been adapted to suit the shopping needs of suburban areas (with a broader range of consumer electronics, more self-service resources and more entry-level products). In Fnac stores with more than 2,000 m² of retail space, customers are offered a high number of products within a wide range of increasingly diverse product categories. These stores also have enough space to install dedicated corners for premium brands such as Google, Devialet or Samsung.

Fnac is also developing new store formats, aimed at diversifying its offering and adjusting to changing consumer trends. These new formats are:

- the Travel format (railway stations, airports and duty-free areas), with 32 stores at the end of 2021, including 30 in France. The brand has signed a strategic partnership with Lagardère Travel Retail via Aelia and MRW to develop Travel retail stores in France under a franchise operation;
- the Proximity format, with 90 stores at the end of 2021. During this year, the Group opened seven stores in France and was able to capitalize on partnerships concluded with Intermarché and Vindemia for the Proximity format; and
- the Connect format (dedicated to telephony and connected objects), with 18 stores at the end of 2021 in France and abroad. For this new concept, Fnac received the prestigious Janus Award in the Business category from the French Institute of Design. This concept benefited from the partnership signed in 2018 with Bouygues Telecom for the distribution of Bouygues Telecom's offers.

These smaller-format stores strengthen the Group's omnichannel operations by offering complete access to the catalog online, thereby allowing customers to benefit from a wide choice of products and the vendors' expertise in those products.

At the end of 2021, Fnac had 319 stores in total, including 232 stores in France [(1)]. Fnac opened 14 stores in 2021 (compared to 13 in 2020), including four outside France (three in Spain and one in Senegal).

In France, Darty stores are mostly located in highly populated areas and have a strong presence within or are situated close to large cities, such as Paris, Lyon and Marseille. The other Darty stores are generally situated outside of big cities, in shopping malls and retail parks. In order to extend its presence to less populated French regions, particularly those with fewer than 100,000 inhabitants, Darty has also set up a franchise network. This network has allowed it to expand its store network with limited investment and to reach small catchment areas where a classic large-format store would be too expensive to operate. Darty opened 35 stores in 2021, all in France (33 franchises and 2 directly owned). At the end of 2021, Darty France had 465 stores, including two located in Tunisia, and Vanden Borre had 72 stores in Belgium.

Nature & Découvertes operates across a network of 101 stores, the majority of which (88 stores) are in France. The brand operates all of these stores, with the exception of seven Swiss stores, which are operated by Payot under a franchise agreement. Furthermore, since it was acquired by Fnac Darty, Nature & Découvertes has opened seven shop-in-shops in Fnac stores (one in 2021) and 12 stores (six in 2021), including two integrated stores and four franchises, enabling it to expand its store network at a limited cost and reach a new audience. The Group opened its first shop-in-shop in Spain in 2019 and its first franchised store in Portugal in 2021, representing two new markets. Three additional franchises were opened in 2021 in Guadeloupe, Martinique, and Reunion. The three Nature & Découvertes stores in Germany were closed in 2020, in order to reposition the brand in its key markets. Nature & Découvertes will rely on the Group's existing operational capabilities to continue increasing its geographical coverage and to expand, primarily in France.

Finally, the Group acquired WeFix, the French leader in express smartphone repair, in October 2018. With more than 200,000 repairs carried out in 2021 and 487 employees, WeFix operates a network of 139 service areas, including 73 corners, 10 stores, and 56 shop-in-shops, all of which are in France. In 2021, WeFix opened 22 new sales spaces.

(1) Including 12 stores outside France: 2 in Tunisia, 3 in Morocco, 1 in Congo, 1 in Cameroon, 2 in Ivory Coast, 1 in Senegal and 2 in Qatar.

Format	Date of concept	Average surface area	Location	Offering	Number of stores
Fnac network					
Traditional	1974	2,400 m²	City centers – shopping districts	Entire offering	161
Suburbs	2006	2,000 m²	Suburban areas	Entire offering	17
Proximity	2012	300 to 1,000 m²	Towns and smaller cities Large cities to supplement the store network	Entire offering	90
Travel (Aelia and MRW)	2011	60 to 300 m²	Airports and railway stations	Editorial products on hot topics Consumer electronics focused on mobility	32
Connect	2015	80 to 100 m² for dedicated stores	City centers Shop-in-shop	Telephony and connected objects	18
Darty/Vanden Borre network					
Traditional integrated	1968	1,500 m²	Proximity to large cities – shopping malls	Entire offering	294
Franchise	2014	600 m²	Proximity to medium-sized cities	Minimum range	242
Fnac Darty network					
Franchise	2017	1,400 m²	Retail parks	Large and small domestic appliances Editorial products and consumer electronics TVs	1
Nature & Découvertes network					
Traditional integrated	1990		City centers – shopping districts	Entire offering	90
Franchise	2008		City centers – shopping districts	Entire offering	11

1.7.2 / PROPRIETARY REAL ESTATE

The following table summarizes the areas occupied by the Group as of December 31, 2021, in the various countries where the Group operates. The Group's geographical locations are described more fully in section 1.4.4 of Chapter 1 "Geographical breakdown".

Stores (including franchises)	Number of sites	Customer retail area *(in m²)*
France [(a)] and Switzerland [(b)]	798	793,000
Iberian Peninsula	74	100,000
Belgium and Luxembourg	85	89,000
TOTAL	**957**	**982,000**

(a) Including 14 Fnac and Darty stores located outside France and all Nature & Découvertes stores.
(b) Excluding 13 Fnac shop-in-shops within Manor stores.

Warehouses/Other premises (excluding franchises)		Number of sites	Total occupied surface area *(in m²)*
France and Switzerland	Warehouses	8	317,000
	Others [(a)]	66	200,000
Iberian Peninsula	Warehouses	2	32,000
	Others [(a)]	3	5,000
Belgium and Luxembourg	Warehouses	4	40,000
	Others [(a)]	1	4,000
TOTAL		**84**	**598,000**

(a) 'Others' includes offices, shared service centers, After-Sales Service Workshops, Cross-Dock platforms, and technical centers.

Most real estate assets are leased; however, the Group has proprietary real estate including 55 stores, 1 warehouse and 9 other business premises.

The Group considers that the utilization rate of its property, plant and equipment is consistent with its operations, development plan, and ongoing and planned investments.

Fnac Darty is committed to reducing the energy consumption of its stores and is making the necessary investments in this regard. All these actions are outlined in section 2.4 of Chapter 2 "Reduce impacts on the climate" of this document.

The Group's main current and planned investments, as at the filing date of this Universal Registration Document, are detailed in section 4.2.3.1 of Chapter 4 "Net cash flows from operating activities and investments" of this document.

1.8 / Regulatory environment and changes

1.8.1 / REGULATORY ENVIRONMENT

The regulations that apply to the Group in the countries in which it operates, as well as any regulatory changes or action taken by local, national or international regulators, are likely to impact the Group's business activities and performance.

Both in France and abroad, Fnac Darty is subject to numerous laws and regulations, in areas such as competition law, the operation of establishments that are open to the public, and consumer protection, as well as certain specific regulations relating to particular activities (banking, logistics, e-commerce, real estate, credit and insurance brokerage, IT, book prices).

By way of example, Fnac Darty has taken into account the entry into force of the European General Data Protection Regulations (GDPR), the provisions of which have been applicable since May 2018 in all Member States of the Union European. The Group has set up a program to organize and coordinate its compliance work Group-wide (see section 2.5.2 of Chapter 2 of this Universal Registration Document).

In addition, the Group's activities in France are subject to Law No. 81-766 of August 10, 1981 relating to book prices. A new book sold in France must have a single price that is determined by the publisher, and this price must be printed on the cover of the book. A vendor selling from a physical store is allowed to offer a reduction of up to 5% on the price of the book. This law does not apply to second-hand books or books that are out of print. Furthermore, Fnac Darty actively supported the adoption of the law in France aimed at strengthening the book economy and enhancing fairness and trustworthiness among industry players, which was promulgated in the *Journal officiel* on December 30, 2021. This law stipulates a minimum delivery fee for home book deliveries. This law will enter into effect six months from the date of the publication of a decree setting out the pricing scale. The Group is taking part in the consultations during the draft phase of this regulatory text.

In addition, Fnac Darty is monitoring the measures it put in place in 2017 to comply with the French Sapin II law on transparency, anti-corruption and the modernization of business practices. Subject to the law on the duty of care by parent companies and major contractors, Fnac Darty has published an Vigilance Plan since 2018 (see section 2.5.5 "Vigilance Plan" of Chapter 2 of this document).

Fnac Darty is also subject to the extended producer responsibility (EPR) principle, a mandatory scheme under which producers, importers, and distributors are responsible for financing and organizing the management of waste generated by their products. This involves membership of an eco-organization, the payment of an eco-contribution, and, in some cases, the recovery of used products.

The AGEC law enacted on February 10, 2020, created new EPR schemes: in addition to packaging, electrical and electronic equipment (EEE), batteries and accumulators, and furniture, as of January 1, 2022, DIY and gardening items, sports and leisure items, and toys are also covered. The AGEC law also extended the obligations in terms of free take-back services at stores or places of delivery. As a result, as of January 1, 2022, items of furniture, single-use gas canisters, and batteries will be added to the electrical and electronic equipment scheme, depending on a company's revenue threshold and sales area. As of January 1, 2023, DIY items, sports items, and toys will be included too.

From January 1, 2021, the AGEC law also requires companies to disclose information about the availability of spare parts and stipulates the mandatory application of a repairability index for several types of device or appliance: smartphones, laptops, front-loading washing machines, TV sets, and lawnmowers. The manufacturer of the appliance must give it a score out of 10 across five criteria (length of availability of technical documentation and advice on use and maintenance; ease of dismantling of the equipment; length of availability of spare parts on the market; delivery times and sales price of spare parts; the fifth criterion depends on the category of equipment concerned) based on scoring grids produced by the French Ministry for Ecological Transition. Fnac Darty, which first implemented this project on an experimental basis for certain appliances in 2018, has been one of the first retailers to display this index, thereby providing consumers with simple information as soon as they make a purchase in store or on its website for the products concerned. In 2022, this index will be expanded to cover new product categories: vacuum cleaners, dishwashers, top-loading washing machines, and high-pressure cleaners. From 2024, the repairability index will be replaced by a sustainability index, with criteria that will be defined by law: the Group is playing an active role in the consultations on this matter.

To support and anticipate the creation of low emission zones governed by the French Mobility Orientation Law (*loi d'orientation des mobilités* – LOM) and supported by the French Climate Bill *(loi Climat),* the Group is launching a greening program for its vehicle fleet (see section 2.4.4.4 "Goods transportation and business transportation" of this Universal Registration Document).

These regulatory matters all mirror the Group's commitments to sustainability and are coordinated by a dedicated committee supported by a sponsor from the Executive Committee.

In terms of voluntary commitments, Fnac Darty was one of the architects and first signatories in July 2021 of the French Charter of Commitments for Reducing the Environmental Impact of E-Commerce *(charte d'engagement pour la réduction de l'impact environnemental du commerce en ligne),* which lays the groundwork for more sustainable development of the sector, by means of ten commitments around four themes (consumer information, packaging, warehouses and deliveries, and monitoring). Some of the commitments set out in this Charter have already been fulfilled by the Group. These include the systematic consolidation of shipments of products ordered at the same time (unless requested otherwise by the consumer) as well as steering consumers towards more environmentally friendly products, achieved by means of a "sustainable choice" pictogram and the annual publication of the Group's "After-sales Service Barometer." Furthermore, the Group has released the "informed delivery" tool on both its websites. This informs consumers of the CO_2 emissions generated per kilogram transported for each delivery option (excluding packaging, upstream transport, and customer travel) and gives them the option of calculating the CO_2 footprint of their delivery using an eco-calculator.

1.8.2 / RESPONSIBLE LOBBYING

Fnac Darty participates in discussions that may affect its environment, by presenting its actions and innovations to the public authorities, by participating alongside the authorities in discussions prior to the drafting of legislative and regulatory texts, and by defending its positions and proposals during hearings with the government, parliamentarians, local elected representatives, or independent authorities.

The Group aims to support political objectives in terms of a commitment to a more circular economy, consumer protection, and equal treatment of economic operators, while preserving the interests of the companies concerned.

The Group provides technical expertise useful for political decision-making in a fully transparent manner. As part of a constructive approach with the public authorities, the Group is able to promote innovative proposals thanks to its operational experience, but also to warn about the economic, social and environmental risks to which certain measures might expose the sector's stakeholders. In the latter case, the Group is responsible for working proactively on compromise solutions that are satisfactory and acceptable to all stakeholders.

Its approach to interest representation alternates between its own commitments and participation within groups of stakeholders under the aegis of the professional federations – national or local – of which it is a member.

Fnac Darty makes an annual declaration of all its activities with national public officials as well as the sums allocated for its lobbying activities to the French High Authority for transparency in public life (Haute Autorité pour la transparence de la vie publique).

2

Corporate Social Responsibility

Governance and CSR strategy

Pursuant to Article L. 225-102-1 of the French Commercial Code, the Fnac Darty Group is required to prepare a consolidated non-financial performance statement (DPEF) including a presentation of its business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies through key performance indicators. Chapter 1, this chapter, and Chapter 6 contain this information. For ease of reading, a concordance table for identifying this information is presented in section 8.

In accordance with the European Taxonomy Regulation (Regulation 2020/852/EU), this DPEF also includes, in section 2.4.4, indicators relating to the share of revenue, operating expenses (Opex) associated with environmentally sustainable economic activities and capital expenditure (Capex) in 2021.

In addition, section 2.5.5 of this chapter meets the requirements of the French law of March 27, 2017 on the duty of care of parent companies and initiating companies, on the effective implementation of a vigilance plan (see cross-reference table in section 8.8.6).

Finally, in line with the expectations of its stakeholders, this chapter also presents the climate reporting in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), contributing to the Group's transparency and accountability efforts on climate issues (see cross-reference table in section 8.8.7).

A CSR APPROACH AT THE HEART OF THE GROUP'S STRATEGY AND BUSINESS MODEL

With more than 25,000 employees worldwide, over 950 stores and almost 10 million loyal customers, Fnac Darty is keenly aware of its responsibilities. The Group is committed to transforming its business model to meet the challenges of a changing market and climate issues, while at the same time developing its people and making a positive impact on society.

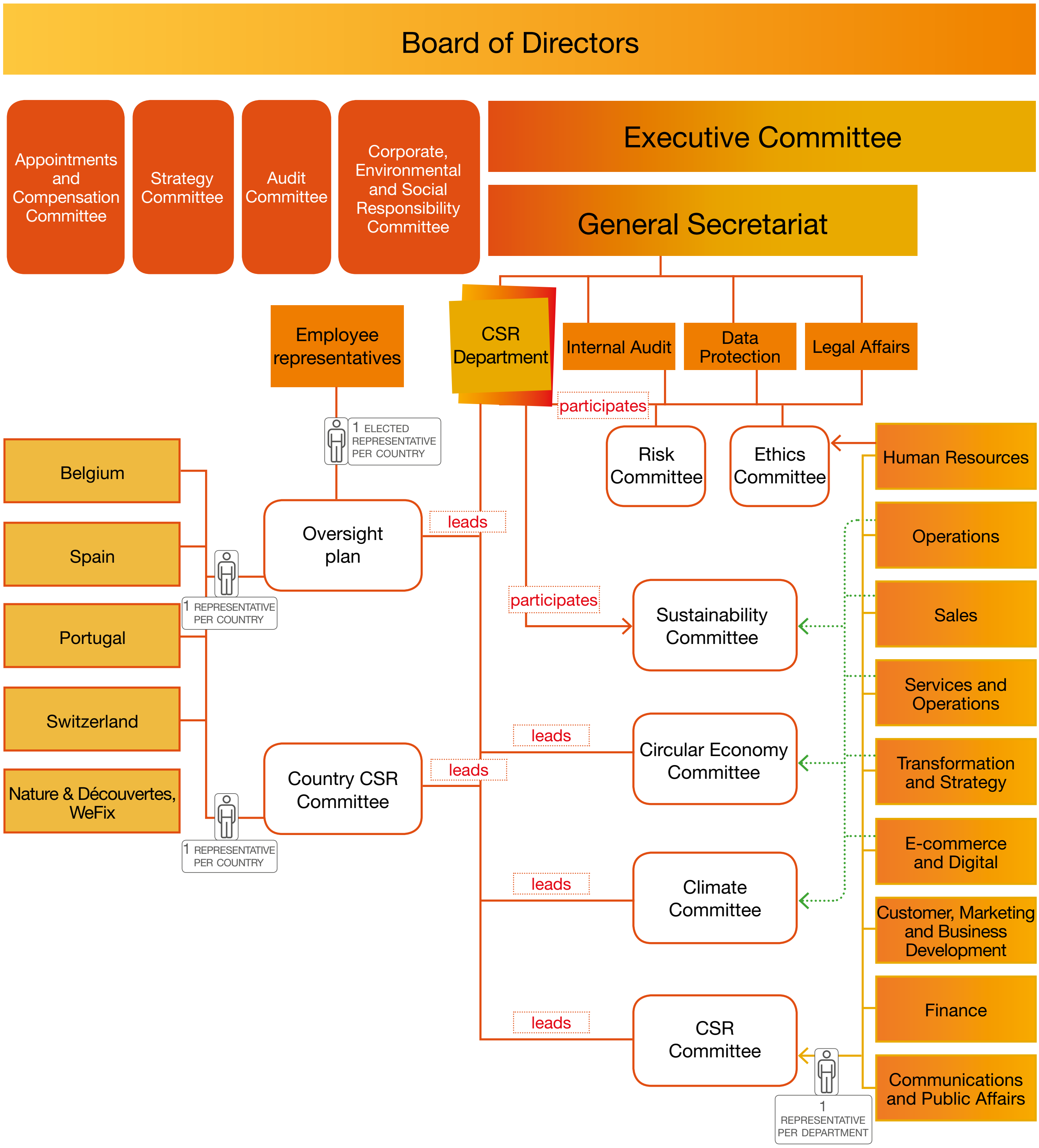
Central to the Group's *raison d'être,* "Committed to providing an educated choice and more sustainable consumption", this social responsibility and the issues it addresses have been key factors in the choice of strategic priorities defined in the plan Everyday. By making sustainability a priority for the years ahead, this new strategic plan reinforces the Group's CSR strategy, with the aim of integrating societal issues ever more extensively into the Company's projects and management.

The description of the Group's *raison d'être,* the integration of societal challenges in the business model and the strategic plan are presented in Chapter 1 of this document.

GOVERNANCE AND ORGANIZATION THAT STRENGTHEN THE INTEGRATION OF CSR CHALLENGES INTO BOTH THE STRATEGY AND BUSINESS LINES

In order to integrate these issues into the strategy and projects of the various business lines, the Group is pursuing a decentralized approach to CSR based on the development of managers' skills.

The CSR Department reports to the General Secretary, and relies on various bodies and business line representatives to implement the Group's CSR strategy.


Board of Directors
Appointments and Compensation Committee
Strategy Committee
Audit Committee
Corporate, Environmental and Social Responsibility Committee
Executive Committee
General Secretariat
Employee representatives
CSR Department
Internal Audit
Data Protection
Legal Affairs
participates
1 ELECTED REPRESENTATIVE PER COUNTRY
Risk Committee
Ethics Committee
Human Resources
Belgium
Spain
Portugal
Switzerland
Nature & Découvertes, WeFix
1 REPRESENTATIVE PER COUNTRY
Oversight plan
leads
Operations
participates
Sustainability Committee
Sales
Services and Operations
leads
Country CSR Committee
leads
Circular Economy Committee
Transformation and Strategy
1 REPRESENTATIVE PER COUNTRY
E-commerce and Digital
leads
Climate Committee
Customer, Marketing and Business Development
Finance
leads
CSR Committee
1 REPRESENTATIVE PER DEPARTMENT
Communications and Public Affairs

Description of committees

- The CSR Committee, described in Chapter 3, comprises four Independent Directors. It reports to the Board of Directors on the CSR strategy and projects carried out, as well as the results achieved.
- The thematic committees:
  - the Ethics Committee: chaired by the General Secretary in charge of CSR and Governance, it is composed of the Legal, Internal Audit, HR, CSR Directors and the DPO. It ensures that the Group complies with regulations relating to ethical business conduct, particularly the GDPR, Duty of Care and Sapin II laws;
  - the Climate Committee: composed of two members of the Executive Committee (Comex) (General Secretary in charge of CSR and Governance, and Director of Services and Operations), the Directors of CSR, Logistics, National Transportation, Services Policy and After-Sales Service, it is in charge of rolling out and ensuring compliance with the Group's climate roadmap. It ensures that climate awareness is incorporated into the Company's global strategy and drives the objectives for reducing greenhouse gas emissions (see section 2.4.1);
  - the Circular Economy Committee: composed of two Comex sponsors (General Secretary in charge of CSR and Governance, Director of Services and Operations, and E-Commerce and Digital Director), the Directors of CSR, Logistics, National Transportation and Second Life; its purpose is to steer projects aimed at reducing packaging, optimizing unsold stock, improving collection, recycling, and reuse of materials;
  - the CSR Committee: composed of a Comex sponsor (General Secretary in charge of CSR and Governance) and the 14 business line representatives (one for each Group department), it is responsible for steering projects aimed at feeding into the five pillars of the CSR strategy;
  - the Sustainability Committee: made up of two Comex sponsors (Group Strategy and Transformation Director and Commercial Director), the Sustainability, Second Life and CSR Directors, this committee manages the range of sustainable products offered to customers, as well as all the action plans designed to find a second life for the Group's non-saleable new products.

In addition, the CSR Department regularly participates in:

- the internal control committees, which oversee the prevention and mitigation policies for certain risks identified in the mapping of risks covered by the French law on the duty of care;
- the Risk Committee, which incorporates and manages CSR risks requiring cross-functional action plans.

Awareness and training in sustainable development

In order to raise awareness among employees and management of the Group's social and environmental issues, and to mobilize them so that everyone can play a part in the CSR strategy, Fnac Darty has carried out several dedicated projects and events in 2021.

In December 2021, the entire Executive Committee met to participate in a *Fresque du Climat* (Climate Mural) workshop. Distributed by the association of the same name, this workshop to raise awareness of the main mechanisms of climate change is based on collective intelligence to highlight the causes and consequences of climate change. The participation of the members of the Comex in this workshop demonstrates the Group's determination to integrate climate issues into its strategic planning. A session is planned for 2022 with all the Group's CSR officers (see also section 2.3.1).

As an offshoot of this workshop on the more specific topic of the environmental impact of digital technology, the Green IT unit held a *Fresque du Numérique* (Digital Mural) workshop in November 2021, thus helping to train IT teams in these issues (see also section 2.4.4.5.3).

A week dedicated to CSR was organized during European Sustainable Development Week to raise employee awareness of sustainable development issues and the Group's CSR strategy, through personal accounts and insights from employees and external figures.

As part of the development of a responsible indirect purchasing policy, all employees of the Indirect Purchasing Department have received training in responsible purchasing (see also section 2.5.4).

Three e-learning training modules, designed by the CSR Department and the Services Department, have been developed and made available to all employees in France. The first presents the challenges of sustainable development, the second the Group's CSR strategy, and the third the specific initiatives undertaken by Fnac Darty for the sustainability of its products. By the end of 2021, the three modules launched in September 2021 had been passed 1,580 times, with nearly half taken by salespeople.

Nature & Découvertes: "Green Networks" reflect the brand's ambitions in stores

Since 1995, Nature & Découvertes has structured its sustainable development policy around an internal network of ambassadors for the environmental and social policy in stores, through the "Green Network".

These volunteer employees (one per store), the "Green Networks", are at once active in the development of the local associative sphere, active in learning and education about nature and the environment, and are responsible stakeholders working on a daily basis to reduce the Company's environmental impacts. In total, around 10% of Nature & Découvertes' employees are thus Green Networks participants. They work in tandem with their assistant Directors to achieve about 15 objectives over the year. These objectives help to enhance team cohesiveness and the sharing of best practices, reflected in real actions in-store.

Green Networks mobilize teams around environmental and societal objectives such as:

- raising awareness of Nature & Découvertes' CSR commitments (disability, skills sponsorship, responsible purchasing, product quality, carbon footprint);
- sorting and monitoring waste consumption;
- relaying awareness-raising and advocacy initiatives to customers and local actors;
- supporting local associative projects to provide conservation and education about nature, in particular through the "Helping Hand" committees of the Nature & Découvertes Foundation and Charitable Rounding;
- promoting nature-based educational programs and outings (over 2,000 activities are offered each year).

In addition, the Nature & Découvertes Management Committee held a *Fresque du Climat* workshop in October 2021. It was subsequently decided to extend the initiative and train 30 people to lead a *Fresque du Climat* workshop in each of the Company's entities. The goal is for all employees to have participated in a workshop at the earliest date possible.

Integration of CSR within variable compensation objectives

For many years now, the variable portion of compensation of the Chief Executive Officer and members of the Executive Committee has included a CSR objective that is set in consultation with the CSR Department. These objectives are linked to the respective responsibilities of the managers (see Chapter 3, section 3.3.1).

The long-term incentive plan (LIP), which aims to strengthen the loyalty of the Company's key managers, incorporates a criterion for achieving a CSR objective.

Lastly, since January 1, 2021, all managers eligible for annual variable compensation have had a CSR objective accounting for 10% of this variable portion.

OPEN DIALOGUE WITH STAKEHOLDERS

Regular dialogue with stakeholders helps to ensure that the Company, both in its strategy and in the performance of its daily activities, incorporates all their concerns.

The systems and channels in place to promote this dialogue are as follows:

Stakeholders	Means/methods of promoting dialogue
Customers	■ Around three out of four employees have direct contact with customers. Salespeople, delivery personnel, home technicians and advisors are in constant dialogue with customers. ■ Through its Research Department, the Group regularly conducts customer surveys (satisfaction survey, consumer trends studies, new services surveys, etc.), which are an essential part of understanding customer expectations. Several studies have made it possible to understand customer interest in reliable information on the environmental impact of the various delivery methods; these studies have led the Group to develop a new service that provides information on the carbon footprint of the packages transported. ■ Customer reviews and complaints posted on commercial websites allow our teams to better understand customer expectations and to resolve annoyances or even to be alerted to quality concerns regarding a service or product. ■ The Group's brands have continuous dialogue with their customers through social networks. ■ In-store cultural events – more than 5,000 in 2021 – continue to provide an excellent opportunity for Group employees and customers to connect.

Stakeholders	Means/methods of promoting dialogue
Employees and social partners	■ The Group maintains regular and constructive dialogue with its social partners. Fnac Darty has structured its social dialogue to enable effective exchanges with employee representatives while guaranteeing a high degree of proximity to operational entities and employees, through local representatives. ■ Keen to learn about its employees' expectations and any concerns they may have, the Group rolled out an innovative, anonymous listening system in 2018, based on questions asked on a monthly basis via the Supermood tool. ■ Through its internal communications, the Group regularly organizes events to bring employees together, share information and gather their expectations (meetings, "CSR Week", "Customer Day", etc.). ■ As of 2022, as provided for in the Group Agreement on Professional Equality and Quality of Life in the Workplace, group meetings will be organized within each team, at least once a year, to discuss issues relating to working conditions, organization and the work environment, as well as any shortcomings.
Suppliers/plants	■ The sales management teams have daily exchanges with suppliers on performance and pricing, but also on new criteria such as the sustainability (reliability and reparability) of their products. ■ These same teams regularly participate in or organize trade shows, including an annual sales convention, to meet with Group suppliers and prospects. ■ As part of the sourcing of its own-brand and licensed products, the Group carries out around 100 audits each year at suppliers' factories, during which it gathers information on their expectations and any difficulties they may have. ■ As part of its responsible indirect purchasing policy, Fnac Darty discusses suppliers' expectations regarding the Group, as well as their social and environmental performance, in a spirit of support and cooperation, during its calls for tender, negotiations and business reviews.
Associations	■ The Group is a member of several professional organizations and federations (FCD, Fevad, AFEP, MEDEF, etc.) and as such regularly participates in working groups, round tables and consultations. ■ The Group's commitment to product sustainability, reaffirmed in its strategic plan Everyday, is also illustrated by regular dialogue with consumer and environmental protection associations (Halte à l'Obsolescence Programmée, Friends of the Earth). ■ Through its solidarity policy, Fnac Darty partners and collaborates with many non-profit organizations, such as Bibliothèques sans Frontières, Envie and Secours Populaire.
Public authorities	■ The Group contributes to parliamentary debates on draft legislation related to its activities, and regularly provides technical expertise that is useful for political decision-making, in particular by sharing its data or by opening the doors of Labo Fnac to present its work and its methodology. ■ Fnac Darty participates in working groups and in consultations with sector-based players steered by management (repairability index, environmental information, sustainability index, etc.). As part of a constructive approach with the public authorities, Fnac Darty promotes innovative proposals but also warns about the economic, social and environmental risks to which certain measures might expose the sector's stakeholders.
Investors/shareholders	■ Fnac Darty meets its reporting obligations to institutional and individual investors and, more broadly, to the financial community in accordance with best practices, through press releases available in French and English on the Investors section of its website: www.fnacdarty.com. ■ Fnac Darty's management and Investor Relations team are in regular contact with analysts and investors, in the form of roadshows, telephone meetings or conferences organized by brokers (including several dedicated to SRI investors each year). ■ Dialogue with shareholders is maintained throughout the year, particularly at the General Meeting. Shareholders also have access to a dedicated "Shareholders" section on the Group's website in the "Investors" section. ■ Fnac Darty reports on its performance and management of non-financial risks in a transparent manner by regularly exchanging information with the main non-financial rating agencies as part of their rating of the Group.

ASSESSMENT OF CSR RISKS AND OPPORTUNITIES

The Group mapped out risks and conducted a materiality analysis in 2018, interviewing external and internal stakeholders. These analyses were cross-referenced with the expectations expressed by Fnac and Darty's customers in the annual customer survey, and with sector-based regulatory changes, specifically on climate and human rights issues.

The matrix resulting from this work highlighted four major non-financial risks, which have a significant impact on the Group's stakeholders, as well as on the development and sustainability of the Company.

Risk 1: Business line development

Risk trend: upward. At a time when the digital economy is accelerating with new customer expectations, the Group's business lines are evolving, generating risks for employees in terms of employability as well as well-being, and risks for the Company's economic development, particularly in terms of the skills and commitment needed to roll out the strategy.

Risk 2: Sustainability of the business model and new patterns of consumption

Risk trend: upward. The linear model of current trade (manufacturing, retail, use, waste) is showing its limits because of its environmental impact. A growing awareness among consumers of the need to act has led to the emergence of new ways of consuming: buying less but buying better, sharing goods or buying their use, buying and selling on second-hand, boycotting controversial products or brands, and choosing eco-designed products or committed brands. For the Group, these developments represent significant risks, directly linked to a business model still dependent on sales volumes, but also major opportunities to develop new markets. The strategic plan Everyday, launched in 2021, incorporates these risks and opportunities and intends to address them.

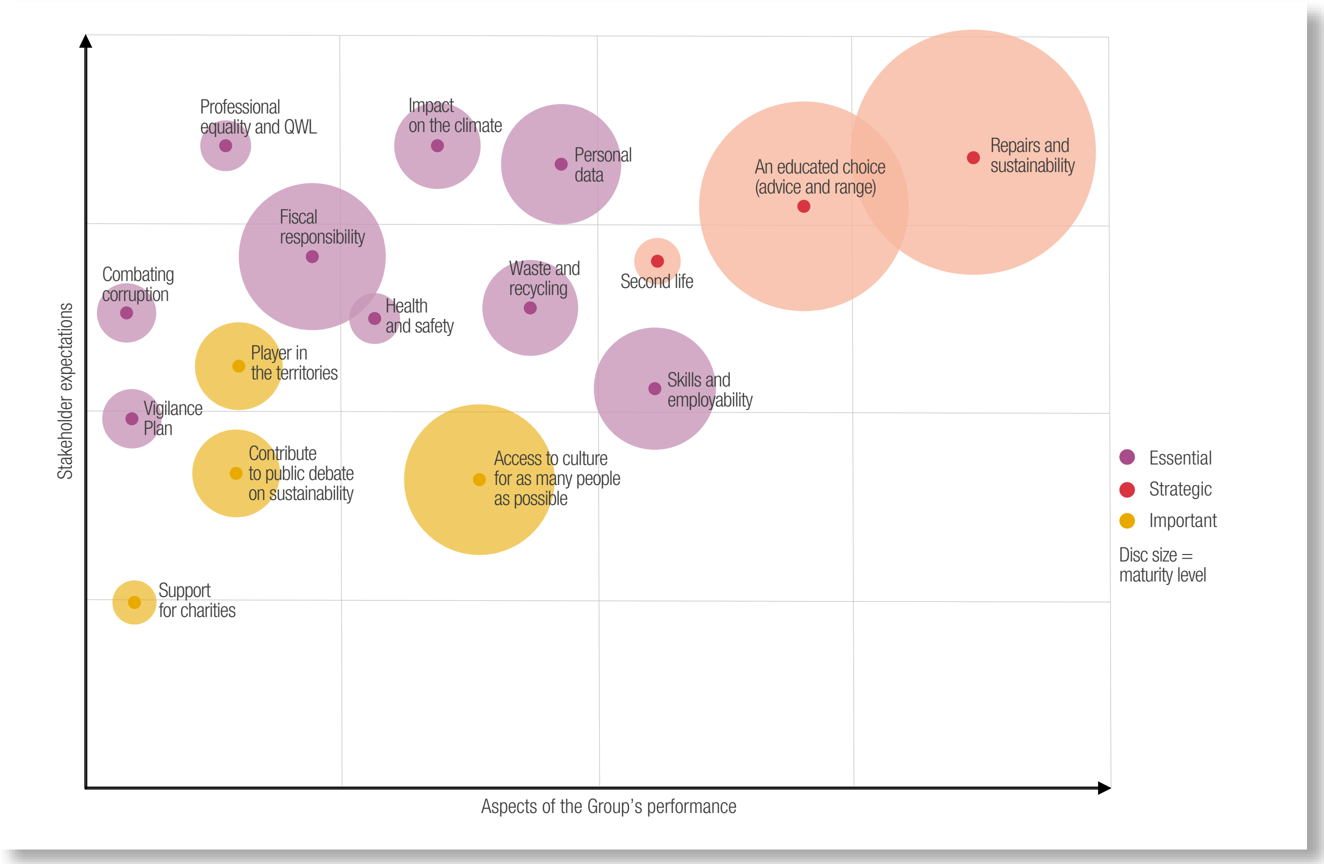
Risk 3: The climate emergency and its consequences on companies

Risk trend: steeply upward. The climate emergency has generated strong, legitimate pressure on companies to follow a path that prevents a rise in climate temperature of more than 1.5°C in 2100 compared to the pre-industrial era. Failure to reduce its impacts exposes the organization to a loss of credibility in terms of accountability in the eyes of all stakeholders. Respecting such a trajectory requires profound transformations in terms of the economic model, the modus operandi, and governance.

Risk 4: Ethics for all based on a model of development through partnership

Risk trend: stable. The Fnac Darty model is based on association and partnership (retail of branded product, franchise development, Marketplace development), which makes it more complicated to manage the associated ethical risks. At a time when laws on business ethics are becoming more stringent and consumers are taking ownership of these issues, controlling this risk at every level of the value chain is crucial.

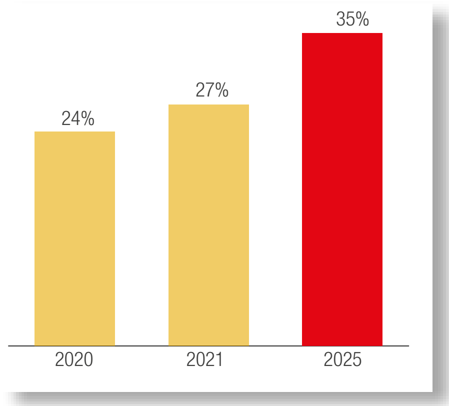
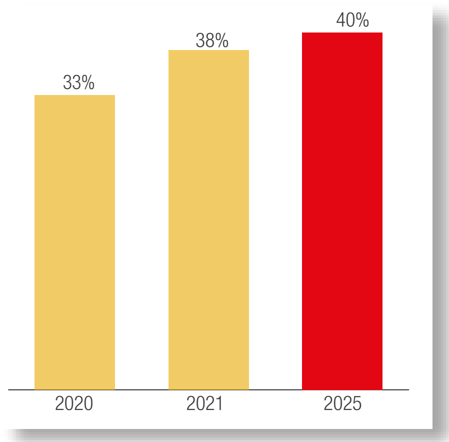
The five pillars and commitments of the CSR policy are directly linked to these four risks. Fnac Darty's CSR challenges, analyzed according to their business opportunity and their level of stakeholder expectation, have been positioned in a materiality matrix:

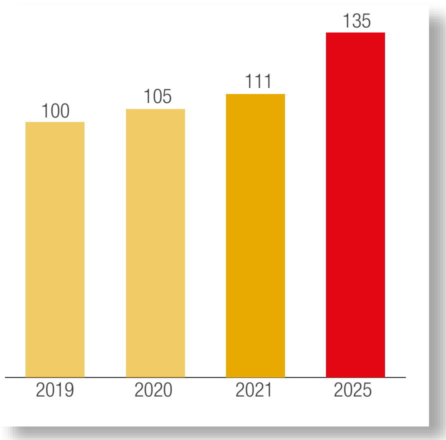
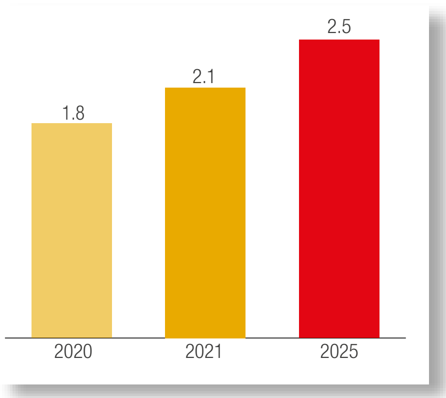


While the Group has changed significantly in recent years (acquisition of WeFix and Nature & Découvertes, definition of a *raison d'être,* development of a new strategic plan, etc.), Fnac Darty plans to carry out a new materiality study in 2022 in order to ensure that its CSR policy continues to meet the expectations of its stakeholders and to re-examine the prioritization of these issues.

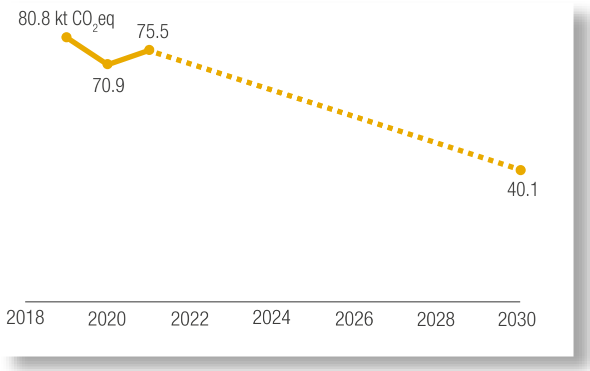
This chapter is structured according to the five pillars of the Group's CSR policy and the associated challenges.

The objectives in this table are those included in the strategic plan Everyday, illustrating the significant weight of CSR issues in the Group's strategic decisions. Other objectives are set out in this chapter.

Our four most significant CSR risks	Our CSR policy: Our five CSR pillars	Our CSR policy: Our challenges and commitments Our objectives	Our contribution to SDGs *(see Chapter 1, section 1.1.3)*
The development of business lines *Risk explained in section 2.1*	1/ Develop human capital	■ Promote **gender equality and quality of life in the workplace** *see section 2.1.1* ■ Develop **skills and employability** *see section 2.1.2* ■ Guarantee **employee health and safety** *see section 2.1.3* **EVERYDAY OBJECTIVES:** ■ Achieve female representation of 35% in the Leadership Group by 2025  ■ Achieve female representation of 40% on the Executive Committee by 2025 	

Our four most significant CSR risks	Our CSR policy: Our five CSR pillars	Our CSR policy: Our challenges and commitments Our objectives	Our contribution to SDGs *(see Chapter 1, section 1.1.3)*
Sustainability of the business model and new consumption patterns *Risk explained in sections 2.2 and 2.3*	2/ Promote sustainable consumption and an educated choice	■ **Help customers** make an educated choice *see section 2.2.1* ■ Develop **the product range** *see section 2.2.2* ■ Encourage **repairs** *see section 2.2.3* ■ Give a **second life** to products *see section 2.2.4* ■ Ensure **waste collection and recycling** *see section 2.2.5* ■ Contribute to **public debate around sustainability** *see section 2.2.6* **EVERYDAY OBJECTIVES:** ■ "Sustainability score [(1)]" of 135 by 2025  ■ 2.5 million products repaired in 2025 	12, 13
	3/ Contribute to the social and cultural development of territories	■ Provide **access to culture to as many people as possible** *see section 2.3.1* ■ Increase the positive impact on the territories: **employment** and **solidarity** *see section 2.3.2*	8, 11

(a) *Sustainability score: average of a reliability score and a reparability score, calculated on the basis of data collected by Fnac Darty's After-Sales Service Department over the last two years for each product listed, weighted by the volume of products sold by the Group in the year in question.*

Our four most significant CSR risks	Our five CSR pillars	Our CSR policy Our challenges and commitments Our objectives	Our contribution to SDGs *(see Chapter 1, section 1.1.3)*
The climate emergency and its consequences on companies *Risk explained in section 2.4*	4/ Reduce impacts on the climate	■ **Strengthen governance** and integration of climate risks *see sections 2.4.1 and 2.4.2* ■ **Reduce emissions** generated by transportation and energy from sites *see section 2.4.4.3* ■ **Extend management of indirect emissions** (products, services, IT, employee travel, etc.) *see section 2.4.4.3* **EVERYDAY OBJECTIVE:** ■ 50% reduction in CO_2 emissions related to transportation and energy on sites by 2030 compared to 2019 	11 13
Ethics for all based on a model of development through partnership *Risk explained in section 2.5*	5/ Ensure exemplary business conduct	■ Protecting the **personal data** of employees and customers *section 2.5.2* ■ Preventing the **risks of corruption** *section 2.5.3* ■ Implementing a **responsible indirect purchasing policy** *section 2.5.4* ■ Implementing a **Vigilance Plan** *section 2.5.5* ■ Ensuring **fiscal responsibility** *section 2.5.6*	16

This DPEF also incorporates some of the corporate responsibility issues, policies, action plans and results of Nature & Découvertes. The company, which joined the Group in August 2019, has a separate CSR policy but one that is consistent with the Group's CSR policy, and uses B Corp certification, renewed for the third consecutive time, to steer its overall performance.

B CORP CERTIFICATION: A TOOL FOR THE TRANSFORMATION AND CONTINUOUS IMPROVEMENT OF NATURE & DÉCOUVERTES

Nature & Découvertes was the first French specialized retailer to be B Corp certified in 2015. Following on from ISO 14001, the company has chosen to devote itself fully to the B Corp certification process as the scope addressed by this international certification includes commitment at business model level and corresponds better to Nature & Découvertes' profile: a retail company that has most of its products manufactured according to established specifications.

B Corp (Benefit Corporation) is an international certification that assesses non-financial performance on environmental, social and societal issues using five pillars: Governance, Employees, Community, Environment and Customers.

The certification is based on an ever-changing questionnaire that integrates current CSR issues at the global level. It is a transformation and continuous improvement tool that measures the impact of the business model and its activities.

In 2021, Nature & Découvertes obtained its third B Corp certification with a score of 86.5 points, above the industry average (81.3). This certification recognizes Nature & Découvertes' long-standing commitments to respecting demanding social and environmental criteria and is a tool for identifying areas for progress (notably through the benchmarking of other certified companies) in each area.

B Corp welcomed the new *raison d'être* of Nature & Découvertes. Formalized in 2021, it takes into account societal changes (new customer expectations in terms of lifestyle and consumption) and environmental changes (erosion of biodiversity) and forms the basis of Nature & Découvertes' new strategic plan "Ambition 2025": "To offer genuine solutions (products and experiences) to all those who wish to change their way of life for ecology of the Earth, body, and mind."

2.1 / Develop our most valuable asset: people

- **Promote gender equality and quality of life in the workplace**
- **Develop skills and employability**
- **Guarantee employee health and safety**

Risks	Opportunities
■ Loss of attractiveness of the employer brand: inability to attract and retain talent ■ Costs of turnover, absenteeism and disengagement ■ Costs related to workplace accidents including road accidents ■ Skill mismatch ■ Difficulties in supporting diversification and the increase in certain activities due to shortages in certain professions	■ Motivated employees and efficient and diversified teams ■ An attractive employer brand ■ Agility and resilience ■ Ability to innovate ■ Employee motivation and satisfaction ■ Control of costs related to accidents (insurance and absenteeism) ■ Employees whose expertise allows the customer to make "an educated choice".

Levers activated	2021 Actions	KPI and associated indicators
■ Support for women in leadership positions and integration of people with disabilities	■ Ega Pro agreement: reinforcing measures and training aimed at promoting equal opportunities ■ Review of recruitment processes to promote gender equality ■ Reducing compensation discrepancies ■ Creation of the Disability unit	■ **KPI: percentage of women in Leadership Group roles** [(a)] ■ **KPI: proportion of women who were granted at least one individual raise during the year** ■ Proportion of employees with disabilities in open-ended contracts
■ Start of collective bargaining	■ Negotiation of quality of life in the workplace and professional equality at Group level ■ Signature of the employment and career path management agreement ■ Signature of the remote working agreement	■ NPS employees ■ Staff turnover
■ Deployment of new organizational structures	■ Formalization of a new shared culture: "All Leaders" ■ Implementation of remote working and the "Activity Based Office" project ■ Optimization of the "Agile Call Center" project ■ Launch of "salesperson chat and video"	
■ Improving quality of life at work	■ Launch of the QLW agreement: improving work-life balance ■ Regular survey of all Group employees	
■ Risk prevention for the most exposed business lines	■ Strengthening of training programs related to safety and security ■ Appointment of "safety representatives" ■ Prevention of musculoskeletal disorders through muscle awareness sessions ■ Investment in the modernization of equipment	■ **KPI: absenteeism due to sickness** ■ **KPI: frequency rate of workplace accidents with stoppage time** ■ **KPI: severity of accidents at work**
■ An in-house training academy for bespoke training courses ■ Multi-modal training courses (e-learning, virtual reality, face-to-face) ■ Diversification of recruitment sources	■ Development of sales expertise ■ Strengthening managers' leadership skills ■ Development of programs to train in professions where staff are harder to find ■ Launch of new classes designed for new audiences	■ **KPI: share of payroll allocated to training** ■ **KPI: number of training hours per employee trained** ■ Number of employees trained and recruited on permanent contracts

(a) Approximately the top 200 managers at Group level.

Key figures

Unless stated otherwise, the social data reported in this chapter relates to all Fnac Darty subsidiaries. Franchises are also excluded from the scope of the report. The definitions are given in the associated paragraphs when required.

All the priority indicators and other indicators are available at the end of the chapter in the table of CSR risks and indicators.

Scope: Group excluding franchises	2019	2020	2021	2025 Everyday objective
Workforce as at 12/31 *(fixed-term contracts + open-ended contracts)*	24,046	24,886	25,585	
France workforce as at 12/31	17,676	18,895	19,270	
Proportion of open-ended contracts	88.3%	89.2%	87.8%	
Share of temporary staff *(open-ended contract + fixed-term contract + temporary staff)*	13.4%	12.5%	13.1%	
Proportion of full-time workers *(from employees on open-ended contracts)*	81.9%	82.8%	83.8%	
Share of payroll allocated to training	2.5%	2.8%	3.2%	
Number of training hours per employee trained [a]	14.2 hrs	9.2 hrs	14.9 hrs	
Percentage of women in Group Leadership roles [b]	24.3%	24.3%	26.6%	≥ 35%
Share of the under-represented gender on the Executive Committee	33.3%	33.3%	38.5%	> 40%
Percentage of women employees who have received an individual raise	33.2% compared with 29.5% for men	22.9% compared with 23.5% for men	22.3% compared with 25.2% for men	
Absenteeism due to sickness	4.6%	5.2%	5.3%	
Staff turnover	16.2%	12.5%	16.4%	
Frequency rate of workplace accidents with stoppage time [c]	27.5%	30.1%	31.5%	
Severity rate of workplace accidents with stoppage time [c]	1.5%	1.7%	1.9%	

(a) All formats combined (classroom, virtual class, e-learning).
(b) Approximately the top 200 managers at Group level.
(c) Excluding Nature & Découvertes, whose methods of calculating these rates vary from those of Fnac Darty.

With over 25,500 employees, more than three quarters of whom work in direct contact with customers, anticipating and supporting rapid changes in business activities, guaranteeing the health and safety of employees, and fostering their commitment have been identified as major challenges for the Group. Reaffirmed in the strategic plan Everyday, this is a key social responsibility.

In an extremely competitive sector faced with emerging economic players who are innovative in terms of their human resources management, the attractiveness of the employer brand, and the motivation of Fnac Darty employees are highly strategic. They involve listening carefully to employees' expectations, both in terms of autonomy and management, and the meaning given to their work.

The Group invests and innovates to develop its organizational methods, provide its employees with a motivating work environment, and support the development of their expertise while guaranteeing gender equality in the workplace.

2.1.1 / DEVELOP GENDER EQUALITY, QUALITY OF LIFE AT WORK AND COMMITMENT

Fnac Darty is committed to becoming a more agile and innovative Group, at the heart of societal issues as a socially responsible company and employer. The support, development and commitment of employees, both individually and collectively, are all key factors that make a decisive contribution to the success of this transformation, essential for deploying the Group's strategy and attracting and retaining talent in a highly competitive environment.

In this context, in March 2021, Fnac Darty signed an agreement on quality of life at work (QLW) and gender equality in the workplace. This landmark agreement, the first to be negotiated at Group level, outlines a common and coherent policy for all Fnac, Darty, Nature & Découvertes and WeFix brands on two themes that structure the Group's commitment to responsibility, making it possible to implement concrete drivers for improvement in human and social relations.

The agreement addresses a number of issues that the Group considers to be priorities, such as the right to disconnect from digital tools, encouraging employees to express themselves, work-life balance, the professional integration and retention of disabled workers, gender equality in the workplace, the fight against discrimination, and urban mobility.

In the context of the current pandemic and new ways of working, this agreement also responds to employees' legitimate expectations for a better work-life balance and redefined working conditions. In this regard, multiple agreements on the implementation of remote working, on a wider and permanent basis at the level of the various Group companies, were signed in 2021 (see also section 2.1.1.3.2).

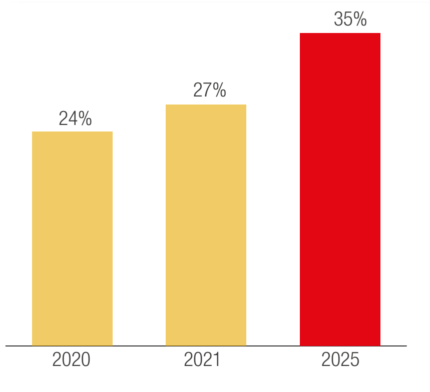
2.1.1.1 / Breaking the glass ceiling

Fnac Darty has made gender equality in the workplace, and in particular the development of gender diversity in senior positions, a priority issue. The Group has mobilized and structured a cross-functional program to get the entire organization moving toward achieving a +50% increase in the number of women in management positions within five years. This program is arranged around several initiatives:

- **setting and publishing ambitious quantified objectives:**

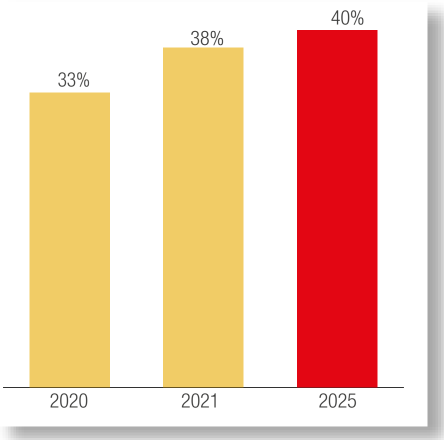
  Two objectives have been set by the Board of Directors on the proposal of the General Management, and included in the strategic plan Everyday:

  - **achieve female representation of 35% in the "Leadership Group"** [(1)] **by 2025,** with an increase of +2 points per year until 2024 then +3 points in 2025,



(1) About the top 200 managers at Group level.

- **achieve then maintain a percentage of at least 40% of the under-represented gender on the Executive Committee by 2025** (as per the rules applicable to the Board of Directors);



- **uphold the Group's commitment and make it visible:**

  In 2021, Fnac Darty increased the number of announcements, both internally and externally, to assert its position and ambition in this area, with the aim of creating strong support around this priority issue.

  To formalize its commitment publicly, the Group has entered into a partnership with the Assises de la Parité, and its Chief Executive Officer took part in round tables on the appointment of women to positions of responsibility during a dedicated event on May 6, 2021;

- **create an internal network dedicated to equality:**

  The "Ex Aequo" network was created in March 2021 and currently has nearly one hundred members, both men and women. It aims to remove collective and individual obstacles to equality and to support the careers of women within the Group. The network helps them gain visibility among internal recruiters, but also gives them the opportunity to share with peers the best practices, tools and experiences required for their career progression. In addition, Ex Aequo members benefit from personalized support such as mentoring, personal development workshops and meetings with inspirational figures;

- **roll out development and awareness programs on female leadership:**

  "Dare!" is a personal development program devised by the Group and focused on female leadership. It provides participants with the tools and insights to make conscious career choices and facilitate their access to senior positions. This system also helps add to the pool of female candidates in-house.

  The program consists of three days of classroom training supplemented by several individual coaching sessions, as well as webinars, personal and group work time, and exchanges with speakers. Tested in 2020 with a group of 12 female managers from Fnac and Darty stores, a new session was carried out in 2021 for head office employees, and three new sessions are planned for 2022;

- **audit and review HR processes to prevent discriminatory bias:**

  Recruitment procedures were reviewed in 2021 to prevent gender stereotyping. This includes the requirement to include at least one woman among the candidates, but also to ensure the mandatory presence of a woman on the recruitment panel. In the event that two candidates of different genders show an equal level of competence during the recruitment process, the choice must be made in favor of the female candidate.

  A recruiter memo has been produced, as well as an e-learning module entitled "Recruiting without discrimination", which all new managers and HR staff must take in order to raise awareness.

  With regard to compensation, the Group is committed to achieving and maintaining equal pay for men and women. To this end, the Group has carried out an assessment to identify any discrepancies and has established a catch-up package for any inequalities detected. Lastly, Fnac Darty remains particularly vigilant when it comes to hiring and promotions and carries out central monitoring of increases and the proper allocation of variable compensation after maternity and/or adoption leave.

2021 Results

Fnac Darty has published its gender equality index, in accordance with French law 2018-771 of September 5, 2018, known as the "Professional Future" law. It assesses the level of gender equality using five measurement indicators: pay differentials, difference in obtaining an individual raise, difference in obtaining a promotion, satisfactory award of an individual raise after maternity leave, and lastly, level of gender equality in teams.

As regards the Group, this consolidated index, published on the corporate website, gave the Company a score of 88 out of a total of 100, based on 2021 social data. Details of the results by subsidiary are updated annually and can be accessed via the Group's website.

For 2021, the main indicators relating to gender equality in teams and fair treatment based on gender are as follows:

Scope: Group	2019	2020	2021
Gender equality index (consolidated) *See details of the index on the Group's website: https://www.fnacdarty.com/wp-content/uploads/2022/02/cp-index-e-galite-salariale-publication-fe-vrier-2022-version-de-taille-e-vf.pdf*	90	90	88
Percentage of women in the total workforce	39.0%	39.6%	39.1%
Percentage of manager-level women in the workforce	35.7%	37.0%	37.2%
Percentage of female store managers	13.6%	18.2%	19.9%
KPI: percentage of women in Leadership Group roles [(a)]	24.3%	24.3%	26.6%
Percentage of women on the Board of Directors	50%	50%	50% [(b)]
Percentage of women on the Executive Committee	33.3%	33.3%	38.5%
KPI: proportion of women granted at least one individual raise during the year	33.2% compared with 29.5% for men	22.9% compared with 23.5% for men	22.3% compared with 25.2% for men

(a) Approximately the top 200 managers at Group level.

(b) Excluding employee Directors (43% including employee Directors).

Awards, partnerships and commitments

In 2021, Fnac Darty was awarded the LSA Gender Equality Award (retailer category) for its efforts to promote gender equality, and in particular its glass ceiling program.

2.1.1.2 / An active diversity policy to promote the inclusion of people with disabilities and combat discrimination

Fnac Darty has a long-standing commitment to changing attitudes toward disability, combating stereotypes and prejudices and implementing concrete actions as part of a proactive approach. This commitment was reaffirmed in 2021 with the signing of the Diversity Charter.

Historically, the Group has always made a strong commitment to hiring people with disabilities by raising awareness among its teams, attending dedicated job fairs, offering appropriate professional training programs and promoting best practices. The Group's Disability initiative is leading this proactive policy and centered its 2021 activity on a number of projects:

- the Disability unit, launched in 2021, includes one human resources representative per legal entity as well as two elected union representatives and the Disability representative. This joint team is working on the implementation of action plans per entity in order to raise employee awareness of the various forms of disability. It also encourages employees to have their disabilities recognized as "disabled workers", if necessary, in order to benefit from their rights. The unit should also encourage the recruitment of more people with disabilities and provide feedback from the field;
- the HR representatives and the elected ESC representatives of the Disability unit have completed a 1.5-day training course;
- the Disability initiative regularly organizes webinars such as "Disability at work: administrative recognition", and has also carried out an awareness-raising campaign for all elected ESC representatives;
- the setting up of two work-study classes intended for disabled persons in order to train them as cashiers and storekeepers with the possibility of hiring them on an open-ended contract at the end of their training;
- participation in Duodays: 55 two-person teams (compared with 18 in 2020) pairing a Fnac employee and a disabled person were trained, and people with disabilities were welcomed for a day on Fnac sites in order to encourage interaction and change the way people view disability;
- increased accessibility of commercial websites, specifically with the extension of the Accéo service to the Fnac website (a remote interpreting system providing deaf people with access to customer service) as well as the "Facil'iti" plugin on the fnac.com and darty.com websites. This also facilitates access to commercial websites for people with all kinds of disabilities such as color blindness, blindness or nearsightedness, thanks to a voice reader and captioned photos;
- faster recruitment of people with disabilities through the publication of advertisements on dedicated websites, the assistance of a specialized firm for executive profiles, and a more active leveraging of the Cap Emploi contact network.

Results

Scope: Group, excluding Belgium and Switzerland	2019	2020	2021
Proportion of employees with disabilities on open-ended contracts	5.2%	4.9%	5.0%
Percentage of people with disabilities newly recruited under open-ended contracts	1.2%	0.8%	1.7%

Awards, partnerships and commitments

In 2021, Fnac Darty signed and approved the fundamental concepts set out in the Diversity Charter.

Fnac Darty has renewed its internal Handi'trophée award, which recognizes entities, stores or teams that are committed to the employment of disabled people within the Group.

In addition, the Group has been rewarded for promoting the inclusion of deaf and hard-of-hearing people in the workplace by winning the Inclusion Surdités prize from the Fondation Pour l'Audition in 2021.

2.1.1.3 / Unlock the potential of each employee in order to make them a player in the strategic plan

Employee engagement, both individually and collectively, is a key factor contributing to the success of the strategic plan. As a result, the Group is seeking to evolve its organizational methods in order to provide its employees with a motivating work environment and to build a shared culture and operating principles.

2.1.1.3.1 / All Leaders: a new set of operating principles for working better together for the benefit of customers

In parallel with the development and implementation of the new strategic plan, Fnac Darty has initiated an ambitious program to transform the Group's corporate culture, capitalizing on its strengths while changing certain behaviors and styles of interaction to establish a lasting culture of performance, responsibility and trust, which stimulates employee commitment and attracts new talent.

To achieve these ambitions, co-construction workshops began in October 2020. These exchanges with Comex members and business line representatives led to the creation of a new framework called "All Leaders", which is broken down into five guiding principles.

The "All Leaders" program, which is an integral part of the Everyday strategy, is intended as a long-term initiative, extending beyond the strategic plan, as part of a gradual process of transformation.

The "All Leaders" program was presented to all employees in September 2021. An implementation and support program is planned from 2022 onwards, to help all Group employees better embody the guiding principles in their daily work.

2.1.1.3.2 / New forms of collaboration

Implementation of the remote working agreement

The health crisis has radically changed working and management methods. It has also created new expectations among employees, particularly with regard to commuting, social ties and work-life balance. As a result, Fnac Darty has responded to the wishes of its employees by offering them greater flexibility. To this end, multiple agreements were negotiated and signed in 2021 by the various Group companies to introduce regular and exceptional remote working.

Employees may now benefit, on a voluntary basis and subject to eligibility, from one to three days of remote work per week. This decision was met with enthusiasm from the workforce, and a majority of eligible employees have opted for three days of remote work at the Group's head office. In addition, all employees were allocated a budget of €200 to equip their work environment.

Everywhere at work – A new way of collaborating

Remote working agreements called into question the layout of Fnac Darty's offices and their suitability regarding the changes in team organization and new employee expectations.

Accordingly, a project for the reorganization of the Group's various head offices was launched in early 2021. This Activity Based Office (ABO) project involves organizing workspaces according to the activities and uses of on-site employees and aims to support the transformation of these new ways of working, with more remote working, but also to revitalize the on-site employee experience. The creation of these new spaces was carried out in close collaboration with employees and unions through surveys, focus groups and co-design workshops.

Agile call center

As part of the Group's overall approach to transforming its organization and customer relations, drawing on arrangements that promote collective intelligence, an "agile call center" project was initiated in 2020 at the Bègles customer relations center and was fully launched in 2021. This site, with some 70 employees, specializes in customer service, technical assistance and remote appraisal for Darty customers.

This transformation project, spearheaded by the Customer Relations Department and supported by the site's management team, aims to set up a self-governing "agile" organization, i.e. one with no formal hierarchy. This new organization has the dual objective of better serving customers and highlighting the often undervalued customer relations roles.

This initiative, with no parallel in the call center field in France, received an award in October 2020 from the French Customer Relations Association (AFRC) at the thirteenth edition of its Customer Relationship Awards, "Palmes de la relation client".

Results

In 2021, the Bègles site outperformed on a number of social indicators monitored by the Group: the level of employee commitment (monitored via Supermood – see below) was up sharply (+20 points in 2021 compared with 2020), as was customer satisfaction (+18 points – source: Colorado), while the rate of absenteeism fell sharply from 12% in 2019 to 2.66% [(1)] in 2021.

2.1.1.3.3 / Improving quality of life at work

Offer employees a better work-life balance

Fnac Darty believes that fostering a better work-life balance contributes to the well-being, fulfillment and commitment of its employees.

In this sense, the QLW agreement, signed in March 2021, proposes adjustments to better reconcile these two aspects for certain specific situations, including:

- for employees who are caregivers (assisting relatives with disabilities or loss of independence): they can benefit from a shared pool of solidarity days and a Group matching contribution of up to five days. Moreover, their mobility clause does not apply and they can organize themselves better with an additional day of remote work;
- for senior employees: full-time employees with 10 years' service now have the option of reducing their working hours by 20% and benefiting from coverage of the difference in contributions to basic and supplementary pension schemes. They also receive an additional day of remote work;
- for employees who are parents: a number of measures have been added to those already in place:
  - support for pregnant employees (schedule adjustment from the sixth month of pregnancy, one additional day of remote work from the fourth month of pregnancy),
  - support upon return from maternity, paternity and childcare leave (schedule adjustments during the first three months after return from leave),
  - special assistance for single-parent families or parents whose spouse is absent or ill (possibility of limiting travel and/or adjusting schedules),
  - provision of emergency or periodic day care in a crèche,
  - paternity leave with 100% pay for a period of 14 calendar days.

Listen to employee difficulties and expectations

Aiming to drive employee engagement, in 2018 the Group launched an innovative approach for listening to its staff that respects anonymity: Supermood. This initiative allows each employee to express their opinion, observations, expectations or difficulties concerning the performance of their work at the site.

Each month, four short questions are sent to all employees in France and in some international subsidiaries. The system makes it possible to monitor employee "mood" in real time, enabling managers to provide appropriate, targeted and rapid responses. Supermood therefore actively contributes to the continuous improvement of working conditions, internal procedures, organization, motivation and social cohesion.

In 2021, monthly webinars were organized to better support managers in their use of this managerial tool, from sharing results to taking action.

(1) At the end of November 2021.

Results

In 2021, the response rate was between 34% and 48%, while in December 2021, the Company's average recommendation score [(1)] was 7.4 out of 10 (7.5 in 2020, 7 in 2019).

Turnover is one of the indicators monitored to measure the Group's commitment and ability to retain its talent. It has seen a significant increase compared to 2020, an exceptional year marked by numerous lockdowns and periods of short-time working for the Group's employees. However, compared to 2019, this rate has remained stable, demonstrating the strength and attractiveness of the employer brand, in an economic and societal context that is nonetheless favorable to turnover (economic recovery, careers becoming increasingly less linear, etc.).

Scope: Group	2019	2020	2021
Turnover	16.2%	12.5%	16.4%

In 2021, the Group strengthened its listening system with two other complementary levers to promote employee well-being:

- an external listening hotline with occupational psychologists open 24 hours a day, 7 days a week;
- group meetings to enable employees to express their views on the organization, the environment and their working conditions (at least once a year, within each team, starting in 2022).

2.1.2 / DEVELOP SKILLS AND EMPLOYABILITY

2.1.2.1 / Training, an essential component in the success of the plan Everyday

The Group is investing and innovating in training to support its employees as their jobs evolve and to enable the Company to remain efficient and achieve the objectives set out in the strategic plan Everyday. For Fnac Darty, this means adapting to changes in the sector and the latest customer expectations, as well as adopting a responsible employer policy that allows all its employees to develop their skills and employability.

Based on Darty's in-house training model, the Group set up an Academy in 2018 allowing it to gain in expertise and agility, while reducing teaching costs. Since 2021, the Academy has been a certified Qualiopi organization, a guarantee of quality that also allows it to train externally.

With the aim of accelerating employee skills development, particularly in the priority areas of the plan Everyday, the Company's training offer is based on both face-to-face and e-learning programs.

Results

Scope: Group excluding franchises	2019	2020	2021
KPI: share of payroll allocated to training	2.5%	2.8%	3.2%
KPI: number of training hours [(a)] per employee trained	14.2 hrs	9.2 hrs	14.9 hrs
Proportion of employees receiving training in classroom over the year compared to total number of employees [(b)]	66.0%	37.5%	56.7%
Proportion of employees receiving training in classroom and/or via e-learning over the year compared to total number of employees [(b)]	82.9%	75.9%	93.7%
Average number of training hours per employee trained via classroom programs	15.4 hrs	13.7 hrs	15.5 hrs
Number of e-learning courses taken and validated	157,506	182,118	327,694
Number of work-study participants	967	1,107	1,328
Number of APL (accreditation of prior learning) participants	22	20	25

(a) All formats combined: in classrooms, virtual classes or e-learning.
(b) Employees (open-ended and fixed-term contracts) as of December 31, 2021.

(1) Score from 0 to 10, in response to the question "How likely would you be to recommend Fnac Darty as a good company to work for?" Overall score obtained by adding each score weighted by the number of respondents giving that score, divided by the number of respondents.

2.1.2.1.1 / Salespeople expertise: a priority to support the strategic plan

Constantly improving our support and advice to customers, in terms of their uses and needs, and helping them to make the right choice, in an informed and independent manner, are long-standing commitments of the Group.

Enabling this educated choice largely depends on the acknowledged expertise of Fnac Darty's salespeople. Developing this expertise has thus been highlighted as a major component of the new strategic plan.

Through its variety of content, the Fnac Darty Training Academy aims to make salespeople better trained, better equipped and also better supplied with data.

Salesperson expertise at the heart of a personalized five-year program

Fnac Darty wanted to make sales expertise a point of differentiation from the competition, as well as a driver of employee commitment and therefore retention.

This prioritization is reflected in a substantial investment plan: €3 million in 2021, an additional €1 million in 2022 and a further €1 million in 2023.

This investment plan will enable the Academy to support the deployment of its ambitious five-year training program, launched in 2020 for all salespeople, and to expand its team of instructors.

The salesperson training course is based on:

- an onboarding process that allows new salespeople to familiarize themselves with the Company's strategic objectives, its CSR policy and its brand ecosystem, and to perfect their sales techniques and presentation;
- a personalized five-year program that allows each salesperson to track their progress, but also to better understand the uses that customers have in mind for their purchases as well as the services they may need. The objective is to make them sales experts as well as enthusiastic about the products offered. Recent years have focused on strengthening product sales expertise as well as developing versatility across the entire ecosystem of products and services. The possibility of becoming a "product ambassador" to share their knowledge with their colleagues is also offered at the end of the course;
- various formats: e-learning, classroom training, videoconference and coaching.

For Fnac and Darty, this is not only an opportunity to build employee loyalty by providing a long-term vision but also to provide staff with the tools to improve their performance in the long run.

Additionally, the Group continues to rely on an innovative application, NAPS, to reinforce knowledge of the Group's products and services. The principle of NAPS is to encourage training through play and by highlighting progress made. This application lets salespeople validate "product" and "sales technique" training, consult product news, take quizzes and chat with the sales community. In this way, other salespeople become a key part of their training. There are more than 8,300 Fnac Darty NAPS users, and this figure continues to climb.

Customer excellence: more than 300 participants graduated in 2021

In order to strengthen its strong links with customer culture, in 2019 the Group deployed a program aimed at employees in contact with customers in Fnac and Darty stores (salespeople, customer service agents, after-sales service technicians), as well as delivery personnel and call center advisors: the *Excellence client* (customer excellence) program.

These customer relations modules have provided participants with a detailed knowledge of new customer expectations, the use of omnichannel drivers, the development of their customer relations and sales skills and, for learners not coming directly from sales, the opportunity to move into these roles.

Upon completion of this program in March and April 2021, 317 participants validated their record and obtained a certification recognized by the French Commission of Professional Certification and by the professional branch.

2.1.2.1.2 / Stores, a means of differentiation

Responding to customer needs and enabling an educated choice: sales chat on websites

As part of the transformation of its business model, Fnac Darty seeks to embody the new standards of human and digital omnichannel retail. To this end, the Group has invested in the development of a tool on the commercial websites that links Fnac and Darty in-store salespeople with web customers via chat or video. This new service addresses several issues by:

- improving the customer experience by providing an innovative service and advice to help customers make an educated choice;
- consolidating the omnichannel strategy and increasing store revenue;
- allowing the salesperson to acquire new skills but also to benefit from additional income that increases the attractiveness of the role.

In short, this feature is an opportunity for the Group to strengthen its omnichannel model, by combining the power of the customer flow on its e-commerce websites with the advisory expertise developed in-store.

This initiative has been welcomed by the salespeople, who have seen their role evolve and have enhanced their sales experience, and by the customers, who appreciate being able to talk to a human being who provides a precise response to their requests, unlike robotic chat services.

There were more than 150,000 video/chat exchanges in 2021. Thanks to the 1,500 salespeople trained in this new service, the conversion rate of a web customer using the video service is two to three times higher than that of a standard web customer. While this video service is available for all consumer electronics, it will soon be expanded to other product categories.

Quality of in-store customer experience

As a differentiator from the competition, Fnac Darty wants to put a greater emphasis on its stores by strengthening the quality of the customer experience so that customers want to come back frequently. To achieve this, Fnac Darty intends to develop the role of the “welcomer”, to greet and guide customers as they enter the store.

2.1.2.1.3 / Train managers to support the Group’s transformation

Building a shared managerial culture

Developing leadership and managerial skills is key to the success of the strategic plan. It is essential that each employee be supported throughout the rapid transformation process in order to better focus and coordinate the work of the teams on the plan’s priority areas.

In order to address this issue, Fnac Darty launched the Master DO-IT program in March 2020, in collaboration with Kedge Business School. This management training program for managers and supervisors is designed for the long term (24 months for managers and 18 months for supervisors). Its objective is to build a common managerial culture, to reinforce the feeling of belonging to a community of managers and to encourage the emergence of a culture of collaboration and mutual support. Certification at the end of the course also helps to promote learner employability.

- At the end of 2021, there were 341 managers enrolled (compared with 398 in 2020), with 89% certified.
- There were 241 local managers enrolled at the close of 2021 (compared with 316 in 2020) with 84% certified.

Training managers in remote working

The health crisis has radically changed working and management methods. It has also created new employee expectations, as staff developed new work habits during the health crisis. Several agreements on regular or exceptional remote work were signed in this area in 2021 (see section 2.1.1.3.2).

To support line managers in this new way of organizing work, support for good remote working practices was rapidly rolled out in 2020 and reinforced in 2021. Fnac Darty managers have attended workshops dedicated to remote working and have received training, to help maintain social connection and employee commitment.

2.1.2.1.4 / At Nature & Découvertes, a training school at the service of the brand’s culture

In line with its values as a responsible company that is eager to learn, Nature & Découvertes allocates nearly 5% of its payroll to training and relies on its in-house training school, La Source, to support its employees in product knowledge, merchandising, customer service and personal development.

For two to three days a year, they attend the school to learn about products and about their businesses (sales, management, project management, and so on), to improve their tools, and to advance in their personal style.

This face-to-face approach is based on more than 40 modules, chosen for their suitability to business needs. This is complemented by a digital offer, with over 115 e-learning modules, serious games, webinars and e-classes, for a rich and varied experience that helps students to enhance their learning, and piques their curiosity. 80% of training materials are produced by Nature & Découvertes’ employees and the majority of training courses are delivered by employees who have become experts in their area.

The complementary nature of the content taught makes it possible to assimilate new recruits into the brand’s culture more quickly. Since 2019, La Source has been located at La Canopée, the new headquarters of Nature & Découvertes.

In 2021, in order to respond to the remote working methods linked to the health situation, all of the training courses offered by La Source were digital: nearly 2,100 e-training courses were delivered to over 700 employees.

Specific training adapted to the circumstances on topics such as “working remotely” or “resilience” also expanded the training program, in addition to workshops (including collective intelligence co-development workshops) to strengthen interpersonal skills at the head office and better prepare for manager/staff interactions (90% of head office employees have been trained).

2.1.2.2 / Anticipate future needs

Following a Strategic Workforce Planning analysis carried out in 2019 and 2020, the Group opened and initiated Group-level collective negotiations on job and career management (*Gestion des Emplois et des Parcours Professionnels* – GEPP) in 2021. In January 2022, discussions led to the signing of the first Group agreement on this subject, which aims to support employees in developing their skills and employability. The implementation of this agreement should enable them to diversify and secure their career paths, as well as open up new opportunities.

The Group hopes that this GEPP approach will give each employee visibility on the development of positions within the Group and the possibility of choosing a career path that is consistent with the Company’s future needs, while taking into account their own personal choices.

2.1.2.2.1 / GEPP agreement: encouraging retraining for employees in vulnerable professions

Foreseeable developments linked to the Group’s strategic guidelines, market trends and consumer expectations have a significant impact on jobs and skills. Fnac Darty is anticipating the required adjustments and intends to provide the best possible support to the employees concerned.

To this end, Fnac Darty has included new measures in the GEPP agreement designed to facilitate the transition from so-called vulnerable professions or those with declining staffing levels to expanding professions.

Fnac Darty plans to create “mobility hubs” at Group level, based on skill sets, in order to highlight potential bridges between two different professions.

These will be used to:

- identify professions that are similar to each other and require transferable or similar skills;
- visualize potential bridges between multiple professions and measure the gaps in skills between those acquired and those to be acquired, depending on the profession in question.

Several measures have been planned to address skills shortages and limit the obstacles to retraining:

- identification of the employee’s support and training needs based on an assessment of the skills acquired and those to be acquired or developed in the target profession (quiz, interview, skills assessment, role-playing);
- implementation of one or more “live my life” programs involving a short immersion period lasting a few days, which enables an employee to confirm or disconfirm their interest in the target position;
- follow-up by an experienced mentor in the new position;
- inclusion of a return clause in an equivalent position, in the event that the employee is not satisfied with their retraining.

To ensure governance for this new system, the agreement provides for the creation of a Mobility and Job Progression Committee, made up of HR advisors and operational staff, which will meet once a year. This committee will be responsible in particular for working on job development prospects and for promoting internal mobility and career guidance.

2.1.2.2.2 / Attract talent and develop skills in professions that are in short supply

The diversification of activities, the rise of e-commerce and the development of repair services are all part of the plan Everyday. To support this strategy, there are certain key roles, such as after-sales technicians, delivery and installation technicians, kitchen sales designers and web developers. However, these professions have also been identified as short-staffed. Other measures, complementary to the GEPP agreement, have been implemented in order to attract and retain talent, with a view to opening up applications to new profiles.

Review of compensation

In order to promote attractiveness and the retention of employees working in certain highly competitive professions, such as after-sales technicians and web developers, compensation increases have been agreed.

From 2022, web developers will automatically receive a salary increase after two years and five years of activity. These new pay raise mechanisms enable Fnac Darty to offer medium and long-term prospects to new arrivals, and thus reduce turnover in these professions.

A review of the salary grid for after-sales technicians and group leaders was also carried out, with a substantial multi-year investment plan that began in 2020, continued in 2021 and will continue in 2022.

Development of customized training and onboarding programs

For home service technicians

The development of Fnac Darty's repair services, driven in particular by the Darty Max repair subscription offer (see also section 2.2.3.1.), is driving the need to recruit after-sales technicians. As a result, in 2021, the number of home service calls increased by 8% compared to 2020.

To support the recruitment and professional development of new repair technicians, the Academy has developed a specific program for internal employees and for new recruits: the Tech Academy.

In partnership with two apprentice training centers (CFA), the Group opened 18 apprentice classes in 2021 (compared with 7 in 2020) in the cities of Lille, Paris (2), Lyon, Marseille, Bordeaux and Rennes. A total of 182 people signed up (compared with 87 in 2020), including 20 employees (compared with 19 in 2020) from various backgrounds (sales, delivery, computer workshop).

In order to attract an increasing number of students to its classes, the Tech Academy has chosen to approach young people directly after their high school diploma or vocational baccalaureate, to offer them a professional technician training program with an open-ended contract offer. From 2022, Fnac Darty will subsidize the driving license of young people who join the training program.

For delivery and installation staff

In addition to the Tech Academy, the Delivery Academy has been established to meet the Group's needs in this profession where staff are also categorized as being in short supply. To this end, Fnac Darty started two work-study programs for delivery apprentices (Paris and Toulouse), each with 55 students.

For kitchen designers

Under the Group's diversification policy, the kitchen design-installation business has experienced strong growth for several years. To support this growth, the Kitchen Designers Academy offers a 40-day course, alternating with in-store training periods. This system creates an environment conducive to developing the skills needed to perform this complex job.

- Technicians: 18 classes and 187 trainees.
- Kitchen designers: 12 classes and 145 trainees.
- Delivery: 2 classes and 55 trainees.

Diversify sources of recruitment

Readiness for individual employment (POEI) to integrate unemployed persons

In addition to the training provided by the Academy, Fnac Darty also committed to the POEI program in 2021, which allows unemployed people registered with Pôle Emploi to benefit from up to 400 hours of training.

Three classes addressing different business lines were opened:

- POEI kitchen designers;
- POEI home service technicians;
- POEI delivery and installation staff.

This system provides a pool of candidates and helps people who are outside the job market to find employment. Some of the trainees are recruited on open-ended contracts upon completion of the training.

- POEI kitchen designers: 2 classes and 9 unemployed people enrolled.
- POEI home service technicians: 1 class and 3 unemployed people enrolled.
- POEI delivery and installation staff: 3 classes and 11 unemployed people enrolled.

Vanden Borre and "Les Petits Riens" in Belgium

In Belgium, a close collaboration was launched in 2021 between the organization "Les Petits Riens" and Vanden Borre. The association, which repairs and resells large domestic appliances supplied in part by Vanden Borre, provides a year-long training program for people returning to the labor market to become repair technicians. At the end of this one-year apprenticeship, the apprentice technicians will be able to apply for a permanent contract with Vanden Borre as of 2022.

- Technicians: 5 people in training.

2.1.3 / GUARANTEE EMPLOYEE HEALTH AND SAFETY

Already crucial for the Group in the "normal" course of business, guaranteeing the health and safety of Fnac Darty employees has been a key challenge since 2020, due to the health crisis linked to Covid-19.

From the very start of the crisis, the Group took all necessary measures to ensure its business continuity while implementing the most effective protective measures for its teams, customers, and ecosystem.

Over and above the exceptional context of the past two years, the Group continued to invest in the health and safety of its employees, particularly those most exposed to the risk of workplace accidents, starting with logistics employees. Fnac Darty also decided, under the GEPP agreement, to recognize some of its roles as "high physical impact". This concerns in particular the roles of delivery driver, technician and order picker. Even if these jobs do not meet the legal definition of arduous work, the Group wants them to benefit from support measures, particularly for staff aged over 50.

2021 Results

Scope: Group (excluding Nature & Découvertes)	2019	2020	2021
KPI: Frequency rate of workplace accidents with stoppage time	27.5	30.1	31.5
KPI: Severity rate of workplace accidents with stoppage time	1.5	1.7	1.9

2.1.3.1 / Health crisis: strong measures to protect employees and maintain operations

Even if the impacts of the health crisis were not felt as strongly as in 2020, 2021 was characterized by the implementation of health measures that ensured optimal protection of employees and customers while continuing to maintain business activity and expected service levels.

The procedures aimed at ensuring health safety in Fnac and Darty stores, as well as at the head office, such as social distancing, preventive measures and wearing masks, were maintained in 2021.

Other measures have also been extended or introduced, such as:

- notices reminding people of preventive measures, social distancing and the obligation to wear a mask at all the Group's sites;
- the provision of masks and sanitizer gel;
- regular in-store briefings to raise awareness among all teams as well as the distribution of HR communications following the issuing of new government measures;
- maintaining the "Covid officers" appointed at each logistics site and at the head office, as well as very frequent and thorough talks with the social partners in order to discuss any difficulties;
- spaces and mealtimes organized so as to limit the circulation of the virus;
- maintaining capacity controls for meeting rooms, lifts and the canteen at the head office;
- specific in-store disinfection protocols after any report of a positive Covid-19 case: disinfection or spraying;
- a more widespread use of remote working for all eligible employees, going beyond government recommendations;
- the implementation of a managerial support system created in 2020 and deployed in 2021 with the aim of promoting remote working and training employees in best practices;
- the authorization of time off for Covid-19 vaccination for employees and their children and the establishment of a vaccination program in collaboration with the ACMS (Association of Medical and Social Centers) in 2021;
- the extension of the external listening and psychological support unit available seven days a week as well as the support of a social worker;
- mandatory training on preventive measures and social distancing for all employees.

All these health procedures were developed in full compliance with the recommendations of the French government and in consultation with labor unions.

In short, Fnac Darty has continued to make the health and safety of its employees and customers a priority. In addition, the Group has not only complied with government recommendations, but has also sought to offer its employees greater flexibility, particularly as regards remote working for those eligible or facilitating their vaccination.

2.1.3.2 / Risk prevention for the most accident-prone roles

The Group initiated in 2020 and deployed in 2021 an action plan to enhance safety training and monitoring of the completion of regulatory training such as "gestures and postures" training, or risk management training; deemed mandatory by Fnac Darty. This action plan is addressed to all the Group's employees, and more particularly to operations management employees, specifically delivery and installation staff, logistics staff and after-sales technicians, whose activities are the most accident-prone.

In 2021, a 24-hour risk management training course was given to all managers in the Operations Department, in order to raise their awareness of and responsibility for health, safety and security risks. The training covered several major topics such as the coordination of safety issues at the workplace, fire prevention, procedures for armed robbery/attack, road safety, as well as several modules dedicated to the regulatory framework and social legislation. This training will be extended to supervisors in 2022.

In order to embed this knowledge in day-to-day practices and instill a safety culture, specialist instructors will be sent out into the field in 2022 to work with teams on developing concrete processes that "ritualize" risk prevention.

Logistics

During handling activities, repeated movements, bearing heavy loads and trolley vibrations are at the root of musculoskeletal disorders (MSD), the leading cause of workplace accidents in the logistics sector.

Fnac Darty once again invested in modernizing its warehouses in 2021, by putting workstation ergonomics and, more broadly, safety at the heart of the projects launched, for example:

- the launch of a study of physical measurements at the Plessis and Massy sites for trolley vibrations and noise;
- the gradual introduction of "prevention channels", resulting in the appointment of employee representatives for each department. Their aim is to improve safety conditions by carrying out audits as well as monitoring training and safety posters. The deployment of "prevention channels" will commence in 2022 in order to disseminate the new health and safety measures more effectively;
- a renewal of the investments made in order to find new innovations to reduce the physical loads borne by employees. These investments also aim to reduce certain risks, such as the installation of wheel locks to prevent the truck moving off too soon, wrapping machines to limit manual pallet wrapping and the adaptation of workstations to the tasks to be performed;
- enhanced communication with the introduction of accident alerts and prevention packs common to all six sites.

Delivery/installation

Darty's flagship service, the delivery and installation of large domestic appliances, accounts for more than 1,800,000 customers supplied, between 700 and 800 delivery teams and nearly 500 Darty vehicles. Aware of the risks and potential accidents inherent in these activities for employees, but also for the customers they work for, the Group continued to launch projects in 2021 to guard against them:

- installation and monitoring of load reduction tools, such as electric trolleys;
- organization of muscle training sessions to prevent injuries and MSDs;
- monthly vehicle checks, including tire pressure;
- pilot projects for eco-driving tools, the number one priority for 2022.

2.2 / Promote sustainable consumption and an educated choice

- **Help customers to make an educated choice**
- **Develop the product range**
- **Encourage repairs**
- **Give a second life to products**
- **Ensure waste collection and recycling**
- **Contribute to public debate around sustainability**

Risks	Opportunities
■ Inability to adapt to new customer expectations ■ Inability to find new growth drivers ■ Strengthening of circular economy and climate regulations (across the entire product life cycle) ■ Depletion of natural resources and rising greenhouse gas emissions, related to the life cycle of products	■ Market growth for "responsible" products (reliable, repairable, consuming less energy, recyclable, etc.) ■ Access to new markets (second-hand, urban mobility) ■ Groundbreaking innovations ■ Employee commitment, involved in a meaningful Company project ■ Monetary valuation of unsold goods and waste

Levers put in place by Fnac Darty	2021 Actions	KPI and indicators monitored
■ Development of objective and transparent customer information	■ Ongoing consumer advocacy work by Labo Fnac ■ After-Sales Service Barometer, Sustainability Score and Sustainable Choice: faster promotion of the most sustainable products	■ **KPI: sustainability score** [(a)]
■ "Sustainable curation" to support eco-design and an educated choice	■ Strengthening governance with the creation of a Sustainability Committee to develop the product range ■ Progressive integration of sustainability criteria in commercial purchases and in supplier dialogue ■ An ever more responsible Nature & Découvertes offer, thanks to the Sustainable Innovation Division	■ Share of products with an environmental certification in the Nature & Découvertes offer ■ Share of Nature & Découvertes revenue generated by products with a positive impact ■ Share of revenue labeled Sustainable Choice
■ Innovations to make repairs simpler and more economically relevant for customers	■ Creation of an intelligent after-sales service knowledge base dedicated to customer relations and repairs ■ Expansion of the Darty Max (and Vanden Borre Life) repair subscription to new product categories ■ Development of the WeFix repair company and the After-Sales Service Community	■ Number of persons dedicated to repairs ■ **KPI: number of products repaired** ■ Visits to the website of the after-sales service community
■ A department dedicated to the second life of products	■ Rapid development of the second-hand product offer ■ Acceleration of donations of unsold goods	■ Number of second-hand products sold ■ Number of products donated to associations

(a) *Sustainability score: average of a reliability score and a reparability score, calculated on the basis of data collected by Fnac Darty's After-Sales Service Department over the last two years for each product listed, weighted by the volume of products sold by the Group in the year in question.*

Levers put in place by Fnac Darty	2021 Actions	KPI and indicators monitored
■ Packaging and waste management optimization initiatives	■ Enhanced management of waste recovery performance ■ Continuation of partnerships with Envie	■ **KPI: waste recycling rate** ■ Volume of packaging consumed/revenue ■ **KPI: volumes of WEEE collected**
■ Raising awareness among the general public of sustainability issues	■ Active cooperation with public authorities ■ Creation of a "green" offer from the Retailink advertising network for advertisers	

As highlighted by the surveys in France and those conducted each year by the Group, consumers are increasingly aware and concerned about the ethical, environmental and social issues associated with their consumption, and accordingly are changing the way they consume. As such, "responsible consumption" has seen significant growth.

As part of its annual "Responsible Consumption Barometer [1]", Fnac Darty surveyed more than one thousand French consumers in the first quarter of 2021: 33% of respondents said they were very committed to more responsible consumption, 44% said they pay more attention to their social and environmental impact when buying a product, and 42% have even reduced their consumption – of these, 65% gave environmental and ethical concerns as the main reason.

Although quality and price remain the main drivers for choosing a brand or a product, the brand's CSR initiatives are increasingly taken into consideration by customers. Thus, 56% of consumers surveyed by Fnac Darty consider the environmental and social actions implemented "important" when choosing a brand.

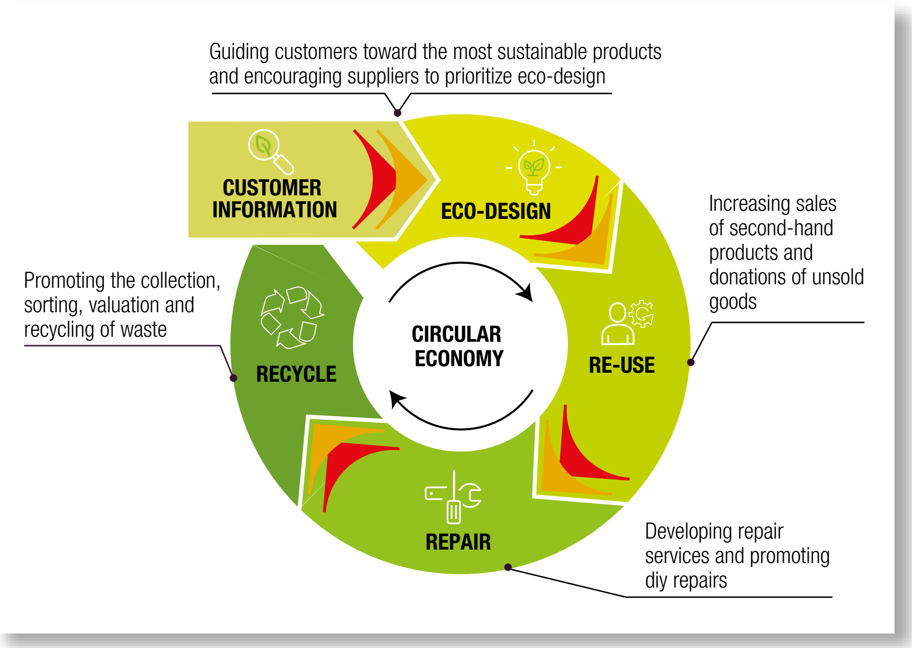
For the Group, these developments are accompanied by:

- transition risks, directly linked to its business model and its ability to adapt to new customer expectations, but also to find new growth drivers, while meeting increasing regulations on the circular economy and climate;
- opportunities to develop new markets (second-hand, urban mobility), to reduce its indirect costs and to gain market share by proposing a product range that meets customers' expectations.

Fnac Darty has fully integrated these issues into its strategy, placing sustainability at the heart of its plan Everyday. This ambition is based in particular on established historical assets: repair and advisory services.

(1) *"Responsible Consumption and CSR Image Barometer", Enov for Fnac Darty (February 2021).*

Building on this heritage, Fnac Darty is responding to the expectations of its various stakeholders, and to its main risks and opportunities related to sustainability and therefore to climate protection, by reaffirming its positioning through its *raison d'être* "Committed to providing an educated choice and more sustainable consumption", its strategic plan Everyday, and more particularly its commitments to engage all the levers of the circular economy:



For the Group, boosting these drivers is even more crucial since they help reduce its environmental footprint, most of which is linked to the manufacturing phase of products, and to reduce the footprints of its customers and suppliers (see also section 2.4.4.5).

2.2.1 / HELP CUSTOMERS MAKE AN EDUCATED CHOICE

As customers face an infinite number of choices, for several years Fnac Darty has strengthened its historic mission of advising its customers so they can make an educated choice. This *raison d'être,* reasserted in 2020, is based on strong evidence from the history of the Group's brands.

As a retailer, the Fnac Darty is therefore convinced that information is a powerful driver to help advance the market and thus reduce the environmental impact of its business model and that of its customers. In fact, providing reliable and transparent information on a product's performance, repairability and reliability helps customers to choose more reliable and repairable products, and encourages manufacturers to design more sustainable products.

2.2.1.1 / Helping people to make the best choice is the historic mission of the Labo Fnac

Defending consumers by giving them as much information as possible so they can make an educated purchase is in Labo Fnac's DNA. A unique concept, the Labo has accompanied the banner's customers in their purchases since 1972. Every year, its experts, equipped with a range of sophisticated measuring systems, test the technical performance of hundreds of new electronic products. The Lab's objective scientific methods are recognized by well-known brands that regularly send their prototypes to it for evaluation.

Test results are published monthly on fnac.com, since December 2016 on labofnac.com and since October 2021 on L'Éclaireur Fnac, the Group's new website dedicated to the worlds of culture, pop culture, tech and social issues. Labo Fnac publishes information on high-tech products and laboratory tests supplemented with editorial content, to help consumers make the right choice.

There is no equivalent to the Labo Fnac at any other retailer: its culture of independence sets it apart from competitors due to the credibility of its recommendations, and this enables it to develop an unrivaled relationship of trust with consumers. Since 2018, Labo Fnac has been actively involved in devising a repairability index initially launched on PCs and extended to smartphones in 2019. This was a significant source of inspiration for the government index, which has been mandatory since January 1, 2021 (see also section 2.2.1.2).

In 2021, 849 tests were conducted on 447 products to compare them based on performance criteria that are not always easy to assess at the point of sale, a significant increase compared with 2020.

Since July 2021, Labo Fnac has been publishing all the results of its tests on its new dedicated comparison tool https://lab.fnac.com, likewise available within the Fnac Shop tool in stores, to serve as a sales aid, since October 2021. This tool is automatically fed by the laboratory database and is freely available to all visitors.

2.2.1.2 / Promote the sustainability of products and services, to enable an educated choice

The manufacturing phase is the main source of greenhouse gas (GHG) emissions in a product's life cycle, as illustrated by the analysis carried out by Fnac Darty in 2021 (see section 2.4.4.5.1).

GHG emissions from the entire life cycle of new products sold by the Group in 2021 will reach approximately 3.2 million tons of CO_2, which is nearly 80% of its total carbon footprint. Emissions generated by the manufacture and use of domestic appliances and consumer electronics represent the majority of this total; the carbon intensity (i.e., average GHG emissions, related to a product) of a large domestic appliance is around 340 kg CO_2eq, that of a television 350 kg CO_2eq and that of a computer about 125 kg CO_2eq.

Taking action on the most carbon-intensive product categories is therefore the Group's top priority in order to align its GHG emissions reduction path with a trajectory that limits global warming to 1.5°C. Fnac Darty is focusing its customer information efforts on these products, guiding customers toward the most reliable and repairable products.

While the technical features of domestic appliances and multimedia equipment tend to be similar, there are some often overlooked criteria that vary greatly from one brand to the next: the reliability and repairability of a product. As the leader in after-sales service in France, the Group has a unique database addressing these two criteria and over the past three years, it has developed innovative tools to make this data public and understandable to all, and to highlight the most sustainable brands.

The After-Sales Service barometer

In October 2021, Fnac Darty released the fourth "After-Sales Service Barometer", its annual study on the reliability and life span of domestic appliances and multimedia equipment, by brand. Conducted in partnership with Harris Interactive to guarantee the reliability and objectivity of the results, this study has become an essential information and benchmarking tool, and thus a valuable decision-making aid for customers when making purchases.

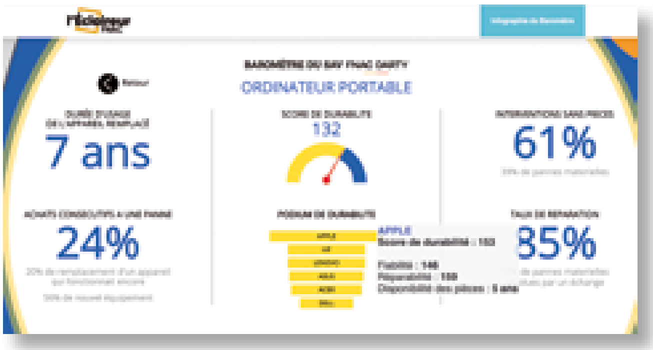
This fourth edition was expanded to 77 domestic appliance and consumer electronics categories (63 in 2020) and was based on analysis of more than 721,000 Darty after-sales service repairs performed between August 2020 and July 2021, and on a survey of approximately 41,000 Darty customers. For the first time, it includes data from repairs carried out under Darty Max, the subscription-based repair service for all domestic appliances launched by the Group in late 2019 (see also section 2.2.3).

Main findings of this fourth barometer:

- awareness of sustainability issues is growing within the industry. The availability of spare parts for small domestic appliances has improved significantly: the availability of spare parts for multifunction food processors has increased by +5 years, from 6 to 11 years on average, thanks in particular to Magimix, which is now committed to providing spare parts for 30 years. The leading technological product manufacturers have also taken up the cause: For example, Samsung promises seven-year availability for all its products spare parts and was one of the first companies to implement the reparability index;
- despite this, for the first time, Fnac Darty has noted a drop in the reliability score of certain products such as espresso machines, with a drop of 24 points, or food processors, with a drop of 22 points. This phenomenon, observable on many brands, could be partly explained by an increase in the frequency of use of these products in recent months. In particular, they were used more by the French public in their homes during the various lockdowns imposed due to the health crisis.

In 2020, the data used to conduct this study – breakdown rates and spare part availability – gave rise to the "sustainability score." To make the data easier to read, Fnac Darty has designed a new dynamic infographic, available on the L'Éclaireur website (https://leclaireur.fnac.com/barometre-sav/), which displays the scores of the "universes" (cooking, washing, flooring, etc.), then those of the product categories in each universe (front-loading washing machine, top-loading washing machine, washer-drier). For each universe and subsequently for each category, three indicators are given: an average reliability score, an average repairability score, and an average spare parts availability time.

Finally, upon entering a category, consumers can access the brand ranking, with details of their rating and information on the number of renewals after a breakdown, the number of appliances recycled, the number of operations undertaken without spare parts, and the repair rate.



Sustainability score

Following on from this work on assessing product reparability and reliability, the Group has developed a method for measuring the durability of domestic appliances and consumer electronics. Weighted by volumes sold, these scores were used to calculate an overall sustainability score, with a baseline of 100 established in 2019.

In order to use this approach as a tool for steering the Group's performance toward a more sustainable offer (see also section 2.2.2), an objective has been included in the strategic plan Everyday: **achieve a sustainability score [(1)] of 135 by 2025.**

Results

Scope: Fnac Darty France	2019	2020	2021	2025 Everyday objective
Sustainability score (consolidation)	100	105	111	135

With an increase from 100 to 111 (all categories combined) in two years, this sustainability score shows that, overall, products sold by Fnac Darty are increasingly sustainable: this is the result of actions taken by brands to extend the availability of spare parts and to enhance the design of their products, and also thanks to highlighting the most reliable, repairable products in-store via the Sustainable Choice label (see below).

(1) Sustainability score: average of a reliability score and a reparability score, calculated on the basis of data collected by Fnac Darty's After-Sales Service Department over the last two years for each product listed, weighted by the volume of products sold by the Group in the year in question.

"Sustainable Choice"

The lessons learned thanks to the After-Sales Service Barometer help to highlight those brands that make the biggest effort to produce reliable, repairable appliances.

To help customers choose sustainable products, in 2019 Fnac Darty adopted a clear, objective label: "Sustainable Choice". The criteria used to design this label and select the products are: breakdown rates noted by Darty's after-sales service, and the commitment of the brands to provide spare parts. Since 2020, it has been based entirely on the results of the sustainability score: the Sustainable Choice products thus have the best sustainability score in their category and price range.

The selection is reviewed every three months so as to incorporate new products. In November 2021, more than 150 products (67 large appliances, 53 small appliances and 25 consumer electronics products) were highlighted in stores and on the Darty e-commerce site, under the Sustainable Choice label.

In November 2021, Sustainable Choice labeling was extended to Fnac, which now also highlights a selection of more sustainable products (77 products in November 2021).

Lastly, in order to make labeled products more accessible, Darty has decided to allow its customers to benefit from a 0% credit on Sustainable Choice labeled products during certain promotional campaigns.

Results

Following the launch of the Sustainable Choice label, numerous brands extended the availability of their spare parts, sometimes over four additional years. As such, Sustainable Choice contributes in practical terms to extending product life spans, not just for Group customers, but for the entire French market.

The interest shown by Darty's customers in these reliability and repairability criteria, and their confidence in the label's objectivity, is shown by the increase in sales of products carrying the Sustainable Choice label.

Repairability index

At a time when brands are being held accountable for their role in the planned obsolescence of their products, Fnac Darty has taken the opposing view on these practices by providing information on product repairability since 2018, more than two years before the AGEC Law was implemented.

The methodology developed by Labo Fnac in fact largely inspired the new repairability index applied to manufacturers [1] since the beginning of 2021. In addition, for two years the Group participated in the work of several working groups set up by the French Ministry of Solidarity and Ecological Transition and brought together various associations, such as HOP (Stop Planned Obsolescence), Friends of the Earth, consumer associations, federations of manufacturers, manufacturers, and players in the repair industry.

The majority of the Labo Fnac index criteria were selected: availability of documentation, dismantling and accessibility, the length of time for which spare parts are available, the price of spare parts, and one specific criterion per product category. The open source concept and software restoration, assessed in the Fnac Darty repairability index, were still not selected as criteria by the public authorities.

To help establish the barometers, for example as regards ease of product dismantling, the Labo Fnac Darty teams stripped down washing machines and televisions in-house. Staff from WeFix and the Group's after-sales service were also mobilized to dismantle and then reassemble computers and smartphones, as well as to check the referencing of spare parts.

The repairability index contained within the AGEC law is now drawn up by manufacturers, monitored by the French Directorate of Competition, Consumer Affairs and Prevention of Fraud (DGCCRF), and displayed by retailers. Alongside the consumer, Labo Fnac aims to play a role in providing consumers with up-to-date information by monitoring a number of indexes.

(1) Applicable since January 1, 2021 on smartphones, TVs, washing machines, laptops and electric lawnmowers.

2.2.2 / DEVELOP THE PRODUCT RANGE TO OFFER MORE SUSTAINABLE PRODUCTS

Continuing the numerous innovations launched by the Group to better inform customers about product reliability and repairability, Fnac Darty is upgrading its brand catalogs to include these criteria in its range. At Fnac and Darty, but also at Nature & Découvertes, this new stage in the transformation of the business model is supported by a redesigned governance structure to implement the continuous improvement approach related to the product offering.

Fnac and Darty: a Sustainability Committee to monitor sustainability scores for each category

In order to successfully implement the action plans related to the Sustainability priority of the plan Everyday and to achieve the strategic plan target of 135 by 2025, a dedicated committee has been created, sponsored by two members of the Executive Committee (the Commercial Director and the Director of Transformation and Strategy). It meets once a month, and reports to the Executive Committee with the same frequency, to monitor the projects launched and to develop the sustainability of the range and second life, as well as the associated KPIs, including the sustainability score [(1)], both overall and by product category.

In order to raise awareness of these strategic issues among all the teams in the sales department, and to help catalogs transition toward a more sustainable product range, the sustainability department meets with product managers every month to work with them to improve their sustainability score, through dialogue with suppliers, for example on the crucial subject of spare parts availability.

In order to strengthen commitment and embed a culture of sustainability within the sales teams, the improvement of the sustainability score is now an objective integrated in the variable portion of employee compensation for those eligible for it.

Nature & Découvertes: a sustainable innovation division for increasingly responsible purchasing

Nature & Découvertes is acting to make its offer more responsible, aware of the environmental impact related to the manufacture of its products. For the company, which is B Corp certified and enjoys a high level of trust (48% of French consumers consider Nature & Découvertes to be a committed brand [(2)]), the stakes are high: inconsistencies between customers' perceptions and the company's practices could damage the reputation of the brand and the Group.

Created in July 2020 and integrated in Nature & Découvertes' Marketing Department, the Sustainable Innovation Division echoes the Company's continuous improvement approach in terms of its product offer.

More sustainable materials, product repairability, improved packaging, optimized transportation, and actions to improve the circular nature of products are just some of the projects tackled by this team, around three objectives:

- transition the product range toward a more sustainable consumption model;
- limit the environmental impact of the products, from design to marketing;
- promote a circular economy.

More specifically, a list of 27 stringent criteria was drafted for all products. They allow enhanced knowledge of the materials used, and potential alternatives if these are better. The purchasing criteria used are common to all product families. An analysis of the offering in relation to these criteria is carried out at the end of each season in order to adapt the subsequent collection and develop more sustainable and environmentally friendly products.

In 2021, more than 1,500 new products were reviewed and all active listed products are now filtered via critical failure point criteria. The objective is for all active listed products to meet 100% of the critical failure point criteria by 2025.

This enhanced screening allows for in-depth listing on major topics such as:

- for minerals: only reference uncolored, non-reconstituted stones, authenticated by gemology certificates, thus improving their traceability;
- for seeds, plants and wood products: species and origin monitoring to ensure that none are threatened or invasive;
- for textiles, candles and cosmetics: strengthen the continuous improvement process for certified textiles, vegetable wax candles (excluding palm oil), organic cosmetics and the absence of disruptors;

(1) Sustainability score: average of a reliability score and a reparability score, calculated on the basis of data collected by Fnac Darty's After-Sales Service Department over the last two years for each product listed, weighted by the volume of products sold by the Group in the year in question.

(2) "Responsible Consumption and CSR Image Barometer", Enov for Fnac Darty (February 2021).

- for food products: certified organic;
- for wood: FSC certified;
- for products intended for children under three years of age: no plastic.

In terms of the Nature & Découvertes product offer, particular attention is paid to more sustainable alternatives. For example, portable equipment that runs on solar energy, the availability of spare parts to extend product life span, or recycled materials, such as recycled PET fabric for the "On the Road" luggage collection as well as for throws.

In 2021, the work of the Sustainable Innovation Division has made it possible to address:

1) the sustainability of the product range:

- LongTime label: Nature & Découvertes is the first company to obtain the LongTime label for the "Diffuser" category. LongTime is an independent label that guarantees product sustainability (reliable and repairable, moving away from obsolescence). The labeling of this diffuser is subject to an audit according to a precise 40-criteria benchmark (among others: design, type of parts, reparability and after-sales service conditions, conformity guarantees, upgradability). The labeled essential oil diffuser, fully dismantlable and repairable, will be sold starting in spring 2022. The objective is to replicate this approach with other diffusers,
- optimization of product life, with an initial focus on a plaid throw designed with an alternative material (recycled PET from plastic bottles undergoing endurance test/repetitive washing > 30 cycles without altering its properties),
- reduction of store-based after-sales service:
  - creation of a "Repairability" working group made up of three store managers to promote the repair of products in-store,
  - awareness-raising of on-site teams,
  - overhaul of after-sales service supplier management to encourage the repair of certain consumer electronics products and creation of a new take-back process to facilitate product processing and follow-up,
  - optimization of spare part management for better availability, visibility and completeness;

2) reducing the impact of product activity:

- strengthening of sustainable purchasing criteria – critical failure point criteria, especially for wood and paper (Nature & Découvertes FSC license),
- distribution of an educational infographic to all suppliers, setting out the 27 critical failure points;

3) optimizing packaging:

- the Sustainable Innovation Division implements an eco-design approach to packaging with the aim of reducing the environmental impact of packaging in the short and the medium term (see also section 2.2.5.2). In addition, new specifications have been distributed to all suppliers.

Results

Scope: Nature & Découvertes	2020	2021
Share of products with an environmental certification [(a)] in the Nature & Découvertes offer	11%	12%
Share of Nature & Découvertes revenue generated by products with a positive impact in revenue from products sold [(b)]	76%	70%

(a) Organic agriculture, FSC wood, Bio Cosmos cosmetics, Bio Ecocert Cosmetics, Eco Ecocert cosmetics, Natural Cosmos cosmetics, organic cotton, Max Avelaard, Oekotex 100.
(b) Products promoting environmental education, crafts, renewable energies, health and wellbeing, education and teaching.

2.2.3 / ENCOURAGE REPAIRS

At a time when the general public, starting with consumers, is questioning manufacturers and distributors about early obsolescence and the environmental impact of products, Fnac Darty is firmly committed to a more sustainable approach in its strategic priorities for the years ahead. For Fnac Darty, extending product life spans by favoring repair over replacement is its strongest lever for reducing the environmental impact of its activity, while helping to create jobs that cannot be offshored and offering consumers more economical alternatives to buying new products.

To achieve this, the Group can leverage one of its core assets: its after-sales service. As France's leading after-sales service, for more than 20 years, Fnac Darty has been offering repair services included in the warranty or out of warranty, on all appliances purchased at Fnac Darty or elsewhere. The Group's after-sales service is centralized and is delivered through five after-sales service workshops (four of which are repair workshops and one a subcontracting hub), one central spare parts warehouse and more than 100 technical centers in France.

In remote customer relations centers, at after-sales service counters in stores, at home, in workshops or in WeFix corners, more than 3,000 employees are dedicated to this activity, which is at the heart of the strategic challenges of the years ahead and is a concrete response to the Group's climate challenges (see also section 2.4.2).

Indeed, life cycle analysis of the products sold by Fnac Darty and assessment of the associated GHG emissions show that the manufacture of the products distributed by the Group's brands in 2021 represented approximately 2.24 million tons of CO_2 equivalent, i.e., 68% of the 3.28 million tons of CO_2eq attributable to the full life cycle of these products. Extending the life span of these products by repairing them thus allows substantial "emission savings".

To measure this positive impact, with the help of specialist consultancy firm EcoAct, the Group conducted a study of products repaired in 2020. This took a comparative approach, between a reference scenario where the product is not repaired and leads to the purchase of a new product, and a scenario where the product is repaired and leads to emissions generated by the repair activity (production of spare parts, travel of after-sales technicians, etc.).

Fnac Darty and EcoAct's study of products repaired in 2020, the methodology and results of which were validated by an independent third-party organization in January 2022 [(1)], showed that repair activities in France (by Darty's after-sales service and WeFix) avoided approximately 140,000 tons of CO_2eq. Although this analysis, in the absence of an existing benchmark, includes a high level of uncertainty related to the emission factors used or the assumptions made, the sensitivity analyses conducted have shown that the environmental benefit of domestic appliance repair exceeds the rebound effects of the activity. The study's methodology and results are described in more detail in section 2.4.4.5.

Objective part of the plan Everyday

- **2.5 million products repaired [(2)] in 2025**

Scope: Group	2019	2020	2021
KPI: number of products repaired *(thousands)*	1,835	1,822	2,106
■ At home	460	436	515
■ In repair workshop	429	307	397
■ In-store	150	134	191
■ By remote customer relationship centers	616	755	798
■ By WeFix	180	190	205

(1) Critical review performed according to ISO 14067:2018 "Greenhouse gases – Carbon footprint of products – Requirements and guidelines for quantification" and ISO 14071:2014 "Environmental management – Life cycle assessment – Critical review processes and reviewer competencies: Additional requirements and guidelines to ISO 14044:2006".

(2) Repaired in after-sales workshops, at home, in stores, through call centers, by WeFix.

Redesigned after-sales knowledge base

With the after-sales service becoming one of the Group's strategic priorities, one of the key projects for 2021 was the replacement of the after-sales knowledge base. In partnership with the start-up Mayday, Fnac Darty launched Saavy in September, the first intelligent knowledge base dedicated to customer relations and after-sales service, built in consultation with all the teams in the channel. This library centralizes and makes available to technicians all the know-how of the after-sales service, in a standardized and easily accessible way, to improve the understanding and resolution of customer problems, covering knowledge of products, operating techniques and procedures, in the form of tutorials and problem-solving support.

This indispensable tool, which can be integrated into existing IT systems, is now used on a daily basis by the Group's technicians to further improve the performance of the after-sales service, in particular for resolution of minor faults remotely and for diagnostics, which helps to reduce the carbon footprint related to home calls by technicians.

2.2.3.1 / Darty Max, making repairs easier and improving product sustainability

Objective

- **Two million subscribers in 2025**

One of the lessons learned from the After-Sales Service Barometer is that the price of repairs (of labor and spare parts) is a major obstacle. With this in mind, in October 2019 the Group launched a new service in France: Darty Max, a repair and assistance subscription service for all customers' large appliances, covering those they already possess and those purchased after taking out a subscription, at Darty or elsewhere.

In 2021, the Group decided to expand its offer to the entire home: small domestic appliances, home cinema TV, sound, photography and multimedia. Since June 2021, three distinct plans have been offered to customers, covering around four million products, with the aim of reaching two million Darty Max subscribers by 2025.

A major pillar of the new strategic plan Everyday, the development of Darty Max should enable Fnac Darty to become a trusted partner of consumers in their daily lives, helping them to make sustainable purchases and to manage their daily household uses.

The Group thus offers customers the possibility of easily repairing rather than replacing, with no limit on the number of devices, faults or age, as long as spare parts are available. The service includes remote assistance, diagnostics, labor and replacement of defective parts for all devices purchased at Darty or elsewhere [(1)]. Darty Max also includes maintenance advice, help with the use of appliances and priority access for home service calls and telephone assistance.

The Group continues to enhance the services offered to Darty Max subscribers by providing, in addition to the repair of their appliances, support for the maintenance of their appliances in the form of an annual video consultation.

With this all-inclusive solution, this new service helps extend the life span of all electrical and electronic products by widening and facilitating access to unlimited repair of domestic appliances.

Scope: France	2020	2021	2025 Everyday objective
Number of Darty Max subscribers	approx. 200,000	approx. 500,000	2,000,000

In Belgium, a similar subscription-based repair service

In 2021, a similar service was launched by Vanden Borre, the Group's Belgian subsidiary: the Vanden Borre Life contract, which covers all major domestic appliances – except hoods – less than seven years old, purchased at Vanden Borre or elsewhere. By expanding its after-sales service, the brand allows Belgian customers to extend the life span of their products, freeing them from the uncertainty of the price of a repair.

2.2.3.2 / WeFix, to extend smartphone life span

The Group greatly strengthened its repair activity with the acquisition of WeFix in late 2018. Founded in 2012, the Company offers a quick repair service (20 minutes on average) for the main smartphone models. In this way, WeFix carries out over 30,000 repairs per month, which are guaranteed for one year, thanks in particular to the use of original or compatible components. In addition to repairs, the experts at WeFix conduct workshop tests and then market some 5,000 reconditioned phones every month.

(1) With a flat fee for the first repair.

The arrival of WeFix within the Group helped to speed up the banner's development: in 2021, 22 new repair corners were opened, bringing their total number in France and Belgium to 139. The opening of these new corners also created jobs: in total, 280 people were recruited and 222 people were trained as repair technicians.

While about three-quarters of a smartphone's environmental impact are linked to its manufacture [(1)], extending the life span of these electronic products plays a major part in reducing this impact. As a result, thanks to the corner repairs carried out and phones reconditioned, over 30 tons of electronic waste was averted.

The XForce solution, the banner's flagship offer, provides tailor-made protection for consumer electronics, and helps to extend the life span of these fragile devices by protecting their screens with a self-curing film. In 2021, 200,000 XForce protective coverings were installed and a new variant was created: XForce Antibacterial, whose film is treated to destroy 99% of the most common surface bacteria [(2)]. This was voted product of the year 2021 [(3)].

2.2.3.3 / The after-sales service community, to encourage a DIY approach

To promote DIY repairs, the Group accompanies consumers by providing usage and maintenance advice through the "after-sales service community", a collaborative site launched in 2018.

This collaborative workspace allows internet users and Fnac Darty technicians to share their experience and knowledge to extend product life spans. It bills itself as a "wikipedia for repairs". Its content is checked by a dedicated team of after-sales service experts, who certify the best solutions so they are always visible and accessible to the greatest number of people, who can then use them with complete confidence.

On this everyday tool intended to extend the life span of its products, the Group will gradually publish the technical knowledge base that the Darty after-sales service has been building for over twenty years.

Site traffic increased by more than 30% in 2021; more than 10 million users used the sav.darty.com community to find repair solutions.

At the end of 2021,

- over 900 maintenance and repair tutorials were available, drawn from the technical knowledge base constituted by the Group over more than 20 years;
- 115,000 questions and 620,000 answers were placed pertaining to a product or product family, which can be consulted indefinitely;
- assistance from 8 Darty experts, for the technical validation of answers provided by the community.

Thanks to the After-Sales Service Community, visitors looking for solutions can themselves identify the diagnosis for a breakdown. Next, depending on their needs, they can purchase a spare part or else a maintenance product. If the breakdown is not fixed, they can call upon technical expertise, by subscribing to a Darty service, by calling on after-sales assistance, or by going to the nearest Darty after-sales counter.

2.2.3.4 / PC Clinic and Clinica Fnac, offering repair services for consumer electronics in Portugal

Committed to extending the life span of consumer electronics since 2010 and with the opening of the first Clinica Fnac repair workshop, Fnac Portugal is strengthening its repair services year-on-year.

With the acquisition, in 2019, of PC Clinic, Fnac Portugal is able to offer its customers a reliable network of local services, with dedicated corners in some 30 Fnac stores, nearly a dozen PC Clinic Powered by Fnac stores, repair workshops and more than 160 after-sales technicians.

Fnac Portugal's objective is to expand its on-site repair services, especially for smartphones.

More than 48,300 devices under warranty and out of warranty were repaired by the PC Clinic and Clinica Fnac teams in 2021. With the aim of further accelerating the process, Fnac Portugal has strengthened and extended its partnerships with major brands including Apple, HP, Samsung, Huawei, Lenovo and Asus.

Synergies between the Group's various brands have also led Fnac Portugal and WeFix to join forces: since 2021, the Portuguese subsidiary has been offering the XForce solution, a custom-made self-repairing film for the screens of consumer electronics, in a dozen stores, which also helps to extend the life span of these fragile products. The goal is to offer this service in all Fnac stores in Portugal by the second quarter of 2022.

(1) Source: Ademe.

(2) Test performed according to ISO 22196:2011 by the independent laboratory SGS.

(3) Study and test conducted on XForce Antibacterial by Nielsen/treetz with a total of more than 15,000 consumers in France, end of 2020 – poyfrance.com.

2.2.4 / GIVE A SECOND LIFE TO PRODUCTS

A major commitment for the Group, the "second life" business is part of the transition to a more circular economy, in which reuse extends product life spans.

As a result of high customer expectations and the obligation contained in the anti-waste law for a circular economy (AGEC), the management of unsold and so-called "non-saleable" (obsolete, outdated, etc.) products has become a priority development area for the Group in recent years.

In order to find responsible solutions to customer returns and unsold goods, widen access to technology at a lower cost, and get more value out of these products, in 2018 the Group created a dedicated "second life" department, which became a department in its own right in 2020, integrated into the Group's Commercial Department.

The second life business, which is growing rapidly, is developing several recovery channels:

- resale of second-hand products;
- resale of nonfunctioning products to discounters;
- donations to associations.

In order to measure the positive impact of these second life activities, the Group conducted a study in 2020 with the help of specialist firm EcoAct. Based on the entire product life cycle, the study used a comparative approach, between a reference scenario in which the product is purchased new, and a scenario in which the product is reconditioned or donated.

The Fnac Darty and EcoAct study on products sold second-hand, sent to discounters or donated to associations has shown that second-hand activities in France avoided around 3,500 tons of CO_2 equivalent in 2020. In the absence of an existing benchmark to evaluate these avoided emissions, the study has a high level of uncertainty related to the emission factors used and the assumptions made, but the methodology and results were validated by an independent third-party organization in January 2022 (1). A more detailed description of the study is provided in section 2.4.4.5.

2.2.4.1 / A range of second-hand products that meet the same quality standards as new products

In 2021, as part of the new strategic plan, the Second Life Department was integrated into the Commercial Department, illustrating Fnac Darty's desire to offer second-hand products alongside its new products.

The objective pursued in 2021 was to develop an offering that optimizes the Group's internal product flows without dumping or stockpiling, while offering its customers an alternative to new with the quality, trust and service standards that characterize its brands, in terms of:

- visibility, with the redesign of displays on the Darty (2021) and Fnac (2022) commercial websites, to specify second-hand product condition;
- delivery-installation, with the same service offering as for new products;
- associated repair services, with the integration of second-hand products into the Darty Max maintenance and repair subscription service.

With a unique positioning on the market, at Fnac Darty, second life was not designed as an economic model based on volumes, which would lead to the massive sourcing of products from the Asian and American markets.

Thus, the resale of second-hand products on websites involves products in excellent condition and mainly:

- products from warehouses with damaged packaging;
- products tested by Labo Fnac;
- products returned by customers within the cancelation period;
- returns replaced with a new product under warranty.

The products are sorted, and the best are offered for sale with, as with the purchase of new products, a cooling-off period of 14 days. They are guaranteed for 6 months.

In 2021, volumes resold under the Fnac Seconde Vie and Darty Occasion brands increased by approximately 50% compared to 2020.

Other products, in inferior condition, can be sold on to retailers that must sign a responsibility charter committing them, inter alia, to product traceability and data erasure within the framework of the GDPR.

(1) *Critical review performed according to ISO 14067:2018 "Greenhouse gases – Carbon footprint of products – Requirements and guidelines for quantification" and ISO 14071:2014 "Environmental management – Life cycle assessment – Critical review processes and reviewer competencies: Additional requirements and guidelines to ISO 14044:2006".*

2.2.4.2 / Donations to give unsold products a second life

When new products are deemed unsaleable, Fnac Darty gives preference to donations to associations or social economy companies. The second life service has significantly developed this channel since 2020**.** In 2021, nearly 600,000 products from the catalog were donated to associations (+173% compared with 2020) such as the Agence du Don en Nature, Cocliclown, France terre d'asile, and long-standing partner associations such as Emmaüs France, Bibliothèques sans Frontières, Envie and Secours Populaire.

In 2021, an extensive project was launched for the donation of unsold goods directly by and from stores, in partnership with Comerso, one of the leading players in recovery of unsold goods, which has developed a logistical and IT solution for managing donations in kind. This project aims to optimize this management, so as to avoid the centralized storage of unsold products in warehouses (and thus limit transport) and to create a direct impact on the areas in which the stores are located, via associations that are often local. It also aims to optimize their recovery.

A pilot phase was launched at the end of 2021, for deployment to all Fnac, Darty and Nature & Découvertes stores in 2022.

In parallel, the Group has yet again run its established social inclusion projects, each of which, in its own way, also contributes to giving a second life to products: the "Braderie solidaire" (sidewalk) sale in Dijon, the large-scale collection of books for Bibliothèques sans Frontières, and the partnership with Envie.

Having first partnered up with Envie in 1984, Darty is now the leading supplier of large broken-down domestic appliances for this company in the social and solidarity economy. While working to promote professional integration through repairs, Envie gave a second life to more than 17,000 tons of domestic appliances in 2021. More than 36% of the tonnage of electrical and electronic waste collected by Fnac and Darty France were repaired and reused in this way.

These partnerships and the volume of donations (financial or in kind) made to associations are presented in more detail in section 2.3.3.2 – Solidarity initiatives.

2.2.4.3 / A partnership to reduce food waste at Nature & Découvertes

In order to limit food waste, Nature & Découvertes manages its unsold products in partnership with Too Good To Go, a mobile app dedicated to the sale of unsold items at low prices.

Since the beginning of this partnership in 2019, which involves 85 stores, more than 14,700 baskets have been saved, representing 14 tons of food saved and more than 37 tons of CO_2 avoided.

Nature & Découvertes is also one of the companies that signed the Consumption Date Pact, bringing together ten key commitments to combat food waste.

2.2.5 / REDUCE PACKAGING, ENSURE WASTE COLLECTION AND RECYCLING

Fnac Darty's logistics activity, and its obligations in terms of waste collection in stores or upon delivery, generates large quantities of waste:

- packaging waste (cardboard boxes, plastic sheeting, polystyrene);
- waste electrical and electronic equipment, batteries and other small consumables (cartridges, light bulbs, etc.).

For the Group, optimizing the management of this waste is essential:

- to ensure that sites comply with current and future statutory requirements (the French law on Energy Transition for Green Growth and the so-called "Cinq flux" [Five flows] decree, the Environmental Code and the Order on the obligation to keep an outgoing waste register, extension of the principle of extended producer responsibility to new waste categories, etc.);
- to limit the costs associated with waste processing by reducing the proportion of non-recyclable waste through better sorting of materials (increase in waste processing costs linked to the general tax on polluting activities, penalties for downgrading skips in the event of poor sorting of materials);
- to improve the Group's performance in terms of waste recovery, in order to limit the environmental impact associated with waste.

2.2.5.1 / Fnac Darty, the leading WEEE collector in France

Aware of the significant impact of waste electrical and electronic equipment (WEEE), the Group has historically been committed to recovering its customers' old appliances, going beyond its legal obligations. Thus, for more than ten years, customers have been able to return one or more appliances to delivery personnel during home delivery of bulky equipment. The delivery personnel then take these items to the non-profit eco-organization Ecosystem. This organization is an approved WEEE recycler and undertakes to extract any dangerous substances and recycle appliances in the form of secondary raw materials or backfill.

For small equipment, whether or not it was purchased from one of the two banners, the customer is able to deposit items in the collection terminals in all stores so that they are also recycled by Ecosystem.

In France, the volume of equipment collected and handed over to this eco-organization by Fnac Darty (including franchises) amounted to 46,778 tons in 2021, making the Group the main contributor of WEEE in the retail sector.

	Scope: Fnac Darty France			Scope: Group		
	2019	2020	2021	2019	2020	2021
KPI: Volumes of WEEE collected *(in tons)*	46,373	44,898	46,778	51,489	49,943	51,766

After a cyclical decline in 2020, related to store closures during the lockdown, volumes collected in 2021 surged to exceed the volumes collected in 2019. This performance contributes to the continuous improvement in the recycling rate of this environmentally hazardous and highly recoverable waste.

Other hazardous waste

The Group also collects other waste for approved recycling organizations (batteries, bulbs and fluorescent lights, and ink cartridges). This waste comes from the Company's consumption and from customers, who can place their waste in the collection bins available in all France stores.

As a result, in France more than 106,000 ink cartridges were handed to Ateliers du Bocage, part of the Emmaüs network, which uses recycling as a means of employment integration. Across the Group, nearly 10 tons of ink cartridges were handed over to recycling companies.

In 2021, almost 30 tons of batteries and portable accumulators were also collected at Fnac Darty's various sites and sent to recycling organizations.

To actively participate in the recycling of industrial batteries (for Fnac Darty, this covers batteries for electrically-assisted bikes, electric scooters, and other urban transportation devices), the Group also committed to the voluntary recycling program for such batteries, set up by eco-organization Corepile at the request of "Union Sport et Cycles". This commitment involves a financial contribution for each battery of which the Group is the leading marketer on the French market, and the implementation of a collection system for these batteries at all Group sites (excluding Fnac franchises). In 2021, 340 kg of industrial batteries were sent to Corepile for recycling.

2.2.5.2 / Optimized management of packaging waste

Fnac Darty's logistics operations mainly produce packaging waste: pallets of products in protective plastic wrap and cardboard boxes from packages delivered to customers' homes or stores as part of the click&collect framework.

Fnac Darty is putting in place two key strategies to limit packaging and the waste it generates: optimization and recycling of packaging.

2.2.5.2.1 / Optimization of packaging in logistics

In addition to improving the customer experience, packaging optimization aims to reduce the amount of cardboard and surface area used in warehouses and stores, as well as transport costs.

Since 2018, Fnac Darty logistics sites have possessed a fully automated solution that allowed them to reduce to a minimum the amount of cardboard used through the custom sizing of packages. This automated system means the amount of cardboard used can be reduced, with savings in terms of floor space and the same amount of volume in trucks.

In addition, as part of its responsible purchasing policy, the Group is using an increasing amount of recycled cardboard. Since the end of 2021, all e-commerce packaging in France has been made of recycled cardboard.

Several action plans are also underway to reduce empty space inside packages, eliminate packaging for certain products or flows, replace plastic packaging and use reusable packages.

In Belgium, shrink wrap was replaced at the end of 2021 by a PCR film that is 25% thinner and contains over 60% recycled material. This change should make it possible to save approximately 2.5 tons of plastic within Fnac Belgium and Vanden Borre.

Results

Scope: Group	2019 [(a)]	2020 [(a)]	2021
Volumes of packaging (cardboard and plastic) consumed *(tons)*	4,268	5,758	5,613
Volumes of packaging (cardboard and plastic) consumed *(tons/€ million)*	0.6	0.8	0.7

(a) Excluding Nature & Découvertes.

Packaging purchases were down in 2021, due to the slowdown in e-commerce activity compared to 2020 and despite the inclusion of Nature & Découvertes in the volumes recognized. As a percentage of revenue, volumes were down slightly, due to efforts to eliminate certain plastics (see below) and to reduce empty space inside packages.

Reduce the environmental impact of packaging for own-brand products

At Nature & Découvertes, an eco-design approach has been assigned to the Sustainable Innovation Division, to improve the environmental footprint of the packaging used for the company's products. This approach encompasses:

- elimination of plastic as soon as possible, and, if this is not possible for technical reasons, the use of rPET;
- use of mono-material packaging, with priority given to paper or cardboard;
- adjusting packaging to the size of the product to reduce empty space;
- ending the use of mineral oils, in accordance with the regulations applicable since January 1, 2022;
- innovation to design reusable packaging.

At Fnac Darty, the eco-design approach has also been extended to the buyers teams in charge of sourcing own-brand and licensed products. So far, it concerns accessories; since 2021, no plastic is used in the packaging of these accessories. Action plans are also being developed to optimize packaging size and use 100% recycled cardboard, vegetable oils and mono-material packaging.

2.2.5.2.2 / Collection and recycling of packaging

Aware of the environmental impact of the waste generated by its activities, but also of the indirect costs associated with transporting and processing this waste, the Group strives to optimize its waste management and anticipate regulatory changes.

Roll-out of a new organization for waste management

In 2019 and 2020, the Group carried out a major overhaul of its waste management, 90% of which consists of recoverable materials. Project implementation involved the setting-up of material sorting equipment and processes to reduce the number of collections. Some sites were fitted with devices to pack materials more tightly in order to reduce the number of journeys, and to package the materials in a way that allows them to be sold to recycling channels.

The implementation of monitoring software has enabled central teams to have a real-time view of the volumes recovered, and teams in the field to monitor their performance and correct any shortcomings, such as downgrades or empty runs.

Results

Scope: France [(a)] (excluding Nature & Découvertes)	2021
Volumes of recoverable waste [(b)] generated and entrusted to recycling providers *(in tons)*	7,607
Volumes of non-recoverable waste *(in tons)*	4,322
KPI: waste recovery rate [(c)]	64%

(a) Excluding stores located in shopping malls or sites whose waste is collected by local authorities (for these sites, volume traceability cannot be guaranteed).

(b) Cardboard, paper, plastic, polystyrene, wood, metal, glass; excluding waste brought in by customers and excluding hazardous waste.

(c) Proportion of recoverable tons of waste out of all waste generated (recoverable + non-recoverable).

The assessment made in 2020 as part of the optimization project carried out with the help of a specialized firm indicated a waste recovery rate of 48% (for the scope covered by the project). Compaction and sorting equipment have enabled this rate to increase by more than 16 points in two years, to 64%.

An exclusive Fnac Darty waste processing center in the Paris Region

Founded in 1994 by Darty, the Mitry-Mory waste processing center is a key component of the waste-management policy of the Paris Region. Located close to a warehouse and logistics center handling deliveries to customers in and around Paris, the Mitry-Mory processing center consolidates waste for the region.

This means the Group uses delivery vehicles to take the waste produced by the Darty stores in the Paris Region to the site. In this way, the Group optimizes the cost and impact of its transport operations by avoiding empty runs. Fnac Darty employees then sort through this waste and recycle any materials that they can, particularly shipping cartons, plastic, polystyrene, and electric equipment and electronic waste from returns and in-store collections.

In order to maximize resale value in recycling loops, the processing center has equipment designed to solidify non-compressible volumes, and compact some waste (cardboard, non-hazardous waste, etc.) or produce expanded polystyrene (EPS).

2.2.6 / CONTRIBUTE TO PUBLIC DEBATE AROUND SUSTAINABILITY

Fnac Darty freely shares its data and knowledge generated by its activities with institutions, NGOs and brands, and contributes to parliamentary debates, in order to advance the public debate and encourage concrete measures to promote extending the life span of products and more responsible patterns of consumption.

2.2.6.1 / Cooperative works with public authorities and associations around sustainability issues

During 2021, Fnac Darty contributed to the parliamentary debates on the bills concerning its activities.

The Group has therefore actively supported the proposed law aimed at strengthening the bookstore economy and nurturing fairness and confidence among industry players. Fnac Darty took part in the consultations preceding the drafting of this legislation and provided the bodies responsible for drafting the impact study with figures and studies. Fnac Darty attended several parliamentary hearings, during which it explained its support for the legislation and proposed changes to make it more secure and operable. One such example is an amendment covering mixed baskets and subscription programs. The law was published in the *Journal officiel* gazette on December 30. Its application is subject to the publication of a decree setting the pricing scale for home deliveries. This legislation will be the subject of a consultation in which the Group has already indicated it will participate.

Fnac Darty has also contributed to discussions on the "Digital Environmental Footprint" bill, with studies and proposals. The Group has expressed its support in principle for this text but has warned of the risks of making the vendor liable for obligations that it does not have the means to obtain or verify (particularly with regard to software updates).

The Group has also responded to requests in connection with the discussion of the Climate Bill and answered various questionnaires from parliamentarians on the potential impact of the proposed measures.

Lastly, Fnac Darty took part in the various consultations organized on the implementing decrees for the AGEC (circular economy) law. The Group has also been involved in consultations organized under the aegis of the Fevad with eco-organizations and the government on the new obligations incumbent on online platforms under Article 62 of the AGEC law (obligation to take back used products subject to extended producer responsibility (EPR) at the point of delivery; obligation of platforms to assume the environmental obligations of sellers who do not comply, and in particular payment of the eco-contribution for sellers who do not have a unique identifier under EPR). Fnac Darty is also participating in the activities of the working group led by the Ministry of Ecological Transition on the sustainability index.

In addition to legislative and regulatory requirements, the Group has continued its voluntary commitments:

- Fnac Darty was one of the architects and first signatories of the "charter of commitments for reducing the environmental impact of e-commerce", which lays the groundwork for a more sustainable development of the sector by means of ten commitments organized around four themes: consumer information, packaging, warehouses and deliveries, and monitoring (see also section 2.4.4.4.2);
- the Group is participating in the preliminary work to draw up a charter for retailers to support the extension of product life;
- at the local level, Fnac Darty also participated in and contributed to the "urban logistics" consultation organized by the City of Paris;

- the Group's Chief Executive Officer and numerous members of the Executive Committee took part in the *Assises du Commerce* held in December under the aegis of the Ministry of the Economy and Finance. This event was an opportunity to make concrete proposals for more sustainable and fairer trade in the future.

2.2.6.2 / Raising awareness among the general public

Thanks to its deep commitment to extending the life span of products, the Group continues to make sustainability a focal point of Darty's communication with the general public. In 2019, it revamped Darty's famous "Contract of Confidence" by adding to the triptych "Price, Advice, Service" the commitment to "Sustainability". In 2021, the brand was particularly active on its e-commerce site (highlighting products with the "Sustainable Choice" label and second-hand products) and on social networks: by reaching out to all French people via targeted communication on repairs and reliability, Fnac Darty intends to help raise public awareness of sustainability issues.

An eco-friendly offer for advertisers

In 2021, the creation of Retailink by Fnac Darty, the Group's fully integrated omnichannel advertising network, was an opportunity to rethink its outdoor advertising solutions and develop a media offering in line with its strategic objectives, in particular Everyday's sustainability focus. At a time when the stores of the Group's brands have become a hub for potential customers, the advertising network wanted to take advantage of its large DOOH (digital billboard) portfolio and its role as a key influencer to raise customer awareness of sustainable development issues and to highlight the brands that make the greatest efforts to manufacture reliable and repairable products, or that are committed to concrete sustainable development actions.

This aim has led to the creation of a new offer for brands, called "Goodlink" and based on a booster system. Fnac Darty encourages brands to communicate about the sustainability characteristics of their product (reparability index, "Sustainable Choice" product) or on an element of their CSR policy. For every DOOH campaign purchased that meets these criteria, Retailink offers a 50% boost in visibility. Through this offer, Retailink's teams wish to embed the commitment to an educated choice among advertisers.

For campaigns focusing on a brand's CSR commitment, advertisements eligible for this offer must promote concrete actions among the seven pillars of the ISO 26000 standard (governance, human rights, fair practices, communities and local development, labor relations and conditions, environment, consumer issues). The CSR component of the campaign is submitted to the Group's Ethics Committee for prior approval in accordance with these criteria.

In 2021, 17 advertising campaigns benefited from this booster system.

Nature & Découvertes raises awareness about biodiversity protection and the virtues of active learning in touch with nature

Nature & Découvertes raises awareness and mobilizes its community via several means of communication: newsletters, social networks, conferences are all used to highlight environmental and societal actions.

The monthly editorial newsletter raises awareness on environmental causes and societal issues that challenge our lifestyles, encouraging us to adopt a more sustainable way of living. In 2021 Nature & Découvertes addressed key issues such as our relationship with living things, sustainable food, the forest, and protection of the natural environment.

In 2021, for the fourth year running, the brand also organized a Fair Friday (as opposed to Black Friday), aimed at turning the spotlight on other "reductions": those of biodiversity, particularly the loss of wild habitats. An awareness campaign was held from November 22 to 28 through our social networks and newsletter, with particular visibility given to the documentary film "Animal" by Cyril Dion, which the Foundation co-financed.

The director Cyril Dion, as well as the film's two committed teenage protagonists, communicated directly with the Nature & Découvertes community through videos and a free digital event "Mercredi Buissonnier" (Wednesday Away), open to all, which more than 150 people attended.

The Nature & Découvertes Foundation doubled the amount collected via charitable rounding during this Fair Friday week, in order to finance the "Zone Sauvage" wilderness campaign, launched by the "On Est Prêt" movement. This mobilization campaign, centered around the sixth mass extinction with a focus on endangered animals in mainland France, collected donations for the protection of wild animals in France.

"Les Mercredis Buissonniers" is a new digital format launched in March 2021, to raise awareness among the general public on societal issues, provide a platform to specialists and share solutions with the public. Six "Mercredis Buissonniers" events took place during the year, focusing on the themes of sustainable food, outdoor schooling, and the protection of the natural environment.

Finally, the program of children's birthday parties and nature outings for all ages continued, imbued with Nature & Découvertes' desire to make all its audiences aware of the importance of conserving natural ecosystems.

2.3 / Contribute to the economic, social and cultural development of regions

- **Provide access to culture to as many people as possible**
- **Increase the positive impact on the territories (employment and solidarity)**

Risks	Opportunities
■ Loss of brand preference ■ Loss of attractiveness of the employer brand	■ Creation of local jobs ■ Access to new markets ■ Reputation improvement ■ Operational efficiency through local cooperation ■ Recovery of unsold non-food items while maximizing the Group's societal impact

Levers activated	2021 Actions	Indicators monitored
■ Opening of franchises in small and medium-sized cities	■ Nearly 40 store openings net of closures	■ Number of stores opened
■ Promotion of cultural diversity ■ Support for artistic creation	■ Creation of a new recommendations website, L'Éclaireur Fnac ■ Continuation of cultural events in physical and digital formats	■ Number of cultural events
■ Development of solidarity projects ■ Boost collection of donations from customers ■ Systematic donation of unsold goods	■ Local projects financed by the Nature & Découvertes Foundation ■ Rerun solidarity projects ■ Rollout of charitable rounding at Fnac checkouts ■ Acceleration and creation of new partnerships for the recovery of unsold goods	■ Amount of donations funded by Fnac and Darty ■ Amount of donations collected from customers ■ Number of books collected for Bibliothèques sans Frontière ■ Number of projects supported by the Nature & Découvertes Foundation

Fnac Darty considers its omnichannel model to be a major asset, offering its customers a unique purchasing experience by providing them with the best digital standards and expert advice from in-store salespeople. This model is also beneficial to maximize the impact of the Group's societal actions.

Opening more stores, thereby solidifying the Group's geographical coverage, allows Fnac Darty to be closer to its customers but also to contribute to the economic activity of medium-sized cities, in particular via the creation of local jobs, support the projects of local associations and improve access to culture for the greatest number of people.

At the same time, commercial sites and stores are a great platform for sharing the Group's policy of social inclusion with customers, by implementing micro-donation programs for partner associations.

Finally, since 1992, the Nature & Découvertes Foundation has contributed to regional momentum by launching and supporting grass-roots associative projects to protect biodiversity and provide education on nature.

2.3.1 / FNAC, A COMMITTED PARTNER IN PROMOTING ACCESS TO CULTURE FOR ALL AND CULTURAL DIVERSITY

Working toward widening access and diversification of culture for as many people as possible throughout France has been at the core of Fnac's DNA for over 40 years. Supported by the entire Group, this pledge can be fulfilled on a daily basis in Fnac stores thanks to a committed team working in the Group's Communications, Cultural Action and Public Affairs Department.

A major pillar of Fnac Darty's CSR strategy, Fnac's cultural initiatives are carried out both locally and nationally through the strength of its store network, bringing them closer to the general public and contributing to the social and cultural development of the regions. At present, it is pursuing three objectives:

- guarantee access to culture for everyone, wherever they are in France, through free events;
- promote cultural diversity, under the instruction of its expert, committed teams;
- support the vitality of artistic creation and promote the up-and-coming cultural scene.

2.3.1.1 / In 2021: reaffirmed support for culture and artists with hybrid and digital events

The Group is committed to promoting the accessibility of culture for all, by proposing cultural events free of charge, allowing creators and audiences to meet one another. In 2021, a year marked by the ongoing health crisis, Fnac continued to spread culture by offering an increasing number of in-person events. Almost 5,700 events were organized at Fnac stores around the world!

Fnac has also maintained its commitment to artistic creation and supporting the arts by accelerating the digitization of its cultural activities. A total of nearly 400 events were broadcast online in 2021. Throughout the year, Fnac organized digital livestream events with artists in the news, or around unique concepts such as the “Committed Artists” format.

Fnac's cultural program was highlighted at this year's Fnac Livres book fair. Organized to coincide with the start of the new literary season and the awarding of the Prix du Roman Fnac (Fnac literary award), with the aim of offering the general public an event that is free and open to all, dedicated to books and those involved in the industry, the 2021 edition of the Fnac Livres book fair was notable for its unique format. In order to overcome health restrictions, it has reinvented itself with a brand-new concept combining small-scale public events with renowned artists and innovative digital experiences broadcast on its cultural portal, La Claque. The Fnac Livres book fair moved to a new location for this event; Le Shack is the former printing works of the Calmann-Lévy publishing house in the heart of Paris.

After a year without an event, Fnac Live Paris also reinvented itself for 2021 taking a new hybrid format, with a strong emphasis on discovery. Combining physical events and digital concerts, the tenth edition of Fnac Live was organized with a new format and innovative features. A dozen artists, including international stars such as Ed Sheeran, performed at the event held live at the Théâtre du Châtelet and online at Leclaireur.fnac.com.

With these new innovative formats that include a digital component, Fnac Live and the Fnac Livre book fair have taken on a new dimension, allowing people from all walks of life to log in and attend events remotely.

Building on the success of “story signing”, a new in-store signing format introduced in 2020, Fnac continued to run this concept in 2021, alongside traditional signing sessions. Under this new arrangement, authors and artists invited to the store sign their books and albums incognito (without an audience), before the products are displayed in the store for their fans. This initiative, which continues to be a huge success, has allowed authors to safely connect with their audiences.

Finally, Fnac has supported the resumption of partner festivals by organizing related events at the same time, such as the Gérardmer Festival, the Frames Festival in Avignon, the Beebop Festival and the Lyon BD Festival.

2.3.1.2 / L'Éclaireur Fnac: a leading recommendations website and an invaluable asset supporting the Group's *raison d'être*

In the fall of 2021, the Group launched L'Éclaireur Fnac, a new recommendations website that dissects cultural and technological news and the related societal issues, to guide internet users toward a more educated choice. With the aim of embodying the best of Fnac's cultural expertise, it brings together all the content produced daily by the Group's expert editorial teams: Claque Fnac, Labo Fnac, Conseils Fnac, supplemented by the editorial work of a team of experienced journalists. L'Éclaireur Fnac will also host all of its major cultural events (such as the Fnac Live digital concerts and the livestream events), in order to offer a live or catch-up digital experience as a continuation of its in-store events.

Launched in October 2021, the site already attracts more than 500,000 unique visitors per month.

Designed as a tool to help internet users discover and understand the cultural and technological world of today and tomorrow, L'Éclaireur Fnac is intended to support Fnac Darty's *raison d'être:* commit to an educated choice and a sustainable consumption.

2.3.1.3 / Fnac literary awards: a powerful influence within the publishing sector and an attractive proposition for the general public

Alongside authors and publishers, Fnac, France's leading bookseller, continued its literary awards in 2021. These have become a benchmark for professionals and the general public alike.

The Prix du Roman Fnac, a Fnac literary award held in mid-September, went to Jean Baptiste Del Amo for his novel *Le Fils de l'Homme* (published by Gallimard), based on a selection by 400 booksellers and brand subscribers.

The Goncourt des Lycéens literary prize for senior high school students, which has become one of the highlights of the literary year, once again lived up to its promise. As part of its desire to guarantee access to culture for all, Fnac Darty is committed to nurturing a taste for reading among young people, developing their critical faculties and enabling them to meet and exchange ideas with talented authors. This unique event, which brought together 14 competing authors, 50 high schools and 2,000 students, saw the award to go to Clara Dupont-Monod's book, *S'adapter* (published by Stock).

Lastly, the BD Fnac France Inter comics/graphic novels prize awarded at the beginning of 2022 to the cartoonist Xavier Coste for his adaptation of George Orwell's masterpiece *1984* (published by Sarbacane), has become a major literary award, and is a reference for all lovers of the "ninth art".

2.3.1.4 / Expert, committed, and knowledgeable Fnac teams to promote cultural diversity and innovation

Exemplified in particular by its booksellers and record sellers, the expertise and passion of Fnac's teams are regularly praised by its customers. In 2021, a new way of showcasing their recommendations came to the fore: in addition to the famous in-store favorites, numerous editorial tips and several e-book selections were also addressed to Fnac's various customer groups.

A leader in new consumer trends and a first-hand witness to new reading practices, Fnac launched a new e-book subscription in November 2021: Kobo Plus by Fnac. This subscription gives readers access to a catalog of more than 500,000 titles, including 50,000 in French.

Enriched by the expertise of Fnac and Rakuten Kobo, the Kobo Plus by Fnac e-book subscription also offers readers the opportunity to take advantage of expert advice from Fnac booksellers and other cultural figures (including authors), to guide their reading choices.

2.3.2 / INCREASE POSITIVE REGIONAL IMPACTS THROUGH JOB CREATION AND SOLIDARITY

2.3.2.1 / Contribute to local economic activity and create permanent jobs that cannot be offshored

Key figures:

- 40 stores opened in 2021 (net of closures);
- 957 stores at the end of 2021;
- Launch of large-scale recruitment campaigns: 200 technicians (500 by 2025), 150 delivery personnel and 150 kitchen designers.

The Group opens new stores every year, thanks to its franchise development strategy, to increase coverage of medium-sized cities. Fnac Darty is convinced that this local presence strengthens the specific bond of trust created over time with its customers.

This strategy is also extremely beneficial to society: it contributes to the creation of local jobs and thus develops economic and social activity in the medium-sized cities where the stores open.

Through the development of its repair services, Fnac Darty also contributes to the creation of jobs that cannot be offshored and supports professional integration in all the regions where it operates.

By strengthening its repair services, in particular the Darty Max repair subscription service, Fnac Darty is anticipating future needs for qualified technicians.

In 2020, Darty announced a major recruitment campaign to integrate and train a set number of individuals for permanent positions throughout France by 2025, often without qualification requirements.

In the absence of a specialized repair curriculum, Fnac Darty trains new technicians in-house every year, developing a specific training program in 2019 for professions in which experts are harder to find: the Tech Academy. In partnership with two apprentice training centers, the Group opened 18 new apprentice classes in 2020 (in addition to the 7 opened in 2020), for a total of 182 people, including 20 employees who were retraining.

In Belgium, to support the new equivalent service, Vanden Borre Life, the Fnac Darty subsidiary plans to recruit 50 technicians throughout the country to strengthen its team, which already includes 80 repair specialists.

For its part, WeFix trains around thirty repair technicians in-house each month, through paid training courses within the framework of a professional contract. After six months and having acquired all the necessary skills, the trained employees receive a certificate approved by the AFPA (the French National Agency for Vocational Training of Adults).

In addition, historically the Group has played its part to help the reintegration of the long-term unemployed:

- partner of the Envie (Entreprise Nouvelle Vers l'Insertion par l'Économie – New Enterprise for Economic Reintegration) network: since 1984, the Group hands over one third of the large domestic appliances taken back from Darty customers to the solidarity network. Envie sorts, cleans, repairs and reconditions them, and resells them as second-hand products in its network of stores, thus helping in the reintegration of dozens of people each year;
- a partner of Ateliers du Bocage (ADB), Fnac Darty also donates its used ink cartridges every year to this socially responsible enterprise, a member of Emmaüs. For over 20 years, ADB has been fighting against social injustice and discrimination and today employs over 150 people. In 2021, more than 106,000 cartridges were collected and recycled (some of which were reused), contributing to more than 2,500 hours worked in reentry placements.

Lastly, Fnac Darty is committed to paying taxes and contributions in each country and municipality where it operates and does not participate in any tax avoidance schemes. For instance in France, the operation of stores and e-commerce sites generates a total of €44 million in local taxes, which directly benefit French local authorities, enabling them to finance their activities (see also 2.5.6 "Being a responsible taxpayer").

2.3.2.2 / Socially inclusive projects

Scope: Group excluding franchises	2019	2020	2021
Total raised by socially inclusive initiatives across Fnac Darty *(€ incl. tax)*	3,855,951	4,519,991	10,986,951

Fnac Darty donations

Scope: Group excluding franchises *(€ incl. tax)*	2019	2020	2021
Donations to associations (Télémaque, Sport dans la Ville, etc.)	89,000	161,611	170,000
Sponsorship (Sciences Po, Académie Goncourt, etc.)	130,000	190,000	195,000
Donations in kind (Braderie de Dijon, Secours Populaire, Emmaüs, Envie, etc.)	2,310,177	2,890,671	9,211,292
Nature & Découvertes foundations	728,643	426,863	601,902
TOTAL	**3,257,820**	**3,669,145**	**10,178,194**

Customer donations

Scope: Group excluding franchises *(€ incl. tax)*	**2019**	**2020**	**2021**
Customer solidarity:			
■ Un Rien C'est Tout charitable rounding	171,637	296,372	272,778
■ Common Cents charitable rounding	94,023	43,522	113,963
■ Nature & Découvertes charitable rounding	195,815	150,916	174,108
■ Bibliothèques sans Frontières book collection	136,656	360,036	247,908
TOTAL	**598,131**	**850,846**	**808,757**

Driven by its social and cultural responsibility, Fnac Darty has launched initiatives aimed at creating links with associations and supports numerous local projects. This willingness to act is intrinsic to the values of Fnac Darty. It also rightly matches the expectations of customers who want to buy from a dynamic brand that is committed to these social issues. These projects take the form of financial or product donations, made directly to the Group's partner associations or, indirectly, through customer donations via charitable rounding mechanisms at the time of purchase.

2.3.2.2.1 / Fnac Darty: financial sponsor and donor of recoverable products

Financial donations to associations, sponsorship and donations in kind – Fnac Darty France

Fnac Darty is a longtime supporter of several associations, such as Télémaque and Sport dans la Ville. The Group promotes initiatives for young people in difficulty, people reentering the workplace and women who are victims of violence. On the other hand, it also wishes to support the dissemination of culture. Fnac Darty is also a patron of universities and literary circles such as ESSEC (School Lab), Sciences Po and the Académie Goncourt.

As part of its "second life" policy (see section 2.2.4), the Group has significantly increased the number of donations in kind (+173% in volume by 2021). These are intended for associations such as the Agence du Don en Nature, Cocliclown, France terre d'asile, and long-standing partner associations such as Emmaüs France, Bibliothèques sans Frontières, Envie and Secours Populaire. This strong increase is the result of the efforts made by the Second Life Department, which has allowed to raise awareness but above all to coordinate the actions of the warehouses and the sales teams. This support has made it possible to better identify damaged products in warehouses and thus to considerably accelerate donation volumes.

Furthermore, in order to further increase the volume of products offered to associations, a test was launched in 2021 with Comerso. Through its digital platform, Comerso facilitates the recovery of recyclable products directly from stores with the aim of donating them to local partner associations.

The challenges for the Group are threefold:

- meet the obligations contained in the anti-waste act for a circular economy (AGEC);
- reduce the environmental impact of the waste generated by its activity;
- commit to a social initiative by redistributing these unsold products to associations that can use them.

Tests were carried out in the Fnac stores in Nantes and Le Mans. This scheme is scheduled to be rolled out in 2022 at all integrated sites, Fnac, Darty and Nature & Découvertes.

Lastly, the decrease in 2021 for Bibliothèques sans Frontières collection is attributable to the exceptional results of 2020, when the collection lasted for three weeks instead of one and also benefited from the "yard sales" held by donors during the various lockdowns. Compared to 2019, canceling out the effects related to the health crisis, 2021 was a particularly successful year.

Donations to associations – the Nature & Découvertes Foundation

Since its creation, the Nature & Découvertes Foundation has taken into account the impact of its activity on the environment and is committed to environmental protection. In 1994, the Nature & Découvertes Foundation was created, with the aim of launching and supporting grass-roots associative projects to protect biodiversity and educate about nature. Placed under the aegis of the Fondation de France, since 2005 it has been a member of the IUCN (International Union for Conservation of Nature).

The Foundation supports project leaders in a variety of ways. The projects supported range from the creation of an associative nursery to participatory science projects, as well as mobilization campaigns or support for associations promoting the conservation of species.

In 27 years, the Foundation has financed 2,931 projects for a total of €14.2 million, including 128 projects in 2021.

2.3.2.2.2 / Stores and websites: help facilitate donations in favor of associations

Customer solidarity – Fnac Darty France

Since 2017, Fnac Darty has also associated its customers to its commitments, by giving them the chance to make small donations when they make purchases on fnac.com or the Fnac Spectacles events site, as well as in Fnac and Darty stores since 2019.

All donations collected via these channels helped to raise more than €380,000 in 2021. This generosity from customers helped to support dozens of socially inclusive projects led by partner associations. For instance, thanks to the partnership with Common Cents, more than €110,000 was collected in favor of five associations (compared with €43,000 in 2020). With Un Rien C'est Tout, almost €270,000 went to finance socially inclusive projects.

In 2021, Fnac Darty also decided to boost the impact of these checkout donations by signing a new partnership with microDon (a charitable rounding solution already in place at Nature & Découvertes). The aim of this partnership is to automate the suggestion of donations on Fnac store checkout terminals; previously, donations were only made voluntarily at the time of purchase. Pilot tests were conducted in several stores on payment terminals at the end of 2021. Full rollout at directly owned Fnac stores owned is scheduled for February 2022.

The beneficiaries in 2022 will be the association Un Rien C'est Tout and the United Nations World Food Program.

Customer solidarity – Nature & Découvertes – "Helping Hand" committees

The "Helping Hand" committees finance local projects to protect and educate about nature, in particular thanks to membership of the Club Nature & Découvertes – a share of each membership is paid back to them.

Four committees are held during the year, bringing together members of the Nature & Découvertes Foundation, several experts and some fifteen store employees.

A hundred or so "Helping Hand" projects are supported each year via four seasonal committees. The selected projects are characterized by their strong local presence close to the store and consist of grass-roots initiatives that often involve committed people based locally.

The Nature & Découvertes initiative is unique because, over the following year, it offers customers a selection of the best local projects chosen by teams of employees themselves via charitable rounding at the checkout. As the team is familiar with the project, they know how to explain it to their customers, who are happy to make a gesture of solidarity when they make a purchase; on average, they donate 15 euro cents per cash register round-up.

In spite of the numerous Nature & Découvertes store closures in 2021, the sum collected via charitable rounding was over €170,000, reflecting the strong commitment of the teams to their associations.

Moreover, the Foundation's "Helping Hand" committees exceeded the €3 million mark for local projects in 2021.

Lastly, five partnerships have been developed through the Foundation's global action:

- "Génération Nature", Fondation Nicolas Hulot;
- "Ensemble pour la biodiversité";
- "On Est Prêt" association for the "Wilderness" campaign;
- Francis Hallé association;
- University of the Earth partnership; nine projects related to "1% for the Planet": Mer-terre, "Végétariens de France" association, Aux arbres citoyens, Biloba, Des enfants et des arbres, Earthship sisters, EKO, Wild & Legal, Wings of the Ocean.

2.3.2.2.3 / Long-standing partnerships

A partner of Bibliothèques sans Frontières, Fnac organized its ninth large-scale book collection. Fnac works in partnership with its customers at this event, inviting them to donate their books to the association each year. Some 283,000 books were collected during the year. In nine years, nearly 1,750,000 books have been donated to Bibliothèques sans Frontières, supporting programs for access to education and culture.

A long-standing partner of Secours Populaire, for the thirteenth year running, Fnac took part in the "Braderie solidaire" sidewalk sale in Dijon. Combining solidarity with cultural aims, it mobilizes numerous local talents and involves volunteers from Fnac, Secours Populaire and the Zénith de Dijon performance venue. In September, almost 5,000 visitors took advantage of a wide selection of new entertainment products – books, CDs, DVDs, toys, video games – at knock-down prices. More than 100 pallets filled with products were sold, resulting in a collection of €137,865 (compared with €100,972 in 2020). These funds will allow Secours Populaire to offer vacation days to disadvantaged families as part of its vacation program, "Campagne Vacances".

Darty has been a partner of Envie since 1984 and has continued to donate large domestic appliances to the workplace integration company. More than 36% of the electrical and electronic equipment collected by the Group was repaired and resold through Envie's solidarity networks (see also section 2.2.4.2).

A partner of Ateliers du Bocage (ADB), Fnac Darty also donates its used ink cartridges every year to this socially responsible enterprise, a member of Emmaüs. Through this partnership, 100,000 ink cartridges have been collected, recycled, and reused in some cases, providing 2,500 hours of work for employees in workplace integration programs (see also section 2.2.5.1).

For the fourth consecutive year, Fnac Darty supported Secours Populaire's "Green Santas" initiative to ensure that no one was left out at Christmas. Once again, customers of several Fnac stores in the Paris region were encouraged to donate new presents, such as books, toys, and other gifts, to go in the sacks of the Green Santas. The donations were distributed to all family members, but particularly vulnerable teenagers and young adults.

2.3.2.2.4 / Wenabi: a platform for signing up to solidarity

In 2021, Fnac Darty wanted to promote the charitable work of its employees and facilitate volunteering by partnering with Wenabi.

Wenabi is a platform designed to unite those who want to make a difference and associations that need volunteers. The platform offers various types of one-off volunteering, such as mentoring work to help young people in difficulty, outreach activities to help the homeless, or activities to benefit the environment.

A three-month pilot phase was launched in 2021, involving 2,000 head office employees and 1,000 in-store employees. Their enthusiasm during this pilot phase motivated the Group to extend the scheme by making the platform available to all Fnac Darty France employees in January 2022.

This collaborative tool promotes employee commitment, enabling employees to not only participate in activities that have a big impact on society but also suggest associations to help. The launch of this platform also allowed Fnac Darty to honor and strengthen certain long-term partnerships, such as those forged with Télémaque and Sport dans la Ville.

2.3.2.2.5 / Support for French SMEs and work integration social enterprises

When purchasing face masks as part of its policy to protect employees during the health crisis, Fnac Darty seized the opportunity to support both the French textile sector and sheltered workshops. The Group notably partnered with Résilience, which provided it with masks complying with AFNOR standards. The Résilience grouping brings together SMEs in the textile sector and work integration social enterprises, contributing to reshoring the French textile industry. In 2020 and 2021, a total of 685,000 recyclable masks were ordered.

2.4 / Reduce impacts on the climate

- **Strengthen climate governance and risk management**
- **Reduce emissions generated by transportation and energy from sites**
- **Extend emissions management to products, services and employee travel**

Risks	Opportunities
■ Strengthening of climate regulations (energy, circular economy, etc.) ■ Loss of reputation and attractiveness in the event of damage to the environment and/or failure to take climate issues into account ■ Supply chain disruption and asset destruction in the event of extreme weather events	■ Control of energy-related costs ■ Lower direct costs thanks to transport optimization ■ Resilience of transportation activities by anticipating restrictions ■ Attractiveness to investors of SRI

Levers activated	2021 Actions	KPI
■ Dedicated governance to incorporate climate issues at all levels of the Company	■ A Climate Committee that meets quarterly ■ A Group strategy that places sustainability issues at the heart of the business model	■ **KPI: CO_2 emissions generated by sites energy consumption per square meter** ■ **KPI: CO_2 emissions generated by transportation of goods to stores per kilometer traveled or per pallet** ■ **KPI: CO_2 emissions generated by last-mile delivery per delivery** ■ CO_2 emissions generated by e-commerce flows per package ■ CO_2 emissions generated by after-sales service travel per service call ■ CO_2 emissions generated by products for repair traveling to after-sales service workshops per repaired product ■ CO_2 emissions from transportation and energy from sites by revenue
■ Integration of climate-related risks in the new strategic plan	■ Mapping physical and transition risks, and climate-related opportunities ■ Development of science-based objectives, including for scope 3, for submission to the Science Based Targets initiative (SBTi)	
■ Genuine actions to reduce our emissions and measured results	■ Measurement of CO_2 emissions by sector and monitoring of transportation and energy roadmaps ■ Investments in renewable energy and energy efficiency ■ Measured results for actions taken to reduce transportation impacts	
■ Measurement of GHG emissions generated by more indirect emission sources to support all Group departments	■ Extension of the carbon emissions data to include several scope 3 items, including new products sold ■ Measurement of emissions saved through repairs and second life activities ■ Launch of a "green IT" approach	

In its sustainable development policy, reaffirmed in the strategic priorities of its plan Everyday, Fnac Darty is committed to reducing the environmental impact of its activities, particularly greenhouse gas emissions, whether these are generated directly by its activities, or indirectly by the products distributed in its brand outlets, or by the transport taken by its employees and customers.

Fnac Darty is taking a dual materiality approach and is organizing and acting to reduce not only the impact of its activities on the climate but also the impact of climate change on its business.

To respond to these issues, Fnac Darty significantly strengthened its governance and climate risk management system and set a target for reducing CO_2 emissions aligned with the Paris Climate Agreement. The development of a low-carbon pathway enabled the creation of an integrated framework to review all of the Group's activities.

This integrated management of climate issues was commended by the CDP (formerly the Carbon Disclosure Project): in 2021, on the basis of the 2020 data, the Group was awarded an A- rating, thereby significantly improving its score compared to 2020 (C). With a rating now above the average for European companies (B) and the average for the specialized retail market (B-), Fnac Darty has joined the "Leadership" category for the first time.

In this section, Fnac Darty provides a summary of the various levels of integration of climate issues in the Group's strategy and governance in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

This section also meets the disclosure obligations set out in the European taxonomy for sustainable activities, the "EU Taxonomy," in accordance with EU Regulation 2020/852 of June 18, 2020, on the establishment of a framework to facilitate sustainable investment within the European Union.

2.4.1 / DEDICATED GOVERNANCE TO INCORPORATE THE ISSUE AT ALL LEVELS OF THE COMPANY

Fnac Darty has structured its governance in order to strategically address climate issues.

These issues are analyzed and managed by several bodies (see also CSR governance in the introduction) and by multiple Company stakeholders.

Role and responsibilities of the Board of Directors

- The CSR Committee examines the CSR strategy and the Group's low-carbon pathway twice a year; it makes recommendations to the Board and reports any aspect that it deems salient for informing the Company's global strategy.
- During its review of the Group's mapping of risks, the Board of Directors' Audit Committee notably examines the identified risk associated with poor integration of climate issues in the strategy and makes recommendations.
- The Strategy Committee validates the business model's priorities and ensures that they are consistent with stakeholders' expectations, particularly with regard to the integration of climate risks.

Role and responsibilities of the Group's management

- As often as it deems necessary, the Executive Committee reviews the strategic climate-related policies and priorities using an approach that incorporates these issues into the implementation of the strategic plan Everyday. As a result of their role in monitoring the rollout of the plan Everyday, the Executive Committee regularly discusses climate-related issues. In 2021, several major projects were reviewed by the Executive Committee, such as the rollout of customer information on the environmental impact of the various delivery methods (see section 2.2.1) and the extension of the repair subscription model to include new product categories (see section 2.2.3.1). The members of the Executive Committee also met in 2021 to participate in a *Fresque du Climat* workshop to build awareness of the main mechanisms of climate change, demonstrating the Group's commitment to integrating climate issues into its strategic priorities.
- The Chief Executive Officer, who embodies the Group's CSR commitments, is responsible for making decisions on investment projects designed to address major risks or opportunities related to the climate. In 2021, the Chief Executive Officer was the final decision-maker for the "Corporate Power Purchase Agreement" project (direct purchase of renewable electricity – see section 2.4.4.3) and signatory to two Light Power Purchase Agreements, which allows the Company to significantly decarbonize its energy consumption mix.
- As sponsors of the Group's climate strategy, the General Secretary in charge of CSR and Governance, and the Director of Services and Operations regularly review the climate-related performance of the operational sectors, introduce new projects, and ensure that the Company strikes the right balance between its ambitions and available resources. In 2021, within the framework of the Climate Committee (see below), the General Secretary in charge of CSR and Governance, and the Director of Services and Operations reviewed and agreed on the need to develop a decarbonization strategy for the Group's transport, particularly through the purchase of electric vehicles to equip the After-Sales Service fleet.

Role and responsibilities of the Climate Committee

Climate issues are analyzed and managed by the Climate Committee, headed by the CSR Director. The Executive Committee is represented at this level by the Director of Services and Operations, and the General Secretary in charge of CSR and Governance.

Created in 2019, it meets quarterly to monitor trends in the CO_2 emissions generated by the Group's activities, to draft action plans, and to monitor roadmaps of the various operational sectors, as well as to work on extending the low-carbon strategy to include other indirect emissions items.

In 2019, the members of the Committee (Management Committee of the Services and Operations Department – National Transportation, After-Sales Service, Logistics and Flows, Services Policy) were trained on climate issues and carbon footprint measurement. Since then, they have continued to add to this training as part of an approach designed to enhance skills development, participating regularly in conferences as well as ad hoc working meetings with other players in the sector, and actively monitoring the latest developments in these topics.

Role and responsibilities of business line and subsidiary representatives

In order to roll out the Group's low-carbon strategy, managers were appointed in each relevant department and in each country where Fnac Darty operates (Belgium, Switzerland, Spain, and Portugal). These representatives are specifically responsible for measuring the CO_2 impacts of their activities, with the aim of making this measurement more reliable, and for creating performance indicators that allow each department to manage their low-carbon roadmap and incorporate reduction objectives into economic and operational performance projects.

Role and responsibilities of CSR management

Within the General Secretariat, the CSR Department coordinates the reporting of CO_2 emissions, the analysis of the risks and opportunities associated with climate change and the monitoring of roadmaps, communicates with internal and external stakeholders, and actively participates in searching for solutions to reduce the impact of the Group's activities on the climate as well as the impact of global warming on the Group's activities.

Role and responsibilities of support departments

The Climate Committee regularly calls on the expertise of other departments to identify, assess, and respond to climate-related risks and opportunities.

- The Director of Public Affairs actively monitors climate-related regulatory developments and collaborates with the CSR Department to maintain a dialogue with public authorities on various related issues.
- The Internal Audit Department identifies and evaluates the management of certain climate-related risks through internal control committees or during regular exchanges with the Group's various departments and subsidiaries.
- The financial communication teams ensure that the information published by the Group is consistent with investors' growing expectations regarding the integration of climate issues in the strategy, and respond to ESG analysts and non-financial rating agencies in a transparent manner.
- The Group's Strategy and Transformation Department is responsible for the deployment and success of the strategic plan Everyday. Accordingly, it tracks certain key performance indicators that are common to Fnac Darty's climate strategy (see section 1.5 "Group strategy and objectives").
- As part of its responsible purchasing policy, the Indirect Purchasing Department actively participates in decarbonizing certain Group activities in response to specific risks, particularly those associated with transportation and energy purchases.

2

2.4.2 / CLIMATE ISSUES INCORPORATED INTO THE COMPANY'S STRATEGIC PROJECT

Within the framework of its climate strategy, Fnac Darty identifies, assesses, and responds to physical and transition risks, as well as opportunities associated with climate change. Shared at all levels of the Company and supported by two Comex sponsors, this strategy has largely contributed to the integration of these issues in the strategic priorities of the plan Everyday. By placing sustainability at the heart of the priority areas over the next few years, the Group acknowledges that climate change will be one of the main influential factors for the Company and, consequently, its future activities.

2.4.2.1 / Identified climate risks and opportunities

In 2020 and 2021, the Group organized a more thorough analysis of its exposure to these various risks, using a multidisciplinary approach. The table below details the major risks and opportunities that were identified and assessed [1].

(1) Fnac Darty considers a risk to have a material financial and/or strategic impact if its occurrence would result in a loss greater than or equal to 1% of its revenue, or constitute significant damage to the Group's reputation or development (attractiveness, talent retention, etc.).

Most of the risks detailed in the table are transition risks. Physical risks are identified, but these will be analyzed in 2022.

For each risk, the time horizon is specified using the following methodology:

- short term (ST): 1–3 years;
- medium term (MT): 3–5 years;
- long term (LT): 5–10 years.

Risk factors	Description	Potential impact	Horizon	Strategic response
Transition risks				
Regulatory risks Because of its activities (transportation of goods, store operations, product retail) and its status as a listed company, the Group is exposed to risks resulting from the desire of governments and Europe to legislate so as to reach national and European objectives for reducing CO_2 emissions, in particular carbon neutrality by 2050.	Traffic restrictions and other regulations related to the renewal of the Company fleet: strengthening of the "low emission zone" system; mobility law (quotas for fully electric or rechargeable hybrid vehicles).	+++	ST	As the Group is highly dependent on the road transportation sector to transport products between warehouses, stores, and its customers, it has anticipated these future restrictions and obligations: ■ contracts drawn up/signed with low emission transportation suppliers (biogas, biofuels); ■ supplier dialogue to encourage service providers to decarbonize their fleets; ■ invitations to tender for the acquisition of electric utility vehicles. See also section 2.4.4.4.
	Obligation to improve energy performance in buildings (France): the French Tertiary Decree (Élan Law) set reduction objectives for the energy consumption of tertiary buildings (-40% by 2030).	++	LT	With several hundred tertiary buildings located in France, Fnac Darty is adapting its governance to manage action plans that will enable it to achieve the objectives set by the French Tertiary Decree and to incorporate these objectives into financial planning. See also section 2.4.4.3.
	Volatility in energy prices partly due to the decrease in carbon credits, and a potential increase in transportation and energy costs as a result of the forthcoming reform of the European carbon market, which could be extended to the maritime sector and which may be followed by a new carbon market for road transportation.	+	MT	To limit the impact in terms of volatility and price increases, the Group is diversifying its energy supply sources (specifically through long-term mechanisms) and is deploying a decarbonization strategy for its fleet. See also section 2.4.4.3.

Risk factors	Description	Potential impact	Horizon	Strategic response
Market risks In response to the climate crisis, supply and demand for certain products and services are changing greatly.	Changing consumer behavior, which could reduce their consumption for environmental reasons, or promote alternative distribution channels or players (second-hand, committed brands, etc.).	++	MT	The Group has chosen to turn this risk into an opportunity. Therefore, the strategic plan Everyday has placed sustainability at the heart of its priorities for the years ahead. Fnac Darty is developing several areas to meet new consumer expectations and to change its business model in order to make the permanent switch to a more circular economy: development of customer information on reliability and repairability, development of disruptive repair services, acceleration of the "second life" offer, etc. See also section 1.5.
Physical risks				
Acute risks: Climate change is accompanied by extreme weather phenomena: heat waves, floods, storms, and so on.	Interruptions to the supply chain, which could lead to supply disruptions. Disruption to operations and logistics in the event of extreme events.	To be assessed in 2022		
	Material damage to the Group's infrastructure.	To be assessed in 2022		
Opportunities				
Business opportunities associated with low-carbon products and services, or facilitating the energy transition.	Access to new markets associated with the ecological transition of consumers.	+	MT	In its diversification strategy, Fnac Darty chose to focus on technologies that support the ecological transition, particularly in the urban mobility segment, which is driven by public policies seeking to reduce automobile use in city centers. Each year, the Group strengthens its position in this segment through innovative and unprecedented partnerships, such as the one with Citroën for exclusive marketing of AMI, the automobile manufacturer's fully electric mobility solution. See also section 1.4.3.4.
	Diversification of activities thanks to the emergence of new consumer expectations.	++	MT	As more and more consumers are calling into question the linear retail model and re-evaluating their own consumer habits, the Group is positioning itself as a leader in more sustainable consumption and has made this ambition a priority in its new strategic plan Everyday. To achieve this, it is focusing on innovative and pioneering services such as the Darty Max repair subscription, strengthening its after-sales service, and significantly developing its "second life" offer. These activities allow Fnac Darty to harness new growth drivers and to reduce its exposure to a potential drop in sales or to the shift in consumer behavior away from the most carbon-intensive products, such as consumer electronics or domestic appliances. See also section 1.5.

2.4.2.2 / Resilience of the organization's strategy in relation to various scenarios

The specialized retail market is not considered a high-stakes sector; consequently, the Group did not use forward-looking climate scenario analysis tools during the development of its new strategic plan. However, strategic monitoring and numerous prospective studies, particularly relating to changes in consumer behavior, did inform the analyses conducted; these helped shape the Group's strategy, transforming transition risks into business opportunities.

The integration of climate risks and opportunities in the strategy is described in detail in section 1.1.3 "Strategic challenges, sources of opportunity, aligned with the sustainable development objectives."

Furthermore, to assess its risks and opportunities associated with climate change, Fnac Darty uses the IPCC RCP scenarios and the transition scenarios developed by the French Environment and Energy Management Agency (Agence de l'environnement et de la maîtrise de l'énergie – Ademe) to analyze the associated impacts. For this analysis, the underlying assumptions are increasing carbon regulations and taxation, an increase in the cost of raw materials and energy, and a slow but sustained change in consumer behavior.

2.4.3 / STRENGTHENED MANAGEMENT OF CLIMATE RISKS AND OPPORTUNITIES

In its management of climate-related risks, Fnac Darty takes account of the impacts of climate change for its organization, and the impacts of its activities on climate change.

This approach, from the dual materiality standpoint, operates at several levels in the Company.

	Risk management	Remedial action
Risks associated with the impact of the Group's activities on climate change	The risks of serious damage to the environment, including several risks related to the worsening of climate change, are monitored as part of the Vigilance Plan and the Climate Committee's monitoring of the low-carbon pathway. The most significant risks identified are: ■ the impacts very closely linked to Fnac Darty's business model: the retailing of new products (particularly electrical and electronic products) generates CO_2 emissions through the manufacturing process. This risk is regularly (every quarter) assessed by the Climate Committee and is based on: ▪ annual monitoring of CO_2 emissions generated by the products sold, ▪ annual monitoring of CO_2 "avoided" through repairs and the sale of second-hand products; ■ the impacts associated with the transportation of goods (from warehouses to customers and from warehouses to stores) and the energy consumption of sites, which are identified in the Vigilance Plan's risk mapping and which are assessed quarterly by the Climate Committee and daily by the managers of the Group's various transportation operations. The assessment of these impacts is monitored quarterly by business KPIs (CO_2eq emissions generated per pallet, CO_2eq emissions generated per package, CO_2eq emissions generated per delivery, CO_2eq emissions generated per after-sales service call, CO_2eq emissions generated per square meter).	Section 2.2 "Promote sustainable consumption and an educated choice" (advise, offer, repair, reuse, recycle) Section 2.4.4 "Reduction objectives, indicators and performance"
Risks associated with the impact of climate change on the Group	Climate-related risks are taken into account by the Internal Audit Department and are identified in the Group's risk mapping. They are reviewed and revised at the same time as the Group's risks. This mapping is presented and approved by the Board of Directors' Audit Committee once a year. Since 2021, climate-related risks have been updated annually, which is carried out under the aegis of the Climate Committee in collaboration with all of the departments concerned.	Section 6.1 "Risks related to changes in the economic model" Section 2.4.1 "Dedicated governance to incorporate the issue at all levels of the Company"

2.4.4 / REDUCTION OBJECTIVES, INDICATORS AND PERFORMANCE

2.4.4.1 / Science-based objectives

In 2019, Fnac Darty worked to create a low-carbon pathway that complies with the global pathway defined by the Paris Climate Agreement.

In 2021, this pathway was reviewed in accordance with the recommendations of the Science Based Targets initiative (SBTi) and across the Group's entire carbon footprint. The SBTi, developed by the CDP, the United Nations Global Compact, WRI, and WWF, aims to promote the adoption by companies of carbon strategies based on scientific knowledge, i.e., strategies aimed at a decarbonization level that meets the goals of the Paris Agreement, holding the increase in the global average temperature to well below 2°C above pre-industrial levels (and pursuing efforts to limit global warming to 1.5°C).

The targets set for Fnac Darty, which will be submitted for approval by the SBTi in 2022, are:

- a 50% reduction in CO_2 emissions by 2030 compared to 2019 for scopes 1 and 2 (Group scope);
- a commitment requiring suppliers representing 72% of the Group's scope 3 CO_2 emissions to have defined science-based reduction targets.

In order to manage as effectively as possible the impact of the Group's most direct activities on the climate, Fnac Darty decided to retain, at an operational level, the target set in 2020, which is also based on a 1.5°C pathway. This objective is now integrated in the strategic plan and covers the scope of transportation and energy:

- **a 50% reduction in CO_2eq emissions by 2030 (vs 2019, Group scope) in relation to:**
  - **transportation** (warehouse–store transport, last-mile delivery, dispatch of packages, after-sales service workshop flows, business travel – scope 1 and scope 3);
  - **sites energy** (scope 1, scope 2, and scope 3).

This chapter presents the performance related to this target, as well as the CO_2 emissions calculated for the other categories of the carbon emissions data. In 2023, Fnac Darty will present the monitoring of the defined targets within the framework of its submission to the SBTi.

The following additional objectives, set out in the strategic plan Everyday and monitored monthly by the Executive Committee, make it possible to measure in concrete terms the Group's performance in the climate transition:

- Achieve a sustainability score [(1)] of 135 by 2025 (see section 2.2.1.2);
- Achieve a target of 2.5 million repaired products by 2025 (see section 2.2.3).

Fnac Darty's ambitions for the sustainability of its products illustrate the Group's commitment to acting on the most significant emissions categories contributing to its total carbon emissions: the manufacture of new products distributed by its brands and the use of these products.

2.4.4.2 / Greenhouse gas emissions data

Breakdown of the Group's CO_2eq emissions in 2021

Emissions scope	2019	2020	2021
Scope 1 – Direct emissions in kt CO_2eq	19.4	18.6	20.6
Scope 2 – Indirect emissions in kt CO_2eq	8.4	2.1	1.7
Scope 3 – Other emissions in kt CO_2eq	4,381.1	not available	4,274.2

(1) *Sustainability score: average of a reliability score and a reparability score, calculated on the basis of data collected by Fnac Darty's After-Sales Service Department over the last two years for each product listed, weighted by the volume of products sold by the Group in the year in question.*

Detailed overview of emissions in tons of CO_2 equivalent in 2021

Group scope (retroactively incorporating Nature & Découvertes into the 2019 data in order to accurately reflect the total carbon footprint for the base year). The figures in bold are the emission items used to assess the target of a 50% reduction in CO_2eq emissions by 2030 in relation to transportation and site energy (compared to 2019).

Emissions scope [(a)]	2019 emissions [(a)] *(in kt CO_2eq)*	2020 emissions *(in kt CO_2eq)*	2021 emissions *(in kt CO_2eq)*
Scope 1			
Direct emissions [(b)]	**19.4**	**18.6**	**20.6**
Scope 2			
Indirect emissions [(c)] *(market-based [(d)])*	**8.4**	**2.1**	**1.7**
Scope 3			
Products and services purchased	2,323.0	2,356.7	2,354.9
Fixed assets	51.7	42.6	44.6
Fuel- and energy-related emissions	**16.4**	**14.4**	**17.6**
Upstream transportation of goods	38.6	34.8	36.3
Waste generated	124.4	not available	117.4
Business travel	**1.1**	**0.7**	**0.7**
Work commutes	33.2	not available	30.6
Upstream leased assets	0.6	0.6	0.6
Downstream transportation of goods and retail	**6.1**	**10.1**	**9.3**
Use of products sold	1,166.6	975.0	998.6
End of life of products sold	27.8	26.4	29.3
Franchises	0.4	0.2	0.4
Customer travel	591.1	638.0	634.0
TOTAL EMISSIONS	**4,408.9**	**NOT AVAILABLE**	**4,296.5**

(a) *Downstream leased assets, the processing of products sold, and investments have not been calculated as they are deemed to be non-material or not applicable to the Group. For more information on the reported scopes, see the methodological note in section 2.7.*

(b) *Consumption of primary energy source: natural gas, heating oil, fuel, leakage of refrigerants, etc.*

(c) *Energy consumption: electricity, heating, cooling.*

(d) *Location-based emissions are available at the end of this chapter in the summary of performance indicators in section 2.6.*

Monitoring of the reduction objective approved by the Group as part of its low-carbon strategy

Emissions items [a]	2019 emissions [b] *(in t CO_2eq)*	2020 emissions *(in t CO_2eq)*	2021 emissions *(in t CO_2eq)*	2021 vs 2020	2021 vs 2019
Transportation	58,587	57,806	61,159	5.8%	4.4%
Energy	21,704	13,145	14,329	9.0%	(34.0)%
TOTAL	**80,291**	**70,951**	**75,488**	**6.4%**	**(6.0)%**
Of which scope 1	*19,369*	*18,597*	*20,617*	*10.9%*	*6.4%*
Of which scope 2	*8,409*	*2,147*	*1,705*	*(20.6)%*	*(79.7)%*
Of which scope 3	*52,514*	*50,207*	*53,166*	*5.9%*	*1.2%*
T CO_2EQ/€ MILLION	**10.9**	**9.5**	**9.4**	**(0.8)%**	**(13.5)%**

(a) In 2021, the Group improved the reliability of its methods for calculating emissions related to business travel (fuel consumption of company vehicles) and fugitive emissions. This approach led to the recalculation of emissions in this category for 2019 and 2020, and to the integration of these in the scope of the target in order to report all scope 1 emissions.

(b) Emissions generated by Nature & Découvertes were retroactively included in order to accurately reflect the complete carbon footprint for the base year.

For the items included in the reduction objective (transportation and site energy), the carbon footprint is lower in 2021 compared with 2019, the reference year. It is up compared to 2020 due to the global health crisis, which forced the Group to close its stores for several months in 2020.

The drop in emissions is significant in relation to revenue, which is explained by the results of the actions undertaken by the various transportation and energy sectors in France and in the European subsidiaries: optimization of transportation plans and loads, purchase of renewable electricity, development of remote troubleshooting solutions, and so on. These actions and their results are described in detail in section 2.4.4.4 below.

The following paragraphs aim to accurately describe the mitigation policies implemented to limit the environmental impact of the various items that are measured and managed by the members of the Climate Committee, the actions taken in 2021 and the relevant performance, as well as high-priority areas for 2022–2023.

In order to control the reduction of CO_2 emissions generated by these various flows, environmental performance indicators are now analyzed by cross-referencing them with economic and operational performance indicators.

2.4.4.3 / Energy consumption of sites and energy purchases

With more than 1,600,000 m² of warehouses, stores and offices, the energy consumed by the Group's sites is a substantial source of its CO_2 emissions, since they represent almost 20% of the total emissions recognized within the scope of the emissions reduction objective.

Group (current scope)	2019 [a]	2020	2021	Change vs 2020	Change vs 2019
Energy consumed *(in MWh)*	225,896	206,398	217,021	5%	(4)%
Energy consumption of sites by surface area *(in kWh/m²)*	138	125	133	6%	(3)%
Fugitive emissions (refrigerant gas) *(in t CO_2eq)*	3,232	3,246	3,224	0%	(5)%
KPI: CO_2 emissions generated by energy consumption [b] of sites (excluding fugitive emissions) per square meter *(in kg CO_2eq/m² (market-based [c]))*	11.3	5.9	6.7	14%	(41)%
CO_2 emissions generated by sites (with fugitive emissions) per square meter *(in kg CO_2eq/m² (market-based [c]))*	13.2	8.0	8.8	10%	(33)%
CO_2 emissions generated by the sites *(in CO_2eq (market-based [c]))*	21,704	13,145	14,329	9%	(34)%

(a) Including Nature & Découvertes.

(b) Electricity, gas, heat and cooling networks, and oil.

(c) Location-based emissions are available at the end of this chapter, in the summary of performance indicators in section 2.6. For more information on the reported scopes, see the methodological note in section 2.7.

For the past several years, in order to improve the energy efficiency of its sites, the Group has rolled out centralized technical management systems (CTM) and LED lighting deployment projects. In addition, as part of the renewal of its air conditioning and heating systems, Fnac Darty prioritizes less energy-intensive systems and is stepping up its maintenance operations to ensure that its equipment is properly adjusted and avoids over-consumption of energy.

As part of its responsible purchasing policy, the Group is increasingly sourcing energy from renewable sources for its electricity and gas.

Actions and Performance 2021

- **Direct purchase of renewable electricity: +25% compared with 2020**

Share of renewable energy in electricity purchases

	2019	2020	2021	Change vs 2020
TOTAL	**24%**	**36%**	**45%**	**25%**
Fnac and Darty France	*0%*	*14%*	*25%*	*71%*
Fnac Belgium and Vanden Borre	*95%*	*95%*	*97%*	*2%*
Fnac Spain	*100%*	*100%*	*100%*	=
Fnac Portugal	*60%*	*100%*	*100%*	=
Fnac Switzerland	*97%*	*87%*	*100%*	=
Nature & Découvertes	*100%*	*100%*	*100%*	=

To reduce the carbon footprint related to their energy consumption, Fnac and Darty France have chosen to use traceable guarantee of origin certificates, via a direct electricity purchase agreement with a renewable energy producer (Power Purchase Agreements).

After signing two contracts to purchase the power produced by existing plants (see below), in 2021 the Group negotiated, and at the beginning of 2022 signed, a Corporate Purchase Agreement relating to the energy produced by a future solar farm in central France, which will be built and operated by Valeco. With 20 MW of installed capacity, this future solar power plant, which will start operating in 2023, will cover around 16% of the annual energy consumption of Fnac Darty sites.

In developing this project, Fnac Darty and Valeco have been particularly attentive to the protection of biodiversity. Covering an area of 20 hectares, the future solar farm will be developed on former agricultural land that the municipality has transformed to accommodate an industrial project. Valeco has chosen to preserve the former agricultural activity of the site by specifically implementing a beekeeping activity, which will focus on the Black Bee of Sologne, as well as a pasture for sheep. To achieve this, hedges will be created and the existing hedge will be strengthened both to contribute to the landscaping of the project and to strengthen ecosystem continuity. Local species that attract avifauna and pollinators will be selected (field maple, common dogwood, privet, etc.).

Valeco will promote the development of local employment for the entire project, for example, by working with local communities and businesses. The Company also undertakes to prioritize hiring local professionals to maintain the site's vegetation (farmer for the grazing, workplace integration association or maintenance company for green spaces, local fencing specialist, etc.), as well as for the beekeeping activity to be set up. With this new project and Valeco's development in the region, a new maintenance base is set to be deployed in the surrounding area.

The electricity generated by the solar power plant will be injected into the Solvay Energy Services balance perimeter before being redistributed to Fnac Darty's consumption sites.

Furthermore, after having signed a Power Purchase Agreement in 2019 for the 2020 and 2021 production of a six-turbine wind farm in the Occitanie region, the contract was renewed for 2022 and 2023. In 2021, the electricity produced by this wind farm has accounted for more than 12% of the annual consumption of Fnac and Darty sites in France.

Since January 2021, through another Power Purchase Agreement, Fnac Darty France has also purchased the production of a hydraulic dam in the Île-de-France region, accounting for more than 13% of the annual consumption of French sites.

Elsewhere in the Group, subsidiaries continue to almost exclusively source electricity from renewable sources.

Energy efficiency actions

In 2021, the Group began a new phase in improving its monitoring tools, intended for its energy equipment located in the Fnac stores. The former technical building management facilities of 72 stores are being renovated, which will enable more in-depth monitoring of the heating, air conditioning, and ventilation systems as well as lighting fixtures. This operation should result in consumption being reduced by approximately 5% for the same configuration.

Following the regulatory energy audits conducted in 2020 and 2021, the resulting recommendations are being processed using a digital tool that will be used to draw up a Group-wide action, structured to meet the objectives of the first deadline of the Tertiary Decree in 2030. This tool will make it possible to define a theoretical trajectory to reduce energy consumption and to monitor the smooth running of the work program year-on-year.

Faced with an unprecedented increase in energy costs and the regulatory constraints of the Tertiary Decree, which will come into effect at the end of 2022 with the start of data transmission on the Operat platform, the Group has adapted its governance. This has resulted in the appointment of an Energy Manager, with the aim of eventually creating a team dedicated to managing the Group's energy performance over time and involving all the Group's departments in the systemic consideration of the energy issue.

In 2021, the health crisis continued to place constraints on store operations, notably by requiring indoor air to be over-ventilated in order to maintain a CO_2 level below the threshold of 400 ppm. Running fan motors faster, increased ventilation operating times and, depending on the season, increased heating or cooling of new air flows resulted in the Group's energy consumption increasing by around 5%. Furthermore, with all stores being closed for two months in 2020, it was expected that overall consumption would rise despite the actions taken to control energy.

2.4.4.4 / Goods transportation and business transportation

Logistics at Fnac Darty, a key skill for the Group, draws considerable strength from the complementary nature of its brands. Every day, thousands of products move between warehouses, stores, delivery platforms, sorting centers, repair shops, and customers' homes.

However, these flows have a significant impact on air quality and global warming and are in fact subject to an increasing number of regulations. In France, for example, the rapid development of "low emission zones" and therefore traffic restrictions for the most polluting vehicles (with a ban on diesel vehicles from 2024, and on combustion engine vehicles by 2030), or the possible introduction of taxes on heavy goods vehicles in some regions, are likely to increase indirect costs in the short and the medium term.

In the medium term, these costs could also increase as a result of the forthcoming reform of the European carbon market, which could be extended to the maritime sector and which may be followed, from 2026, by a new carbon market for road transportation.

In order to respond to these risks and limit the impact of such road transportation on air quality, noise pollution, and global warming, the Group is working, under the aegis of the Climate Committee, on strategies to decarbonize its fleet and optimize its flows in cooperation with its transportation providers.

2.4.4.4.1 / Goods transportation between warehouses and stores

Store transportation relates to re-supply flows between the Group's warehouses and its integrated and franchise stores. In this flow, Fnac Darty focuses its efforts on four levers:

- optimizing transportation plans and the warehouse network to limit the distances traveled;
- maximizing and optimizing truck loading;
- prioritizing transportation providers committed to environmental sustainability and operating or investing in less carbon-intensive fleets;
- developing multimodal transportation.

Actions and Performance 2021

Scope: Group [(a)]	2019 [(b)]	2020	2021	Change vs 2019
CO_2eq emissions *(in t CO_2eq)*	26,621	23,160	24,048	(10)%
Fnac France and Darty France	*21,365*	*18,201*	*18,317*	*(14)%*
KPI: CO_2 emissions per pallet transported *(in kg CO_2eq/pallet)* France (Fnac, Darty, Nature & Découvertes)	16.7 [(b)]	15	13.9	(11)%
KPI: CO_2 emissions per kilometer traveled *(in kg CO_2eq/km)* Other countries (Belgium, Switzerland, Portugal, Spain)	0.97 [(a)]	0.98	0.97	(1)%

(a) Franchises included (because they are restocked by the Group).
(b) Excluding Nature & Découvertes in 2019.

In 2021, the French transportation department committed to the Fret 21 initiative, led by the Ademe (French Environment and Energy Management Agency) and the AUTF (French Shippers' Council), which encourages companies acting as carriers' clients to better integrate the impact of transportation into their sustainable development strategy.

As part of Fret 21, Fnac Darty has made a commitment to reduce its CO_2 emissions as regards transportation by 10% in three years. In order to achieve its objective, Fnac Darty intends to use various levers such as:

- converting means of transport to cleaner models (biogas, biofuel, etc.);
- transparency of information about the CO_2 emissions generated by the various delivery methods for web orders;
- optimizing the filling of delivery bins at its logistics sites;
- increasing the number of transport service providers with an environmental approach recognized by the charter or the "Objectif CO_2" label.

At the same time, in 2020 and 2021, Fnac Darty France conducted a comprehensive review of its transport plans (in 2020 for France and in 2021 for the Île-de-France region).

- Île-de-France flows: the Group has seized the opportunity to reduce its GHG emissions while responding to future traffic restrictions in the Greater Paris metropolitan low emission zone by contracting with service providers who operate bio-CNG vehicles, with the aim of achieving 100% of distribution – 45 vehicles in low season. In addition to a reduction in greenhouse gas emissions, the level of fine particulate emissions will also fall significantly.
- France flows: the new transport plan has led the Group to enter into contracts with carriers that are engaged in environmental initiatives, and to initiate discussions with these suppliers to encourage them to convert part of their fleet into vehicles with lower emissions (particularly using biofuels). To further improve the optimization of truck loading, Fnac Darty has turned to transportation providers offering to pool their distribution with other players in the sector.
- Nature & Découvertes flows: Since 2006, Nature & Découvertes has used rail/road transport to deliver goods to be sold at some of its stores. Around 15 stores in the south of France are supplied by rail and road.

2.4.4.4.2 / Shipment of packages to customers' homes or pickup points

E-commerce delivery covers parcels delivered by couriers – more than 17 million parcels shipped in 2021, of which over 10 million originate from France. Because of its omnichannel model, the Group offers a wide range of delivery services: packages can be delivered to customers' homes, to a Group store, or to other collection points. They are delivered from the warehouses, or directly from the stores.

The Group's omnichannel model reduces the impact of e-commerce activity, since many products ordered online are collected by customers in store via "click&mag" (parcels delivered from the warehouse to the store) or "click&collect" (parcels from in-store stock, without delivery).

Since 2020, Fnac Darty has calculated CO_2 emissions generated from parcels based on the CO_2 reports of its service providers. By cross-checking these balance sheets with the volumes of packages transported by each of these carriers, the Group has found that transporting packages for collection in-store produces an average of 70% less CO_2 than transporting packages for home delivery (excluding the customer's travel). In fact, the distances traveled by the trucks are smaller and the packages are pooled in greater numbers, which reduces the environmental impact of a package.

Furthermore, for packages delivered to customers' home addresses or to "pickup points" by courier companies, the Group favors service providers whose GHG emissions are offset or who invest in the decarbonization of their fleet [(1)].

(1) *Fnac Darty recognizes CO_2 emissions from parcels delivered by its service providers who are offsetting their emissions.*

Actions and performance 2021

Scope: Group	2019	2020	2021	Change vs 2019
Number of parcels shipped *(in millions)*	11.9 [(b)]	19.1	17.5	46%
CO_2 emissions generated by the shipment of packages *(in t CO_2eq)* [(a)]	6,097	10,083	9,258 [(a)]	52%
KPI: CO_2 emissions per package *(in kg CO_2eq/package)*	0.49 [(b)]	0.53	0.53	8%

(a) Of which over 5,000 t CO_2eq offset by transport providers.
(b) Excluding Nature & Découvertes.

Scope: Fnac and Darty France [(a)]	2019 [(b)]	2020	2021	Change vs 2019
Share of packages delivered in-store	32%	24%	27%	(15)%
KPI: CO_2 emissions per package *(in kg CO_2eq/package)*	0.53	0.53	0.54	
CO_2 emissions per package delivered to a collection point *(in kg CO_2eq/package)*	not available	0.20	0.20	
CO_2 emissions per home-delivered package *(in kg CO_2eq/package)*	not available	0.63	0.66	

(a) Since 2020, Fnac Darty has calculated CO_2 emissions generated from parcels based on the CO_2 reports of its service providers. The service providers chosen to transport parcels to stores in France (for the in-store collection service) have CO_2 reports that differentiate between the service level: home or store delivery. See also the methodological note in section 2.7.
(b) Excluding Nature & Découvertes.

Emissions associated with package shipping are up on 2019, which can be explained by the sharp acceleration in e-commerce activity over the past two years, resulting from changes in consumer purchasing behavior since the beginning of the Covid-19 crisis.

Against this background of a global pandemic, the increase in online orders from French overseas departments and regions, as well as from abroad, also led to an increase in shipments by air, which contributed to the deterioration in CO_2 emissions for this flow.

In France, the carbon intensity of this flow is still affected by an unfavorable mix of delivery services. In fact, the share of packages delivered in-store (lower "emissions" than for packages delivered to customers' homes) has not yet returned to 2019 levels, which affects the CO_2emissions balance.

Service providers taking action to help reach carbon neutrality in France were prioritized: in 2021, emissions from 67% of parcels shipped in France were offset by these service providers (Colissimo, Chronopost, DPD, Top Chrono), i.e. more than 5,000 tons of CO_2.

In 2021, under the initiative of the Climate Committee, the Group rolled out a major project to encourage customers to consider the impact of their e-commerce activities (delivery methods, travel, etc.): Fnac Darty now informs its online customers of the CO_2 emissions associated with each delivery service offered, and encourages them to calculate the impact of their travel (in the case of collection in-store) – see also "Informed delivery project" below, in the overview of commitment No. 1 of the charter to reduce the environmental impact of e-commerce.

As part of the Group's objectives set within the Fret 21 initiative, the e-commerce team also intends to strengthen its dialogue with suppliers in order to encourage carriers to accelerate the decarbonization of their fleets and optimize loading and transport plans in a co-construction approach.

Signature of the commitment charter to reduce the environmental impact of e-commerce

The rapid growth of e-commerce highlighted the importance of eco-responsible development of e-commerce logistics activities. In this context, the French Government has entrusted France Logistique and France Stratégie with a consultation mission aimed at publishing voluntary commitments by logistics real estate players on the one hand, and by online retail players on the other. In 2021, Fnac Darty actively participated in drafting a commitment charter, alongside other players in e-commerce, under the leadership of the Federation of e-commerce and distance selling (Fevad).

The commitment charter to reduce the environmental impact of e-commerce commits signatories, including Fnac Darty, to:

- raise awareness and inform the "consumer-player";
- reduce packaging volumes and encourage reuse;
- rely on logistics that are environmentally friendly;
- report on the implementation of commitments.

Reporting on the implementation of commitments:

1) Inform the consumer of the environmental impact of the delivery	**"Informed delivery" project:** In 2021, Fnac Darty developed a new service in the specialized retail sector: the Fnac and Darty websites published the GHG emissions associated with the delivery of a 1 kg package depending on the delivery service selected. Tested in the fourth quarter of 2021, "informed delivery" information was made available to all web customers in February 2022. As part of its ongoing progress, the Group intends to refine and supplement this information by gradually incorporating other quantified impacts such as GHG emissions generated by packaging, information systems, and warehousing. To this end, the Group, alongside other players in the sector, is participating in a study led by the Ademe and the French General Commission for Sustainable Development (CGDD), which measures the environmental footprint of e-commerce distribution setups. Fnac Darty is a member of the Advisory Committee and has agreed to share its internal data in order to carry out the impact measurements. Well aware that customers' travel can have a significant impact on the total carbon footprint of a delivery (in the case of packages delivered to a collection point), Fnac Darty has chosen to collaborate with Datagir, a public service supported by the Ademe and the incubator of the French Interdepartmental Directorate of Digital, by making their eco-calculator available to web customers https://monimpacttransport.fr/. Lastly, throughout the online pathway, the Group provides advice aimed at raising awareness among its customers. Thus, in the context of a delivery to a collection point, Fnac Darty encourages its customers to pool their trips or to use environmentally friendly modes of transport.
2) Promoting good ordering habits	In 2021, Fnac Darty redesigned customer information about the recovery of products subject to EPR, particularly WEEE, to improve its readability and understanding. In its communications to customers, Fnac Darty regularly reminds them of the importance of recycling and re-using items, and particularly of repair work.
3) Encouraging good habits by reminding consumers of recycling and reuse guidelines	See section 2.2.1 "Help customers make an educated choice", and section 2.2.4 "Give a second life to products".
4) From September 1, 2022, providing consumers with the opportunity to identify the products in the catalog with the best environmental performance	
5) Taking measures to reduce packaging volumes	See section 2.2.5 "Reduce packaging, ensure waste collection and recycling".
6) Only using delivery packaging whose primary materials are recycled, recyclable, or reusable	
7) Ensuring that warehousing activities carried out in new buildings have an environmental performance that is systematically certified	Not concerned to date.
8) Promoting the development of decarbonized delivery methods	In 2021, the French department of transportation committed to the Fret 21 initiative, supported by the Ademe (French Environment and Energy Management Agency) and the AUTF (Association of Freight Transportation Users) – see section 2.4.4.4. Fnac Darty has also maintained and developed its partnership with Stuart, a bicycle delivery service from its stores. This service is available in 12 French metropolitan areas and helps to reduce the carbon footprint of around 1,500 deliveries per month and up to 5,000 in peak season.
9) Systematically grouping together shipments of products ordered at the same time by the same consumer when the goods can be received and stored, unless specifically requested by the consumer	The Group's delivery policy already meets this commitment.

2.4.4.4.5 / Delivery of large appliances to customers' homes

Fnac Darty has the biggest network of local logistics centers in France, comprising around 90 delivery platforms spread out across the whole of France. From these sites, the Group's teams and subcontracted service providers deliver major appliances (large domestic appliances and TVs) to customers' homes, where they install them and collect their old appliances under the "2 for 1" WEEE recovery service (see also section 2.2.5.1). For the portion operated by the Group's teams, the fleet consists of approximately 450 fully owned vehicles.

For several years now, the Operations Department has been engaged in research aimed at optimizing its delivery routes and modernizing its fleet of vehicles to reduce the impact of delivery.

Actions and Performance 2021

Scope: Group	2019	2020	2021	Change vs 2020	Change vs 2019
Number of deliveries *(in thousands)*	2,019	2,270	2,218	10%	(2)%
France	*1,749*	*1,960*	*1,930*	*(1.5)%*	*10.9*
CO_2 emissions *(in t CO_2eq)*	14,416	14,701	17,126	16%	21%
KPI: CO_2 emissions per delivery *(in kg CO_2eq)*	7.1	6.5	7.7	19%	8.4

In 2021, the Delivery and Last-Mile Network department was involved in two areas: reducing fuel consumption and optimizing processes to reduce delivery failures.

Fleet replacement and optimization

In order to decarbonize its fleet and meet future restrictions on the use of diesel vehicles in low emission zones, Fnac Darty France acquired 20 m^3 trucks that run on CNG: 35 trucks were delivered in 2020, to achieve full deployment in January 2021. For the time being, and for reasons of availability of CNG supply sources, these trucks are being deployed in Paris, Toulouse, Strasbourg and Lyon.

Tests are carried out on electric vehicles which, for the time being, due to constraints related to vehicle range, do not meet the requirements of this activity. The purchase of new CNG trucks is also being considered.

In 2021, a project to monitor truck tire pressure was launched in France, with three objectives: to reduce GHG emissions, to optimize costs, and to increase the safety of delivery personnel. After an audit revealed that approximately 82% of the vehicles had abnormal tire pressure, and after a pilot phase, the project was extended to the entire fleet. It involves a monthly pressure check and regular tire inflation, performed directly on-site, with the objective of saving approximately 55,000 liters of fuel, 105 tons of CO_2 equivalent, and 241 kg of PM10 (estimates carried out based on data from the partner Puump, for 450 vehicles).

Reducing delivery failures

The Group continued to roll out its new range of delivery services in 2021, which aims to reduce delivery failures by acting on their root causes: customer not at home, customer changing their mind, incorrect installation classification (built-in/freestanding) requiring an order change, incorrect labeling of delivery constraints (sending one person to an address that needs equipment to be carried, for example).

To reduce delivery failures associated with customers not being at home during delivery, the Group rolled out a "2 hours' notice" system in 2020, which notifies customers of a more precise delivery window than previously.

In 2021, a project to optimize the installation quality of large, built-in domestic appliances was launched, via "built-in cells" responsible for better classifying deliveries to ensure that the household appliances ordered are in line with the installations in customers' homes.

The introduction of trucks that run on CNG (including some bio-CNG) and the actions undertaken to reduce delivery failures have helped to contain emissions. By reducing the return rate in this way, the Group avoided 5,400 deliveries, representing approximately 38 tons of CO_2equivalent.

2.4.4.4.4 / Home after-sales repairs

In France, hundreds of Fnac Darty technicians carry out around 2,000 home service calls every day to repair customers' appliances that have broken down. This service is also available in Belgium and is carried out by Vanden Borre.

While this activity helps to avoid GHG emissions by extending the life span of products (see also section 2.2.3), it too has an impact on the climate linked to the vehicle fleet for after-sales technicians and the shipping of spare parts. It is also directly affected by several regulatory risks: in France, the mobility policy law – which obliges companies managing a fleet of more than 100 vehicles of less than 3.5 tons to gradually renew their fleet with vehicles that emit less than 60 g/km of CO_2 – and the development of traffic restrictions in "low emission zones".

For several years, the Group has been developing remote assistance solutions to limit the number of service calls. In fact, according to analyses by Darty's after-sales service, in almost half of all cases the breakdowns reported by customers are not really breakdowns, and maintenance or usage advice is enough to solve the problem. Proven breakdowns are increasingly easy to troubleshoot remotely, thanks to new technologies. However, when necessary, the Fnac Darty teams will visit.

2020 actions and performance

Scope: Group (Darty France and Vanden Borre)	2019	2020	2021	Change vs 2020	Change vs 2019
Number of service calls *(in thousands)*	752	741	801	8%	7%
France	*706*	*680*	*738*	*8.5%*	*15%*
CO_2 emissions generated by service calls (including dispatch of spare parts) *(in t CO_2eq)*	4,881	4,716	5,715	21%	17%
CO_2 emissions generated by the After-Sales Service's fleet of vehicles for home service calls *(in t CO_2eq)*	4,364	4,051	4,206	4%	(4)%
KPI: CO_2 emissions per service call *(in kg CO_2eq/service call)*	6.48	6.37	7.14	12%	10.2%
CO_2 emissions per service call, excluding spare parts *(in kg CO_2eq/service call)*	5.8	5.5	5.3	(4)%	(9)%

The emissions generated by this activity are up 17% on 2019, due to a significant increase in activity related to the deployment of the Darty Max service. More than 27% of the work carried out in 2021 was performed for subscribers to the Darty Max repair service, some of whom would not have chosen to have their equipment repaired had they not subscribed to the service.

The increase is also explained by the impact of the shipment of spare parts, particularly oversized parts, which are more numerous due to the increasing size of some appliances (particularly American refrigerators and large televisions). It is also due to the integration of many young technicians fresh out of the Tech Academy (see also section 2.1.2.2.2), whose routes are less dense than those of more experienced technicians.

However, the impacts have been contained and, compared to the number of service calls performed, the emissions increased less dramatically, mainly as a result of the actions taken to avoid unnecessary service calls.

Furthermore, excluding spare parts, GHG emissions are down compared to 2019, particularly in intensity when compared with the number of service calls performed.

In France, the Group has therefore deployed planning units responsible for better classifying breakdowns so that repairs can be conducted in a single visit or even repaired by supporting the customer remotely. Based on the "right first time" repair rate recorded in 2021, this reduced the number of service calls by over 43,000, i.e., approximately 275 tons of CO_2 equivalent [(1)].

These planning units are also responsible for drawing up more effective routes in order to reduce the distances traveled by technicians, thus contributing to reducing GHG emissions.

In 2021, as part of its fleet replacement, the After-Sales Service Department also committed to prioritizing vehicles that release fewer greenhouse gases and other pollutants. A call for tenders was launched for the purchase of approximately 50 electric vehicles (approximately 5% of the After-Sales Service Department's fleet), which will be deployed in the second half of 2022.

(1) Estimated on the basis of 6.43 kg CO_2eq per service call, the carbon intensity of a service call in France in 2020.

However, the GHG emissions generated by this activity should be compared with those emissions "avoided" through repairs. The study carried out in 2021 on products repaired in 2020 showed that approximately 139,000 tons of CO_2 equivalent were avoided by extending the products' life spans through repairs (see also section 2.4.4.5.2).

2.4.4.4.5 / Flow of products to after-sales service workshops

When defective products cannot be repaired remotely, at home or at in-store service counters, they are sent to one of the Group's repair centers. This is especially the case for small domestic appliances and consumer electronics, which are shipped or transported from stores when customers bring them to the counter.

Actions and Performance 2021

Scope: Group (a)	2019	2020	2021	Change vs 2020	Change vs 2019
Number of products sent to the after-sales service workshops *(in thousands)*	863	744	715	(3.8)%	(17)%
France	*693*	*611*	*655*	*7.2%*	*(5.4)%*
CO_2 emissions *(in t CO_2eq)*	2,305	1,851	1,533	(17.2)%	(33.5)%
KPI: CO_2 emissions per product sent to the after-sales service workshops *(in kg CO_2eq/product)*	2.7	2.5	2.1	(16)%	(22)%

(a) Excluding Switzerland and Spain, not affected as after-sales operations are managed directly by the brands.

In 2021, the Group continued its efforts to improve the handling of minor breakdowns directly at store after-sales service counters in order to avoid unnecessary shipping: accordingly, based on the dispatch rate, more than 12,700 products were not dispatched to repair workshops, contributing to a saving of 40 tons of CO_2 equivalent (based on the average emissions of a product sent for repair in France).

2.4.4.5 / Extension of the carbon emissions data to other scope 3 categories

2.4.4.5.1 / The carbon footprint of new products sold, throughout their life cycle

As part of its process of continuous improvement, the Group is aiming to extend its measures to include significant scope 3 items, starting with the sources of the emissions related to the products sold.

The Group is fully aware of the weight of these emissions items (more than 95% of its total carbon footprint) and of its responsibility to reduce the impact on the climate associated with its activity as a retailer. Limiting this impact requires significant changes to the business model and supplier relationships, and the prerequisite for this action is the measurement and analysis of these impacts.

In 2021, with the help of specialist firms, Fnac Darty and Nature & Découvertes conducted a quantified analysis of GHG emissions related to the life cycle of new products sold by its brands:

- their manufacturing;
- their transport (upstream);
- their use;
- their end of life.

Actions and Performance 2021

Scope: Group (a)	2019	2020	2021
CO_2 emissions *(in kt CO_2eq)*	3,425.3	3,368.0	3,281.4
Of which manufacturing	*2,221.2*	*2,356.7*	*2,242.8*
Of which upstream transportation	*9.7*	*9.8*	*10.7*
Of which use	*1,166.6*	*975.0*	*998.6*
Of which product end of life	*27.8*	*26.4*	*29.3*
Carbon intensity by revenue *(in t CO_2eq/€ million)*	464	450	409

(a) For more details on the methodology and in particular the assumptions, please refer to the methodological note.

2.4.4.5.2 / Repairing, repackaging, and selling used products: emissions-saving activities

Some of the products sold by Fnac and Darty are particularly carbon-intensive: this is the case for domestic appliances and consumer electronics, the manufacturing and use phases of which produce substantial emissions because of the materials used and the energy they consume when used.

For these products in particular, the Group has been developing its business model for several years to make it more circular and thus reduce these impacts, notably by extending products' life spans. This commitment has been reaffirmed by the Company's management and Directors, who have approved the strategic plan Everyday, in which two of the three priority areas are aimed at the sustainability of the Group's business model, and in particular the sustainability of distributed products.

All the policies described in section 2.2 of this chapter, from repairs to advice, the sale of second-hand products, and the marketing of more sustainable products thus make a concrete contribution to reducing the associated GHG emissions.

In order to measure the positive impact of repairing and selling second-hand products, the Group has conducted a study with EcoAct, an expert in climate studies, on repaired products, repackaged and resold products, and on products that were sold to discounters or donated in 2020. For each repair and reuse service, the study followed a comparative approach, between a reference scenario (purchase of a new product or buyback of a product following a breakdown) and a scenario where the product is repaired, repackaged, or donated. The full life cycle of products was used and the assumptions were based on internal Group data, data in literature, and sectoral averages.

This study is part of a process of continuous improvement. To date, the Ademe has not developed an official methodology or standard life cycle analysis (Product Category Rule) to measure these avoided emissions. A methodology that takes into account applicable standards and recommendations has therefore been developed for this analysis, which includes a high level of uncertainty related to the emission factors used or the assumptions made. The methodology and results of this study were validated by an external and independent certification body in January 2022 [1].

Results (estimates)

Business activity	Number of products selected	Emissions avoided *(in t CO_2eq)*
Repair of consumer electronics and domestic appliances by Darty after-sales service	approx. 1,000,000	136,000
Smartphone repairs by WeFix	approx. 210,000	4,550
Second life (second-hand, donations, and sale to brokers)	approx. 320,000	3,500

Based on the nearly 1.5 million products selected for analysis, and in a scenario where the second life of the repaired product is equal to half of the first life of the product, it is estimated that Fnac Darty's repair services and second life activities helped to avoid more than 144,000 tons of CO_2 equivalent in 2020.

This "greenhouse gas saving" represents approximately 4% of the carbon footprint of the products sold by Fnac Darty in 2020, i.e., the emissions of 13,600 French people over one year [2].

Sensitivity analyses have also shown that, even in the pessimistic scenario where the second life of the product would be shorter than the lifetime used for the study's hypotheses, the environmental benefits of repairing electrical and electronic appliances far exceed the rebound effects of the activity (production of spare parts, travel by after-sales technicians, etc.).

Although estimated, this analysis confirms the Group's strategy and illustrates the concrete impact of its commitments to extend the life span of its products.

(1) *Critical review performed according to ISO 14067:2018 "Greenhouse gases – Carbon footprint of products – Requirements and guidance for quantification" and ISO 14071:2014 "Environmental management – Life cycle assessment – Critical review process and reviewer competencies: Additional requirements and guidelines to ISO 14044:2006".*

(2) *Source Ademe.*

2.4.4.5.3 / Other scope 3 items deemed significant

Purchases of goods and services (indirect purchases)

Scope: Group (a)	2019	2020	2021
CO_2 emissions *(in t CO_2eq)*	101,792	92,367	112,153

(a) Country data extrapolated from actual data from France in 2019. Data for 2020 and 2021 extrapolated on the basis of the amount of purchases and calculations for 2019.

In 2021, the Indirect Purchasing Department launched a responsible purchasing policy, which notably includes the addition of environmental criteria to its calls for tender and purchasing decisions.

The Group's buyers have undertaken numerous initiatives to promote companies committed to environmental initiatives, to incorporate environmental issues into discussions with suppliers, and to support the Group's operational departments in implementing projects to reduce their environmental impact.

In January 2022, this responsible purchasing approach was rewarded when the Group was awarded the Responsible Supplier Relations and Purchasing (RFAR) label by the Business Ombudsman (French Ministry of Economy and Finance) and the French National Purchasing Council. The label will be valid for a period of three years (see also section 2.5.4).

Customer travel

With more than 950 stores at the end of 2021, customer travel accounts for a significant share of the Group's indirect GHG emissions, as is the case for all retailers.

Estimate of associated GHG emissions, calculated based on actual footfall data

Scope: Group	2019	2020	2021
CO_2 emissions *(in t CO_2eq)*	591,108	637,961	634,024

In order to reduce this emissions item, Fnac Darty has begun to raise awareness among its customers by means of "informed delivery" information being deployed at its Fnac and Darty merchant sites (see section 2.4.4.4.2).

Digital

In order to measure this growing source of emissions and take appropriate action, Fnac Darty launched a "green IT" approach in January 2021. The approach was structured around a project manager and representatives/contributors within the E-Commerce and Digital Department, in conjunction with the Group's CSR Department.

This approach is based in particular on publications by the Ademe, Cigref, *the Shift Project,* and the INR (French Institute for Responsible Digital).

Scope: Fnac and Darty France	2021
CO_2 emissions *(in t CO_2eq)*	7,088
Non-current assets	*2,836*
IT services	*4,253*

In 2021, the first measurements of the GHG assessment of digital services were carried out in France, and a familiarization campaign for IT teams was launched.

Measurement work

The data collection was carried out by the Green IT repositories and covers the following areas of digital activity:

- on-premises and cloud providers;
- SaaS partners;
- IT equipment;
- network.

The 2021 measures relate to data from Fnac Darty France and Nature & Découvertes, but does not yet include WeFix, or the specific IT services of France Billet and the subsidiaries abroad.

Raising team awareness

Familiarization for IT teams, and for the Group's employees more broadly, is an ongoing process.

Since 2021, IT teams have been working on this subject by:

- communicating Green IT best practices to raise awareness of the impact of digital use and reduce the carbon footprint;
- establishing and developing a Green IT Community to share ideas and discuss CSR issues;
- creating a collaborative *Fresque du Numérique* workshop.

In 2022, the priority areas are:

- familiarization for Group employees;
- defining action plans and objectives;
- refining the measurements;
- extending the scope of the measures, particularly internationally, and to France Billet and WeFix;
- implementing a carbon indicator for IT projects.

Work commutes

With over 25,000 employees across Europe and significant geographical coverage, Fnac Darty is aware of the carbon footprint of work commutes.

The Group conducted an initial estimate of the emissions associated with this scope 3 source in 2020, by carrying out a survey of employees in France on their travel in 2019. This provided data on the travel behavior of employees (methods of transportation, kilometers traveled, number of journeys, etc.), which was then used to calculate the associated CO_2 emissions. The questionnaire also investigated why employees chose a certain method of transportation and what was stopping them from choosing a more environmentally friendly method. This was then fed back to the HR Department during discussions as part of the roll-out of its CSR roadmap.

The survey was repeated to calculate the impact of travel in 2021, with results that remain estimates because they are based on reports; indeed, the many changes in work organization associated with the Covid-19 health crisis have made it difficult to actually measure the days worked on-site.

Scope: Group [a]	2019	2020	2021
CO_2 emissions *(in t CO_2eq)*	33,183	not available	30,638

(a) Data from European subsidiaries extrapolated from CO_2 equivalent emissions per employee in France.

Given the situation in 2020 (lockdown, working from home), it was not possible to measure CO_2 emissions associated with employee travel for this year. However, Fnac Darty is committed to continuously improving the quality of its data and plans to include all Group employees in these emission measurements.

Waste generated

Fnac Darty's logistics operations mainly produce packaging waste: pallets of products in protective plastic wrap and cardboard boxes from packages delivered to customers' homes or stores as part of the click&collect framework.

However, within the framework of its recovery obligations (1 for 1 or 1 for 0), the Group also collects electrical and electronic waste, batteries and accumulators, light bulbs and neon bulbs, and ink printers from homes or in-store. The processing of this waste is also included in this calculation.

Scope: Group	2019	2020	2021
CO_2 emissions *(in t CO_2eq)*	124,393	not available	117,388

The policies, action plans, and results relating to packaging waste and product waste can be found in section 2.2.5 "Reduce packaging, ensure waste collection, and recycling".

2.4.4.6 / Application of the EU Taxonomy to the Group's activities

The EU Taxonomy for Sustainable Activities or "EU Taxonomy" establishes a list of economic activities that are considered environmentally sustainable on the basis of ambitious and transparent technical criteria. The implementation of this framework, intended to clarify which economic activities contribute to the European objective of carbon neutrality – the Green Deal – highlights the magnitude of the economic and industrial transformations to be accomplished, as well as the ambition of the European authorities in terms of sustainable finance and transparency. Based on its environmental, social and societal commitments, Fnac Darty fully supports the European Commission in its analysis of activities and definition of technical review criteria aimed at directing investments by public and private stakeholders toward projects that contribute to the transition to a sustainable, low-carbon economy[1].

The first environmental objectives of the Taxonomy relating to climate change mitigation and adaptation prioritized business sectors that contribute significantly to greenhouse gas emissions at European Union level. With a business model based primarily on the distribution of household appliances, electronics and cultural products, Fnac Darty's activities were not considered by the Taxonomy to contribute significantly to these objectives. However, the Group is demonstrating an increase in its climate commitments, as described, among other things, in sections 2.2 and 2.4 of this report. The Group also closely monitors the publication of the delegated acts for the other four environmental objectives, which should better reflect the contribution of the Group's activities to a more sustainable world.

1/ Qualification levels selected by the Group

In accordance with Regulation (EU) 2020/852 of June 18, 2020 on the establishment of a framework to facilitate sustainable investment within the European Union[2], Fnac Darty is required to disclose, for the 2021 financial year, the share of its revenue, investments, and eligible operating expenses resulting from products and/or services associated with economic activities considered sustainable within the meaning of the classification and criteria defined in the Taxonomy for the first two climate objectives of mitigation and adaptation.

Accordingly, given the changing nature of the European regulatory framework and the information available to date, the Group has defined several levels of qualification for its activities, eligible (regulatory or voluntary) and qualifying, the definitions of which are presented below. These qualification levels reflect the Group's commitment to transparently communicate the rules applicable in 2021 and the rules potentially applicable from 2023, on the basis of the regulatory timetable as defined to date.

Definitions

Regulatory eligible: An economic activity is eligible if it is included in Appendixes I and II of the Delegated Act of June 4, 2021 of the Taxonomy Regulation, as contributing to the following two climate objectives (fiscal year 2021):

1) climate change mitigation;

2) climate change adaptation.

Qualifying: An economic activity has been defined as qualifying for the European Taxonomy if, according to the Group, it contributes to the environmental objectives described in Articles 10–15 of Regulation (EU) 2020/852 of June 18, 2020.

Here, the Group takes into account the list of activities proposed in the draft sheet in the Technical Report of the Platform for Sustainable Finance in August 2021, ahead of the delegated acts to be published in 2022, in connection with the following objectives:

3) the sustainable use and protection of aquatic and marine resources;

4) the transition to a circular economy;

5) pollution prevention and control;

6) the protection and restoration of biodiversity and ecosystems.

Voluntary eligible: The Group has voluntarily defined that an economic activity is considered voluntarily eligible if, without being eligible or admissible in the strict sense of the term, it supplies an eligible market as defined in Appendices I and II[3] of the Delegated Act of June 4, 2021 of the Taxonomy Regulation (see detailed information below).

Ineligible: An economic activity is considered ineligible if it is not defined in the European Taxonomy framework, i.e., those Group activities whose correspondence or contribution to the objectives of the Taxonomy could not be identified on the basis of the regulatory information published for the 2021 financial year. This category includes voluntary eligibility, in strict application of the regulations as analyzed to date.

Finally, the concept of alignment provided for by the regulations as of the next fiscal year will be addressed by the Group in the Annual Report for the 2022 financial year.

(1) https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_fr.
(2) https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852&from=F.
(3) https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=PI_COM:C(2021)2800.

Category	Reference regulation	Definition
Eligible for the mitigation and adaptation objectives	Commission Delegated Regulation of June 4, 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council	The activities considered eligible are those that meet the definitions set out in the Delegated Regulation on the climate objectives of mitigation and adaptation.
Qualifying for other objectives of the Taxonomy	Regulation (EU) 2020/852 of June 18, 2020, preliminary report from the European Platform on Sustainable Finance published on August 3, 2021 and future delegated acts on objectives 3 to 6	The activities considered qualifying are those which Fnac Darty has identified as contributing directly or voluntarily to one or more of the last four objectives of Taxonomy as described in Articles 12–15 of the European Regulation of June 18, 2020.

2/ Methodology developed and ratios linked to the Taxonomy

A detailed analysis of the Group's activities was conducted in conjunction with a review of the existing processes and reporting systems, enabling the financial aggregates required by the Taxonomy to be outlined. The methodological elements used by the Group to conduct its analysis – assumptions, estimates, and limitations – are described in this report.

The financial information presented below corresponds to the definitions specified in Article 8 of Delegated Regulation 2021/2178 of the European Commission of July 6, 2021 and its appendices supplementing Regulation (EU) 2020/852 specifying how KPI are calculated as well as the information to be published [(1)]. They were analyzed and monitored jointly by the CSR Department, the Financial Control Department, the Indirect Purchasing Department, and the associated business teams.

Based on a detailed analysis of all its business lines, the Group has not identified any eligible revenue on a regulatory basis. The capital expenditure indicator (Capex) will mainly concern the buildings owned and leased by the Group. The operating expenses indicator (Opex) was also identified as not material in relation to total Group Opex.

Revenue

Due to its position as a retailer, no eligible revenue was identified for the first year for the climate change mitigation and adaptation objectives; the activities defined for these objectives did not cover the Group's business activities. Due to the lack of eligible revenue, investments and operating expenses related to activities contributing to the revenue could not be considered as eligible. Hence, in a conservative approach to the application of the Taxonomy, any action implemented to reduce the carbon footprint of the Group's products, and therefore relating to the Group's core business activities, has not been valued in the Capex and Opex indicators.

However, through the sale of products, the Group is able to value on a voluntary basis (voluntary eligibility) the revenue that these sales activities would represent if they were integrated with the Group's production. In this voluntary eligibility approach, the Group has identified two activities that contribute to the climate change mitigation objective (objective 1 [(2)]):

(1) https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2178&from=EN.
(2) https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-2_en.pdf.

Activity type	Numerator element	Method	Assumptions/limitations
6.4. Operation of personal mobility devices, cycle logistics	Revenue associated with urban mobility activities (electric bicycles and scooters, gyropods, etc.).	Data provided by the management control teams and consolidated by the financial control team.	Accessories and spare parts from this product family excluded from the numerator. The classification of urban mobility products may vary from one Group subsidiary to another.
3.5. Manufacture of energy efficiency equipment for buildings	Revenue associated with sales of domestic appliances (refrigerators, dishwashers, washing machines, tumble dryers, air conditioners, etc.).	Identifiable data within the financial reporting process, produced at each reporting period by the operational management control teams and validated by the Group's financial control team.	As all household appliances are potentially eligible, the Group has decided to only include domestic appliances and exclude televisions from this numerator element. All revenue for these product families is taken into account in the numerator, without distinction of energy efficiency criterion (which must be done in the second part of the alignment analysis of the eligible revenue).

Based on a denominator composed of the Group's total consolidated revenue, **these two activities defined as voluntarily eligible by the Group represent 10.9% of revenue for 2021.**

At the same time, taking into account the regulatory information available to date and the strength of its commitments, particularly in terms of product sustainability (see section 2.2 of the DPEF), the Group analyzes some of its activities as contributing to the transition to a circular economy, specifically in the categories "Provision of repair and maintenance services and of directly related activities" and "Resale and/or remanufacture of used electrical and electronic equipment", based on the activities listed in the preliminary report of the European Platform on Sustainable Finance for objectives 3 to 6 [(1)].

Activity type	Numerator element	Method	Assumptions/limitations
14.2. Provision of repair and maintenance services and of directly related activities	Revenue related to after-sales service, Darty Max, Vanden Borre Life, WeFix, REPAR (mobility category) and the sale of spare parts.	Data identifiable within the Group's financial reporting. Service revenue separate from Products revenue.	The sale of spare parts is considered to be a service related to the repair business, promoting product sustainability to consumers, hence its inclusion in the numerator of the eligibility ratio.
2.8. Resale and/or remanufacture of used electrical and electronic equipment	Revenue related to second life and product sales business activities of WeFix and PC Clinic.	Product revenue (refurbished products) of PC Clinic and of WeFix removed from after-sales service business activity in order to avoid double counting. Second life revenue identified jointly by the Financial Control and Second Life departments.	As far as second life revenue is concerned, only Fnac Seconde Vie and Darty Occasion sales on the web channel have been isolated to date. Sales of second life products in-store are therefore excluded from the eligibility ratio numerator this year.

Based on a denominator composed of the Group's total consolidated revenue, **these two activities, which the Group has assessed as qualifying, account for 1.2% of the Group's qualifying revenue for 2021, as defined by the Taxonomy.**

(1) https://ec.europa.eu/info/publications/210803-sustainable-finance-platform-technical-screening-criteria-taxonomy-report_en.

In addition, the Group has developed internally the sustainability score [1] (see section 2.2.1 in the DPEF), whereby one of the scenarios makes it possible to report, on a voluntary, qualitative "retailer" basis, on business activity relating to the production of sustainable consumer electronics. The use of this score highlights the revenue generated by the sale of products with a high sustainability score. The Group's assessment is that sales of products with sustainability scores that are higher than the average sustainability scores over the year (average of 111 in 2021) fall within the "Manufacture of durable electrical and electronic equipment" category. As this score has until now only been performed on the Darty scope, this business activity is excluded from the calculation of the eligibility ratio, but the Group intends to increase this revenue category in the future by extending the calculation of this score to other scopes within the Group.

Accordingly, eligible (mandatory or voluntary) and qualifying activites for the six objectives of the European Green Taxonomy represent **12.1%** of Fnac Darty's 2021 revenue:

- 0.0% are identified as eligible;
- 1.2% are considered to qualify;
- 10.9% are considered voluntarily eligible.

The Group will monitor regulatory developments and any clarifications issued by regulators and oversight bodies, and will revise the assessment, particularly with regard to certain business activities that benefit the environment and which could, if the developments permit, justify the possibility of including them in the framework in the future.

Industrial investments (Capex)

The Capex eligibility assessment focused on so-called individual measures, mainly concerning investments related to property activities: acquisition and ownership of buildings (including long-term leases under IFRS 16), renovation of existing buildings and ad hoc works related to the energy efficiency of buildings. Investments related to waste recovery have not been incorporated into the eligibility KPI numerator as they are not material.

Activity type	Numerator element	Method	Assumptions/limitations
6.6. Freight transportation services by road	Capex linked to the long-term rental of N1, N2 or N3 class vehicles that meet Euro VI standards.	Inclusion of IFRS 16 rental expenses for commercial delivery and service technician N1 vehicles that meet Euro VI standards (financed as long-term rentals, primarily, and rentals with an option to purchase).	All vehicles that meet the above-mentioned criteria are taken into account in the numerator without discrimination. Although most of them will probably be excluded by alignment criteria, the Group intends to convert a growing proportion of its fleet into vehicles with lower emissions (specifically biofuels).
7. Construction and real estate	Capex linked to the long-term rental of buildings and their renovation in line with activities 7.1 to 7.7 of the delegated acts covering objectives 1 and 2 of the Taxonomy.	Inclusion of total commitments under IFRS 16. Data from the Group's Property department and Administrative and Financial department.	All store rental contracts are included in this aspect of the eligibility numerator without discrimination. The Group intends to conduct an exercise to identify "green" leases with an environmental label, with a view to aligning with the objectives of the Taxonomy.
5.5. Collection and transport of non-hazardous waste in source segregated fractions	Capex linked to the separate collection and transportation of sorted or mixed non-hazardous waste to be processed for reuse or recycling.	Identification of investments in waste compaction equipment with the Indirect Purchasing Department and the associated operational team.	Negligible investments in comparison with the weight of property business, not taken into account in the eligibility ratio numerator this year.

(1) Sustainability score: average of a reliability score and a reparability score, calculated on the basis of data collected by Fnac Darty's After-Sales Service Department over the last two years for each product listed, weighted by the volume of products sold by the Group in the year in question.

Based on a denominator composed of the Group's total operating investments and total IFRS 16 rentals, **the investments outlined above and identified as eligible account for 58.0% of the Group's 2021 Capex within the meaning of the Taxonomy.**

Operating expenses (Opex)

The Opex analysis resulted in the amount analyzed being assessed as not significant in view of the Group's materiality thresholds, as the "Taxonomy Opex denominator" to "Group Total Opex" ratio was less than 5%, which, combined with the fact that the Group's activities are not yet eligible, results in the Group using the exemption provided to calculate the Taxonomy Opex KPI in greater detail.

Summary of the mandatory results of the Group's taxonomy ratios for 2021

	Eligible revenue KPI	Capex eligible KPI
Eligibility	Zero revenue for objectives 1 and 2	Capex (mainly linked to leased buildings)
KPI numerator – total eligibility under objectives 1 and 2	€0 million	€216.5 million
KPI denominator in the sense of the Taxonomy	€8,042.6 million	€373.1 million
KPI: taxonomy eligibility *(%)*	0%	58.0%

Despite the data reported by Fnac Darty under the Taxonomy, the Group has for many years demonstrated a strong commitment to combating climate change, with science-based objectives to reduce its greenhouse gas emissions, and numerous measures aimed at reducing the environmental impact associated with the life cycle of products distributed by its brands:

- developing customer information for an educated choice, particularly through the ongoing work of Labo Fnac, the After-Sales Service Barometer, sustainability score and Sustainable Choice, which aim to highlight the most sustainable products (see section 2.2.1);
- developing repair services and promoting DIY repairs, including the reinforcement of remote assistance services (see section 2.2.2);
- reuse, with increasing sales of second-hand products and donations of unsold products (see section 2.2.3);
- optimizing the transportation of goods and decarbonizing the associated fleets (see section 2.4.4);
- using renewable energies, via contracts with producers of electricity from wind, hydro-electric and solar sources (see section 2.4.4).

These long-standing commitments have enabled the Group to obtain the following non-financial ratings:

- CDP: A- (vs C in 2020);
- Moody's ESG Solutions (Vigeo Eiris): 54/100 (up +6 points from 2020, including +14 points on the environmental component).

These measures and the associated strategies are described in sections 2.2 and 2.4 of this report.

The Group will review its methodology and its eligibility assessment as the Taxonomy is implemented and as the listed activities and the criteria for technical examination change.

2.5 / Acting ethically throughout our value chain

- **Ethics and governance system**
- **Guarantee the protection of personal data**
- **Prevent the risks of corruption**
- **Implement a responsible indirect purchasing policy**
- **Implement a vigilance plan**
- **Ensure fiscal responsibility**

Risks	Opportunities
■ Lack of integrity of third parties with which we work ■ Serious violations of human rights, health and safety, and the environment ■ Non-compliance with the Group/Penalties ■ Reputation	■ Sustainable commercial development ■ Involvement in improving the working conditions at suppliers ■ Strengthening collaboration with suppliers ■ Reputation improvement

Levers activated	2021 Actions	KPI and associated indicators
■ A solid ethical approach that is strengthened each year	■ Rollout of the ethics monitoring platform ■ Redesign of the ethics e-learning course (7 modules) ■ Appointment of ethics officers	■ Number of ethics alerts received and processed ■ **KPI: percentage of factory audits whose score is deemed to be compliant or average (Fnac Darty)** ■ Proportion of purchases of Nature & Découvertes' own-brand products from suppliers who have signed the Responsible Purchasing Charter
■ Reinforcing the protection of personal data	■ Improving access to information on the processing of personal data ■ Strengthening cybersecurity	
■ Anti-corruption procedures and controls	■ Creating the Charter for the Prevention of Conflicts of Interest ■ Training 650 people on conflicts of interest and completion of conflict of interest disclosures by key employees	
■ Implementation of a vigilance plan	■ Extending the scope to include WeFix ■ Increasing the number of unannounced audits ■ Strengthening the procedures for evaluating and monitoring Marketplace vendors ■ Training all operations managers in risk prevention	
■ Documenting a responsible purchasing policy	■ Drafting a responsible purchasing policy for indirect purchasing ■ Training all indirect buyers in responsible purchasing ■ RFAR label awarded in January 2022	
■ Implementation of a responsible tax policy	■ Helping Group subsidiaries to implement the new rules of the E-Commerce Directive ■ Commitment to the tax partnership with the Major Corporations Division of the French Directorate-General of Public Finances	

As a responsible player, Fnac Darty is committed to acting with integrity. Respect, fairness and transparency are at the heart of the Group's day-to-day activity. Its success and reputation depend both on the way in which employees perform their roles and on the performance of the omnichannel model and the services offered.

The Group places particular importance on sustaining its values in its relationships with employees, suppliers, customers, partners and shareholders. Fnac Darty's values and ethical principles contribute to the sense of pride felt by the Group's employees. These commitments are set out in the ethical framework.

2.5.1 / ETHICS AND GOVERNANCE SYSTEM

In order to live up to the great example the Group has set in the field of ethics, Fnac Darty is continually improving its ethical system. The Ethics Committee analyses the system's quality, compliance and fitness for purpose in the light of changes to the business environment.

The Ethics Committee, chaired by the General Secretary, is composed of eight permanent members who have been selected for their expertise in labor law, corporate law, the environment, codes of conduct and ethics.

The Ethics Committee approves, evaluates and improves the ethical approach in place. This committee ensures the ethical conduct of the Company's business, specifically in compliance with the Sapin II anti-corruption law, the French act establishing a duty of care by parent companies and major contractors, and the General Data Protection Regulation (GDPR). The Group's Chief Executive Officer attends the Ethics Committee, which presents the summary of its work for the year.

The Group's Internal Audit and Compliance Department monitors the processes and procedures of the ethics system Group-wide.

2.5.1.1 / Ethical framework

Fnac Darty's ethical framework comprises all the ethics documents within it:

- Business Code of Conduct https://www.fnacdarty.com/wp-content/uploads/2021/11/en-code-de-conduite-des-affaires-2021-liens-ma-j-optimise.pdf;
- Gifts and Benefits Charter;
- Charter for the Prevention of Conflicts of Interest;
- ethics alert line.

This framework is updated regularly to reflect the improvements made. The entire ethical framework is available on a dedicated web page, which has been communicated to employees in France.

The ethical framework is disseminated locally in all Group countries and subsidiaries by local ethics officers who report to the Group Ethics Officer.

The Internal Audit and Compliance department has a risk-based approach to achieve its objective of risk control and process improvement. Compliance issues are systematically incorporated into the action it takes.

The Group risk mapping is updated annually. It summarizes the consolidated risk mapping for all countries, subsidiaries and major departments. The main risks incurred through their respective activities are identified by the management responsible for those activities. These mappings are presented and reviewed by internal control committees, the members of which include: the Group Internal Audit department, local departments, the Group departments concerned and the Group's cross-departmental control functions (legal, CSR, data protection, taxation, IT, etc.). Remediation plans are documented and monitored in response to any risks identified.

The Group's Internal Audit Department conducts annual interviews with each member of the Executive Committee to map the major risks at Group level. This review is reviewed by the Group's Chief Executive Officer and approved by the Executive Committee before being presented to the Audit Committee that reports to the Board of Directors.

In order to improve risk management, a crisis management policy and manual were created during 2021. These will be supported by the implementation of tailored training courses that will take place during 2022.

2.5.1.2 / Outsourced ethical alert mechanism

To strengthen the existing alert system, in 2020, Fnac Darty developed an outsourced platform for monitoring ethics and compliance, which was launched at the beginning of 2021.

This platform complements the usual channels of communication (managerial, HR representatives, employee representatives) and covers both the alert systems required by the applicable regulations (Sapin II, duty of care, etc.) as well as the non-mandatory systems which the Group has set up on its own initiative to stop behavior which is incompatible with Fnac Darty's charters, policies and internal regulations.

This mechanism has been rolled out to all subsidiaries in France and in the countries, and translated into French, English, Spanish, Portuguese, Dutch and Mandarin Chinese, and has been the subject of an internal communication plan.

The link to the platform is also accessible to third parties: the reporting system is included in the Business Code of Conduct, which systematically binds the Group to its employees, partners and suppliers; it is also available to employees on the Group's intranet and to everyone on the Group's corporate site: www.fnacdarty.com.

Managed by a separate company who is a leader in its field, this reporting platform, at **report.whistleb.com/fr/portal/fnacdartyGroupe,** enables employees and external stakeholders to give a warning – in a confidential and secure manner – about:

- any professional misconduct, illegal conduct whether that is of an accounting or financial nature, or relates to corruption or a breach of competition law;
- an alert regarding health, hygiene and safety, discrimination or harassment at the place of work;

- a report regarding environmental protection;
- an alert regarding health, hygiene and safety, human rights or environmental protection concerning a partner or supplier.

The reporting process and all exchanges which take place within the context of a warning are strictly confidential and are carried out via secure, encrypted channels. It is also possible to make a report anonymously.

These reports are sent immediately and exclusively to the authorized members, who decide on the action to be taken and ensure that cases are monitored in accordance with the applicable regulations and the Group's ethical rules.

These recipients:

- analyze the admissibility (if necessary they may call on an Ethics Committee) and acknowledge receipt of the warning (within 10 working days);
- may close the case without follow-up if the warning does not comply with the provisions for warnings or has arisen out of malice;
- ensure the compliance of investigations and directly manage the most sensitive cases;
- may assign files to managers able to process and monitor the handling of such cases;
- ensure that all communication happens via the platform in order to ensure case confidentiality.

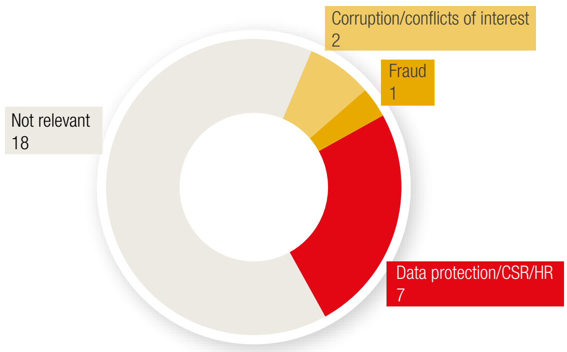
Throughout 2021, the Group communicated broadly to its employees about the launch of this new system and established a permanent and accessible internal communication campaign.

Representative trade union organizations have been informed about the operation of the system and the communication campaign and it was discussed with them. They will be included once a year in an assessment of the use of the mechanism.

During 2021, 28 alerts were received. All alerts received were processed and reviewed. The majority of cases were not relevant (18).

- Two cases related to corruption in conflict of interest matters concerning the awarding of contracts. Both cases had not been declared by the parties concerned during the annual conflict of interest disclosures. In both cases, the individuals were subject to measures and sanctions.
- One case related to fraud and was subject to measures and sanctions.

The seven other principal relevant cases during 2021 related to CSR, data protection and human resources. They were all subject to remediation plans that have been closed.



The annual summary of the activity of the alert and compliance line was prepared and circulated at the Ethics, Audit and CSR Committees.

2.5.2 / GUARANTEEING THE PROTECTION OF CUSTOMERS' AND EMPLOYEES' PERSONAL DATA

2.5.2.1 / Protect the personal data of employees and customers

With millions of visitors to its stores and to its commercial websites each month and close to 10 million subscribers, personal data protection is at the heart of the challenges faced by Fnac Darty. Customers expect their data to be used transparently and proportionately, in keeping with the Group's commitment to an educated choice.

Fnac Darty strives to ensure it uses the data collected by the Group's brands with absolute transparency, and that this use is also legitimate, proportionate and secure. To gain the trust of our customers, which is essential for Fnac Darty, strong protection of customer data as well as that of employees is required. For several years, the Group has been working hard to proactively protect personal data, in accordance with the provisions of the Regulation of April 27, 2016 (GDPR) and the French Data Protection Act.

Governance

To ensure a high level of personal data protection, Fnac Darty has established a dedicated organizational structure and internal procedures that guarantee the protection of the data throughout the processing cycle.

Fnac Darty had a team of three people in France dedicated to protecting personal data: a Group DPO (Data Protection Officer) appointed to the French Data Protection Authority (Commission Nationale de l'Informatique et des Libertés or "CNIL") and two people in charge of the protection of personal data. The subsidiaries (Belgium, Spain, Portugal, Switzerland, WeFix, and Nature & Découvertes) also have locally appointed DPOs or staff dedicated to compliance with regulations on personal data protection. GDPR officers, responsible for circulating data protection-related issues and news, have also been appointed in each of the major departments. All business lines are thus covered by and represented at a GDPR Committee.

Dedicated committees and workshops organized by the DPO team meet regularly to ensure compliance with GDPR and to monitor the action plans it generates. Issues regarding the protection of personal data are also regularly reported to members of the Fnac Darty Executive Committee for their information or management if necessary. Meetings of the Comex review data protection activity and projects once or twice per year.

- The GDPR Steering Committee, attended by the DPO and GDPR officers, monitors the business line action plans (every three months).
- The GDPR IT Monitoring Committee, attended by the IT Directors, monitors IT action plans (every two months).
- The Country DPO Committee brings together country DPOs to share practices and provide coordination (every six months).

Audits

The DPO team, in association with Internal Audit and Internal Control, conducts audits, checks or self-assessment campaigns for GDPR officers in order to ensure regular monitoring of GDPR issues.

Documentation of compliance and "Privacy by Design" procedures

Fnac Darty maintains processing records and documents its compliance by completing processing and impact analysis (AIPD) data sheets and disseminating personal data protection policies.

A Privacy by Design procedure has been put in place to ensure that issues of personal data protection are properly taken into account from the outset when projects are designed and tools selected. It includes an analysis of the processing of personal data and audit questionnaires to assess the guarantees offered by third-party solutions, particularly SaaS (online software). Fnac Darty has a tool for mapping and managing the integration of new SaaS tools that have seen strong growth in recent years.

Training and awareness

Fnac Darty ensures its employees are trained in data protection issues. Mandatory e-learning on the protection of personal data can be accessed from the e-learning platform. In 2021, the focus was on the business lines, with dedicated training on the protection of privacy delivered to the after-sales service business line (repair technicians, delivery and installation personnel).

Personal rights

Managing requests from people wishing to exercise their rights (rights of access, rectification, objection, right to portability, withdrawal of consent) is a major concern for Fnac Darty, and the customer services and DPO teams are actively mobilized to respond to them. Various contact channels via DPO e-mail, online contact forms (Darty) or a conversational platform (Fnac through Iadvize) ensure that customers' personal data requests are dealt with promptly.

Personal data breaches

A system for tracking anomalies and incidents can be used to anticipate data breaches. Regular employee awareness and close cooperation between the DPO and CISO teams also ensure that IT incidents are properly managed and enable the Group to prepare for any personal data breaches that must be notified to the French Data Protection Authority (Commission Nationale de l'Informatique et des Libertés or "CNIL") within a timescale of 72 hours.

Program and action plans

In 2021, the issue of personal data protection was again at the heart of the Covid-19 crisis, requiring particular care in the processing of employee data.

The actions in the GDPR program related to all areas of the Company and involved all stakeholders. The need to adapt to the new regulatory framework for cookies and advertising tracking techniques continued to mobilize the teams. Fnac Darty focused specifically on adapting to ever-changing security challenges and enforcing limited retention periods in information systems.

Fnac Darty also works to give its customers better control over the use of their personal data. For this reason, in 2022, the Group has continued a major project around a "preference center", which will offer customers improved transparency and better management of their personal data – in addition to the cookies manager.

Particular attention is paid to informing customers, particularly in-store, with improved access to information about the processing of personal data (with signage and a QR code providing direct access to Fnac Darty's data protection policy).

Customers' perceptions of trust and transparency in the use Fnac Darty makes of their personal data has resulted in a customer study and a barometer has been set up so that certain personal data indicators can be monitored regularly.

2.5.2.2 / Cybersecurity: essential protection for personal data

Many critical activities such as sales, retail, financial services and the protection of customers' and employees' personal data depend on the reliability and effectiveness of numerous information systems. Cyberattacks on companies' information systems, websites and employees are increasingly sophisticated and frequent, representing a significant risk for the Group.

Specific policies have been put in place to prevent and manage cybersecurity incidents, in order to ensure the Group's information systems and any third-party data are protected. This activity is governed by a structure that includes an information security policy, as well as meetings of several committees, one of which is specifically tasked with setting up the GDPR compliance program.

As part of its continuous improvement approach, Fnac Darty strengthens its specific policies for the prevention, detection and management of cybersecurity incidents on an ongoing basis, and in 2021, this took place through the implementation of the following projects:

- improving the protection of messaging services;
- improving identity management;
- strengthening the protection of the Group's commercial websites;
- strengthening the obsolescence and replacement management plan.

In 2021, Fnac Darty obtained PCI-DSS certification, which illustrates the robustness of commercial systems and data theft prevention systems.

The rollout of these new procedures has been boosted by significant investment; the cyber security budget has tripled since 2019.

- Number of attacks: 6.8 billion malicious requests blocked.
- Proportion of blocked e-mails: 30%.

2.5.3 / COMBATING CORRUPTION

The Group is constantly vigilant and keen to take action under any circumstances to comply with its ethical commitments. The ethical framework documents this commitment in detail in all locations in which the Group operates.

The **Business Code of Conduct**, also called the "Ethics Charter", is a collection of the basic principles that should govern each person's behavior in their professional life, both individually and collectively. These principles are reaffirmed through respecting people, respecting Company property, respecting trade regulations, and through the Group's commitments to social and environmental responsibility.

The **Gifts and Benefits Charter** outlines the Group's internal rules for accepting gifts and hospitality. Its purpose is to offer instructions to help employees deal more confidently with gifts or hospitality they receive.

The **Prevention of Conflicts of Interest Charter, launched in 2021**, aims to raise awareness of conflicts of interest. Its intention is to help employees avoid them and understand how to conduct themselves when faced with them. For Leadership members and employees potentially at risk, this is combined with an annual conflict of interest disclosure. Using this process, nearly 650 people received conflict of interest training in 2021. All reported conflict of interest situations are reviewed by the Internal Audit department and, if necessary, measures are taken to avoid them. This approach has a dual objective of education and protection.

The **ethics alert line** (see section 2.5.1) enables staff to report with complete confidence and confidentiality any behavior that contravenes the ethical framework and any serious situation or event identified within the Company or within the Group's partners/suppliers on our ethics alert and compliance website at: https://report.whistleb.com/en/portal/fnacdartyGroupe.

Fnac Darty ensures that all of its employees, Management Committees, Executive Committee and corporate officers share these commitments. These documents also form an integral part of the introductory handbook for new employees joining the Group. Lastly, the ethical framework is appended to the contracts and agreements that formalize the Group's commercial relations with its partners.

Key principles from the Business Code of Conduct related to preventing corruption

In order to prevent corruption and other behavior that undermines business integrity, the Group:

- is committed to a zero-tolerance approach to corruption and influence peddling within the Group and in its relationships with third parties;
- forbids political, trade union, cultural or charitable funding for the purposes of obtaining any direct or indirect benefits;
- ensures that charitable contributions, patronages or other sponsorship initiatives are governed by principles of integrity and made without any expectations of receiving anything in return whatsoever;
- is committed to ensuring that independence and integrity concerning various gifts or enticements from third parties are inviolable principles accepted by everyone. To this end, the Group's Gifts and Benefits Charter outlines the applicable rules;
- prohibits the remittance of any facilitating payments, regardless of whether or not these are permitted under local law;
- asks its employees to pay special attention to any transactions they feel are suspicious and may pertain to money laundering;
- is vigilant regarding conflicts of interest that may arise from situations where personal interests and the interests of the Company are at odds. To this end, the Prevention of Conflicts of Interest Charter, implemented in 2021, helps employees to more easily position themselves to deal with situations they may encounter;
- is committed, in the acquisition of interests that may be necessary as part of its strategic development, to analyzing the integrity of the target entities with regard to the legal environment, in addition to the economic and financial assessments carried out;
- sets out the various procedures to be followed in cases where there is reasonable doubt regarding unethical acts or activities.

Involvement of the entire Group in preventing corruption

In accordance with the Sapin II law, the Group has gradually developed an anti-corruption system that is at the heart of all governance activities and that is circulated to all employees:

- the Chief Executive Officer of Fnac Darty, who reports to his Executive Committee on oversight actions and obligations;
- the Group General Secretary, through leadership of the Ethics Committee, the dissemination of internal communications relating to commitments in the fight against corruption, and the development of dedicated training;
- the Group Director of Internal Audit, through managing the implementation of anti-corruption measures Group-wide;

- the Country Management Committees, which ensure the successful roll-out of the anti-corruption system;
- members of the Leadership Group ensure they themselves and their employees uphold these principles. They all take a mandatory e-learning training course;
- employees are encouraged to report any situations they consider sensitive to their managers, the Human Resources Department or their ethics officers, in line with the principles set out above.

A continuously improving roadmap for a robust corruption prevention plan

Risk assessment: specific mapping for the risk of corruption has been put in place and is reviewed annually at the meeting of the Ethics Committee. Any action taken is led and regularly measured at meetings of the Internal Audit Committee. It is also shared and discussed with the Group Audit Committee.

Raising employees' awareness of the risk of corruption: a new e-learning training package was finalized in 2021, the rollout of which is scheduled for January 2022. The package consists of seven stand-alone training modules on the following topics: Gifts and Hospitality, Whistleblowing, Code of Conduct, Assessment of Third Parties, Risk Mapping, Managers, Conflicts of Interest. The entire package has been translated into all the Group's languages.

Following a review conducted by the French Anti-Corruption Agency in 2021, these training modules have been selected as they comply with the Sapin II law. To ensure that all Group employees are better able to identify with the situations encountered in the quiz, it has been adapted to reflect the Group's business model and its visual style guide. For each training module, a practical fact sheet about the particular topic can be downloaded and each module refers to the ethical alert line. The Code of Conduct, Gifts and Hospitality and Conflicts of Interest modules each enable the trainee to download the associated internal documentation.

In addition, a video by Michel Sapin, founder of the Sapin II law, introducing the e-learning module is broadcast on the Everyday France ethics intranet, as are all the videos from the training package, covering the seven topics mentioned above.

When the training campaign is launched in January 2022, communications will be sent out from senior management, including the Group Chief Executive Officer. From then on, these seven modules will be monitored.

The training will have to be taken by certain target audiences, according to the topics. The Gifts and Hospitality, Whistleblowing and Code of Conduct modules will be taken by all Group managers. The Assessment of Third Parties, Risk Mapping and Managers modules will be taken by senior management. The Conflict of Interest module will be intended for those identified as being potentially at risk.

Checks carried out

The internal audit teams have enhanced their tools for assessing compliance with Group rules on corruption risks. Any recommendations made as a result of internal audits are highlighted specifically when they relate to the risk of corruption.

Furthermore, the self-assessment questionnaire specific to corruption risk is based on the AFA questionnaire. Since 2020, where appropriate or possible, audit assignments have included tests on compliance with the requirements of the Sapin II law.

The Group is committed to maintaining strict oversight of its level 1 third parties through a permanent monitoring system set up in 2020 in partnership with the Audit Department.

Internal control committees provide an overview of compliance with the Sapin II law.

Irregularities identified

In 2021, Fnac Darty was faced with irregularities carried out by certain individuals in a limited number of stores operated by one of its subsidiaries, Darty Île-de-France. As a result of internal control reviews that made it possible to detect some illegal transactions, the Group reported this suspicious conduct to the Public Prosecutor for Paris in January 2021 and filed a complaint.

In addition to the work conducted by the internal teams, the Group tasked external audit firm PwC with accurately assessing the extent of these illegal transactions, the operating methods used and ensuring that such acts can never be repeated.

The Group strongly condemns these practices, which, although not significant at Group level, are nevertheless illegal and completely unacceptable, from the point of view of the practices and ethics of the Group and its employees.

2.5.4 / IMPLEMENTING A RESPONSIBLE INDIRECT PURCHASING POLICY

Aware of the various social and environmental impacts of its indirect purchasing, the Group is committed to a global and sustainable approach to performance, for the Company and for the stakeholders within its ecosystem, from the dual materiality standpoint.

Tasked with selecting the most appropriate suppliers of goods and services to meet the Group's operating needs, contribute to its operational performance, and support the strategic plan Everyday, the Indirect Purchasing Department aims to boost the Company's educated purchasing choices, particularly by seeking to understand the environmental and social impacts of its purchasing practices.

To this end, the Indirect Purchasing Department has made commitments that are specific to its activities. These are designed to embody its responsible purchasing approach:

- being a responsible purchaser regarding our suppliers, and working to continuously improve purchasing practices, by developing long-term, balanced relationships with suppliers;
- helping to achieve the objectives set out in the Group's CSR roadmap in terms of climate, sustainability/recyclability/eco-design of products, incorporating Corporate Social Responsibility into purchasing processes, and by aligning ourselves with the Group's CSR policy;
- encouraging the Group's partners to develop a CSR approach, by promoting and monitoring the procedures and initiatives of Fnac Darty suppliers.

These aims and commitments were set out in a responsible indirect purchasing policy, the drafting of which involved all buyers and support departments, such as the CSR Department. To set itself an ambitious goal, the Group relied on the benchmark provided by the "Responsible Supplier Relations and Purchasing" label, backed by ISO 20400:2017 – Sustainable Procurement – Guidance.

Following an audit of practices and framework documents by a specialized firm, this fundamental work resulted in the Group mapping the risks specific to indirect purchasing, identifying the action plans to be implemented and defining lists of CSR criteria relevant to the mapping, for inclusion in future calls for tender.

The initial action plans aimed to improve payment deadlines and update the general terms and conditions of purchase, in order to promote long-term, balanced relationships, as well as to implement business reviews focusing on suppliers' CSR policies and practices.

Working with the teams in a co-construction approach, all buyers in the Indirect Purchasing Department (IPD) were trained in responsible purchasing. Since 2020, CSR criteria have also been incorporated into the annual objectives that affect the variable compensation of all IPD positions (management, division managers, buyers, etc.).

In January 2022, the RFAR Label Award Committee, composed of the Business Ombudsman (French Ministry of Economy and Finance) and the French National Purchasing Council, unanimously decided to award the RFAR label to the Group for indirect purchasing. This label is valid for three years.

Fnac Darty thus joins the ranks of 65 companies recognized by the public authorities for the long-term, balanced relationships they maintain with their suppliers on a daily basis.

Outlook for 2022

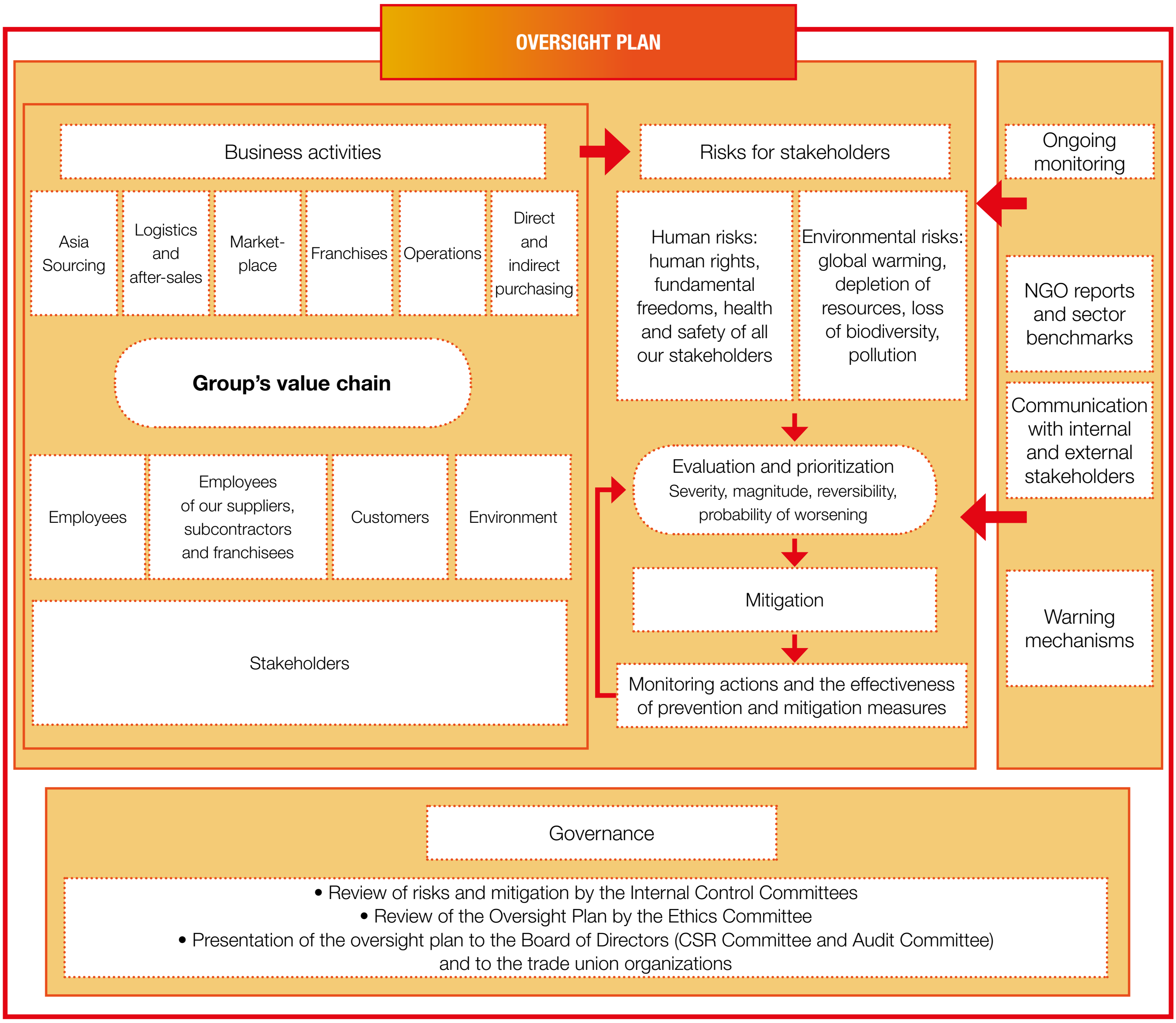
The Group intends to continue the operational deployment of its responsible purchasing policy, particularly by launching action plans targeted at the riskiest purchases or implementing and monitoring indicators focusing on the social aspects of the performance of outsourced labor services (cleaning, security, gardening, etc.).

2.5.5 / VIGILANCE PLAN

The French law of March 27, 2017 on the duty of care of parent companies and initiating companies reinforces the requirements for responsibility throughout the entire value chain of companies' business activities. With its business activities changing, Fnac Darty took this law as an opportunity to strengthen and further develop its risk analyses and action plans. The report on the effective implementation of the plan and the results has been made available to the public since 2018, in line with and complementary to its Non-financial Performance Declaration.

2.5.5.1 / Overview of the Vigilance Plan

Governance and structure



When conducting its business activities, Fnac Darty relies on strong ethical principles and standards and specifically refers to the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the core conventions of the International Labour Organization. The Group is also signed up to the United Nations Global Compact, the principles of which it shares and promotes.

In the conduct of their business, subsidiaries and partners are required to comply with applicable local legislation and the common minimum standards contained in the Business Code of Conduct.

Scope

As at December 31, 2021, the geographical scope of the Group's Vigilance Plan covers France and the countries of the Group's subsidiaries: Fnac Spain, Fnac Switzerland, Fnac Portugal, Fnac Belgium, Vanden Borre, Nature & Découvertes and WeFix.

The scope of activities includes internal operations and level 1 suppliers/subcontractors.

The risks covered by the Plan relate to serious infringements of human rights and fundamental freedoms, the health and safety of persons, and the environment, which may be caused by the Group or by third parties with whom it has long-term relationships.

The Group's other non-financial risks are assessed and monitored as part of the CSR policy, and these are described in this Non-financial Performance Declaration.

2.5.5.2 / Risk mapping, assessment procedures and assessment system

Working with the Internal Audit Department, in 2018 the CSR Department organized a consultation with internal stakeholders in order to develop its risk mapping. This work involved several departments (Sourcing, Purchasing, Human Resources, Operations, Franchises, Marketplace, Sales).

In the spirit of continuous improvement, the mapping is subject to regular review by the CSR and Internal Audit departments, in collaboration with the departments mentioned above. Changes in the Group's environment (acquisitions, new markets, significant growth in a business area, etc.) and the reports and recommendations of NGOs and other external stakeholders (Sherpa, EDH, etc.) are taken into account as part of these reviews.

These consultations are used to identify the risks of serious infringements of human rights, health/safety and the environment in relation to each of the Group's businesses and those of its subsidiaries, suppliers and subcontractors with which the Group's various companies have an "established commercial relationship".

The risks identified are then assessed according to the methodology used by the Internal Audit Department in its risk management of the Group. These risks are weighted according to their level of occurrence and impact and then with respect to the mitigation or prevention policies in place:

- the impact is assessed according to several criteria, such as the systematic or repeated nature of the threat, or its reversibility, on the working conditions and health/safety of employees, service providers and/or consumers;
- the probability is assessed in relation to the country where the entity operates (on the basis of several indicators including the human development index), in relation to the foreseeable nature of the threat and according to the number of threats recorded within the organization or sector;
- control of impact is assessed according to the level of risk identification and assessment, the control of the activities implemented and its compliance, the inclusion of risk in the audit and sourcing work program, and finally its integration into the training courses.

In 2021, the risks of serious infringements [(1)] of human rights and fundamental freedoms, the health and safety of persons, and the environment are linked to the following activities: sourcing of own-brand products from Asia, purchases of goods and services, Marketplace activity and logistics, after-sales service and delivery activities. Following the various mapping reviews conducted in 2021, 35 risks were identified and assessed.

Risk mapping is reviewed by the Ethics Committee, and the risks and the assessment of those risks are updated with the relevant managers (at least once a year, more so for the most significant risks).

Fnac Darty wanted to involve trade union representatives in this assessment system and mitigation development. In 2020, an ad hoc working group was established (one staff representative per subsidiary), which meets twice a year to discuss the contents of the Plan, in particular policies and actions for prevention.

2.5.5.3 / Warning mechanism

In 2021, an outsourced platform for monitoring ethics and compliance was rolled out to all subsidiaries in France and the countries, in French, English, Spanish, Portuguese, Dutch and Mandarin Chinese. The link to the platform is also accessible to third parties: the reporting system is included in the Business Code of Conduct, which systematically binds the Group to its employees, partners and suppliers; it is also available to employees on the Group's intranet and to everyone on the Group's corporate site.

Managed by a separate company who is a leader in its field, this reporting platform, at **report.whistleb.com/fr/portal/fnacdartyGroupe**, enables employees and external stakeholders to raise the alarm – in a confidential and secure manner. Please see section 2.5.1.2 for further details on the mechanism and the alerts received in 2021.

(1) Fnac Darty considers that a risk is significant if the net risk is equal to or greater than 2/4.

2.5.5.4 / Prevention and mitigation measures

The table below shows the breakdown of the main risks identified as part of the mapping work. The associated colors correspond to the level of net risk (net risk = (impact × probability)/risk control).

	Sourcing of own-brand products and products under license	Operations (after-sales service, logistics)	Franchises	Marketplaces	HR	Operation of stores	Indirect purchasing	Commercial purchasing
Human rights and fundamental freedoms								
Human rights (forced labor, child labor)	Medium	Low	Medium	Medium	Low	Low	Medium	Medium
Fundamental freedoms (freedom of association, pay, working hours, discrimination, etc.)	Medium	Low	Medium	High	Low	Low	Medium	High
Health & Safety								
Employee health and safety		Low	Medium		Medium	Low		
Customer health and safety	Medium		Low	Medium		Low		Low
Health and safety of the employees of the Group's subcontractors or suppliers	Medium	Medium		High		Low	Low	Medium
Environment								
Pollution	Medium	Low	Medium	Medium		Low	Medium	High
Depletion of resources	Medium			Medium			Medium	High
Climate change	Medium	Low	Medium	High			Medium	High

- *Low risk*
- *Medium risk*
- *High risk*
- *Very high risk*

A/ Area of risk: sourcing from Asia

In order to offer its customers an economical alternative to major brand products, Fnac Darty sells products under its own retail brands. These products are supplied directly from the manufacturers, a majority of which are located in China.

Key figures relating to "own-brand product sourcing" in 2021 (scope of Fnac Darty, excluding Nature & Découvertes):

- €146 million of purchases sourced from Asia and Europe, representing 2% of total purchases;
- 11 own brands, 7 brands under license, approximately 1,400 products;
- 128 suppliers, 195 active plants;
- 94 plants audited in 2021, including 36 unannounced audits;
- 103 audit criteria (76 relating to production quality and 27 relating to Corporate Social Responsibility).

Risks identified

The production of electrical and electronic equipment, and the countries where the plants that manufacture them are located (China), generate risks, which are summarized below.

Risks	Resources implemented	Preventive measures	Actions and performance 2021
■ Fundamental freedoms and human rights (freedom of association, working time, compensation, forced labor, child labor, discrimination) ■ Health and safety of employees within the plants, e.g., in the event of non-compliance of facilities and personal protective equipment ■ Health and safety of customers, particularly in the event of quality issues or non-compliance with European standards (REACH, RoHS) ■ Environment, e.g., in the event of poor environmental practices in the plants	■ A team of 90 people, including 60 in China ■ 13 internal auditors	■ Framework document (Group Vendor Manual, translated into Mandarin Chinese) ■ Audit grid comprising 103 criteria, 27 of which are related to Corporate Social Responsibility ■ Full audit conducted prior to entering into any contract, then audit conducted at least every two years ■ Announced and unannounced audits ■ Audits by internal auditors	■ Continuation of the audit campaign: 48% of active plants audited ■ Increase in unannounced audits: 36 unannounced audits (out of a target of 25) ■ 91.5% of audits deemed compliant (before corrective action plan) ■ Inclusion of an audit criterion on the provision of an ethical alert mechanism for workers ■ 39% of auditors were themselves subject to an unannounced audit

Changes in risks in 2021

Two factors led the Group to reassess these risks upward: the Covid-19 pandemic and the shortage of semiconductors. In this high-pressure environment, suppliers may ignore certain risk prevention measures in order to contain costs and meet deadlines. Fnac Darty therefore increased its vigilance when auditing plants.

Risk prevention and mitigation policy

The Group has established strict rules and stringent control procedures with its suppliers in order to guarantee the safety and satisfaction of its customers during use of these products, and compliance with all applicable regulations. During testing, the products are checked in accordance with the highest standards; therefore, if French guidelines prove to be stricter than European ones, the French standards are used as the benchmark.

Moreover, the Group ensures that the suppliers selected and the associated plants respect the rights of employees and the environmental standards in force. In this regard, the Sourcing Department has integrated CSR criteria into its processes and into the documents that frame the supplier relationship, and it conducts regular audits.

Framework document

The Group Vendor Manual defines the relationship between Fnac Darty and its suppliers, and includes the Business Code of Conduct. The document provides a framework for supplier relations; it sets out the standards and procedures that each party agrees to follow. In particular, it requires the supplier to provide evidence of compliance with European regulations (or local regulations if the national laws of the countries in which the products are to be distributed differ): an EC declaration of conformity, a material safety data sheet for products containing substances covered by the REACH Regulations, information on products covered by the CHIP Regulation and, since 2020, information on the availability of spare parts and product repair manuals, in compliance with the European Directive on the ecodesign of products.

The Vendor Manual also includes a chapter on the social and environmental standards to which suppliers are required to comply – and which includes 11 critical failure points, including six relating to human rights, fundamental freedoms and health & safety. For example, there is zero tolerance for the use of forced labor (in any form whatsoever), physical or verbal abuse, blocked emergency evacuation routes, or the absence of separation between sleeping areas and the production site.

Compliance with these standards is monitored through audits.

Audits

To ensure compliance with Group standards, Fnac Darty's Statutory Auditors carry out announced and semi-or unannounced audits; the audit schedule and results for each plant are monitored through a centralized database. These audits have two components:

- quality assurance and control;
- Corporate Social Responsibility.

This second component brings together several aspects of control:

- human rights and employment law;
- health and safety;
- ethics;
- the environment.

A preliminary audit is carried out for all these elements prior to entering into any contract with a new plant. If this identifies any major deficiencies, no orders will be placed. If it identifies areas for improvement, the plant is required to take corrective action before production will be initiated. Follow-up audits are scheduled to ensure the supplier is compliant before the start of production.

Active plants are then audited every two years; this period may be shortened if any breach of quality or social and environmental standards is suspected. The procedures associated with the outcome of these audits are the same as for the advance audits.

Procedures associated with audit results:

Audit result	Associated procedure	Control
> 85% = full compliance	None	Audit every two years
70% to 85% = average compliance	Requirement to take corrective action	Follow-up audit
60% to 70% = non-compliance	Cessation of production with the requirement to take corrective action before production recommences	Follow-up audit before any launch of production or before production recommences
< 60% = serious non-compliance	Cessation of production and termination of supplier relationship	
Not compliant with one of the critical failure points	Cessation of production with the requirement to take corrective action before production recommences	Follow-up audit before any launch of production or before production recommences

Fnac Darty relies on a team of 13 people based in China to carry out these audits. These auditors are themselves subject to regular checks.

The Fnac Darty teams help the suppliers to prepare corrective action plans.

Due diligence in Nature & Découvertes

Nature & Découvertes has always been vigilant of its suppliers and ask them to follow a Quality Charter that requires them to act responsibly. The Company promotes long-term sustainable partnerships to help it progress its approach of continuous improvement. Likewise, the Company favors relationships with small businesses in order to encourage local craftsmanship wherever possible.

Every year, social and environmental audits are conducted by an external service provider based in Hong Kong. The two entities share the same audit vision, focused on supporting suppliers.

At the same time, Nature & Découvertes continues to rely on a Responsible Purchasing Charter for its suppliers. This refers to the conventions of the International Labor Organization and describes the principles and standards with which suppliers undertake to comply. Of the 610 active suppliers in 2021, 250 were signatories to the charter at the end of 2021, covering more than 64% of purchases of Nature & Découvertes own-brand products.

Actions/measures taken in 2020 and 2021

In order to improve auditors' and suppliers' understanding of the audit grid, the critical failure criteria were strengthened: non-compliance on one of these criteria now automatically results in the non-compliance of the entire audit, without any manual intervention by the auditor.

The framework contract with the production plants (Vendor Manual) has been updated with additions to the supplier's responsibility in the event of a maximum breakdown rate threshold being exceeded, on its commitment to comply with European standards and on new procedures for pre-compliance tests. In order to avoid any misinterpretation of this document and to ensure that suppliers adhere to these rules and principles, the Vendor Manual has been translated into Chinese.

In order to guarantee the same audit standards in the plants located in Europe (extended to Turkey), the independent third parties in charge of audits must use the same audit grid as that used for plants in China.

As part of the mapping of risks associated with non-commercial purchasing, shipping has been identified as an "at risk" sector. This will result in the Indirect Purchasing Department working with teams based in Asia to strengthen the weighting of the criteria associated with the CSR performance of candidate service providers in calls for tender. Likewise, indirect buyers plan to initiate discussions with current service providers regarding their CSR performance and their action plans relating to the duty of care.

Results

Scope: Fnac Darty suppliers (excluding Nature & Découvertes) in Asia	2020	2021
KPI: Proportion of plants whose audit result is deemed to be average or compliant [(a)]	91.7% [(b)]	91.5%

(a) Before corrective action.
(b) Corrected historical data: in order to better reflect the performance of the audit process, the Group has chosen to exclude from the calculation of this KPI the result of follow-up audits to check any corrective actions required after non-compliant initial audits.

Scope: Nature & Découvertes	2020	2021
Proportion of purchases produced by Nature & Découvertes suppliers that have signed the Responsible Purchasing Charter	64.3%	64.1%

Between 2020 and 2021, the rationalization of the number of Nature & Découvertes suppliers continued. However, this rationalization had a greater impact on the breakdown of revenue by supplier, which is why the indicator remains stable between 2020 and 2021.

Outlook for 2022

The Group has begun to think about how to extend its audit and prevention measures to certain level 2 suppliers and beyond. Some of the minerals used in the manufacture of own-label products have been identified as social and environmental risks, and as part of the process of continuous improvement, the action plans arising from this framework will primarily apply to suppliers that use these minerals (which may come from conflict zones) and will aim to ensure that purchasing them complies with responsible procurement practices, and does not contribute to conflict or other associated illegal activities.

B/ Area of risk: purchasing products and services

Fnac Darty's purchasing falls into two categories: commercial purchasing (intended to be resold by its brands) and indirect purchasing (intended to enable the Group to carry out its business activities). These risks are managed in different ways.

With regard to commercial purchasing, the supplier relationship is managed directly by the Commercial Department and governed by the Business Code of Conduct.

With regard to indirect purchasing, which governs business relationships with around 3,000 suppliers, there are numerous risks, concerning both the purchase of services (transportation, remote customer relations, temporary staff, security, works), as well as goods (consumables). The information below relates to this type of purchasing.

Risks	Resources implemented	Preventive measures	Actions and performance 2021
Indirect purchasing: ■ Fundamental freedoms and human rights (including non-compliance with working hours, payment of overtime, discrimination, etc.) ■ Health and safety of subcontractors' employees, e.g., lack of training ■ Health and safety of customers, e.g., lack of gas and electricity certification of delivery and installation staff employed by subcontractors ■ Environment, e.g., poor environmental practices in the management of construction waste or waste chemicals used for cleaning	■ A team of 12 buyers in France, all trained in responsible purchasing and sustainable development issues	■ Framework documents, shared with suppliers and subcontractors: ▪ Business Code of Conduct ▪ Responsible purchasing policy ■ Increasing inclusion of CSR criteria in calls for tender	■ Audit of the practices, framework documents and selection criteria of the Indirect Purchasing Department ■ Mapping of purchasing risks ■ Documentation of the responsible purchasing policy ■ Identification of action plans to be implemented ■ Development of a list of CSR criteria in connection with the mapping, to be included in future calls for tender ■ Training buyers in responsible purchasing ■ Introduction of CSR business reviews with strategic suppliers ■ Distribution of the link to the ethical alert line, through the Business Code of Conduct and the Supplier Charter

Actions/measures taken in 2021

In 2021, the mapping of purchasing risks helped to refine the assessment of these risks. It shows that, once the level of risk control has been taken into account, the net risk is concentrated on transportation purchases (by sea and road), purchases of furniture and packaging, works, maintenance and cleaning services, as well as call centers.

As part of its new responsible purchasing policy, the Group is working hard to control the environmental and social impacts associated with its purchasing activities, by incorporating these risks into its practices from the tender phase (inclusion of CSR criteria) and into monitoring of its commercial relationships (dedicated business reviews).

For further details, see also section 2.5.4 "Implementing a responsible indirect purchasing policy".

2021 Results

Having reviewed the application submitted at the end of 2021, the RFAR Label Award Committee, composed of the Business Ombudsman (French Ministry of Economy and Finance) and the French National Purchasing Council, unanimously decided to award the RFAR label to the Group. This label is valid for three years.

This label recognizes the Group's commitment to long-term, balanced relationships with its suppliers [1].

Outlook for 2022

The Group intends to continue the operational deployment of its responsible purchasing policy, particularly by launching action plans targeted at the riskiest purchases or implementing and monitoring indicators focusing on the social aspects of the performance of outsourced labor services (cleaning, security, gardening, etc.).

C/ Area of risk: Marketplace

Launched in 2009 for Fnac and 2015 for Darty, the Marketplace aims to guarantee better product availability and to expand the catalog. Therefore, new product categories have been added to the Group's classic catalog: games & toys, then sport, gardening, DIY and, most recently, home furnishings, which includes furniture and bedding.

2021 key figures:

- more than 4,000 sellers on the Fnac Darty Marketplace;
- more than 17 million active product items available.

(1) *Excluding commercial purchasing.*

Risks	Resources implemented	Preventive measures	Actions and performance 2021
■ Fundamental freedoms and human rights: infringements of freedom of association, working hours, pay, forced labor, child labor, discrimination ■ Health and safety of employees in plants where products are manufactured, e.g., in the event of non-compliance of facilities and personal protective equipment ■ Health and safety of customers, e.g., in the event of non-compliance of products with European standards ■ Environment, e.g., in the event of poor environmental practices in the plants, or due to the impact of the life cycle of products distributed by the Marketplace	■ A quality division comprising 10 people	■ Business Code of Conduct, incorporated into the General Terms and Conditions of Use of the Marketplace ■ Quality assessment and monitoring procedures ■ Monitoring and procedures when recalling products	■ Strengthening of the procedures for using quality indicators to assess vendors. ■ Reinforcement and documentation of product recall procedures ■ More than 1,800 tests conducted (compared with 500 in 2019 and 1,054 in 2020) and 231 vendors removed from the approved list

Operating in a highly regulated and constantly changing sector, the Group ensures compliance with the regulations that govern the Marketplace's activities. A quality monitoring process has been set up to optimize customer loyalty and ensure their safety. The quality division therefore aims to monitor sellers and ensure they meet compliance standards. A Vendor Monitoring Committee meets once a month to monitor the indicators in use.

Partner vendors undertake to comply with the Marketplace's General Terms and Conditions of Use, acceptance of which includes compliance with the Group's Business Code of Conduct. However, due to the countries in which the products distributed are manufactured, particularly Asian countries, the Group has set demanding recruitment standards for vendors and quality monitoring, particularly regarding complaints.

If failures are identified, and after a test period, the penalties set out in the General Terms and Conditions of Use/General Terms and Conditions of Sale may be imposed on the vendors. These penalties may go as far as removing them from the approved list.

Actions/measures taken in 2021

In order to strengthen the product recall process, whether originating from the authorities or suppliers, in 2021 the Group strengthened its procedures by documenting its response pathway, from monitoring, through liaising with vendor (s) and customers, to withdrawing the specific products from sale.

Assessment procedures were also strengthened, and a specific process for new vendors was launched; as such, the Group now imposes an upper limit on orders and increased quality monitoring during this period.

2021 Results

Post-clearance monitoring procedures (on the rate of complaints in particular) have resulted in the Group launching approximately 1,800 tests (compared with 1,054 in 2020) and removing 231 vendors from the approved list in 2021.

Outlook for 2022

In accordance with the new obligations imposed by the AGEC law (the "circular economy law"), since January 1, 2022, Marketplaces have been jointly and severally liable in the event that vendors do not comply with the EPR principle (Extended Producer Responsibility), including the obligations to take back a used device free of charge when a new device of the same type is purchased and to pay an eco-tax on products they sell in France.

In 2021, the Group led several projects in direct collaboration with recycling organizations to ensure compliance on its own behalf and that of its partner vendors. The new procedures will be implemented in 2022.

D/ Area of risk: operations

At the heart of the Fnac Darty model, the logistics, delivery and after-sales operations have been identified as the most exposed to health and safety risks. These businesses are by nature accident-prone, and these risks are more likely to occur in the event of a breach of the principles of risk precaution and prevention (procedures, training, control).

Risks	Resources implemented	Preventive measures	Actions and performance 2021
Health and safety of workers: ■ Road traffic accidents ■ Miscellaneous accidents and musculoskeletal disorders related to handling activities (carrying loads, repeated movements, vehicle-pedestrian collisions, etc.) ■ Accidents related to the installation or handling of electrical and electronic equipment (risks caused by lithium batteries and gas or electricity installations)	■ A Training Academy with trainers dedicated to safety training	■ List of mandatory training courses (required by regulations or deemed essential by the Group) ■ Regular training ■ Investment in workstation ergonomics ■ Eco-friendly driving	■ Training all operations managers in risk prevention ■ Rollout of “safety representatives” at each logistics site ■ Investment in risk prevention tools (wheel locks, electric trolleys, etc.) ■ Introduction of warm-up sessions ■ Introduction of monthly tire pressure checks

Actions/measures taken in 2021

In 2021, Fnac Darty launched a comprehensive action plan dedicated to strengthening and monitoring mandatory training (regulatory or deemed essential for the proper conduct of the Group’s operations), supervised by the Fnac Darty Academy. In addition to regulatory training (gestures and posture, gas and electricity certification), all managers in the Operations Department (after-sales service, delivery and logistics) have been trained in risk management.

These risks, the associated mitigation policies and the results of these policies are described in the social portion of this chapter (section 2.1.3.).

With regard to the risk inherent in handling lithium batteries, an action plan focused on the various risk management measures was rolled out in 2021; this specifically concerns the storage of used batteries and raising risk awareness among the teams.

2021 Results

Scope: Group (excluding Nature & Découvertes)	2019	2020	2021
Frequency rate of workplace accidents with stoppage time	27.5	30.1	31.5
Frequency rate of workplace accidents with stoppage time	1.5	1.7	1.9

Outlook for 2022

In order to anchor risk management knowledge in day-to-day practices and instill a culture of safety, specialist instructors will be sent out into the field in 2022 to work with teams on developing concrete processes that “ritualize” risk prevention.

Training in risk prevention will also be extended to supervisors in 2022.

2.5.6 / BEING A RESPONSIBLE TAXPAYER

2.5.6.1 / Worldwide presence of Group

In 2021, the Group was composed of 53 legal entities, 35 of which are located in France. Of these French entities, 29 entities are members of a tax consolidated group within the meaning of Article 223A of the French CGI (French Tax Code) in 2021. Other French entities do not meet the legal conditions for being part of the tax consolidation.

Other than the United Kingdom, which has a scheme similar to the tax consolidation scheme, which the Group's English subsidiaries have chosen, the Group's entities established outside France are not members of an equivalent scheme.

In France, the Group has numerous entities for the following reasons:

- Fnac stores are grouped together in entities by geographical region (for example, Fnac Paris for the Paris stores, Codirep for stores in the Paris region) or by type of store (Fnac Périphérie groups together smaller stores located on the outskirts of towns);
- Darty stores are also grouped together by large geographical region (Île-de-France for Établissements Darty et Fils, the west of France for Darty Grand Ouest and the east of France for Darty Grand Est);
- some activities require dedicated entities: after-sales service operations (managed by MSS), home training that requires an enhancement (A2I) and ticketing activities;
- purchases of companies do not necessarily entail a merger as the banners are different (Nature & Découvertes, WeFix, Fnac, Darty).

In other countries, the number of entities is smaller and each entity brings together the stores of a banner. For example, there is only one banner in Spain, and therefore only one company: Fnac Spain.

In Luxembourg, there are two companies that each operate a store: one under the Nature & Découvertes banner and the other under the Fnac banner. The Group's presence in Monaco has just one store.

With the exception of the United Kingdom, China and Hong Kong, the Group's presence in a country is maintained through the operation of a store under one of the Group's banners. The presence in the UK is linked to the history of the Darty Group, which was listed in the United Kingdom until its buyback in 2016. Accordingly, there are still two holding companies in the United Kingdom, one of which will soon be dissolved because it's inactive, and the other, Darty Limited, formerly the parent company of Darty Group, finances the retirement fund for employees of the British company Comet, which was part of the same group, and for which Darty Limited took over the obligations. The Group's presence in Hong Kong and China relates to Darty's manufacturing of small domestic appliances for its own brands such as Proline or for brands licensed by third parties. This manufacturing requires a local team responsible for quality control in the subcontractors' manufacturing plants as well as a team responsible for product specifications.

2.5.6.2 / Key figures

Distribution consistent with business activity

Fnac Darty is committed to paying taxes and contributions in each country where it operates and does not participate in any tax avoidance schemes. Through its subsidiaries, Fnac Darty has a presence in 11 countries. The Group has operating companies that run the stores and whose tax expense is consistent with and proportional to their contribution to the Group's earnings, which illustrates a principle of tax compliance rather than value creation. As the weight of the business activities conducted in France is particularly large for the Group, this is where the tax expense is highest. The Group's head office, purchasing and cash management activities are focused in France.

(€ thousand)	Corporation tax and corporate value-added tax (CVAE) [(a)]	Local taxes [(b)]	Other taxes [(c)]	Total
France	77,931	32,145	12,376	122,452
Spain	Deficit in 2021	468	439	907
Portugal	2,188	2	66	2,256
Belgium	5,030	936		5,966
Luxembourg	77			77
Monaco	Deficit in 2021			-
Germany	Deficit in 2021			-
Switzerland	36		58	94
United Kingdom	Deficit in 2021			-
China	8			8
Hong Kong	Deficit in 2021			-
TOTAL	**85,271**	**33,551**	**12,939**	**131,761**

(a) Excluding deferred taxes and exceptional expenses for corporate income tax (CIT) related to tax audits.
(b) In France, this includes: property tax, CFE, tax on offices in Île-de-France, tax on commercial premises and tax on brands.
(c) In France, this includes: mutual aid social security contribution (contribution sociale de solidarité) and company vehicle tax.

Streamlining of the effective tax rate

The effective tax rate for the Group is 33.9% for the 2021 financial year. The impact of the corporate value-added tax (CVAE) is 5% (included in the corporate tax in the Group's financial statements). Restated for the corporate value-added tax (CVAE), the Group's tax rate is in line with the Group's corporate income tax rate (CIT), given the country mix, i.e. around 30%.

The total corporate tax expense increased by €14.5 million in 2021, in line with an increase in pre-tax income. This increase in the tax expense is offset by the reduction in the CVAE, the rate of which was halved in 2021.

An important source of income for French local authorities

Fnac Darty has a particularly dense geographical coverage in France. The Group's stores and e-commerce sites generate a total of €44 million in local taxes (including CVAE of €11 million).

These local taxes consist of property tax, tax on offices in Île-de-France, the Corporate Real Estate Tax, tax on commercial premises, tax on brands and the corporate value-added tax (CVAE). These taxes directly benefit French local authorities, enabling them to finance their activities.

The Group is therefore heavily involved in financing local authorities in which it operates numerous stores, offering an unparalleled geographical coverage for a specialized retail group.

2.5.6.3 / Tax policy

The tax policy of Fnac Darty aims to:

- make the tax costs associated with the operation of the Group's brands foreseeable;
- reduce its exposure to tax risks;
- preserve its reputation and image.

These objectives are consistent with several of the Group's CSR commitments, such as promoting the economic and cultural development of regions and ensuring the exemplary conduct of its business.

By paying taxes in the States and local authorities where it creates value, Fnac Darty contributes to the quality of life and improvement of public infrastructures for its customers.

2.5.6.3.1 / Tax risk management

Governance

The Group's Tax Department is made up of experienced employees. It also relies on the tax expertise of the heads of accounting who manage the tax reporting obligations. They are assisted by external tax advisers as necessary, in particular to clarify complex points of law.

In addition, each department in the Group has an obligation for internal control. When this department finds a tax risk, it must notify the Group Tax Department.

The Group Tax Department advises and assists the operational departments and subsidiaries specifically on the following:

- regulatory tax oversight and help with implementing new tax rules. For example, in 2021 the Tax Department helped the Group's subsidiaries to implement the new rules of the E-commerce Directive that applied from July 1, 2021;
- tax audit assistance;
- drafting of tax documentation such as transfer pricing documentation;
- helping subsidiaries on the tax aspect of operational projects;
- the tax audit of companies within the Group's scope, and tax audits on ad hoc matters.

Acceptable tax risks

The Group does not use any optimization system or aggressive tax planning.

For each transaction, the Group assesses the tax risks relating to a specific tax position.

Fnac Darty ensures that all its entities comply with the tax regulations applicable to it. No entity held by the Group is located in a country listed on the French or European list of non-cooperative tax jurisdictions.

DAC 6

The "DAC 6" Directive requires financial intermediaries, and in some cases taxpayers themselves, to declare to the tax authorities any potentially aggressive international tax operations they have, if at least one "hallmark" covered by the Directive exists.

The Group does not have an aggressive tax planning scheme and believes that it is not required to file the statement provided under DAC 6.

IFRIC 23

IFRIC 23 – Uncertainty over Income Tax Treatments clarifies the application of the provisions of IAS 12 "Income Taxes" relating to recognition and evaluation when there is uncertainty regarding the treatment of income tax.

To this end, the IFRIC 23 interpretation sets out a single uniform method for recognizing tax risks.

From 2019, the Group standardized its tax risk recognition process, implementing standardized procedures for communication between the subsidiaries of all tax jurisdictions and the Group's Tax Department. Under the new process, if an uncertain tax position is likely not to be accepted by the tax authorities, this situation is reflected in the financial statements in tax payable or deferred taxes. As of December 31, 2021, uncertain tax positions were assessed in accordance with these standards and, at the end of this assessment, no new risks were detected.

Transfer prices

Fnac Darty applies the arm's length principle to transfer prices. Transfer prices are not, under any circumstances, a tax planning tool (the transfer of profits to a country with a lower tax rate than another, optimization of losses).

In particular, the Group's entities outside France are free to purchase goods from the purchasing department located in France. The operational demands of each entity dictate whether or not they make use of this.

In order to set its transfer prices, the Group tries to find the most conventional method that complies with OECD principles, while maintaining simple guidelines and methods for the calculation.

The Group's transfer prices consist primarily of the re-invoicing of head office expenses, the invoicing of interest by the centralized cash company, and the sale of goods by the purchasing center located in France to French or foreign subsidiaries. Transfer prices are regularly audited by the tax inspectors during their tax audits.

2.5.6.3.2 / Relations with the tax authorities

Fnac Darty works in a transparent way with the tax authorities in the various countries in which it operates.

Tax controls

The Group is fully aware that the maintenance of high-quality public services, from which it benefits, depends on the verification by the tax authorities that the tax payable and paid by the Group has been calculated properly. The Group maintains an official, open and constructive relationship with the tax authorities in order to seek appropriate solutions to limit unnecessary litigation.

Fnac Darty is subject to regular tax audits. In France, several Group companies are continually under a tax audit. As such, in 2021, four companies in France were in the process of account verification and two tax audits were in progress on Fnac Belgium and Fnac Switzerland.

As tax law is sometimes subject to interpretation and uncertain positions, the Group does not hesitate to call on the tax authorities to request a ruling or a tax position. Despite these procedures, it is still possible that tax audits will expose undetected tax risks or that disagreements may arise with the tax authorities over a difference in the interpretation of local or international tax regulations, or over the assessment of a factual situation.

However, the Group only has a limited number of tax disputes in progress before the courts.

These limited and technical issues show that the Group has few disputes with the tax authorities.

From 2022, the Group is committed to a tax partnership with the Major Corporations Division of the French Directorate-General of Public Finances, the protocol for which was signed at the beginning of the year. This provides access to a department dedicated to addressing any tax issues that may arise, thereby improving the legal security of the transactions carried out by the Group.

Fnac Darty procedures for the tax authorities with regard to third parties

The Group also receives numerous right-to-information requests concerning other taxpayers, particularly as part of a verification process that sellers operating through a platform are complying with their VAT obligations. The departments concerned process these requests quickly, in coordination with the Tax Department.

In accordance with the law, Fnac Darty files declarations which facilitate the monitoring by the tax authorities: salary declarations, declaration of fees, declaration of income from platform sellers.

Other relationships with the tax authorities

The Group is a member of various professional bodies which promote retailers' opinions. It expresses its individual opinion at meetings or public consultations.

Fnac Darty has made no request to the tax authorities of any country to obtain any tax advantage in regard to the taxation of its profits.

2.6 / Summary table of non-financial indicators

The figures shown are in current scope and Group scope (unless otherwise specified).

Risks:	Commitment 1: develop human capital
The development of business lines in a context of digital acceleration	■ Develop skills and employability ■ Promote gender equality and quality of life in the workplace ■ Guarantee employee health and safety

Indicators	Unit	2019	2020	2021	Section
EMPLOYEES AND ORGANIZATION OF WORK					
Workforce as at 12/31 *(fixed-term + open-ended contracts, current scope)*	Employees	24,046	24,886	25,585	
Workforce in France *(fixed-term + open-ended contracts)*	Employees	17,676	18,895	19,270	
Average workforce	FTE	21,454	22,474	22,927	
Percentage of open-ended contracts *(Group)*	%	88.3%	89.2%	87.8%	
Proportion of temporary workers *(from fixed-term contract + open-ended contract + temporary employees)*	%	13.4%	12.5%	13.1%	
Average seniority of employees on open-ended contracts	Years	12.8	12.3	12.7	
Average age of employees on open-ended contracts	Years	40.5	38.9	40.9	
Proportion of full-time workers *(from employees on open-ended contracts)*	%	81.9%	82.8%	83.8%	
Proportion of managers *(from employees on open-ended contracts)*	%	22.8%	23.8%	24.3%	
Number of permanent employees recruited *(excluding acquisitions)*	Employees	3,127	2,562	3,570	
Number of departures of permanent employees *(excluding disposals)*	Employees	3,749	2,976	3,818	
TRAINING					
Proportion of employees receiving training in classroom over the year compared to total number of employees	%	66.0%	37.5%	56.7%	§ 2.1.2.1
Percentage of total headcount trained via classroom programs or remotely during the year	%	82.9%	75.9%	93.7%	
Average number of training hours per employee trained via classroom programs	Hours	15.4	13.7	15.5	
KPI: Number of training hours (across all formats) per employee trained	Hours	14.2	9.2	14.9	
KPI: share of payroll allocated to training	%	2.5%	2.8%	3.2%	
ABSENTEEISM					
Overall absenteeism	%	5.0%	5.9%	7.5%	Intro 2.1
KPI: absenteeism due to sickness	%	4.6%	5.2%	5.3%	

Indicators	Unit	2019	2020	2021	Section
HEALTH AND SAFETY					
Number of employees trained in safety	Employees	6,000	4,985	14,474	
Total number of hours of safety training	Hours	31,514	18,618	45,125	
KPI: frequency rate of accidents with stoppage time *(excluding Nature & Découvertes)*	Number	27.5	30.1	31.5	
KPI: severity of accidents with stoppage time *(excluding Nature & Découvertes)*	Number	1.5	1.7	1.9	section 2.1.3
Frequency rate of workplace and travel-related accidents with stoppage time *(excluding Nature & Découvertes)*	Number	35.5	36.1	38.7	
Severity of workplace and travel-related accidents with stoppage time *(excluding Nature & Découvertes)*	Number	1.7	2.0	2.2	
GENDER EQUALITY					
Gender equality index (consolidated)	Unit	90	90	88	
Percentage of women in the total workforce	%	39.0%	39.6%	39.1%	
Percentage of manager-level women in the workforce	%	35.7%	37.0%	37.2%	
Percentage of female store managers	%	13.6%	18.2%	19.9%	
Percentage of women on the Board of Directors *(excluding employee Directors)*	%	50%	50%	50%	§ 2.1.1.1
KPI: percentage of women in Leadership Group roles	%	24.3%	24.3%	26.6%	
KPI: percentage of women on the Executive Committee	%	33.3%	33.3%	38.5%	
KPI: proportion of women who granted least one individual raise during the year	%	33.2% (29.5% for men)	22.9% (23.5% for men)	22.3% (25.2% for men)	
Number of women newly recruited under open-ended contracts		1,185	1,068	1,439	
Proportion of employees with disabilities *(on open-ended contracts, excluding Belgium and Switzerland)*	%	5.2%	4.9%	5.0%	
Percentage of people with disabilities newly recruited under open-ended contracts *(excluding Belgium and Switzerland)*	%	1.2%	0.8%	1.7%	§ 2.1.1.2
Proportion of employees on open-ended contracts who are over 50 years of age	%	22.6%	23.2%	24.4%	
Percentage of employees on open-ended contracts who are young people	%	10.8%	11.0%	11.6%	
COMMITMENT					
NPS employees (recommendation score out of 10)	Unit	7	7.5	6.7	§ 2.1.1.3.3
Staff turnover	%	16.2%	12.5%	16.4%	

Risks	Commitments
Risks: Sustainability of the business model and new consumption patterns	**Commitment 2: promote sustainable consumption and an educated choice** ■ Help customers make an educated choice ■ Develop the product range to offer more sustainable products ■ Encourage repairs ■ Give a second life to products ■ Ensure waste collection and recycling ■ Contribute to public debate around sustainability **Commitment 3: contribute to the social and cultural development of territories** ■ Provide access to culture to as many people as possible ■ Increase the positive impact on the territories

Indicators	Unit	2019	2020	2021	Section
SUSTAINABILITY OF PRODUCTS SOLD					
Percentage of products with an environmental certification in the offer [(a)] *(Nature & Découvertes scope)*	%		11%	12%	section 2.2.2
Share of revenue generated by products with a positive impact [(b)] *(Nature & Découvertes scope)*	%		76%	70%	
KPI: Sustainability Score [(c)] *(France scope)*	Unit	100	105	111	§ 2.2.1.2
REPAIR					
KPI: number of products repaired	Number (thousand)	1,835	1,822	2,106	section 2.2.2
Number of products repaired at home	Number (thousand)	460	436	515	
Number of products repaired in the workshop	Number (thousand)	429	307	397	
Number of products repaired in-store	Number (thousand)	150	134	191	
Number of products repaired by remote customer service centers	Number (thousand)	616	755	798	
Number of products repaired by WeFix	Number (thousand)	180	190	205	
Number of Darty Max subscribers	Number	n.a.	200K	500K	§ 2.2.3.1
Number of users in the sav.darty.com community	Number	4 million	7 million	10 million	§ 2.2.3.3
PURCHASING OF PACKAGING AND WASTE					
KPI: volumes of packaging (cardboard and plastic) consumed/revenue	Tons/€ million	0.6	0.8	0.7	§ 2.2.5.2.1
KPI: volumes of electrical and electronic waste collected *(Group)*	Tons	51,489	49,943	51,766	§ 2.2.5.1
Volumes of electrical and electronic waste collected in tons *(France)*	Tons	46,373	44,898	46,778	
Volumes of recoverable waste generated and sent to recycling providers *(France scope, excluding Nature & Découvertes)*	Tons			7,607	§ 2.2.5.2.2
Volumes of non-recoverable waste *(France scope, excluding Nature & Découvertes)*	Tons			4,322	
KPI: waste recovery rate *(cardboard, paper, plastic, polystyrene, wood, metal, glass; excluding waste brought in by customers and excluding hazardous waste) (France scope, excluding Nature & Découvertes)*	%			64%	

(a) Organic agriculture, FSC Wood, Bio Cosmos Cosmetics, Bio Ecocert Cosmetics, Eco Ecocert Cosmetics, Natural Cosmos Cosmetics, Organic Cotton, Max Avelaard, Oekotex 100.

(b) Products promoting environmental education, crafts, renewable energies, health and wellbeing, education and teaching.

(c) Average of a reliability score and a reparability score, calculated on the basis of data collected by Fnac Darty's After-Sales Service Department over the last two years for each product listed, weighted by the volume of products sold by the Group in the year in question.

Indicators	Unit	2019	2020	2021	Section
SOCIAL AND CULTURAL DEVELOPMENT OF TERRITORIES					
Number of stores opened	Number	78	40	55	§ 2.3.2.1
Number of cultural events	Number		1,300	5,700	§ 2.3.1.1
DONATIONS AND SOCIALLY INCLUSIVE PROJECTS					
Total raised by socially inclusive initiatives across the Fnac Darty Group	€ thousands	3,856	4,520	10,987	
of which financial donations and donations in kind	€ thousands	3,258	3,669	10,178	§ 2.3.3.2
of which donations collected in-store and on commercial websites	€ thousands	598	851	809	

Risks:
The climate emergency and its consequences on companies

Commitment 4: reduce impacts on the climate

- Strengthen governance and integration of climate risks
- Reduce emissions generated by transportation and energy from sites
- Extend emissions management to products, services and employee travel

Indicators	Unit	2019	2020	2021	Section
CARBON FOOTPRINT					
Total scope 1 emissions	kt CO_2eq	19.4	18.6	20.6	
Total scope 2 emissions	kt CO_2eq	8.4	2.1	1.7	
Total scope 3 emissions	kt CO_2eq	4,381.1	not available	4,274.2	
Products and services purchased	kt CO_2eq	2,323.0	2,356.7	2,354.9	
Fixed assets	kt CO_2eq	51.7	42.6	44.6	
Fuel- and energy-related emissions	kt CO_2eq	16.4	14.4	17.6	
Upstream transportation of goods	kt CO_2eq	38.6	34.8	36.3	
Waste generated	kt CO_2eq	124.4	not available	117.4	
Business travel	kt CO_2eq	1.1	0.7	0.7	§ 2.4.3.2
Work commutes	kt CO_2eq	33.2	not available	30.6	
Upstream leased assets	kt CO_2eq	0.6	0.6	0.6	
Downstream transportation of goods and retail	kt CO_2eq	6.1	10.1	9.3	
Use of products sold	kt CO_2eq	1,166.6	975.0	998.6	
End of life of products sold	kt CO_2eq	27.8	26.4	29.3	
Franchises	kt CO_2eq	0.4	0.2	0.4	
Customer travel	kt CO_2eq	591.1	638.0	634.0	
Total carbon footprint	kt CO_2eq	4,408.9	not available	4,296.5	
INDICATORS MONITORING TARGETS FOR REDUCING EMISSIONS RELATING TO ENERGY CONSUMPTION AND TRANSPORTATION					
CO_2 emissions generated by site transportation and energy	t CO_2eq	80,291	70,951	75,488	
of which Scope 1	t CO_2eq	19,369	18,597	20,617	
of which Scope 2 – market-based	t CO_2eq	8,409	2,147	1,705	§ 2.4.3.2
of which Scope 3	t CO_2eq	52,514	50,207	53,166	
CO_2 emissions from transportation and energy from sites by revenue	t CO_2eq	10.9	9.5	9.4	

Indicators	Unit	2019	2020	2021	Section
ENERGY					
Energy consumed	MWh	225,896	206,398	217,021	§ 2.4.4.1
of which electricity	MWh	195,253	176,553	180,922	
of which gas	MWh	26,985	26,660	31,591	
of which heating network	MWh	338	534	832	
of which cooling network	MWh	3,321	2,952	3,676	
Fuel consumed	liters	57,043	57,973	80,676	
Share of renewable energy in electricity purchases	%	24%	36%	45%	
Percentage of renewable energy in electricity purchased in France	%	0%	14%	25%	
Energy consumption of sites by surface area	kWh/m²	138	125	133	
Fugitive emissions (leakage of refrigerants)	t CO_2eq	3,232	3,246	3,224	
CO_2 emissions generated by sites (including fugitive emissions)/m² *(market-based)*	kg CO_2eq/m²	13.2	8.0	8.8	
CO_2 emissions generated by sites (including fugitive emissions) *(market-based)*	t CO_2eq	21,703	13,145	14,324	
KPI: CO_2 emissions generated by energy consumption of sites (excluding fugitive emissions)/m² *(market-based)*	kg CO_2eq/m²	11.26	5.9	6.7	
CO_2 emissions generated by sites *(location-based)*	t CO_2eq	32,160	28,813	31,664	
CO_2 emissions generated by sites/m² *(location-based)*	kg CO_2eq/m²	19.6	17.5	19.4	
TRANSPORTATION OF GOODS BETWEEN WAREHOUSES AND STORES					
Emissions generated by transportation of goods between warehouses and stores *(Group scope)*	t CO_2eq	26,621	23,160	24,048	§ 2.4.4.4.1
Emissions generated by transportation of goods between warehouses and stores *(Fnac France and Darty France scope)*	t CO_2eq	21,365	18,201	18,317	
KPI: CO_2 emissions generated by transportation of goods to stores/pallet *(Fnac France, Darty France and Nature & Découvertes scope)*	kg CO_2eq/pallet	16.7	15	13.9	
KPI: CO_2 emissions generated by transportation of goods to stores/km *(Spain, Portugal, Switzerland, Belgium scope)*	kg CO_2eq/km	0.97	0.98	0.97	
LAST-MILE DELIVERY					
Number of deliveries	In thousands	2,019	2,270	2,218	§ 2.4.4.4.3
Number of deliveries in France	In thousands	1,749	1,960	1,930	
CO_2 emissions generated per last-mile delivery	t CO_2eq	14,416	14,701	17,126	
KPI: CO_2 emissions generated by last-mile delivery/delivery	kg CO_2eq/ delivery	7.1	6.5	7.7	

Indicators	Unit	2019	2020	2021	Section
AFTER-SALES SERVICE CALLS					
Number of service calls	In thousands	752	741	801	
Number of service calls in France	In thousands	706	680	738	
CO_2 emissions generated by home service calls (including dispatch of spare parts)	t CO_2eq	4,881	4,716	5,715	
CO_2 emissions generated by after-sales service travel/intervention	kg CO_2eq/ service call	6.48	6.37	7.14	section 2.4.4.4.4 and section 2.4.4.4.5
Number of products sent to the after-sales service workshops	In thousands	863	744	715	
Number of products sent to the after-sales service workshops in France	In thousands	693	611	655	
CO_2 emissions generated by products for repair traveling to after-sales service workshops	t CO_2eq	2,305	1,851	1,533	
CO_2 emissions per product sent to the after-sales service workshops	kg CO_2eq/ product	2.7	2.5	2.1	
E-COMMERCE					
CO_2 emissions generated by "e-commerce" flows	t CO_2eq	6,097	10,083	9,258	§ 2.4.4.4.2
KPI: CO_2 emissions generated by dispatch of packages	t CO_2eq	0.49	0.53	0.53	
PRODUCTS SOLD					
Total Product Emissions	kt CO_2eq	3,425.3	3,368.0	3,281.4	
of which manufacturing	kt CO_2eq	2,221.2	2,356.7	2,242.8	
of which upstream transportation	kt CO_2eq	9.7	9.8	10.7	§ 2.4.4.5.1
of which use	kt CO_2eq	1,166.6	975	999	
of which product end of life	kt CO_2eq	27.8	26.4	29.3	
Carbon intensity by revenue	t CO_2eq/€ million	464	450	409	

Risks:
Ethics for all based on a model of development through partnership

Commitment 5: ensure exemplary business conduct
- Protect the personal data of employees and customers
- Prevent the risks of corruption
- Implement a vigilance plan
- Ensure fiscal responsibility

Indicators	Unit	2019	2020	2021	Section
WARNING MECHANISM					
Number of ethical alerts received and handled by the outsourced warning mechanism	Number			28	§ 2.5.1.2
SOURCING FROM ASIA					
Number of active Fnac Darty plants	Number	200	192	195	
Number of plants audited	Number	105	97	94	
Number of unannounced audits	Number		19	36	§ 2.5.5.4
KPI: percentage of factory audits whose score is deemed to be compliant or average *(Fnac Darty)*	%		91.7%	91.5%	
KPI: percentage of Nature & Découvertes suppliers that have signed the Responsible Purchasing Charter	%		64.3%	64.1%	
MARKETPLACE					
Number of Marketplace vendors tested as part of quality monitoring	Number	500	1,054	1,800	§ 2.5.5.4

2.7 / Methodology note

The Non-financial Performance Declaration (*Déclaration de Performance Extra-Financière* or "DPEF") is drafted by the Group's CSR Department, who also coordinates the reporting of non-financial data. This data comes from the departments concerned (Human Resources, Logistics, Maintenance, Purchasing, Sales, etc.) in France and the other countries in which the Group operates.

The data is entered into a reporting tool, making the collection, monitoring and management of performance indicators easier. The reporting methodology is set out in a protocol that is updated each year and sent to contributors when data collection begins.

All published figures are subject to several consistency checks, both in-house and external (by an independent third party).

Reporting scope

Unless specified, the scope covers all subsidiaries of the Group.

Data is collected for the previous calendar year, from January 1 to December 31. If the full-year data is not available, the reporting period may be shifted, but will still cover a genuine period of twelve consecutive months, in order to take into account the seasonality of the Company's activity.

Methodological specifications for social data

The consolidation scope corresponds to all legal companies whose employees are included in the dedicated human resources information system. Therefore, Fnac Appro Groupe and stores in train stations or airports are excluded. The scope of the coverage corresponds to 99.51% of the workforce of the financial consolidation.

Consolidated into the Group in 2020, CTS Eventim and 123 Billets joined the scope. Fnac Tourisme, liquidated in 2021, was taken out of scope.

As they are independent, the workforce of franchises are also excluded.

Methodological specifications for environmental data

The scope of consolidation corresponds to all the Group's operating subsidiaries, except for WeFix. The stores that closed in 2020 or opened after June 30, 2020 are excluded from the reporting scope. Any other exclusion from the reporting scope is indicated and explained in the relevant section(s).

In view of their independence, franchises are excluded from the scope of publication. However, they are indirectly included in the reporting of CO_2 emissions, as they benefit from freight transportation flows.

As part of its process of continuous improvement, Fnac Darty improves year on year its provision of comprehensive data on the inventory of its direct and indirect greenhouse gas (GHG) emissions. The table below shows the scope of the figures published in the DPEF.

"Not applicable (n.a.)" refers to a transportation flow or fuel that is not used.

Source of emissions		Fnac France and Darty France	Fnac Belgium and Vanden Borre	Fnac Spain	Fnac Portugal	Fnac Switzerland	Nature & Découvertes
Sites' power	Electricity						
	Natural gas			n.a.	n.a.	n.a.	
	Heating oil		n.a.		n.a.	n.a.	n.a.
	Refrigerant gas					n.a.	
	Heating networks		n.a.	n.a.	n.a.	n.a.	
	Refrigeration networks		n.a.	n.a.		n.a.	n.a.
Logistics transportation	warehouse-stores transportation						
	E-commerce						
	Last-mile delivery						n.a.
	After-sales visits			n.a.	n.a.	n.a.	n.a.
	After-sales workshop flows		n.a.	n.a.			n.a.
	Business travel						

CO_2 emissions were calculated by categorizing GHG emissions into three scopes (1, 2 and 3).

Category	Description
Scope 1	= direct emissions from fixed and mobile sources
Scope 2	= indirect emissions related to consumption of electricity, heat and cooling from a network
Scope 3	= other indirect emissions

The selected unit is the equivalent CO_2.

The emission factors used to calculate CO_2 emissions are primarily those recommended by the Ademe (French Environment and Energy Management Agency) in the "*Base Carbone*" database (last available figures). Fnac Darty holds the emission factors supplied by its service providers or suppliers on some specific items. For market-based energy, the emission factors are calculated by suppliers. Failing that, AIB emission factors are used.

Scope 1: 100% of emissions reported

Fnac Darty's direct greenhouse gas emissions come from gas and oil consumption at the Group's various sites, from the fuel consumption of the Group's fleet vehicles, and from refrigerant gas leaks.

Source of emissions	Methodology
Direct emissions from fixed sources of combustion	Emissions associated with the gas and oil consumption of the Group's various sites are calculated on the basis of specific data provided by suppliers. For each energy source, Fnac Darty multiplies the energy consumption by the relevant emission factor (combustion phase – scope 1 – *Base Carbone*).
Direct emissions from mobile sources of combustion	Emissions associated with the fuel consumption of last-mile delivery vehicles, vehicles used by technicians conducting home service calls, and service and company vehicles, are calculated on the basis of specific data provided by suppliers. Fuel consumption is multiplied by the relevant emission factors for each type of fuel used (combustion phase – scope 1 – *Base Carbone* database).
Direct fugitive emissions	Emissions associated with refilling refrigerant gas in relation to gas leaks are calculated on the basis of specific data provided by suppliers. The volume in kilograms of refrigerant gas refilled is multiplied by the relevant emission factors (scope 1 – *Base Carbone* database).

Scope 2: 100% of emissions reported

Fnac Darty's indirect greenhouse gas emissions come **from electricity consumption and energy supplied by the heating and cooling networks of the Group's various sites.** The calculations are based on specific data.

Source of emissions	Methodology
Electricity	Emissions associated with electricity consumption have been quantified according to market-based and location-based methods since 2020. Electricity-related emissions for 2019 were recalculated in accordance with this methodology. Fnac Darty has chosen the market-based method to monitor its performance, in particular its responsible energy purchasing policy. Emissions related to market-based electricity are calculated on the basis of the emission factors provided by the Group's various electricity suppliers. If these are not available, the calculation is based on the supplier's production capacity mix (the consumption associated with each energy source is then multiplied by the emission factors specific to each energy (combustion phase – scope 2 – *Base Carbone* database). If neither the emission factors nor the supplier's production capacity mix are available, Fnac Darty calculates market-based emissions using the residual mix (source: AIB), in accordance with the recommendations of the GHG Protocol.
Heating and cooling networks	Some of the Group's sites are connected to municipal heating and cooling networks. The associated energy consumption is multiplied by the emission factors specific to these networks (scope 2 – *Base Carbone* database).

Scope 3: Other indirect emissions

Details regarding new products sold

The Group has commissioned a consultancy firm to assess the carbon footprint of the products sold by the Group in 2020 and to produce a bespoke Fnac Darty calculation tool specific to track GHG emissions over time. This assessment uses the Bilan Carbone methodology; the approach used was the complete product life cycle approach. The calculations are performed using a dedicated calculation tool.

The following scope 3 items were included in the study:

- product purchasing – i.e., the manufacture of products;
- upstream transportation of goods – i.e., transportation between the supplier and Fnac Darty;
- use of products sold – i.e., the energy consumed by appliances;
- end of life of products sold – the processing of products as waste;
- customer transport – estimated in addition to the product footprint.

The transportation of products from warehouses to stores and distribution are excluded, as the Group already evaluates and monitors this as part of its target to reduce GHG emissions.

Details regarding other items in Scope 3

The Group commissioned a consultancy firm to produce an inventory of its GHG emissions for 2019, with a view to setting science-based targets, which will be subject to SBTi approval in 2022. The methodology used to assess the carbon footprint is that developed by the GHG Protocol.

Some categories have therefore been calculated for the first time:

- fixed assets;
- franchises;
- indirect purchasing.

Note: certain categories are not applicable or are deemed not to be significant for the Group. This is the case for upstream and downstream leased assets, investments, process emissions and product transformation.

Source of emissions	Methodology
Products and services purchased	The manufacture of new products sold was measured based on the volume of products sold by the Group in 2021; assumptions made for each product category and per unit emission factors came from recognized databases (Ademe, EcoInvent, IEA, etc.). In the absence of specific emission factors, the calculation is based on the weight of the product and its main component. In the absence of sales volumes for 2019 and 2021 for the editorial products of the Fnac Belgium, Fnac Spain, Fnac Portugal and Fnac Switzerland subsidiaries, an extrapolation was conducted based on the ratio between the volumes of editorial products in the total volumes sold by Fnac France in 2021. Emissions associated with the manufacture of products sold by Nature & Découvertes in 2019 and 2021 have been estimated by extrapolation from revenue, based on the full carbon footprint in 2020, the calculation methodology for which is identical to that of the Group.
Of which indirect purchasing	Based on the mapping of indirect purchasing in France, this was measured primarily on the basis of the monetary ratios method (*Base Carbone* database) for 2019. Each item was increased by 10% to cover GHG emissions from indirect purchasing carried out by the Group's European subsidiaries. Emissions by Nature & Découvertes in 2019 and 2021 have been estimated by extrapolation from revenue, based on the full carbon footprint in 2020, the calculation methodology for which is identical to that of the Group.
Fixed assets	Using actual data for 2020, this item was evaluated based on the emission factors of the *Base Carbone* database. In accordance with the methodology of the GHG Protocol, only those fixed assets purchased, acquired or leased on long-term leases during the reporting year are recognized in the GHG Protocol and are not amortized. Emissions by Nature & Découvertes in 2019 and 2021 have been estimated by extrapolation from revenue, based on the full carbon footprint in 2020, the calculation methodology for which is identical to that of the Group.
Fuel- and energy-related emissions	The methodology used is the same as for scopes 1 and 2, but the emission factors are specific to emissions generated by other phases of the energy or fuel life cycle (source: *Base Carbone* database and AIB).

Source of emissions	Methodology
Upstream transportation of goods	Depending on the country of origin (based on actual data or assumptions), the distance between the manufacturing country and France has been estimated for each product category. The associated emissions are calculated based on the emission factors of the *Base Carbone* database. Emissions associated with the upstream transportation of products sold by Nature & Découvertes in 2019 and 2021 have been estimated by extrapolation from revenue, based on the full carbon footprint in 2020, the calculation methodology for which is identical to that of the Group. Store transportation: the Group's various subsidiaries use several methodologies to measure the carbon footprint of goods transportation, based on the available input data: ■ based on the fuel consumption of the trucks: the liters of fuel or kilograms of gas are then multiplied by the relevant emission factors (*Base Carbone*); ■ based on the distance traveled by type of truck: the distances traveled are related to the average consumption of the various vehicles used (source: Ademe) then the liters consumed are multiplied by the relevant emission factors (*Base Carbone*). Dispatch of spare parts to service centers for use by after-sales technicians: the volumes of spare parts are multiplied by the emission factors provided by the transport provider. They vary depending on the size of the part. Dispatch of broken products to Group repair centers: for France, there is a courier stream (Fnac Darty relies on either the CO_2 footprint of providers, or on the volumes multiplied by a default emission factor) and a stream that is transported through internal shuttles (sub-contracted). For the internal shuttle stream, the distances traveled are related to the average consumption of the various vehicles used (source: Ademe) then the liters consumed are multiplied by the relevant emission factors (*Base Carbone* database). For the rest of the Group, volumes are multiplied by a default emissions factor.
Waste generated	For French sites with a waste monitoring tool, based on volumes entrusted to waste treatment providers, associated GHG emissions have been calculated based on emission factors from the *Base Carbone* database. For sites that do not have this tool (sites located in shopping malls or sites that depend on collections performed by local authorities), the emissions were estimated by extrapolation (by ratio to revenue). In other subsidiaries, emissions are estimated based on actual data and emission factors from the *Base Carbone* database. Waste-related emissions from Nature & Découvertes in 2019 have been estimated by extrapolation from revenue, based on the full carbon footprint in 2020, the calculation methodology for which is identical to that of the Group.
Business travel	The Group relies on the reporting conducted by travel agencies.
Employee commutes	Commuting-related GHG emissions have been calculated based on data from a survey of 2,218 employees, i.e., nearly 13% of the workforce of Fnac and Darty France. The answers were then extrapolated to all employees in France. The Group cross-referenced the distance data with the theoretical number of days worked per employee and the number of days reported as working from home, and then with the modes of transport indicated by the respondents. The emission factors used come from the *Base Carbone* database. Emissions related to travel by employees of European subsidiaries for 2019 and 2021, and by employees of Nature & Découvertes for 2021, have been estimated by extrapolation (based on the average workforce and the average theoretical days worked) for 2019 and 2021.
Downstream transportation of goods and retail	Dispatch of packages: in order to refine the calculation of its emissions, Fnac Darty has been using the GHG balance of its various transport providers to calculate this emissions item since 2020. These footprints are correlated to the number of packages shipped via these service providers in order to obtain emission factors specific to each supplier. For service providers who are unable to provide GHG assessment results, Fnac Darty applies the emission factor of the carrier with the most similar logistics and fleet. Dispatch of large products (mainly large TV sets) by the subsidiaries Fnac Spain, Fnac Portugal and Fnac Switzerland: the default emissions factor used is for shipping a 20 kg TV set by the service provider used to ship this type of product in France.
Use of products sold	Based on actual data regarding products sold, emissions are calculated on the basis of assumptions regarding the life span and annual consumption of products, and the relevant emission factors from the *Base Carbone* database. Emissions associated with the use of products sold by Nature & Découvertes in 2019 and 2021 have been estimated by extrapolation from revenue, based on the full carbon footprint in 2020, the calculation methodology for which is identical to that of the Group.

Source of emissions	Methodology
End of life of products sold	Based on the type of waste associated with each product, emissions are calculated using the relevant emission factors from the *Base Carbone* database. Emissions associated with the end of life of products sold by Nature & Découvertes in 2019 and 2021 have been estimated by extrapolation from revenue, based on the full carbon footprint in 2020, the calculation methodology for which is identical to that of the Group.
Franchises	For franchises, only scope 1 and 2 emissions are taken into account: emissions related to electricity production (exclusion of upstream and line losses) and emissions related to leakage of refrigerants. The data on the electricity consumption of franchises has been extrapolated from the average consumption of Fnac sites in France for 2019. The consumption of refrigerants has been extrapolated per square meter from the calculated scope. Emissions from 2020 and 2021 have been estimated by extrapolation from the number of franchises opened.
Customer travel	This item has been estimated based on actual data on the number of in-store visitors and on assumptions regarding means of transport (source: INSEE) and travel distance depending on the location of the store (5 km to 20 km). French data is deemed to represent the behavior of other countries. Emissions related to travel by Nature & Découvertes customers in 2019 and 2021 have been estimated by extrapolation from the number of visitors, based on the full carbon footprint in 2020, the calculation methodology for which is identical to that of the Group.

As part of its process of continuous improvement, Fnac Darty improves the measurement and monitoring of these emission items each year. However, this approach requires corrections and sometimes recalculations. For this reason, the CO_2 data reported in 2021 and 2020 for 2020 and 2019 may vary compared to the data reported in the 2019 and 2020 DPEF. Any significant adjustments are shown under the data concerned.

Methodology concerning our response to the DPEF

The Non-financial Performance Declaration (DPEF) requires companies to describe their most significant non-financial risks, and set out their business model, incorporating the CSR risks and issues deemed to be priorities.

To this end, in 2018 the CSR Department engaged in extensive consultation with internal and external stakeholders to identify the key non-financial risks and related challenges. These key risks and challenges were presented to and validated by the Executive Committee, before being used as a basis for discussion with all departments concerned in order to identify the most relevant indicators to summarize the Group's non-financial performance.

The CSR Department worked closely with the Internal Audit Department for the risk analysis, and with the Finance Department for the definition of the business model.

Each year, the Group seeks to extend the reporting scope and relevance of the performance indicators it monitors. As a result, the indicators adopted in 2021 cannot always be compared with 2019, as the data is not available.

Conversely, certain indicators published in previous years were not considered sufficiently relevant to describe the Group's performance and therefore be part of this DPEF.

Key indicators will be defined in the relevant section (s).

Following the consultations conducted by Fnac Darty for its materiality analysis, some information required under the DPEF was deemed to be insignificant. Therefore, in light of the Group's business sector, the following information will not be published: "Means of combating food insecurity and waste, and promoting respect for animal welfare and responsible, equitable and sustainable food". However, information on the actions taken by Nature & Découvertes to combat food waste is described in 2.2.4.3.

This document has been audited by an independent third party (ITP) whose conclusions are presented at the end of the chapter.

2.8 / Independent Third-Party Report by one of the Statutory Auditors on the Consolidated Non-financial Performance Declaration

Year ended December 31, 2021

To the General Meeting,

In our professional capacity as an independent third party ("ITP") appointed as Statutory Auditor of your company (hereinafter the "entity"), accredited by Cofrac under No. 3-1049 [(1)], we have conducted work for the purpose of delivering a justified opinion expressing a conclusion of moderate assurance on the historical information (recorded or extrapolated) within the Non-financial Performance Declaration, prepared in accordance with the company procedure (hereinafter the "Guidelines"), for the year ended December 31, 2021 (hereinafter the "Information" and "Declaration", respectively), presented in the Group's Management Report pursuant to the 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 we implemented, as described in the "Nature and extent of the work" section, and the evidence obtained, we have not identified any material anomalies likely to call into question the conformity of the Declaration with the applicable regulatory provisions, and find that the Information, taken as a whole, is presented accurately and in accordance with the Guidelines.

Preparing the Non-financial Performance Declaration

The absence of a generally accepted and commonly used framework agreement or established practices upon which to evaluate and measure the Information allows for the use of different but acceptable measurement methods, which could affect comparability between entities and over time.

Consequently, the Information must be read and understood with reference to the Guidelines, the key elements of which are included in the Declaration.

Limitations inherent in the preparation of the Information

As indicated in the Declaration, the Information may be subject to uncertainty inherent to the very nature of scientific or economic knowledge and to the quality of the external data used. Certain data is sensitive to the methodological choices, assumptions and/or estimates used in order to produce it and which are presented in the Declaration.

The entity's responsibility

It is the role of the Board of Directors:

- to draft a Declaration in accordance with the legal and regulatory provisions, including an overview of the business model, a description of the main non-financial risks, an overview of the policies in place with regard to these risks and the results of these policies, including key performance indicators and also the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- and to implement the internal controls it believes necessary for the preparation of Information that is free of material misstatement, whether as a result of fraud or error.

The Declaration has been produced by applying the entity's Guidelines, as mentioned above.

The responsibility of the independent third party appointed as Statutory Auditor

Our role, on the basis of our work, is to deliver a justified opinion expressing a conclusion of moderate assurance on:

- the conformity of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code; and
- the accuracy of the historical information (recorded or extrapolated) provided pursuant to paragraph 3 of parts I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions relating to the main risks.

(1) Cofrac accreditation inspection, no. 3-1049, available from www.cofrac.fr.

As it is our responsibility to deliver an independent conclusion on the Information as prepared by the management, we are not authorized to be involved in the preparation of this Information, as this could compromise our independence.

It is not our role to express an opinion on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy), the vigilance plan, and measures to combat corruption and tax evasion);
- the accuracy of the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the conformity of products and services with applicable regulations.

Applicable regulatory provisions and professional standards

Our work outlined below was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code and in accordance with the professional standards of the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) relative to this assignment, providing the basis for the verification program, as well as international standard ISAE 3000 [(1)].

Independence and quality control

Our independence is defined by the provisions contained in Article L. 822-11-3 of the French Commercial Code and the profession's Code of Ethics. We have also established a quality control system, which covers the policies and documented procedures aiming to ensure compliance with the applicable legal texts and regulations, ethical rules, and professional standards of the Compagnie Nationale des Commissaires aux Comptes relative to this assignment.

Means and resources

Our work used the skills of six people and took place between December 2021 and March 2022 over a total period of around four weeks.

To aid us in the execution of our tasks, we called upon our sustainable development and Corporate Social Responsibility specialists. We conducted dozens of interviews with the persons responsible for the preparation of the Declaration.

Nature and extent of the work

We planned and performed our work giving due consideration to the risk of material anomalies in the Information.

We believe that the procedures we conducted in applying our professional judgment enable us to arrive at a conclusion of moderate assurance:

- we have been informed about the activities of the entity and the main risks to which it is exposed;
- we have assessed the appropriate nature of the Guidelines in terms of their relevance, comprehensiveness, reliability, impartiality and understandability, taking into consideration best practices within the sector, if necessary;
- we have verified that the Declaration covers each category of information pursuant to part III of Article L. 225-102-1 in terms of social and environmental factors, respect for human rights, and combating corruption and tax evasion;
- we have verified that the Declaration presents the information provided for in section II of Article R. 225-105, where it is relevant in relation to the main risks, and includes, where applicable, an explanation of the reasons for the absence of the information required by the second subparagraph of section III of Article L. 225-102-1;
- we have verified that the Declaration includes the business model and the description of the main risks linked to the activity of the entity, including, if relevant and proportionate, the risks created by its business relations, its products or its services, as well as the policies, actions and results, including key performance indicators relating to the main risks;
- we have consulted the documentary sources and conducted interviews to:
  - assess the selection and validation process of the main risks and the consistency of the results, including the key performance indicators selected, with regard to the main risks and policies presented, and
  - Corroborate the qualitative information (actions and results) that we considered the most important presented in the Appendix. For certain risks [(2)], our work has been carried out at the level of the consolidating entity; for other risks, work has been carried out at the level of the consolidating entity and in a selection of entities [(3)];

(1) ISAE 3000 (Revised) – Assurance engagements other than audits or reviews of historical financial information.
(2) Ethics for all based on a model of development through partnership.
(3) Fnac Darty France and Fnac Belgium & Vanden Borre.

- we have verified that the Declaration covers the scope of the entity;
- we have read the internal control and risk management procedures put in place by the entity and have assessed the collection process aimed at the completeness and accuracy of the information;
- for the key performance indicators and other quantitative results we deemed most important presented in the Appendix, we implemented:
  - analytical procedures to verify the correct consolidation of data collected, as well as the consistency of developments, and
  - detailed tests, based on surveys or other selection methods, consisting of verifying the correct application of definitions and procedures, and reconciling the data in the supporting documentation. This work was carried out with selected contributing entities [1] and covers between 82% and 100% of data chosen for these tests; and
- we have assessed the overall consistency of the Declaration in relation to our knowledge of the entity.

The procedures implemented as part of a moderate assurance assignment are less extensive than those required for a reasonable assurance assignment carried out in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes; a higher level of assurance would require more verifications.

Paris-La Défense, France, March 16, 2022

KPMG S.A.

Anne Garans
Partner
Sustainability Services

Éric Ropert
Partner

(1) Fnac Darty France and Fnac Belgium & Vanden Borre.

APPENDIX

Qualitative information (actions and results) considered to be the most important
Collective agreements signed
Measures to promote well-being at work
Commitments and actions to reduce the environmental impact of activities
Actions to promote the circular economy and product sustainability
Actions to promote the social economy
Procedures implemented in the field of good business conduct and to combat corruption

Key performance indicators and other quantitative results considered the most important
Absenteeism due to sickness
Proportion of women in Group Leadership roles
Proportion of women granted at least one individual raise during the year
Share of payroll allocated to training
Number of training hours per employee trained
Severity of workplace accidents
Frequency rate of workplace accidents with stoppage time
Sustainability score
Number of products repaired
Volumes of WEEE collected in tons
Waste recycling rate
CO_2 emissions generated by site energy consumption/sq. m
CO_2 emissions generated by transportation of goods to stores/km traveled CO_2 emissions generated by transportation of goods to stores/palette
CO_2 emissions generated per last-mile delivery/delivery
CO_2 emissions generated by “e-commerce” flows/package
Percentage of factory audits whose score is deemed to be compliant or average (Fnac Darty)

3

Corporate Governance

Pursuant to Articles L. 225-37 et seq. of the French Commercial Code, we are presenting you with the following Report on Corporate Governance.

This entire report was approved by your Board of Directors at its meeting on February 23, 2022 as required by the provisions of the French Commercial Code.

The report was prepared by the Board Secretary in collaboration with the Human Resources Department, the Finance Department and the Internal Audit Department, and submitted to the Appointments and Compensation Committee. Various internal documents, including the bylaws, internal regulations and minutes of the meetings of the Board and its specialized committees were used to prepare this report. Current regulations, recommendations for corporate governance issued by the AMF, recommendations of the AFEP-MEDEF Code, and recommendations of the High Committee on Corporate Governance were all taken into consideration.

3.1 / Organization of governance

The Company is a French limited company (société anonyme) with a Board of Directors. A description of the main provisions of the bylaws and internal regulations of the Board of Directors and the Board's specialized committees can be found in section 3.2 "Operation of administrative and management bodies" of this Universal Registration Document.

3.1.1 / COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board is composed of Directors with broad and diversified experience, especially in corporate strategy, finance, economics, retail, industry, accounting, CSR and human resources, management and control of commercial or financial companies, and digital operations.

Under the bylaws, the term of office for a Director is set at four (4) years and is renewable. In order to avoid a mass renewal of members of the Board of Directors and encourage a smooth process for replacing Directors, Article 12 of the bylaws provides for the option of appointing Directors for a term of two or three years in order to implement or maintain the staggering of Board members' terms of office.

Pursuant to the provisions of Articles L. 22-10-3 and L. 225-18-1 of the French Commercial Code, it is specified that the composition of the Board complies with the principle of a balanced representation of men and women. Since May 23, 2019, therefore, women and men each represent 50% of the members of the Board of Directors, in accordance with the statutory rules on gender balance; the Directors representing employees are not counted when calculating gender balance, in accordance with the legal provisions (situation in force on December 31, 2021).

The Board has created four committees to assist it in performing its duties: the Audit Committee, the Appointments and Compensation Committee, the Corporate, Environmental and Social Responsibility Committee and the Strategy Committee.

As at December 31, 2021, the Board was composed of 14 Directors, 2 of whom were the Directors representing employees and 11 of whom were independent.

A detailed breakdown of the Company's Board of Directors as of December 31, 2021 is set out in section 3.1.3 (including the number of Fnac Darty shares held by each Director and offices held in other companies, including listed companies).

The table below provides a summary presentation of the personal information and experience of the Directors, as well as their involvement in the corporate governance of Fnac Darty as of December 31, 2021.

Name Nationality Number of shares held Number of offices held in other listed companies	Gender	Age [a]	Office	Main position held	Start of 1st term	Expiration of current term	Years on the Board	Board committees
Jacques Veyrat *French* *250* *1*	M	59	Chairman Independent Director	Chairman of Impala	2013	2022	9	Strategy Committee Chairman
Antoine Gosset-Grainville *French* *250* *2*	M	55	Vice-Chairman Independent Director	Founder of the law firm BDGS Associés	2013	2023	9	Appointments and Compensation Committee Chairman Strategy Committee Member
Daniela Weber-Rey *German* *250* *0*	F	64	Independent Director	Attorney	2017 [b]	2022	5	Corporate, Environmental and Social Responsibility Committee [c] Member
Sandra Lagumina *French* *250* *0*	F	54	Independent Director	Managing Director, Asset Management Meridiam	2017 [b]	2025	5	Audit Committee Member
Carole Ferrand *French* *250* *0*	F	51	Independent Director	Chief Financial Officer Capgemini	2013	2024	9	Audit Committee Chair Strategy Committee Member
Delphine Mousseau [e] *French* *258* *0*	F	50	Independent Director	Independent Consultant	2017 [b]	2024	5	Corporate, Environmental and Social Responsibility Committee Member
Nonce Paolini *French* *250* *0*	M	72	Independent Director	Corporate Director	2013	2025	9	Appointments and Compensation Committee Member
Brigitte Taittinger-Jouyet *French* *250* *1*	F	62	Independent Director	Corporate Director	2013	2024	9	Corporate, Environmental and Social Responsibility Committee Chair Appointments and Compensation Committee Member Strategy Committee Member
Caroline Grégoire Sainte Marie *French* *500* *2*	F	64	Independent Director	Corporate Director	2018	2025	4	Audit Committee [d] Member
Jean-Marc Janaillac *French* *250* *2*	M	68	Independent Director	Chairman of Hermina SAS	2019	2022	3	Corporate, Environmental and Social Responsibility Committee Member
Javier Santiso *French and Spanish* *250* *0*	M	52	Independent Director	Chairman and Chief Executive Officer of Mundi Ventures	2019	2023	3	

3

Name *Nationality* *Number of shares held* *Number of offices held in other listed companies*	Gender	Age [(a)]	Office	Main position held	Start of 1st term	Expiration of current term	Years on the Board	Board committees
Enrique Martinez *Spanish* *85,189* *0*	M	50	Chief Executive Officer Director	Chief Executive Officer Fnac Darty	2019	2023	3	Strategy Committee Member
Franck Maurin *French* *724* *0*	M	66	Director representing employees	Product manager	2019	2023	3	Appointments and Compensation Committee Member
Julien Ducreux *French* *557* *0*	M	37	Director representing employees	Head of Digital Customer Experience [(f)]	2020	2024	2	

(a) As of December 31, 2021.
(b) Provisional appointments by the Board of Directors on December 15, 2017 to replace resigning members, ratified by the General Meeting of May 18, 2018.
(c) Member of the Corporate, Environmental and Social Responsibility Committee since February 23, 2021. Prior to this date, Daniela Weber-Rey was a member of the Audit Committee.
(d) Member of the Audit Committee since February 23, 2021. Prior to this date, Caroline Grégoire Sainte Marie was a member of the Corporate, Environmental and Social Responsibility Committee.
(e) Delphine Mousseau resigned as Director on January 26, 2022.
(f) Julien Ducreux has been Fnac Web Director since February 1, 2022.

Directors representing employees

At the General Meeting of May 28, 2020, shareholders voted in favor of amending Article 12 of the bylaws of Fnac Darty in order to change the threshold requiring the appointment of a second Director representing employees to the Board, which has been reduced from twelve members of the Board of Directors to eight members by the provisions of the French Law No. 2019-486 of May 22, 2019 known as the “Loi Pacte”. At the General Meeting of May 23, 2019, the shareholders had already voted in favor of amending Article 12 of the bylaws of Fnac Darty in order to allow for, under the conditions prescribed by law, the appointment of one or more Directors representing employees to the Board of Directors of Fnac Darty SA. This amendment to the bylaws has also brought the Company into compliance with the provisions of Article 8.1 of the AFEP-MEDEF Code as revised in January 2020, which recommends that “Directors representing employees elected or appointed in accordance with legal requirements sit on the Board of the Company that declares that it refers to the provisions of this Code in its Report on Corporate Governance”.

The Director(s) representing employees are appointed in the following ways: when a single Director is to be appointed, the appointment is made by the trade union that has obtained the highest number of votes in the first round of the elections mentioned in Articles L. 2122-1 and L. 2122-4 of the French Labor Code in the Company and its direct or indirect subsidiaries, provided that the registered office of said trade union is on French territory. When two Directors are to be appointed, the appointment is made by each of the two trade unions that obtained the highest number of votes in the first round of these elections.

The term of office of the Director representing the employees shall be four years.

If the position of a Director representing the employees becomes vacant for any reason, the vacant position shall be filled subject to the conditions set out in Article L. 225-34 of the French Commercial Code.

If the Company is no longer obliged to appoint a Director representing employees, the term (s) of office of the employee representative (s) on the Board shall end six months after the meeting at which the Board notes that the obligation has ceased to apply.

Given the number of members on the Board of Directors, which on the date of the General Meeting of May 28, 2020, was greater than 8, it was decided that the trade union that had obtained the second highest number of votes in the first round of those elections would appoint a Director representing employees within six months of that date. As such, the CFDT, the trade union that had obtained the second highest number of votes in the last workplace elections, notified the Board of Directors on October 14, 2020 of the appointment of Julien Ducreux as Director representing employees. The Board of Directors took note of this appointment at its meeting of October 21, 2020.

Compliance with obligations and recommendations regarding the composition of the Board of Directors and executive corporate officers

Subject	Legal and regulatory provisions, bylaws and recommendations of the AFEP-MEDEF Code	Situation at Fnac Darty as of December 31, 2021
Gender balance	**Article L. 22-10-3 of the French Commercial Code:** *"The provisions of Article L. 225-18-1 relating to the minimum proportion of directors of each sex are applicable without any threshold requirement to companies whose shares are admitted to trading on a regulated market."*	Women make up 50% and men 50% of the members of the Board of Directors [(a)].
Independence	**§ Section 9.3 of the AFEP-MEDEF Code:** *"The proportion of independent directors must be half the number of Board members in companies with dispersed capital and no controlling shareholders."*	92% of the members of the Board of Directors are independent [(a)].
Age	**Article L. 225-19 par. 2 of the French Commercial Code and Article 12 of the bylaws:** *"The number of directors over seventy (70) years of age may not exceed one-third of the directors in office."*	With the exception of one Director, all the members of the Board of Directors are aged 70 years or under. Average age of Directors: 57.4 years.
	Article L. 225-48 par. 1 of the French Commercial Code and Article 14 of the bylaws: *"No one who is over sixty-five (65) years of age may be appointed Chairman of the Board of Directors."*	The Chairman of the Board of Directors is 59 years old.
	Article L. 225-54 par. 1 of the French Commercial Code and Article 17 of the bylaws: *"No one who is over sixty-five (65) years of age may be appointed Chief Executive Officer."*	The Chief Executive Officer is 50 years old.

(a) The Directors representing the employees are not taken into account in this calculation, in accordance with the legal provisions. Following the resignation of Delphine Mousseau from her term of office as Director on January 26, 2022, the proportion of women on the Board of Directors is 45% and the proportion of independent members is 91%.

Diversity policy applied to the Board of Directors

In order to meet the Company's strategic challenges and to promote quality discussions, the Board seeks to maintain balance and complementarity between the various Directors' profiles. To do so, when appointing new Directors or reappointing existing Directors, it strives to ensure a diversity of backgrounds and expertise. These appointments and reappointments take into account the results of the work undertaken by the Appointments and Compensation Committee on the annual assessment of the Board and the Committees.

In addition to seeking a balanced representation of women and men and a high proportion of Independent Directors, the Board has focused on maintaining the number of Directors with international experience and Corporate Social Responsibility expertise.

In 2021, the reappointments of Caroline Grégoire Sainte Marie, Sandra Lagumina, and Nonce Paolini fulfilled these objectives.

Changes in the membership of the Board of Directors and Committees in 2021 and early 2022

		Nature of change	Date of decision
Board of Directors	Caroline Grégoire Sainte Marie	Renewal of the Director's term of office	AGM of May 27, 2021
Board of Directors	Sandra Lagumina	Renewal of the Director's term of office	AGM of May 27, 2021
Board of Directors	Nonce Paolini	Renewal of the Director's term of office	AGM of May 27, 2021
Board of Directors	Delphine Mousseau	Resignation of the Director's term of office	Board meeting of January 26, 2022
Appointments and Compensation Committee	Franck Maurin	Appointment as Director representing employees on the Appointments and Compensation Committee	Board meeting of October 20, 2021
Audit Committee	Caroline Grégoire Sainte Marie	Appointment as member to replace Daniela Weber-Rey	Board meeting of February 23, 2021
Corporate, Environmental and Social Responsibility Committee	Daniela Weber-Rey	Appointment as member to replace Caroline Grégoire Sainte Marie	Board meeting of February 23, 2021

The reappointments helped to maintain the representation of skills and diversity on the Board of Directors and its committees.

Diversity of expertise within the Board of Directors as of December 31, 2021

Name	Retail	International	Finance	Governance	Management/ Strategy	CSR	HR	Digital
Jacques Veyrat			X	X	X	X		
Antoine Gosset-Grainville			X	X	X		X	
Daniela Weber-Rey		X	X	X	X			
Sandra Lagumina			X	X	X			
Carole Ferrand	X		X		X			
Delphine Mousseau	X	X			X	X		X
Nonce Paolini	X			X	X		X	
Brigitte Taittinger-Jouyet		X			X	X	X	
Caroline Grégoire Sainte Marie		X	X		X	X		
Jean-Marc Janaillac		X	X	X	X	X		
Javier Santiso		X	X		X			X
Enrique Martinez	X	X			X		X	
Franck Maurin	X							
Julien Ducreux	X							X

3.1.2 / COMPOSITION OF THE BOARD OF DIRECTORS: PROPOSALS SUBMITTED TO THE GENERAL MEETING OF MAY 18, 2022

The composition of the Board of Directors is updated on an ongoing basis on the Company's website (http://www.fnacdarty.com/group/governance/).

The Board of Directors ensures the improvement and effectiveness of Fnac Darty's governance by regularly assessing its composition and the diversity, expertise and experience of its Directors. It also evaluates their availability, their full commitment to their duties, compliance with the proportional requirements for Independent Directors, the balanced representation of women and men, and the candidates best suited to the Company and the organizational and administrative processes of the Board.

In accordance with the internal regulations of the Board of Directors adopted at its meeting of April 17, 2013 and last updated at its meeting of October 20, 2021, the reappointment of Directors on a periodic-rotation basis had been established. In addition, in order to implement or maintain the staggering of Board members' terms of office, Article 12 of the bylaws provides the option of appointing Directors for a term of two or three years.

At its meeting of February 23, 2022, the Board of Directors:

- first obtained an opinion from the Appointments and Compensation Committee in preparation for the General Meeting of Shareholders;
- noted the work to evaluate the functioning of the Board and the specialized committees, and the recommendations made by the Directors with regard to the skills the Board wishes to see among its members;
- reviewed the terms of office of Directors set to expire at the next General Meeting, taking into consideration the expertise of the current Directors and the need to maintain the independence rate and comply with the rules on gender balance. It paid particular attention to the experience and knowledge of the Group's businesses that each Director must have in order to participate effectively in the work of the Board and its four committees, in accordance with the diversity policy adopted by the Board; and
- noted that the terms of office of three Directors (out of a total of 11, with the exception of the Directors representing the employees, who are not appointed by the General Meeting) expire at the end of the General Meeting scheduled to take place in 2022 and called to approve the financial statements for the previous year.

On the recommendation of the Appointments and Compensation Committee:

- the Board of Directors proposes that the shareholders approve the renewal of Jacques Veyrat's term of office as a Director, which is set to expire, for three years, i.e. until the General Meeting to be held in 2025 to approve the financial statements for the previous year;
- the Board of Directors proposes that the shareholders approve the renewal of Daniela Weber-Rey's term of office as a Director, which is set to expire, for four years, i.e. until the General Meeting to be held in 2026 to approve the financial statements for the previous year;
- the Board of Directors proposes that the shareholders approve the renewal of Jean-Marc Janaillac's term of office as a Director, which is set to expire, for four years, i.e. until the General Meeting to be held in 2026 to approve the financial statements for the previous year.

These reappointments would maintain the level of both international experience and Corporate Social Responsibility expertise.

If these proposals for renewals are approved by the General Meeting, the independence rate of the Board of Directors will be 91% and the share of women will be 45%.

Subject to the renewal of their terms of office, Daniela Weber-Rey and Jean-Marc Janaillac will be reappointed as members of the Corporate, Environmental and Social Responsibility Committee. The composition of the Board Committees would otherwise remain unchanged.

3.1.3 / OFFICES AND POSITIONS HELD BY THE DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

Listed below are the offices and positions held by the Directors in 2021 and for the last five years. To the Company's knowledge, the Directors comply with the rules governing the accumulation of directorships.

Jacques Veyrat

59 years – French nationality

Independent Director and Chairman

Chairman of the Strategy Committee

4, rue Euler
75008 Paris, France

Date of first appointment: April 17, 2013
Term expiration date: Ordinary General Meeting called in 2022 to approve the financial statements for the previous year
Number of shares held: 250

Graduate of the École polytechnique (class of 1983) and the Collège des ingénieurs (class of 1989), engineering degree from Ponts et Chaussés (class of 1988). Mr. Veyrat was appointed to the French Treasury Department, where he served as Secretary for the Inter-ministerial Committee on Industrial Reconstruction (Comité Interministériel de Restructuration Industrielle) for the period 1989–1991, then as Deputy General Secretary to the Paris Club from 1991 to 1993. From 1993 to 1995, he was technical advisor to the Minister for Infrastructure, Transport, Tourism and the Sea. In 1995, he joined the Louis Dreyfus Group as Chief Executive Officer of Louis Dreyfus Armateurs (1995-1998), then served as Chairman and Chief Executive Officer of Louis Dreyfus Communications, which became Neuf Cegetel (1998-2008) and then Chairman and Chief Executive Officer of the Louis Dreyfus Group (2008-2011). Since 2011, he has been Chairman of Impala.

Positions and offices held outside the Group at December 31, 2021

In France:

- Chairman of Impala SAS
- Non-voting Director, Louis Dreyfus Armateurs
- Director of GBL (Groupe Bruxelles Lambert)
- Non-voting Director, Neoen [(a)]
- Director of Iliad [(a)]

Offices and positions held over the past five years that are no longer held

- Member of the Supervisory Board of Eurazeo [(a)]
- Director of Direct Énergie
- Director of ID Logistics Group [(a)]
- Director of Imerys [(a)]
- Director of HSBC France
- Director of Nexity [(a)]

(a) Listed French companies.

Antoine Gosset-Grainville

55 years – French nationality

Independent Director and Vice-Chairman of the Board

Chairman of the Appointments and Compensation Committee

Member of the Strategy Committee

51, rue François-1er
75008 Paris, France

Date of first appointment: April 17, 2013
Term expiration date: Ordinary General Meeting called in 2023 to approve the financial statements for the previous year
Number of shares held: 250

Antoine Gosset-Grainville is a graduate of the Institut d'Études Politiques de Paris, holds a Master's in Banking and Finance from the Université Paris-IX Dauphine and is a graduate of the École Nationale d'Administration (Léon Gambetta class). After being appointed to the General Inspectorate of Finance in 1993, he became Deputy General Secretary of the Economic and Financial Committee of the European Union in 1997. From 1999 to 2002, he was an economic and industrial affairs advisor for Pascal Lamy at the European Commission. Antoine Gosset-Grainville is an attorney with the Paris and Brussels Bars. In 2002, he became a partner at the law firm of Gide Loyrette Nouel. In 2007, he was appointed Deputy Director of the Office of Prime Minister François Fillon, where he was in charge of economic and financial matters. In March 2010, he became Chief Operating Officer of Caisse des Dépôts in charge of finance, strategy, investments and oversight of European and international activities, then interim Chief Executive Officer of the Caisse des Dépôts Group from February to July 2012. In April 2013, he founded the law firm BDGS Associés, where he is head of the Anti-trust and Regulatory Department.

Positions and offices held outside the Group at December 31, 2021

In France:

- Director of La Compagnie des Alpes [(a)]
- Founding partner of BDGS Associés
- Director of Axa SA [(a)]

Offices and positions held over the past five years that are no longer held

- Member of the Supervisory Committee of Schneider Electric [(a)]

(a) Listed French companies.

Daniela Weber-Rey | 64 years – German nationality

Independent Director

Member of the Corporate, Environmental and Social Responsibility Committee

Kronberger Strasse 49
60323 Frankfurt am Main, Germany

Date of first appointment: December 15, 2017
Term expiration date: Ordinary General Meeting called in 2022 to approve the financial statements for the previous year
Number of shares held: 250

Holding a Master's Degree in Law from Columbia University, New York, and the Franco-German University (UFA), Daniela Weber-Rey was admitted to the Frankfurt Bar in Germany in 1984 and the New York Bar in 1986. For nearly 30 years, Daniela Weber-Rey was an attorney and partner with the legal firm of Pünder Volhard & Weber, followed by Clifford Chance. She also served as Counsel to various European organizations, and served for five years on the Board of Directors of BNP Paribas. She is a member of the Governmental Commission of the German Corporate Governance Code, a member of the Board of the European Corporate Governance Institute and a consultant at the Franco-German University (UFA). She is also a member of the Board of the Leibniz Institute for Financial Research SAFE and a non-executive member of the Board of HSBC Trinkaus & Burkhardt AG. Between 2013 and 2016, Daniela Weber-Rey worked at Deutsche Bank AG as Chief Governance Officer and Deputy Global Head of Compliance. She was made a Knight of the French Legion of Honor in 2010 for her commitment to Franco-German relations and an Officer of the Order of the Arts and Letters in 2021 for her commitment to cultural collaboration between Germany and France.

Positions and offices held outside the Group at December 31, 2021

Abroad:

- Director and member of the Risk Committee and Audit Committee of HSBC Trinkaus & Burkhardt AG (Düsseldorf)
- Trustee of the European Corporate Governance Research Foundation (Brussels)
- Member of the Board of the Franco-German University (UFA)
- Member of the Board of the Leibniz Institute for Financial Research SAFE

Offices and positions held over the past five years that are no longer held

- Member of the Board of Directors of BNP Paribas [(a)]
- Board Member of the European Corporate Governance Institute (Brussels)

(a) Listed French companies.

Sandra Lagumina

54 years – French nationality

Independent Director

Member of the Audit Committee

4, place de l'Opéra
75002 Paris, France

Date of first appointment: December 15, 2017
Term expiration date: Ordinary General Meeting called in 2025 to approve the financial statements for the previous year
Number of shares held: 250

A graduate of the École nationale d'administration (ENA) and the Institut d'études politiques de Paris (Sciences Po), Sandra Lagumina also holds a Master of Common Market Law and of Public Law. She began her professional career with the French Council of State, where she held the position of Auditor and then Master of Petitions from 1995 to 1998. Sandra Lagumina then became Technical and Legal Advisor to the President of the National Assembly. In 2000, she joined the office of the Minister of the Economy, Finance and Industry as a technical adviser in charge of legal issues, public procurement and competition law. She was then appointed Deputy Director of Public and International Law in the Legal Affairs Department of the Ministry and a Judicial Officer of the Treasury (2002-2005). In 2005, she joined the Gaz de France group, where she held several positions in the areas of strategy and law. Between 2008 and 2013, she served as General Counsel for GDF Suez. In 2013, she was appointed Chief Executive Officer of GRDF (Gaz Réseau Distribution France). In 2016, Sandra Lagumina was named Deputy Chief Executive Officer of Engie and, in 2017, became Deputy CEO at Meridiam. She has been a member of the Board of the French Competition Authority for seven years.

Positions and offices held outside the Group at December 31, 2021

In France:

- Director and member of the Appointments and Compensation Committee of FNSP
- Member of the Board of the French Competition Authority
- Chair of Agence France-Muséums
- Member of Board of Directors of Space Able
- Elected to the Fondation pour la Comédie-Française's Academy of Qualified Professionals

Offices and positions held over the past five years that are no longer held

- Chief Operating Officer in charge of gas infrastructure and China at Engie
- Director of GRDF
- Director of GRT GAZ
- Director of Storengy
- Director of Elengy
- Director of GTT
- Director of Engie IT
- Chief Executive Officer of GRDF
- Director and member of the CSR Committee of Abertis
- Director and member of the Strategy Committee of Naval Group

Carole Ferrand

51 years – French nationality

Independent Director

Chairman of the Audit Committee

Member of the Strategy Committee

11, rue de Tilsitt
75017 Paris, France

Date of first appointment: April 17, 2013
Term expiration date: Ordinary General Meeting called in 2024 to approve the financial statements for the previous year
Number of shares held: 250

A graduate of the École des hautes études commerciales (1992), Carole Ferrand started her career at PricewaterhouseCoopers, where she was an Auditor and later a financial advisor in the Transaction Services Division. In 2000, she joined Sony France, the French subsidiary of the consumer and business electronics branch of the Sony Corporation Group, serving as Chief Financial Officer before becoming General Secretary in 2002. In 2011, she held the position of Chief Financial Officer of the Europacorp Group. Since January 2013 she has been Financing Director at Artémis Group, where she is in charge of managing strategic and financial support for certain investments. Since June 2018, she has been Chief Financial Officer of the Capgemini Group.

Positions and offices held outside the Group at December 31, 2021

In France:

- Honorary Chair and Director of Terra Nova (non-profit association under French Law of 1901)
- Chair of Capgemini Ventures SAS
- Member of the Management Committee of June 21 SAS

Abroad:

- Director of Capgemini Solutions Canada Inc., Canada
- Director of Capgemini UK, Plc, United Kingdom
- Director of CGS Holdings Ltd, United Kingdom
- Director of Capgemini España SL, Spain
- Director of Altran Innovacion SIU, Spain

Offices and positions held over the past five years that are no longer held

- Director of June 21 SAS
- Alternate for Alain de Marcellus, Capgemini Brasil SA, Brazil
- Director of Capgemini [(a)]
- Director of Sebdo, Le Point
- Director of Archer Obligations (formerly Artémis 21)
- Director of Éditions Tallandier
- Member of the Audit Committee of Capgemini [(a)]
- Director of Palazzo Grassi
- Director of the Pinault Collection – Paris

(a) Listed French companies.

Delphine Mousseau	50 years – French nationality

Independent Director until January 26, 2022

Member of the Corporate, Environmental and Social Responsibility Committee

Rönnestrasse 6
14057 Berlin, Germany

Date of first appointment: December 15, 2017
Term expiration date: Ordinary General Meeting called in 2024 to approve the financial statements for the previous year [(a)]
Number of shares held: 258

A graduate of the École des hautes études commerciales (HEC) with a Master's degree in Business Administration, Delphine Mousseau began her career in 1995 as Project Head with Boston Consulting Group. In 1999, she joined Plantes-et-Jardins.com as Director of Operations. From 2007 to 2011, she served as Director of E-Commerce Europe at Tommy Hilfiger. She then worked as an independent consultant, primarily for the former group Primondo. From 2014 to 2018, Delphine Mousseau was VP Markets at Zalando. She is currently an independent consultant.

Positions and offices held outside the Group at December 31, 2021

Abroad:

- Member of the Board of Advisors of Flaconi GmbH (Germany)

Offices and positions held over the past five years that are no longer held

- VP Markets at Zalando SE
- Member of the Management Board of Camaieu (Modacin)

(a) Delphine Mousseau resigned as Director on January 26, 2022.

Nonce Paolini

72 years – French nationality

Independent Director

Member of the Appointments and Compensation Committee

34, rue Copernic
75116 Paris, France

Date of first appointment: April 17, 2013
Term expiration date: Ordinary General Meeting called in 2025 to approve the financial statements for the previous year
Number of shares held: 250

Nonce Paolini holds a Master of Arts and is a graduate of the Institut d'études politiques de Paris (class of 1972). He began his career with EDF-GDF, where he held operational and management positions. In 1998, he joined the Bouygues Group, where he successively held the positions of Director of Development and Director of Human Resources, before becoming Director of Communications in 1990. In 1993, he joined TF1 as Director of Human Resources, and in 1999, he was appointed Chief Operating Officer. In 2002 he was appointed Chief Operating Officer of Bouygues Telecom and then Managing Director and Board member in April 2004. In 2007, he was appointed CEO of TF1 Group, then Chairman & CEO of the group in 2008 until 2016.

Positions and offices held as of December 31, 2021

None.

Offices and positions held over the past five years that are no longer held

None.

Brigitte Taittinger-Jouyet

62 years – French nationality

Independent Director

Chair of the Corporate, Environmental and Social Responsibility Committee

Member of the Appointments and Compensation Committee

Member of the Strategy Committee

74, rue Raynouard
75016 Paris, France

Date of first appointment: April 17, 2013
Term expiration date: Ordinary General Meeting called in 2024 to approve the financial statements for the previous year
Number of shares held: 250

Brigitte Taittinger-Jouyet is a graduate of the Institut d'études politiques de Paris and holds a Master's in History from the Faculty of Human Sciences at Reims University. In 1984, she was appointed Advertising Manager at Publicis, before joining the Marketing Department within the Louvre Group in 1988, where she was in charge of industrial products and the budget hotel sector. From 1991 to 2012, she was Chair of the perfume company Annick Goutal. From 2013 to 2017, she was Director of Strategy and Development at the Institut d'études politiques de Paris (Sciences Po Paris). She is a Director of HSBC France, Suez and Chair of the ARSEP Foundation.

Positions and offices held outside the Group at December 31, 2021

In France:

- Director of HSBC France
- Director and Member of the Appointments and Compensation Committee and the CSR and Ethics Committee of Suez [(a)]
- Director of Baron Philippe de Rothschild (wine production)
- Chair of ARSEP, the French Foundation for Research into Multiple Sclerosis

Offices and positions held over the past five years that are no longer held

None.

(a) Listed French companies.

Caroline Grégoire Sainte Marie

64 years – French nationality

Independent Director

Member of the Audit Committee

36, avenue Duquesne
75007 Paris, France

Date of first appointment: May 18, 2018
Term expiration date: Ordinary General Meeting called in 2025 to approve the financial statements for the previous year
Number of shares held: 500

A graduate of the Institut d'études politiques de Paris, Caroline Grégoire Sainte Marie also holds a degree in Commercial Law from Paris I University. She began her professional career in 1981 at Xerox France as Financial Controller. In 1984, she joined Hoechst pharmaceutical group, where she successively held several positions in the financial field at Roussel Uclaf SA before being appointed in 1994 as Chief Financial Officer of Albert Roussel Pharma GmbH and a member of the Executive Board. In 1996, she joined Volkswagen France before moving to Lafarge Group in 1997 as Chief Financial Officer of Lafarge Speciality Products (LMS). In 2000, she was appointed Senior Vice President Mergers & Acquisitions at the Group's Cement Division. In that position, Caroline Grégoire Sainte Marie led the financial strategy for the takeover of Blue Circle. In 2004, she became Chief Executive Officer for Germany and the Czech Republic. In 2007, she was appointed Chair and Chief Executive Officer of Tarmac France and Belgium, before becoming the Chair and Chief Executive Officer of Frans Bonhomme in 2009. Caroline Grégoire Sainte Marie was a member of the Boards of Directors of Eramet (from 2012 to 2016), Safran (from 2011 to 2015), FLSMIDTH (from 2012 to 2019) and Wienerberger (from 2015 to 2020). Since 2011, Caroline Grégoire Sainte Marie has been a member of the Boards of Directors of Groupama, Vinci and Elkem. As an investor in Calyos, she also sits on the company's Board of Directors, and she is a Senior Advisor at HIG European Capital Partners. She is a Knight of the French Legion of Honor.

Positions and offices held outside the Group at December 31, 2021

In France:

- Independent Director, Chair of the Appointments and Compensation Committee and Member of the Audit Committee of Groupama [(a)]
- Independent Director and Member of the Strategy Committee of Vinci [(a)]

Abroad:

- Director and Member of the Compensation Committee of ELKEM (Norway)/Bluestar (China) until April 2021
- Director and Chair of the Compensation Committee and Member of the Audit Committee of Bluestar Adisseo Corporation (Shanghai) since October 28, 2021

Offices and positions held over the past five years that are no longer held

- Independent Director and Member of the Strategy Committee of Eramet [(a)]
- Director, Non-voting Director and Member of the Audit Committee of Safran [(a)]
- Independent Director, Member of the Audit Committee and Member of the Technology Committee of FLSMIDTH, Denmark
- Independent Director, Vice-Chair, Chair of the CSR Committee, Member of the Audit Committee and Member of the Strategic Committee of Wienerberger, Austria

(a) French companies whose shares and/or bonds are listed.

Jean-Marc Janaillac

68 years – French nationality

Independent Director

Member of the Corporate, Environmental and Social Responsibility Committee

15, rue de Poissy
75005 Paris, France

Date of first appointment: May 23, 2019
Term expiration date: Ordinary General Meeting called in 2022 to approve the financial statements for the previous year
Number of shares held: 250

Jean-Marc Janaillac holds a degree in law (1976) and is a graduate of École des Hautes Etudes Commerciales (1975) and École Nationale d'Administration (1980). From 1980 to 1983, he was chief of staff for the prefects of Finistère and then Val-d'Oise, then became chief of staff for the Secretary of State for Tourism from 1983 to 1984.

From 1984 to 1987, he managed the French tourism services for North America in New York, before becoming Chief Executive Officer of Maison de la France, in charge of promoting French tourism abroad from 1987 to 1997. In this capacity, he was a member of the Board of Directors of Air France from 1989 to 1994. After working for AOM, first as Executive Vice-President and then as Chief Operating Officer (1997-1999), Jean-Marc Janaillac joined the Maeva Group, where he held the position of Chairman and Chief Executive Officer before becoming Chairman of the Paris Conventions and Tourism Office from 2002 to 2004. From 2004 to 2012, he was Chief Executive Officer for group development at the RATP (Paris public transport system), and Chairman and Chief Executive Officer of RATP Développement. Jean-Marc Janaillac was Chairman and Chief Executive Officer of Transdev from December 2012 to June 2016, then held the office of Chairman of UTP (public and rail transport association) from 2013 to 2015. He was Chairman and CEO of Air France KLM from 2016 to 2018. Since October 2018 he has been senior advisor at the Roland Berger strategy consultancy firm, and was elected Chairman of the Fondation Nationale pour l'Enseignement de la Gestion des Entreprises (French Foundation for Management Education – FNEGE) in December 2018.

Positions and offices held outside the Group at December 31, 2021

In France:

- Chairman of Hermina SAS
- Chairman of the Fondation Nationale pour l'Enseignement de la Gestion des Entreprises (French Foundation for Management Education, FNEGE)
- Senior Advisor at Roland Berger
- Director of the Association pour le Droit à l'Initiative Économique (French Association for the Right to Economic Initiative, ADIE)
- Member of the Strategic Advisory Board of Tikehau Private Equity
- Member of the Supervisory Commission of the Caisse des Dépôts
- Director of Getlink [(a)]
- Member of the Supervisory Board of Navya [(a)]
- Director of the Association Article 1
- Senior Advisor at Antin Infrastructures

Offices and positions held over the past five years that are no longer held

- Chairman of the Board of Directors of Air France [(a)]
- Chairman and Chief Executive Officer of Air France KLM [(a)]

(a) Listed French company.

Javier Santiso

52 years – French and Spanish nationality

Independent Director

Calle Dalia 263
28109 Alcobendas
Madrid, Spain

Date of first appointment: May 23, 2019
Term expiration date: Ordinary General Meeting called in 2023 to approve the financial statements for the previous year
Number of shares held: 250

A graduate of the Paris Institute of Political Studies and École des Hautes Etudes Commerciales, Javier Santiso holds a doctorate in International Affairs and Economics, which he completed at the University of Oxford. He started his professional career at the investment bank Crédit Agricole Indosuez in Paris.

From 2000 to 2005 he was Managing Director and Chief Economist for Emerging Markets at BBVA, based in Madrid, then Director General and Chief Economist at the OECD Development Centre in Paris. In 2010 he joined Telefónica as Managing Director of New Ventures and, staying in Madrid, worked alongside the person who is now Chairman of the operator. Javier Santiso then moved to London, taking on the role of Head of European Investments at Khazanah, the sovereign wealth fund of Malaysia, as well as Head of Global Tech Investments. He was a member of the Khazanah Executive Committee and Investments Committee, as well as a member of the Board of Directors of Axiata Digital, the Malaysian telecoms operator. He is now CEO of Mundi Ventures, a venture capital fund that invests in new technologies and start-ups in Europe from bases in London and Madrid. Javier Santiso is a member of the Young Global Leaders of the World Economic Forum in Davos. He has French and Spanish nationality. In January 2021, he became an independent member of the Board of Directors of Prisa, a Spanish company, and in 2022, he became a member of the Board of Directors of the newspaper *Le Monde* in Paris.

Positions and offices held outside the Group at December 31, 2021

In France:

- Member of the Board of Directors of *Le Monde*

Abroad:

- Chairman and Chief Executive Officer of Mundi Ventures, Spain
- Member of the Board of Directors of Prisa, Spain

Offices and positions held over the past five years that are no longer held

- Member of the Board of Directors of Axiata Digital, Malaysia
- Chairman of the Board of Directors, Khazanah Europe, UK
- Member of the Executive Committee and the Investments Committee of Khazanah, Malaysia

Enrique Martinez

50 years – Spanish nationality

Chief Executive Officer

Director

Member of the Strategy Committee

9, rue des Bateaux-Lavoirs
94200 Ivry-sur-Seine, France

Date of first appointment as Chief Executive Officer: July 17, 2017
Date of first appointment as Director: May 23, 2019
Expiration date of term as CEO: open-ended
Expiration date of term as Director: Ordinary General Meeting called in 2023 to approve the financial statements for the previous year
Number of shares held: 85,189

Enrique Martinez holds a degree in Economics from the IESE Business School in Madrid, and began his career with Toys "R" Us. In 1998, he joined Fnac Group with the duties of establishing and developing the Banner in Portugal. He then held various positions within the Group between Spain and Portugal. In 2004, he became a member of the Executive Committee as Chief Executive Officer of the Iberian region. In 2012, he was called to France to head the France and Northern Europe region (France, Belgium, Switzerland). In 19 years, Enrique Martinez has made a significant contribution to the growth of Fnac Darty. In July 2016, he was given responsibility for integrating the Fnac and Darty brands in France, which, in just a few months, led to the generation of the first synergies between the two brands. He has served as Chief Executive Officer of Fnac Darty since July 2017.

Positions and offices held within the Group at December 31, 2021

In France:

- Chairman-Chief Executive Officer of Fnac Darty Participations et Services SA
- Chairman of the Board of Directors of Nature & Découvertes

Abroad:

- Director of Grandes Almacenes Fnac España
- Director of Fnac Luxembourg

Positions and offices held outside the Group at December 31, 2021

- Independent Director of Nuxe

Offices and positions held over the past five years that are no longer held

- Non-partner manager of Codirep
- Chairman of Relais Fnac
- Chairman of Fnac Périphérie
- Chairman of Fnac Acces
- Chairman and Chief Executive Officer of Fnac Paris
- Chairman of Fnac Direct
- Chairman of Fnac Jukebox
- Managing Director and Chairman of Fnac Belgium
- Director of Fnac Monaco
- Director and Chairman of the Board of Directors of Fnac Suisse
- Director of SwissBillet
- Director of Kesa France
- Director of Kesa Sourcing Ltd
- Director of Kesa Holdings Ltd
- Director of Fnac Darty Asia Ltd
- Director of Kesa International
- Director of Shaker Group, a company listed on the Riyadh Stock Exchange (Tadawul) (until July 2020) [(a)]

(a) Listed company.

Franck Maurin

66 years – French nationality

Director representing employees

Member of the Appointments and Compensation Committee

9, rue des Bateaux-Lavoirs
94200 Ivry-sur-Seine, France

Date of first appointment: October 08, 2019
Term expiration date: October 08, 2023
Number of shares held: 724 [(a)]

Holding a Master's degree in economics and a post-graduate diploma (DEA) in econometrics, Franck Maurin began his career at Darty in 1977 as an in-store sales assistant. He joined Charbonnages de France in 1982 as category manager of styrenic and associated products. Franck Maurin rejoined Darty as Product Manager in 1983, when its subsidiary Dacem was created. Since 2002, Franck Maurin has been involved with setting up after-sales service projects in France and Italy. He is also responsible for the centralized management of accessories sold in-store. Working in the Operations Department since 2017, he is involved with negotiating after-sales agreements and product returns. Since 2021, Franck Maurin has been responsible for the management of spare parts, working in partnership with a leading company in the spare parts purchasing and inventory sector in order to make appliances manufactured by Fnac Darty brands and imported from China both repairable and sustainable.

Positions and offices held as of December 31, 2021

Not applicable.

Offices and positions held over the past five years that are no longer held

Not applicable.

(a) No minimum shareholding requirement due to his capacity as employee representative.

Julien Ducreux

37 years – French nationality

Director representing employees

9, rue des Bateaux-Lavoirs
94200 Ivry-sur-Seine, France

Date of first appointment: October 14, 2020
Term expiration date: October 14, 2024
Number of shares held: 557 [a]

Julien Ducreux holds a Master's degree in Management of Innovation in Communication. He started his career within the SNCF group where he successively held the positions of Project Manager, Digital Brand Manager and then Digital Customer Experience Manager for the SNCF stations. During his career within the SNCF group, he participated in the group's digitalization and transformation projects. He joined Fnac Darty in 2018 as Head of Digital Customer Experience and Customer Insight. Julien is also in charge of the Group's mobile applications and the international coordination of digital projects. On February 1, 2022, he was appointed "FNAC Web Director", while retaining responsibility for the Group's digital customer experience.

Positions and offices held as of December 31, 2021

Not applicable.

Offices and positions held over the past five years that are no longer held

Not applicable.

(a) No minimum shareholding requirement due to his capacity as employee representative.

3.1.4 / INDEPENDENCE OF DIRECTORS

To assess whether a Director qualifies as independent and to prevent potential risks of conflicts of interest between the Director and the management, the Company or the Group, the Board has adopted the criteria defined in the AFEP-MEDEF Code (section 9.5), which are as follows:

Criterion 1: Employee corporate officer during the previous five years	Is not or has not been over the previous five years: an employee or executive corporate officer of the Company; an employee, executive corporate officer or a Director of a company consolidated by the Company; or an employee, executive corporate officer or director of the Company's parent company or a company consolidated by the parent company.
Criterion 2: Cross-directorships or offices	The member is not an executive corporate officer of a company in which the Company is a director, either directly or indirectly, or in which an employee appointed as such or an executive corporate officer (currently in office or having held such office within the last five years) of the Company is a director.
Criterion 3: Significant business relationships	Is not a customer, supplier, commercial banker, investment banker, or consultant that is material to the Company or its Group, or for which the Company or its Group represents a significant share of its business. The evaluation of the significance or otherwise of the relationship with the company or its group must be debated by the Board, and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the Report on Corporate Governance.
Criterion 4: Family ties	Is not related by close family ties to a corporate officer.
Criterion 5: Statutory Auditor	Has not been the Company's Statutory Auditor within the previous five years.
Criterion 6: Term of office exceeding 12 years	Has not been a director of the Company for more than 12 years. Loss of the status of Independent Director occurs on the date at which this period of 12 years is reached.
Criterion 7: Status as non-executive corporate officer	A non-executive corporate officer may not be considered independent if he or she receives variable compensation in cash or securities or any compensation linked to the performance of the Company or Group.
Criterion 8: Status as major shareholder	Directors representing major shareholders of the company or its parent company may be considered independent, provided these shareholders do not take part in the control of the corporation. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the Nominations Committee, should systematically review the qualification of a director as independent in the light of the make-up of the corporation's capital and the existence of a potential conflict of interest.

Declarations regarding conflicts of interest, regulated agreements and convictions are included in section 3.1.10, "Ethical standards for Directors and other information".

AFEP-MEDEF Criteria for corporate governance independence

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8
Jacques Veyrat	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Brigitte Taittinger-Jouyet	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Delphine Mousseau [(a)]	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Daniela Weber-Rey	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Sandra Lagumina	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Antoine Gosset-Grainville	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Nonce Paolini	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Caroline Grégoire Sainte Marie	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Enrique Martinez	Non-compliant	Non-compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Jean-Marc Janaillac	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Javier Santiso	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Carole Ferrand	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Franck Maurin	Non-compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Julien Ducreux	Non-compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant

(a) Delphine Mousseau resigned as Director on January 26, 2022.

As such, as of December 31, 2021, 11 of the 14 Directors on the Board qualify as Independent Directors. None of the Independent Directors has any business ties to the Company or receives variable compensation in cash or securities or any compensation tied to the performance of the Company or the Group.

3.1.5 / SUCCESSION PLAN

The Appointments and Compensation Committee periodically reviews the succession plan for Executive Directors, members of the Executive Committee, and key managers.

The plan schedules the succession of corporate officers both in the short-term in the event of unpredictable successions (resignation, impediment, death, etc.) and in the longer-term in the case of predictable successions (performance problems, expiry of term of office, retirement, etc.).

These plans are developed jointly with senior management. The Committee may also be assisted by an independent firm.

The Appointments and Compensation Committee met on November 16, 2021 in the presence of the Company's Chairman and Chief Executive Officer to review the succession plans for Executive Directors, members of the Executive Committee, and key managers. In particular, the Committee reviewed the succession process, the procedure for selecting Board members and the diversity policy. It worked on renewing the terms of offices of Directors expiring in 2022.

As regards the members of the Executive Committee and key managers, the work carried out relied in particular on the results of the development reviews carried out during the year by the Company's managers in line with the processes drawn up by the Group's senior management and Human Resources department.

The Committee reported on its work to the Board of Directors at its meeting of January 26, 2022.

3.1.6 / MODE OF EXERCISING GENERAL MANAGEMENT

Under the terms of Article 16 of the Company's bylaws, and in line with the opinion of the Appointments and Compensation Committee, the Board of Directors on July 17, 2017 decided to separate the offices of Chairman of the Board and Chief Executive Officer. In effect, the Appointments and Compensation Committee believed that such a separation of duties would enable senior management, in the period following the Darty Group acquisition, to focus on the Group's operational priorities and, in particular, to pursue the integration of Fnac and Darty, ensure the achievement of the announced synergies and contend with increased competition.

On July 17, 2017, the Board decided to appoint Enrique Martinez as Chief Executive Officer, reflecting its determination to pursue the Group's transformation initiated in recent years with the support of the management team in place, and to effectively complete the integration process launched for Fnac and Darty in 2016.

The General Meeting of May 23, 2019 appointed Enrique Martinez as a member of the Board of Directors on the recommendation of the Appointments and Compensation Committee meeting of February 4, 2019. The Board of Directors considers the full participation of the Chief Executive Officer in his capacity as a Director to be an essential part of the discussions of the Board of Directors.

The powers of the Chief Executive Officer are those conferred upon him by law. He is vested with the broadest powers to act in the Company's name in all circumstances. He exercises those powers within the limits of the corporate purpose and the powers expressly assigned by law to the General Meeting and to the Board of Directors. He represents the Company in its dealings with third parties. Refer to section 3.2.2.2 on the limitations placed on the powers of the Chief Executive Officer by the Board of Directors.

3.1.7 / CHAIRMAN OF THE BOARD OF DIRECTORS

At its meeting of July 17, 2017, the Board of Directors decided to appoint Jacques Veyrat as Chairman for the remainder of his term as a Director in order to give the Chief Executive Officer and management team the benefit of his experience and his contribution to the Group's strategic positioning.

With this choice, the Board expressed its conviction that managerial continuity is the best way for the Group to consolidate its market position and operational performance.

The Chairman of the Board chairs the meetings of the Board of Directors, and organizes and directs its work and meetings, on which he reports to the General Meeting. He also ensures the smooth running of the Company's governing bodies, ensuring in particular that the Directors are able to perform their duties. The Chairman of the Board also chairs the General Meetings of the shareholders.

The internal regulations updated by the Board of Directors at their meeting of October 17, 2019 set out the following specific duties of the Chairman:

- the Chairman is responsible for the relations between the Company's shareholders and the Board regarding corporate governance matters. He is also responsible for maintaining the quality of relations with the Company's strategic shareholders, in close collaboration with the Chief Executive Officer; and
- the Chairman may, without prejudice to the prerogatives of the Board of Directors and its committees, be consulted by the Chief Executive Officer on all significant events relating to the Company's strategy and major growth projects.

The Chairman has access to any document or information that he deems necessary or useful for the performance of his duties as set out above. He may consult the Board Secretary and the Company's Chief Financial Officer, and receive assistance from the Company's General Secretary for the administrative tasks resulting from these duties.

As part of his duties, the Chairman interacts regularly with senior management and members of the Executive Committee in order to prepare the agenda for meetings of the Board of Directors. During 2021, he actively participated in monitoring the roll-out of the strategic plan Everyday, particularly by holding regular meetings with senior management. His duties also include maintaining dialogue with the shareholders. To achieve this, he interacts with Fnac Darty SA's principal shareholders. He also has contact with the market at roadshows organized by the Group.

3.1.8 / EXECUTIVE COMMITTEE

The Chief Executive Officer is assisted by an Executive Committee responsible for the functional and operational departments, so that he can maintain efficiency in governance.

On March 15, 2021, the Group announced a new organizational structure for the Executive Committee of Fnac Darty to fulfill the ambition of “Everyday”, the Group’s strategic plan. This new organizational structure took effect on March 30, 2021. As of March 1, 2022, the Group’s Executive Committee consists of the following:

- Enrique Martinez, Chief Executive Officer;
- Annabel Chaussat, Chief Executive Officer, Fnac Spain;
- Anne-Laure Feldkircher, Executive Director of Group Transformation and Strategy;
- Tiffany Foucault, Director of Human Resources;
- François Gazuit, Operations Director;
- Frédérique Giavarini, General Secretary in charge of Corporate Social Responsibility and Governance of the Group and Chief Executive Officer of Nature & Découvertes;
- Vincent Gufflet, Director of Services and Operations;
- Samuel Loiseau, Customer, Marketing and Business Development Director;
- Jean-Brieuc Le Tinier, Group Chief Financial Officer;
- Charles-Henri de Maleissye, Chief Executive Officer, Fnac Vanden Borre in Belgium;
- Julien Peyrafitte, Commercial Director France;
- Cécile Trunet-Favre, Communications and Public Affairs Director;
- Olivier Theulle, Director of E-commerce and Digital.

The Group Executive Committee meets weekly to discuss the Group’s operational and financial performance, strategic plans and the management of the Company.

3.1.9 / GENDER DIVERSITY POLICY OF MANAGEMENT BODIES

Gender balance, development and diversity were identified as priority issues for the Group. With 39.1% of women in the total workforce, but only 26.6% of women in leadership positions, Fnac Darty is strongly committed to strengthening its action in favor of greater gender diversity, particularly in line management positions. The attractiveness of the employer brand is in the balance, as is the Group’s ability to rise to this major societal challenge.

In order to push the entire Company, including subsidiaries, to make this issue a priority, an ambitious objective was set by the Board of Directors on the recommendation of senior management:

- for the Executive Committee, in line with rules applicable to the Board of Directors, to achieve and maintain a percentage of at least 40% of the under-represented gender by 2025 – currently the percentage of women is 38% compared to 33% at the end of December 2020;
- for the Leadership Group, to achieve female representation of 35% by 2025, i.e. more than 10 points higher than in 2019 and 2020, with an increase of 2 points per year until 2024, then 3 points in 2025. The Leadership Group is made up of the members of the Executive Committee, the Group’s executive officers, and key Group managers in France and internationally (employees with grade 19 or higher according to the Korn Ferry Hay weighted job evaluation method).

At the end of 2021, the percentage of women in the Leadership Group was 26.60% compared to 24.34% at the end of 2020, i.e. a result in line with our objectives.

In order to achieve these objectives, four major action plans were set out in a Group agreement signed in March 2021:

1. recruitment: to ensure non-discriminatory recruitment procedures;
2. training: to facilitate access to training for women;
3. promotion: to ensure that HR and career management procedures are neutral and objective;
4. compensation: to ensure Group-wide pay equity. These elements are further detailed in section 2.1.1 of this document, entitled “Develop gender equality, quality of life at work and commitment”.

In this regard, Senior Management informs the Board of Directors annually of the results obtained.

3.1.10 / ETHICAL STANDARDS FOR DIRECTORS AND OTHER INFORMATION

Conflicts of Interest – Regulated agreements – Convictions

- To the Company's knowledge, as of the date of this Universal Registration Document, there were no family ties between the members of the Board of Directors and the Company's senior management.
- To the Company's knowledge, as of December 31, 2021, in the last five years none of the members of the administrative, management or supervisory bodies: (i) has been convicted of fraud, (ii) has been party to a bankruptcy, receivership, liquidation, or placement of a business into administration, as a member of an administrative, management or supervisory body of said business, (iii) has been the subject of an investigation and/or any official public sanction by a statutory or regulatory authority (including designated professional bodies) and (iv) has been disqualified by a court from serving as a member of an issuer's administration, management or supervisory body, or from being involved in the management or conduct of an issuer's business.
- To the Company's knowledge, as of December 31, 2021, no potential conflict of interest has been identified in respect of the Company between the duties of any of the persons who are members of an administrative, management or supervisory body and their private interests and/or other duties.
- To the Company's knowledge, as of December 31, 2021, there is no arrangement or agreement with the main shareholders, or with customers, suppliers or other parties under which any member of an administrative, management or supervisory body has been selected as a member of the administrative, management or supervisory bodies or as a member of senior management.
- To the Company's knowledge, as of December 31, 2021, no benefit is provided upon termination of any service agreement binding a corporate officer to the Company or to any of its subsidiaries.
- To the Company's knowledge, as of December 31, 2021, none of the members of the administrative, management or supervisory bodies has accepted any restrictions regarding the disposal, within a certain period of time, of the issuer's securities they hold, with the exception of the rules governing the prevention of insider trading and the rules governing the obligation of executive corporate officers to hold in registered form the shares fully vested under bonus share and option plans awarded to them pursuant to Articles L. 225-185 and L. 225-197-1 of the French Commercial Code.

The internal regulations updated by the Board of Directors on October 20, 2021 stipulate the following with respect to managing conflicts of interest:

Each member of the Board "has an obligation to inform the Board of any conflict of interest situation, and must state the reason or reasons why he or she has decided, where applicable, not to abstain from taking part in discussions and voting on any deliberation of the Board which would put that member in said situation."

"If the Chairman or, as the case may be, the Vice-Chairman has reasonable grounds to believe a Director or Directors are in a situation of conflict of interest, they may withhold any information or documents relating to the subject of the conflict from said Director(s), and shall inform the Board member(s) of their decision.

In the event of disagreement between the Chairman or, as the case may be, the Vice-Chairman and the Board member, the Board shall consult appropriate legal counsel on the matter concerned, independent of the Group and any group in which the Board member holds an office and/or position. This counsel shall ensure that the said Board member has timely access to all information required by his/her office as a Director, except information which, if exchanged or shared, would constitute a proven conflict of interest."

3.2 / Operation of administrative and management bodies

3.2.1 / COMMITTEES OF THE BOARD OF DIRECTORS

Pursuant to Article 15 (5) of the Company's bylaws, at its meeting of June 24, 2013, the Company's Board of Directors established committees in charge of reviewing issues submitted to them by the Board or its Chairman.

The Company's Board of Directors decided to create four committees, the composition, duties and rules of operation of which are set out below: an Audit Committee, an Appointments and Compensation Committee, a Corporate, Environmental and Social Responsibility Committee and a Strategy Committee.

3.2.1.1 / Audit Committee

The Company's Board of Directors has decided to establish an Audit Committee and set the terms of its internal regulations as follows.

Composition

The Audit Committee is composed of three members, none of whom may be an executive corporate officer of the Company. These members are appointed for an indefinite period (such appointment shall terminate, in all circumstances, when they cease to be a member of the Board of Directors). When selecting members of the Audit Committee, particular consideration is given to their independence, as well as to their financial, accounting or statutory audit expertise.

Therefore, in accordance with the recommendations of the AFEP-MEDEF Code, the Committee's internal regulations stipulate that Independent Directors comprise a minimum of two-thirds of the Audit Committee. The Directors comprising the Audit Committee in 2021 were all independent.

The composition of this committee was modified by the Company's Board of Directors at its meetings of October 22, 2015, May 23, 2016, December 15, 2017, and February 23, 2021. The Audit Committee is composed of three members: its Chair – Carole Ferrand (Independent Director), Caroline Grégoire Sainte Marie (Independent Director), and Sandra Lagumina (Independent Director).

All the members of the Audit Committee have recognized expertise in financial, accounting or statutory audit matters, combining their expertise in the field of the general, operational or financial management of banking institutions and companies, as evidenced by their professional backgrounds (see section 3.1.3 "Offices and positions held by the Directors and the Chief Executive Officer" of the Universal Registration Document).

Duties

The Audit Committee is responsible for monitoring the preparation and auditing of accounting and financial information, and for ensuring the effectiveness of risk-management and internal control procedures to facilitate the Board's review and approval thereof.

Accordingly, the Audit Committee's internal regulations set out its main responsibilities as follows:

- *monitoring the preparation of financial information* – The Audit Committee is responsible for examining the annual or half-year parent company and consolidated financial statements prior to their presentation to the Board and, in particular, for assessing the methods chosen to account for major transactions, provisions and related adjustments and any situation that could create a material risk for the Group, as well as any financial information, any report concerning quarterly, half-yearly or annual performance, or any reports prepared for a specific transaction (such as a capital contribution, merger or market transaction). The Committee ensures the relevance, consistency, reliability and proper application of the accounting policies in force in the Company and its main subsidiaries for the preparation of the parent company and consolidated financial statements. It examines the scope of the companies consolidated and the reasons why companies may not be included, as well as major or complex transactions (significant acquisitions or disposals, restructuring, hedging transactions, existence of special-purpose entities, material provisions, etc.) that have impacted the Company's financial statements. The Committee must specifically review material transactions where a conflict of interest could have arisen. The Committee also reviews the procedures used to prepare any other financial and accounting information published or reported to shareholders or the market. The review of the financial statements must be accompanied by a presentation by senior management that describes the exposure to risks, including social and environmental risks, and the material off-balance sheet commitments of the Company and the accounting methods chosen;

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- *monitoring the effectiveness of internal control, internal audit and risk management systems relating to operations and to the processing of financial, non-financial and accounting information* – The Audit Committee is tasked with ensuring the relevance, reliability and correct implementation of the Company's internal control procedures, identification, hedging and risk management procedures relating to its business activities and the treatment of its financial, non-financial and accounting information, without compromising its independence. The Audit Committee must ensure that corrective actions are taken when significant weaknesses or material misstatements are identified. In order to do so, it is informed of the main findings of the Statutory Auditors and Internal Audit Department. The Committee also regularly examines the mapping of business risks, as well as the material off-balance sheet risks and commitments of the Company and its subsidiaries. It assesses the seriousness of the problems or weaknesses reported to it and informs the Board, where necessary. The Committee gives its opinion on the duties, organization and work plan of the Group's internal audit function, speaks with the head of Internal Audit and reviews the internal audit reports or a periodic summary of these reports;
- *monitoring the procedure for the regular evaluation of current agreements concluded under normal conditions* – In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, the procedure for the regular evaluation of current agreements concluded under normal conditions, entered into directly or through an intermediary, between Fnac Darty SA and any of its corporate officers or shareholders holding more than 10% of the voting rights, or in which any such person has an indirect interest, or entered into between Fnac Darty SA and another company, if the Chief Executive Officer, any of the Chief Operating Officers or any of the Directors of the Company is the owner, a fully liable partner, a manager, a Director or a member of the Supervisory Board or, more generally, a person in any way involved in the management of that company, is intended to ensure that said agreements effectively fulfill these conditions. The Group's Legal and Financial Departments conduct an annual evaluation of the current agreements concluded under normal conditions, on the basis of the definitions of "current transactions" and "normal conditions" set out in the guidance on regulated and current agreements issued in 2014 by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes). If necessary, they may engage the Statutory Auditors in order to identify any agreements that might be reclassified as regulated agreements. Individuals that have a direct or indirect interest in any such agreements are not involved in their evaluation. Any agreements concluded by Fnac Darty SA with companies in which Fnac Darty SA directly or indirectly holds all of the capital, minus the minimum number of shares required to comply with legal requirements, if applicable, are excluded from the scope of the evaluation procedure. The Legal and Financial Departments present this evaluation annually to the Audit Committee and the Board of Directors;
- *monitoring the statutory audit of the parent company and consolidated financial statements by the Company's Statutory Auditors* – In accordance with the law and European regulations, the Statutory Auditors must present to the Committee its overall work program and the tests it has performed, the revisions it considers necessary to the financial statements or accounting documentation, and its observations on the valuation methods used, the irregularities and inaccuracies it has identified, the conclusions drawn from the comments and corrections made with regard to the results for the period compared to those of the previous period, and, no later than the submission date of the audit report, an additional audit report prepared in accordance with the European regulations setting out the results of the statutory audit. The Audit Committee monitors the performance by the Statutory Auditors of their assignment, taking into account, where applicable, the findings and conclusions of the audits carried out by the supervisory authority for the audit industry (Haut Conseil du Commissariat aux Comptes – H3C). To this end, it must interview the auditors at meetings dealing with the review of the financial reporting process and the review of the financial statements, in order to report on the performance of their duties and the conclusions of their work. This allows the Committee to be informed of the main areas of risk or uncertainty regarding the financial statements, as identified by the Statutory Auditors, their audit approach and any difficulties encountered in their work. The Statutory Auditors must also inform the Audit Committee of any material internal control weaknesses identified during their work with regard to the procedures used to prepare and process the accounting and financial information;

- *monitoring the rules regarding the independence and objectivity of the Statutory Auditors* – The Audit Committee must, along with the Statutory Auditors, examine the risks affecting their independence and the safeguards enacted to mitigate these risks. When the Statutory Auditors are appointed, the Audit Committee must manage the procedure for selecting the Statutory Auditors and submit a recommendation to the Board of Directors on the Statutory Auditors proposed for appointment by the General Meeting. Except in cases where the Statutory Auditors are up for reappointment, this recommendation must be made following an invitation to tender, must be substantiated and include at least two choices, and must give reasons for the preferred choice. In cases where the Statutory Auditors are up for reappointment, the Committee shall recommend the selection procedure to the Board, including, in particular, if there are grounds for issuing an invitation to tender. It oversees the invitation to tender and approves the specifications and selection of firms consulted, ensuring the "best bidder" is selected rather than the "lowest bidder". In particular, every year, the Statutory Auditors must submit to the Audit Committee the declaration of independence referred to in Article 6 of the European regulations, and inform it of the total amount of fees paid to the network of Statutory Auditors by the companies controlled by the Company or the entity controlling it for services other than certification of the financial statements, as well as the nature of these services. The Audit Committee must also approve in advance the provision of services other than audit services, after analyzing the risks affecting the independence of the Statutory Auditor and the safeguards applied by that Auditor. In this regard, the firm responsible for the statutory audit may perform services other than audit services which are not prohibited by the European regulations and by the code of ethics of Statutory Auditors. In that case, the fees must not exceed 70% of the average fees invoiced in the last three years for the statutory audit of the financial statements. The Audit Committee makes its decision, in this regard, in accordance with the Audit Committee Charter. The Committee must also ensure that the amount of fees paid by the Company and its Group, or the proportion they represent in the revenue of the firms and networks, are not likely to adversely affect the independence of the Statutory Auditors. For example, when the total fees paid by the Company to one of its Statutory Auditors during each of the previous three consecutive years represent more than 15% of the total fees received by that Statutory Auditor in that period, the Committee must examine whether the auditing assignment should be subject to quality control by another auditor. If the fees received by that Statutory Auditor continue to exceed 15% of the total fees received, the Audit Committee will determine, based on objective criteria, whether the Statutory Auditor may continue to carry out its assignment for an additional period, which may not, in any case, exceed two years; and
- *financing review* – As part of its duties, the Audit Committee conducts a detailed review of the financing strategy, liquidity, hedging, maturity, counterparties and, more generally, any questions relating to the Group's financial risks. The Audit Committee then drafts its comments and passes them on to the Board of Directors.

Practices

A meeting of the Audit Committee is valid when there is a quorum of two members in attendance. The Audit Committee's proposals are adopted by a simple majority of those attending the meeting, each member having one vote. The Audit Committee meets at least four times a year and as many times as it deems necessary. Audit Committee meetings are held before a meeting of the Board of Directors and, where the agenda of the Audit Committee concerns the examination of the half-year and annual financial statements prior to their examination by the Board, generally at least two days before the Board meeting.

In the exercise of its duties, it hears from and may question the Statutory Auditors, the Group's Chief Financial Officer and those in charge of internal audit, internal control and financing. The Committee is informed of the main issues identified by the Internal Audit Department.

It reports regularly to the Board of Directors and submits opinions and recommendations to the Board for matters within its sphere of expertise. Written minutes of the Committee's meetings are produced and approved.

The Committee may call on experts from outside the Company and interview anyone it chooses.

It reviews the fees for the Statutory Auditors every year and assesses their independence.

3.2.1.2 / Appointments and Compensation Committee

The Company's Board of Directors has established an Appointments and Compensation Committee and set the terms of its internal regulations as follows.

Composition

The Appointments and Compensation Committee is composed of four members, one of whom is a member representing the Company's employees, and three further members, none of whom is an executive officer in the Company and the majority of whom are independent in terms of the independence criteria adopted by the Company, it being specified that the member representing employees is not included in this calculation.

The members are appointed for an indefinite period (such appointment shall terminate, in all circumstances, when they cease to be a member of the Board of Directors). When selecting members of the Committee, particular consideration is given to their independence and to their expertise in the selection and compensation of corporate officers of listed companies.

The Chairman of the Appointments and Compensation Committee is appointed by the Board of Directors from among the Independent Directors.

At the meeting of the Board of Directors on February 23, 2021, it was decided to appoint a Director representing employees to the Appointments and Compensation Committee in 2021, in accordance with the recommendation of Article 18.1 of the AFEP-MEDEF Code, which recommends that one of the members of the Committee should be an employee Director. In a decision dated October 20, 2021, the Board of Directors appointed Franck Maurin as the Director representing employees on the Appointments and Compensation Committee.

The Appointments and Compensation Committee is composed of four members: its Chair – Antoine Gosset-Grainville (Independent Director), Brigitte Taittinger-Jouyet (Independent Director), Nonce Paolini (Independent Director), and Franck Maurin (Director representing employees).

Duties

The Appointments and Compensation Committee is a specialized committee of the Board of Directors whose main duties are as follows:

- to assist the Board in appointing members of the governing bodies of the Company and its Group; and
- to assist it in determining and regularly assessing the overall compensation and benefits awarded to the executive corporate officers and senior executives of the Group, including any deferred benefits and/or post-employment benefits, whether due to voluntary or forced departure from the Group.

Accordingly, it performs the following duties:

- *proposing the appointment of members of the Board of Directors, senior management and Board committees* – The Appointments and Compensation Committee is responsible for making recommendations to the Board of Directors with regard to the appointment of its members (by the General Meeting or by co-option), and of the Chairman of the Board, the Chief Executive Officer and, where appropriate, the Chief Operating Officers, as well as the members and chairs of each of the other Board committees.

  For this purpose, it sends reasoned proposals to the Board of Directors. These are made in the interests of shareholders and the Company. In general, the Committee should strive to reflect a diversity of experience and points of view, while ensuring a high level of expertise, internal and external credibility and stability of the Company's corporate bodies. In addition, it draws up and updates a succession plan for executive corporate officers so that it is in a position to quickly propose succession solutions to the Board of Directors in the event of an unforeseen vacancy.

  With particular regard to the appointment of the members of the Board of Directors, the Committee specifically takes the following criteria into account: (i) the desirable balance of the composition of the Board of Directors, specifically in terms of diversity (nationalities, ages, etc.) and in view of the composition and the evolution of the Company's shareholders, (ii) the desirable number of independent members, (iii) the proportion of men and women required by the regulations in force, (iv) the opportunity for renewal of terms and (v) the integrity, competence, experience and independence of each candidate. In this context, the Committee proposes a diversity policy which is applied to the members of the Board of Directors, for adoption by the Board.

  Process for selecting Directors: The Appointments and Compensation Committee also organizes a process for selecting future Directors (both independent and non-independent) and members of the Board's specialized committees. To do so, in addition to the diversity policy adopted by the Board, the Committee defines specific expectations for each selection of a new Director or appointment of a Director to a committee. It may use an external recruitment firm, which must then comply with the diversity policy adopted by the Board, and the Committee's specific additional expectations. It conducts its own research on potential candidates before any approach is made to them. The Committee may meet with the pre-selected candidates. At the end of the selection process, the Committee makes a recommendation regarding one or more candidates to the Board of Directors, which will decide, in the case of appointing a new Director, whether or not to propose the appointment of said candidate (s) to the General Meeting.

  With regard to the appointment of the Chief Operating Officers, the Committee proposes to the Board of Directors a selection process that guarantees the presence of at least one person of each gender among the candidates until the end of the selection process. These nomination proposals endeavor to seek a balanced representation of women and men.

  When it makes its recommendations, the Appointments and Compensation Committee must ensure that the independent members of the Board and its specialized committees, including the Audit Committee and the Appointments and Compensation Committee, have at least the minimum number of independent members required by the corporate governance principles to which the Company adheres;

- *conducting an annual assessment of the independence of the Board members* – Each year, before the publication of the Company's Corporate Governance Report, the Appointments and Compensation Committee assesses whether each Board member meets the Company's independence criteria and submits an opinion to the Board for its consideration on the situation of each individual in relation to these criteria;

- *evaluating the functioning of the Board of Directors* – The Appointments and Compensation Committee prepares an annual report for the Board of Directors to enable the Board to discuss its practices, to ensure that important issues are properly prepared and discussed within the Board, and to measure the effective contribution of each member to the Board's work. It also prepares a report to enable the Board of Directors to evaluate the practices of its permanent Committees under the same conditions and with the same frequency;
- *examining and making proposals to the Board of Directors concerning all aspects and terms and conditions of the compensation of the Group's main executives and senior management as well as the Chairman and, where applicable, the Vice-Chairman of the Board of Directors* – The Appointments and Compensation Committee draws up proposals that include fixed and variable compensation, as well as, where applicable, stock options, performance share allotments, pension and provident insurance plans, hiring bonuses, termination packages and non-compete allowances, benefits in kind or other specific benefits, and any other direct or indirect compensation (including long-term benefits) that may constitute compensation for members of the senior management, under the conditions provided by the regulations. It is informed of these aspects of the compensation of the Group's senior executives and the relevant compensation policies that have been implemented within the Group. The Committee also drafts proposals about the compensation of the Chairman of the Board of Directors, and, where applicable, that of the Vice-Chairman under the conditions required by regulations. When preparing its proposals and work, the Appointments and Compensation Committee takes into account the corporate governance standards to which the Company adheres;
- *examining and making proposals to the Board of Directors concerning the budget and distribution method for Directors' fees* – The Appointments and Compensation Committee makes proposals to the Board regarding the budget and distribution of Directors' fees and the individual payments to be made to members of the Board, taking into account their attendance at Board and Committee meetings, their responsibilities and the time they are required to devote to their duties;
- *exceptional duties* – The Committee is consulted to make recommendations to the Board of Directors on all exceptional compensation relating to exceptional duties that may be assigned, where applicable, by the Board of Directors to some of its members; and
- *reviewing and advising the Board of Directors regarding any negative vote on the compensation policy for corporate officers (ex-ante Say on Pay) or on the information regarding the compensation policy for corporate officers (ex-post total voting)* – When the Ordinary General Meeting issues a negative vote on the compensation policy for corporate officers (ex-ante Say on Pay) or on the information regarding the compensation policy for all corporate officers (ex-post total voting), the Committee proposes to the Board a revised compensation policy, which takes into account shareholder voting and, if applicable, any opinions expressed at the General Meeting, for the Board to discuss the matter at a later meeting and submit this revised compensation policy for the approval of the next General Meeting.

Practices

A meeting of the Appointments and Compensation Committee is valid when there is a quorum of two members in attendance. The proposals of the Appointments and Compensation Committee are adopted by a simple majority of those attending the meeting, each member having one vote.

Executive corporate officers may get involved with the work of the Appointments and Compensation Committee from time to time, particularly when reviewing succession plans for corporate officers, members of the Executive Committee, or managers.

The Appointments and Compensation Committee may meet as many times as it deems necessary, but must meet at least once a year, prior to the meeting in which the Board assesses whether its members meet the Company's independence criteria (for more information on the concept of "independence" see section 3.1.4 "Independence of Directors" in this Universal Registration Document), and, in any event, prior to any Board meeting deciding on the compensation of senior management or the distribution of Directors' fees.

3.2.1.3 / Corporate, Environmental and Social Responsibility Committee

The Company's Board of Directors has established a Corporate, Environmental and Social Responsibility Committee and set the terms of its internal regulations as follows.

Composition

The Corporate, Environmental and Social Responsibility Committee is composed of four members, who are appointed for an indefinite period (such appointment shall terminate, in all circumstances, when they cease to be a member of the Board of Directors). When selecting members of the Committee, particular consideration is given to their independence, as well as to their expertise in assessing issues relating to corporate, environmental and social responsibility.

The composition of this committee was modified by the Company's Board of Directors at its meeting on February 23, 2021. The Corporate, Environmental and Social Responsibility Committee is composed of four members: its Chair – Brigitte Taittinger-Jouyet (Independent Director), Jean-Marc Janaillac (Independent Director), and Daniela Weber-Rey (Independent Director). It should be noted that Delphine Mousseau (Independent Director) was a member of this committee until she resigned on January 26, 2022.

Duties

The duties of the Corporate, Environmental and Social Responsibility Committee focus on the three components of sustainable development identified by the Company: corporate responsibility, environmental responsibility and social responsibility.

This committee reviews the actions and results of the previous year and presents Fnac Darty's strategic priorities for the current year.

It covers such topics as social dialogue, equal treatment, gender balance, employment of young people and older workers, diversity, environmental impact management, cultural initiatives, and social inclusion.

The Committee also ensures that the disclosures in Chapter 2 "Non-financial Performance Declaration" of this document have been verified by an independent third-party body to certify their compliance with Article L. 225-102-1, paragraphs 5 and 6.

Accordingly, the Corporate, Environmental and Social Responsibility Committee's internal regulations define its main duties as follows:

- *examining the corporate, environmental and social policies enacted by the Company* – The Committee conducts the annual examination of the corporate, environmental and social policies enacted by the Company, the targets set and the results obtained in these areas. The Committee assesses these areas in light of the business activities of the Company and of its subsidiaries, and any information it may have on suppliers and their subcontractors. To this end, it also reviews the Group's Business Code of Conduct, which is distributed to employees, suppliers, partners, and subcontractors of the Group.

  Once a year, the Committee also examines a summary of ratings awarded to the Company and its subsidiaries by the non-financial rating agencies.

  In addition, the Committee examines the quality of social dialogue within the Company and reviews any opinion surveys that may have been conducted.

  Lastly, the Committee annually identifies the priority areas for corporate, environmental and social policies, proposes objectives and defines actions to achieve them;
- *examining the main corporate, environmental and social risks and opportunities for the Company* – Each year, the Committee prepares a presentation mapping any risks related to the corporate, environmental and social responsibilities of the Company in light of specific challenges in the Company's business activities. It examines the risks identified, reviews the procedures for protecting against those risks and monitors their development;
- *examining the Company's publications in the areas of corporate, environmental and social responsibility* – Each year, the Committee reviews all information published by the Company that relates to issues of corporate, environmental and social responsibility. In this respect, the Committee reviews the reporting, assessment and control systems annually, to enable the Group to produce reliable information for these areas;
- *examining issues relating to the promotion of diversity, equity and equality* – Each year, the Committee examines all issues relating to the promotion of diversity, equity and equality in the Company. Where necessary, it summarizes its observations as recommendations and submits them to the Board of Directors. It also monitors and distributes the recommendations adopted by the Board of Directors;

- *examining of the impact of the brands' business on the environment* – Each year, the Committee examines the impact of the Company's business on the environment. It prioritizes questions concerning energy consumption, carbon dioxide emissions arising directly or indirectly from the Company's activities, and initiatives promoting the collection and recycling of end-of-life products. Where necessary, it summarizes its observations as recommendations and submits them to the Board of Directors. It also monitors and distributes the recommendations adopted by the Board of Directors;
- *involving the brands in a sustainable societal approach* – The Committee pays particular attention to changes in societal trends strongly linked to the Group's activities, such as the fight against cultural exclusion, freedom of expression, the rise of digital technology and automation, and the development of a more responsible approach to consumption.

  It supports initiatives to promote these values among the general public, inviting people to become involved with initiatives undertaken by the Company (such as offering to act as partners with non-profit associations, a solidarity sign-up program, collecting entertainment products for redistribution to those most in need of them, etc.);
- *involving employees in the brands' corporate, environmental and social policies* – Each year, the Committee draws up proposals to strengthen employees' involvement in the Company's corporate, environmental and social policies. In this respect, it identifies how best to communicate the key messages to the greatest number of people, to further employees' awareness of these messages, and to provide training on its key corporate, environmental and social policies. It also reviews changes to proposals that have previously been adopted and implemented and, where necessary, proposes additional changes and/or further actions to be taken; and
- *examining fair practices in light of the Group's ethical principles set out in the Fnac Darty Business Code of Conduct* – In this context, the Committee examines and makes proposals to the Board specifically on issues relating to the prevention and detection of corruption and influence peddling.

Practices

A meeting of the Corporate, Environmental and Social Responsibility Committee is valid when there is a quorum of two members in attendance. The Corporate, Environmental and Social Responsibility Committee's proposals are adopted by a simple majority of those attending the meeting, each member having one vote. The Committee meets as many times as it deems necessary, and at least once a year, prior to the Board meeting to convene the Company's Annual General Meeting.

3.2.1.4 / Strategy Committee

In 2019, the Company's Board of Directors decided to establish a Strategy Committee and set the terms of its internal regulations as follows.

Composition

The Committee is composed of (i) the Chairman of the Board of Directors, (ii) the Executive Corporate Officer (if this role is not combined with that of the Chairman of the Board), (iii) the Chair of the Audit Committee, (iv) the Chairman of the Appointments and Compensation Committee, and (v) the Chair of the Corporate, Environmental and Social Responsibility Committee, i.e. a minimum of four members in the case of accumulation of directorships as indicated above and a maximum of five members if no accumulation of directorships as indicated above.

The Executive Corporate Officer (if not a Director) and the Group's Chief Financial Officer attend the meetings of the Strategy Committee.

The Committee is chaired by the Chairman of the Board of Directors, unless this role is combined with that of CEO.

The Chairman of the Committee may invite certain Directors who are not members of the Committee to attend the meetings.

This Committee is therefore composed as follows: it is chaired by Jacques Veyrat (Chairman of the Board of Directors and Independent Director) and its other four members are Antoine Gosset-Grainville (Chairman of the Appointments and Compensation Committee and Independent Director), Carole Ferrand (Chair of the Audit Committee and Independent Director), Brigitte Taittinger-Jouyet (Chair of the Corporate, Environmental and Social Responsibility Committee and Independent Director) and Enrique Martinez (CEO and Director).

Duties

The Strategy Committee has two main tasks:

a) general role: the general role of the Committee is to consider the broad strategic priorities of the Group that may be implemented by the executives, specifically in the fields of business, investment, partnerships or any other matter considered central to the Group's future and, where appropriate, make recommendations to the Board of Directors in this regard;

b) specific role: at the request of the Chairman, the Executive Corporate Officer or the Board of Directors, the Committee may also be required to provide an opinion on planned investments or divestments, including the acquisition, sale or exchange of shareholdings in any existing companies or companies to be created, which must be subject to prior authorization by the Board of Directors.

If necessary, the Committee may delegate the task of formulating any opinion on a particular subject to the Chairman, one of its members or any sub-committee composed of several of its members.

In this context, the Strategy Committee carries out the following main tasks:

- the Committee may speak with the Executive Corporate Officer (if not a Director) and, if necessary, interview the managers of any operational or functional entities that may be relevant to the execution of its tasks. The Chairman shall give advance notification thereof to the Executive Corporate Officer, unless they are a member of the Committee. In particular, the Committee is entitled to interview the Director of Strategy and M&A or any person designated by them; and
- the Committee may request external expert studies on matters falling within its competence at the Company's expense, subject to reporting back to the Board on these matters.

Practices

A meeting of the Strategy Committee is valid when there is a quorum of two members in attendance. The Strategy Committee's proposals are adopted by a simple majority of those attending the meeting, each member having one vote. The Strategy Committee meets at least once a year and as many times as it deems necessary.

3.2.2 / CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

3.2.2.1 / Internal regulations of the Board, Market Ethics Charter and the handling of insider information

The Board of Directors assumes the duties and exercises the powers conferred by law, the bylaws and the internal regulations of the Board, which are available on the Governance pages of the Group's website (https://www.fnacdarty.com/en/group/governance/).

It establishes and assesses the direction, objectives and performance of the Company and ensures that they are implemented in accordance with the corporate interest, taking into account the social and environmental challenges of its business. Subject to the powers expressly attributed to the General Meetings and within the limits of the corporate purpose, it handles all issues affecting the Company's operations and regulates the Company's affairs by its deliberations.

The Board carries out the audits and verifications it deems necessary.

The conditions for the preparation and organization of the work of the Board of Directors are defined by law, the Company's bylaws, the Board's internal regulations and the work of the Board of Directors' specialized committees. The Board has drawn up internal regulations for each of the committees.

In accordance with the law and its internal regulations, the Board of Directors meets at least four times per year and at any other time, as often as the Company's interests so require. To enable the Directors to prepare as well as possible for the issues that are to be reviewed in meetings, a comprehensive dossier that includes the necessary information for each subject on the agenda is sent to them in a timely manner ahead of the meeting.

The internal regulations define the frequency and conditions for Board meetings and provide for the possibility of participating by videoconference and/or teleconference. The bylaws also provide for the possibility of Directors making decisions by means of written consultation.

They also establish the principle of regular evaluation of the Board's functioning and define the procedures for distributing Directors' fees under the conditions provided for by the regulations.

The internal regulations require the Directors to inform the Chairman of the Board of Directors of any conflict of interest, including potential conflicts of interest, between their duties to the Company and their private interests and/or other duties. Directors are not allowed to abstain from taking part in any discussions or voting on any item that concerns them directly or indirectly.

A Market Ethics Charter, updated at the meeting of October 17, 2019, has been adopted by the Board of Directors. The Charter reiterates the regulatory obligations of corporate officers, persons exercising responsibilities, executives and insiders, in particular those relating to the prevention of insider trading. It also defines rules regarding restrictions on trading in the Company's shares or, more generally, the Group's shares, by stipulating "blackout periods" implemented in advance of the publication of annual and half-yearly results and quarterly financial information, and reiterates the rules for the declaration of securities transactions by executives and persons closely linked to them. The Market Ethics Charter also designates an Ethics Officer responsible for addressing any questions and concerns from insiders with regard to the Charter.

3.2.2.2 / Limitations imposed by the Board of Directors on the powers of the Chief Executive Officer

Under the law, the Chief Executive Officer is vested with the broadest powers to act in the name of the Company in all circumstances. He exercises those powers within the limits of the corporate purpose and the powers expressly assigned by law to the General Meeting and to the Board of Directors.

As regards the Board of Directors' statutory duty to set the strategic priorities for the Company's business and ensure their implementation, and without prejudice to the legal provisions concerning authorizations that must be granted by the Board, the internal regulations of the Board of Directors require certain decisions made by the Chief Executive Officer to be submitted to the Board of Directors for prior approval, due to the type of decision or its material nature.

In its decision of July 17, 2017, the Board of Directors maintained the limitations of powers that had been set out in Article 3.3 of the version of the internal regulations of the Board of Directors dated January 26, 2017, which are as follows:

"The Chief Executive Officer must obtain the Board's prior consent for any of the following transactions:

a) issues and transactions that materially affect the Group's strategy, financial structure or scope of business;

b) the following transactions conducted by the Company or any entity controlled by the Company if they exceed the threshold set by the Board of Directors:

(i) any investment or divestment, including an acquisition or sale or exchange of interests in any companies currently existing or to be created, insofar as such transactions exceed an amount defined by the Board and valid for the duration set by the Board in its decision,

(ii) any surety, endorsement or guarantee of any kind, insofar as such transactions exceed an amount defined by the Board and valid for the duration set by the Board in its decision, and

(iii) any borrowing (or series of borrowings) or loans, of any type, or the prepayment of a loan, insofar as such transactions exceed an amount defined by the Board and valid for the duration set by the Board in its decision.

The Board also ensures that, if a strategic or significant transaction falls outside the strategy announced by the Company, sufficient information is provided to enable prior authorization to be obtained from the Board of Directors."

In this context and at its meeting of July 29, 2021, the Board of Directors decided to submit for prior authorizations any transactions which exceed the following thresholds:

- any surety, endorsement, or guarantee issued in excess of an annual overall limit of €50 million;
- any investment or divestment, including an acquisition or sale or exchange of interests in any companies currently existing or to be created, that exceeds €30 million; and
- any borrowing (or series of borrowings) or lending of money of any kind or prepayment of a loan that exceeds €50 million.

At this meeting, the Board decided that these authorizations and thresholds should be set for a period of two years expiring on July 31, 2023.

At the same meeting, the Board of Directors granted the Chief Executive Officer the authority to:

- guarantee the commitments made by Fnac Darty's subsidiaries ("controlled companies within the meaning of section II of Article L. 233-16" of the French Commercial Code), up to an annual overall limit of €50 million, provided that the Chief Executive Officer reports this to the Board at least once a year; and
- provide sureties, endorsements, or guarantees to the tax and customs authorities on behalf of the Company, with no maximum amount.

This authorization was granted for a period expiring at the Board meeting held in 2022 to approve the annual financial statements.

Furthermore, the Board is regularly notified of the financial position, the cash position and the commitments of the Company and the Group. In fact, the Group's Chief Financial Officer attends all Board meetings (with the exception of those held in the absence of the Chief Executive Officer) during which he can highlight, where appropriate, any facts or significant events relating to these matters.

3.2.2.3 / Work of the Board and its specialized committees

Assessment of the Board of Directors and the specialized committees

Pursuant to the provisions of the Board's internal regulations and the AFEP-MEDEF Corporate Governance Code, once a year the Board devotes one item on the agenda to a review of the composition, organization and functioning of the Board and its committees and the effective contribution of the Directors to the Board's work.

At its meeting of February 23, 2022, the Board read the conclusions from the detailed questionnaires previously sent to Board members and conducted the annual assessment of its operation and its committees. The questionnaires sent were drafted in advance and contained the latest amendments in this area, as recommended by the AFEP-MEDEF in 2021. The Board noted that all Directors had returned their questionnaire and that the responses showed a generally high level of satisfaction, with no difficulties or inadequacies highlighted. In general, the Board members believe that the Board and its committees function effectively, and that the important issues are well discussed.

The composition of the Board, its gender balance, the diversity of profiles, and the skills represented are deemed to be satisfactory. In addition to governance expertise, the Group's international position, the markets in which it operates, and the ramp-up of digital technology will always be taken into account when future appointments are made.

Individual skills on the Board are valued and give no cause for concern.

The Directors assessed the extent to which the comments and recommendations made last year were taken into account, in particular:

- improving the timescale for receipt of the documents required for the Board and committees to conduct their work;
- allocating more time for discussion at meetings;
- better access to various sources of information and to consultants;
- access to more information about the Group's life outside of meetings.

This year, the Board wishes to further enhance the integration of new Directors by having them meet management staff and existing Directors so closer bonds are forged, and to play an even greater role in implementing the strategic plan.

In accordance with the internal regulations of the Board, the last three-year assessment of the Board by an independent third party took place in 2020 and focused on its functioning during the year ended December 31, 2019. The next assessment by an independent third party is scheduled for 2023 and will focus on its functioning during the financial year ended December 31, 2022.

Board of Directors

Work of the Board of Directors in 2021

The Board met seven times in 2021, with an average attendance rate of 98%. All meetings were chaired by the Chairman of the Board of Directors. Individual attendance figures for Directors at meetings of the Board of Directors are given at the end of this chapter (3.2.2.3).

At its meeting of January 19, 2021, the Board of Directors: Attendance rate: 92%

- examined the initial revenue and results trends for 2020; and
- established the budget priorities for 2021.

At its meeting of January 26, 2021, the Board of Directors: Attendance rate: 100%

- reviewed the business performance in the fourth quarter of 2020 and the preliminary results for 2020;
- approved the Group's strategic plan Everyday;
- discussed the new provisions of the French Civil Code and the French Commercial Code relating to including a *raison d'être* in the bylaws and the status of a social purpose corporation (société à mission);
- conducted the annual review of regulated agreements; and
- conducted the annual evaluation of current agreements concluded under normal conditions.

At its meeting of February 23, 2021, the Board of Directors: Attendance rate: 100%

- approved the annual financial statements and reports for 2020, after taking into account the work undertaken by the Audit Committee in 2020, the 2021 audit plan and the 2020 risk mapping;
- reviewed and approved the 2021 budget;
- conducted a review of financing and feedback to shareholders;
- reviewed the work of the Appointments and Compensation Committee meeting of February 19, 2021 and:
  - approved the variable compensation for 2020 of the Chief Executive Officer and the amount. The Chief Executive Officer and the Chairman of the Board were not in attendance when this decision was made by the Directors,

- approved the compensation policy for corporate officers, in particular the terms regarding the fixed compensation for the Chairman and the Chief Executive Officer and the variable compensation for 2021 for the Chief Executive Officer. The Chief Executive Officer and the Chairman of the Board were not in attendance when this decision was made by the Directors;

- reviewed the assessment of the functioning of the Board of Directors, in accordance with its internal regulations and the AFEP-MEDEF Corporate Governance Code;
- approved the special report on stock subscription options and the allocation of bonus shares issued during the year (in application of Articles L. 225-184 and L. 225-197-4 of the French Commercial Code);
- reviewed the work of the Corporate, Environmental and Social Responsibility Committee meeting of February 22, 2021, and approved the corporate and environmental information to be published in the Management Report;
- approved the Report on Corporate Governance; and
- approved the draft resolutions and the agenda for the General Meeting of Shareholders of May 27, 2021.

At its meeting of April 06, 2021, the Board of Directors: Attendance rate: 100%

- amended the agenda of the Combined General Meeting of May 27, 2021;
- gave an update.

At its meeting prior to the General Meeting of May 27, 2021, the Board of Directors: Attendance rate: 100%

- approved the implementation of the stock buyback program, subject to approval of this program by the Combined General Meeting of May 27, 2021;
- approved the long-term incentive plan for certain senior executives of the Group; and
- prepared for the Combined Ordinary and Extraordinary General Meeting of May 27, 2021.

At its meeting of July 29, 2021, the Board of Directors: Attendance rate: 100%

- reviewed the work of the Audit Committee meeting of July 27, 2021 on the approval of the half-year financial statement;
- examined and approved the half-year financial statements as of June 30, 2021; and
- adopted a procedure for authorizing guarantees, pledges and endorsements.

At its two meetings of October 20, 2021, the Board of Directors, initially meeting as the full Board and then in the absence of the Chief Executive Officer: Attendance rate: 92%

- reviewed the business performance in the third quarter of 2021;
- approved the Company's management planning documents;
- examined the work of the Audit Committee meeting of October 18, 2021 and the CSR Committee meeting of September 21, 2021, with particular focus on the Group's climate roadmap (see section 2.4 of Chapter 2 "Reducing environmental impacts" of this Universal Registration Document);
- appointed a Director representing employees to the Appointments and Compensation Committee and updated the internal regulations of this committee.

At the end of this meeting, the Board of Directors met in the absence of the Chief Executive Officer. Discussions lasting 60 minutes took place in the presence of the Directors only. The Chief Executive Officer was not in attendance. The discussions focused on the composition and functioning of the Board of Directors and the conduct of the Group's business activities. This meeting was attended by: Jacques Veyrat, Chairman of the Board, Antoine Gosset-Grainville, Vice-Chairman of the Board, Carole Ferrand, Delphine Mousseau, Sandra Lagumina, Daniela Weber-Rey, Brigitte Taittinger-Jouyet, Jean-Marc Janaillac, Javier Santiso, Nonce Paolini, Franck Maurin, and Julien Ducreux.

Work of the Board of Directors from January 1 to February 26, 2022

At its meeting of January 26, 2022, the Board of Directors: Attendance rate: 100%

- noted the resignation of Delphine Mousseau as a Director;
- reviewed business performance for the fourth quarter of 2021 and the preliminary results for 2021;
- examined the budget priorities for 2022;
- reviewed the work of the Audit Committee meetings of November 25, 2021, December 6, 2021, January 18 and January 26, 2022, and of the Appointments and Compensation Committee meeting of November 16, 2021;
- conducted an annual review of the regulated agreements and read the report on the evaluation of agreements relating to current transactions concluded under normal conditions.

At its meeting of February 23, 2022, the Board of Directors: Attendance rate: 92%

- reviewed the work of the Audit Committee, meeting on February 21, 2022 for 2021, the 2022 audit plan approved by the Audit Committee, and approved the annual financial statements and reports for financial year 2021;
- reviewed and approved the 2022 budget;
- reviewed the work of the Appointments and Compensation Committee meeting of February 16, 2022, and approved the variable compensation for 2021 of the Chief Executive Officer and the amount and terms of the Chief Executive Officer's fixed and variable compensation for 2022. The Chief Executive Officer was not in attendance when this decision was made by the Directors;
- established the distribution of Directors' fees (formerly "attendance fees") for 2021;
- reviewed the work of the Corporate, Environmental and Social Responsibility Committee meeting of February 15, 2022, and approved the corporate and environmental information to be published in the Management Report;
- approved the Report on Corporate Governance, the Board's Management Report, and the Board's Draft Resolutions Report and the draft resolutions of the Annual Combined General Meeting.

Audit Committee

Work of the Audit Committee in 2021 and up to February 21, 2022

Work of the Audit Committee in 2021

In 2021, the Audit Committee met six times, with an average attendance rate of 100%.

The first meeting was held on February 19, 2021 and mainly focused on: Attendance rate: 100%

- a presentation of the results for 2020 (company and consolidated financial statements);
- a presentation of the work of the statutory auditors on the Fnac Darty company and consolidated results for 2020;
- reviewing the 2021 financing strategy.

The Committee meeting of April 15, 2021 focused solely on: Attendance rate: 100%

- reviewing the follow-up work on services other than the certification of the financial statements, as of March 31, 2021;
- reviewing revenue for the first quarter of 2021, including reviewing business activity and examining the draft press release on revenue for the first quarter of 2021;
- follow-up monitoring of financing operations conducted in March 2021;
- an update on internal audit activities and assignments for the first quarter;
- reviewing the crisis management process.

The Committee meeting of July 27, 2021 mainly focused on: Attendance rate: 100%

- a presentation of the Fnac Darty financial statements as of June 30, 2021 and a review of the Half-Year Financial Report;
- reviewing the work to close the half-year financial statements for the period ended June 30, 2020;
- a meeting held with the Statutory Auditors on their limited review of the half-year financial statements;
- reviewing the internal audit work for the first half of 2021;
- reviewing the draft press release on the half-year results; and
- reviewing the follow-up work on services other than the certification of the financial statements, as of June 30, 2021;
- reviewing the cyber security risk monitoring and remediation plan and the duty of care.

The Committee meeting of October 18, 2021 mainly focused on: Attendance rate: 100%

- reviewing the follow-up work on services other than the certification of the financial statements, as of October 12, 2021;
- a presentation of the approach taken by the statutory auditors to the revenue audit;
- a presentation of the GDPR compliance risk monitoring and remediation plan: GDPR;

- reviewing the main legal and tax disputes underway within the Group's scope of consolidation;
- reviewing internal audit activities and the plan to the end of September 2021.

The Committee meeting of November 25, 2021 mainly focused on: Attendance rate: 100%

- reviewing the cyber security system;
- reviewing the mapping of the Group's major risks (method and outcome).

The Committee meeting of December 6, 2021 mainly focused on: Attendance rate: 100%

- reviewing the follow-up work on services other than the certification of the financial statements, as of November 30, 2020;
- reviewing the plan to set up a captive insurance company;
- examining the business plan and reviewing impairments;
- examining end-of-year work and reviewing impairments;
- a presentation of changes to the regulations on UK pension funds;
- reviewing liquidity and financing;
- examining the internal audit plan for 2022.

Work of the Audit Committee from January 1 to February 21, 2022

The Committee meeting of January 18 mainly focused on: Attendance rate: 100%

- PwC's Report on the maturity assessment of the risk management structure;
- the internal audit of the Group.

The Committee meeting of January 26, 2022 mainly focused on: Attendance rate: 100%

- a presentation of the Annual Summary Report on the ethics and compliance alert line;
- a summary report on the maturity assessment of the control, internal audit and risk management structure;
- the presentation of the proposed audit plan for 2022.

The Committee meeting of February 21, 2022 mainly focused on: Attendance rate: 100%

- reviewing the work to close the parent company and consolidated financial statements and their notes as of December 31, 2021;
- reviewing the independence and objectivity of the Statutory Auditors, the amount of fees paid to them, the total amount of fees paid for services other than the certification of the financial statements, as well as the nature of those services provided that are directly related to their duties as Statutory Auditors;
- reviewing the Statutory Auditor's Supplementary Report;
- reviewing the collection process and the quality of information provided in the non-financial performance declaration;
- reviewing the progress of the recommendations made by Internal Audit Department.

The Audit Committee reported on its work and made recommendations to the Board of Directors.

Appointments and Compensation Committee

Work of the Appointments and Compensation Committee in 2021 and up to February 16, 2022

Work of the Appointments and Compensation Committee in 2021

In 2021, the Appointments and Compensation Committee met three times, with an average attendance rate of 100%.

The first meeting was held on February 19, 2021 and mainly focused on: Attendance rate: 100%

- reviewing analysis and recommendations on short-term compensation;
- reviewing the components of the 2020 variable compensation for the Chief Executive Officer;
- reviewing and proposing a compensation policy for corporate officers, in particular:
  - reviewing and proposing the conditions and components of compensation for 2021 for the Group's main executives,
  - reviewing and proposing a structure for the 2021 fixed and variable compensation of the Chief Executive Officer,

- reviewing and proposing 2021 fixed compensation for the Chairman of the Board,
- reviewing and making proposals to the Board regarding how to distribute the compensation allocated to Directors for 2020 and reviewing the proposed rules for 2021;

- reviewing the ex-ante and ex-post Say on Pay draft resolutions to be submitted to the vote of the 2021 General Meeting;
- reviewing succession plans for the executive corporate officers;
- the composition of the Board of Directors and the specialized committees:
  - an update on the proportion of men and women on the Board of Directors and the diversity thereof,
  - the selection procedure for Board members,
  - proposal for renewal,
  - reviewing the independence criteria for Directors and the issuing of an opinion on the independence of each Director. Directors who sit on the Appointments and Compensation Committee did not take part in the decisions concerning their own independence,
  - Audit Committee: reviewing the specific financial, accounting or statutory audit expertise of the members of the Audit Committee,
  - gender balance in governing bodies;
- assessing the work of the Board and the specialized committees;
- reviewing the draft Report on Corporate Governance;
- reviewing the policy of the Company (Fnac Darty SA) on equal opportunities and equal pay;
- reviewing and proposing that the adjustment to the method of calculating performance based on free cash-flow for the long-term incentive plan awarded in 2019 be abandoned;
- the Group's total compensation policy.

The Committee meeting of April 27, 2021 mainly focused on: Attendance rate: 100%

- reviewing analysis and recommendations on long-term compensation;
- reviewing and proposing a draft long-term incentive plan for 2021;
- reiterating the obligation for corporate officers to hold shares received from bonus share awards and the exercise of stock options.

The Committee meeting of November 16, 2021 mainly focused on: Attendance rate: 100%

- reviewing succession plans for the executive corporate officers;
- a presentation of the questionnaire for assessing the Board and the specialized committees;
- examining the development reviews of Leadership Group members;
- reviewing succession plans for the Executive Committee;
- reviewing the assessment of the roles and compensation of members of the Executive Committee.

Work of the Appointments and Compensation Committee in 2022, up to February 16

The Committee meeting of February 16, 2022 mainly focused on: Attendance rate: 100%

- the composition of the Board of Directors and the specialized committees:
  - an update on the proportion of men and women on the Board of Directors and the diversity thereof,
  - a proposal for renewing and appointing new Directors,
  - reviewing the independence criteria for Directors and the issuing of an opinion on the independence of each Director. Directors who sit on the Appointments and Compensation Committee did not take part in the decisions concerning their own independence, and
  - Audit Committee: reviewing the specific financial, accounting or statutory audit expertise of the members of the Audit Committee;
- assessing the work of the Board and the specialized committees;
- reviewing the components of the 2021 variable compensation for the Chief Executive Officer;
- reviewing and proposing a compensation policy for corporate officers, in particular:
  - reviewing and proposing the conditions and components of compensation for 2022 for the Group's main executives,
  - reviewing and proposing a structure for the 2022 fixed and variable compensation of the Chief Executive Officer,

  - reviewing and proposing 2022 fixed compensation for the Chairman of the Board,
  - defining the method for distributing Directors' fees 2022;
- reviewing the distribution of Directors' fees for 2021;
- reviewing and proposing the ex-ante and ex-post Say on Pay, and any other draft resolution to be submitted to the vote of the 2022 General Meeting;
- reviewing the draft Report on Corporate Governance;
- reviewing the policy of the Company (Fnac Darty SA) on equal opportunities and equal pay.

The Appointments and Compensation Committee reported on its work and made recommendations to the Board of Directors.

Corporate, Environmental and Social Responsibility Committee

Work of the Corporate, Environmental and Social Responsibility Committee in 2021 and up to February 15, 2022

The Corporate, Environmental and Social Responsibility Committee met twice in 2021, with all members of the Committee in attendance.

On February 22, 2021, the Committee reviewed: Attendance rate: 100%

- the Group's compliance with the obligations of the Non-financial Performance Declaration and the 2021 drafts, as well as a summary of the ratings obtained by the Group from the main non-financial rating agencies.

On September 21, 2021, the Committee reviewed: Attendance rate: 100%

- the Group's climate roadmap;
- the subject of *raison d'être.*

On February 15, 2022, the Committee reviewed: Attendance rate: 100%

- the presentation of the 2021 non-financial performance declaration and approval of it;
- the management roadmaps for the various CSR pillars.

All information relating to the Group's CSR policies and performance is disclosed in Chapter 2 "Non-financial Performance Declaration" of this document.

The Corporate, Environmental and Social Responsibility Committee reported on its work and made recommendations to the Board of Directors.

Strategy Committee

Work of the Strategy Committee in 2021

The Strategy Committee met twice in 2021 and continued its work on the strategic plan. It invited all members of the Board of Directors to a meeting on November 3, 2021, which was preceded by a visit to the Fnac Logistique warehouse in Wissous. At this meeting, the Committee:

- gave an update on the implementation of the strategic plan Everyday during the course of 2021;
- discussed the new provisions of the French Civil Code and the French Commercial Code relating to including a *raison d'être* in the bylaws and the status of a social purpose corporation (société à mission).

The Strategy Committee also met on September 20, 2021, to discuss new ways of working and the associated spaces for head office employees.

Attendance of Directors at meetings of the Board of Directors and specialized committees

Director	Board of Directors	Audit Committee	Appointments and Compensation Committee	Corporate, Environmental and Social Responsibility Committee	Strategy Committee
Jacques Veyrat	7/7	n.a.	n.a.	n.a.	1/1
Brigitte Taittinger-Jouyet	6/7	n.a.	3/3	2/2	1/1
Delphine Mousseau [(d)]	7/7	n.a.	n.a.	2/2	n.a.
Daniela Weber-Rey [(a)]	7/7	1/1	n.a.	1/1	n.a.
Sandra Lagumina	7/7	6/6	n.a.	n.a.	n.a.
Antoine Gosset-Grainville	7/7	n.a.	3/3	n.a.	1/1
Nonce Paolini	7/7	n.a.	3/3	n.a.	n.a.
Caroline Grégoire Sainte Marie [(b)]	6/7	5/5	n.a.	1/1	n.a.
Carole Ferrand	7/7	6/6	n.a.	n.a.	1/1
Enrique Martinez	7/7	n.a.	n.a.	n.a.	1/1
Javier Santiso	7/7	n.a.	n.a.	n.a.	n.a.
Jean-Marc Janaillac	7/7	n.a.	n.a.	2/2	n.a.
Franck Maurin [(c)]	7/7	n.a.	1/1	n.a.	n.a.
Julien Ducreux	7/7	n.a.	n.a.	n.a.	n.a.

(a) Member of the Audit Committee until February 23, 2021 – Member of the Corporate, Environmental and Social Responsibility Committee since February 23, 2021.
(b) Member of the Corporate, Environmental and Social Responsibility Committee until February 23, 2021 – Member of the Audit Committee since February 23, 2021.
(c) The Board of Directors decided to appoint Franck Maurin as a member of the Appointments and Compensation Committee at its meeting of October 20, 2021.
(d) Delphine Mousseau resigned as Director on January 26, 2022.

3.2.2.4 / Procedure for the regular evaluation of current agreements concluded on normal terms

In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, at its meeting of October 17, 2019, the Board of Directors implemented a procedure to evaluate, on a regular basis, whether agreements relating to current transactions concluded under normal conditions, entered into directly or through an intermediary, between Fnac Darty SA and any of its corporate officers or shareholders holding more than 10% of the voting rights, or in which any such person has an indirect interest, or entered into between Fnac Darty SA and another company, if the Chief Executive Officer, any of the chief operating officers or any of the Directors of the Company is the owner, a fully liable partner, a manager, a Director or a member of the Supervisory Board or, more generally, a person in any way involved in the management of that company, fulfill these conditions.

The procedure stipulates that the Group's Legal and Financial Departments conduct an annual evaluation of the current agreements concluded under normal conditions, on the basis of the definitions of "current transactions" and "normal conditions" set out in the guidance on regulated and current agreements issued in 2014 by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes). If necessary, they may engage the Statutory Auditors in order to identify any agreements that might be reclassified as regulated agreements.

Individuals that have a direct or indirect interest in any such agreements are not involved in their evaluation.

Any agreements concluded by Fnac Darty SA with companies in which Fnac Darty SA directly or indirectly holds all of the capital, minus the minimum number of shares required to comply with legal requirements, if applicable, are excluded from the scope of the evaluation procedure.

The Legal and Financial Departments report their evaluation annually to the Audit Committee and the Board of Directors, which may request to hear from representatives of the Legal and Financial Departments as part of the process of approving the results of this evaluation.

As no agreements were reported to the Legal and Financial Departments, the Members of the Board of Directors were reminded of the procedure for evaluating agreements relating to current transactions concluded under normal conditions in 2021 at the Board meeting of January 26, 2022. The Board of Directors has concluded that there are no current agreements concluded under normal conditions as described in the procedure.

3.2.3 / STATEMENT ON CORPORATE GOVERNANCE

The Company refers to the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies (the “AFEP-MEDEF Code”), updated in January 2020.

The AFEP-MEDEF Code to which the Company refers may be consulted online [1]. The Company makes copies of this Code available to members of its corporate bodies.

The Company unreservedly complies with all its recommendations.

3.2.4 / SHARE TRANSACTIONS BY DIRECTORS

The transactions mentioned in Article L. 621-18-2 of the French Monetary and Financial Code carried out during the 2021 period and until March 1, 2022 and notified to the Company were as follows.

Franck Maurin, Director representing employees

Full vesting of bonus shares (June 16, 2021)	
Total amount	€0
Number of shares	724
Unit price	€0

Julien Ducreux, Director representing employees

Full vesting of bonus shares (May 22, 2021)	
Total amount	€0
Number of shares	77
Unit price	€0
Full vesting of bonus shares (June 16, 2021)	
Total amount	€0
Number of shares	480
Unit price	€0

(1) *https://afep.com/wp-content/uploads/2020/01/Code-Afep_Medef-r%C3%A9vision-janvier-2020_-002.pdf.*

3.3 / Compensation and benefits for administrative and executive bodies

3.3.1 / COMPENSATION POLICY FOR CORPORATE OFFICERS: CHAIRMAN OF THE BOARD OF DIRECTORS, CHIEF EXECUTIVE OFFICER (AND/OR ANY EXECUTIVE CORPORATE OFFICER), MEMBERS OF THE BOARD OF DIRECTORS

General prior notice

The term of office of the corporate officers is specified in section 3.1 of this document.

3.3.1.1 / Compensation policy

On the recommendation of the Appointments and Compensation Committee, and taking into account the recommendations of the AFEP-MEDEF Code, the shareholder vote, where applicable the opinions expressed during the General Meeting, and dialogue with investors, the Board of Directors has established a compensation policy for each of the Company's corporate officers in accordance with its corporate interest, contributing to its sustainability and forming part of its business strategy as presented in Chapter 1 of this document.

It is defined in such a way as to be both competitive in order to attract and retain high-performance executives and proportionate to the scope of the duties and responsibilities entrusted to each of the Chairman, executive corporate officers and Board members in order to align with the corporate interests of the Company.

The Chairman's compensation may consist of fixed compensation, compensation in respect of Directors' duties and benefits adapted to his role within the Company. In accordance with the recommendations of the AFEP-MEDEF Code, there is no provision for variable compensation.

The compensation of the Chief Executive Officer and/or any other executive corporate officer is assessed in a comprehensive and exhaustive manner and is structured so as to have a balance between fixed annual compensation, annual variable compensation and long-term compensation in order to adapt to the various challenges faced by the Company. The executive corporate officer also receives benefits tailored to his role within the Company. Where applicable, and under very specific circumstances, exceptional compensation may be submitted to the vote of the General Meeting. If he is a Director, he may receive compensation in respect of these functions.

The fixed portion of the compensation is determined in accordance with market practices.

The variable portion of the compensation, whether annual or long-term, is subject to the achievement of objectives established in accordance with criteria based on the Company's strategic priorities. These criteria are reviewed on a regular basis although long-term stability is favored. The objectives to be achieved for each criterion are determined annually in order that they may be adapted to the Company's goals and to the expected timeframe for each system (short-term for the annual variables, long-term for stock purchase options and performance shares).

With regard to annual variable compensation, the economic and financial criteria are paramount.

The maximum potential compensation for remunerating and encouraging outperformance is determined with regard to market practices.

No element of compensation, of any type whatsoever, can be determined, allocated or paid by the Company, and no commitment made by the Company if it does not comply with the approved compensation policy or, in the absence thereof, with the compensation or practices existing within the Company.

The determination, review and implementation of the compensation policy of each of the corporate officers are conducted by the Board of Directors on the recommendation of the Appointments and Compensation Committee. In order to prevent any risk of conflict of interest, it is specified that neither the Chairman of the Board, nor the Chief Executive Officer, nor any other executive corporate officer shall participate in the deliberations or votes of the Board on these matters, specifically with regard to themselves.

As part of the decision-making process used for determining and reviewing the compensation policy, the compensation and employment conditions of the Company's employees are taken into account by the Appointments and Compensation Committee and the Board, which also examines the conditions and compensation elements of the Group's main executives on an annual basis. The Board thus ensures alignment and consistency between the principles of compensation of the executive corporate officers and Group executives with the Company's priority objectives, regarding both the structure of their compensation and the performance criteria for short-term variable and long-term compensation.

3.3.1.2 / Compensation policy of the Chairman of the Board of Directors

The compensation policy submitted to the vote of the next General Meeting is set by the Board of Directors on the recommendation of the Appointments and Compensation Committee.

The elements comprising the total compensation and benefits of any kind that may be granted to the Chairman of the Board in respect of the office concerned are as follows:

Fixed compensation

The fixed annual compensation for the Chairman must be determined in accordance with market practices.

This analysis takes into account the key aspects of the Company and the scope of the executive's field of action, such as:

- revenue, budget, staff;
- the context in which the duties are performed, with the assessment of strategic challenges, and short- and long-term growth prospects; and
- the level and the complexity of responsibilities.

The Board of Directors reviews the fixed compensation of the Chairman of the Board annually with the objective of revising it only at relatively long intervals, in accordance with the recommendations of the AFEP-MEDEF Code.

It is specified that, for information purposes, at its meeting of February 23, 2022, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to maintain the fixed compensation of its Chairman for 2022 at €200,000.

Annual variable and long-term compensation, stock options and performance shares

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors is not planning to grant variable compensation, long-term compensation, stock options or allot bonus performance shares to the Chairman of the Board.

Directors' fees

The Chairman may receive compensation for his role as a Director, the amount of which is set, distributed and allotted according to rules applicable to all members of the Board.

The rules for the allotment of Directors' fees are currently as follows:

- 62% of the €515,000 representing the total annual amount of compensation is allocated to members of the Board of Directors, i.e. €320,000;
- this amount is comprised 30% of a fixed component and 70% of a variable component, which reflects Directors' attendance at Board meetings;
- the balance, of €195,000, is allocated to the members of the specialized committees and distributed as follows: €90,000 to the Audit Committee, €69,000 to the Appointments and Compensation Committee and €36,000 to the Corporate, Environmental and Social Responsibility Committee. These portions are allocated based on attendance at committee meetings;
- the Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting;
- no specific compensation is allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and (with the exception of the Executive Corporate Officer) serve as Chairman of the Board or chairs of the specialized committees.

For information purposes, it is specified that, in accordance with the decision of the Board of Directors of July 17, 2017, Jacques Veyrat no longer receives any compensation for his role as Director, since he was appointed Chairman of the Board of Directors on that date.

Other benefits

The Chairman of the Board may have a company car consistent with the Company's current vehicle policy and market practices; for information purposes, it is specified that Jacques Veyrat has never had one.

3.3.1.3 / Compensation policy of the Chief Executive Officer and/or any other executive corporate officer

The compensation policy submitted to the vote of the next General Meeting is set by the Board of Directors on the recommendation of the Appointments and Compensation Committee.

The elements comprising the total compensation and benefits of any kind that may be granted to the Chief Executive Officer and/or any other executive corporate officer in respect of the mandate concerned are as follows:

Fixed compensation

The fixed annual compensation for the executive corporate officers must be determined in accordance with market practices.

This analysis takes into account the key aspects of the Company and the scope of the executive's field of action, such as:

- revenue, budget, staff;
- the context in which the duties are performed, with the assessment of strategic challenges, and short- and long-term growth prospects; and
- the level and the complexity of responsibilities.

The Board of Directors reviews the fixed compensation of the executive corporate officer(s) annually with the objective of revising it only at relatively long intervals, in accordance with the recommendations of the AFEP-MEDEF Code.

For information purposes, it is specified that the gross annual fixed compensation of Enrique Martinez for 2022 is €750,000. This amount has not changed since 2019.

Annual variable compensation

The annual variable compensation of executive corporate officers is determined by the Board of Directors which, every year, sets the nature of the quantitative objectives and qualitative goals along with their relative weighting for the variable portion of compensation. Variable compensation is proportional and may currently represent between 0% (no objective achieved) and 100% of fixed annual compensation if objectives are achieved. Overall, this variable compensation may reach a maximum of 150% of annual fixed compensation if the objectives are exceeded.

The structure of annual variable compensation is unchanged in 2022 compared to 2021 and remains in line with the guidelines of the strategic plan Everyday introduced in February 2021. Economic and financial criteria remain predominant. Variable compensation is broken down as 60% on business and financial targets, 10% on a customer experience target, 10% on objectives relating to corporate, social and environmental responsibility, and 20% on qualitative goals.

The weight of the various economic and financial criteria is balanced in order to emphasize:

- free cash-flow, the recurring generation of which is a major objective of the strategic plan Everyday;
- revenue, with ambitious growth targets, in particular through accelerated growth in online sales;
- current operating income, which remains a fundamental indicator of the Company's economic performance.

An objective linked to customer experience, a historical hallmark of Fnac Darty, was included in 2021 and this is further strengthened by the ambition of the Group's brands to embody the new standards of omnichannel retail, placing advice, sustainability, and service at the heart of its customers' daily lives.

As social and environmental commitments lie at the heart of the strategic plan Everyday, objectives associated with Corporate Social Responsibility have been retained.

In addition, on the recommendation of the Appointments and Compensation Committee, the Board of Directors resolved to cap the potential compensation for qualitative goals at 100% of the potential at achieved target on these criteria, with no possibility of compensation for outperformance. The maximum unused potential is reallocated to the financial criteria.

The specific criteria and the structure of the current short-term variable compensation are described below.

The business and financial targets set by the Board of Directors for the variable portion are as follows:

- Group current operating income (COI) corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance;
- Group free cash flow (FCF) corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance;
- Group revenue corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance.

The targets for these three criteria are the same as in the Group's budget for 2022.

The customer experience target set by the Board of Directors for the variable portion is as follows:

- the Net Promoter Score corresponding to 10% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance.

The objectives related to the Company's corporate, social and environmental responsibility set by the Board of Directors for the variable portion are as follows:

- the Group's non-financial rating corresponding to 5% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance; and
- commitment of the Group's employees corresponding to 5% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance.

The expected achievement level of each of the business and financial targets, as well as for the objectives relating to customer experience and corporate, social and environmental responsibility set for the executive corporate officers, are pre-determined each year by the Board of Directors using a specific methodology, but are not published for confidentiality reasons.

Every business, financial, customer experience target, and corporate, social and environmental responsibility objective is subject to:

- a trigger threshold below which no compensation is payable for the target concerned; and
- an achievement level above which the compensation is capped for the objective concerned.

For each economic or financial target, customer experience, and every corporate social and environmental responsibility goal, when the result reported is between the trigger threshold and the target set, the variable compensation percentage for the target or goal concerned is determined on a straight-line basis between the two (to reach 100%). The same applies when the result observed is between the target and the cap (to achieve 166.7% for financial criteria and 150% for customer experience or corporate, social and environmental responsibility criteria).

With regard to qualitative criteria, the Board of Directors has set the following objectives for 2022:

- implement the plan Everyday:
  - develop the Services Policy,
  - realize Fnac's digital ambitions,
  - ensure Fnac's sustainability objectives are achieved,
  - fulfill the performance plan,
  - design and implement a new structure that strengthens risk control and cybersecurity, corresponding to 15% of the total bonus for an achievement rate of 100%;
- strengthen the quality of management and the social climate, corresponding to 5% of the total bonus for an achievement rate of 100%.

These objectives have been pre-determined by the Board of Directors using a specific methodology, and correspond for the most part with a quantified ambition.

The potential compensation for qualitative goals is capped at 100% of the target potential achieved on these criteria, with no possibility of compensation for outperformance.

These variable compensation criteria are aligned with the Group's strategic objectives, and contribute in particular to the Group's business, financial, and economic performance objectives.

The weight of revenue reflects the Company's business ambitions set out in its strategic plan Everyday, spearheaded by the acceleration of the Group's omnichannel model, the growing digitalization of consumption, and the unique regard in which customers hold its brands thanks to the advice and services provided. Through its various brands and retail channels, Fnac Darty is able to offer an unrivaled range of value-added, committed and engaging products and services, with a strong ambition to conquer new markets, such as the large domestic appliance market, and urban mobility.

The profitability objectives with current operating income and cash-flow generation seek to bolster the Company's financial strength, allow it to continue its development and ensure its continuity.

The strength of the current operating income will be reinforced in particular with the profitability at the end of the plan of all integrated stores, and the development of new promising formats such as kitchens or small local formats.

The generation of cash-flow will be enhanced by the transformation of the service offering, with the development of a new subscription-based business model, with recurring cash-flows, which consolidates a long-term quality relationship with the Company's customers and works to extend the life span of its products.

The Net Promoter Score, a measure of customer experience, shows Fnac Darty's ambition to reinvent the way it serves its customers, in particular through its digital ecosystem, allowing it to showcase the advice and recommendations that are the strength of the Group's brands, to make the customer experience more fluid, and to strengthen daily a trust-based relationship with its customers, on the basis of a new subscription-based home assistance service.

Since 2019, the measurement of social and environmental responsibility criteria has provided for alignment with the mission of the Group, i.e. "committing to providing an educated choice and sustainable consumption" to its customers, which provides a way to stand out and to create value. Consideration of the Group's non-financial rating reflects Fnac Darty's ambition to be recognized as a responsible retailer. These ratings are established by independent agencies that measure performance in a comprehensive manner, covering environmental issues as well as social and governance aspects. Furthermore, the monitoring of employee commitment, the Company's main asset, particularly within a context of major transformation, demonstrates the importance of human capital for the Group, whose employees strive to guide consumers in order to enable them to make the best choice, an educated choice, thereby marking significant competitive differentiation.

Finally, the qualitative goals, reviewed each year, encourage high-quality operational performance and the rapid and effective roll-out of key projects for the Company's transformation, which create value. For 2022, these goals have been adapted to reflect the aims for the year in terms of executing the strategic plan Everyday. The weighting of these strategic objectives, most of which are quantitative, has been increased compared with 2021. Management quality and social climate objectives have also been adjusted compared with 2021, and their weighting has been decreased in order to take account of the views expressed during the Company's dialogue with shareholders.

At its meeting called to approve the annual financial statements, the Board of Directors measures each of the economic and financial, customer experience, and social and environmental responsibility criteria, based on the performance for the entirety of the year in question. The qualitative criteria are assessed at the same meeting on the basis of the Appointments and Compensation Committee's evaluation.

		% of fixed compensation		
		Minimum	Target	Maximum
Economic and financial targets (60% of total variable compensation)	Group current operating income (COI)	0.0%	20.0%	33.3%
	Group free cash flow (FCF)	0.0%	20.0%	33.3%
	Group revenue	0.0%	20.0%	33.3%
Customer experience target (10% of total variable compensation)	Net Promoter Score (NPS)	0.0%	10.0%	15.0%
Corporate Social Responsibility objectives (10% of total variable compensation)	Group non-financial rating	0.0%	5.0%	7.5%
	Employee engagement	0.0%	5.0%	7.5%
Qualitative goals (20% of total variable compensation)	Execution of the plan Everyday: developing the Services Policy, realizing digital ambitions, achieving sustainability objectives, fulfilling the performance plan, designing and implementing a new structure that strengthens risk control and cybersecurity	0.0%	15.0%	15.0%
	Quality of management and the social climate	0.0%	5.0%	5.0%
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		**0.0%**	**100.0%**	**150.0%**

Long-term compensation, stock options and performance shares

The executive corporate officers are eligible for the long-term incentive plans that the Board of Directors awards to the other members of the Executive Committee. The plans granted to the executive corporate officers may take the form of stock option plans, bonus shares subject to performance conditions, or plans paid in cash, also subject to performance conditions. The purpose of these plans is to align the interests of the executive corporate officers more closely with the interests of shareholders.

In accordance with the recommendations of the AFEP-MEDEF Code, the grant value of such plans within the IFRS 2 framework is proportionate to the annual fixed and variable components. The Board of Directors also ensures that it is consistent with market practices.

Thus, the value of the long-term compensation at the time of its initial allocation may represent a maximum of 50% of the total compensation (this total is equal to the sum of the annual fixed compensation, the maximum variable compensation and the long-term compensation).

These plans do not include a vesting period less than three years.

Vesting in these plans is subject to:

- satisfying a condition of employment at maturity, except in exceptional circumstances set out in the plan rules, for example in the event of death, disability or a change in control of the Company, it being specified that, in the event of termination of their term of office, plans awarded to Directors and executive corporate officers during the vesting period are lost, unless the Board of Directors expressly decides to maintain them by applying a pro rata reduction in the number of securities that may still vest at maturity;
- satisfying several performance conditions set by the Board of Directors, of which:
  - at least one will be associated with the Company's Corporate Social Responsibility objective,
  - at least one will be associated with one of the Company's economic criteria (an indicator linked to the balance sheet and/or the income statement),
  - at least one will be associated with the Company's share price, except in the case of stock option allocations for which the implementation of a condition associated with the Company's share price will be possible, but not necessary, insofar as this condition exists intrinsically, as stock options require an absolute increase in the share price in order to be exercised.

The performance criteria, which are identical to those used for Executive Committee member plans, are stringent. They only permit vesting once a trigger threshold is reached and are measured over a period covering the years referenced by the plans. When performance against a criterion is measured in relative terms by comparison with an index or a peer group, the performance threshold below which no compensation for the criterion is payable is either the median or the average of the index of the comparison group.

The performance conditions will be assessed at the end of each plan in accordance with the procedures set out in the plan regulations in order to allow the Board, or the executive corporate officer by virtue of the sub-delegation by the Board of Directors, to record the fulfilment of the acquisition criteria for the long-term compensation (performance conditions and presence conditions).

Pursuant to Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, the Board decided that:

- the executive corporate officers must hold, in registered form, until the end of their term of office, a minimum number of shares corresponding to 25% of their fully vested shares (net of fees and taxes and the disposals necessary to exercise options) on each of the bonus share and option plans allotted to them by the Board on or after the date of their appointment; it is specified that the plans from which they may have benefited earlier as employees are not included in this requirement; and
- this percentage would be lowered to 5% once the number of shares held by the executive corporate officers from bonus share allotments and options exercised in all plans represents an amount equal to twice their gross annual fixed compensation, which is the minimum number of shares that the executive corporate officers must hold in registered form until the end of their term of office, as recommended in paragraph 23 of the AFEP-MEDEF Code.

In accordance with the recommendations of the AFEP-MEDEF Code, the executive corporate officers who receive share options and/or performance shares formally commit not to hedge their risk on the options, the shares resulting from the exercise of options, or the performance shares, until the end of the share lock-up period set by the Board of Directors.

By aligning the long-term interests of the executives and shareholders, establishing performance conditions based on market performance, whether or not this is intrinsic to the vehicle allotted, but also on economic, financial or social and environmental responsibility criteria based on the Group's strategic priorities, the variable long-term compensation contributes to the objectives of the compensation policy. Furthermore, by stipulating, in accordance with Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, rules for retaining the shares fully vested under each of the bonus share and option plans in registered form, this method of compensation supports the continuity of the Company.

Exceptional compensation

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors does not intend to award exceptional compensation to the executive corporate officers except in very special circumstances. The payment of such compensation must be able to be justified by an event such as the achievement of a major transaction for the Company or specific substantial outperformance that is not measured as part of the annual variable compensation. The value of exceptional compensation awarded may represent up to 100% of the annual fixed compensation and the maximum annual variable compensation.

Directors' fees

If they are Directors of the Company, executive corporate officers may receive compensation in respect of their directorships, which is determined, distributed and allocated to the executive officers according to the rules applicable to all members of the Board.

The rules for the allotment of Directors' fees are currently as follows:

- 62% of the €515,000 representing the total annual amount of compensation is allocated to members of the Board of Directors, i.e. €320,000;
- this amount is comprised 30% of a fixed component and 70% of a variable component, which reflects Directors' attendance at Board meetings;
- the balance, of €195,000, is allocated to the members of the specialized committees and distributed as follows: €90,000 to the Audit Committee, €69,000 to the Appointments and Compensation Committee and €36,000 to the Corporate, Environmental and Social Responsibility Committee. These portions are allocated based on attendance at committee meetings;
- the Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting;
- no specific compensation is allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and (with the exception of the Executive Corporate Officer) serve as Chairman of the Board or chairs of the specialized committees.

For information purposes, it is specified that, in accordance with the decision of the Board of Directors of February 20, 2019, Enrique Martinez does not receive any compensation for his office as Director.

Other benefits

In the absence of an employment contract with the Company, executive corporate officers benefit from an unemployment insurance plan specifically for non-salaried corporate officers, to compensate, to some extent, for the lack of unemployment insurance similar to that provided for employees.

Executive corporate officers have company cars consistent with the Company's current vehicle policy and market practices.

In accordance with the provisions of Article L. 22-10-34 II of the French Commercial Code, the payment of any components of variable and, where applicable, exceptional compensation awarded to executive corporate officers for the previous year is subject to the approval by an Ordinary General Meeting of the components of that person's compensation under the conditions set out in the said article.

Commitments

Severance package

Executive corporate officers may receive a severance package upon termination of their appointment, which will be subject to compliance with criteria of a financial and, where applicable, non-financial nature that contribute to the objectives of the compensation policy. If such a commitment were to be implemented by the Board of Directors, it would comply with the recommendations of the AFEP-MEDEF Code concerning the cap of two years' compensation (annual fixed and variable) on the package.

Enrique Martinez does not benefit from such a commitment, whether as Chief Executive Officer or under the terms of his employment contract, which was suspended when he took office in July 2017.

In the event of termination of the employment contract, three months' notice shall be provided. If the termination is at the initiative of the Chief Executive Officer, no severance pay is due. If the termination is at the initiative of the Company, legal or conventional compensation shall be provided.

Non-compete agreement

Executive corporate officers may be subject to a non-compete agreement limited to a period of two years from the end of their term of office, in return for which they may receive, in installments over the duration of the agreement, a gross allowance of up to 80% of their fixed monthly compensation, with the Board of Directors having the option to waive implementation of this clause.

The non-compete agreement falls within the recommendations of the AFEP-MEDEF Code, which provides a cap of two years' compensation (annual fixed and variable), together with any severance pay.

In addition, the payment of compensation under the non-compete agreement is precluded as soon as the executive exercises his or her pension rights. In any event, no such compensation may be paid when the recipient is older than 65 years of age.

In this context, Enrique Martinez is subject to a non-compete agreement in the specialty retail market for entertainment and electronic products and domestic appliances for the consumer market in the countries where the Group operates. This non-compete agreement is limited to two years starting at the end of his term of office. In consideration for this agreement, Enrique Martinez will receive, in installments for its duration, a gross allowance representing 70% of his fixed monthly compensation, for a period of two years from the effective end of his term of office. The Board of Directors is entitled to waive implementation of this clause.

This commitment was approved by the General Meeting of May 18, 2018 in its Fifth Resolution and was the subject of an amendment approved by the General Meeting of May 23, 2019 to bring it into line with the recommendations of the AFEP-MEDEF Code.

Supplementary pension plan

The executive corporate officers may benefit from a supplementary defined-contribution pension plan.

Accordingly, Enrique Martinez is a member of the supplementary defined-contribution pension plan recognized under Article 83 of the French General Tax Code, which benefits all executives of Fnac Darty companies in France included in this policy, all on the same terms.

This agreement was approved by the Shareholders' Meeting held on May 18, 2018 as part of resolution five.

Provident insurance plan

Executive corporate officers may benefit from participation in a provident insurance plan.

Accordingly, Enrique Martinez is a member of the provident insurance plan (medical expenses, incapacity and disability, death benefits) covering all employees of Fnac Darty companies in France included in this policy, all on the same terms.

This agreement was approved by the Shareholders' Meeting held on May 18, 2018 as part of resolution five.

Lastly, it is specified that in the event of the appointment of Chief Operating Officers, this compensation policy for the Chief Executive Officer and/or any other executive corporate officer would apply to them. In this regard, they would be entitled to an employment contract as provided by the law.

3.3.1.4 / Compensation policy of members of the Board of Directors

Compensation allocated to members of the Board of Directors

The General Meeting determines the total amount of compensation to be paid to the members of the Board of Directors.

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors has established the compensation policy of the members of the Board of Directors, which, in accordance with the regulations, is subject to the vote of the next General Meeting. This policy involves the distribution of Directors' fees according to the actual attendance of members at meetings of the Board and the specialized committees held during the year concerned.

The criteria for distributing the annual fixed amount allocated by the General Meeting to the members of the Board have been set by the Board on the proposal of the Appointments and Compensation Committee and are as follows:

- 62% of the €515,000 representing the total annual amount of compensation is allocated to members of the Board of Directors, i.e. €320,000;
- this amount is comprised 30% of a fixed component and 70% of a variable component, which reflects Directors' attendance at Board meetings;
- the balance, of €195,000, is allocated to the members of the specialized committees and distributed as follows: €90,000 to the Audit Committee, €69,000 to the Appointments and Compensation Committee and €36,000 to the Corporate, Environmental and Social Responsibility Committee. These portions are allocated based on attendance at committee meetings;
- the Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting;
- no specific compensation is allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and (with the exception of the Executive Corporate Officer) serve as Chairman of the Board or chairs of the specialized committees.

The portion of the compensation calculated but not paid to Directors who elect not to receive their compensation is not reallocated to the other Directors.

In accordance with Article 7 of its internal regulations, the Board of Directors may allocate exceptional compensation to some of its members for missions or mandates entrusted to them and which will therefore be subject to the regulated agreements regime.

Furthermore, it is specified that certain Directors may receive compensation under an employment contract as provided by the law, in particular the Directors representing the employees with an open-ended employment contract.

3.3.2 / INFORMATION REFERRED TO IN PARAGRAPH I OF ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE FOR EACH CORPORATE OFFICER OF THE COMPANY

It is specified that the total compensation of the Chairman and the Chief Executive Officer complies with the compensation policy approved by the General Meeting of May 27, 2021 under the Eleventh and Twelfth Resolutions.

The information referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code and indicated below for each corporate officer shall be submitted to the vote of the next General Meeting in the context of a general resolution. In addition, the compensation items paid during 2021 or allocated for 2021 to the Chairman of the Board of Directors and the Chief Executive Officer referred to below shall each be the subject of a specific resolution submitted to the vote of the General Meeting in accordance with Article L. 22-10-34 II of the French Commercial Code.

3.3.2.1 / Compensation and benefits paid to the Chairman of the Board of Directors

The Company is a French limited company with a Board of Directors. The duties of the Chairman of the Board of Directors and the Chief Executive Officer are separated and have been exercised by Jacques Veyrat and Enrique Martinez, respectively, since July 17, 2017.

Jacques Veyrat does not have an employment contract.

At its meeting of February 23, 2021, on the recommendation of the Appointments and Compensation Committee, the Board of Directors considered and decided on the elements of the compensation package for its Chairman, Jacques Veyrat.

The stated amounts allocated correspond to all compensation awarded to Jacques Veyrat for each of the years mentioned, irrespective of the date of payment. The amounts paid correspond to all compensation received by Jacques Veyrat during each of the years mentioned.

These components were determined in accordance with the compensation policy approved by the General Meeting of May 27, 2021 in its eleventh resolution.

Fixed compensation

The Chairman's 2021 gross annual fixed compensation was set at €200,000 and has not changed since 2017. The gross amount paid and allocated for 2021 was €200,000.

For reference, the amount allocated for 2020 was €200,000 gross and the amount paid for that year was €193,033 gross in accordance with the decision of the Board of Directors of April 18, 2020, which was announced at the General Meeting of May 28, 2020, to reduce the fixed annual compensation paid in 2020 to the Chairman by 25%, for the period during which the Group's employees were consistently furloughed as a result of the Covid-19 health crisis.

Directors' fees

At its meeting of July 17, 2017, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, resolved that, as Jacques Veyrat would now receive fixed annual compensation as Chairman, he would no longer be entitled to compensation for his directorship after his appointment. Jacques Veyrat did not receive any compensation for his directorship for 2021.

Summary table of compensation, options and performance shares awarded to the Chairman of the Board of Directors

Table 1 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Jacques VEYRAT **Chairman of the Board of Directors**	**2020**	**2021**
Gross compensation allocated for the period	€200,000	€200,000
Valuation of multi-year variable compensation allocated during the period	n.a.	n.a.
Valuation of options awarded during the period [(a)]	n.a.	n.a.
Valuation of performance shares awarded during the period [(b)]	n.a.	n.a.
Valuation of other long-term compensation plans	n.a.	n.a.
TOTAL	**€200,000**	**€200,000**

(a) No options were awarded in 2020 or 2021.
(b) No performance shares were awarded in 2020 or 2021.

Table summarizing the compensation of the Chairman of the Board of Directors

Table 2 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Jacques VEYRAT **Chairman of the Board of Directors**	**2020**		**2021**	
	Amounts allocated	**Amounts paid**	**Amounts allocated**	**Amounts paid**
Fixed compensation [(a)]	€200,000	€193,033	€200,000	€200,000
Annual variable compensation	n.a.	n.a.	n.a.	n.a.
Multi-year variable compensation	n.a.	n.a.	n.a.	n.a.
Exceptional compensation	n.a.	n.a.	n.a.	n.a.
Compensation awarded in respect of the office of Director	n.a.	n.a.	n.a.	n.a.
Benefits in kind	n.a.	n.a.	n.a.	n.a.
Supplementary pension plans	n.a.	n.a.	n.a.	n.a.
Provident insurance plans	n.a.	n.a.	n.a.	n.a.
TOTAL	**€200,000**	**€193,033**	**€200,000**	**€200,000**

(a) The amount paid during 2020 was reduced in accordance with the Board of Directors' decision of April 18, 2020.

Summary of the benefits paid to the Chairman of the Board of Directors

Table 11 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

	Employment contract		Supplementary pension plan		Compensation or benefits payable or likely to be payable as a result of termination or change of position		Compensation associated with a non-compete clause	
Jacques Veyrat Chairman of the Board of Directors	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Term of office start date: 07/18/2017 Term of office end date: General Meeting 2022		X		X		X		X

3.3.2.2 / Compensation and benefits paid to the Chief Executive Officer

Given Enrique Martinez's length of service in the Group as of 2017 (19 years) and his status as an inpatriate, the Board of Directors decided, at its July 17, 2017 meeting, on the recommendation of the Appointments and Compensation Committee, to suspend Enrique Martinez's employment contract for the duration of his term as Chief Executive Officer.

At its meeting of February 23, 2021, on the recommendation of the Appointments and Compensation Committee, the Board of Directors considered and decided on the elements of the annual fixed and variable compensation of its Chief Executive Officer, Enrique Martinez.

The stated amounts allocated correspond to all compensation awarded to the Chief Executive Officer for each of the years mentioned, irrespective of the date of payment. The amounts paid correspond to all compensation received by the Chief Executive Officer during each of the years mentioned.

These components were determined in accordance with the compensation policy approved by the General Meeting of May 27, 2021 in its twelfth resolution.

This section presents the compensation and benefits paid and allocated for the previous period to Enrique Martinez as Chief Executive Officer.

Fixed compensation

Chief Executive Officer's 2021 gross annual fixed compensation was set at €750,000 and has not changed since 2019.

The gross amount paid and allocated for 2021 was €750,000.

For reference, the amount allocated for 2020 was €750,000 gross and the amount paid for that year was €723,873 gross in accordance with the decision of the Board of Directors of April 18, 2020, which was announced at the General Meeting of May 28, 2020, to reduce the fixed annual compensation paid in 2020 to the Chief Executive Officer by 25%, for the period during which the Group's employees were consistently furloughed as a result of the Covid-19 health crisis.

Annual variable compensation

For 2021, the Chief Executive Officer's annual variable compensation may range from 0% if no objective is reached to 100% of the annual fixed compensation if the objectives are achieved. This variable compensation may reach a maximum of 150% of annual fixed compensation if the objectives are exceeded.

To take account of the priorities of the new strategic plan Everyday presented on February 23, 2021, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, resolved to make changes to its structure. Economic and financial criteria remain the predominant considerations when structuring annual variable compensation. It is broken down as 60% on business and financial targets, 10% on a customer experience target, 10% on objectives relating to corporate, social and environmental responsibility, and 20% on qualitative goals.

The weight of the various economic and financial criteria was rebalanced in order to:

- place greater emphasis on free cash-flow, the recurring generation of which is a major objective of the strategic plan Everyday;
- increase the share of revenue, with ambitious growth targets, in particular through accelerated growth in online sales;
- also make it possible to include an objective linked to customer experience, a historical hallmark of Fnac Darty, further strengthened by the ambition of the Group's brands to embody the new standards of omnichannel retail, placing advice, sustainability, and service at the heart of its customers' daily lives.

In addition, on the recommendation of the Appointments and Compensation Committee, the Board of Directors resolved to cap the potential compensation for qualitative goals at 100% of the potential at achieved target on these criteria, with no possibility of compensation for outperformance. The maximum unused potential is reallocated to the financial criteria.

The 2021 economic and financial targets set for the variable portion of the remuneration are as follows:

- Group current operating income (COI) corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance;
- Group free cash flow (FCF) corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance;
- Group revenue corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance.

The targets for these three criteria are the same as in the Group's budget for 2021.

The customer experience objective set for the variable compensation is as follows:

- the Net Promoter Score corresponding to 10% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance.

The objectives related to the Company's corporate, social and environmental responsibility for 2021 set for the variable portion of the remuneration are as follows:

- the Group's non-financial rating corresponding to 5% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance; and
- employee commitment corresponding to 5% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance.

The level of attainment of the above criteria has been precisely established for each one. Every business, financial, customer experience target, and corporate, social and environmental responsibility objective is subject to:

- a trigger threshold below which no compensation is payable for the target concerned; and
- an achievement level above which the compensation is capped for the objective concerned.

For each economic or financial target, customer experience, and every corporate social and environmental responsibility goal, when the result reported is between the trigger threshold and the target set, the variable percentage for the target or goal concerned is determined on a straight-line basis between the two (to reach 100%). The same applies when the result observed is between the target and the cap (to achieve 166.7% for financial criteria and 150% for customer experience or corporate, social and environmental responsibility criteria).

At its meeting called to approve the annual financial statements, the Board of Directors measures each of the economic, financial and social and environmental responsibility criteria, based on the performance for the whole of 2021. The qualitative criteria are assessed at the same meeting on the basis of the Appointments and Compensation Committee's evaluation.

The current operating income target in 2021 was significantly exceeded. The result, up sharply compared to 2020, falls between the target objective and the cap. As such, the objective was met at 117.7%, and the percentage of compensation under this criterion is 95.39% of the maximum compensation.

The free cash flow target in 2021 was significantly exceeded. The result is above the maximum objective. As such, the objective was met at 129.85%, and the percentage of compensation under this criterion is 100% of the maximum compensation.

The revenue target in 2021 was exceeded and was also up significantly compared to the previous year. The result falls between the target set and the maximum objective. As such, the objective was met at 103.67%, and the percentage of compensation under this criterion is 89.35% of the maximum compensation.

Also experiencing a sharp upturn compared with 2020, the Net Promoter Score objective was significantly exceeded. The result is above the maximum objective. As such, the objective was met at 104.58%, and the percentage of compensation under this criterion is 100% of the maximum compensation.

The social and environmental responsibility objective as measured by the Group's non-financial rating was again exceeded, with a further significant improvement in the social and environmental responsibility rating in 2021, in excess of the cap. As such, the objective was met at 108%, and the percentage of compensation under this criterion is 100% of the maximum compensation.

The employee engagement objective was exceeded, with a further increase seen in the indicator measured from the employees' own responses. These results are achieved thanks to an analysis of the monthly results of the Group's employee surveys and the concrete actions they enable. The result falls between the target set and the cap. As such, the objective was met at 100.56%, and the percentage of compensation under this criterion is 73.33% of the maximum compensation.

The qualitative goals were assessed by the Board of Directors' meeting on February 23, 2022. The 2021 qualitative goals set for the variable portion of the remuneration are as follows:

- for a weighting corresponding to 10% of the total bonus; quality of management, social climate, quality of financial communication, quality of shareholder reporting, relations with Directors;
- for a weighting corresponding to 10% of the total bonus; the launch and deployment of the new strategic plan Everyday and the achievement of the objectives set for the first year for the three goals that the Group has set itself for 2025.

The potential compensation for qualitative goals is capped at 100% of the target potential achieved on these criteria, with no possibility of compensation for outperformance.

On the recommendation of the Appointments and Compensation Committee, the Board of Directors acknowledged the excellent quality of the work carried out by Enrique Martinez with regard to all the various component factors required to fulfill the first qualitative criterion measuring management quality, social climate, quality of financial communication, quality of shareholder reporting, and relations with Directors, but also noted that there was room for improvement over the past year as far as this objective is concerned.

With regard to this first criterion, on the recommendation of the Appointments and Compensation Committee, the Board of Directors noted the positive social climate developed in 2021, which resulted in the unprecedented signing of a Quality of Life at Work – Gender Equality agreement that encompasses all employees. In addition, it noted the positive development of the e-NPS (monthly measure of employee satisfaction), which was up over 2021.

With regard to the second qualitative criterion, on the recommendation of the Appointments and Compensation Committee, the Board of Directors reviewed the initial results following the launch of the strategic plan Everyday, based on the Group's three ambitions for 2025:

1) embodying new standards for successful digital and human omnichannel retail in the future;
2) helping consumers adopt sustainable practices;
3) rolling out the reference subscription-based home assistance service.

Among the initial action points implemented under the first ambition are the following:

- rolling out a nationwide video service for the Fnac and Darty brands, which enables customers to receive the same quality advice as from in-store salespeople, even remotely, with more than 150,000 customers already helped via video/chat exchanges;
- consolidating digital sales to a level well above that recorded before the Covid-19 health crisis;
- developing the store network in order to optimize it and, as an extension of this, the partnership agreement with Manor in Switzerland.

Among the initial action points implemented under the second ambition are the following:

- enhancing the information provided on product sustainability and improving sustainability index scores or expanding refurbished product offerings;
- accelerating product repair, with 2.1 million products repaired in 2021;
- gaining the recognition of non-financial rating agencies.

Among the initial action points implemented under the third ambition are the following:

- accelerating the increase in the number of subscribers to service offerings, whether through Darty Max or the Serenity Pack;
- expanding technician training, with 18 training groups in 2021

With regard to these component factors, on the recommendation of the Appointments and Compensation Committee, the Board of Directors evaluated the qualitative criteria at an achievement rate of 90% (40% for the first criterion and 50% for the second).

The total achievement rate of the 2021 variable portion was 93.94% of the maximum, and the gross amount allocated for 2021 is €1,056,782.

Pursuant to Article L. 22-10-34 II of the French Commercial Code, the payment of this annual variable compensation is subject to the elements of the compensation and benefits of any kind paid in 2021 or awarded for 2021 to Enrique Martinez being approved by the General Meeting on May 18, 2022.

As a reminder, the total achievement rate of the variable compensation awarded for 2020 was 66.09% of the maximum, and the gross amount allocated for the service of the Chief Executive Officer in 2020 was €743,530.

The amount of €743,530 was paid in June 2021, after the approval of the General Meeting of May 27, 2021, in accordance with the provisions of Article L. 22-10-34 II of the French Commercial Code.

		Assessment
Economic and financial targets (60% of total variable compensation)	Group current operating income (COI) (20% of total variable compensation)	The current operating income target in 2021 was significantly exceeded. The result, up sharply compared to 2020, falls between the target objective and the cap. As such, the objective was met at 117.7%, and the percentage of compensation under this criterion is 95.39% of the maximum compensation.
	Group free cash flow (FCF) (20% of total variable compensation)	The free cash flow target in 2021 was significantly exceeded. The result is above the maximum objective. As such, the objective was met at 129.85%, and the percentage of compensation under this criterion is 100% of the maximum compensation.
	Group revenue (20% of total variable compensation)	The revenue target in 2021 was exceeded and was also up significantly compared to the previous year. The result falls between the target set and the maximum objective. As such, the objective was met at 103.67%, and the percentage of compensation under this criterion is 89.35% of the maximum compensation.
Customer experience target (10% of total variable compensation)	Net Promoter Score (NPS) (10% of total variable compensation)	Also experiencing a sharp upturn compared with 2020, the Net Promoter Score objective was significantly exceeded. The result is above the maximum objective. As such, the objective was met at 104.58%, and the percentage of compensation under this criterion is 100% of the maximum compensation.
Corporate Social Responsibility objectives (10% of total variable compensation)	Group non-financial rating (5% of total variable compensation)	The social and environmental responsibility objective as measured by the Group's non-financial rating was again exceeded, with a further significant improvement in the social and environmental responsibility rating in 2021, in excess of the cap. As such, the objective was met at 108%, and the percentage of compensation under this criterion is 100% of the maximum compensation.
	Employee engagement (5% of total variable compensation)	The employee engagement objective was exceeded, with a further increase seen in the indicator measured from the employees' own responses. These results are achieved thanks to an analysis of the monthly results of the Group's employee surveys and the concrete actions they enable. The result falls between the target set and the cap. As such, the objective was met at 100.56%, and the percentage of compensation under this criterion is 73.33% of the maximum compensation.
Qualitative goals (20% of total variable compensation)	Quality of management, social climate, quality of financial communication, quality of shareholder reporting, relations with Directors (10% of total variable compensation)	On the recommendation of the Appointments and Compensation Committee, the Board of Directors acknowledged the excellent quality of the work carried out by Enrique Martinez with regard to all the various component factors required to fulfill the first qualitative criterion, but also noted that there was room for improvement over the past year as far as this objective is concerned. With regard to this first criterion, the Committee noted the positive social climate developed in 2021, which resulted in the unprecedented signing of a Quality of Life at Work – Gender Equality agreement that encompasses all employees. In addition, it noted the positive development of the e-NPS (monthly measure of employee satisfaction), which was up over 2021.
	The launch and deployment of the new strategic plan Everyday and the achievement of the objectives set for the first year. Performance on this second criterion should be assessed in relation to the results for the Group's three ambitions for 2025: 1. embody new standards for successful digital and human omnichannel retail in the future; 2. help consumers adopt sustainable practices; 3. roll out the reference subscription-based home assistance service. (10% of total variable compensation)	With regard to the second qualitative criterion, the Committee reviewed the initial results following the launch of the strategic plan Everyday, based on the Group's three ambitions for 2025: 1. embody new standards for successful digital and human omnichannel retail in the future; 2. help consumers adopt sustainable practices; 3. roll out the reference subscription-based home assistance service. Among the initial action points implemented under the first ambition are the following: ■ rolling out a nationwide video service for the Fnac and Darty brands, which enables customers to receive the same quality advice as from in-store salespeople, even remotely, with more than 150,000 customers already helped via video/chat exchanges; ■ consolidating digital sales to a level well above that recorded before the Covid-19 health crisis; ■ developing the store network in order to optimize it and, as an extension of this, the partnership agreement with Manor in Switzerland. Among the initial action points implemented under the second ambition are the following: ■ enhancing the information provided on product sustainability and improving sustainability index scores or expanding refurbished product offerings; ■ accelerating product repair, with 2.1 million products repaired in 2021; ■ gaining the recognition of non-financial rating agencies. Among the initial action points implemented under the third ambition are the following: ■ accelerating the increase in the number of subscribers to service offerings, whether through Darty Max or the Serenity Pack; ■ expanding technician training, with 18 training groups in 2021.
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		

Weighting of criteria as a % of fixed compensation			Achieved		
Minimum	Target	Maximum	Achieved	Compensation as a % of the Maximum for the criterion	Amount (€)
0.0%	20.0%	33.3%	€270.7 million	95.39%	238,456
0.0%	20.0%	33.3%	€170.1 million	100.0%	249,975
0.0%	20.0%	33.3%	€8,042.6 million	89.35%	223,351
0.0%	10.0%	15.0%	58.0	100.0%	112,500
0.0%	5.0%	7.5%	54.0	100.0%	56,250
0.0%	5.0%	7.5%	72.4%	73.33%	41,250
0.0%	10.0%	10.0%		80.0%	60,000
0.0%	10.0%	10.0%		100.0%	75,000
0.0%	**100.0%**	**150.0%**		**93.94%**	**€1,056,782**

Long-term compensation, stock options and performance shares

The Chief Executive Officer is eligible for the long-term incentive plans granted by the Board of Directors, which may take the form of stock option plans, bonus shares subject to performance conditions, or plans paid in cash, also subject to performance conditions.

In accordance with the recommendations of the AFEP-MEDEF Code, the grant value of these plans as adopted under IFRS 2 is proportionate to the annual fixed and variable portion of the compensation, and is capped at up to 50% of total compensation (this being the sum of fixed annual compensation, the maximum variable compensation, and the long-term compensation) in accordance with the compensation policy approved by the General Meeting of May 27, 2021 in its twelfth resolution. It is determined by the Board of Directors in light of market practices in accordance with the compensation policy approved by the General Meeting.

Performance shares awarded during the period to the Chief Executive Officer

At its meeting on May 27, 2021, on the recommendation of the Appointments and Compensation Committee, and in accordance with the authorization granted to it by the extraordinary twentieth resolution of the General Meeting of May 28, 2020, the Board of Directors decided to implement a long-term compensation system in the form of free performance shares.

These shares will be vested upon expiration of a three-year vesting period (May 27, 2021 to May 26, 2024), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of the shares will be conditional upon:

- for 30%, a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120, measured in 2024 for the 2021-2023 period, for the entire period;
- for 50%, satisfying a performance condition related to the achievement of a level of free cash flow measured in 2024 following publication of the Group's annual results for 2023, taking into account the cash flow generated by the Group during 2021, 2022 and 2023, for the entire period; and
- for 20%, on the Company's corporate, social and environmental responsibility performance, measured in 2024, taking into account the Group's non-financial ratings for 2021, 2022 and 2023, for the entire period.

On May 27, 2024, when the vesting period ends, 39,911 shares may be vested under this plan. The valuation of the gross amounts at the grant date and according to IFRS 2 rules, before apportionment of expenses over the vesting period of the equivalent in bonus shares granted in 2021, was €1,600,032. This valuation, for market items, was calculated using the Black & Scholes method based on the following parameters: a reference share price equal to €57.75 per share (price on the first day of vesting, May 27, 2021), volatility of 35% and the Euribor Swap risk-free interest rate. For non-market items, the valuation was calculated based on the best estimate of the achievement of future performance conditions.

Each performance condition is measured at the end of the plan, taking into account the performance over the entire period. Each performance criterion has a trigger threshold below which no shares linked to this criterion may be vested. As regards the comparative TSR criterion, the Company's target objective is to be placed within the top 35 companies. Furthermore, if performance falls below the median performance of the SBF 120 during the period measured, no shares will vest.

Performance shares definitively awarded during the period to the Chief Executive Officer

For reference, in 2018, Enrique Martinez was awarded 6,655 bonus shares due to vest fully on May 17, 2020 and 3,328 bonus shares due to vest fully on May 17, 2021 pursuant to Plan No. 2 2018 mentioned in Table 9 AFEP-MEDEF.

The full vesting of each tranche of these bonus shares is conditional on:

- for 30%, a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120; and
- for 70%, achievement of a performance condition linked to a level of current operating income.

The TSR is measured annually, in 2019 for 2018 and in 2020 for the 2018-2019 period for the first vesting period, and in 2021 for the 2018-2020 period for the second vesting period. The current operating income to be achieved is assessed in 2019 after the publication of the Group's 2018 annual results and in 2020 after the publication of the Group's 2019 annual results for the first vesting period, and in 2021 after the publication of the Group's 2020 annual results for the second vesting period.

The full vesting of each tranche of these bonus shares is also subject to a two-year service condition (May 18, 2018 to May 17, 2020) for the first period and a three-year service condition (May 18, 2018 to May 17, 2021) for the second period.

Each performance condition is measured annually. For each year, each performance criterion has a trigger threshold below which no shares linked to this criterion may be vested. Shares lost in one year are not available the following year. All of these criteria were pre-established before the start of the plan.

The second tranche of the bonus shares awarded in 2018 expired on May 17, 2021.

- The total shareholder return (TSR) was measured in 2021 for the period 2018-2020. With a ranking of 95th place, the objective for this period was not achieved. The Company's target objective was to be placed within the top 35 companies. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.
- The level of current operating income was measured in 2021 following the publication of the Group's annual results for 2020. It should be noted that the current operating income for 2018 and 2019 has previously been evaluated under the first tranche of this plan. With current operating income of €215.3 million, the objective measured in 2021 was not achieved. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.

The total vesting rate for this second tranche is 0%. Consequently, no shares were vested for Enrique Martinez.

Performance shares vested during the period

Table 7 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

No. and date of plan	Number of shares vested during the period	Percentage of shares initially granted and vested taking into account the performance conditions
Plan No. 2 2018	0	0%

Share subscription options

For reference, in 2018, Enrique Martinez was awarded 20,883 options due to vest fully on May 18, 2020 and 20,883 options due to vest fully on May 18, 2021.

The full vesting of each tranche of these options is conditional on:

- for 30%, a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120; and
- for 70%, achievement of a performance condition linked to a level of current operating income.

The TSR is measured annually, in 2019 for 2018 and in 2020 for the 2018-2019 period for the first vesting period, and in 2021 for the 2018-2020 period for the second vesting period. The current operating income to be achieved is assessed in 2019 after the publication of the Group's 2018 annual results and in 2020 after the publication of the Group's 2019 annual results for the first vesting period, and in 2021 after the publication of the Group's 2020 annual results for the second vesting period.

The full vesting of each tranche of these options is also subject to a two-year service condition (May 18, 2018 to May 17, 2020) for the first period and a three-year service condition (May 18, 2018 to May 17, 2021) for the second period.

Each performance condition is measured annually. For each year, each performance criterion has a trigger threshold below which no options linked to this criterion may be vested. Options lost in one year are not available the following year.

Furthermore, stock options, by their nature, require an absolute increase in the share price in order to be exercised and, for this specific plan, a price higher than the exercise price set at €89.43.

The second tranche of the performance options awarded in 2018 expired on May 18, 2021.

- The total shareholder return (TSR) was measured in 2021 for the period 2018-2020. With a ranking of 95th place, the objective for this period was not achieved. The Company's target objective was to be placed within the top 35 companies. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.
- The level of current operating income was measured in 2021 following the publication of the Group's annual results for 2020. It should be noted that the current operating income for 2018 and 2019 has previously been evaluated under the first tranche of this plan. With current operating income of €215.3 million, the objective measured in 2021 was not achieved. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.

The total vesting rate for this second tranche is 0%. As a result, no performance options were vested and therefore could not be exercised by Enrique Martinez.

In addition, the 9,838 options vested under the first tranche could be exercised between May 18, 2020 and May 17, 2021 at an exercise price of €89.43. Given the price of Fnac Darty shares during this period, Enrique Martinez was unable to exercise any options.

All options have now expired.

In addition, pursuant to Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, the Board decided at its meeting of April 28, 2017 that:

- the executive corporate officers must hold, in registered form, until the end of their term of office, a minimum number of shares corresponding to 25% of their fully vested shares (net of fees and taxes and the disposals necessary to exercise options) on each of the bonus share and option plans allotted to them by the Board on or after the date of their appointment; it is specified that the plans from which they may have benefited earlier as employees are not included in this requirement; and
- this percentage would be lowered to 5% once the number of shares held by the executive corporate officers from bonus share allotments and options exercised in all plans represents an amount equal to twice their gross annual fixed compensation, which is the minimum number of shares that the executive corporate officers must hold in registered form until the end of their term of office, as recommended in paragraph 23 of the AFEP-MEDEF Code.

Lastly, in accordance with the recommendations of the AFEP-MEDEF Code, Enrique Martinez has formally committed not to hedge his risk on the options or shares resulting from the exercise of options, or on the performance shares, until the end of the share lock-up period set by the Board of Directors.

It should also be noted that, to the Company's knowledge, no hedging instruments have been put in place by Enrique Martinez for the options or shares resulting from the exercise of options, or the performance shares, and that this shall be the case until the end of the share lock-up period set by the Board of Directors.

History of the share subscription or share purchase options awarded to the Chief Executive Officer

Table 8 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Information on subscription and purchase options

	Plan No. 1 2018 [(a)]
Date of meeting	06/17/2016
Date of Board of Directors' meeting	05/18/2018
Total number of shares that may be subscribed or purchased, of which the number of shares that may be subscribed or purchased by:	97,438
Enrique Martinez	41,766
Start date for exercising options	
1st tranche	*05/18/2020*
2nd tranche	*05/18/2021*
Expiry date	
1st tranche	*05/17/2021*
2nd tranche	*05/17/2022*
Subscription or purchase price	€89.43 (average of the last 20 closing prices of the Fnac Darty share prior to May 18, 2018)
Conditions of exercise	Between 05/18/2020 and 05/17/2021 for the first tranche and between 05/18/2021 and 05/17/2022 for the second tranche
Number of shares subscribed as of 12/31/2021	0
Cumulative number of share subscription or purchase options canceled or expired	97,438
Share subscription or purchase options outstanding at the end of the period	0

(a) In view of the performance conditions, 47.1% of the options initially awarded under the first tranche of the 2018 plan were fully vested, but were unable to be exercised during the period as a result of the Fnac Darty share price. No options were vested in respect of the second tranche.

History of the performance shares awarded to the Chief Executive Officer

Table 9 in accordance with the recommendations of the AFEP-MEDEF Code and Table 10 in accordance with AMF position-recommendation No. 2021-02

Information on performance shares

	Plan No. 1 2017 [(a)]	Plan No. 2 2018 [(b)]	Plan No. 3 2019 [(c)]	Plan No. 4 2019	Plan No. 5 2020	Plan No. 6 2021
Date of meeting	06/17/2016	06/17/2016	06/17/2016	06/17/2016	05/23/2019	05/28/2020
Date of Board of Directors' meeting	12/15/2017	05/18/2018	05/23/2019	05/23/2019	05/28/2020	05/27/2021
Total number of shares awarded to all beneficiaries, of which the number awarded to:	92,500	109,817	214,449	31,752	616,496	244,660
Enrique Martinez	15,391	9,983	0	31,752	76,997	39,911
Vesting date of shares	3 February 2020	05/17/2020 for the first tranche (66.67%) 05/17/2021 for the second tranche (33.33%)	05/22/2021 for the first tranche (33.33%) 05/22/2022 for the second tranche (66.67%)	05/22/2022	05/27/2023	05/26/2024
End date of the holding period	3 February 2020	05/17/2020 for the first tranche (66.67%) 05/17/2021 for the second tranche (33.33%)	05/22/2021 for the first tranche (33.33%) 05/22/2022 for the second tranche (66.67%)	05/22/2022	05/27/2023	05/26/2024
Performance conditions	For 20% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 40% of the shares, the performance condition is based on the achievement of synergy goals For 40% of the shares, the performance condition is based on specific income goals (current operating income)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 70% of the shares, the performance condition is based on achieving specific income goals (Current operating income)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a Free Cash Flow (CFL) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a Free Cash Flow (CFL) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a Free Cash Flow (CFL) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a Free Cash Flow (CFL) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)
Number of shares purchased as of 12/31/2021	50,580	32,432	46,624	0	0	0
Cumulative number of shares canceled or expired	41,920	77,385	45,916	0	58,890	4,767
Performance shares remaining at the year end	0	0	121,909	31,752	557,606	239,893

(a) In view of the performance conditions, 62.2% of the shares initially awarded under the 2017 plan were fully vested.

(b) In view of the performance conditions, 47.1% of the shares initially awarded under the first tranche of the 2018 plan were fully vested and no shares were vested under the second tranche.

(c) In view of the performance conditions, 70% of the shares initially awarded under the first tranche of the 2019 plan were fully vested.

In-kind benefits and other benefits

Enrique Martinez is provided with a company car in accordance with the Company's current vehicle policy and market practices, which in 2021 represented an in-kind benefit of €4,612 (accounting valuation). This benefit amounted to €4,607 in 2020.

Enrique Martinez also benefits from an unemployment insurance plan for non-employee corporate officers, for which contributions were paid in the amount of €13,347 for 2021. These contributions are subject to social security and employer taxes and are therefore treated as benefits in kind. In 2020, the contributions paid for unemployment insurance amounted to €13,347.

Supplementary pension plan

The Board of Directors authorized Enrique Martinez's participation in the supplementary defined-contribution pension plan (Article 83 of the French General Tax Code) which benefits all executives of Fnac Darty's French companies included in this policy.

Premiums amounted to €11,325 in both 2021 and in 2020.

Provident insurance plan

On July 17, 2017, the Board of Directors authorized Enrique Martinez's participation in the provident insurance plan that benefits all employees of Fnac Darty's French companies included in this policy.

Contributions paid by the Company in 2021 and 2020 amounted to €9,687 and €9,688, respectively.

Directors' fees

At its meeting of February 20, 2019, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, decided that Enrique Martinez would not receive any compensation in respect of his term of office as a Director, approved by the General Meeting of May 23, 2019. Enrique Martinez did not receive any compensation for his Directorship for 2021.

Total compensation

The amounts paid in 2021 and 2020 in total compensation and its components, as detailed above, totaled €1,532,500 and €1,423,300 respectively, broken down as follows, respectively: fixed compensation of €750,000 and €723,873; annual variable compensation of €743,530 (for 2020) and €660,461 (for 2019, following reduction of this amount after a decision by the Board of Directors on April 18, 2020); in-kind benefits and other benefits of €17,958 and €17,953; supplementary pension plan contributions of €11,325 for each year; and, finally, Company provident insurance plan contributions of €9,687 and €9,688. In addition, the amount allocated for 2021 and to be paid in 2022 as annual variable compensation, subject to the approval of the General Meeting, was €1,056,782.

Pursuant to Article L. 22-10-34 II of the French Commercial Code, the payment of the annual variable compensation allocated in respect of 2021 is subject to the approval of the elements of the compensation and benefits of any kind paid in 2021 or awarded for 2021 to Enrique Martinez by the General Meeting of May 18, 2022.

Summary table of compensation, options and performance shares awarded to the Chief Executive Officer

Table 1 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Enrique MARTINEZ Chief Executive Officer	2020	2021
Gross compensation allocated for the period	€1,532,496	€1,845,752
SUB-TOTAL GROSS MONETARY COMPENSATION ALLOTTED FOR THE YEAR	**€1,532,496**	**€1,845,752**
Valuation of multi-year variable compensation allocated during the period	n.a.	n.a.
Valuation of options awarded during the period [(a)]	n.a.	n.a.
Valuation of performance shares awarded during the year	€1,599,536	€1,600,032
Valuation of other long-term compensation plans	n.a.	n.a.
TOTAL GROSS MONETARY COMPENSATION AND ALLOTMENT OF SECURITIES SUBJECT TO PERFORMANCE AND ATTENDANCE CONDITIONS	**€3,132,032**	**€3,445,784**

(a) No options were awarded in 2020 or 2021.

Summary table of the compensation of the Chief Executive Officer

Table 2 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

	2020		2021	
Enrique MARTINEZ Chief Executive Officer	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed compensation [(a)]	€750,000	€723,873	€750,000	€750,000
Annual variable compensation [(b)]	€743,530	€660,461	€1,056,782	€743,530
Multi-year variable compensation	n.a.	n.a.	n.a.	n.a.
Exceptional compensation	n.a.	n.a.	n.a.	n.a.
Compensation awarded in respect of the office of Director	n.a.	n.a.	n.a.	n.a.
In-kind benefits [(c)]	€17,953	€17,953	€17,958	€17,958
Supplementary pension plans	€11,325	€11,325	€11,325	€11,325
Provident insurance plans	€9,688	€9,688	€9,687	€9,687
TOTAL	**€1,532,496**	**€1,423,300**	**€1,845,752**	**€1,532,500**

(a) The amount paid during 2020 was reduced in accordance with the Board of Directors' decision of April 18, 2020.
(b) The amount paid in 2020 for 2019 was reduced in accordance with the Board of Directors' decision of April 18, 2020.
(c) Enrique Martinez benefits from a company car and an unemployment insurance plan.

Non-compete agreement

The Board of Directors has approved a non-compete agreement with Enrique Martinez in the specialty retail market for entertainment and electronic products and domestic appliances for the consumer market in the countries where the Group operates. This non-compete agreement is limited to two years starting at the end of his term of office. In consideration for this agreement, Enrique Martinez will receive, in installments for its duration, a gross allowance representing 70% of his fixed monthly compensation, for a period of two years from the effective end of his term of office. The Board of Directors is entitled to waive implementation of this clause. The payment of compensation under the non-compete agreement is precluded as soon as the executive exercises his or her pension rights. In any event, no such compensation may be paid when the recipient is older than 65 years of age.

This commitment was implemented by the Board of Directors on July 17, 2017 and was approved by the General Meeting of May 18, 2018. On February 20, 2019, it was revised by the Board of Directors in order to align it with the new recommendations of the AFEP-MEDEF Code of June 2018. This amendment was approved by the General Meeting of May 23, 2019.

No amount was due for either 2021 or 2020.

Summary of the Chief Executive Officer's benefits

Table 11 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Enrique MARTINEZ Chief Executive Officer	Employment contract [(a)]		Supplementary pension plan		Compensation or benefits payable or likely to be payable as a result of termination or change of position		Compensation associated with a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Term of office start date: 07/18/2017 Open-ended term of office of Chief Executive Officer		X	X			X	X	

(a) The employment contract of Enrique Martinez was suspended after he took up his new position as Chief Executive Officer, as indicated in the preamble to section 3.3.2.2 of this document.

3.3.2.3 / Compensation of corporate officers

Compensation paid to members of the Board of Directors

Compensation to be paid in 2021 for 2020

The General Meeting determines the total amount of compensation to be paid to the members of the Board of Directors.

Based on recommendations from the Appointments and Compensation Committee, the Board of Directors determines how the compensation allocated to Directors is to be distributed according to the actual attendance of members at meetings of the Board and the specialized committees held during the period in question, in accordance with the compensation policy approved by the General Meeting.

The General Meeting of May 18, 2018 set this amount at €450,000 for 2018, to be maintained until decided otherwise.

In order to take into account the appointment of two Directors representing the employees during 2019 and 2020 in accordance with the applicable legal provisions, on the recommendation of the Appointments and Compensation Committee, the Board considered it appropriate to propose an increase to €500,000 in the overall annual compensation allocated to Directors. The General Meeting of May 28, 2020 set this amount at €500,000 for 2020, to be maintained until decided otherwise.

In order to take into account the appointment of a Director representing employees to the Appointments and Compensation Committee in 2021, in accordance with the recommendations of the AFEP-MEDEF Code, the Board considered it appropriate, on the recommendation of the Appointments and Compensation Committee, to propose increasing the overall annual compensation allocated to Directors to €515,000. The General Meeting of May 27, 2021 set this amount at €515,000 for 2021, to be maintained until decided otherwise.

Based on recommendations from the Appointments and Compensation Committee, on February 23, 2021 the Board of Directors decided, in accordance with the compensation policy approved by the General Meeting, on the distribution of the compensation allocated to members of the Board and specialized committees who attended meetings held in 2020.

64% of this amount of €500,000 was distributed to members of the Board of Directors, divided into a fixed portion equivalent to 30% and a variable portion equivalent to 70%; the variable portion is distributed according to the Board members' attendance at meetings.

The balance, i.e., 36% of this amount, or €180,000, was divided in the following way: €90,000 to the Audit Committee, €54,000 to the Appointments and Compensation Committee and €36,000 to the Corporate, Environmental and Social Responsibility Committee. This amount is allocated based on members' attendance at committee meetings.

The Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting.

Of the €500,000 total annual allocation for Directors' fees for 2020, a total amount of €407,560 was paid in 2021, broken down as follows:

Name	Amounts paid in 2020 for 2019 *(in euros)*	Amounts paid in 2021 for 2020 *(in euros)*	Amounts allocated in 2021 (to be paid in 2022) *(in euros)*
Jacques Veyrat	0	0	0
Enrique Martinez	0	0	0
Patricia Barbizet [(a)]	25,766	0	0
Carole Ferrand	60,441	58,756	60,877
Antoine Gosset-Grainville	45,013	43,865	45,305
Nonce Paolini	37,299	36,419	37,639
Brigitte Taittinger-Jouyet	33,870	48,001	47,432
Stéphane Roussel [(a)] (permanent representative of Vivendi)	10,337	0	0
Simon Gillham [(a)] (permanent representative of Compagnie Financière du 42 avenue de Friedland)	8,177	0	0
Delphine Mousseau	29,870	29,250	30,305
Caroline Grégoire Sainte Marie	25,550	29,250	45,527
Daniela Weber-Rey	47,584	46,347	30,591
Sandra Lagumina	43,264	43,365	48,020
Jean-Marc Janaillac	13,373	29,250	30,305
Javier Santiso	9,373	21,528	22,305
Franck Maurin	3,124	21,528	27,417
Julien Ducreux		0	22,305
TOTAL	**393,041**	**407,560**	**448,029**

(a) Members who have left the Board of Directors.

In accordance with the decision of the Board of Directors of April 18, 2020, communicated in particular at the Annual General Shareholders' Meeting of May 28, 2020, the compensation paid to Directors in 2020 was reduced by 25% for the period during which the Group's employees were significantly subject to furlough measures due to the Covid-19 health crisis.

Directors do not receive any other compensation, with the exception of:

- Jacques Veyrat, Chairman of the Board of Directors, who no longer receives any compensation for his directorship since his appointment as Chairman, as indicated in section 3.3.2.1 of the Universal Registration Document;
- Enrique Martinez, Chief Executive Officer, who does not receive any compensation for his directorship, as indicated in section 3.3.2.2 of the Universal Registration Document;
- Franck Maurin, Director representing employees, who receives compensation under the terms of his employment contract.

  In 2021, the amounts paid to Franck Maurin amounted to €101,259, including fixed compensation of €80,109, annual variable compensation of €13,953, supplementary pension plan contributions, Article 83 of the French General Tax Code (to which all executives of Fnac Darty's French companies included in this policy are entitled under the same conditions and regulations as those above) of €2,462, Company provident insurance plan contributions of €2,836, exceptional compensation of €1,194, and finally, €705 in profit-sharing and incentive bonuses.

  To be noted, the amount allocated in 2021 and paid in 2022 as part of the annual variable compensation is not yet determined on the date of publication of this document;

- Julien Ducreux, Director representing employees, who receives compensation under the terms of his employment contract.

  In 2021, the amounts paid to Julien Ducreux amounted to €110,813, including fixed compensation of €91,194, annual variable compensation of €9,396, supplementary pension plan contributions, Article 83 of the French General Tax Code (to which all executives of Fnac Darty's French companies included in this policy are entitled under the same conditions and regulations as those above) of €2,801, Company provident insurance plan contributions of €3,098, exceptional compensation of €3,610, and finally, €714 in profit-sharing and incentive bonuses.

  To be noted, the amount allocated in 2021 and paid in 2022 as part of the annual variable compensation is not yet determined on the date of publication of this document.

  Lastly, on May 27, 2021, the Board of Directors, acting on the recommendation of the Appointments and Compensation Committee, decided to award Julien Ducreux 712 performance-based bonus shares under the plan described in section 7.2.4 of this Universal Registration Document, pursuant to the same conditions as for the other 175 beneficiaries of this plan.

  In correspondence dated October 14, 2020, before he officially took a seat on the Fnac Darty Board of Directors, Julien Ducreux informed the Chairman of the Board that he wished for all compensation amounts due to be allotted to him as a Director for his entire term of office to instead be paid to the union that nominated him as a Director representing employees. Julien Ducreux therefore received no compensation for his directorship for 2021.

Compensation to be paid in 2022 for 2021

Of the total amount of €515,000 in Directors' fees allocated in 2022 for 2021, on February 23, 2021 the Board of Directors allocated 62.14%, that is €320,000, to the Board members and 37.86%, that is €195,000, to the members of the specialized committees.

Of the €320,000 allocated to the Board of Directors, 30% was fixed and 70% was variable. The variable portion was allocated based on members' attendance at Board of Directors' meetings.

The remaining €195,000 allocated to the specialized committees was distributed as follows: €90,000 to the Audit Committee, €69,000 to the Appointments and Compensation Committee and €36,000 to the Corporate, Environmental and Social Responsibility Committee. These portions are allotted strictly on the basis of members' attendance at committee meetings.

No specific compensation has been allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and, with the exception of the Executive Corporate Officer, serve as Chairman of the Board or chairs of the specialized committees.

The portion of the compensation calculated but not paid to the Chairman of the Board and the Chief Executive Officer has not been reallocated to the other Directors.

The Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting.

The Board of Directors meeting of February 23, 2022 allocated a total of €448,029 to members of the Board of Directors and its committees to be paid in 2022 for 2021.

3.3.2.4 / Comparison of the level of compensation of corporate officers and that of employees of the Company, and of the Company's performance

In accordance with Article L. 22-10-9 of the French Commercial Code, and in compliance with the AFEP guidelines updated in February 2021, the table below presents the level of compensation owed or allocated in respect of one year to each of the executive corporate officers, set against the average and median compensation owed or allocated in respect of the same year to the employees of the Company other than the corporate officers on a full-time equivalent basis and changes in this ratio over the last five years.

It also presents the annual change:

- in the compensation of corporate officers;
- in the average compensation on a full-time equivalent basis of the Company's employees, other than corporate officers;
- in equity ratios;
- and in the Company's performance.

The scope presented in the second section of the table is that of the listed company, Fnac Darty SA.

The scope presented in the third section of the table is that of the registered office functions, including the listed company. The scope covers a wide variety of functions carried out within the Group, in particular with the teams responsible for trading, purchasing, marketing & digital, support functions and corporate functions.

The scope presented in the fourth section of the table is that of Fnac and Darty companies in France, including the head office companies and the listed company. In addition to those functions included in the scope outlined in the previous paragraph, it covers duties performed in stores, logistics platforms, remote customer relations services, delivery services, after-sales services, and so on. Ratios across this broader Group scope could not be calculated over the last five years, due to the merger between Fnac and Darty during this period. This scope meets the recommendations of the AFEP-MEDEF Code and accounts for more than 90% of the employees of Fnac Darty's French companies.

Table of ratios under section I, paragraphs 6 and 7 of Article L. 22-10-9 of the French Commercial Code

	2017	2018 or change 2018/2017	2019 or change 2019/2018	Change 2019/2017	2020 or change 2020/2019	Change 2020/2017	2021 or change 2021/2020	Change 2021/2017
Change *(in %)* in the compensation of Alexandre Bompard, Chairman and Chief Executive Officer until July 17, 2017								
Change *(in %)* in the compensation of Enrique Martinez, Chief Executive Officer since July 18, 2017		13%	32%	49%	2%	52%	10%	68%
Change *(in %)* in the compensation of Jacques Veyrat, Chairman of the Board of Directors since July 18, 2017		0%	0%	0%	0%	0%	0%	0%
Information on the scope of the listed company: Fnac Darty SA								
Change *(in %)* in average employee compensation		-10%	1%	-10%	-11%	-19%	21%	-3%
Ratio of the Chairman and CEO to average employee compensation	5.64							
Ratio of the Chief Executive Officer to average employee compensation	2.94	3.69	4.86		5.53		5.05	
Ratio of the Chairman to average employee compensation	0.29	0.32	0.32		0.36		0.29	
Change in the Chairman and Chief Executive Officer's ratio *(in %)*								
Change in the Chief Executive Officer's ratio *(in %)*		26%	32%	65%	14%	88%	-9%	72%
Change in the Chairman's ratio *(in %)*		11%	-1%	11%	12%	24%	-17%	3%
Ratio of the Chairman and Chief Executive Officer to median employee compensation	6.09							
Ratio of the Chief Executive Officer to median employee compensation	3.17	3.42	4.27		5.77		4.78	
Ratio of the Chairman to median employee compensation	0.31	0.30	0.28		0.37		0.28	
Change in the Chairman and Chief Executive Officer's ratio *(in %)*								
Change in the Chief Executive Officer's ratio *(in %)*		8%	25%	35%	35%	82%	-17%	51%
Change in the Chairman's ratio *(in %)*		-5%	-6%	-10%	33%	20%	-25%	-10%
Additional information on registered office functions								
Change *(in %)* in average employee compensation		4%	0%	4%	-1%	3%	5%	7%
Ratio of the Chairman and CEO to average employee compensation	63.48							
Ratio of the Chief Executive Officer to average employee compensation	33.06	35.72	47.38		49.00		51.58	

	2017	2018 or change 2018/2017	2019 or change 2019/2018	Change 2019/2017	2020 or change 2020/2019	Change 2020/2017	2021 or change 2021/2020	Change 2021/2017
Ratio of the Chairman to average employee compensation	3.23	3.10	3.10		3.15		3.01	
Change in the Chairman and Chief Executive Officer's ratio *(in %)*								
Change in the Chief Executive Officer's ratio *(in %)*		8%	33%	43%	3%	48%	5%	56%
Change in the Chairman's ratio *(in %)*		-4%	0%	-4%	1%	-3%	-4%	-7%
Ratio of the Chairman and Chief Executive Officer to median employee compensation	79.21							
Ratio of the Chief Executive Officer to median employee compensation	41.25	43.47	57.88		59.10		61.88	
Ratio of the Chairman to median employee compensation	4.04	3.77	3.79		3.80		3.61	
Change in the Chairman and Chief Executive Officer's ratio *(in %)*								
Change in the Chief Executive Officer's ratio *(in %)*		5%	33%	40%	2%	43%	5%	50%
Change in the Chairman's ratio *(in %)*		-7%	1%	-6%	0%	-6%	-5%	-10%
Additional information on Fnac and Darty in France, including registered office functions								
Change *(in %)* in average employee compensation					1%		5%	
Ratio of the Chairman and CEO to average employee compensation								
Ratio of the Chief Executive Officer to average employee compensation			83.04		83.87		87.89	
Ratio of the Chairman to average employee compensation			5.44		5.39		5.13	
Change in the Chairman and Chief Executive Officer's ratio *(in %)*								
Change in the Chief Executive Officer's ratio *(in %)*					1%		5%	
Change in the Chairman's ratio *(in %)*					-1%		-5%	
Ratio of the Chairman and Chief Executive Officer to median employee compensation								
Ratio of the Chief Executive Officer to median employee compensation			101.45		102.35		107.42	
Ratio of the Chairman to median employee compensation			6.65		6.58		6.27	
Change in the Chairman and Chief Executive Officer's ratio *(in %)*								
Change in the Chief Executive Officer's ratio *(in %)*					1%		5%	
Change in the Chairman's ratio *(in %)*					-1%		-5%	

	2017	2018 or change 2018/ 2017	2019 or change 2019/ 2018	Change 2019/ 2017	2020 or change 2020/ 2019	Change 2020/ 2017	2021 or change 2021/ 2020	Change 2021/ 2017
Company performance								
Free cash-flow from operations, excluding IFRS 16	199.2	152.7	172.9		192.4		170.1	
Current operating income/revenue	3.6%	4.0%	4.0%		2.9%		3.4%	
TSR vs SBF 120 ranking (base 2016)	40	41	72		95		82	
Total Net Income	37.5	149.9	103.9		-6		159.8	
Vigeo non-financial rating		35	44		48		54	
Change *(in %)* in free cash-flow from operations		-23%	13%	-13%	11%	-3%	-12%	-15%
Change *(in %)* in current operating income/revenue		11%	0%	11%	-28%	-19%	16%	-7%
Change in TSR vs SBF 120 ranking (base 2016)		-1	-31	-32	-23	-55	13	-42
Change *(in %)* in total net income		300%	-31%	177%	-106%	-116%	-2,763%	326%
Change in Vigeo non-financial rating			9		4		6	

The duties of Chairman and Chief Executive Officer were separated in July 2017 following Alexandre Bompard's departure from the Company. Compensation in 2017 was calculated on a full-time equivalent basis.

For each year, the employees taken into account were those who were present throughout the year.

In accordance with the AFEP's guidelines on multiple compensation, the items owed or allocated for an accounting period take into account, for both the corporate officers and the employees:

- the fixed portion;
- the annual variable portion owed in respect of the year and therefore paid the following year. Since it is not definitive at the date of publication of this document, the variable compensation payable in 2022 for 2021 has been estimated for employees, while for the Chief Executive Officer it is the amount established by the Board of Directors at its meeting on February 23, 2022, payment of which is subject to approval by the General Meeting of May 18, 2022;
- the compensation related to the office of Director, where it has been paid to the executive, in respect of the year and the office;
- the long-term compensation (stock options, performance shares, other long-term compensation instruments and multi-year variable compensation), allocated in respect of the year, valued at IFRS value. These accounting valuations performed on the allotment date are not the amounts that might be received by the beneficiaries upon vesting of the shares, subject to performance and continued employment conditions;
- benefits in kind.

To facilitate year-on-year comparisons, it is made clear that compensation paid in 2020 both to corporate officers and employees has been adjusted for the effects of the health crisis. As such, the compensation taken into account for corporate officers is the compensation before salary reduction in light of the health crisis as set out in the introduction to Chapter 3.3.2. The compensation taken into account for employees is adjusted for the impact of any periods of furlough measures.

Through the performance criteria presented above, Fnac Darty demonstrates its ability to deliver solid results over time thanks to the strength of its model and the successful execution of the strategic plans Confiance+ and now Everyday.

The cash generation essential to ensure the development and sustainability of the Group is regular and significant, with an average volume of €177.5 million over the period as a whole, in line with the cash generation ambitions of the plan Everyday. The growth in free cash-flow from operations is steady and, with the exception of 2018, lies in a range between €170 million and €199 million. The level of profitability was in line with the Group's ambitions, despite challenging market conditions, until 2019, which was heavily impacted by social unrest. After several years of growth, the ratio of current operating income to revenue reached 4% at the time, stable compared to 2018. In 2020, Fnac Darty was able to demonstrate the strength of its omnichannel model, as well as its marked ability to control its operating costs, greatly restricting the impact of the health crisis on its profitability. In this unprecedented climate, the ratio of current operating income to revenue, contained at 2.9%, was logically down on the previous year, but remained higher than the 2015 rate of 2.2% and very close to the 3% observed in 2016. 2021 was characterized by a return to growth in current operating profitability, up to 3.4%, combined with significant revenue growth, which exceeded €8 billion. The trend in this rate over the period as a whole demonstrates the Group's ability to seize opportunities for profitable growth, and, following the successful integration of Darty, to develop its business model, gearing its focus more toward services and sustainable and responsible offerings, and combining a human touch with digital technology even more than before in order to deliver a best-in-class customer experience. Fnac Darty has also demonstrated its high level of resilience over recent financial years.

The Company's TSR is measured by comparing Fnac Darty's stock market performance each year with the market performance of the SBF 120 companies from 2016, the reference year preceding the five-year period presented. With an increase in the average annual closing price of 36.1% between 2016 and 2018, Fnac Darty remained in the upper third of the SBF 120 securities over this period. After two unusual years marked first by social unrest in 2019, strongly affecting consumption, and then the health crisis in 2020, the Fnac Darty share price held up well and returned to an average of €54.74 over 2021, close to that of early 2016 (€54.94).

The net income of the Consolidated Group has fluctuated significantly from one year to the next, due in particular to the impact of changes in scope (acquisition of Darty in 2016 and Nature & Découvertes in 2019, disposal of the Brazilian subsidiary in 2017, sale of BCC in 2020), as well as the corresponding integration and restructuring costs. The net income was also impacted over the period by the costs associated with the restructuring of the Group's debt. In addition to their impact on net income, these various events are also a marker of the Group's agility.

Beyond its long-term financial performance, Fnac Darty's non-financial performance is continuously recognized by the major rating agencies. In addition to the increase in the score assigned to the Group by Vigéo Eiris, from 35 in 2018 to 54 in 2021, which places it firmly within the top 10 companies in the specialized retail market in Europe as defined by Vigéo Eiris, the CDP and MSCI have also awarded the Group top ratings.

The compensation policy structured with a short-term compensation portion and a long-term compensation portion supports this performance. The economic and financial indicators, and the criteria related to corporate, social and environmental responsibility that are used to measure short-term performance during these years (revenue, change in market share, free cash-flow generation, current operating income, non-financial ratings, and employee recommendation rates) have allowed the Group to steadily achieve these ambitious objectives, encouraged the preservation of operating income during the health crisis, and more recently, enabled the Group to quickly deploy the strategic plan Everyday, where it has already been able to measure initial successes in terms of the three goals it has set itself for 2025 (embody new standards for successful digital and human omnichannel retail in the future; help consumers adopt sustainable practices; roll out the reference subscription-based home assistance service). Long-term compensation, initially subject to the achievement of market performance conditions following Fnac's flotation in 2013, and subsequently also conditional upon the achievement of non-market performance conditions, in line with the Company's long-term profitability and cash-flow objectives, promotes the search for sustainable performance. The introduction of a criterion linked to the Group's social and environmental responsibility in 2019 reflects the desire to put Fnac Darty's mission at the heart of its strategy and the actions of its employees.

In this context, changes in the compensation of executives and in particular the executive corporate officers are marked by the change in governance in 2017. Following Alexandre Bompard's departure from the Company, the Board of Directors wished to separate the duties of Chairman and Chief Executive Officer by appointing, respectively, Jacques Veyrat and Enrique Martinez. In effect, the Appointments and Compensation Committee believed that such a separation of duties would enable senior management, in the period following the Darty Group acquisition, to focus on the Group's operational priorities and, in particular, to pursue the integration of Fnac and Darty. In order to safeguard the interests of the Company and its shareholders and to stimulate performance, the Board had wished to award compensation below the market rate to Enrique Martinez when he took office. Following a few months of Enrique Martinez's successful assumption of his office, which resulted in the strong performance achieved, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, decided to reassess both his fixed compensation and maximum potential variable compensation. In doing so, the Board kept his compensation at a level lower than that of senior executives of comparable companies, in order to give itself the time and hindsight necessary to fully evaluate Enrique Martinez's performance as Chief Executive Officer.

In 2019, the Board recognized and reaffirmed Enrique Martinez's success in his position as Chief Executive Officer, which has been demonstrated by: the consolidation and successful integration of Darty and the achievement of the expected level of synergies one year ahead of schedule; the excellent operational execution of the strategic plan in its first year; and the achievement of a level of current operating income that is growing in terms of value and rate compared with the previous year, all in a highly competitive market and a challenging economic environment. After contracting the execution of a compensation study to a specialist consultancy firm, which created a panel of SBF 120 and specialized retail companies whose size, complexity and governance characteristics are comparable to those of Fnac Darty, and noting a significant discrepancy both in the Chief Executive Officer's fixed compensation and in the maximum potential variable compensation that could be awarded to reward the outperformance of his objectives, the Board of Directors decided to set the compensation of Enrique Martinez at its current level. This new compensation is set for his term of office as Director.

Although the Group doubled in size over the period and delivered solid results, the compensation of the Executive Corporate Officer in 2020 was in line with that of 2016 and 2017.

Furthermore, excluding the noria effect, the average growth in the compensation of employees working at a registered office present over the entire period between 2017 and 2021 was 15.1%. Still excluding the noria effect, the average growth in the compensation of Fnac Darty company employees present over the entire period between 2019 and 2021 (including those working at a registered office), representative of more than 90% of the employees in France, was 7.5%.

3.4 / Profit-sharing, collective incentive plans and long-term incentive plans

3.4.1 / PROFIT-SHARING AGREEMENTS AND INCENTIVE PLANS

3.4.1.1 / Profit-sharing agreements in France

For companies with at least 50 employees and taxable income of more than 5% of its shareholders' equity, implementation of a profit-sharing agreement in accordance with Articles L. 3322-2 and L. 3324-1 of the French Labor Code is mandatory.

Fnac Darty companies have profit-sharing agreements in place.

3.4.1.2 / Collective incentive plans in France

Collective incentives are optional plans whose purpose is to enable the Company to involve employees more closely (by means of a calculation formula) in the running of the Company and, more particularly, in its results and performance by paying bonuses that are available immediately, in accordance with Article L. 3312-1 of the French Labor Code. Incentive plan agreements have been concluded for a number of the Group's French entities. Each agreement includes its own formula for calculating the incentive bonus.

3.4.1.3 / Group savings plans

Companies that have implemented a profit-sharing agreement must implement a Company savings plan in accordance with Article L. 3332-3 of the French Labor Code.

An amendment to the regulations governing the Fnac Darty Group savings plans concluded on March 15, 2018 instituted a Group employee savings plan for all Fnac Darty entities in France, with the exception of Nature & Découvertes which has its own company savings plan. All Group employees in France, with the exception of those employed by Nature & Découvertes, may now immediately allocate all the sums paid to them under the profit-sharing and incentive plan to the same corporate mutual funds (fonds communs de placement d'entreprise or "FCPE") and benefit from the services of the same administrative manager. One of the options offered to employees through this Group savings plan is to invest in units of the dedicated "Fnac Darty Employees" FCPE, which is invested in listed securities of the Company.

3.4.2 / LONG-TERM INCENTIVES

The main executives of the Group benefit from annual long-term variable compensation, the first plans of which were implemented in 2013. The different vesting periods of the plans run until May 26, 2024.

During 2021, on the recommendation of the Appointments and Compensation Committee, on May 27, 2021 the Board of Directors decided to award bonus shares to certain Group employees (176 beneficiaries) in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This first plan awarded in 2021 applies to French residents only.

The duration of this plan is three years (May 27, 2021 – May 26, 2024). These shares will be vested upon expiration of a vesting period (May 27, 2021 to May 26, 2024), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of these shares will be subject to a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120, as measured in 2024 for the 2021-2023 period in respect of the entire period, and to performance conditions associated with achieving a target level of free cash flow assessed in 2024 upon publication of the Group's annual results for 2023, taking into account the cash flow generated by the Group during the years 2021, 2022 and 2023 for the entire period as well as to performance conditions associated with the Company's corporate, social and environmental responsibility assessed in 2024 by taking into account the Group's non-financial ratings for 2021, 2022 and 2023 for the entire period.

During 2021, on the recommendation of the Appointments and Compensation Committee, on May 27, 2021 the Board of Directors decided to award bonus shares to certain Group employees other than the Executive Corporate Officer (51 beneficiaries) in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This second plan awarded in 2021 applies primarily to non-French residents.

The duration of this plan is three years (May 27, 2021 – May 26, 2024). These shares will be vested upon expiration of a vesting period (May 27, 2021 to May 26, 2024), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of these shares will be subject to a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120, as measured in 2024 for the 2021-2023 period in respect of the entire period, and to performance conditions associated with achieving a target level of free cash flow assessed in 2024 upon publication of the Group's annual results for 2023, taking into account the cash flow generated by the Group during the years 2021, 2022 and 2023 for the entire period as well as to performance conditions associated with the Company's corporate, social and environmental responsibility assessed in 2024 by taking into account the Group's non-financial ratings for 2021, 2022 and 2023 for the entire period.

Each performance condition is measured at the end of each period, taking into account the performance over the period. For each period, each performance criterion has a trigger threshold below which no shares linked to this criterion may be vested. Shares lost in one period are not available the following period.

These two 2021 bonus share plans (detailed in section 7.2.4 of this Universal Registration Document), as with the 2019 and 2020 bonus share plans, provide for the early vesting of shares in the following cases: a change of control of the Company; a public tender offer for the Company's shares; a public exchange offer for the Company's shares; a merger or demerger; or a public withdrawal offer.

During 2021, on the recommendation of the Appointments and Compensation Committee, on May 27, 2021 the Board of Directors decided to award bonus shares to certain Group employees other than the Executive Corporate Officer (49 beneficiaries). Settlement will be in equity instruments. This third, specific plan awarded in 2021 applies to French residents only.

The duration of this plan is three years (May 27, 2021 – May 26, 2024).

This plan is not subject to performance conditions and aims to recognize the commitment of managers who have not yet been awarded Fnac Darty bonus shares in the past (or on an exceptional basis). The vesting of the shares is subject to the beneficiary's continued employment within the Group on the maturity date of this plan.

3.5 / Factors that could have an impact during a public offering period

Pursuant to Article L. 22-10-11 of the French Commercial Code, we are presenting the following factors that could have an impact on a public offering:

- the ownership structure as well as the direct and indirect holdings known to the Company and all relevant information are described in sections 7.1.2.6 and 7.3.1;
- there are no restrictions in the bylaws on the exercise of voting rights, with the exception of the deprivation of voting rights that may be requested by one or more shareholders holding at least 3% of the Company's share capital or voting rights, if the 3% threshold or any multiple of 1% above 3% is not declared (Article 9 of the bylaws) – see section 7.1.2.6;
- there is no restriction in the bylaws on the transfer of shares;
- to the Company's knowledge, there are no shareholders' agreements or other commitments signed by shareholders;
- there is no security carrying special control rights;
- the voting rights attached to the Fnac Darty shares held by employees through the FCPE Actions fund are exercised by a representative appointed by the FCPE Supervisory Board to represent it at the General Meeting;
- the rules for appointing and dismissing members of the Board of Directors are the legal rules and bylaws provided for in Articles 12, 17 and 18 of the bylaws described in section 7.1.2.3;
- with respect to the powers of the Board of Directors, the current delegations are described in this report in section 7.2.3.1 (share buyback program) and in the table of capital increase delegations set forth in section 7.2.1; the authorization for share buybacks and delegations to conduct capital increases are suspended during a public tender offer, with the exception of a delegation to employees participating in a Company savings plan (PEE);
- the bylaws of our Company are amended in accordance with the laws and regulations;
- the agreements signed by the Company, which are amended or ended if control of the Company changes, are as follows: the Loan Agreement and the High Yield bond described in section 4.2.2.2 include a clause under which the creditors of Fnac Darty could request full or partial early repayment of the loans in the event of a change of control;
- there are no specific agreements providing for compensation in the event of termination of the duties of members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated as a result of a public tender or exchange offer.

3.6 / Other information

The procedures for shareholders to participate in General Meetings are provided in section 7.1.2.4.

The table of financial delegations for capital increases is given in section 7.2.1.

3.7 / Special Auditors' Report on Related-Party Agreements

General Meeting called to approve the financial statements for the year ended December 31, 2021

To the General Meeting of Fnac Darty SA,

As the Statutory Auditors of your Company, we are presenting our report on regulated agreements.

On the basis of the information provided to us, it is our responsibility to inform you of the characteristics, principal terms and conditions and reasons justifying the interest for the Company of the agreements of which we have been informed or which we may have discovered during our assignment. We are not required to express an opinion as to their utility or suitability, nor to investigate whether other agreements exist. Under Article R. 225-31 of the French Commercial Code, it is your responsibility to assess the appropriateness of entering into these agreements for the purpose of approving them.

In addition, it is our responsibility, as applicable, to communicate to you the information stipulated in Article R. 225-31 of the French Commercial Code regarding the previous year's performance of the agreements already approved by the General Meeting.

We have applied the procedures we considered necessary pursuant to the professional standards of the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this assignment.

AGREEMENTS SUBJECT TO APPROVAL BY THE GENERAL MEETING

Agreements authorized and concluded during the last year

We hereby notify you that we have not been given notice of any agreement authorized and concluded during the last year to be submitted for approval of the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements approved in previous periods which continued to be executed during the last year

We hereby inform you that we have not been advised of any agreement already approved by the General Meeting which continued to be executed during the last year.

Paris La Défense, March 16, 2022

Statutory Auditors

KPMG Audit
A department of KPMG SA

Éric Ropert
Partner

Deloitte & Associés

Guillaume Crunelle
Partner

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Comments on the period

4.1 / Analysis of business activities and consolidated results

Definitions and alternative performance indicators

Definition of revenue

The Group's "real" revenue (or income from ordinary activities) corresponds to its reported revenue.

The Group uses the following notions of change in revenue:

1. Change in revenue at a constant exchange rate:

   Change in revenue at a constant exchange rate means that the impact of changes in exchange rates has been excluded. The exchange rate impact is eliminated by recalculating sales for period N-1 using the exchange rates used for period N.

2. Change in revenue at a comparable scope of consolidation:

   Change in revenue at a comparable scope of consolidation means that the impact of changes in the scope of consolidation is corrected so as to exclude the modifications (acquisition, sale of subsidiary). Revenues of subsidiaries acquired or sold since January 1 of period N-1 are, therefore, excluded when calculating said change.

3. Change in revenue on a same-store basis:

   The change in revenue on a same-store basis means that the impact of directly owned store openings and closures is excluded. Revenues of stores opened or closed since January 1 of period N-1 are excluded from calculations of the change.

Definition of current operating income

The total operating income of Fnac Darty includes all the income and costs directly related to Group operations, whether the income and expense are recurrent or whether they result from one-off operations or decisions.

"Other non-current operating income and expense" reflects the unusual and material items for the consolidated entity that could disrupt tracking of the Group's economic performance.

As a result, and in order to monitor the Group's operating performances, Fnac Darty uses current operating income as the main management balance. This is defined as the difference between the total operating income and the "Other non-current operating income and expense".

Current operating income is an intermediate line item intended to facilitate the understanding of the entity's operating performance that can be used as a way to estimate recurring performance. This indicator is presented on a like-for-like basis in accordance with the principles of continuity and relevance for financial reporting.

Definition of EBITDA

In addition to the results published, the Group presents the EBITDA performance indicator, which excludes Interest, Taxes, Depreciation, Amortization and provisions on operational fixed assets from current operating income. The Group believes that this information assists investors in their analysis of the Group's performance. EBITDA is not an indicator stipulated by IFRS and does not appear in the Group consolidated financial statements. EBITDA has no standard definition and, therefore, the definition used by the Group may not match the definition of this term used by other companies. Since January 1, 2019, the application of IFRS 16 has significantly changed the Group's EBITDA. EBITDA excluding IFRS 16 is used in the context of the applicable financial covenants under the Loan Agreement.

EBITDA = Earnings (current operating income) Before Interest, Tax, Depreciation, Amortization and provisions on fixed operational assets.

Definition of free cash flow from operations

The Group also uses an intermediate line item to track its financial performance described as free cash flow from operations. This financial indicator measures net operating cash flow and gross operating investment flow (defined as acquisitions and disposals of property, plant and equipment and intangible assets, and the change in trade payables for non-current assets). Since January 1, 2019, the application of IFRS 16 has significantly changed the Group's free cash flow from operations.

Free cash flow from operations = net cash flows related to operating activities less net operating investments.

Definition of net cash

Net cash consists of gross cash and cash equivalents, minus gross debt including accrued interest not yet due as defined by the French National Accounting Council's recommendation No. 2013-03 on November 7, 2013. The Group has applied IFRS 16 since January 1, 2019. The application of this standard significantly changes the Group's net cash.

Definition of net financial debt

Net financial debt consists of gross debt including accrued interest not yet due as defined by the French National Accounting Council's recommendation No. 2013-03 on November 7, 2013, minus gross cash and cash equivalents. The Group has applied IFRS 16 since January 1, 2019. The application of this standard significantly modifies the Group's net financial debt.

Application of IFRS 16

On January 13, 2016, the IASB published IFRS 16 – Leases. IFRS 16 replaces the IAS 17 standard and its interpretations. This standard, which is mandatory for annual periods beginning on or after January 1, 2019, requires the recognition of an asset (the right of use) and a liability (leasing debt) on the basis of discounted in-substance fixed lease payments.

The Group has applied IFRS 16 since January 1, 2019. In order to ensure the transition between IAS 17 and IFRS 16, all lease and service agreements falling within the scope of IFRS 16 have been analyzed.

To monitor its financial performance, the Group publishes indicators that exclude the application of IFRS 16. These indicators are EBITDA excluding IFRS 16, free cash flow from operations excluding IFRS 16, and net financial debt excluding IFRS 16.

With the application of IFRS 16	IFRS 16 restatement	Without the application of IFRS 16
EBITDA Current operating income before depreciation, amortization and provisions on fixed operational assets	**Rents within the scope of IFRS 16**	**EBITDA excluding IFRS 16** EBITDA including leasing expenses within the scope of IFRS 16
Free cash-flow from operations Net cash-flow from operating activities, less net operating investments	**Disbursement of rents within the scope of IFRS 16**	**Free cash-flow from operations, excluding IFRS 16** Free cash-flow from operations including cash impacts relating to rent within the scope of application of IFRS 16
Net cash Gross cash and cash equivalents less gross financial debt	**Leasing debt**	**Net cash excluding IFRS 16** Net cash excluding leasing debt
Net financial debt Gross financial debt less gross cash and cash equivalents	**Leasing debt**	**Net financial debt excluding IFRS 16** Net financial debt excluding leasing debt
Net financial income	**Financial interest on leasing debt**	**Net financial income excluding financial interest on leasing debt**

Rounding

The following tables contain individually rounded data. The arithmetical calculations based on rounded data may present some differences with the aggregates or subtotals reported.

4.1.1 / KEY FINANCIAL INFORMATION

The reported financial information presented below is derived from the consolidated financial statements for the periods ended December 31, 2020 and 2021, prepared in accordance with IFRS as adopted by the European Union, set forth in section 5.1 "Group consolidated financial statements as of December 31, 2021 and 2020" of this Universal Registration Document.

The financial data presented below should be read in conjunction with:

- the consolidated financial statements for the periods ended December 31, 2020 and 2021, set forth in section 5.1 "Group consolidated financial statements as of December 31, 2021 and 2020" of this Universal Registration Document;
- the analysis of the Group's cash and equity presented in section 4.2 "Group cash and equity" of this Universal Registration Document;
- the information on trends and targets presented in section 4.3 "Recent events and outlook" of this Universal Registration Document.

This financial information is prepared on the basis of reported information concerning:

- for 2021, to Fnac Darty's audited IFRS consolidated financial statements for the year ended December 31, 2021, incorporating 12 months of operating activity for all Group brands;
- for 2020, to Fnac Darty's audited IFRS consolidated financial statements for the year ended December 31, 2020, incorporating 12 months of operating activity for all Group brands.

Key figures from the Group income statement

(€ million)	2021	2020	Change
Revenue	8,042.6	7,490.7	7.4%
Gross margin	2,373.5	2,185.8	8.6%
Current operating income	270.7	215.3	25.7%
Operating income	260.4	199.4	30.6%
Net income from continuing operations	144.5	88.4	63.5%
Net income from continuing operations, Group share	145.0	95.6	51.7%
Consolidated net income	159.8	(6.0)	2,763.3%
Consolidated net income, Group share	160.3	1.2	13,258.3%
(as % of revenue)			
Gross margin rate	29.5%	29.2%	0.3 pt
Current operating margin	3.4%	2.9%	0.5 pt
Data not derived from the financial statements			
EBITDA [(a)]	620.8	566.8	9.5%
EBITDA excluding IFRS 16 [(b)]	373.9	321.8	16.2%

(a) EBITDA is defined as current operating income before net expense for depreciation, amortization and provisions on non-current operating assets recognized in current operating income.
(b) EBITDA excluding IFRS 16 corresponds to EBITDA restated for rents within the scope of IFRS 16.

Selected segment information

	2021		2020	
	(€ million)	*(as % of the total)*	*(€ million)*	*(as % of the total)*
Revenue				
France-Switzerland	6,700.9	83.3%	6,228.0	83.2%
Iberian Peninsula	701.5	8.7%	653.8	8.7%
Belgium and Luxembourg	640.2	8.0%	608.9	8.1%
TOTAL	**8,042.6**	**100.0%**	**7,490.7**	**100.0%**
Current operating income				
France-Switzerland	244.6	90.4%	193.8	90.0%
Iberian Peninsula	10.8	4.0%	8.4	3.9%
Belgium and Luxembourg	15.3	5.6%	13.1	6.1%
TOTAL	**270.7**	**100.0%**	**215.3**	**100.0%**

Key balance sheet data for the Group

(€ million)	2021	2020	Change
Non-current assets	3,981.9	3,963.5	18.4
of which non-current assets related to IFRS 16	*1,115.2*	*1,109.4*	*5.8*
Current assets	2,978.0	3,185.8	(207.8)
Shareholders' equity	1,563.6	1,373.4	190.2
Non-current liabilities	2,254.8	2,280.9	(26.1)
of which non-current liabilities related to IFRS 16	*891.1*	*884.1*	*7.0*
Current liabilities	3,141.5	3,495.0	(353.5)
of which current liabilities related to IFRS 16	*238.9*	*229.7*	*9.2*
Net cash excluding IFRS 16	246.7	113.9	132.8
of which cash and cash equivalents	*1,181.1*	*1,568.7*	*(387.6)*
of which financial debt excluding IFRS 16	*934.4*	*1,454.8*	*(520.4)*
Net financial debt with IFRS 16	883.3	999.9	(116.6)
of which cash and cash equivalents	*1,181.1*	*1,568.7*	*(387.6)*
of which financial debt excluding IFRS 16	*934.4*	*1,454.8*	*(520.4)*
of which financial debt related to IFRS 16	*1,130.0*	*1,113.8*	*16.2*

Key data from the Group cash flow statement

(€ million)	**2021**	**2020**	**Change**
Cash flow before tax, dividends and interest	637.4	544.5	92.9
Change in working capital requirement	(39.7)	67.2	(106.9)
Net cash flows from operating activities	528.3	546.2	(17.9)
Operating investments	(116.8)	(99.4)	(17.4)
Net cash flows from financial investment activities	(0.4)	(10.2)	9.8
Net cash flows from financing activities excluding IFRS 16	(36.1)	(24.9)	(11.2)
Net flows related to the application of IFRS 16	(249.2)	(247.1)	(2.1)
Net cash excluding IFRS 16	246.7	113.9	132.8

4.1.2 / GENERAL PRESENTATION

4.1.2.1 / Introduction

The following table provides a breakdown of the Group's 2021 revenue by geographical region and by category of products and services.

	Consumer electronics		**Editorial products**		**Domestic appliances**		**Other products and services**		**Total**	
	(€ million)	*(as % of the region's revenue)*	*(€ million)*	*(as % of the region's revenue)*	*(€ million)*	*(as % of the region's revenue)*	*(€ million)*	*(as % of the region's revenue)*	*(€ million)*	*(as % of revenue from all regions)*
France-Switzerland	3,173.3	47.4%	1,048.1	15.6%	1,539.5	23.0%	940.0	14.0%	6,700.9	83.3%
Iberian Peninsula	409.5	58.4%	202.5	28.9%	0.0	0.0%	89.5	12.8%	701.5	8.7%
Belgium and Luxembourg	327.9	51.2%	54.5	8.5%	215.6	33.7%	42.2	6.6%	640.2	8.0%
REVENUE	**3,910.7**	**48.6%**	**1,305.1**	**16.2%**	**1,755.1**	**21.8%**	**1,071.7**	**13.3%**	**8,042.6**	**100.0%**

The Group manages its operations on the basis of the following geographical segments:

- **France-Switzerland** *(83.3% of Group revenue in 2021, 90.4% of Group current operating income in 2021).* The "France-Switzerland" region makes the largest contribution to Group revenue, with €6,700.9 million in 2021.

  Nature & Découvertes and its subsidiaries are managed from France. At the end of 2021, there were 90 directly operated Nature & Découvertes stores (including 4 stores in Belgium and 1 in Luxembourg), plus a network of 11 franchises (7 in Switzerland, 1 in Portugal, and 3 in the French overseas territories).

As at the end of 2021, the Group's activity in France-Switzerland is therefore driven by:

- the network of directly operated stores (404 in France and 9 in Switzerland),
- 13 Fnac shop-in-shops within Manor stores in Switzerland,
- the 385 stores operated under franchise in France (including stores in Switzerland, Morocco, Tunisia, Qatar, Ivory Coast, Congo, Cameroon, and Senegal), and
- its websites, primarily fnac.com, darty.com, fnac.ch, and natureetdecouvertes.com;

- **Iberian Peninsula** *(8.7% of Group revenue in 2021, and 4.0% of Group current operating income in 2021)*. The Iberian Peninsula region covers the Group's operations in Spain and Portugal and posted revenue of €701.5 million in 2021. The Group conducts its business in the Iberian Peninsula through networks of directly operated stores (36 in Spain and 33 in Portugal at the end of 2021), franchise stores (4 in Spain and 1 in Portugal) and through the fnac.es and fnac.pt websites;
- **Belgium and Luxembourg** *(8.0% of Group revenue in 2021, 5.6% of Group current operating income in 2021).* The Belgium and Luxembourg region covers the Group's activities managed from Belgium and recorded revenue of €640.2 million in 2021. At year-end 2021, Fnac Darty operated 84 directly owned stores in Belgium and 1 in Luxembourg, as well as the fnac.be and vandenborre.be websites.

Product and service categories

In each geographical region where it operates, the Group analyzes its sales by category of products and services. This analysis is divided into four main segments:

- **consumer electronics** *(48.6% of Group revenue in 2021).* The consumer electronics category generated revenue of €3,910.7 million in 2021. It includes two sub-categories of products:
  - *"Microcomputing"* represents sales of the following products: desktop computers, laptops, tablets, software, printers, e-readers, telephones and office products and accessories, as well as all connected products,
  - *"Retail Electronics"* includes sales of the following products: cameras and photography accessories, televisions and video accessories such as DVD players, Blu-Ray players and other accessories (home cinema), and audio items and accessories (headphones, docking stations and related accessories);
- **editorial products** *(16.2% of Group revenue in 2021).* The editorial products category generated revenue of €1,305.1 million in 2021. It includes two sub-categories of products:
  - *"Books"* covers hard copy and digital books,
  - *"Discs and Gaming"* includes discs comprising music (CDs and vinyl) and video (DVDs and Blu-Ray discs); gaming, comprising video games (new and used) and games consoles; and tie-in products (gadgets, t-shirts, musical instruments and others);
- **domestic appliances** *(21.8% of Group revenue in 2021).* The domestic appliances category generated €1,755.1 million in revenue in 2021. It includes two sub-categories of products:
  - *"Large domestic appliances"* are refrigerators/freezers, cooking equipment, dishwashers and washing machines/dryers,
  - *"Small domestic appliances"* includes vacuum cleaners, food processors, body care and water/air treatment appliances;
- **other products and services** *(13.3% of Group revenue in 2021).* This category includes, firstly, products in the development phase, which generated revenue of €474.4 million in 2021, specifically:
  - kitchen units,
  - Home & Design products,
  - Games & Toys,
  - Urban Mobility,
  - Stationery,
  - Wellbeing,

  and secondly, "services" and "other income" items, both of which generated €597.3 million in revenue in 2021 and include the following items:
  - services related to goods sold, such as the sale of warranty extensions, repair-related subscription sales, product insurance sales, after-sales service and deliveries and installations,
  - rental services for consumer electronics and delivery services,
  - ticketing,
  - gift boxes,
  - sales of membership cards for the Group's loyalty program,
  - invoicing of shipping costs to online customers,
  - commissions received through Marketplace, and partnerships with suppliers, and
  - royalties from stores operated under franchise.

Number of stores as of December 31, 2021

The following table shows the growth in the number of stores over the period:

	2021			2020		
Number of stores	**Owned**	**Franchise**	**Total**	**Owned**	**Franchise**	**Total**
France-Switzerland [(a)]	413	385	798	412	339	751
Iberian Peninsula	69	5	74	67	5	72
Belgium and Luxembourg	85	0	85	85	0	85
TOTAL	**567**	**390**	**957**	**564**	**344**	**908**

(a) Excluding 13 Fnac shop-in-shops within Manor stores in 2021.

The Group opened 8 directly owned stores and 47 stores under franchise in 2021. At the same time, the Group closed 5 directly owned stores and 1 franchise stores. The Nature & Découvertes store network includes 90 directly owned stores and 11 franchises.

The financial results of directly owned stores are fully consolidated in the Group's financial statements. The Group analyzes the change in its revenue over a given period on a basis which includes all stores, as well as on a same-store basis, i.e. the revenue generated by stores that, as of January 1 of year N, were in operation for the full 12 months of year N-1.

In regards to stores operated under franchise, the goods sold to franchised stores are recognized under Group product revenue, while franchise fees on revenue generated by the franchises through business with their customers are recognized under Group services revenue.

Unless otherwise indicated, all financial data in this chapter include the full scope of consolidation and are presented on a current exchange rate basis.

Traffic, average checkout value, checkout transactions and number of loyalty program members

The Group's revenue is a function of the number of checkout transactions and average checkout values. Checkout transactions depend on customer traffic (visits to a store or website) and the sales conversion rate.

The number of Group loyalty program members rose by 0.9% to a total of 9.9 million at the end of 2021.

Seasonality

The Group's business is highly seasonal and is characterized by a substantial increase in store traffic and website traffic towards the end of the year, from Black Friday in late November to the Christmas and New Year holidays (see section 6.4 "Financial risks" of this Universal Registration Document). In 2021, the Group generated 33.9% of its consolidated revenue for the year during the fourth quarter, slightly down on 2020 due to exceptional circumstances related to the health crisis but with a notable upturn in the last month of the year.

Fluctuations in foreign exchange rates

The impact of fluctuations in foreign exchange rates is limited and primarily consists of the impact of exchange rate fluctuations on the income statements resulting from the translation of the local-currency results of the Group's subsidiaries in Switzerland into euros.

In 2021, the Group recorded growth of 7.4% in reported revenue. At a constant exchange rate, the change in revenue is also 7.4%.

The foreign exchange risk incurred on purchases made by the Group is relatively low as the Group's subsidiaries make the vast bulk of their sales and generate the vast bulk of their costs in the local currency, i.e. primarily in euros.

4.1.2.2 / Key highlights and analysis of 2021 financial results

Fnac Darty's 2021 **revenue** was €8,043 million, up 7.4% on a reported basis and 7.0% on a like-for-like basis [(1)] compared to 2020, and up 8.2% compared to pro-forma 2019 figures [(2)]. This performance was achieved in the context of a health crisis that continued into 2021 with a lockdown and several periods of store closures in the first half of the year. These health measures disrupted store operating conditions, but to a lesser extent than in 2020. As a result, revenue growth in 2021 is based on solid sales momentum in stores, driven by a higher conversion rate and average checkout value, while store traffic is gradually returning to normal. This performance also reflects the success of the major sales events at the end of the year. The level of online sales remains high at 26% of the Group's total sales, driven in particular by the gain of 5 million new active web customers and the power of omnichannel, which represents 46% of online sales in 2021, with a marked acceleration during the fourth quarter when all stores were open. The year 2021 thus marks the consolidation of the Group's digital positioning with a share of online sales up 7 points compared to the pre-crisis level of 2019.

The **gross margin rate** reached 29.5% in 2021, up 30 basis points from 2020. This increase is mainly due to a favorable mix effect as the easing of restrictions led to fewer store closures compared to 2020 and thus boosted sales of editorial products, which are very sensitive to impulse buying. This increase was also driven by services and the rollout of Darty Max offerings in particular, as well as the very gradual recovery of ticketing, where sales accelerated in the last quarter. These factors more than offset the impact of the decline in Nature & Découvertes' business, which was heavily impacted this year by the drop in store traffic caused by the closure of stores for several weeks and the dilutive technical effect of the franchise.

Operating expenses reached €2,103 million in 2021, up compared to 2020 in line with the increase in activity. Operating expenses, as a percentage of revenue, were 26.1% in 2021, down 20 basis points compared to last year. This decline reflects the Group's very good management of operating expenses thanks to the effectiveness of the performance plans put in place.

EBITDA amounted to €621 million, including €247 million related to the application of IFRS 16, up €54 million from 2020.

Current operating income amounted to €271 million, versus €215 million the previous year. The operating margin in 2021, at 3.4%, is up 50 basis points compared to 2020.

Excluding ticketing activities, which are still heavily impacted by the health restrictions, current operating income in 2021 is higher than that of 2019 pro forma [(2)].

Non-current items amounted to -€10 million in 2021, down -€6 million compared to 2020 and mainly include restructuring costs. As a reminder, the non-current items recognized in 2020 included one-off effects such as the impairment of the Darty brand and incremental costs directly related to the health crisis.

Operating income therefore stood at €260 million in 2021.

In 2021, **financial expenses** amounted to -€42 million, versus -€51 million in 2020. This decrease is mainly due to the upward revaluation of the fair value of the Group's shares in the Daphni Purple venture capital fund in which the Group invested in 2016. In addition, the new financing strategy put in place in March 2021 has optimized interest expenses and extended the average maturity of the Group's debt.

Net income from continuing operations, Group share was up €49 million to €145 million in 2021 after taking into account non-current items, financial expenses, and a tax expense of -€74 million. The latter, up year-on-year due to the increase in the Group's results, includes a decrease in the tax expense related to the CVAE of nearly €10 million compared to 2020. As a result, the effective tax rate is down by more than 6 points compared to 2020.

Net income from discontinued operations was €15 million, corresponding to an adjustment in 2021 for the tax treatment of the disposal of the Dutch subsidiary BCC in 2020, which brought **consolidated net income, Group share** to €160 million in 2021, compared to €1 million in 2020.

Fnac Darty continued its strong generation of **free cash-flow from operations** [(3)] at €170 million in 2021, compared to the exceptionally high level of €192 million in 2020. This change is mainly the result of the necessary replenishment of inventories at the beginning of the year in order to support the high level of demand. In 2021, the Group once again demonstrated its ability to manage its merchandise purchases and to control its inventories in order to ensure a good level of availability of its product and service offering throughout the year, in a context of tensions in the supply chain.

(1) Like-for-like basis: excludes the effect of changes in foreign exchange rates and scope of consolidation, and directly owned store openings and closures.
(2) Including Nature & Découvertes over the full year.
(3) Excluding IFRS 16.

A Group committed to its employees

In the context of the health crisis that continued into 2021, the Group maintained its priority of guaranteeing the health and safety of employees and customers by continuing to enforce the best possible protective measures and social distancing rules. The Group has been able to count on the commitment and mobilization of its teams throughout the two years of crisis. Moreover, Fnac Darty is committed to supporting the purchasing power of its employees and has decided to pay an exceptional purchasing power bonus to the employees who are most directly affected by the current inflationary pressures. For employees working in France with a gross annual salary of less than €35,000, this bonus will be €400. The Group will introduce a similar purchasing power measure for every country in which it operates – except for countries where one has already been implemented – which will be adapted to the specific context of each country. This bonus will be paid in March to over 19,000 Group employees.

The Group continued to work this year to improve the working conditions of its employees and, in March 2021, signed its first agreement on Quality of Life at Work, which applies to all employees. For example, this new agreement covers new measures for employees recognized as "disabled workers," the right to disconnect, the fight against discrimination and professional equality.

Convinced that diversity is the foundation of a socially and economically successful society, the Group is committed to going beyond the legal framework of the fight against discrimination through proactive actions. This strong commitment has been renewed with the signing of the Diversity Charter in 2021, which expands and strengthens the actions already implemented in the Group's diversity policy. In this respect, Fnac Darty has been rewarded for promoting the inclusion of deaf and hard-of-hearing people in the workplace by obtaining, in 2021, the Inclusion Surdités award from the Fondation pour l'Audition. An internal company network dedicated to gender parity, which is cross-functional and open to all of the Group's business lines, was also created this year to promote the rise in responsibility of women. In particular, Fnac Darty has made a formal commitment to achieve a 35% share of women in the Leadership Group [(1)] by 2025. This share reached 27% in 2021, an increase of 3 points compared to 2020. Following the implementation of the strategic plan Everyday and the changes to the Executive Committee that took place last March, the proportion of women in the Executive Committee has now reached 38%, with a target of over 40% of the underrepresented gender by 2025. All of the Group's actions in favor of gender parity have been recognized and Fnac Darty was awarded the LSA "La Conso s'engage" Trophy in the "Retailers" category, which ranks nearly 100 companies in the industry according to their diversity and CSR commitments.

Initial success of the strategic plan Everyday marking the start of the Group's profound transformation

A year ago, Fnac Darty unveiled its strategic plan Everyday with the ambition of being, both on a daily basis and over the long term, the key ally to consumers, helping them be sustainable in their consumption habits and in their daily household tasks.

In 2021, the first year of the plan's rollout, the Group can already measure its initial successes in terms of the three goals it has set itself for 2025:

- embody new standards for successful digital and human omnichannel retail in the future;
- helping consumers adopt sustainable behaviors;
- rolling out the reference subscription-based home assistance service.

1/ Embody new standards for successful digital and human omnichannel retail in the future

Innovations for a reinvented customer experience

Fnac Darty is reinventing the customer experience and the way it serves them on a daily basis, both in its stores and on its increasingly popular e-commerce platforms. This year, for example, the Group rolled out a nationwide video service for the Fnac and Darty brands, which enables customers to receive the same quality advice as from in-store salespeople, even remotely. More than 150,000 exchanges by video/chat have already been carried out in 2021. Thanks to the 1,500 salespeople trained in this new service, the conversion rate of a web customer using the video service is two to three times higher than that of a standard web customer. While this video service is available for all consumer electronics, it will soon be expanded to other product categories.

The Group has also launched the L'Éclaireur Fnac https://leclaireur.fnac.com/, a digital medium designed to enable French people to reach educated opinions and choices on the major themes related to culture and technology. In line with the Group's desire to humanize the digital experiences it offers, L'Éclaireur Fnac allows the greatest number of people to share in the result of the hours that our teams of enthusiasts spend reading, listening, watching and testing on a daily basis. Launched last October, the site already attracts more than 500,000 unique visitors per month. This platform has also enabled the Group, in a context of health restrictions particularly affecting the world of entertainment, to continue to broadcast its cultural events in new hybrid formats to facilitate access to culture for all. This was notably the case for the Fnac Livres fair and the Fnac Live concerts.

(1) About the top 200 managers at Group level.

All of these initiatives enable the Group to improve the mix of customers between the store and web channels and thus offer a complete omnichannel experience. As such, for both Darty and Fnac in France, the proportion of customers who have been active [(1)] on both the web and store channels continued to increase in 2021 compared to 2020. Customer satisfaction measured throughout the customer journey continued to improve in 2021 with an aggregate NPS (Net Promoter Score) that increased by almost 5 points compared to 2020.

Finally, Fnac Darty works every year to enrich its loyalty programs and its membership base, a real competitive advantage for the Group. By the end of 2021, the Group had a solid customer base of almost 10 million members, including over 7 million in France.

Digital ambitions to serve the omnichannel

In 2021, the Group consolidated its performance on its e-commerce sites with the gain of 5 million new active web customers. Online sales remain at a high level, at 26% of total sales in 2021, despite a very high comparison basis effect in 2020 and show an increase of 7 points compared to 2019. In response to the growing use of mobile devices by customers, Fnac Darty has continued to improve customer journeys and has redesigned the homepage of the fnac.com website. In 2021, mobile traffic represented 62% of total traffic on the fnac.com and darty.com e-commerce sites, an increase of 2 points compared to 2020.

Click&collect accounted for 46% of online sales in 2021, up in all regions, with momentum accelerating sharply in the fourth quarter by more than 8 points since the previous year. To improve the omnichannel customer journey, the Group has rolled out the click&collect service, which is led by a salesperson, to all integrated Darty stores, increasing the attach rate of accessories and services to products collected in store by an average of 10% over the year. This service is also being rolled out to integrated Fnac stores, with a target completion date of the first half of 2022.

Fnac Darty confirms its ambition to achieve, by 2025, at least 30% of its total revenue on the web, while maintaining a click&collect rate of 50%. In order to accelerate its digital transformation, the Group has just announced a key strategic partnership with Google, focused on Cloud. This partnership is based on the deployment of the Google Cloud Retail Search solution on the fnac.com and darty.com websites, in order to increase their performance through a simpler, more customized and enhanced online shopping experience for customers. Fnac Darty is the first retailer in France to implement this new Google Cloud solution, a move which aims to set new standards in terms of online and mobile shopping experience. This partnership will also enable Fnac Darty to further improve the management of its activities (managing promotions more effectively, improving methods for prioritizing after-sales customer service actions among others) through the integration of data analytics, Machine Learning and Artificial Intelligence.

An optimized store network

Fnac Darty continued to expand its store network in 2021 with the opening of 55 stores, including 47 franchises. New stores continued to be opened on an opportunistic basis, such as the opening of the first Fnac store in Senegal, which allowed the Group to strengthen its presence in Africa, or the opening of the first Nature & Découvertes store in Portugal. The Group is now present in 13 countries and has 957 stores [(2)], including 390 franchises, as of the end of December 2021.

Kitchen also continued to expand this year with the opening of 19 points of sale, including 14 dedicated Darty stores [(3)]. At the end of 2021, the Group had more than 185 Kitchen points of sale, including 35 stores dedicated exclusively to this offering [(3)].

At the same time, a partnership agreement was concluded this year with Manor for the rollout of 27 Fnac shop-in-shops within Manor by the first half of 2022, significantly enhancing the presence of the Fnac brand in all regions of Switzerland. In 2021, 9 new Fnac shop-in-shops have been opened, in addition to the 4 test shop-in-shops already rolled out at the end of 2020. Through this partnership, Fnac Darty is aiming for additional revenue of at least €100 million over the full year.

The Group has also supported the development of its existing store base by activating various levers to optimize it. Thus, the Group has reviewed its entire existing stores network and launched all the necessary action plans for the stores concerned this year, in order to achieve its objective of having 100% of its integrated store network profitable by 2025. For example, the Group has transferred stores from city centers to retail parks in order to benefit from a more attractive catchment area and transferred stores to reduce the retail floor space and thus gain productivity per square meter.

(1) Customers who have made at least two purchases in the last 12 months on a rolling basis.

(2) Excluding Fnac shop-in-shops within Manor stores.

(3) Some Darty Kitchens, exclusively dedicated to this offer, also include a bedding offer.

At the same time, in order to adapt to the structural decline in the audio (excluding vinyl) and video categories in Fnac stores, part of the assortment areas for these products was reallocated to categories offering good levers for growth with the opening of seven Fnac Home [1] areas, the development of Toys and Games areas, and new Urban Mobility areas. In this respect, the Group has rolled out three XXL urban mobility spaces in stores, including a bicycle and electric scooter repair and maintenance workshop in partnership with Repair and Run. This partnership confirms the Group's commitment to extending the life span of its products. The Group has also integrated Darty Kitchen corners into some of its stores to increase store productivity per square meter. Finally, Nature & Découvertes opened 1 shop-in-shop in a Fnac store in 2021 and 6 Nature & Découvertes stores, including 4 new franchise stores in Portugal, Martinique, Guadeloupe and Réunion.

2/ Promote sustainable consumption and an educated choice

In 2021, as part of its strategic plan Everyday, Fnac Darty has accelerated its ambition to become a major player in the circular economy and a promoter of extending the life span of products.

Strengthening information on product sustainability

Support for customers in making educated choices and sustainable consumption was stepped up this year with the creation of a Sustainability Committee, which aims to develop the Group's offer toward a more sustainable offer. In this respect, the fourth edition of the After-Sales Service Barometer was published and aims to better inform the public about the life span of 77 product families in the household appliances and multimedia universe, compared to 63 last year. Vanden Borre also launched its first sustainability barometer, which gives an overview of the overall sustainability per product category and brand in the segment of large domestic appliances sold by the company. This barometer is based on the sustainability score [2], which aggregates both reliability and reparability criteria by product. This score reached 111 in 2021 compared to 105 in 2020, with a significant improvement in the availability of spare parts. Fnac Darty confirms its ambition to reach a sustainability score of 135 by 2025. The "Sustainable Choice" label, which highlights the most sustainable products in stores and on the Group's websites, was also expanded to Fnac this year and now covers more than 150 products at Fnac and Darty.

Acceleration in product repair

Fnac Darty facilitates product repairs by both encouraging suppliers to embrace eco-design and better informing consumers about product sustainability. As a result, 2.1 million products were repaired by the Group in 2021, up from 2020, with a target of 2.5 million products repaired by 2025. Fnac Darty promotes self-repair by providing usage and maintenance advice via its collaborative website, https://sav.darty.com/, launched in 2018, which has recorded a 30% increase in traffic with over 10 million users in 2021.

In order to encourage product repairs, the rollout of WeFix points of sale – the French leader in express smartphone repair acquired in October 2018 – continued this year, with the opening of 22 points of sale in 2021, bringing the network to 139 outlets in France at the end of 2021.

The second life of products, a major challenge for the Group

Fnac Darty has reaffirmed its ambitions in the second-hand segment by improving the visibility of its second-life offer through the Fnac Seconde Vie and Darty Occasion brands, in-store and on the Group's websites. A partnership with YesYes for the trade-in of video consoles was also concluded in 2021. In addition, a Circular Economy Committee was created in 2021 to oversee projects aimed at reducing packaging, optimizing unsold products, improving collection and recycling, and recovering materials. Finally, the Group is also committed to taking back its customers' old equipment and is the leading collector of WEEE (waste electrical and electronic equipment) with 52,000 metric tons of products collected and recycled in 2021, including 47,000 metric tons in France.

At the same time, as a leading retailer of cultural products, Fnac has extended its partnership with the French start-up La Bourse aux Livres in 2021 to offer a fast and efficient book collection service, in all Fnac stores in France, in order to give them a second life.

Fnac Darty has also strengthened its solidarity operations with the organization of the thirteenth annual Fnac Solidarity Flea Market in Dijon, the wide-scale book drive for Bibliothèques sans Frontières, and its partnership with Envie. More than €10 million was donated to associations in 2021 in the form of financial donations or products, either directly by the Group to partner associations or by customers by rounding up purchases at the time of checkout.

(1) Excluding Manor.

(2) Sustainability score: average of a reliability score and a reparability score, based on data collected by Fnac Darty's after-sales service over the last two years for each product and weighted by the volumes of products sold by the Group in the year in question.

Climate issues integrated into all the Group's businesses

The Group has set itself a target of reducing its CO_2 emissions by 50% by 2030, compared to 2019 levels. The scope defined concerns transport, direct and indirect emissions, and site energy. In 2021, against a backdrop of strong growth in its business, Fnac Darty recorded a -14% drop in its revenue-related emissions compared to 2019. The Group relies on strengthened governance within a Climate Committee, in order to monitor the trajectory of its CO_2 emissions, draw up action plans, ensure the follow-up of the roadmaps of the various operational sectors and work toward the expansion of the low-carbon strategy to other indirect emission items. In 2022, the ambition is to define a CO_2 reduction target for scope 3 and to submit it for validation by the Science-Based Targets (SBT) initiative.

In 2021, the Group also launched the "informed delivery" project, which allows the Group's customers to estimate the environmental impact of the various delivery methods when purchasing online. This tool will help reduce the environmental impact of the Group's e-commerce and is in line with the commitments made by Fnac Darty when it signed the e-commerce charter last July.

Finally, Fnac Darty has just signed a second agreement with Valeco for the construction of a solar power plant in France in 2023. This agreement is in addition to the renewable energy purchase contract signed at the beginning of 2021 and will enable the Group to cover 30% of its annual electricity consumption with green electricity in France, while making a positive contribution to biodiversity and developing local employment.

A responsible purchasing policy

Aware of the impact of the Group's indirect purchases, Fnac Darty is committed to a process of continuous and sustainable improvement with all the stakeholders in its ecosystem. In this respect, the Médiation des Entreprises (Business Ombudsman) has just awarded Fnac Darty the Relations Fournisseurs & Achats Responsables ("Responsible Supplier Relations & Purchasing") label for its indirect purchasing [(1)] for a period of three years, thus welcoming the Group into the community of 65 companies distinguished by public authorities for the sustainable and balanced relations they maintain with their suppliers on a daily basis.

Improved results recognized by the major non-financial rating agencies

Fnac Darty's concrete commitments in terms of Corporate Social Responsibility were once again recognized in 2021 by the non-financial rating agencies. Thus, the Group obtained an A- rating from the CDP, above the average for European companies (B) and the average for the specialized retail market (B-), and was also included in the "Leadership" category for the first time. This recognition is in addition to the one obtained last October from Moody's ESG Solutions (Vigeo Eiris), which awarded an ESG score of 54/100, an increase of +6 points in one year, including +14 points for the environmental component; and the renewal by MSCI of Fnac Darty's AA rating for the third consecutive year. Finally, in 2021, Nature & Découvertes' B Corp certification was renewed for the third consecutive year.

3/ Roll out the reference subscription-based home assistance service

Acceleration in the number of subscribers to service offers

Fnac Darty has continued to roll out subscription-based services. In 2021, the Group recorded strong momentum for its Serenity Pack service offering, which protects each subscriber against device piracy and bank data theft with the use of Fnac Sécurité antivirus and password security via Fnac Mot de Passe, and prevents the loss of photos thanks to storage on the Fnac Cloud.

In addition, the Group is accelerating the rollout of its Darty Max repair service subscription to become the leader in home assistance services. The Group has thus developed two Darty Max offers that are complementary to the first offer launched at the end of 2019, which covers the repair of large domestic appliances. With these three Darty Max offers, the Group has expanded the service to the small domestic appliance, TV home cinema, sound, photo and multimedia segments, covering over 4 million products to date [(2)]. The momentum in new customer acquisitions has accelerated, with nearly 500,000 subscribers by the end of 2021, compared to nearly 200,000 by the end of 2020, thanks to the rollout of these three offers combined with the use of new distribution channels such as the possibility of subscribing to the offers on the web, via the distribution partner Sofinco, and even the launch in early 2021 of the Vanden Borre Life offer in Belgium.

An enhanced service offering

In a context of strong growth in the network, a new Darty Max subscriber is a customer with a purchase frequency 1.5 times higher than that of a Darty customer and with an average checkout value 25% higher than the average checkout value of a Darty customer. This is evidence of a definite increase in value, linked to our service programs. The Group is committed to developing a range of offers for Darty Max customers, including exclusive offers on certain products and free delivery. The Darty Max service benefited from a high level of subscriber satisfaction with an NPS [(3)] for home or workshop call-out services that is above the Group average.

(1) Excluding commercial purchasing.
(2) Number of Darty Max subscribers by average number of products per subscriber covered by Darty Max.
(3) Net Promoter Score.

The Group is continually enhancing the exclusive services and customer experience of Darty Max subscribers, including the development of maintenance tips to help prevent breakdowns and the rollout of a video assistance service to complement the repair services.

All of these advances support the Group's ambition of having more than 2 million Darty Max subscribers by 2025. Fnac Darty was also awarded the LSA Innovation Trophy in the "Responsible Brands" category for its Darty Max repair subscription service. This award recognizes the Group's ability to invent the retail environment of the future.

Training and recruitment initiatives to support this new dynamic

In order to support the development of these services and the resulting increase in call-outs or repairs, Fnac Darty has clearly expressed its desire to recruit 500 technicians by 2025. In addition, the Group is eager to maintain the highest quality of service and places great importance on the regular training of its employees. To this end, 18 training classes were initiated in 2021, dedicated to the training of appliance technicians and repairers. The Group plans to open 21 Tech Academies across France in 2022 to train its future home appliance technicians.

4.1.3 / COMPARISON OF THE GROUP'S ANNUAL RESULTS FOR 2020 AND 2021

The table below shows the Group's consolidated income statement for the periods ended December 31, 2020 and December 31, 2021, in millions of euros and as a percentage of consolidated revenue for the periods in question.

	2021		2020		
	(€ million)	*(as % of revenue)*	*(€ million)*	*(as % of revenue)*	**Change**
Revenue	**8,042.6**	**100.0%**	**7,490.7**	**100.0%**	**7.4%**
Gross margin	**2,373.5**	**29.5%**	**2,185.8**	**29.2%**	**8.6%**
Personnel expenses	(1,171.7)	(14.6%)	(1,055.1)	(14.1%)	(11.1%)
Other current operating income and expense	(930.9)	(11.6%)	(915.5)	(12.2%)	(1.7%)
Share of profit from equity associates	(0.2)	(0.0%)	0.1	0.0%	(300.0%)
Current operating income	**270.7**	**3.4%**	**215.3**	**2.9%**	**25.7%**
Other non-current operating income and expense	(10.3)	(0.1%)	(15.9)	(0.2%)	35.2%
Operating income	**260.4**	**3.2%**	**199.4**	**2.7%**	**30.6%**
(Net) financial expense	(41.8)	(0.5%)	(51.4)	(0.7%)	18.7%
Income tax	(74.1)	(0.9%)	(59.6)	(0.8%)	(24.3%)
Net income from continuing operations	**144.5**	**1.8%**	**88.4**	**1.2%**	**63.5%**
Group share	*145.0*	*1.8%*	*95.6*	*1.3%*	*51.7%*
share attributable to non-controlling interests	*(0.5)*	*(0.0%)*	*(7.2)*	*(0.1%)*	*93.1%*
Net income from discontinued operations	**15.3**	**0.2%**	**(94.4)**	**(1.3%)**	**116.2%**
Consolidated net income	**159.8**	**2.0%**	**(6.0)**	**(0.1%)**	**2,763.3%**
Group share	*160.3*	*2.0%*	*1.2*	*0.0%*	*13,258.3%*
share attributable to non-controlling interests	*(0.5)*	*(0.0%)*	*(7.2)*	*(0.1%)*	*93.1%*

4.1.3.1 / Revenues

The Group recorded an increase in its revenue in 2021: +7.4% in the reported data.

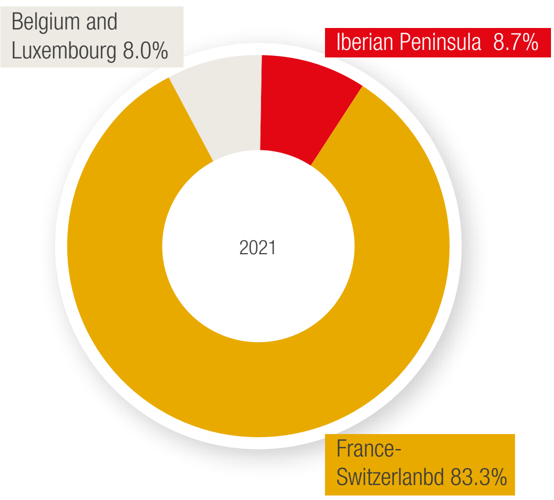
The impact of foreign exchange rates on revenue was negligible. On a same-store basis and at a comparable scope of consolidation, the Group's revenue was up by 7.0% in 2021 against the backdrop of a health crisis that continued throughout the year.

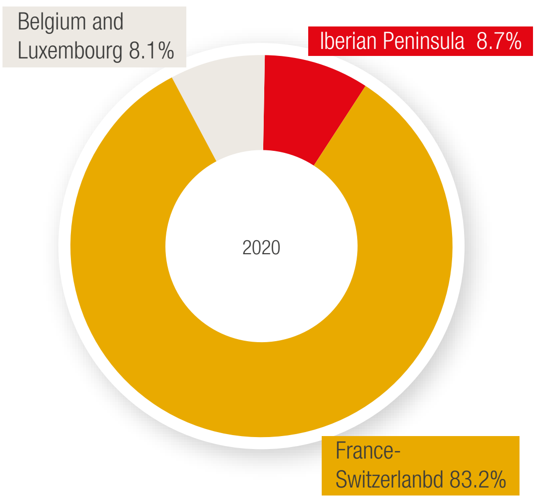
An analysis of the distribution of revenue among the Group's principal countries shows a mature market in France and Switzerland and in Belgium and Luxembourg. In 2020, all the countries in which the Group operates suffered from the health crisis and related restrictions. The Iberian Peninsula was significantly impacted, with greater restrictions linked to the health crisis and a weaker macroeconomic environment. Although health restrictions were still in place in 2021, they were less imposing.

The table below provides a breakdown of revenue for the periods ended December 31, 2020 and December 31, 2021 by geographical region.

	2021		2020					
	(€ million)	*(as % of the total)*	*(€ million)*	*(as % of the total)*	**Change at current exchange rate**	**Change at comparable scope of consolidation**	**Change at constant foreign exchange rates and comparable scope of consolidation**	**Change at constant foreign exchange rates, comparable scope of consolidation and on a same-store basis**
France-Switzerland	6,700.9	83.3%	6,228.0	83.2%	7.6%	7.6%	7.6%	7.2%
Iberian Peninsula	701.5	8.7%	653.8	8.7%	7.3%	7.3%	7.3%	6.5%
Belgium and Luxembourg	640.2	8.0%	608.9	8.1%	5.1%	5.1%	5.1%	5.0%
REVENUE	**8,042.6**	**100.0%**	**7,490.7**	**100.0%**	**7.4%**	**7.4%**	**7.4%**	**7.0%**

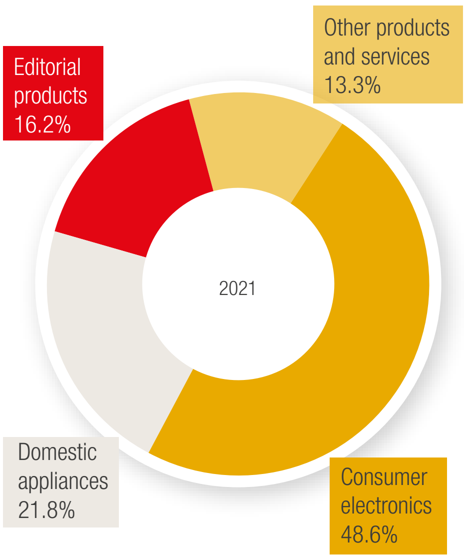
Breakdown of revenue by geographical region

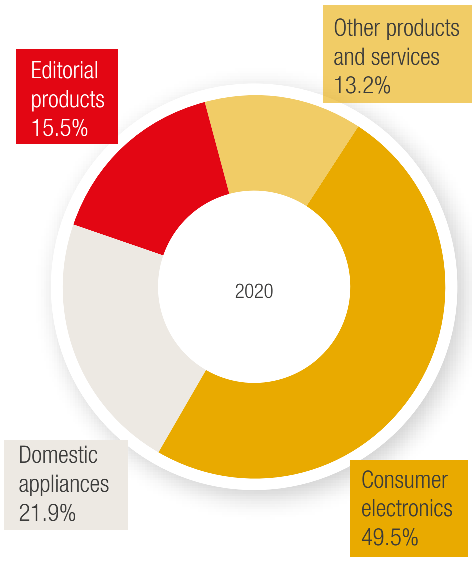




	2021		2020					
	(€ million)	*(as % of the total)*	*(€ million)*	*(as % of the total)*	**Change at current exchange rate**	**Change at comparable scope of consolidation**	**Change at constant foreign exchange rates and comparable scope of consolidation**	**Change at constant foreign exchange rates, comparable scope of consolidation and on a same-store basis**
Consumer electronics	3,910.7	48.6%	3,705.8	49.5%	5.5%	5.5%	5.5%	5.2%
Editorial products	1,305.1	16.2%	1,158.0	15.5%	12.7%	12.7%	12.8%	12.2%
Domestic appliances	1,755.1	21.8%	1,637.3	21.9%	7.2%	7.2%	7.2%	7.1%
Other products and services	1,071.7	13.3%	989.6	13.2%	8.3%	8.3%	8.3%	7.9%
REVENUE	**8,042.6**	**100.0%**	**7,490.7**	**100.0%**	**7.4%**	**7.4%**	**7.4%**	**7.0%**

Breakdown of revenue by category of products and services





The change in revenue from consumer electronics was primarily the result of increased sales in the Telephony and Television segments. Although impacted by increased competition from smartphones, revenue from the Photography segment also grew. Revenue from editorial products, which is highly sensitive to impulse purchasing, was up compared with the previous year. The Books and Audio segments benefited from increased in-store traffic, which had been severely impacted by store closures in 2020, as well as the craze for comics and manga, in particular. Gaming enjoyed a positive full year following the release of new consoles in late 2020.

The increase in revenue from domestic appliances is the result of the strong trend for household goods, which began in 2020 and continued into 2021, and which benefited in particular from a favorable comparison basis effect for the first half of the year due to the impact of store closures on the previous period.

Growth in revenue from other products and services resulted from the development of the Home & Design, Games & Toys, and Urban Mobility segments, as well as an upturn in Services.

Online activities, which dropped slightly due to a high comparison basis, with a particularly strong transferred sales effect observed during lockdowns in 2020, now account for 25.6% of Group sales (a decrease of 3.7 points compared to 2020). However, the weight of online sales remained much higher than in 2019, with an increase of 6.8 points.

4.1.3.2 / Gross margin and gross margin rate

The Group's gross margin came to €2,373.5 million for 2021, up from the total of €2,185.8 million in 2020.

This resulted in a profit margin of 29.5% in 2021, compared to 29.2% in 2020.

The gross margin rate in 2021 was up 30 basis points from 2020. This increase is mainly due to a favorable product mix effect, as the easing of restrictions led to fewer store closures compared to 2020 and thus boosted sales of editorial products, which are very sensitive to impulse buying, and also services driven in particular by the rollout of Darty Max offerings, as well as the very gradual recovery of ticketing, where sales accelerated in the last quarter. These factors more than offset the impact of the decline in Nature & Découvertes' business, which was heavily impacted this year by the drop in store traffic caused by the closure of stores for several weeks and the dilutive technical effect of the franchise.

4.1.3.3 / Personnel expenses

Personnel expenses amounted to €1,171.7 million (14.6% of revenue) for 2021, compared with €1,055.1 million (14.1% of revenue) for 2020, i.e. a slight upturn in the personnel expenses/revenue ratio against a background of store closures due to the health crisis and the increased use of short-time working measures for employees in stores and at head office.

4.1.3.4 / Other current operating income and expense

Other current operating income and expenses totaled €930.9 million (11.6% of revenue) for 2021, compared to €915.5 million (12.2% of revenue) for 2020, a 0.6% improvement in revenue mainly due to lower logistics costs related to the slight fall in online sales, and the favorable impact of state aid, which focused in particular on rents for stores that were closed in the first half of the year.

4.1.3.5 / Current operating income

Current operating income amounted to €270.7 million for 2021, compared with €215.3 million in 2020, an increase of 25.7%.

The current operating margin was 3.4% in 2021 compared with 2.9% in 2020.

	2021		2020	
	(€ million)	*(as % of the total)*	*(€ million)*	*(as % of the total)*
France-Switzerland	244.6	90.4%	193.8	90.0%
Iberian Peninsula	10.8	4.0%	8.4	3.9%
Belgium and Luxembourg	15.3	5.7%	13.1	6.1%
CURRENT OPERATING INCOME	**270.7**	**100.0%**	**215.3**	**100.0%**

4.1.3.6 / EBITDA

The following table shows the trend in EBITDA over the period.

	2021		2020		
	(€ million)	*(as % of revenue)*	*(€ million)*	*(as % of revenue)*	**Change**
Current operating income	**270.7**	**3.4%**	**215.3**	**2.9%**	**25.7%**
Net depreciation, amortization and provisions [(a)]	350.1	4.4%	351.5	4.7%	(0.4%)
EBITDA	**620.8**	**7.7%**	**566.8**	**7.6%**	**9.5%**
IFRS 16 impact on EBITDA	246.9	3.1%	245.0	3.3%	0.7%
EBITDA EXCLUDING IFRS 16	**373.9**	**4.6%**	**321.8**	**4.3%**	**16.2%**

(a) Net depreciation, amortization and provisions correspond to net allocations for depreciation and amortization and provisions on non-current operational assets recognized as current operating income.

In addition to the results published, the Group presents the EBITDA performance indicator, which excludes Interest, Taxes, Depreciation, Amortization and provisions on operational fixed assets from current operating income. The Group believes that this information assists investors in their analysis of the Group's performance. EBITDA is not an indicator stipulated by IFRS and does not appear in the Group consolidated financial statements. EBITDA has no standard definition and, therefore, the definition used by the Group may not match the definition of this term used by other companies. Since January 1, 2019, the application of IFRS 16 has significantly changed the Group's EBITDA. EBITDA excluding IFRS 16 is used in the context of the applicable financial covenants under the Loan Agreement.

4.1.3.7 / Other non-current operating income and expense

In 2021, other non-current income and expense amounted to a net expense of €10.3 million. In 2020, other non-current income and expense amounted to a net expense of €15.9 million.

The following table shows the breakdown of this item in 2021 and 2020.

(€ million)	2021	2020
Darty brand impairment	0.0	(14.2)
Gain related to the Nature & Découvertes earn-out	0.0	10.5
Incremental costs related to the health crisis	0.0	(5.8)
Other restructuring costs	(7.3)	(4.1)
Other net non-current income and expense	(3.0)	(2.3)
OTHER NON-CURRENT OPERATING INCOME AND EXPENSE	**(10.3)**	**(15.9)**

Other non-current operating income and expense for the Group comprises unusual and material items that could affect the ability to track the Group's economic performance.

As of December 31, 2021, they represented a net expense of €10.3 million, broken down as follows:

- €7.3 million in restructuring costs for employee and structural adaptation plans in France and abroad;
- a net expense of €3.0 million related to various non-current lawsuits.

As of December 31, 2020, they represented a net expense of €15.9 million, composed of:

- recognized indications of impairment as a result of the health crisis in 2020. The Group conducted impairment tests in the first half of 2020. These tests resulted in a €14.2 million impairment of the Darty brand;
- in the second half of 2020, as part of the calculation of the earn-out related to the acquisition of Nature & Découvertes, and in accordance with IFRS 3, a provision reversal was booked in the income statement for a net amount of €10.5 million for the settlement of the earn-out;
- in the first half of 2020, Fnac Darty noted the positions taken by the ESMA and AMF and decided not to record the full cost of the health crisis under non-current expense. Consequently, the Group recorded as non-current expense only non-recurring incremental costs incurred in the first half of 2020 that were directly related to the health crisis. These costs corresponded to the installation of hygiene barriers in stores and all exceptional bonuses paid to employees who worked in the Group's warehouses during the first lockdown period to fulfill online orders. In the first half of 2020, these costs totaled €5.8 million;
- €4.1 million in restructuring costs for employee and structural adaptation plans in France and abroad;
- other net non-current income and expenses represented an expense of €2.3 million related to various non-current lawsuits and restructuring costs in connection with the implementation of the Group's reorganization.

4.1.3.8 / Operating income

As of December 31, 2021, the Group's operating income was €260.4 million, compared with income of €199.4 million for 2020.

4.1.3.9 / Net financial expense

In 2021, net financial income comprised a financial expense of €41.8 million, compared with a financial expense of €51.4 million in 2020.

The breakdown of the Group's net financial expense in 2021 and 2020 is as follows:

(€ million)	**2021**	**2020**	**Change**
Costs related to Group debt	(25.3)	(25.9)	2.3%
Interest on leasing debt	(21.2)	(21.9)	3.2%
Other financial income and expense	4.7	(3.6)	230.6%
NET FINANCIAL EXPENSE	**(41.8)**	**(51.4)**	**18.7%**

In 2021, costs relating to the Group's net financial debt consisted mainly of interest on the €650 million bond issue and the €200 million medium-term credit facility repaid in March 2021, as well as interest on the €100 million loan from the European Investment Bank, and interest on and the actuarial expense of the €200 million OCEANE convertible bond issued by the Group in March 2021. These costs also include the apportionment of the costs of setting up the Group's financial debt.

In 2020, costs relating to the Group's net financial debt consisted mainly of interest for the €650 million bond issue, the €200 million medium-term credit facility, and the €100 million loan agreement concluded with the European Investment Bank.

Interest expense on leasing debt related to the application of IFRS 16 amounted to €21.2 million in 2021, compared to €21.9 million in 2020.

Other financial income and expense primarily includes the cost of consumer lending, the financial impacts related to post-employment benefits for employees and the remeasurement at fair value through profit or loss of the Group's financial assets. The improvement of this item compared to 2020 is mainly due to the upward revaluation of the fair value of the Group's shares in the Daphni Purple fund for an amount of €9.0 million in 2021, compared to €3.3 million in 2020.

4.1.3.10 / Income tax

Income tax includes any tax paid or for which a provision is recorded for the period, together with any potential tax reassessments paid or provisioned during the period. For 2021, the total tax expense is €74.1 million, compared with €59.6 million for 2020, an increase of €14.5 million, but a decrease in the effective tax rate of more than 6 percentage points to 33.90%. The increase in total tax expense in 2021 is mainly due to the increase in activity over the year. This increase is partially offset by the fall in the CVAE tax expense. The decrease in the CVAE expense is linked to the reform of production taxes adopted by the French Finance Act for 2021, which is set to halve the CVAE tax rate from the 2021 tax year onwards.

(€ million)	2021	2020
Pre-tax income	**218.6**	**148.0**
Current tax expense	(74.2)	(57.2)
Current tax expense related to corporate value-added tax (CVAE)	(11.0)	(20.6)
Deferred tax income/(expense)	11.1	18.2
TOTAL TAX EXPENSE	**(74.1)**	**(59.6)**
Effective tax rate	**33.90%**	**40.27%**

4.1.3.11 / Net income from continuing operations

Net income from continuing operations recorded a profit of €144.5 million for 2021, versus a profit of €88.4 million for 2020.

Net income from continuing operations, Group share recorded a profit of €145.0 million for 2021, versus a profit of €95.6 million for 2020.

Net income from continuing operations attributable to non-controlling interests recorded a loss of €0.5 million for 2021, versus a loss of €7.2 million for 2020.

4.1.3.12 / Net earnings per share

The weighted average number of ordinary shares of the Group used to calculate net earnings per share was 26,696,442 for 2021 versus 26,583,287 in 2020, a decrease of 113,155 shares.

As of December 31, 2021, Group net earnings per share amounted to €6.02. The figure was €0.05 the previous year.

Group net earnings per share for continuing operations came to €5.45 per share as of December 31, 2021, compared with €3.61 as of December 31, 2020.

4.1.4 / ANALYSIS OF REVENUE AND CURRENT OPERATING INCOME BY GEOGRAPHICAL REGION FOR 2020 AND 2021

4.1.4.1 / Comparison of results for 2020 and 2021 for the France-Switzerland segment

The following table shows the key items in the income statement for the France-Switzerland segment for the periods ended December 31, 2020 and December 31, 2021.

(€ million)	2021	2020	Change
Revenue	6,700.9	6,228.0	7.6%
Current operating income	244.6	193.8	26.2%
Operating profitability	3.7%	3.1%	0.6 pt

Revenues of the France-Switzerland segment

Revenue amounted to €6,700.9 million for 2021 compared to €6,228.0 million for 2020, an increase of 7.6%. The France-Switzerland segment opened 5 directly owned stores (including 2 Nature & Découvertes stores), and closed 4 directly owned stores (including 1 Nature & Découvertes store). At the same time, Fnac opened 9 shop-in-shops within Manor stores in Switzerland. At constant exchange rates and on a same-store basis, the increase in revenue was 7.2%.

The growth of franchise stores (led operationally by France) continued, with 47 new stores opened in 2021 (including 33 Darty stores in mainland France, 7 Fnac proximity format stores, 2 Fnac Travel retail stores, and 1 traditional Fnac store).

The number of Fnac loyalty program members in France remained stable year-on-year, totaling more than 7 million.

A breakdown of revenue by product category is included in note 4.1 “Information by operating segment” of the Notes to the consolidated financial statements, in section 5.2 of this Universal Registration Document.

The change in revenue from consumer electronics was primarily the result of increased sales in the Telephony and Television segments. Although impacted by increased competition from smartphones, revenue from the Photography segment also grew. Revenue from editorial products, which is highly sensitive to impulse purchasing, was down compared to the previous year. The Books and Audio segments benefited from increased in-store traffic, which had been severely impacted by store closures in 2020, as well as the popularity of comics and manga, in particular. Gaming enjoyed a positive full year following the release of new consoles in late 2020.

The increase in revenue from domestic appliances is the result of the trend for household goods, which continued over 2021, and benefited in particular from a favorable comparison basis effect for the first half of the year due to the impact of store closures on the previous period.

Growth in revenue from other products and services resulted from the development of the Home & Design, Games & Toys, and Urban Mobility segments, as well as an upturn in services that were able to take advantage of the increased in-store traffic.

Online activities dropped slightly due to a high comparison basis, with a particularly strong transferred sales effect observed during lockdowns in 2020. They now account for 25.5% of Group sales (a decrease of 3.5 points compared to 2020, but up 6.1 points on 2019).

Current operating income in the France-Switzerland segment

Current operating income for the France-Switzerland segment amounted to €244.6 million for the 2021 financial year (compared to €193.8 million for 2020) on account of a favorable channel mix effect on the margin rate due to increased in-store traffic and a slight downturn in online sales, as well as the gradual recovery of ticketing sales, offset by cost increases linked in particular to the increase in activity.

Current operating profitability was 3.7% in 2021 (compared to 3.1% in 2020), up 0.6 percentage points from 2020.

4.1.4.2 / Comparison of results for 2020 and 2021 in the Iberian Peninsula

The following table shows the key items in the income statement for the Iberian Peninsula for the periods ended December 31, 2020 and December 31, 2021.

(€ million)	2021	2020	Change
Revenue	701.5	653.8	7.3%
Current operating income	10.8	8.4	28.6%
Operating profitability	1.5%	1.3%	0.2 pt

Revenue for the Iberian Peninsula

Revenue recorded in the Iberian Peninsula amounted to €701.5 million in 2021, compared to €653.8 million in 2020, an increase of 7.3%.

In Spain and Portugal, the Group posted an upturn in sales as its comparison basis was entirely impacted by restrictions on sales outlets and store closures in connection with the health crisis.

The Iberian Peninsula opened 3 new integrated stores in 2021 (Spain only). In 2020, the Group opened 2 new stores (1 in Spain and 1 in Portugal). Revenue increased by 6.5% over 2021 on a same-store basis.

A breakdown of revenue by product category is included in note 4.1 “Information by operating segment” of the Notes to the consolidated financial statements, in section 5.2 of this Universal Registration Document.

Revenue from consumer electronics grew, driven in particular by the Telephony segment. Of note was the slight fall in sales of IT products, which were severely impacted by supply problems in the second half of the year, and also the slight downturn in the Television segment, which suffered from a high comparison basis.

Revenue from editorial products, which are highly sensitive to impulse purchasing, saw a marked increase compared to the previous year. All segments benefited from the recovery of in-store traffic.

Revenue from other products and services was up, driven by the Home & Design segment’s performance along with the growth in services, which were also hit by store closures in 2020.

Online activities represented 22.5% of sales in the Iberian Peninsula in 2021, down 3.4 points from 2020.

Current operating income in the Iberian Peninsula

Current operating income for the Iberian Peninsula came to €10.8 million in 2021, compared to €8.4 million in 2020, boosted by increased in-store activity and a more favorable product mix.

Current operating profitability reached 1.5%, a +0.2 percentage point increase from 2020.

4.1.4.3 / Comparison of results for 2020 and 2021 for the Belgium and Luxembourg segment

The following table shows the key items in the income statement for the Belgium and Luxembourg segment for the periods ended December 31, 2020 and December 31, 2021.

(€ million)	2021	2020	Change
Revenue	640.2	608.9	5.1%
Current operating income	15.3	13.1	16.8%
Operating profitability	2.4%	2.2%	0.2 pt

Revenue from the Belgium and Luxembourg segment

The revenue generated in the Belgium and Luxembourg segment amounted to €640.2 million for 2021, compared with €608.9 million for 2020, an increase of 5.1%.

Revenue rose by +5.0% in 2021 on a same-store basis.

A breakdown of revenue by product category is included in note 4.1 “Information by operating segment” of the Notes to the consolidated financial statements, in section 5.2 of this Universal Registration Document.

The change in revenue from consumer electronics was primarily the result of increased sales in the Telephony segment, partially offset by the fall in sales of IT products (a high comparable basis linked to the significant growth of remote working in 2020).

Revenue from editorial products, which is highly sensitive to impulse purchasing, was up compared with the previous year. The Books and Audio segments were buoyed by increased in-store traffic. Gaming enjoyed a positive full year following the release of new consoles in late 2020.

The increase in revenue from domestic appliances was driven by the growth of large domestic appliances.

Revenue from other products and services grew, benefiting from a favorable comparison base given that 2020 was particularly badly impacted by store closures and falling traffic.

Online activities approached normal levels, representing 30.2% of sales in the Belgium and Luxembourg region in 2021, a 5.1 percentage point decrease from 2020.

Current operating income from the Belgium and Luxembourg segment

Current operating income from the Belgium and Luxembourg segment was €15.3 million in 2021 (compared to €13.1 million in 2020), benefiting from the strong performance by Vanden Borre in the first half of the year despite the context of the continued health crisis.

Current operating profitability reached 2.4%, a 0.2 percentage point increase from 2020.

4.1.5 / USE OF ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires the use of estimates and assumptions by the Group’s management that can affect the book values of certain assets and liabilities, income and expenses, and information disclosed in the Notes to the financial statements. The Group’s management reviews these estimates and assumptions on a regular basis in order to ensure their appropriateness in view of past experience and the current economic environment. Amounts in future Group financial statements could differ from the current estimates as a result of changes in these assumptions. The impact of changes in estimates and assumptions is recognized in the period when the change occurs and in all the future periods affected.

The main estimates and assumptions made by management in preparing the financial statements concern the valuation and useful lives of operating assets; property, plant and equipment, intangible assets and goodwill; the amount of the provisions for contingencies and other provisions relating to the Group’s business, primarily in relation to inventories and income from ordinary activities; and the assumptions used to calculate the obligations relating to employee benefits, share-based payments and deferred tax. In particular, the Group uses discount rate assumptions, based on market data, in order to estimate its long-term assets and liabilities.

For a description of the assumptions used by the Group in the preparation of its financial statements, see note 2.3.2 “Use of estimates and assumptions” to the annual financial statements included in section 5.2 “Notes to the consolidated financial statements for the year ended December 31, 2021” of this Universal Registration Document.

4.2 / Group cash and equity

4.2.1 / GENERAL PRESENTATION

Fnac Darty's main cash requirements stem from its working capital requirements and operating investments.

In March 2021, the Group finalized its long-term debt restructuring, with an extended maturity profile, diversified sources of financing, and optimized cost, thereby securing its long-term liquidity.

The Group thus repaid in full its state-guaranteed loan (PGE) of €500 million in the same month.

In March 2021, the Group succeeded in placing its issue of bonds with an option for conversion and/or exchange for new and/or existing shares (OCEANE), maturing in 2027, for a nominal amount of €200 million corresponding to 2,468,221 bonds with a par value of €81.03 per bond. Based on the initial conversion/exchange ratio of one share per bond, dilution was approximately 9.28% of the Company's outstanding share capital as of March 16, 2021. As a result of the distribution of a dividend of €1.00 per share to Fnac Darty shareholders on July 7, 2021, the conversion/exchange rate was increased from 1 Fnac Darty share per OCEANE bond to 1.019 Fnac Darty shares per OCEANE bond as of July 7, 2021.

The issue of OCEANE bonds was allocated to the repayment of the €200 million Senior Term Loan Facility, maturing in April 2023.

At the same time, Fnac Darty renegotiated the terms of its credit facilities by amending its RCF credit line to raise the total amount to €500 million from the previous amount of €400 million. This credit line has a maturity of five years (March 2026) which may be extended at Fnac Darty's request until March 2028. The conditions remain identical to those of the RCF for €400 million. In line with the goals of the new strategic plan, Everyday, this new credit facility includes a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing terms if the designated targets are achieved.

In 2021, the improvement in operating performance and a return to normal inventory and investment levels generated free cash-flow from operations of €170.1 million (excluding the impact of IFRS 16) compared with a free cash-flow of €192.4 million in 2020 (excluding the impact of IFRS 16). As of December 31, 2021, the Group had net cash of €246.7 million (excluding the impact of IFRS 16).

4.2.2 / FINANCIAL RESOURCES

4.2.2.1 / Overview

In 2021, the Group had the following financing sources:

- *cash:*

  Cash and cash equivalents amounted to €1,181.1 million as of December 31, 2021 (€1,568.7 million as of December 31, 2020);

- *liquidity:*

  In addition to this amount of available cash, a Revolving Credit Facility of €500 million had not been used at December 31, 2021, giving total liquidity of €1,681.1 million;

- *free cash flow:*

  Operating and investing activities generated positive net flows of €170.1 million as of December 31, 2021 (€192.4 million as of December 31, 2020);

- *financial debt:*

  The Group's gross financial debt as of December 31, 2021 stood at €934.4 million. It mainly consists of senior bonds with a cumulative principal amount of €650 million, the debt component of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE bonds) amounting to €180.4 million, and the €100 million European Investment Bank loan.

The Group's net cash position breaks down as follows:

(€ million)	2021	2020
Cash and cash equivalents	1,181.1	1,568.7
Gross financial debt	(934.4)	(1,454.8)
NET CASH	**246.7**	**113.9**

Including leasing debt, the Group's net financial debt breaks down as follows:

(€ million)	2021	2020
Leasing debt	1,130.0	1,113.8
Net cash	(246.7)	(113.9)
NET FINANCIAL DEBT WITH IFRS 16	**883.3**	**999.9**

4.2.2.2 / Financial debt

Financial debt as of December 31, 2021

The Group's gross financial debt as of December 31, 2021 stood at €934.4 million. It amounted to €2,064.4 million including the leasing debt relating to the application of IFRS 16.

(€ million)	2021	2020
2026 Bond and capitalized interest	350.7	350.7
2024 Bond and capitalized interest	300.6	300.6
European Investment Bank loan	100.0	100.0
Financial debt component of the OCEANE bond	180.4	0.0
State-guaranteed loan	0.0	500.0
Medium-term credit facility	0.0	200.0
Other financial debt	2.7	3.5
TOTAL FINANCIAL DEBT EXCLUDING IFRS 16	**934.4**	**1,454.8**
IFRS 16 leasing debt	1,130.0	1,113.8
TOTAL FINANCIAL DEBT WITH IFRS 16	**2,064.4**	**2,568.6**

The table below sets out the Group's gross debt by currency as of December 31, 2021.

(€ million)	2021	2020
Euro	934.4	1,454.8
TOTAL FINANCIAL DEBT EXCLUDING IFRS 16	**934.4**	**1,454.8**
Euro	1,106.7	1,090.4
Swiss franc	22.1	23.0
Other currencies	1.2	0.4
TOTAL FINANCIAL DEBT WITH IFRS 16	**2,064.4**	**2,568.6**

The table below sets out the maturities of the Group's financial debt as of December 31, 2021:

	2021						
(€ million)	Total	N+1	N+2	N+3	N+4	N+5	N+6 and beyond
Long-term borrowings and financial debt	**932.3**		**17.9**	**317.4**	**16.7**	**366.7**	**213.6**
2026 bond	350.0					350.0	
2024 bond	300.0			300.0			
European Investment Bank loan	100.0		16.7	16.7	16.7	16.7	33.2
Financial debt component of the OCEANE bond	180.4						180.4
Other financial debt	1.9		1.2	0.7	0.0		
Short-term borrowings and financial debt	**2.1**	**2.1**					
State-guaranteed loan	0.0						
Medium-term credit facility	0.0						
Capitalized interest on bond issues	1.3	1.3					
Other financial debt	0.8	0.8					
TOTAL FINANCIAL DEBT EXCLUDING IFRS 16	**934.4**	**2.1**	**17.9**	**317.4**	**16.7**	**366.7**	**213.6**
%	**100.0%**	**0.2%**	**1.9%**	**34.0%**	**1.8%**	**39.2%**	**22.9%**
IFRS 16 leasing debt	**1,130.0**	**238.9**	**226.2**	**208.7**	**137.7**	**84.4**	**234.1**
Long-term IFRS 16 leasing debt	891.1		226.2	208.7	137.7	84.4	234.1
Short-term IFRS 16 leasing debt	238.9	238.9					
TOTAL FINANCIAL DEBT WITH IFRS 16	**2,064.4**	**241.0**	**244.1**	**526.1**	**154.5**	**451.1**	**447.7**

Sources of Group financing

On the back of its solid 2020 results, which demonstrated the resilience of its business in an unprecedented crisis, in March 2021 the Group finalized its long-term debt restructuring, with an extended maturity profile, diversified sources of financing and optimized cost, thereby securing its long-term liquidity.

The Group thus repaid in full its state-guaranteed loan (PGE) of €500 million in the same month.

In March 2021, the Group succeeded in placing its issue of bonds with an option for conversion and/or exchange for new and/or existing shares (OCEANE bonds), maturing in 2027, for a nominal amount of €200 million.

The issue of OCEANE bonds was allocated to the repayment of the €200 million Senior Term Loan Facility, maturing in April 2023.

At the same time, Fnac Darty renegotiated the terms of its credit facilities by amending its RCF credit line to raise the total amount to €500 million from the previous amount of €400 million. This credit line has a maturity of five years (March 2026) which may be extended at Fnac Darty's request until March 2028. The conditions remain identical to those of the RCF for €400 million. In line with the goals of the new strategic plan, Everyday, this new credit facility includes a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing terms if the designated targets are achieved.

2024 and 2026 Senior Notes

On May 15, 2019, Fnac Darty refinanced its senior bonds with a cumulative principal amount of €650 million, composed of a cumulative principal amount of €300 million in senior bonds maturing in 2024, and a cumulative principal amount of €350 million in senior bonds maturing in 2026. The 2024 bonds pay an annual coupon of 1.875% and the 2026 bonds pay an annual coupon of 2.625%.

These bonds rank pari passu with the Senior Credit Facility. Interest is payable half-yearly.

The High Yield Bonds are listed for trading on the Global Exchange Market of the Irish Stock Exchange.

The 2024 bonds were redeemable in whole or in part at any time until May 30, 2021 at a price equal to the amount of the nominal value plus an early repayment premium and accrued interest not yet due. Since May 30, 2021, they have been redeemable in full or in part at the values shown in the table below:

2024 Bonds

Redemption period commencing:	**Redemption price** *(as % of the principal)*
May 30, 2021	100.9375%
May 30, 2022	100.4688%
May 30, 2023 and beyond	100.0000%

The 2026 bonds are redeemable in whole or in part at any time until May 30, 2022 at a price equal to the amount of the nominal value plus an early repayment premium and accrued interest not yet due. From May 30, 2022, they will be redeemable in whole or in part at the values shown in the table below:

2026 Bonds

Redemption period commencing:	**Redemption price** *(as % of the principal)*
May 30, 2022	101.3125%
May 30, 2023	100.6563%
May 30, 2024 and beyond	100.0000%

The agreement for the High Yield Bond issue contains customary clauses that specifically restrict the Group's ability to incur additional debt, pay dividends or make any other distribution, grant pledges and guarantees, dispose of assets, execute transactions with affiliated companies or merge or consolidate with other entities.

The offering memorandum is available on the Irish Stock Exchange website.

State-guaranteed loan

In March 2021, the Group repaid in full its €500 million state-guaranteed loan (PGE), taken out in April 2020 with a group of French banks. This loan was intended to secure the Group's liquidity and ensure the resumption of activities in the context of the Covid-19 crisis. Cash from this state-guaranteed loan was never used by the Group.

OCEANE bonds

In March 2021, the Group succeeded in placing its issue of bonds with an option for conversion and/or exchange for new and/or existing shares (OCEANE), maturing in 2027, for a nominal amount of €200 million corresponding to 2,468,221 bonds with a par value of €81.03 per bond. Based on the initial conversion/exchange ratio of one share per bond, dilution was approximately 9.28% of the Company's outstanding share capital as of March 16, 2021. As a result of the distribution of a dividend of €1.00 per share to Fnac Darty shareholders on July 7, 2021, the conversion/exchange rate was increased from 1 Fnac Darty share per OCEANE bond to 1.019 Fnac Darty shares per OCEANE bond as of July 7, 2021.

The issue of OCEANE bonds was allocated to the repayment of the €200 million Senior Term Loan Facility, maturing in April 2023.

Senior Credit Facility

At the same time, Fnac Darty renegotiated the terms of its credit facilities by amending its RCF credit line to raise the total amount to €500 million from the previous amount of €400 million. This credit line has a maturity of five years (March 2026) which may be extended at Fnac Darty's request until March 2028. The conditions remain identical to those of the RCF for €400 million. In line with the goals of the new strategic plan, Everyday, this new credit facility includes a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing terms if the designated targets are achieved.

Drawdowns under the Senior Credit Facility are made in euros and bear interest at a rate equal to the sum of the EURIBOR reference rate for the period and a margin that can be adjusted based on the Group's rating.

As of December 31, 2021, the RCF credit line was not in use.

The Senior Credit Facility includes two financial covenants which are tested on a half-yearly basis and exclude the impact of IFRS 16:

- an adjusted leverage ratio:

  this ratio is defined as "total adjusted debt" (i.e. net debt plus five times the amount of the rent as shown in the latest consolidated financial statements of the Group) divided by "consolidated EBITDAR" (i.e. the Group's current operating income plus net changes to depreciation, amortization and provisions on non-current operating assets and rent as shown in the latest consolidated financial statements of the Group); and

- an adjusted rate hedging ratio:

  this ratio is defined as “consolidated EBITDAR” (see definition above) divided by “financial expense (net)” plus rent as shown in the latest consolidated financial statements of the Group.

However, as of December 31, 2021, all annual financial covenants have been observed.

The target values of the covenants to be achieved vary at each test period.

The Senior Credit Facility also includes general restrictive covenants that are customary for this kind of agreement, including certain restrictions related to the granting of pledges or guarantees, the disposal or acquisition of assets, the execution of merger or restructuring transactions, to debt or to dividend distribution (see section 7.5 “Dividend distribution policy”).

Loan agreement with the European Investment Bank

On February 18, 2019, Fnac Darty announced the signing of a loan agreement for €100 million with the European Investment Bank (EIB). Issued under the “Juncker Plan,” this loan will be used to finance the Group’s digital transformation investments. This financing has a maximum maturity of nine years, on very attractive terms. As of December 31, 2021, €100 million of the EIB credit line was used.

Negotiable securities program

Fnac Darty also implemented a program of short-term negotiable debt instruments (“NEU CP”) in 2018, designed to replace the drawdowns on the revolving credit facility for the Group’s seasonal financing needs. This program, which has a ceiling of €400 million, consists of issues that are executed on the short-term debt market and have a maximum maturity of one year.

As of December 31, 2021, this program had not been used.

The program documentation is available on the Banque de France website.

4.2.3 / ANALYSIS OF CASH FLOWS

(€ million)	**2021**	**2020**
Net cash flows from operating activities	528.3	546.2
Net cash flows from operating investment activities	(109.0)	(106.7)
Free cash-flow from operations	**419.3**	**439.5**
Net cash flows from financial investing activities	(0.4)	(10.2)
Net cash flows from financing activities	(285.3)	(272.0)
Net cash flows from discontinued operations	(1.4)	(25.0)
Impact of changes in foreign exchange rates	0.6	(0.5)
CHANGE IN NET CASH	**132.8**	**131.8**
Net cash at start of period	**113.9**	**(17.9)**
NET CASH AT END OF PERIOD	**246.7**	**113.9**

4.2.3.1 / Net cash flows from operating activities and investments

(€ million)	2021	2020
Cash flow before tax, dividends and interest	637.4	544.5
Change in working capital requirement	(39.7)	67.2
Income tax paid	(69.4)	(65.5)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**528.3**	**546.2**
Operating investments	(116.8)	(99.4)
Change in payables and receivables relating to non-current assets	7.3	(8.6)
Operating divestments	0.5	1.3
NET CASH FLOWS FROM OPERATING INVESTMENT ACTIVITIES	**(109.0)**	**(106.7)**
FREE CASH-FLOW FROM OPERATIONS	**419.3**	**439.5**

(€ million)	2021	2020
Free cash-flow from operations	**419.3**	**439.5**
Repayment of leasing debt and interest	(249.2)	(247.1)
FREE CASH-FLOW FROM OPERATIONS, EXCLUDING IFRS 16	**170.1**	**192.4**

Excluding impacts related to the application of IFRS 16, cash flows from operating activities and operating investments in 2021 amounted to €170.1 million, compared to €192.4 million in 2020.

Operating investments in 2021

In 2021, the Group's operating investments returned to normal levels and amounted to €116.8 million, compared to €99.4 million in 2020. In particular, investments were used to open new points of sale, to renovate existing points of sale, to expand logistical storage and delivery capacity, to push forward with the convergence of the Fnac and Darty IT systems, and to develop websites.

Generally, investments are made in order to support the Group's strategic plan, particularly the complementary features of the Fnac and Darty banners, the omnichannel platform and the digital segment.

The table below shows gross operating investments by geographical area for 2021 and 2020:

(€ million)	France-Switzerland	Iberian Peninsula	Belgium and Luxembourg	Total
December 31, 2021				
Store investments (excluding IT)	30.1	1.4	2.6	34.1
IT investments	61.8	3.6	1.5	66.9
Logistics investments	10.7	1.8	0.1	12.6
Other operating investments	2.7	0.4	0.1	3.2
TOTAL OPERATING INVESTMENTS	**105.3**	**7.2**	**4.3**	**116.8**
December 31, 2020				
Store investments (excluding IT)	26.1	6.1	3.6	35.8
IT investments	45.7	2.6	1.6	49.9
Logistics investments	8.7	1.2	0.3	10.2
Other operating investments	3.0	0.5	0.0	3.5
TOTAL OPERATING INVESTMENTS	**83.5**	**10.4**	**5.5**	**99.4**

4.2.3.2 / Net cash flows from financial investment activities

(€ million)	2021	2020
Acquisitions and disposals of subsidiaries net of debt	(2.0)	(9.1)
Acquisitions of other financial assets	(0.7)	(1.3)
Sales of other financial assets	2.3	0.0
Interest and dividends received	0.0	0.2
Net cash flows from financial investing activities	**(0.4)**	**(10.2)**

The Group's net financial investments represented an outflow of €0.4 million in 2021 versus an outflow of €10.2 million in 2020.

In 2021, acquisitions and disposals of subsidiaries net of debt represented a net outflow of €2.0 million, related to the acquisition of minority interests in Group companies.

In 2020, acquisitions and disposals of subsidiaries net of debt represented a net outflow of €9.1 million, mainly related to:

- an inflow of €3.5 million received in March 2020 as part of the adjusted acquisition price of Nature & Découvertes, in accordance with the provisions of the sale agreement;
- an outflow of €6.0 million made in October 2020 in connection with the finalization of the calculation and trade related to the Nature & Découvertes earn-out provided for in the acquisition agreement;
- an outflow of €6.0 million related to the acquisition of WeFix shares representing 19% of WeFix's equity. Following this acquisition, the Group held a 69% stake in WeFix as of December 31, 2020.

In 2021, acquisitions of other financial assets for a cash outflow of €0.7 million correspond to the first round of funding in the Raise Seed for Good investment fund. After investing in the Daphni Purple fund in 2016, Fnac Darty wished to support Responsible Tech start-ups by investing in the Raise Seed for Good fund, the first European venture capital fund to integrate CSR criteria into its investment and support strategy from the seed stage to promote the emergence of future European leaders in Responsible Tech. Fnac Darty committed to subscribe to this fund's capital in the amount of €4 million. The first call for funds represents 17% of the total commitment. The Group agreed to underwrite the remaining 83% of Raise Seed for Good shares for €3.3 million.

In 2020, acquisitions of other financial assets included security deposits for funding providers totaling €0.9 million and a Daphni Purple call for funds totaling €0.4 million.

Disposals of other financial assets in 2021 included the return of security deposits to funding providers for €1.3 million, as well as the repayment of the par value of shares held in the Daphni Purple fund for €1.0 million. The Group remains committed to underwriting 23% of the remaining Daphni Purple shares for €1.6 million.

4.2.3.3 / Net cash flows from financing activities

(€ million)	2021	2020
Purchases or sales of treasury stock	(0.6)	0.7
Dividends paid to shareholders	(27.3)	0.0
Equity component of the OCEANE bond	20.8	0.0
Repayment of leasing debt	(228.0)	(225.2)
Interest paid on leasing debt	(21.2)	(21.9)
Interest and equivalent payments	(26.7)	(25.2)
Financing of the Comet pension fund	(2.3)	(0.4)
Net cash flows from financing activities	**(285.3)**	**(272.0)**

In 2021, net financial flows from financing activities included the effect of the application of IFRS 16 for an amount of €249.2 million. Excluding IFRS 16, net financial flows from financing activities amounted to an expense of €36.3 million in 2021 compared to an expense of €24.9 million in 2020.

In 2021:

- acquisitions of treasury stock for €0.6 million correspond to financial flows related to the acquisition of Fnac Darty shares carried out under the liquidity agreement. As of December 31, 2021, the Group held 67,723 treasury shares;
- dividends paid to shareholders mainly represent the payment of the first ordinary dividend of €1.00 per Group share, paid in cash on July 7, 2021 for a total amount of €26.7 million;
- the conversion of the OCEANE bond issued by Fnac Darty will result in the delivery of a fixed number of shares in return for a fixed cash amount, and the terms and conditions provide for "full dividend protection" with a corresponding adjustment to parity as soon as a dividend is paid. As the "fixed for fixed" condition is fulfilled, the conversion option has therefore been classified as an equity instrument. The fair value of this component was determined at the time of its issue and recognized in shareholders' equity for a gross amount of €20.8 million;
- repayments of leasing debt and interest paid on leasing debt for a total of €249.2 million, in respect of rental payments falling within the scope of IFRS 16;
- net outflows for interest paid and similar items mainly include interest paid on financing instruments and fees for the use and non-use of credit lines in the amount of €21.0 million. They also include an outflow to cover the guarantee cost for the state-guaranteed loan for €2.5 million, costs related to the extension of the RCF credit line for €1.7 million, and the costs of setting up the OCEANE bond for €1.5 million;
- financing of the Comet pension fund for €2.3 million includes, for 2021, management fees of the British Comet pension fund holding the pension liabilities for former Comet employees in the UK, as well as the costs of legal proceedings incurred by the Group in connection with the Comet lawsuit.

In 2020:

- acquisitions or sales of treasury stock for €0.7 million corresponded to financial flows related to the acquisition and sale of Fnac Darty shares carried out under the liquidity agreement. As of December 31, 2020, the Group held 68,010 treasury stocks;
- repayments of leasing debt and interest paid on leasing debt correspond to a total of €247.1 million, in respect of rental payments falling within the scope of IFRS 16;
- interest and equivalent payments of €25.2 million represented the financial interest on the instruments set up to finance the Group;
- the financing of the British Comet pension fund represented the cash paid by the Group in connection with the pension commitments for former Comet employees in the United Kingdom.

4.2.3.4 / Net cash flows from discontinued operations

Net cash flows from discontinued operations in 2021 represent a cash outflow of €1.4 million, related to the residual costs paid in 2021 in connection with the disposal of the Dutch subsidiary BCC on November 25, 2020.

In 2020, net cash flows from discontinued operations amounted to €25.0 million, corresponding to flows relating to the Dutch subsidiary BCC, which are presented separately in the consolidated financial statements in accordance with IFRS 5.

4.2.3.5 / Change in net cash

The change in net cash in 2021 and 2020 was as follows:

(€ million)	2021	2020
Free cash-flow from operations	419.3	439.5
Acquisitions and disposals of subsidiaries net of cash acquired or transferred	(2.0)	(9.1)
Purchases and sales of other financial assets (net)	1.6	(1.3)
Interest and dividends received	0.0	0.2
Equity component of the OCEANE bond	20.8	0.0
Dividends paid to shareholders, parent company	(27.3)	0.0
Interest paid net of interest and dividends received	(26.7)	(25.2)
Repayment of leasing debt	(228.0)	(225.2)
Interest paid on leasing debt	(21.2)	(21.9)
Purchases or sales of treasury stock	(0.6)	0.7
Financing of the Comet pension fund	(2.3)	(0.4)
Net cash flows from discontinued operations	(1.4)	(25.0)
Impact of changes in exchange rates	0.6	(0.5)
Change in net cash excluding IFRS 16	**132.8**	**131.8**
Net cash excluding IFRS 16 at January 1	**113.9**	**(17.9)**
Net cash excluding IFRS 16 at end of period	**246.7**	**113.9**

4.3 / Recent events and outlook

Conclusion and outlook

The very good 2021 performances confirm the Group's strategic choice to transform its model and its position as the European leader in omnichannel retail.

The beginning of 2022 remains disrupted by the health crisis and the gradual rise in inflation. In this context and given the strong comparison basis effect in the first half of the year, Fnac Darty remains cautious at this stage about the development of its markets in 2022. However, the Group will be able to rely on its positioning as a leading omnichannel player to ensure the best possible availability and quality of products and services, its positioning on premium products and its solid cost control.

2022 will also be a year in which the Group will ramp up the implementation of its plan Everyday based on service, advice and sustainability. Efforts will focus on continuing to improve the customer experience, expanding the store network primarily through franchises, strengthening its position in the circular economy, providing a differentiated educated choice for its customers and further developing the Darty Max subscription service model.

The Group confirms its objectives of achieving cumulative free cash-flow from operations [1] of approximately €500 million over the 2021–2023 period, and free cash-flow from operations [1] of at least €240 million on an annual basis from 2025.

In accordance with the shareholder return policy announced at the launch of the strategic plan Everyday in February, Fnac Darty will propose to the General Meeting of Shareholders, on May 18, 2022, the distribution of an ordinary dividend of €2.00 per share [2], representing a payout ratio of nearly 37% [3]. This dividend will be payable entirely in cash. The ex-dividend date will be on June 21, 2022 and the dividend payment date on June 23, 2022.

On March 10, 2022, Fnac Darty announced the extension of its €500 million RCF credit line

In March 2022, Fnac Darty exercised the option to extend its €500 million RCF credit line from March 2026 to March 2027. This option was subscribed at 100% of banking commitments.

The Group still has the option to extend its RCF credit line to March 2028.

Current conflict situation between Russia and Ukraine

Fnac Darty does not have any branches in the conflict zone between Russia and Ukraine nor is it supplied by any suppliers based in this zone. On the date of the publication of this document, it remains uncertain how the conflict will develop, and the Group remains vigilant with regard to the situation and its potential impact on its business and earnings.

(1) Excluding IFRS 16.
(2) Corresponding to an amount of around €54 million on the basis of the number of Fnac Darty shares at December 31, 2021.
(3) Calculated on the net income from continuing operations, Group share.

5

Financial statements

5.1 / Group consolidated financial statements as of December 31, 2021 and 2020

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(€ million)	Notes	2021	2020
INCOME FROM ORDINARY ACTIVITIES	**4-5**	**8,042.6**	**7,490.7**
Cost of sales		(5,669.1)	(5,304.9)
GROSS MARGIN		**2,373.5**	**2,185.8**
Personnel expenses	6-7	(1,171.7)	(1,055.1)
Other current operating income and expense		(930.9)	(915.5)
Share of profit from equity associates	8	(0.2)	0.1
CURRENT OPERATING INCOME	**9**	**270.7**	**215.3**
Other non-current operating income and expense	10	(10.3)	(15.9)
OPERATING INCOME		**260.4**	**199.4**
(Net) financial expense	11	(41.8)	(51.4)
PRE-TAX INCOME		**218.6**	**148.0**
Income tax	12	(74.1)	(59.6)
NET INCOME FROM CONTINUING OPERATIONS		**144.5**	**88.4**
Group share		*145.0*	*95.6*
share attributable to non-controlling interests		*(0.5)*	*(7.2)*
NET INCOME FROM DISCONTINUED OPERATIONS	**31**	**15.3**	**(94.4)**
Group share		*15.3*	*(94.4)*
share attributable to non-controlling interests		*0.0*	*0.0*
CONSOLIDATED NET INCOME		**159.8**	**(6.0)**
Group share		*160.3*	*1.2*
share attributable to non-controlling interests		*(0.5)*	*(7.2)*
NET INCOME, GROUP SHARE		**160.3**	**1.2**
Earnings per share *(€)*	13	6.02	0.05
Diluted earnings per share *(€)*	13	5.38	0.04
NET INCOME FROM CONTINUING OPERATIONS, GROUP SHARE		**145.0**	**95.6**
Earnings per share *(€)*	13	5.45	3.61
Diluted earnings per share *(€)*	13	4.86	3.53

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(€ million)	**Notes**	**2021**	**2020**
NET INCOME		**159.8**	**(6.0)**
Translation differences		(1.2)	1.3
Fair value of hedging instruments		1.8	(2.0)
Items that may be reclassified subsequently to profit or loss	**14**	**0.6**	**(0.7)**
Revaluation of net liabilities for defined benefit plans		28.0	(25.5)
Items that may not be reclassified subsequently to profit or loss	**14**	**28.0**	**(25.5)**
OTHER ITEMS OF COMPREHENSIVE INCOME, AFTER TAX	**14**	**28.6**	**(26.2)**
TOTAL COMPREHENSIVE INCOME		**188.4**	**(32.2)**
Group share		*188.9*	*(25.0)*
share attributable to non-controlling interests		*(0.5)*	*(7.2)*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Assets

(€ million)	Notes	2021	2020
Goodwill	15	1,654.3	1,654.3
Intangible assets	16	528.2	505.6
Property, plant and equipment	17	574.5	594.2
Right-of-use assets related to lease agreements	18	1,115.2	1,109.4
Investments in associates	8	0.6	0.1
Non-current financial assets	20	40.2	32.6
Deferred tax assets	12.2.2	68.8	67.3
Other non-current assets	24.2	0.1	0.0
NON-CURRENT ASSETS		**3,981.9**	**3,963.5**
Inventories	22	1,104.3	960.2
Trade receivables	23	303.9	285.4
Tax receivables due	12.2.1	1.4	3.6
Other current financial assets	24.1	9.4	6.8
Other current assets	24.1	377.9	361.1
Cash and cash equivalents	21	1,181.1	1,568.7
CURRENT ASSETS		**2,978.0**	**3,185.8**
ASSETS HELD FOR SALE	**31**	**0.0**	**0.0**
TOTAL ASSETS		**6,959.9**	**7,149.3**

Liabilities and shareholders' equity

(€ million)	Notes	2021	2020
Share capital		26.8	26.6
Equity-related reserves		971.0	971.2
Translation reserves		(5.7)	(4.5)
Other reserves and net income		563.3	375.2
SHAREHOLDERS' EQUITY, GROUP SHARE	**25**	**1,555.4**	**1,368.5**
Shareholders' equity – share attributable to non-controlling interests	25	8.2	4.9
SHAREHOLDERS' EQUITY	**25**	**1,563.6**	**1,373.4**
Long-term borrowings and financial debt	28.1	932.3	901.9
Long-term leasing debt	28.2	891.1	884.1
Provisions for pensions and other equivalent benefits	26	187.8	205.9
Other non-current liabilities	24.2	78.7	124.4
Deferred tax liabilities	12.2.2	164.9	164.6
NON-CURRENT LIABILITIES		**2,254.8**	**2,280.9**
Short-term borrowings and financial debt	28.1	2.1	552.9
Short-term leasing debt	28.2	238.9	229.7
Other current financial liabilities	24.1	8.7	13.0
Trade payables	24.1	2,036.9	1,784.4
Provisions	27	31.0	30.6
Tax liabilities payable	12.2.1	8.3	30.0
Other current liabilities	24.1	815.6	854.4
CURRENT LIABILITIES		**3,141.5**	**3,495.0**
PAYABLES RELATING TO ASSETS HELD FOR SALE	**31**	**0.0**	**0.0**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**6,959.9**	**7,149.3**

CONSOLIDATED CASH FLOW STATEMENT AS OF DECEMBER 31, 2021 AND 2020

(€ million)	Notes	2021	2020
NET INCOME FROM CONTINUING OPERATIONS		**144.5**	**88.4**
Income and expense with no impact on cash		363.2	329.6
CASH FLOW	**30.1**	**507.7**	**418.0**
Financial interest income and expense		44.4	48.9
Dividends received		0.0	(0.2)
Net tax expense payable	12.1	85.3	77.8
CASH FLOW BEFORE TAX, DIVIDENDS AND INTEREST		**637.4**	**544.5**
Change in working capital requirement	24	(39.7)	67.2
Income tax paid		(69.4)	(65.5)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**30.1**	**528.3**	**546.2**
Acquisitions of intangible assets and property, plant & equipment		(116.8)	(99.4)
Change in payables on intangible assets, property, plant and equipment		7.3	(8.6)
Disposals of intangible assets and property, plant & equipment		0.5	1.3
Acquisitions and disposals of subsidiaries net of cash acquired and transferred		(2.0)	(9.1)
Acquisitions of other financial assets		(0.7)	(1.3)
Sales of other financial assets		2.3	0.0
Interest and dividends received		0.0	0.2
NET CASH FLOWS FROM INVESTING ACTIVITIES	**30.2**	**(109.4)**	**(116.9)**
Purchases or sales of treasury stock		(0.6)	0.7
Dividends paid to shareholders		(27.3)	0.0
Bonds issued		200.0	500.0
Bonds repaid		(700.0)	(58.6)
Repayment of leasing debt	28.2	(228.0)	(225.2)
Interest paid on leasing debt	11	(21.2)	(21.9)
Increase in other financial debt		0.2	0.0
Interest and equivalent payments		(26.7)	(25.2)
Financing of the Comet pension fund	30.4	(2.3)	(0.4)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**30.3**	**(805.9)**	**169.4**
Net cash flows from discontinued operations	31	(1.4)	(25.0)
Impact of changes in exchange rates		0.8	(0.5)
NET CHANGE IN CASH		**(387.6)**	**573.2**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**21**	**1,568.7**	**995.5**
CASH AND CASH EQUIVALENTS AT PERIOD-END	**21**	**1,181.1**	**1,568.7**

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2021 AND 2020

(€ million)	Number of shares outstanding [a]	Share capital	Equity-related reserves	Translation reserves	Other reserves and net income	Shareholders' equity: Group share	Shareholders' equity: Non-controlling interests	Shareholders' equity: Total
AT DECEMBER 31, 2019	**26,515,572**	**26.5**	**971.3**	**(5.8)**	**395.9**	**1,387.9**	**10.4**	**1,398.3**
Total comprehensive income				**1.3**	**(26.3)**	**(25.0)**	**(7.2)**	**(32.2)**
Capital increase/(decrease)	92,999	0.1	(0.1)			0.0		0.0
Treasury stock					0.5	0.5		0.5
Valuation of share-based payments					8.1	8.1		8.1
Change in scope					(1.8)	(1.8)	1.8	0.0
Other movements					(1.2)	(1.2)	(0.1)	(1.3)
AT DECEMBER 31, 2020	**26,608,571**	**26.6**	**971.2**	**(4.5)**	**375.2**	**1,368.5**	**4.9**	**1,373.4**
Total comprehensive income				**(1.2)**	**190.1**	**188.9**	**(0.5)**	**188.4**
Capital increase/(decrease)	152,547	0.2	(0.2)			(0.0)		(0.0)
Treasury stock					0.1	0.1		0.1
Valuation of share-based payments					13.2	13.2		13.2
Equity component of the OCEANE bond					15.4	15.4		15.4
Dividend					(26.7)	(26.7)	(0.6)	(27.3)
Change in scope					(4.4)	(4.4)	4.4	0.0
Other movements					0.4	0.4		0.4
AS AT DECEMBER 31, 2021 [a]	**26,761,118**	**26.8**	**971.0**	**(5.7)**	**563.3**	**1,555.4**	**8.2**	**1,563.6**

(a) €1 par value of shares.

5.2 / Notes to the consolidated financial statements for the year ended December 31, 2021

NOTE 1 GENERAL INFORMATION

1.1 / General information

Fnac Darty, the parent company of the Group, is a French limited company (société anonyme) with a Board of Directors. Its registered office is at 9, rue des Bateaux-Lavoirs, ZAC Port d'Ivry, 94200 Ivry-sur-Seine, France. The Company is registered under No. 055 800 296 with the Créteil Trade and Companies Registry. Fnac Darty is subject to all laws governing commercial companies in France, including the provisions of the French Commercial Code.

The consolidated financial statements as of December 31, 2021 reflect the financial position of Fnac Darty and its subsidiaries, as well as its interests in associates and joint ventures.

On February 23, 2022, the Board of Directors approved the consolidated financial statements for the year ended December 31, 2021. These statements are not final until they have been ratified by the General Meeting of Shareholders, scheduled for May 18, 2022.

1.2 / Reporting context

Fnac Darty, comprising the Fnac Darty company and its subsidiaries (hereinafter referred to collectively as "Fnac Darty"), is a leader in the leisure and entertainment products, consumer electronics and domestic appliances retail market in France, and a major player in markets in other countries where it operates, including Spain, Portugal, Belgium, Switzerland and Luxembourg. Fnac Darty also has franchise operations in Morocco, Qatar, Ivory Coast, Cameroon, Congo, Tunisia, and Senegal.

The listing of Fnac Darty securities for trading on the Euronext Paris regulated stock exchange requires the establishment of consolidated financial statements according to the IFRS standards. The procedures for preparing these financial statements are described in note 2 "Accounting principles and policies".

The Group's consolidated financial statements are presented in millions of euros. The tables in the financial statements use rounded figures. The arithmetical calculations based on rounded data may present some differences with the aggregates or subtotals reported.

NOTE 2 ACCOUNTING PRINCIPLES AND POLICIES

2.1 / General principles and statement of compliance

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the Group's consolidated financial statements for 2021 have been prepared in accordance with international accounting standards as adopted by the European Union on the date these financial statements were established. These standards were mandatory at that date, and are presented with the comparative data for 2020, prepared on the same basis. Over the periods presented, the standards and interpretations adopted by the European Union are similar to the mandatory standards and interpretations published by the IASB (International Accounting Standards Board). Therefore, the Group's financial statements have been prepared in compliance with the standards and interpretations as published by the IASB.

The international standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards), IFRIC (International Financial Reporting Interpretations Committee) interpretations and SIC (Standard Interpretation Committee) interpretations.

The consolidated financial statements presented do not take into account any standards and interpretations that, at period-end, were still at the exposure draft stage with the IASB and IFRIC, or standards whose application was not mandatory in 2021.

The reference year for the Group is January 1 to December 31.

The accounting principles used in preparing the annual consolidated financial statements are in line with those used for the previous annual consolidated financial statements with the exception, as applicable, of any standards and interpretations applicable to the Group that were adopted in the European Union on or after January 1 of the previous year (see note 2.2 "IFRS guidelines applied").

The Group does not apply standards before the required date of application.

2.2 / IFRS guidelines applied

2.2.1 Standards, amendments and interpretations adopted by the European Union and non mandatory for reporting periods beginning on or after January 1, 2021

The IASB has published the following amendments and improvements, which the Group expects will have no material impact:

- amendment to IFRS 3 – Reference to the conceptual framework;
- amendment to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract;
- amendment to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use;
- improvement to IFRS Standards 2018-2020 Cycle. Standards concerned:
  - IAS 41 – Taxation in Fair Value Measurements,
  - IFRS 1 – Subsidiary as a First-time Adopter,
  - IFRS 9 – Derecognition of Financial Liabilities: charges and fees to be included in the 10% test,
  - IFRS 16 – Lease Incentives;
- IFRS 17 – Insurance Contracts, with amendments.

2.2.2 Standards, amendments and interpretations adopted by the European Union and mandatory for reporting periods beginning on or after January 1, 2021

- **Amendment to IFRS 16 – Covid-19-related rent concessions**

  Conditionally, the amendment, which was published by the IASB on May 28, 2020, allows the lessee, to whom the lessor has granted Covid-19-related rent concessions, to elect not to carry out an assessment to decide whether such concessions are lease modifications, and generally to recognize the concessions immediately as negative variable lease payments in profit or loss.

  The initial conditions to be met in order to benefit from this practical relief are as follows:

  - the amendments are a direct consequence of the Covid-19 pandemic;
  - the amendments mean that on the whole, the consideration remains at its current level or is reduced;
  - the payment reductions covered are those obtained up to June 30, 2021;
  - there are no other substantial changes in the other terms and conditions of the initial contract.

  As of March 31, 2021, the IASB published a new amendment to IFRS 16 extending the payment reduction period in question until June 30, 2022. This second amendment was officially adopted by the European Union as of August 30, 2021.

  The Group resolved to apply this amendment in 2020 and continues to recognize the impact of the rent reductions from 2021 on the income for the period, subject to compliance with the conditions outlined previously.

- **IFRIC interpretation concerning IAS 19 – Service cost allotment period**

  In December 2020, the IFRS IC Interpretation Committee began discussions on interpreting the method used to calculate employee benefit liability, and the vesting period for retirement benefit plans. The Committee's interpretation is to linearize pension entitlement over the period prior to retirement age to obtain the capped entitlement. The IASB approved this approach in May 2021.

  In this context, the interpretation applies to the retirement benefits of the following five companies:

  - Nature & Découvertes;
  - Terre d'Oc Évolution;
  - 123Billets;
  - Fnac Monaco;
  - Alizé-SFL.

  The consequences of the IFRS IC decision have been analyzed as a change in accounting policy within the meaning of IAS 8. Given that the impact on Fnac Darty is not significant, the Group offset the difference in the valuation of the provision against shareholders' equity at the start of 2021, and did not restate the comparative year.

- **IFRIC interpretation concerning IAS 38 – Recognition of contract start-up costs in SaaS (Software as a Service) mode**

  In March 2021, the IFRS IC Interpretation Committee opened discussions on the recognition of the costs of configuring and customizing software that is accessible via the cloud under an SaaS contract.

  The Committee's interpretation is to recognize these costs as intangible assets if, within the meaning of IAS 38, the customer controls the separate asset resulting from the said configuration or customization. If control within the meaning of IAS 38 is not proven, these costs must be recognized as current operating expenses and may be spread across the term of the contract if they cannot be distinguished from the main service of the software provision.

In order to assess the materiality of installation costs for SaaS contracts, a survey was carried out across all Group entities. As of December 31, 2021, 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 was not material.

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform (IBOR) – phase 2**

  In August 2020, as part of the interest rate benchmark reform, the IASB published an amendment to IAS 39 aimed at allowing entities to mitigate the accounting impacts associated with changes to contracts relating to financial instruments switching to the new benchmark rates. The amendment was adopted by the European Union as of January 13, 2021 and is applicable on a mandatory basis to years beginning on or after January 1, 2021.

  The amendment proposes the following exemption measures:

  - exemption as regards recognizing the change in the basis used to determine contractual cash flows, which can be operated via a prospective adjustment to the instrument's effective interest rate, provided that the change in question is considered a "direct consequence" of the benchmark rate reform and is "economically equivalent" to the old basis;
  - exemptions allowing the maintenance of existing hedging relationships despite the reform of benchmark interest rates.

  The application of this amendment has no impact on the Group's financial statements for 2021.

  At the end of June 2020, the IASB also published an amendment to the previous insurance policy standard, IFRS 4, which extends the temporary exemption from applying IFRS 9 until 1 January 2023 (scheduled effective date of IFRS 17).

2.2.3 Standards, amendments and interpretations not yet adopted by the European Union and mandatory for post-2021 reporting periods

The IASB has also published the following amendments and improvements, which the Group expects will have no material impact:

- amendment to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current;
- amendment to IAS 1 – Information to be provided on accounting principles and methods; and update of Practice Statement 2 "Making Materiality Judgements";
- amendment to IAS 8 – Definition of Accounting Estimates;
- amendment to IAS 12 – Deferred Tax on Assets and Liabilities arising from a Single Transaction.

2.3 / Bases for preparation and presentation of the consolidated financial statements

2.3.1 Bases for evaluation

The consolidated financial statements were prepared according to the market value on the acquisition date, with the exception of:

- certain financial assets and liabilities, which were measured at fair value;
- defined benefit plan assets, which were measured at fair value;
- the proportion of securities held by a subsidiary or associate, which was measured at fair value at the moment of loss of control or significant influence; and
- non-current assets held for sale, which were measured and recognized at the lower of net book value or fair value less cost to sell where their sale is considered highly probable. These assets cease to be amortized from the date of their qualification as assets (or group of assets) held for sale.

2.3.2 Use of estimates and assumptions

The preparation of consolidated financial statements requires the use of estimates and assumptions by the Group's management that can affect the book values of certain assets and liabilities, income and expenses, and information disclosed in the Notes to the financial statements. The Group's management reviews these estimates and assumptions on a regular basis in order to ensure their appropriateness in view of past experience and the current economic environment. Depending on changes in these assumptions, the items shown in the Group's future financial statements may differ from current estimates. The impact of changes in accounting estimates is recognized in the period when the change occurs and in all the future periods affected.

When exercising its judgment, the Group looks at its past experience and all available information considered critical in light of its environment and circumstances. The estimates and assumptions used are continually reexamined. Given the uncertainties inherent in any valuation process, it is possible that the final amounts included in the Group's future financial statements may differ from current estimates.

The main estimates made by the Group's management in preparing the financial statements concern: the valuation and useful lives of operating assets, property, plant and equipment, intangible assets and goodwill; the amount of the provisions for contingencies and other provisions relating to the business; as well as the assumptions used for the calculation of the obligations relating to employee benefits, share-based payments, deferred taxes and the fair values of financial instruments. In particular, the Group uses discount rate assumptions, based on market data, in order to estimate its long-term assets and liabilities.

The accounting estimates used to prepare the financial statements for the year ended December 31, 2021 were made in the context of the economic and health crisis ("Covid-19 crisis"), which generated a climate of uncertainty in terms of the economic and financial outlook. Consequently, the Group has taken into account the reliable information available to it at the date of preparation of the consolidated financial statements regarding the impact of this crisis, given that the year is subject to uncertainty in this regard.

The main estimates and assumptions used by the Group are detailed in the specific paragraphs in the Notes to the financial statements and especially in the following notes:

Estimate		Nature of the estimate

Notes 2.8, 18 and 28.2	Lease agreements	Assumption regarding the lease term used: to determine the lease term to be taken into account for each contract, a dual approach has been adopted:
		■ contractual, based on analysis of the contracts:
		  ■ for stores considered strategic or standard, the lease term used corresponds to the contractual end date of the lease, plus any renewal options available solely to the lessee,
		  ■ for stores considered non-strategic, the end date of the contract corresponds to the first possible exit option, with a minimum period of 12 months;
		■ an economic approach based on the classification of the underlying assets being leased, depending on the criteria of location, performance, commercial interest and in keeping with the amortization periods for non-transferable non-current assets.
		In practice:
		The economic approach recommended by the IFRS IC is applied to all lease contracts and, for each contract, results in:
		■ either the maintenance of the contractual end date of the lease, as this reflects the reasonably certain remaining lease term; or
		■ the extension of the remaining term if it is deemed too short in relation to the reasonably certain lease term based on the economic approach.
		Assumption regarding discount rates: a rate schedule by maturity has been drawn up for each country. The discount rates are calculated using a Midswap index, by currency and by maturity, plus a spread (spread applied to the most recent Group borrowings + country risk premium + subsidiary rating). The maturity of the rate used depends on the duration of each lease agreement, which in turn depends on the payment profile. The maturity of the rates depends on the residual term of the contract up to its expiration, as from the date of the event.

Notes 2.9 and 22	Inventories	Inventory run-down forecasts for impairment calculations.
Notes 2.10 and 19	Impairment tests on non-financial assets	Level of cash-generating unit combination for impairment test. Main assumptions used for the construction of value-in-use (discount rates, growth rates in perpetuity, anticipated cash flow). Assessment of the economic and financial context of the countries in which the Group operates.
Note 2.11.3	Fair value of hedging derivatives	Fnac Darty measures the fair value of derivatives using the valuations provided by financial institutions.
Note 20	Non-current financial assets	Estimation of their realizable value, either according to calculation formulas based on market data or on the basis of private quotations.
Notes 2.13 and 12	Tax	Assumptions used to recognize deferred tax assets related to tax loss carry-forwards and timing differences, as well as deferred tax rate assumptions.
Notes 2.15 and 27	Provisions	Underlying assumptions for assessing the legal position and risk valuation.
Notes 2.16 and 26	Employee benefits and similar payments	Discount rate and wage growth rate. The wage growth rate is based on historical observation and is in line with the Euro zone's long-term inflation targets.

Estimate		Nature of the estimate
Notes 2.18 and 5	Income from ordinary activities	Spread of revenue related to sales of loyalty cards and sales of warranty extensions over the term for which services are rendered reflecting the schedule of benefits offered. Recognition of income from ordinary activities in gross sales or commissions according to the analysis of the Group's involvement as principal or agent. The main indicators for assessing the agent/principal classification are: ■ primary responsibility for performance of the agreement; ■ exposure to inventory risk; ■ and determination of the selling price.
Note 2.19	Cost of merchandise sales	At period-end, a valuation of discounts and commercial services to be collected is conducted based on the contracts signed with suppliers. This valuation is primarily based on total annual purchases, quantities of items purchased or other contract conditions, such as thresholds reached or growth in purchasing volumes for discounts and the performance of services rendered to suppliers for commercial cooperation.
Note 7	Performance-based compensation plans	Assumptions used to measure the fair value of allotted instruments (expected volatility, dividend yield, discount rate, expected turnover of beneficiaries), estimates of achievement of future performance conditions.
Note 31	Non-current assets held for sale and discontinued operations	Assets held for sale are valued and recognized at the lower of their net book value and fair value minus cost of disposal.

2.3.3 Cash flow statement

The Fnac Darty cash flow statement has been prepared in accordance with IAS 7 using the indirect method based on the net income of the consolidated entity. It can be broken down into three categories:

- cash flows from operating activities (including tax-related cash flows);
- cash flows from investment activities (in particular, acquisitions and disposals of equity interests and non-current assets, excluding lease agreements); and
- cash flows from financing activities (in particular, the issuance and redemption of borrowings, share buybacks, dividend payments) and the repayment of the leasing debt and associated interest related to the application of IFRS 16.

The acquisition of an asset as part of a lease agreement has no impact on cash flow when setting up the transaction, as the latter is not monetary. However, the lease payments over the life of a lease are broken down into interest paid on the leasing debt and repayment of the leasing debt, both of which are recorded in cash flows from financing activities.

2.4 / Principles of consolidation

The consolidated financial statements include the financial statements of companies acquired since the date of effective control and of companies sold until the effective date of loss of control.

2.4.1 Subsidiaries

The subsidiaries are all entities over which the Group exercises control.

Subsidiaries that are fully consolidated are those entities where the Group:

- has power over the entity in which it is invested;
- obtains or is entitled to obtain variable returns as a result of its links with the entity in which it has invested; or
- has the ability to exercise its power over the entity in which it has invested so as to influence the returns the Group obtains.

Control is presumed to exist when the Group has the power:

- over more than half of the voting rights under an agreement with other investors;

- to direct the financial and operating policy of the company under a contract;
- to name or dismiss the majority of the members of the Board of Directors or the equivalent governing body; or
- to cast a majority of the voting rights at the meetings of the Board of Directors or the equivalent governing body.

Reciprocal transactions, assets and liabilities between consolidated companies are eliminated. The results of internal transactions with controlled companies are fully eliminated.

The subsidiaries' accounting policies are adjusted as needed to ensure consistent treatment across the Group.

2.4.2 Equity associates

Fnac Darty exercises significant influence within certain companies, called associates. Significant influence means the power to participate in decisions affecting the company's financial and operating policies, without controlling or jointly controlling those policies. Significant influence is assumed when more than 20% of voting rights are held. Associates are recognized under the equity method. This method consists of recording an equity interest in equity associates in the consolidated statement of financial position on the date that the entity becomes an associate or partner in a joint venture. This equity interest is initially recognized at acquisition cost. After the acquisition date it is then adjusted by the Group's share in the undistributed comprehensive income of the entity concerned. These results may be further adjusted to comply with the Group's accounting principles. Goodwill relating to the Group's acquisition of an associate is included in the valuation of that equity associate's shares. Profit or loss due to remeasurement at fair value of the equity interest previously held (at the takeover of an equity associate) is recorded in "Share of profit from equity associates".

The goodwill of equity associates is included in the book value of the shares and is not presented separately. Therefore, it is not subject to a separate impairment test.

All companies consolidated under the equity method come under the Group's operating activities and are assigned to an operating segment. They are consolidated in the Group's internal reporting in accordance with IFRS 8, and the operating performance is monitored at the level of each business division to which they belong. The Group therefore considers it appropriate to recognize its share of the income of equity associates in its operating income.

2.4.3 Business combinations

The Group applies IFRS 3 (Revised) – Business Combinations.

Business combinations are recognized using the purchase method:

- acquisition cost is measured at the fair value of the consideration transferred, including any price adjustment, on the date of takeover. Any subsequent change to the fair value of a price adjustment is recognized in income or other items of comprehensive income in accordance with applicable standards; and
- any difference between the consideration transferred (acquisition price) and the fair value of the identifiable assets acquired and liabilities assumed on the date of takeover is recognized as goodwill on the asset side of the statement of financial position.

Adjustments to the projected fair value of identifiable assets acquired and liabilities assumed (adjustments resulting from statutory audits or additional analyses) are recognized as retrospective adjustments to goodwill if the adjustment occurs within one year following the acquisition date and if it results from facts and circumstances existing at the acquisition date. Impacts subsequent to this period are recognized directly in income, as is any change to an estimate.

For any takeover at less than 100% of share capital, the remaining component (non-controlling interests) is measured either:

- at fair value: in this case, goodwill is recognized for the percentage of the non-controlling equity interests (full goodwill method); or
- as a proportion of the identifiable net assets of the acquired entity: in this case, only the goodwill representing the acquired portion is recognized (partial goodwill method).

Costs directly attributable to the acquisition are recognized as non-current expenses over the period in which they are incurred.

Earn-out payments and other price adjustments relating to a business combination are measured at fair value as of the acquisition date even if the transaction is not considered to be probable.

If a business combination is undertaken in stages, the Group's prior stake in the acquired business is remeasured at the moment of takeover and is recognized at fair value in the income statement. To calculate goodwill at the point of takeover, the fair value of the transferred asset (for example, the price paid) is added to the fair value of the equity interest previously held by the Group. The carrying value of other items of comprehensive income previously recognized as an equity interest prior to takeover is reclassified to the income statement.

2.5 / Translation of foreign currencies

2.5.1 Functional currency and reporting currency

The items included in the financial statements of each entity in the Group are measured using the currency of the main economic environment in which the entity operates ("functional currency"). The Group's financial statements are presented in euros, which is its reporting currency.

2.5.2 Recognition of transactions in foreign currencies

Transactions denominated in foreign currencies are recognized in the entity's functional currency at the exchange rate in force on the date of the transaction.

Cash items in foreign currencies are converted at each period-end using the closing rate. The foreign exchange differences resulting or arising from the settlement of these cash items are recognized as an income or expense for the period.

Non-cash items in foreign currencies valued at historic cost are converted at the exchange rate on the date of the transaction, and non-cash items in foreign currencies valued at fair value are converted at the rate on the date when the fair value was determined. When a profit or loss on a non-cash item is recognized directly in other items of comprehensive income, the "foreign exchange" component of this profit or loss is also recognized in other items of comprehensive income. In the opposite case, this component is recognized in income for the period.

The treatment of currency hedges as derivative instruments is described in paragraph 2.11.3 "Derivative instruments" of Note 2.11 "Financial assets and liabilities."

2.5.3 Translation of the financial statements of foreign entities

The Group's consolidated financial statements are presented in euros. The financial statements of each of the Group's consolidated companies are prepared in their respective functional currencies, i.e. the currency of the main economic environment in which the company operates and therefore the local currency. The financial statements of companies whose functional currency is not the euro are translated into euros as indicated below:

- items on the statement of financial position are translated into euros on the basis of the applicable exchange rates at the period-end date;
- items on the income statement are translated into euros using the average exchange rate over the reporting period provided this is not called into question by significant fluctuations in the rates; and
- any difference between the translation of the statement of financial position at the closing rate and the translation of the income statement at the average exchange rate over the period is recognized in other items of comprehensive income, which may be reclassified subsequently to profit or loss on the translation differences line.

2.5.4 Net investment in a foreign entity

Foreign exchange differences recorded on the conversion of a net investment of a foreign entity are recognized in the consolidated financial statements as a separate component in the comprehensive income statement and are recognized in profit or loss on the date of loss of control.

Translation differences relating to borrowings in foreign currencies for an investment in a foreign currency or to permanent advances to subsidiaries are also recognized in the comprehensive income statement for the effective portion of the hedge, under other items of comprehensive income, and are recognized in profit or loss on disposal of the net investment.

2.6 / Goodwill

Goodwill is recognized when businesses combine as described in note 2.4.3.

As of the acquisition date, goodwill is allocated to cash generating units defined by the Group. After initial recognition, goodwill is not amortized. The cash generating units to which the goodwill is allocated are subject to an annual impairment test in the second half of the year and whenever events or circumstances indicate that a loss of value may occur. The impairment test for the period ended is described in Chapter 5.2, Note 19.

Impairment is recognized under "Other non-current operating income and expense" on the income statement and is included in the Group's operating income.

2.7 / Intangible assets

Intangible assets are primarily composed of brands. The entry value of all Group brands was determined using the Relief From Royalty method, which consists of evaluating the discounted amount of the royalty savings (net of maintenance costs and taxes) the brands generate and corresponds to the fair value of the brands on the acquisition date. To the extent that the Group's brands constitute non-current assets with an indefinite life span, they are not amortized but are systematically tested for impairment each year and when there is evidence of impairment. The brands entered on the Group's balance sheet are: Darty and Vanden Borre, valued following the purchase of Darty; the WeFix brand, valued following the purchase of the WeFix subsidiary; the BilletReduc brand, valued in February 2019 following the acquisition of the 123Billets subsidiary, and the Nature & Découvertes brand, valued in August 2019 following the acquisition of the Nature & Découvertes subsidiary.

Intangible assets also include the relations with franchises, which represent the contracts signed with the Darty franchise stores valued at the time of the Darty acquisition. They are valued using the surplus profits approach, which consists of calculating the discounted sum of the future operating margins attributable to them, after taxes and remuneration of support assets. Franchise relations constitute non-current assets with a defined life span and are amortized on a straight-line basis over their useful life.

Intangible assets also include software measured at acquisition or production cost.

Software acquired for current operations or developed internally by the Group that meets all the criteria defined in IAS 38 is amortized on a straight-line basis over a useful life of between one and eight years.

In March 2021, the IFRS IC Interpretation Committee opened discussions on the recognition of the costs of configuring and customizing software that is accessible via the cloud under an SaaS contract.

The Committee's interpretation is to recognize these costs as intangible assets if, within the meaning of IAS 38, the customer controls the separate asset resulting from the said configuration or customization. If control within the meaning of IAS 38 is not proven, these costs must be recognized as current operating expenses and may be spread across the term of the contract if they cannot be distinguished from the main service of the software provision.

In order to assess the materiality of installation costs for SaaS contracts, a survey was carried out across all Group entities. As of December 31, 2021, 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 was not material.

2.8 / Property, plant and equipment

Property, plant and equipment are recognized at acquisition cost less accumulated depreciation and impairment write-downs. The cost of property, plant and equipment includes expenses directly attributable to the acquisition of the asset.

The Group calculates depreciation for property, plant and equipment on a straight-line basis, based on the acquisition cost, over a period corresponding to the useful life of each asset item, which is eight to 20 years for fixtures and fittings and buildings, and three to 10 years for equipment.

Property, plant and equipment are subject to an impairment test whenever evidence of impairment is identified, such as a planned closure, reduction in the workforce or downward revision of market prospects. If the recoverable value of the asset is lower than its net book value, an impairment is recognized for it. If the recoverable value of the isolated asset cannot be precisely determined, the Group determines the recoverable value of the cash generating unit to which the asset belongs.

Treatment of leases under IFRS 16

Since January 1, 2019, the Group has applied IFRS 16 – Leases.

IFRS 16 establishes the recognition of a right-of-use asset and a leasing debt upon implementation of each lease, with possible exceptions for short-term leases (with a term of 12 months or less) and leases for low-value assets. Accordingly, a leasing debt is recognized in the balance sheet from the start of the lease at the discounted value of future payments. These leases are recorded under liabilities as "short-term leasing debt" and "long-term leasing debt," and under assets as "right-of-use assets related to lease agreements." Right-of-use assets are depreciated over the term of the lease, which is generally the same as the enforceable period of the lease unless the term was extended according to an economic method that allows for determining the reasonably certain period of use.

The enforceable period for each lease is the maximum term for the lease and ends when the Group, as the lessee, and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty. During this enforceable period, the lease term is estimated according to non-cancelable period and whether the lessee is reasonably certain to exercise an option to extend or terminate the lease. It corresponds to:

- the period during which the lease cannot be terminated by the lessor, and to all renewal options available solely to the lessee. Within this enforceable term, the lease period used may be limited by the consideration, or not, of options to terminate lease agreements early based on economic criteria relating to the leased assets, in order to determine the lease periods that can be reasonably assured for each agreement. The economic criteria used to assess the exercise of lease renewal or early termination options by type of asset take into account the quality of the locations (premium or standard), the strategic nature of the store, and its profitability. Generally, the assessment criteria are based on the quality of the asset and the specific characteristics of the market and contracts;
- per the economic approach recommended by the IFRS IC (decision of December 16, 2019), this term is estimated based on economic criteria that include the quality of the location, performance, and commercial interest and consistently with the depreciation of non-transferable non-current assets.

IFRS IC decision on IFRS 16 – Leases

On December 16, 2019, the IFRS IC published a final decision on determining lease terms. In particular, the decision provides clarity on how to determine the enforceable period of a lease and on the consistency between the term applied in measuring the leasing debt and the useful life of non-removable leasehold improvements. The IFRS IC decision clarifies the concept of “penalty” used to determine the enforceable period of a lease under IFRS 16. The IFRS IC confirmed that a lease remains enforceable as long as either the lessee or the lessor might incur a more than insignificant penalty from terminating the lease, based on a broad interpretation of the concept of penalty, without limiting it just to contractual or monetary penalties. In this sense, automatically renewed leases and leases nearing expiration are affected.

According to the IFRS IC,

- the lease term must reflect the reasonably certain period during which the leased asset will be used. The enforceability of the lease must be considered not only from a legal point of view, but also an economic one;
- the term used in measuring the leasing debt must be consistent with the useful life of non-removable leasehold improvements.

With this in mind, the Group has changed the term of certain agreements:

- the extension of the agreements renewed tacitly for an additional year (given that their term is 3 years);
- current leases being extended on a case-by-case basis (for example, 3/6/9 leases in France) according to point-of-sale performance criteria and location quality.

In the income statement, amortization expenses are recognized in operating income and interest expenses in net financial income.

The impact of the accounting policies and principles of IFRS 16 on the Group’s consolidated financial statements is described below.

Definition of a lease

According to IFRS 16, a lease is considered to be any contract where the lessee can control the use of an identified asset for a period of time in exchange for consideration.

Impact on the accounting of the Group as a lessee

In the course of applying IFRS 16, for all leases (with the exception of those mentioned in the exemptions below), the Group:

- initially recognizes a leasing debt and a right-of-use asset, according to the discounted value of future lease payments;
- recognizes amortization on the right-of-use asset and interest on the leasing debt in the income statement; and
- breaks down the cash flows paid out between the repayment of the principal (presented under financing activities in the line “Repayment of leasing debt”) and the interest (presented under financing activities in the line “Interest paid on leasing debt”) in the consolidated cash flow statement.

Exemptions and reductions

For short-term lease agreements (less than or equal to 12 months) and lease agreements for low-value assets, the Group has chosen to apply the exception permitted under the standard and to recognize a lease expense. This expense is set out in “Other current operating income and expense” in the consolidated income statement.

With regard to sublease agreements, a sublease receivable was recognized against a reduction in the right-of-use asset and shareholders’ equity.

In the case of leaseback transactions carried out at fair value, the Group’s processing will be as follows:

- derecognition of the underlying asset;
- recognition of the sale at fair value;
- recognition of the income relating to the rights transferred to the buyer-lessor;
- recognition of an asset (right of use) for an amount equivalent to the previous book value of the underlying asset share retained; and
- recognition of a leasing debt.

The tax impact of restatements relating to the application of IFRS 16 is taken into account through the recognition of deferred taxes linked to the temporary difference arising from the faster reduction in the book value of the assets (amortization of the right-of-use asset) than that of the liabilities (repayment of debt capital).

Methods applied

Each agreement signed by the Group is analyzed in order to determine whether it is a lease according to the definition specified above ("Definition of a lease" paragraph). Consequently, when the Group is a lessee in a lease agreement, it recognizes a right-of-use asset and a corresponding leasing debt, with the exception of short-term leases (defined as leases of 12 months or less) and leases with low-value underlying assets (less than USD 5,000). For these exempted lease agreements, the Group recognizes rents under operating expenses on a straight-line basis over the term of the lease, unless there is a different basis that is more representative of the recovery rate of the economic benefits of the leased assets. The leasing debt is originally valued at the current value of the remaining lease payments due, discounted at the implicit rate of the lease agreement or, failing that, at the lessee's marginal interest rate.

The Group has set the discount rates on the basis of a marginal borrowing rate that reflects the specific characteristics of the entities that take out the lease agreements. This has made it possible to establish a rate schedule for each country. The discount rates by currency are calculated using a Midswap index, by currency and by maturity, plus a spread (spread applied to the most recent Group borrowings + country risk premium + subsidiary rating). The maturity of the rate used depends on the duration of each lease agreement, which in turn depends on the payment profile. The maturity of the rates depends on the residual term of the contract up to its expiration, as from the date of the event.

The lease payments included in the measurement of the leasing debt include:

- fixed lease payments (minimum guaranteed lease payment, including known links to a price index) after deduction of lessor's benefits;
- the amount that the lessee should pay as residual value guarantees;
- the exercise price of the call options, if the lessee is reasonably sure that it will exercise those options; and
- the payment of penalties for terminating the lease agreement, if any are set out in the agreement.

Variable rents that do not depend on an index or interest rate are not included in the valuation of the leasing debt or the right of use. The corresponding payments are recognized over the period and are included under operating expenses in the income statement. In accordance with IFRS 16, variable lease payments have not been included in the calculation of the debt.

The leasing debt is set out on a separate line in the consolidated balance sheet. The lease obligation is incremented by the share of capitalized interest on the lease agreement. It is then adjusted depending on the payments made.

The Group remeasures the leasing debt (and makes an adjustment corresponding to the assets on the associated right of use) when:

- the term of the lease changes (for example, when the lease is renewed) or there is a change in the estimated reasonably certain term in accordance with the economic approach taken, in which case the leasing debt is remeasured by discounting the revised lease payments at the updated discount rate; and
- lease payment change as a result of a change in an index or interest rate, following a change to the planned payment, or following the revaluation of the residual value guarantees. In such cases, the leasing debt is remeasured by discounting the revised rents from the lease agreement at the initial discount rate (unless the change in rent payments is due to an interest rate change, in which case a revised discount rate is used).

The assets associated with the right of use include the initial measurement of the leasing debt, which takes into account rents paid on and after the effective date, prepayments and the initial direct costs. They are then measured at initial cost less depreciation, amortization and impairment.

If there is a clause in the contract stating that the tenant undertakes, at the end of the term, to bear the costs of restoration, dismantling or collection of the leased asset, a provision is recognized either initially or subsequently and valued in accordance with IAS 37. Given the non-material nature of these costs, the Group did not include them in the valuation of the right-of-use asset.

The right-of-use asset is amortized over the term of the lease.

If a lease agreement sets out the transfer of ownership of the underlying asset or if the calculation of the right-of-use asset has taken into account the fact that the Group expects to exercise a purchase option, the right of use is amortized over the useful life of the asset. The amortization of the right-of-use asset begins on the provisioning date of the asset.

The assets associated with the right of use are set out on a separate line in the Group's consolidated balance sheet.

In practice, IFRS 16 allows the lessee not to distinguish between the various components linked to the same lease agreement and to recognize them together. The Group has chosen to distinguish between each underlying asset within the same contract.

The main estimates and assumptions used by the Group in respect of IFRS 16 are described in the paragraph on "Treatment of leases under IFRS 16" included in note 2.8 "Property, plant and equipment." These relate to the determination of the lease term and the determination of the discount rates.

The impacts on the leasing debt and the right-of-use asset by flow, type of asset and maturity are presented in detail in notes 18 and 28.2.

2.9 / Inventories

Inventories are valued at the lower end of their cost and their net realizable value. The net realizable value is equal to the sale price estimated according to the age of the products, net of costs yet to be incurred to achieve the sale.

These inventories are valued in accordance with the weighted average cost per unit method.

Inventories include the purchase cost and other costs incurred to ship inventories in their current condition to their place of sale. Costs incurred mainly include variable logistics costs, parafiscal taxes, shipping costs and the provision for unknown markdowns between the last inventory date and period-end. The benefits obtained from suppliers and recognized as a deduction against the purchase cost of merchandise sold are deducted from the value of the inventories.

Finance costs are excluded from inventories. They are recognized as financial expenses in the year in which they are incurred.

The Group may need to record an impairment on inventories:

- based on likelihood of disposal;
- if they are partially damaged;
- if they are completely obsolete;
- if the sale price is less than the net realizable value.

2.10 / Impairment of non-financial assets

Goodwill, intangible assets with an indefinite useful life, and the cash generating units containing these elements are systematically tested annually for impairment in the second half of the year.

The cash generating units are operating entities that generate independent cash flows. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets. In practical terms, the cash generating units are the countries in which the Group has operating subsidiaries (France, Switzerland, Spain, Portugal, Belgium and Luxembourg).

In addition, when events or circumstances indicate that impairment is possible on goodwill; other intangible assets; property, plant and equipment; and cash generating units, an impairment test is performed. Such events or circumstances may be linked to material adverse changes affecting the economic environment, or assumptions or objectives used on the acquisition date.

An impairment test consists of determining whether the recoverable value of an asset or a cash generating unit is less than the net book value.

The recoverable value of an asset or a cash generating unit is the higher of its fair value less selling costs and its value-in-use.

Value-in-use is determined based on an estimate of expected future cash flows, taking into account the time value and specific risks related to the asset or the cash generating unit. Expected future cash flow projections are based on medium-term plans and budgets. These plans are based on a three-year period. For the value-in-use calculation, a terminal value equal to capitalization in perpetuity of a normative annual cash flow is added to the value of expected future cash flows. The fair value minus the costs to sell corresponds to the amount that could be obtained from the sale of the asset or group of assets under normal competition conditions between well-informed and consenting parties, minus the costs of disposal. It is determined from market information (comparison with similar listed companies, value attributed in recent transactions and share prices).

When the recoverable value of the asset or cash generating unit is lower than its net book value, an impairment is recognized for the asset or group of assets.

In the case of a cash generating unit, the impairment is first assigned to goodwill, if applicable, and is recorded under “Other non-current operating income and expense” in the income statement.

Impairment recognized for property, plant and equipment and other intangible assets may be written back eventually if the recoverable value becomes higher than the net book value. Impairment recognized for goodwill cannot be written back.

In the event of a partial sale of a cash generating unit, the income from disposal is calculated by including within the elements sold the portion of goodwill corresponding to those elements. In order to assign the portion of goodwill to the elements sold, the IFRS standards propose using the values related to the operations sold and retained, unless the entity demonstrates that another method better reflects the portion of goodwill sold.

Consideration of the application of IFRS 16 in impairment tests

The recoverability of the right-of-use asset is tested as soon as events or environmental modifications on the market indicate an impairment risk for the asset. The provisions for the implementation of the impairment tests are identical to those for intangible assets and property, plant and equipment as described in notes 2.6, 2.7 and 2.8. For the impairment tests as of December 31, 2021, the Group chose to apply the practical reduction in which the value to be tested includes the right-of-use assets deducted from the leasing debt. The business plan projections, the terminal value and the discount rate are determined in accordance with the position before the application of IFRS 16. The business plan projections, the terminal value and the discount rate do not account for the application of IFRS 16.

2.11 / Financial assets and liabilities

Financial assets and liabilities are recorded upon initial recognition in the balance sheet at their fair value.

All these instruments are disclosed in Chapter 5.2, Note 34.

2.11.1 Financial assets

IFRS 9 presents a model for classifying and measuring financial assets in three categories, based on the contractual characteristics of cash flows and the economic model for managing these assets:

- financial assets valued at fair value on the income statement:

  This category includes all debt instruments that cannot be classified as financial assets measured at amortized cost or as financial assets measured at fair value through other comprehensive income. It also includes investments in equity instruments for which the option of fair value recognition through other comprehensive income has not been selected.

  These assets are valued at fair value; changes in their value are recorded in the net financial income.

  Purchases and sales of financial assets are recognized on the transaction date, i.e. the date on which the Group committed to the purchase or sale of the asset.

  A financial asset is derecognized if the contractual rights to the cash flows related to the financial asset expire or if the asset is transferred.

  Financial assets recognized at fair value are:

  - debt instruments that are not measured at amortized cost or at fair value through other items of comprehensive income,
  - equity instruments that are held on a speculative basis, or
  - equity instruments for which the option of fair value recognition through other items of comprehensive income has not been selected by the Company;

- financial assets at amortized cost:

  Financial assets measured at amortized cost are debt instruments (in particular loans and receivables) whose contractual cash flows consist solely of payments representing principal and interest on the principal and whose management model consists in holding the instrument in order to collect the contractual cash flows.

  These assets are recognized at fair value initially, then at amortized cost using the effective interest rate method. For short-term debts without a reported interest rate, the fair value is equivalent to the amount of the original invoice.

  These assets are impaired according to the expected loss model.

  The Group classifies its financial assets at amortized cost only if the following two criteria are met:

  - financial assets are held as part of a management model designed to collect contractual cash flows, and
  - the contractual cash flows consist solely of payments of principal and interest (the SPPI criterion);

- financial assets recognized at fair value through other items of comprehensive income:

  These assets are debt instruments whose contractual cash flows consist solely of payments representing the principal and the interest on the principal and whose management model consists in holding the instrument both to collect the contractual cash flows and to sell the assets. They are valued at fair value. Changes in fair value are recognized in other items of comprehensive income under “changes in fair value of debt instruments measured at fair value through other comprehensive income” until the derecognition of the underlying assets, at which time they are transferred to the income statement.

  This category also includes investments in equity instruments (mainly shares) using the irrevocable option. In this case, upon disposal of the securities, the unrealized gains or losses previously recognized in equity (other items of comprehensive income) will not be reclassified to income; only the dividends will be recognized in the income statement.

  This category includes non-consolidated equity investments for which the option of fair value recognition through other comprehensive income has been selected.

  Fair value for listed securities corresponds to a market price. The fair value of unlisted securities is primarily determined by reference to recent transactions or by valuation techniques using reliable and observable market data. However, where there are no observable market data on comparable companies, the fair value of unlisted securities is most often measured on the basis of discounted cash flow projections or the adjusted NAV, determined using internal inputs (level 3 in the fair value hierarchy).

  The financial assets recognized at fair value through other items of comprehensive income are:

  - equity instruments that are not held on a speculative basis and which the Company irrevocably opted at the outset to recognize in this category. These are strategic investments and the Group considers this classification to be more appropriate, and
  - debt instruments whose contractual cash flows consist solely of interest and principal repayment flows and whose management objective is to collect the contractual flows and sell the assets.

2.11.2 Financial liabilities

The measurement of financial liabilities depends on their classification under IFRS 9. For the Group, borrowings and financial debts, trade payables and other payables are recognized initially at their fair value minus transaction costs, then at amortized cost using the effective interest rate method.

The effective interest rate is calculated for each transaction and corresponds to the rate that enables the net book value of a financial liability to be obtained by discounting estimated future cash flows paid until maturity or until the date closest to the day on which the next price at the market interest rate is determined. This calculation includes transaction costs and any premiums and/or discounts that may apply. The costs of transactions correspond to costs that are directly associated with the acquisition or issue of a financial liability.

Financial liabilities qualified as hedged items for hedging relations at fair value and valued at amortized cost are subject to a net book value adjustment for the hedged risk.

Hedging relationships are detailed in section 2.11.3 "Derivative instruments."

Financial liabilities designated at fair value on options, other than derivative liabilities, are valued at fair value. Changes in fair value are recognized in the income statement except for changes in fair value caused by a change in Fnac Darty's credit spread, which is recognized in other items of comprehensive income. Transaction costs connected with the establishment of these financial liabilities are recognized immediately as an expense.

Concerning the amendment to IAS 39, IFRS 9 and IFRS 7 "Interest Rate Benchmark Reform," the Group's hedging relationships are not affected by Phase 1 of the amendment. The Group is following discussions in this regard, in particular on Phase 2, which deals with changes to agreements made necessary by the implementation of the reform and will thus impact all IBOR-indexed instruments.

2.11.3 Derivative instruments

In the normal course of business, the Group may need to use various financial instruments to reduce its exposure to currency risk.

Derivative instruments are recognized on the balance sheet under other current and non-current assets and liabilities depending on their maturity and their accounting qualification (hedged or unhedged), and are valued at their fair value on the transaction date. Changes in the fair value of derivative instruments are recognized on the income statement, except in the case of cash flow and net investment hedges for the effective portion.

Derivative instruments that are designated as hedging instruments are classified by category of hedge according to the nature of the hedged risks. As of December 31, 2021, Fnac Darty only had cash flow hedging derivatives in its portfolio. These derivatives are used to hedge the risk of changes in cash flows associated with recognized assets or liabilities or a highly probable planned transaction that could affect the consolidated income statement.

Hedge accounting is applicable if, and only if, the following conditions are met:

- the hedging relationship consists solely of items eligible for hedge accounting;
- a hedging relationship is clearly identified, formalized and documented from the date of its inception;
- the hedging relationship meets the criteria for effectiveness:
  - economic relationship between the hedged item and the hedge,
  - no preponderance of credit risk in the change in fair value of the hedging item and the hedged item, and
  - the hedging ratio of the hedging relationship is equal to the ratio between the quantity of the hedged item that is hedged by the entity and the quantity of the hedging instrument that the entity uses to hedge that quantity of the hedged item.

The accounting treatment of financial instruments qualified as hedging instruments, and their impact on the income statement and the balance sheet, is differentiated according to the type of hedging relationship.

As of December 31, 2021, the only derivatives Fnac Darty had in its portfolio were forward currency derivatives used to hedge commercial transactions, which qualified as cash flow hedges:

- the effective portion of the change in fair value of the hedging instrument is recorded directly as a contra item to other items of comprehensive income. These amounts are reclassified to the income statement in line with the method of accounting for the hedged items, i.e., as gross margin for hedges of commercial transactions;
- the ineffective portion of the hedge is recognized in the income statement;
- furthermore, Fnac Darty considers the cost of hedging currency risk as a cost related to the hedged transaction. As a result, the change in the interest rate component of forward currency hedges is recognized in other comprehensive income and reclassified to the income statement in line with the method of accounting treatment for the hedged items, i.e., as gross margin for commercial transaction hedges.

2.11.4 Cash and cash equivalents

"Cash and cash equivalents" on the asset side of the consolidated balance sheet comprise liquid assets, money-market UCITS, short-term investments and other liquid and readily convertible instruments that have a negligible risk of fluctuation in value and mature within three months or less of the acquisition date.

Investments with a term of more than three months and frozen or pledged bank accounts are not included in cash. Bank overdrafts appear under financial debt on the liabilities side of the balance sheet.

In the cash flow statement, "Cash and cash equivalents" includes accrued interest not yet due on assets appearing under cash and cash equivalents and bank overdrafts. The cash flow statement is explained in detail in note 27.

2.11.5 Net financial debt

The Group's net financial debt includes:

- cash and cash equivalents (see 2.11.4);
- short-term and long-term loans as well as bank overdrafts: this item mainly includes bonds maturing in 2024 and 2026, where the debt component of the bonds is convertible into and/or exchangeable for new and/or existing shares (OCEANE) maturing in 2027, and the loan from the European Investment Bank (Chapter 5.2 note 28);
- since January 1, 2019 following the application of IFRS 16, net financial debt with IFRS 16 includes leasing debt related to operating lease agreements.

2.12 / Share-based payments

Share-based transactions payable in cash

Performance-based compensation plans, with cash settlement, were allotted by the Group to employees. In accordance with IFRS 2 – Share-based Payment, the fair value of these plans, corresponding to the fair value of the instruments delivered, is measured on the allotment date, then remeasured at each period-end. The mathematical models used for these measurements are described in note 7.

During the vesting period, the fair value of the commitment calculated in this way is spread over the vesting period. This expense is recorded in personnel expenses and offset against a payable to personnel. The change in the fair value of the amount payable is recorded in the income statement for each year.

Share-based transactions paid in equity instruments

Performance-based compensation plans, with settlement in equity instruments, were allotted by the Group to employees. In accordance with IFRS 2 – Share-based Payment, the fair value of these plans, corresponding to the fair value of the instruments delivered, is measured on the allotment date with no further remeasurement. The mathematical models used for these measurements are described in note 7.

During the vesting period, the fair value of the options and bonus shares calculated in this way is spread over the vesting period. This expense is recorded in personnel expenses and offset against an increase in shareholders' equity.

2.13 / Income tax

The tax expense for the year consists of current tax and deferred tax.

Deferred tax is calculated according to the balance sheet liability method for all timing differences between the book value on the consolidated balance sheet and the taxable value of assets and liabilities, except for goodwill, which is not tax deductible. Deferred tax is valued according to how the Group expects to recover or settle the book value of the assets and liabilities using the enacted or substantively enacted tax rate at the period-end date.

Deferred tax assets and liabilities are not discounted and are classified on the balance sheet as non-current assets and liabilities.

A deferred tax asset is recognized on deductible timing differences and for the carry-forward of tax losses and tax credits.

Deferred tax assets are recognized only if it seems probable that the Group will have future taxable profits against which these assets can be charged.

The impact of changes in the tax rate for deferred taxes is recognized in income.

The likelihood of recovering deferred tax assets is reviewed periodically per tax entity and may, if applicable, lead to the derecognition of deferred tax assets previously recorded. The likelihood of recovery is analyzed on the basis of fiscal planning in terms of projected future taxable income. The taxable income included at this stage is the income received over a two-year period. The assumptions used in fiscal planning are consistent with those used in the medium-term budgets and planning prepared by the Group's entities and approved by senior management. Tax payables and tax credit receivables on projected dividend payments by Group companies are recorded in the income statement.

A deferred tax liability is recognized on taxable timing differences that relate to investments in subsidiaries, associates and joint ventures, unless the Group is able to control the date when the timing difference will reverse and if it is probable that it will not reverse in the foreseeable future.

In the Group's opinion, corporate value-added tax (CVAE), a levy assessed on a company's added value, meets the definition of a tax as defined in IAS 12. It is therefore presented in the income statement under income tax.

IFRIC 23 clarifies the application of the provisions of IAS 12 – Income Taxes relating to recognition and measurement when there is uncertainty over a tax treatment. To this end, the IFRIC 23 interpretation sets out a single uniform method for recognizing tax risks. In 2019, the Group standardized its tax risk recognition process, implementing standardized procedures for communication between the subsidiaries of all tax jurisdictions and the Group's Tax Department. Under the new process, if an uncertain tax position is likely not to be accepted by the tax authorities, this situation will be reflected in the financial statements in tax payable or deferred taxes. All uncertain tax positions are presented as tax expenses in the income statement, and as taxes payable or deferred on the balance sheet.

2.14 / Treasury stock and other equity instruments

The Group may hold some of its own shares by virtue of a liquidity agreement whose chief purpose is to promote liquidity for transactions and stabilize the share price. Treasury stock is recognized as a deduction from shareholders' equity at its acquisition cost. Any profits or losses on the purchase, sale, issue or cancellation of treasury stock are recognized directly in shareholders' equity with no impact on the income statement.

The amount of cash used in connection with this contract is specified in note 21.

The liquidity agreement and the share buyback program do not provide for any obligation to buy back treasury stock at the end of the period.

2.15 / Provisions

Provisions for litigation, disputes and miscellaneous contingencies are recognized as soon as a current obligation caused by a past event arises, if said obligation is likely to lead to the outflow of resources representing economic benefits whose amount can be reliably estimated. To estimate provisions for a dispute, the Group assesses the probability of an unfavorable judgment and makes an estimate of the amounts concerned. This assessment is based on legal analyses conducted with the Group's lawyers.

The amount recognized for provisions with a maturity of over one year represents the best estimate of the expenditure required to settle the present obligation at period-end. The discount rate used reflects the current assessments of the time value of money and the specific risks related to the liability concerned.

A provision for restructuring is constituted as soon as there is a formalized and detailed plan for this restructuring and it has been announced or implementation has commenced before period-end. The restructuring costs recorded in provisions correspond mainly to employee-related costs (severance pay, early retirement, pay in lieu of notice, etc.) and compensation for termination of contracts with third parties. Other provisions correspond to specifically identified risks and expenses.

2.16 / Post-employment benefits and other long-term employee benefits

Depending on the laws and practices in each country, Group companies provide various types of benefits for their employees.

For defined contribution plans, the Group has no obligation to make supplementary payments over and above the contributions already paid to a fund if that fund does not have sufficient assets to serve the benefits corresponding to services rendered by employees during the current and previous periods. For these plans, contributions are recorded as an expense when they are incurred.

For defined benefit plans, liabilities are measured using the projected unit credit method based on agreements in place in each company. According to this method, each benefits period generates an additional unit of rights to benefits, and each unit is measured separately to obtain the final obligation. The present value of the obligation is then discounted. The actuarial assumptions used to calculate the liabilities vary according to the economic conditions of the country in which the plan is based. The liabilities under these plans and end-of-service payments are actuarially calculated by independent actuaries each year for the largest plans and at regular intervals for the other plans. These calculations principally take into account the level of future compensation, the probable length of employees' service, life expectancy and staff turnover.

Actuarial gains and losses arise from changes in assumptions and the difference between the results estimated according to actuarial assumptions and actual results. These differences are recognized immediately as other items of comprehensive income (and are never recorded as profit or loss) for all actuarial differences relating to defined benefit plans, except for long-service awards where the actuarial differences are recognized in the income statement.

The cost of past benefits, namely the increase of an obligation following the introduction of a new plan or adjustment to an existing plan or the decrease of an obligation following the reduction of a plan, is recognized immediately in the income statement even if the rights to the benefit have not been vested for the employees.

The expenses for this type of plan are recognized in current operating income (costs of benefits rendered) and in net financial income (net interest on the net liability or asset calculated based on a discount rate determined by reference to the level of obligations of companies deemed of high quality). Payments and costs of past benefits are recognized as current operating income. Reductions are recognized as current operating income in the case of departures of employees who are replaced and as non-current operating income for departing employees who are not replaced. The provision recognized on the balance sheet corresponds to the discounted value of the commitments thus calculated, after the fair value of the plans' assets have been deducted.

2.17 / Non-current assets (or group of assets) held for sale and discontinued operations

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations requires specific recognition and presentation of the assets (or group of assets) held for sale and discontinued operations that have been or are being sold.

Non-current assets or a directly linked group of assets and liabilities are considered as held for sale if their book value will be recovered mainly through their sale rather than continuing use. This definition applies if the asset (or group of assets) is available for immediate sale and if such sale is highly probable. Non-current assets (or group of assets) held for sale are valued and recognized at the lower of their net book value and fair value minus costs of disposal. These assets cease to be amortized from the date of their qualification as assets (or group of assets) held for sale. They appear on a separate line on the Group's balance sheet, with no restatement for past periods.

A discontinued operation that was sold or is held for sale is defined as a component of the Group that has separate cash flows from the rest of the Group and that represents a principal and distinct business line or region. Over the reported periods, the income from these activities is presented on a separate line in the income statement, under "Discontinued operations," and is restated in the cash flow statement.

2.18 / Recognition of income from ordinary activities

Income from ordinary activities consists of pre-tax revenue and other revenue.

Pre-tax revenue corresponds to revenue generated in stores, on e-commerce sites (sales to end customers) and in warehouses (sales to franchises).

Other revenue consists of ticketing activities, the sale of gift boxes, certain warranty extensions and internet sales generated on behalf of suppliers (Marketplaces).

Recognition of revenue and other income

Revenue from in-store sales, which represents the bulk of the Group's revenue, is recognized at the time of customers' checkout transactions in accordance with IFRS 15. Transfer of control occurs when the goods and services are transferred to the customers. Sales do not include any other performance obligations that have not been fulfilled at that date. When in-store sales are accompanied by a right of return, the conditions for exercising this right are limited to certain categories of products and are time-limited in accordance with the regulations of the countries concerned and/or in accordance with the Group's general terms and conditions of sale. In this case, a provision for return of merchandise is recorded.

E-commerce sales consist both of revenue from sales made on the Group's e-commerce sites (direct sales) and of commissions received for e-commerce sales made by the Group on behalf of third parties (Marketplaces). The Group acts as the principal for sales it makes on its own behalf on the Group's e-commerce sites (direct sales). Revenue from direct sales is recognized when delivery has taken place (date of transfer of control of the goods sold).

As with in-store sales of goods, direct e-commerce sales are subject to a right of return, the exercise of which is time-limited.

For sales in Marketplaces, the Group acts as an agent; the revenue recognized corresponds to fees invoiced to suppliers for the sales made.

Revenue from sales to the franchises is recognized when delivery has taken place (date of transfer of control of the goods sold).

The accounting treatment of franchise fees is governed by the specific provisions of IFRS 15 on intellectual property licenses (right of access license).

Recognition of customer loyalty programs

The sale of a good or service accompanied by the awarding of loyalty points constitutes a contract comprising two distinct "performance obligations":

- a good or service delivered immediately; and
- a right to receive goods or services at a reduced price in the future.

The amount received for the sale is allocated between the two "performance obligations" in proportion to their respective specific selling prices and recognized as a deduction from the initial sale, after taking into account an expiration rate corresponding to the probability of use of the benefits by the members, estimated according to a statistical method.

Revenue consists primarily of the sale of merchandise and services provided by the Group's stores and e-commerce websites, the sale of merchandise to the franchises and franchise fees, which are recognized in net revenue when the services are provided. As from 2015, income from breakage of gift vouchers and cards are recognized in income from ordinary activities at the time that the cards and vouchers are issued.

Customer loyalty programs and the benefits customers receive as part of the loyalty programs are considered separate from the initial sale. These benefits are valued at their fair value and recognized as a deduction from the original sale, after the application of a redemption rate corresponding to the probability that the member will use the benefit, estimated using a statistical model.

Income from the sale of loyalty cards is spread over the validity period of the cards, reflecting the schedule of benefits offered.

Sales of goods are recognized when a Group entity has transferred control of a good to the buyer. Control is generally transferred at the moment of delivery, when the amount of income can be measured reliably and collection of the amount is reasonably certain.

Following the sale of goods, and depending on the contractual clauses attached to these sales, liabilities may be recognized as a reduction in the income from ordinary activities, in order to allow for any return of merchandise that could take place after period-end.

The provision of services, such as sales of warranty extensions or services related directly to the sale of the goods, is recognized in the period in which the services are rendered. If the Group entity acts as an agent in the sale of these services, the revenue is recognized at the time of the sale and corresponds to the margin generated or the commission received. This mainly concerns ticketing activities, the sale of gift boxes, certain warranty extensions and internet sales generated on behalf of suppliers (Marketplaces).

In general, as part of its activity, the Group offers its customers new products and services in conjunction with partners throughout the year. The Agent/Principal analysis is carried out in accordance with IFRS 15 for each new product and service provided. The table below summarizes the Agent/Principal analysis of the main products and services provided by the Group in conjunction with partners:

	Agent	Principal
Internet/Store		
Marketplace	X	
Photo developing	X	
E-Books	X	
Games and software downloads	According to service provider	
Gift cards (banner)		X
Gift cards (non-banner)	X	
Custom kitchens		X
Ticketing		
Sale of tickets	X	
Sale of event cancellation insurance	X	
Boxed sets		
Gift boxes	X	
Additional services		
Sale of warranties or warranty extensions (Fnac)	X	
Sale of warranties or warranty extensions (Darty)		X
Sale of insurance	X	
Second-hand products		
Second-hand products		X
Subscriptions		
Energy and telecoms	X	
Repair (Darty Max)		X
Other services		
Financing	X	
Out-of-warranty repair services		X
Delivery	X	
Training	X	
After-sales service		X

2.19 / Operating income

Operating income includes all the income and costs directly related to Group operations, whether the income and expenses are recurrent or whether they result from one-off operations or decisions.

The cost of merchandise sales includes, among other items, purchases net of discounts and commercial services, which are measured on the basis of contracts signed with the suppliers and result in the invoicing of installment payments during the year. At period-end, a valuation of discounts and commercial services to be collected is conducted based on the contracts signed with suppliers. This valuation is primarily based on total annual purchases, quantities of items purchased or other contract conditions, such as thresholds reached or growth in purchasing volumes for discounts and the performance of services rendered to suppliers for commercial cooperation.

For the reader's benefit, unusual and material items at Group level are identified under operating income as "Other non-current operating income and expense."

"Other non-current operating income and expense", excluding current operating income, includes:

- restructuring costs and costs relating to staff adjustment measures;
- impairment on capitalized assets identified primarily in the context of impairment tests on cash-generating units (CGU) and goodwill;
- gains or losses linked to changes in the scope of consolidation (acquisition or disposal); and
- major disputes that do not arise from the Group's operating activities.

2.20 / Earnings per share

Net earnings per share are calculated by dividing the net income, Group share by the weighted average number of shares outstanding during the period.

Diluted net earnings per share are calculated by dividing the net income, Group share for the period by the average number of shares outstanding plus all instruments giving deferred access to the capital of the consolidating company, whether these were issued by it or by one of its subsidiaries. The dilution is determined for each instrument.

2.21 / Operating segments

In accordance with IFRS 8 – Operating Segments, the segment information presented is established on the basis of internal management data used to analyze the performance of activities and the allocation of resources by the Chief Executive Officer and the Executive Committee members, who constitute the Group's principal decision-making body.

An operating segment is a distinct component of the Group that is engaged in activities likely to generate income and incur expenses, whose operating income is regularly reviewed by the operating decision-making body and for which separate information is available. Each operating segment is individually monitored in terms of internal reporting, according to performance indicators common to all segments.

The segments presented in segment information are operating segments or combinations of operating segments. They correspond to countries or geographical regions composed of several countries in which the Group conducts its operations through stores:

- France-Switzerland: this segment is composed of the Group's activities managed from France. These activities are carried out in France and French territories, Switzerland and Monaco. This segment also includes the franchises in Morocco, Qatar, Ivory Coast, Luxembourg, Cameroon, the Congo, Tunisia and Senegal. The France-Switzerland segment includes the activity of Nature & Découvertes France and its international subsidiaries, all of which are managed from France;
- Iberian Peninsula: this segment consists of Group activities performed and grouped in Spain and Portugal; and
- Belgium and Luxembourg: this segment consists of Group activities managed from Belgium and grouped in Belgium and Luxembourg.

The new operating segments reflect the Group's structure.

The management data used to evaluate the performance of a segment are established in accordance with the IFRS principles applied by the Group for its consolidated financial statements.

NOTE 3 HIGHLIGHTS

The health crisis continued in 2021, with a lockdown and several periods of store closures in the first half of the year. These health measures disrupted store operating conditions, but to a lesser extent than in 2020.

On the back of its solid 2020 results, which demonstrated the resilience of its business in an unprecedented crisis, in March 2021 the Group finalized its long-term debt restructuring, with an extended maturity profile, diversified sources of financing and optimized cost, thereby securing its long-term liquidity.

In March 2021, the Group thus repaid in full its state-guaranteed loan (PGE) for €500 million.

In March 2021, the Group succeeded in placing its issue of bonds with an option for conversion and/or exchange for new and/or existing shares (OCEANE), maturing in 2027, for a nominal amount of €200 million corresponding to 2,468,221 bonds with a par value of €81.03 per bond. Based on the initial conversion/exchange ratio of one share per bond, dilution was approximately 9.28% of the Company's outstanding share capital as at March 16, 2021. The issue of OCEANE bonds was allocated to the repayment of the €200 million Senior Term Loan Facility, maturing in April 2023.

At the same time, Fnac Darty renegotiated the terms of its credit facilities by amending its RCF credit line to raise the total amount to €500 million from the previous amount of €400 million. This credit line has a maturity of five years (March 2026) and may be extended at Fnac Darty's request until March 2028. The conditions remain identical to those of the RCF for €400 million. In line with the goals of the new strategic plan, Everyday, this new credit facility includes a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing terms if the designated targets are achieved.

In addition, the Group is rated by the S&P Global, Scope Ratings and Moody's rating agencies. In March 2021, the rating agencies S&P and Moody's both raised their outlook from "negative" to "stable" associated with their respective Fnac Darty "BB" and "Ba2" credit ratings. Lastly, in May 2021, Scope Ratings confirmed Fnac Darty's credit rating at BBB- and raised its outlook from "under review" to "stable."

Store closures related to the health crisis led the Group to renegotiate its leases and obtain temporary rent concessions during the lockdown period.

In accordance with the amendment to IFRS 16 published by the IASB on May 28, 2020, the reductions negotiated in connection with the health crisis were recognized for the period concerned.

Under IAS 36 – Impairment of Assets, each cash-generating unit (CGU) and its assets with an indefinite useful life are required to be tested for impairment. The test must be carried out at least once a year on a set date or at any time if there is evidence of impairment. Following the health crisis that began in 2020, indications of impairment had led to a €14.2 million impairment of the Darty brand in the first half of 2020.

In second-half 2021, the Group performed the annual impairment test on each cash-generating unit (CGU) and its non-current assets with an indefinite useful life. For the 2021 annual test, all financial and operating assumptions were updated.

Cash flow projections were made in November 2021 based on new forecasts that take account of the impact of the health crisis in 2021 and on medium-term plans over a three-year period that tie in with the Group's strategic plan, Everyday. No additional impairment was recorded after this new test.

In 2021, Fnac Darty reactivated its policy of giving a return to shareholders. A first ordinary dividend of €1.00 gross per share for 2020, representing a total amount of €26.7 million. The ex-dividend date was July 5, 2021 and the dividend was paid on July 7, 2021.

As a result of the distribution of a dividend of €1.00 per share to Fnac Darty shareholders as of July 7, 2021, the conversion/exchange rate was increased from 1 Fnac Darty share per OCEANE bond to 1.019 Fnac Darty shares per OCEANE bond as of July 7, 2021.

Changes in the scope of consolidation

In 2021, there were no major changes in the scope of consolidation. The percentage changes in interests represent the acquisition of minority shares in Group companies.

NOTE 4 OPERATING SEGMENTS

The information on operating segments follows the same accounting rules as those used for the consolidated financial statements, described in the Notes to the financial statements.

The assessment of the performance of each operating segment, as used by the main operating decision-maker, is based on current operating income.

Income and expense with no impact on cash mainly includes current and non-current additions and reversals of depreciation and amortization and provisions for non-current assets, and provisions for contingencies and expenses.

Acquisitions of intangible assets and property, plant and equipment correspond to acquisitions of non-current assets including changes in payables on non-current assets. They do not include capital investments under a finance lease agreement.

Non-current segment assets consist of goodwill and other intangible assets, property, plant and equipment, and other non-current assets. Segment assets consist of non-current segment assets, inventories, trade receivables, customer loans and other current assets. Segment liabilities consist of the financing for customer loans, trade payables and other current liabilities.

The operating segments break down as follows:

- France-Switzerland: this segment is composed of the Group's activities managed from France. These activities are carried out in France and French territories, Switzerland and Monaco. This segment also includes the franchises in Morocco, Qatar, Ivory Coast, Luxembourg, Cameroon, the Congo, Tunisia and Senegal. The France-Switzerland segment includes the activity of Nature & Découvertes France and its international subsidiaries, all of which are managed from France;
- Iberian Peninsula: this segment consists of Group activities performed and grouped in Spain and Portugal; and
- Belgium and Luxembourg: this segment consists of Group activities managed from Belgium and grouped in Belgium and Luxembourg.

The new operating segments reflect the Group's structure.

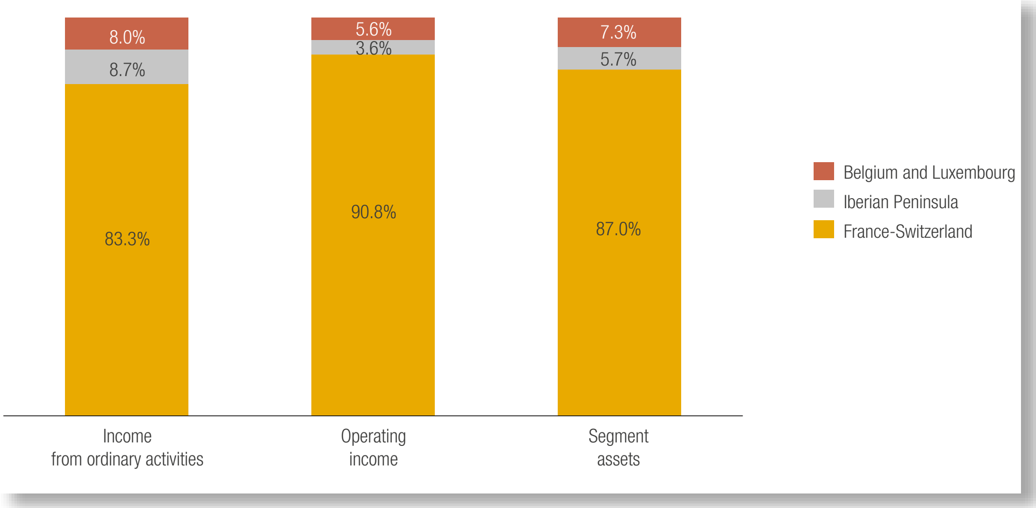
4.1 / Information by operating segment

(€ million)	**France-Switzerland**	**Iberian Peninsula**	**Belgium and Luxembourg**	**Total**
DECEMBER 31, 2021				
INCOME FROM ORDINARY ACTIVITIES	**6,700.9**	**701.5**	**640.2**	**8,042.6**
Consumer electronics	3,173.3	409.5	327.9	3,910.7
Editorial products	1,048.1	202.5	54.5	1,305.1
Domestic appliances	1,539.5	0.0	215.6	1,755.1
Other products and services	940.0	89.5	42.2	1,071.7
OPERATING INCOME	**236.4**	**9.3**	**14.7**	**260.4**
Operating investments	105.3	7.2	4.3	116.8
SEGMENT ASSETS	**4,922.8**	**321.3**	**414.3**	**5,658.4**
SEGMENT LIABILITIES	**2,491.9**	**255.2**	**184.8**	**2,931.9**

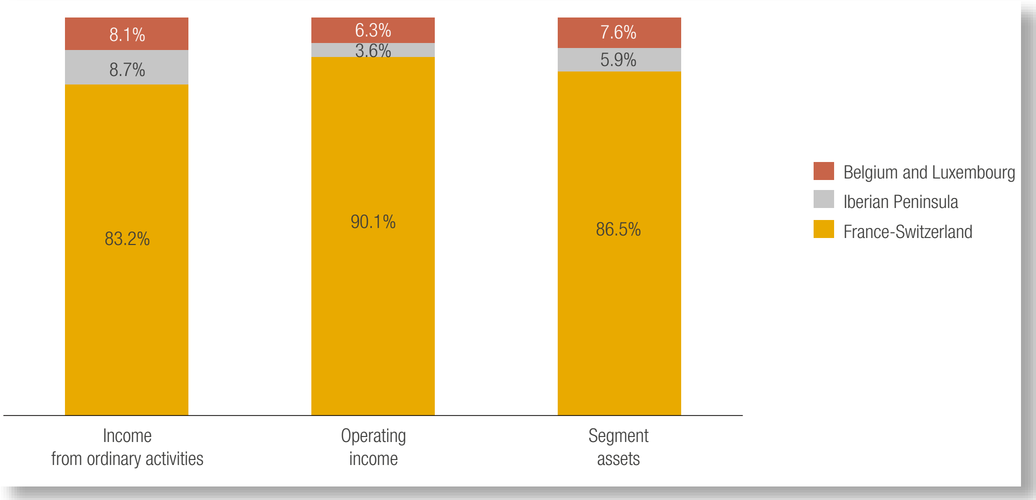
(€ million)	France-Switzerland	Iberian Peninsula	Belgium and Luxembourg	Total
DECEMBER 31, 2020				
INCOME FROM ORDINARY ACTIVITIES	**6,228.0**	**653.8**	**608.9**	**7,490.7**
Consumer electronics	2,987.8	401.3	316.7	3,705.8
Editorial products	937.6	172.3	48.1	1,158.0
Domestic appliances	1,432.3	0.0	205.0	1,637.3
Other products and services	870.3	80.2	39.1	989.6
OPERATING INCOME	**179.7**	**7.2**	**12.5**	**199.4**
Operating investments	83.5	10.4	5.5	99.4
SEGMENT ASSETS	**4,730.1**	**323.7**	**416.4**	**5,470.2**
SEGMENT LIABILITIES	**2,331.4**	**260.7**	**171.3**	**2,763.4**

Distribution of income from ordinary activities, operating income and assets by geographical region

In 2021



In 2020



4.2 / Reconciliation of segment assets and liabilities

Total segment assets are reconciled as follows in the Group's total assets:

(€ million)	2021	2020
Goodwill	1,654.3	1,654.3
Intangible assets	528.2	505.6
Property, plant and equipment	574.5	594.2
Right-of-use assets related to lease agreements	1,115.2	1,109.4
Other non-current assets	0.1	0.0
Non-current segment assets	**3,872.3**	**3,863.5**
Inventories	1,104.3	960.2
Trade receivables	303.9	285.4
Other current assets	377.9	361.1
SEGMENT ASSETS	**5,658.4**	**5,470.2**
Non-current financial assets	40.2	32.6
Investments in associates	0.6	0.1
Deferred tax assets	68.8	67.3
Tax receivables due	1.4	3.6
Other current financial assets	9.4	6.8
Cash and cash equivalents	1,181.1	1,568.7
Assets held for sale	0.0	0.0
TOTAL ASSETS	**6,959.9**	**7,149.3**

Total segment liabilities are reconciled as follows in the Group's total liabilities:

(€ million)	2021	2020
Trade payables	2,036.9	1,784.4
Other current liabilities	815.6	854.4
Other non-current liabilities	78.7	124.4
SEGMENT LIABILITIES	**2,931.2**	**2,763.2**
Shareholders' equity, Group share	1,555.4	1,368.5
Shareholders' equity – share attributable to non-controlling interests	8.2	4.9
Long-term borrowings and financial debt	932.3	901.9
Long-term leasing debt	891.1	884.1
Deferred tax liabilities	164.9	164.6
Provisions for pensions and other equivalent benefits	187.8	205.9
Short-term borrowings and financial debt	2.1	552.9
Short-term leasing debt	238.9	229.7
Other current financial liabilities	8.7	13.0
Provisions	31.0	30.6
Tax liabilities payable	8.3	30.0
Payables relating to assets held for sale	0.0	0.0
TOTAL LIABILITIES	**6,959.9**	**7,149.3**

NOTE 5 INCOME FROM ORDINARY ACTIVITIES

(€ million)	2021	2020
Net sales of goods	6,970.9	6,501.1
Net sales of other products and services	1,071.7	989.6
INCOME FROM ORDINARY ACTIVITIES	**8,042.6**	**7,490.7**

Sales of goods are presented net of various sales discounts granted to customers, including deferred discounts connected with loyalty programs.

Sales of other products include products in the development phase, including kitchen units, home & design products, toys & games, urban mobility products, stationery, wellbeing products and food & beverage products.

Sales of services include sales of loyalty cards and certain warranty extensions, which are recognized on a straight-line basis throughout the term of the warranty, reflecting the schedule of benefits offered. They also include products related to the sale of Darty Max repair subscriptions, commissions received on the sale of goods and services for which the Group acts as agent (especially ticket sales, gift boxes, warranty extensions, commissions on sales of credit, insurance and subscriptions, and Marketplace commissions and franchise fees), as well as reinvoicing of shipping costs and commissions, and the proceeds from breakage of gift vouchers and cards.

The breakdown of income from ordinary activities is detailed in note 4.

NOTE 6 PERSONNEL EXPENSES

Personnel expenses mainly include fixed and variable compensation, social security contributions, expenses related to employee profit-sharing and other incentives, training costs and expenses related to employee benefits recognized in current operating income.

(€ million)	2021	2020
France-Switzerland	(1,017.0)	(916.6)
Iberian Peninsula	(71.1)	(63.7)
Belgium and Luxembourg	(83.6)	(74.8)
TOTAL PERSONNEL EXPENSES	**(1,171.7)**	**(1,055.1)**

Personnel expenses amounted to €1,171.7 million (14.6% of revenue) for 2021, compared with €1,055.1 million (14.1% of revenue) for 2020, i.e. a slight upturn in the personnel expenses/revenue ratio against a background of store closures due to the health crisis and the increased use of short-time working measures for employees in stores and at head office.

Personnel expenses in 2021 included an expense of €17.3 million related to the application of IFRS 2 for all share-based transactions involving Group shares. This expense is linked to performance-based compensation plans.

In 2020, expenses related to performance-based compensation plans amounted to €5.7 million. Personnel expenses for 2020 also included a total expense of €4.6 million related to the special bonus share plan in 2020.

The application of IFRS 2 on share-based payments resulted in an offsetting entry to personnel expense allocated on a straight-line basis over their vesting period. All plans in the process of being acquired as of December 31, 2021 will be settled in equity instruments.

The average paid workforce for the Group's activities, in full-time equivalent, breaks down as follows:

	2021	2020
France-Switzerland	17,441	16,760
Iberian Peninsula	2,830	2,604
Belgium and Luxembourg	1,671	1,713
TOTAL AVERAGE PAID WORKFORCE	**21,941**	**21,077**

The registered workforce as of December 31 for the Group's activities was as follows:

	2021	2020
France-Switzerland	19,860	19,305
Iberian Peninsula	4,058	3,870
Belgium and Luxembourg	1,795	1,853
TOTAL REGISTERED WORKFORCE	**25,713**	**25,028**

NOTE 7 PERFORMANCE-BASED COMPENSATION PLANS

The fair value of market performance conditions for all long-term performance-based compensation plans (performance stock option plans and performance share plans) is measured using the Black & Scholes method. The price volatility assumption for Fnac Darty shares is 35% for plans awarded from 2020 onwards. The fair value of non-market performance conditions (free cash-flow, social and environmental responsibility) is assessed according to actual performance based on criteria that may be measured, and the best estimate of the execution of future performance conditions for the others. At the end of each plan, the number of options or shares to be vested in respect of market and non-market conditions is adjusted, if necessary, depending on the effective execution of the performance conditions measured.

7.1 / Performance option plans

The total IFRS 2 expense recognized as of December 31, 2021 in respect of performance stock option plans awarded in 2018 is not material.

2018 plan

The second tranche of the 2018 performance share plan expired as of May 17, 2021.

- The total shareholder return (TSR) was measured in 2021 for the period 2018-2020. The objective for this period was not achieved. The Company's objective was to be ranked among the top 35 companies in the SBF 120. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.
- The level of current operating income was measured in 2021 following the publication of the Group's annual results for 2020. It should be noted that the current operating income for 2018 and 2019 has previously been evaluated under the first tranche of this three-year plan. The objective measured in 2021 was not achieved. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.

The total vesting rate for this second tranche is 0%. As a result, no performance options were vested and none could be exercised.

Options vested under the first tranche could be exercised between May 18, 2020 and May 17, 2021 at an exercise price of €89.43 per share. Given the price of Fnac Darty shares during this period, no options were exercised.

All options have now expired.

The main features are summarized below:

Main features	2018-2021 performance option plan
Date of Board of Directors' meeting	May 18, 2018
Vesting period	2 years/3 years
Exercise price	€89.43
Number of beneficiaries at inception	11
Number of beneficiaries as of December 31, 2021	0
Performance conditions	Yes

Number of stock options	2018-2021 performance option plan
Allotted	97,438
Being vested as at January 1, 2021	**48,719**
Vested in 2021	0
Canceled in 2021	48,719
Being vested as at December 31, 2021	**0**

7.2 / Bonus share plan

The total IFRS 2 expense recognized as of December 31, 2021 for the bonus share plans granted in 2017, 2018, 2019, 2020 and 2021 amounted to €17.3 million.

2021 plans

On the recommendation of the Appointments and Compensation Committee, on May 27, 2021 the Board of Directors decided to award bonus shares to certain Group employees (176 beneficiaries) in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This first plan awarded in 2021 applies to French residents only.

The duration of this plan is three years (May 27, 2021 – May 26, 2024). These shares will be vested upon expiration of a vesting period (May 27, 2021 to May 26, 2024), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of these shares will be subject to a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120, as measured in 2024 for the 2021-2023 period in respect of the entire period, and to performance conditions associated with achieving a target level of free cash flow assessed in 2024 upon publication of the Group's annual results for 2023, taking into account the cash flow generated by the Group during the years 2021, 2022 and 2023 for the entire period as well as to performance conditions associated with the Company's corporate, social and environmental responsibility assessed in 2024 by taking into account the Group's non-financial ratings for 2021, 2022 and 2023 for the entire period.

The total IFRS 2 expense recognized as at December 31, 2021 for the first 2021 bonus share plan amounted to €2.4 million.

The main features are summarized below:

Main features	2021-2024 bonus share plan
Date of Board of Directors' meeting	May 27, 2021
Vesting period	3 years (May 27, 2021 – May 26, 2024)
Number of beneficiaries at inception	176
Number of beneficiaries as of December 31, 2021	171
Performance conditions	Yes

Number of bonus shares	2021-2024 bonus share plan
Allotted	244,660
Vested in 2021	0
Canceled in 2021	4,767
Being vested as at December 31, 2021	**239,893**

On the recommendation of the Appointments and Compensation Committee, on May 27, 2021 the Board of Directors decided to award bonus shares to certain Group employees (51 beneficiaries) other than the Executive Corporate Officer in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This second plan awarded in 2021 applies primarily to non-French residents.

The duration of this plan is three years (May 27, 2021 – May 26, 2024). These shares will be vested upon expiration of a vesting period (May 27, 2021 to May 26, 2024), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of these shares will be subject to a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120, as measured in 2024 for the 2021-2023 period in respect of the entire period, and to performance conditions associated with achieving a target level of free cash flow assessed in 2024 upon publication of the Group's annual results for 2023, taking into account the cash flow generated by the Group during the years 2021, 2022 and 2023 for the entire period as well as to performance conditions associated with the Company's corporate, social and environmental responsibility assessed in 2024 by taking into account the Group's non-financial ratings for 2021, 2022 and 2023 for the entire period.

The total IFRS 2 expense recognized as at December 31, 2021 for the second 2021 bonus share plan amounted to €0.7 million.

The main features are summarized below:

Main features	2021-2024 bonus share plan
Date of Board of Directors' meeting	May 27, 2021
Vesting period	3 years (May 27, 2021 – May 26, 2024)
Number of beneficiaries at inception	51
Number of beneficiaries as of December 31, 2021	50
Performance conditions	Yes

Number of bonus shares	2021-2024 bonus share plan
Allotted	54,376
Vested in 2021	0
Canceled in 2021	1,299
Being vested as at December 31, 2021	**53,077**

On the recommendation of the Appointments and Compensation Committee, on May 27, 2021 the Board of Directors decided to award bonus shares to certain Group employees (49 beneficiaries) other than the Executive Corporate Officer. Settlement will be in equity instruments. This third, specific plan awarded in 2021 applies to French residents only.

The duration of this plan is three years (May 27, 2021 – May 26, 2024).

This plan is not subject to performance conditions and aims to recognize the commitment of managers who have not yet been awarded Fnac Darty bonus shares in the past (or on an exceptional basis). The vesting of the shares is subject to the beneficiary's continued employment within the Group on the maturity date of this plan.

The total IFRS 2 expense recognized as at December 31, 2021 for the third 2021 bonus share plan amounted to €0.2 million.

The main features are summarized below:

Main features	2021-2024 bonus share plan
Date of Board of Directors' meeting	May 27, 2021
Vesting period	3 years (May 27, 2021 – May 26, 2024)
Number of beneficiaries at inception	49
Number of beneficiaries as of December 31, 2021	47
Performance condition	No

Number of bonus shares	2021-2024 bonus share plan
Allotted	14,005
Vested in 2021	0
Canceled in 2021	500
Being vested as at December 31, 2021	**13,505**

2020 plans

Plan awarded by the Board of Directors on May 28, 2020:

The total IFRS 2 expense recognized as at December 31, 2021 for the 2020 bonus share plan amounted to €6.6 million.

The main features are summarized below:

Main features	2020-2023 bonus share plan
Date of Board of Directors' meeting	May 28, 2020
Vesting period	3 years (May 28, 2020 – May 27, 2023)
Number of beneficiaries at inception	231
Number of beneficiaries as of December 31, 2021	216
Performance conditions	Yes

Number of bonus shares	2020-2023 bonus share plan
Allotted	616,496
Being vested as at January 1, 2021	**616,496**
Vested in 2021	0
Canceled in 2021	58,890
Being vested as at December 31, 2021	**557,606**

Plan awarded by the Board of Directors on June 16, 2020:

The 2020 special bonus share plan expired on June 15, 2021 for French residents. These shares may be sold at the end of a one-year holding period. It will expire on June 15, 2022 for non-French residents.

This plan was implemented in the specific context of Covid-19 and allowed certain Group employees, with the express exclusion of the Executive Corporate Officer, to receive all or part of their annual variable compensation for 2019 in the form of bonus shares.

This plan was not subject to continued employment or performance conditions.

Main features	2020-2022 bonus share plan
Date of Board of Directors' meeting	June 16, 2020
Vesting period	
French residents	1 year (June 16, 2020 – June 15, 2021)
Non-French residents	2 years (June 16, 2020 – June 15, 2022)
Holding period	
French residents	1 year (June 16, 2021 – June 15, 2022)
Number of beneficiaries at inception	138
Number of beneficiaries as of December 31, 2021	15
Performance condition	No

Number of bonus shares	2020-2022 bonus share plan
Allotted	98,743
Being vested as at January 1, 2021	**98,743**
Vested in 2021	94,186
Canceled in 2021	0
Being vested as at December 31, 2021	**4,557**

2019 plans

The first tranche of the 2019 bonus share plan expired on May 22, 2021. This plan, which was composed of two tranches, was awarded to certain Group employees, with the express exclusion of the Executive Corporate Officer. At the time, the Board of Directors awarded the latter a three-year plan, composed of a single tranche, which is also detailed in this section.

- The total shareholder return (TSR) was measured in 2021 for the period 2019-2020. The objective for this period was not achieved. The Company's objective was to be ranked among the top 35 companies in the SBF 120. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.
- The average level of free cash-flow was assessed in 2021 for the years 2019 and 2020. The objective for 2021 was achieved in full. The result is above the target. Therefore, the vesting rate is 100% for this criterion.
- The average of the Group's non-financial ratings obtained in 2019 and 2020 was assessed in 2021. The objective was achieved in full. The result is above the target. Therefore, the vesting rate is 100% for this criterion.

Given the relative weight of each criterion, the overall vesting rate for this first tranche is 70% for beneficiaries in service on May 22, 2021.

The total IFRS 2 expense recognized as at December 31, 2021 for the 2019 bonus share plan (excluding the Executive Corporate Officer) amounted to €6.5 million.

The main features are summarized below:

Main features	2019-2022 bonus share plan
Date of Board of Directors' meeting	May 23, 2019
Vesting period	2 years/3 years (May 23, 2019 to May 22, 2021 for the first period and May 23, 2019 to May 22, 2022 for the second period)
Number of beneficiaries at inception	210
Number of beneficiaries as of December 31, 2021	182
Performance conditions	Yes

Number of bonus shares	2019-2022 bonus share plan
Allotted	214,449
Being vested as at January 1, 2021	**201,281**
Vested in 2021	46,129
Canceled in 2021	33,243
Being vested as at December 31, 2021	**121,909**

The total IFRS 2 expense recognized as at December 31, 2021 for the 2019 bonus share plan of the Executive Corporate Officer amounted to €1.1 million.

The main features are summarized below:

Main features	2019-2022 bonus share plan
Date of Board of Directors' meeting	May 23, 2019
Vesting period	3 years (May 23, 2019 – May 22, 2022)
Number of beneficiaries at inception	1
Number of beneficiaries as of December 31, 2021	1
Performance conditions	Yes

Number of bonus shares	2019-2022 bonus share plan
Allotted	31,752
Being vested as at January 1, 2021	**31,752**
Vested in 2021	0
Canceled in 2021	0
Being vested as at December 31, 2021	**31,752**

2018 plan

The second tranche of the 2018 bonus share plan expired on May 17, 2021.

- The total shareholder return (TSR) was measured in 2021 for the period 2018-2020. The objective for this period was not achieved. The Company's objective was to be ranked among the top 35 companies in the SBF 120. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.
- The level of current operating income was measured in 2021 following the publication of the Group's annual results for 2020. It should be noted that the current operating income for 2018 and 2019 has previously been evaluated under the first tranche of this three-year plan. The objective measured in 2021 was not achieved. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.

The total vesting rate for this second tranche is 0%. As a result, no shares were vested for those beneficiaries in service on May 17, 2021.

The total IFRS 2 income recognized as at December 31, 2021 for the 2018 bonus share plan amounted to €0.1 million.

The main features are summarized below:

Main features	2018-2021 bonus share plan
Date of Board of Directors' meeting	May 18, 2018
Vesting period	2 years/3 years (May 18, 2018 to May 17, 2020 for the first period and May 18, 2018 to May 17, 2021 for the second period)
Number of beneficiaries at inception	167
Number of beneficiaries as of December 31, 2021	0
Performance conditions	Yes

Number of bonus shares	2018-2021 bonus share plan
Allotted	109,817
Being vested as at January 1, 2021	**32,732**
Vested in 2021	0
Canceled in 2021	32,732
Being vested as at December 31, 2021	**0**

2017 plan

The 2017 bonus share plan expired on May 1, 2021 for non-French residents.

The performance conditions measured in 2018 and 2019 of the change in the Fnac Darty share price and the achievement of a level of synergy in connection with the merger of Fnac and Darty resulted in the vesting of 87.5% of the shares for beneficiaries in service on May 1, 2021.

The total IFRS 2 income recognized as at December 31, 2021 for the April 2017 bonus share plan amounted to €0.1 million.

The main features are summarized below:

Main features	2017-2021 bonus share plan
Date of Board of Directors' meeting	April 28, 2017
Vesting period	
French residents	2 years (May 2, 2017 – May 1, 2019)
Non-French residents	4 years (May 2, 2017 – May 1, 2021)
Holding period	
French residents	2 years (May 2, 2019 – May 1, 2021)
Number of beneficiaries at inception	150
Number of beneficiaries as of December 31, 2021	0
Performance conditions	Yes

Number of bonus shares	2017-2021 bonus share plan
Allotted	122,000
Being vested as at January 1, 2021	**12,689**
Vested in 2021	12,232
Canceled in 2021	457
Being vested as at December 31, 2021	**0**

7.3 / Analysis of sensitivity to changes in market performance conditions and to changes in non-market performance conditions

As of December 31, 2021, changes in the fair value of the commitment to plans in respect of non-market performance conditions (free cash flow, social and environmental responsibility) are assessed according to actual performance based on criteria that may be measured, and the best estimate of the execution of future performance conditions for the others.

The fair value of the commitment of the plans in respect of market performance conditions is measured using the Black & Scholes method assuming 35% price volatility of Fnac Darty shares for plans granted from 2020 onwards.

At the end of each plan, the number of shares to be vested in respect of market and non-market performance conditions is adjusted, if necessary, depending on the effective execution of the performance conditions measured.

NOTE 8 ASSOCIATES

Fnac Darty exercises significant influence within certain companies, called associates. Associates are consolidated using the equity method. The activity of these companies forms part of the Group's operating activity. These companies are consolidated in the Group's internal reporting in accordance with IFRS 8, and their operating performance is monitored at the level of each business division to which they belong.

The Fnac Darty consolidated financial statements include the transactions executed by the Group within the normal context of its activities with associates. These transactions are executed under normal market conditions.

8.1 / Share of profit from equity associates

(€ million)	**2021**	**2020**
France-Switzerland	(0.3)	0.1
Iberian Peninsula	0.0	0.0
Belgium and Luxembourg	0.1	0.0
SHARE OF PROFIT FROM EQUITY ASSOCIATES	**(0.2)**	**0.1**

(€ million)	**2021**	**2020**
Izneo	(0.3)	0.1
Vanden Borre Kitchen	0.1	0.0
SHARE OF PROFIT FROM ASSOCIATES	**(0.2)**	**0.1**

There was a loss of €0.2 million from equity associates in 2021, compared with a profit of €0.1 million in 2020.

Izneo is a player in the French-speaking digital comics market and offers an online comics reading service in the form of a website and mobile applications. Izneo is jointly owned by Fnac Darty and a group of publishers in the comic book industry.

Vanden Borre Kitchen is a company operating in the fitted kitchen market in Belgium. It is jointly owned by the Group and FBD Group.

8.2 / Investments in associates

The change in the item "Investments in associates" breaks down as follows:

(€ million)	Associates	Izneo	Vanden Borre Kitchen
INVESTMENTS IN ASSOCIATES AS AT DECEMBER 31, 2020	**0.1**	**0.8**	**(0.7)**
Profit from associates	(0.1)	(0.2)	0.1
Dividends paid	0.0		
Change to scope of consolidation	0.0		
Other changes	0.6		0.6
Translation differences	0.0		
INVESTMENTS IN ASSOCIATES AS AT DECEMBER 31, 2021	**0.6**	**0.6**	**0.0**

8.3 / Data on investments in associates

The data below is presented at 100% under IFRS standards:

	2021	
(€ million)	Izneo	Vanden Borre Kitchen
Non-current assets	2.0	0.0
Current assets	1.3	0.8
Non-current liabilities	0.8	0.0
Current liabilities	2.6	2.2
Revenue	3.8	1.1
Operating income	(0.4)	0.1
Net income	(0.4)	0.1

NOTE 9 CURRENT OPERATING INCOME

Current operating income represents the main indicator for monitoring the Group's operating performance. It is broken down as follows:

(€ million)	2021	2020
France-Switzerland	244.6	193.8
Iberian Peninsula	10.8	8.4
Belgium and Luxembourg	15.3	13.1
CURRENT OPERATING INCOME	**270.7**	**215.3**

Current operating income was €270.7 million in 2021 (compared with €215.3 million in 2020).

Current operating income for 2021 and 2020 corresponds to Fnac Darty's audited IFRS consolidated financial statements for the years ended December 31, 2021 and 2020, incorporating 12 months of operating activity for all Group brands.

NOTE 10 OTHER NON-CURRENT OPERATING INCOME AND EXPENSE

(€ million)	2021	2020
Darty brand impairment	0.0	(14.2)
Gain related to the Nature & Découvertes earn-out	0.0	10.5
Incremental costs related to the health crisis	0.0	(5.8)
Other restructuring costs	(7.3)	(4.1)
Other net non-current income and expenses	(3.0)	(2.3)
OTHER NON-CURRENT OPERATING INCOME AND EXPENSE	**(10.3)**	**(15.9)**

Other non-current operating income and expense for the Group comprises unusual and material items that could affect the ability to track the Group's economic performance.

As at December 31, 2021, they represented a net expense of €10.3 million, broken down as follows:

- €7.3 million in restructuring costs for employee and structural adaptation plans in France and abroad;
- a net expense of €3.0 million related to various non-current lawsuits.

As at December 31, 2020, they represented a net expense of €15.9 million, composed of:

- recognized indications of impairment as a result of the health crisis in 2020. The Group conducted impairment tests in the first half of 2020. These tests resulted in a €14.2 million impairment of the Darty brand;
- in the second half of 2020, as part of the calculation of the earn-out related to the acquisition of Nature & Découvertes, and in accordance with IFRS 3, a provision reversal was booked in the income statement for a net amount of €10.5 million for the settlement of the earn-out;
- in the first half of 2020, Fnac Darty noted the positions taken by the ESMA and AMF and decided not to record the full cost of the health crisis under non-current expense. Consequently, the Group recorded as non-current expense only non-recurring incremental costs incurred in the first half of 2020 that were directly related to the health crisis. These costs corresponded to the installation of hygiene barriers in stores and all exceptional bonuses paid to employees who worked in the Group's warehouses during the first lockdown period to fulfill online orders. In the first half of 2020, these costs totaled €5.8 million;
- €4.1 million in restructuring costs for employee and structural adaptation plans in France and abroad;
- other net non-current income and expenses represented an expense of €2.3 million related to various non-current lawsuits and restructuring costs in connection with the implementation of the Group's reorganization.

NOTE 11 (NET) FINANCIAL EXPENSE

Net financial expenses break down as follows:

(€ million)	2021	2020
Costs related to Group debt	(25.3)	(25.9)
Interest on leasing debt	(21.2)	(21.9)
Other financial income and expense	4.7	(3.6)
NET FINANCIAL EXPENSE	**(41.8)**	**(51.4)**

In 2021, costs relating to the Group's net financial debt consist mainly of interest on the €650 million bond issue and the €200 million medium-term credit facility repaid in March 2021, as well as interest on the €100 million loan from the European Investment Bank, and financial interest and the actuarial expense of the €200 million OCEANE convertible bond issued by the Group in March 2021. These costs also include the apportionment of the costs of setting up the Group's financial debt.

In 2020, costs relating to the Group's net financial debt consisted mainly of interest for the €650 million bond issue, the €200 million medium-term credit facility, and the €100 million loan agreement concluded with the European Investment Bank.

Interest expense on leasing debt related to the application of IFRS 16 amounted to €21.2 million in 2021, compared with €21.9 million in 2020.

Other financial income and expense primarily includes the cost of consumer lending, the financial impacts related to post-employment benefits for employees and the remeasurement at fair value through profit or loss of the Group's financial assets. Compared to 2020, the improvement in this item is mainly due to the upward revaluation of the fair value of the Group's shares in the Daphni Purple Fund for an amount of €9.0 million in 2021, compared to €3.3 million in 2020.

NOTE 12 TAX

12.1 / Analysis of the tax expense on continuing operations

12.1.1 Tax expense

(€ million)	2021	2020
PRE-TAX INCOME	**218.6**	**148.0**
Current tax expense excluding corporate value-added tax (CVAE)	(74.2)	(57.2)
Current tax expense related to corporate value-added tax (CVAE)	(11.0)	(20.6)
Deferred tax income/(expense)	11.1	18.2
TOTAL TAX EXPENSE	**(74.1)**	**(59.6)**
EFFECTIVE TAX RATE	**33.90%**	**40.27%**

Income tax includes any tax paid or for which a provision is recorded for the period, together with any potential tax reassessments paid or provisioned during the period. For 2021, the total tax expense is €74.1 million, compared with €59.6 million for 2020, an increase of €14.5 million, but a decrease in the effective tax rate of more than 6 percentage points to 33.90%.

The increase in total tax expense in 2021 is mainly due to the increase in pre-tax income. This increase is partially offset by the fall in the CVAE tax expense. The decrease in the CVAE expense is linked to the reform of production taxes adopted by the French Finance Act for 2021, which is set to halve the CVAE tax rate from the 2021 tax year onwards.

12.1.2 Streamlining of the income tax rate

(as a % of pre-tax income)	2021	2020
TAX RATE APPLICABLE IN FRANCE	**28.41%**	**32.02%**
Impact of the taxation of foreign subsidiaries	(0.29%)	(0.43%)
THEORETICAL TAX RATE	**28.12%**	**31.59%**
Impact of items taxed at a lower rate	0.00%	0.00%
Impact of permanent differences	2.55%	2.90%
Impact of unrecognized timing differences	0.00%	0.00%
Impact of unrecognized tax-loss carry-forwards	0.40%	1.74%
Impact of corporate value-added tax (CVAE)	3.62%	9.53%
Impact of the tax rate reduction in France	0.60%	(6.16%)
Other exceptional taxes	(1.39%)	0.66%
EFFECTIVE TAX RATE	**33.90%**	**40.27%**

The tax rate applicable in France is equal to the basic rate of 27.5% plus the 3.3% social security contribution for French companies, bringing it to 28.41%, versus 32.02% in 2020. The 2021 finance law confirms a gradual reduction of the normal corporate tax rate from 27.5% to 25% in 2022. The Group net tax expense takes these reductions into consideration.

12.2 / Change in balance sheet items

12.2.1 Tax due

(€ million)	2020	Income	Change in working capital requirement	Changes in scope	Changes in foreign exchange rates	2021
Tax receivables due	3.6					1.4
Tax liabilities payable	(30.0)					(8.3)
TAXES PAYABLE	**(26.4)**	**(85.2)**	**104.7**	**0.0**	**0.0**	**(6.9)**

(€ million)	2019	Income	Change in working capital requirement	Changes in scope	Changes in foreign exchange rates	2020
Tax receivables due	2.8					3.6
Tax liabilities payable	(9.4)					(30.0)
TAXES PAYABLE	**(6.6)**	**(77.8)**	**58.0**	**0.0**	**0.0**	**(26.4)**

12.2.2 Deferred tax

(€ million)	2020	Income	Items recognized in shareholders' equity	Other changes	Changes in scope	Changes in foreign exchange rates	2021
Deferred tax assets	67.3	9.6	(8.1)				68.8
Deferred tax liabilities	(164.6)	1.5	(0.3)	(1.5)			(164.9)
NET DEFERRED TAXES	**(97.3)**	**11.1**	**(8.4)**	**(1.5)**	**0.0**	**0.0**	**(96.1)**

(€ million)	2020	Income	Items recognized in shareholders' equity	Other changes	Changes in scope	Changes in foreign exchange rates	2021
Provisions for pensions and other equivalent benefits	45.6	2.8	(2.3)				46.1
Tax losses and tax credits recognized	3.9	1.9					5.8
Brands	(97.2)	0.5					(96.7)
Other assets & liabilities	(49.6)	5.9	(6.1)	(1.5)			(51.3)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(97.3)**	**11.1**	**(8.4)**	**(1.5)**	**0.0**	**0.0**	**(96.1)**

(€ million)	2019	Income	Items recognized in shareholders' equity	Other changes	Changes in scope	Changes in foreign exchange rates	2020
Deferred tax assets	82.7	1.7	4.9	(22.1)	0.1		67.3
Deferred tax liabilities	(203.2)	16.5		22.1			(164.6)
NET DEFERRED TAXES	**(120.5)**	**18.2**	**4.9**	**0.0**	**0.1**	**0.0**	**(97.3)**

(€ million)	2019	Income	Items recognized in shareholders' equity	Other changes	Changes in scope	Changes in foreign exchange rates	2020
Provisions for pensions and other equivalent benefits	43.5	0.5	1.6				45.6
Tax losses and tax credits recognized	0.2	3.7					3.9
Brands	(101.4)	4.2					(97.2)
Other assets & liabilities	(62.8)	9.8	3.3		0.1		(49.6)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(120.5)**	**18.2**	**4.9**	**0.0**	**0.1**	**0.0**	**(97.3)**

12.3 / Deferred tax not recognized

The change in tax losses and unused tax credits is as follows:

(€ million)	2021	2020
Unrecognized tax losses	174.0	160.9
Unrecognized timing differences	0.0	0.0
TOTAL UNRECOGNIZED TAX BASES	**174.0**	**160.9**

The non-capitalized tax losses primarily represent the tax losses of the Group's subsidiaries in the United Kingdom and Belgium, where the prospects of recovery do not permit capitalization.

12.4 / Tax loss changes and schedule

(€ million)	Total	of which non-capitalized	of which capitalized
AT DECEMBER 31, 2020	**175.3**	**160.9**	**14.4**
Deficits generated during the period	16.7	7.8	8.9
Losses charged or time-barred during the period	(1.5)	(0.2)	(1.3)
Changes in scope	0.0		
Changes in foreign exchange rates	5.5	5.5	
AT DECEMBER 31, 2021	**196.0**	**174.0**	**22.0**
Tax-loss carry-forwards with a maturity of	0.0	0.0	0.0
Less than 5 years	0.0		
More than 5 years	0.0		
Indefinite tax-loss carryforwards	196.0	174.0	22.0
TOTAL	**196.0**	**174.0**	**22.0**

NOTE 13 EARNINGS PER SHARE

Net earnings per share are calculated based on the weighted average number of shares outstanding less the weighted average number of shares held by the consolidated companies.

In 2021, the Group held an average of 68,923 treasury stocks through Natixis ODDO BHF, with which a liquidity agreement was signed. This agreement is designed to promote transaction liquidity and consistency in the Group's share price.

As of December 31, 2021, the Group held 67,723 treasury stocks.

Diluted net earnings per share take into account the weighted average number of shares defined above, plus the weighted average number of potentially dilutive ordinary shares. Potentially dilutive shares are the shares granted to employees as part of share-based payment transactions settled with equity instruments, as well as instruments convertible and exchangeable for shares.

In March 2021, the Group succeeded in placing its issue of bonds with an option for conversion and/or exchange for new and/or existing shares (OCEANE), maturing in 2027, for a nominal amount of €200 million corresponding to 2,468,221 bonds with a par value of €81.03 per bond. Based on the initial conversion/exchange ratio of one share per bond, dilution was approximately 9.28% of the Company's outstanding share capital as of March 16, 2021. The issue of OCEANE bonds was allocated to the repayment of the €200 million Senior Term Loan Facility, maturing in April 2023.

As a result of the distribution of a dividend of €1.00 per share to Fnac Darty shareholders as of July 7, 2021, the conversion/exchange rate was increased from 1 Fnac Darty share per OCEANE bond to 1.019 Fnac Darty shares per OCEANE bond as of July 7, 2021.

The instruments issued by the Group had a diluting effect over 2021, in the amount of 680,248 shares for shares granted to employees in share-based payment transactions and 2,515,117 shares for convertible and exchangeable instruments.

Convertible and exchangeable instruments represent the issue of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE bonds), placed by the Group in March 2021 as part of the restructuring of its long-term debt.

The number of shares that could potentially become diluting during a subsequent year is 275,469.

Earnings per share as of December 31, 2021

	Group share		
(€ million)	Consolidated Group	Continuing operations	Discontinued operations
NET INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	**160.3**	**145.0**	**15.3**
Weighted average number of ordinary shares issued	26,696,442	26,696,442	26,696,442
Weighted average number of treasury stocks	(68,923)	(68,923)	(68,923)
Weighted average number of ordinary shares	**26,627,519**	**26,627,519**	**26,627,519**
BASIC EARNINGS PER SHARE *(€)*	**6.02**	**5.45**	**0.57**

	Group share		
(€ million)	Consolidated Group	Continuing operations	Discontinued operations
NET INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	**160.3**	**145.0**	**15.3**
Weighted average number of ordinary shares	26,627,519	26,627,519	26,627,519
Convertible and exchangeable instruments	2,515,117	2,515,117	2,515,117
Dilutive ordinary shares	680,248	680,248	680,248
Weighted average number of diluted ordinary shares	**29,822,884**	**29,822,884**	**29,822,884**
DILUTED EARNINGS PER SHARE *(€)* [(a)]	**5.38**	**4.86**	**0.51**

(a) Earnings per share after dilution linked to financial instruments giving access to share capital.

Earnings per share as of December 31, 2020

	Group share		
(€ million)	Consolidated Group	Continuing operations	Discontinued operations
NET INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	**1.2**	**95.6**	**(94.4)**
Weighted average number of ordinary shares issued	26,583,287	26,583,287	26,583,287
Weighted average number of treasury stocks	(97,907)	(97,907)	(97,907)
Weighted average number of ordinary shares	**26,485,380**	**26,485,380**	**26,485,380**
BASIC EARNINGS PER SHARE *(€)*	**0.05**	**3.61**	**(3.56)**

(€ million)	Group share		
	Consolidated Group	**Continuing operations**	**Discontinued operations**
NET INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	**1.2**	**95.6**	**(94.4)**
Weighted average number of ordinary shares	26,485,380	26,485,380	26,485,380
Convertible and exchangeable instruments	0	0	0
Dilutive ordinary shares	633,914	633,914	633,914
Weighted average number of diluted ordinary shares	**27,119,294**	**27,119,294**	**27,119,294**
DILUTED EARNINGS PER SHARE *(€)*	**0.04**	**3.53**	**(3.48)**

NOTE 14 OTHER COMPREHENSIVE INCOME ITEMS

Other comprehensive income items mainly represent:

- profit and loss from the translation of the financial statements of operations outside France;
- items relating to the measurement of employee benefit bonds: revaluation of net liabilities for defined benefit plans; and
- the effective portion of the change in fair value of the hedge instrument offset against other items of comprehensive income.

The amount of these items before and after related tax effects and adjustments for reclassification to income are as follows:

(€ million)	2021		
	Gross	**Tax**	**Net**
Translation differences	(1.2)		(1.2)
Effective portion of the change in fair value of instruments designated as cash flow hedges	2.5	(0.7)	1.8
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**1.3**	**(0.7)**	**0.6**
Revaluation of net liabilities for defined benefit plans	30.4	(2.4)	28.0
Items that may not be reclassified subsequently to profit or loss	**30.4**	**(2.4)**	**28.0**
OTHER ITEMS OF COMPREHENSIVE INCOME AS OF DECEMBER 31, 2021	**31.7**	**(3.1)**	**28.6**

(€ million)	2020		
	Gross	**Tax**	**Net**
Translation differences	1.3		1.3
Effective portion of the change in fair value of instruments designated as cash flow hedges	(2.8)	0.8	(2.0)
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**(1.5)**	**0.8**	**(0.7)**
Revaluation of net liabilities for defined benefit plans	(27.2)	1.7	(25.5)
Items that may not be reclassified subsequently to profit or loss	**(27.2)**	**1.7**	**(25.5)**
OTHER ITEMS OF COMPREHENSIVE INCOME AS OF DECEMBER 31, 2020	**(28.7)**	**2.5**	**(26.2)**

The change in the revaluation of the net defined benefit plan liability is related to the change in discount rates in 2021 and 2020 (see note 26.3).

NOTE 15 GOODWILL AND BUSINESS COMBINATIONS

15.1 / Goodwill

(€ million)	Gross	Impairment	Net
GOODWILL AS OF JANUARY 1, 2020	**1,729.5**	**(75.4)**	**1,654.1**
From acquisitions	0.2		0.2
Disposals and withdrawals			0.0
Changes in foreign exchange rates			0.0
Assets and liabilities held for sale			0.0
Other changes			0.0
GOODWILL AS OF DECEMBER 31, 2020	**1,729.7**	**(75.4)**	**1,654.3**
From acquisitions			0.0
Disposals and withdrawals			0.0
Changes in foreign exchange rates			0.0
Assets and liabilities held for sale			0.0
Other changes			0.0
GOODWILL AS OF DECEMBER 31, 2021	**1,729.7**	**(75.4)**	**1,654.3**

There was no change in goodwill in 2021.

The €0.2 million net increase in goodwill in 2020 was linked to an adjustment of the goodwill of CTS Eventim France during the first half of 2020. This adjustment took place within the twelve months following the acquisition of CTS Eventim France.

The valuation of assets and liabilities acquired began on their date of acquisition for each of the companies acquired. For more details on the calculation of the allotted purchase price, refer to section 15.2.

As of December 31, 2021, there was no evidence of impairment. Pursuant to the IFRS standards, annual impairment tests were conducted on the assets. These impairment tests show a value-in-use greater than the value of the net assets for each of the cash generating units tested. No additional impairment of goodwill was therefore necessary. See Note 19 for more information.

Goodwill was allocated as follows:

(€ million)	2021	2020
France	1,512.9	1,512.9
Belgium	139.2	139.2
Portugal	2.2	2.2
TOTAL	**1,654.3**	**1,654.3**

NOTE 16 INTANGIBLE ASSETS

(€ million)	Brands	Software	Other intangible assets	Total
GROSS VALUE AS OF DECEMBER 31, 2020	**375.4**	**654.0**	**71.8**	**1,101.2**
Amortization, depreciation and impairment	(14.2)	(565.3)	(16.1)	(595.6)
NET VALUE AS OF DECEMBER 31, 2020	**361.2**	**88.7**	**55.7**	**505.6**
Acquisitions	0.0	41.5	17.0	58.5
Disposals	0.0	(0.0)	0.0	(0.0)
Amortization, depreciation and impairment	(0.0)	(40.9)	(3.3)	(44.2)
Change in scope	0.0	0.0	0.0	0.0
Changes in foreign exchange rates	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	8.3	8.3
NET VALUE AS OF DECEMBER 31, 2021	**361.2**	**89.3**	**77.7**	**528.2**

(€ million)	Brands	Software	Other intangible assets	Total
GROSS VALUE AS OF DECEMBER 31, 2019	**375.4**	**625.5**	**55.4**	**1,056.3**
Amortization, depreciation and impairment	0.0	(531.8)	(13.4)	(545.2)
NET VALUE AS OF DECEMBER 31, 2019	**375.4**	**93.6**	**42.0**	**511.1**
Acquisitions	0.0	28.0	13.0	41.0
Disposals	0.0	(0.0)	(0.6)	(0.6)
Amortization, depreciation and impairment	(14.2)	(33.5)	(1.6)	(49.3)
Change in scope	0.0	0.0	0.0	0.0
Changes in foreign exchange rates	0.0	0.0	0.0	0.0
Other changes	0.0	0.6	2.9	3.5
NET VALUE AS OF DECEMBER 31, 2020	**361.2**	**88.7**	**55.7**	**505.6**

Depreciation and amortization additions are recognized in “Other current operating income and expense” in the income statement.

Group brands consist of the following:

(€ million)	2021	2020
Darty brand	287.5	287.5
Vanden Borre brand	35.3	35.3
Nature & Découvertes brand	26.0	26.0
Billetreduc.com brand	11.3	11.3
WeFix brand	1.1	1.1
TOTAL BRANDS	**361.2**	**361.2**

Under IAS 36 – Impairment of Assets, each cash-generating unit (CGU) and its assets with an indefinite useful life are required to be tested for impairment. The test must be carried out at least once a year on a set date or at any time if there is evidence of impairment. Following the health crisis that began in the first half of 2020, these tests led to a €14.2 million impairment for the Darty brand. The Darty brand had been valued at €301.7 million in 2016 when Darty was acquired. Following this impairment, Darty's net carrying amount in the Group's financial statements was €287.5 million.

Cash flow projections were made in 2021 based on updated forecasts that take account of the impact of the health crisis and on medium-term plans over a three-year period that tie in with the Group's strategic plan, Everyday. After these tests, no additional impairment was recorded in 2021.

In March 2021, the IFRS IC Interpretation Committee opened discussions on the recognition of the costs of configuring and customizing software that is accessible via the cloud under an SaaS contract.

The Committee's interpretation is to recognize these costs as intangible assets if, within the meaning of IAS 38, the customer controls the separate asset resulting from the said configuration or customization. If control within the meaning of IAS 38 is not proven, these costs must be recognized as current operating expenses and may be spread across the term of the contract if they cannot be distinguished from the main service of the software provision.

In order to assess the materiality of installation costs for SaaS contracts, a survey was carried out across all Group entities. As of December 31, 2021, 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 was not material.

NOTE 17 PROPERTY, PLANT AND EQUIPMENT

(€ million)	Land & buildings	Fixtures, fittings and commercial facilities	Technical and telephony equipment	Other property, plant and equipment	Total
GROSS VALUE AS OF DECEMBER 31, 2020	**429.9**	**1,135.2**	**270.4**	**117.4**	**1,952.8**
Amortization, depreciation and impairment	(165.1)	(906.7)	(223.6)	(63.2)	(1,358.6)
NET VALUE AS OF DECEMBER 31, 2020	**264.8**	**228.5**	**46.8**	**54.2**	**594.2**
Acquisitions	2.3	35.5	12.6	17.9	68.3
Disposals	0.0	(1.6)	(1.1)	(0.0)	(2.8)
Amortization, depreciation and impairment	(8.8)	(53.8)	(13.3)	(2.2)	(78.1)
Change in scope	0.0	0.0	0.0	0.0	0.0
Changes in foreign exchange rates	0.0	0.2	0.1	0.3	0.5
Other changes	18.8	(19.8)	0.7	(7.4)	(7.7)
NET VALUE AS OF DECEMBER 31, 2021	**277.1**	**188.9**	**45.7**	**62.8**	**574.5**

(€ million)	Land & buildings	Fixtures, fittings and commercial facilities	Technical and telephony equipment	Other property, plant and equipment	Total
GROSS VALUE AS OF DECEMBER 31, 2019	**428.4**	**1,110.8**	**254.4**	**120.6**	**1,914.3**
Amortization, depreciation and impairment	(158.3)	(865.6)	(212.5)	(63.1)	(1,299.4)
NET VALUE AS OF DECEMBER 31, 2019	**270.1**	**245.2**	**42.0**	**57.6**	**614.8**
Acquisitions	1.2	29.6	19.9	7.6	58.4
Disposals	(0.0)	(3.8)	(0.9)	(0.4)	(5.1)
Amortization, depreciation and impairment	(6.2)	(51.5)	(14.5)	(2.0)	(74.2)
Change in scope	0.0	(0.5)	0.0	0.5	0.0
Changes in foreign exchange rates	0.0	0.0	0.0	(0.0)	0.0
Other changes	(0.3)	9.4	0.3	(9.1)	0.2
NET VALUE AS OF DECEMBER 31, 2020	**264.8**	**228.5**	**46.8**	**54.2**	**594.2**

Depreciation and amortization additions are recognized in “Other current operating income and expense” in the income statement.

NOTE 18 RIGHT-OF-USE ASSETS RELATED TO LEASE AGREEMENTS

The table below shows the right-of-use assets by asset class:

(€ million)	Stores	Offices	Platforms	Other	Total
NET VALUE AS OF DECEMBER 31, 2020	**908.6**	**85.7**	**64.1**	**51.0**	**1,109.4**
Increase (inflows and revaluation of assets)	282.0	0.1	17.9	31.4	331.4
Decrease (amortization, depreciation, terminations)	(268.7)	(0.1)	(8.1)	(41.9)	(318.8)
Other changes	1.8	0.0	0.0	(8.6)	(6.8)
NET VALUE AS OF DECEMBER 31, 2021	**923.7**	**85.7**	**73.9**	**31.9**	**1,115.2**

The items relating to leasing debt are presented in note 28.2.

NOTE 19 IMPAIRMENT TESTS ON NON-FINANCIAL ASSETS

The principles of impairment of non-financial assets are detailed in note 2.10.

Goodwill, intangible assets with an indefinite useful life, and the cash generating units containing these elements are systematically tested annually for impairment in the second half of the year. The cash generating units are operating entities that generate independent cash flows. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets.

The entry value of all Group brands was determined using the Relief From Royalty method, which consists of evaluating the discounted amount of the royalty savings generated by and received from the franchisees for the use of the brand (net of maintenance costs and taxes) and corresponds to the fair value of the brands on the acquisition date. To the extent that the Group's brands constitute non-current assets with an indefinite life span, they are not amortized but are systematically tested for impairment each year and when there is evidence of impairment. The brands recorded on the Group's balance sheet are Darty, Vanden Borre, WeFix, Billetreduc.com and Nature & Découvertes.

Any impairment is recognized in operating income for the period. The goodwill recorded on the Group balance sheet comes primarily from the acquisition of Darty. The principal values of the goodwill and the brands are analyzed in notes 15 and 16.

19.1 / Assumptions used for impairment tests

The perpetual growth rates and discount rates, after tax, that are applied to the projected cash flows under the economic assumptions and estimated operating conditions used by the Group for the brands and for those cash generating units that recorded goodwill as of December 31, 2021 are as follows:

	Discount (a)		Perpetual growth	
	2021	2020	2021	2020
Cash generating unit France	8.9%	8.9%	1.0%	1.0%
Cash generating unit Belgium	8.8%	8.9%	1.0%	1.0%
Darty brand	9.9%	9.9%	1.0%	1.0%
Vanden Borre brand	9.8%	9.9%	1.0%	1.0%
Nature & Découvertes brand	9.9%	9.9%	1.0%	1.0%
Billetreduc.com brand	9.9%	9.9%	1.0%	1.0%
WeFix brand	9.9%	10.9%	2.0%	2.0%

(a) Weighted average cost of capital.

Cash flow projections were made in 2021 based on updated forecasts that take account of the impact of the health crisis and on medium-term plans over a three-year period that tie in with the Group's strategic plan, Everyday. After these tests, no additional impairment was recorded in 2021.

19.2 / Impairment tests of principal values

19.2.1 Determination of the recoverable value of the cash-generating units and brands

The recoverable value of each cash generating unit was determined on the basis of its value-in-use. Value-in-use is determined according to an estimate of expected future cash flows, taking into account the time value and specific risks related to the cash generating unit. Cash flow projections were made during the second half of the year, for a period of three years, based on budgets and medium-term plans. For the value-in-use calculation, a terminal value equal to capitalization in perpetuity of a normative annual cash flow is added to the value of expected future cash flows.

The recoverable value of a cash generating unit is the higher of its fair value less selling costs and its value-in-use.

The recoverable value of the brands was determined on the basis of the value-in-use of the brands, which is calculated by discounting the royalty savings generated by and received from the franchisees for the use of the brand (net of maintenance costs and taxes). Royalty savings projections were made in the second half of the year, for a three-year period, based on budgets and medium-term plans. To calculate value-in-use, a terminal value equal to capitalization in perpetuity of a normative saving is added to the value of the expected future savings.

The recoverable value of a brand is the higher of its fair value less selling costs and its value-in-use.

19.2.2 Assets and brands to be tested

The book values for each of the CGUs consist of the following items:

- goodwill;
- net intangible assets;
- net property, plant and equipment;
- IFRS 16 right-of-use assets deducted from lease liabilities;
- deposits and securities related to operating assets;
- deferred taxes;
- working capital requirement;
- provisions for contingencies and expenses.

The brands are subject to a specific impairment test.

Pursuant to IAS 36, property, plant and equipment and intangible assets are tested for impairment when there is evidence of impairment, and at least once a year for assets with an indefinite useful life (goodwill and brands). The assets subject to impairment tests are grouped within cash generating units, the use of which generates independent cash flows.

When the recoverable value of a cash generating unit is lower than its net book value, an impairment is recognized in operating income.

The book value of a cash generating unit includes the book value of only the assets that can be directly attributed or assigned, on a reasonable and consistent basis, to the cash generating unit, and which will generate future cash inflows used to determine the CGU's value-in-use.

As of December 31, 2021, in accordance with market practice for the right-of-use asset test under IFRS 16, the Group continued to apply the simplified approach in which the value to be tested includes the rights-of-use assets deducted from leasing liabilities. The business plan projections, the terminal value and the discount rate are determined in accordance with the position before the application of IFRS 16.

The book value of a brand corresponds to the value of the brand recorded on the Group's balance sheet.

19.2.3 Sensitivity analyses

Sensitivity analyses performed as of December 31, 2021, in the event of a reasonable change in base assumptions and, in particular, in the event of a change of plus or minus 0.5 percentage points in the discount rate and plus or minus 0.5 percentage points in the perpetuity growth rate, did not result in any additional impairment on the Group's cash generating units or brands.

19.3 / Impairment recognized during the period

The Group conducted annual impairment tests for each of its cash-generating units (CGUs) and non-current assets with an indefinite useful life. For these annual tests, all financial and operating assumptions were updated.

Cash flow projections were made in 2021 based on updated forecasts that take account of the impact of the health crisis and on medium-term plans over a three-year period that tie in with the Group's strategic plan, Everyday. No impairment was recorded during 2021 after these tests.

In 2020, in the context of a health crisis, the Group had depreciated the value of the Darty brand in the amount of €14.2 million. The Darty brand is now valued at €287.5 million in the Group's financial statements.

NOTE 20 NON-CURRENT FINANCIAL ASSETS

Non-current financial assets consist of the following items:

(€ million)	**2021**	**2020**
Equity investments	0.0	0.0
Debt instruments at fair value through profit or loss	19.7	11.1
Financial assets available for sale	0.0	0.0
Deposits and guarantees	20.2	21.2
Other	0.3	0.3
TOTAL	**40.2**	**32.6**

Debt instruments at fair value mainly represent the investment in the Daphni Purple and Raise Seed for Good funds. After investing in the Daphni Purple fund in 2016, Fnac Darty wished to support Responsible Tech start-ups by investing in the Raise Seed for Good fund, the first European venture capital fund to integrate CSR criteria into its investment and support strategy right from the seed stage to promote the emergence of future European leaders in Responsible Tech. Fnac Darty committed to subscribe to this fund's capital in the amount of €4 million. The first call for funds represents 17% of the total commitment. The Group agreed to underwrite the remaining 83% of Raise Seed for Good shares for €3.3 million.

The €8.6 million change is explained as follows:

- par value redemption of units held in the Daphni Purple Fund for -€1.0 million;
- revaluation of the net asset value of the units held in the Daphni Purple fund for €9.0 million;
- first call for funds by Raise Seed for Good for €0.7 million.

Deposits and guarantees represent the real estate lease guarantees.

NOTE 21 CASH AND CASH EQUIVALENTS

21.1 / Analysis by cash category

This item breaks down as follows:

(€ million)	2021	2020
Cash	1,181.1	1,568.7
Cash equivalents	0.0	0.0
CASH AND CASH EQUIVALENTS	**1,181.1**	**1,568.7**

In 2021, the net decrease in cash and cash equivalents for €387.6 million is mainly related to the repayment in March 2021 of the €500 million state-guaranteed loan taken out at the beginning of the health crisis in April 2020.

In addition, as at December 31, 2021, cash included €3.0 million allocated as part of the implementation of the liquidity agreement. This agreement is designed to promote transaction liquidity and consistency in the Group's share price. As at December 31, 2020, this amount was €2.7 million.

The items recognized by the Group as "Cash and cash equivalents" meet the criteria set out in the ANC's response of November 27, 2018 to the AMF concerning the accounting treatment of approved money market funds under the MMF Regulation. In particular, investments are regularly reviewed in accordance with Group procedures and in strict compliance with the qualification criteria defined under IAS 7 and the ANC's response. As of December 31, 2021, these analyses did not lead to changes in the accounting classification already adopted.

21.2 / Analysis by currency

(€ million)	2021	%	2020	%
Euro	1,156.6	97.9%	1,538.4	98.1%
Swiss franc	20.7	1.8%	18.3	1.2%
US dollar	2.7	0.2%	9.5	0.6%
Other currencies	1.1	0.1%	2.5	0.2%
CASH AND CASH EQUIVALENTS	**1,181.1**	**100.0%**	**1,568.7**	**100.0%**

NOTE 22 INVENTORIES

(€ million)	2020	Change in working capital requirement	Change in scope	Change in foreign exchange rates	Assets and liabilities held for sale	2021
Gross sales inventories	993.6	140.6	0.0	1.6	0.0	1,135.8
Inventory impairment	(33.4)	1.9	0.0	0.0	0.0	(31.5)
NET INVENTORY VALUE	**960.2**	**142.5**	**0.0**	**1.6**	**0.0**	**1,104.3**

By 2021, inventories had returned to normal after the sharp decline noted in 2020.

The Group may need to record an impairment on inventories:

- based on likelihood of disposal;
- if they are partially damaged;
- if they are completely obsolete;
- if the sale price is less than the net realizable value.

Change in impairment *(€ million)*	**2021**	**2020**
AS OF JANUARY 1	**(33.4)**	**(28.3)**
(Additions)/reversals	1.9	(5.1)
Change in scope	0.0	0.0
Change in foreign exchange rates	0.0	0.0
Assets and liabilities held for sale	0.0	0.0
AS OF DECEMBER 31	**(31.5)**	**(33.4)**

NOTE 23 TRADE RECEIVABLES

(€ million)	**2020**	**Change in working capital requirement**	**Change in scope**	**Change in foreign exchange rates**	**Assets and liabilities held for sale**	**2021**
Gross trade receivables	307.4	5.5		11.9		324.8
Impairment of trade receivables	(22.0)	1.1		0.0		(20.9)
NET VALUE	**285.4**	**6.6**	**0.0**	**11.9**	**0.0**	**303.9**

An impairment on trade receivables is recognized according to the receivable's estimated recoverable value. The assessment of recoverable value varies by sales channel.

Change in impairment *(€ million)*	**2021**	**2020**
AS OF JANUARY 1	**(22.0)**	**(10.6)**
(Additions)/reversals	1.1	(11.4)
Change in scope	0.0	0.0
Change in foreign exchange rates	0.0	0.0
Assets and liabilities held for sale	0.0	0.0
AS OF DECEMBER 31	**(20.9)**	**(22.0)**

In 2020, the change in impairment of trade receivables was mainly due to online sales and as well as relationships with the Group's franchise partners.

NOTE 24 CURRENT ASSETS AND LIABILITIES AND OTHER NON-CURRENT ASSETS AND LIABILITIES

24.1 / Current assets and liabilities

(€ million)	2020	Change in working capital requirement	Change in scope	Change in foreign exchange rates	2021
Inventories (1)	960.2	142.6	0.0	1.5	1,104.3
Trade receivables due (2)	285.4	6.6	0.0	11.9	303.9
Trade receivables payable (3)	(70.6)	28.4	0.0	(0.2)	(42.4)
NET TRADE RECEIVABLES (2)+(3)	**214.8**	**35.0**	**0.0**	**11.7**	**261.5**
Trade payables due (4)	(1,784.4)	(251.1)	0.0	(1.4)	(2,036.9)
Trade payables receivable and provisions (5)	223.4	1.8	0.0	0.1	225.3
NET TRADE PAYABLES (4)+(5)	**(1,561.0)**	**(249.3)**	**0.0**	**(1.3)**	**(1,811.6)**
Payroll liabilities (6)	(257.4)	(20.5)	0.0	0.0	(277.9)
Tax payables and receivables (excluding income tax) (7)	(120.2)	36.6	0.0	0.0	(83.6)
Other operating payables and receivables (8)	(247.9)	20.2	0.0	(2.2)	(229.9)
OTHER OPERATING WCR (Σ 6 TO 8)	**(625.5)**	**36.3**	**0.0**	**(2.2)**	**(591.4)**
OPERATING WCR (Σ 1 TO 8)	**(1,011.5)**	**(35.4)**	**0.0**	**9.7**	**(1,037.2)**
Other current financial assets and liabilities	(6.2)	6.8	0.0	0.1	0.7
Payables and receivables on non-current operating assets	(20.7)	(7.3)	0.0	(1.2)	(29.2)
Tax receivables and payables due	(26.4)	19.5	0.0	0.0	(6.9)
CURRENT ASSETS AND LIABILITIES [(a)]	**(1,064.8)**	**(17.5)**	**0.0**	**9.7**	**(1,072.6)**

(a) Excluding current provisions, borrowings and short-term financial debt, and cash and cash equivalents.

Because of the nature of its business activities, the Group's exposure to the risk of default by its debtors does not have a material impact on the Group's business, financial position or net assets. The "Other operating payables and receivables" item includes loyalty program membership, warranty extensions, ticketing and customer gift boxes.

Trade payables due primarily reflects the debts contracted with Group suppliers. They include, where applicable, those sold by the Group's suppliers to a financial institution as part of a reverse factoring program. The accounting policy in relation to these transactions depends on whether or not the characteristics of the payables concerned have been modified. When the trade payables are not substantially modified (term and maturity, consideration, face value), they are retained in trade payables. Consequently, the Group has entered into reverse factoring agreements with financial institutions in order to allow certain suppliers to receive early payment of their receivables in the normal course of purchases made.

In 2021, Fnac Darty was involved in two reverse factoring programs with major Group suppliers.

These programs were as follows:

1) a long-standing program with appliance suppliers. This program was used in full as of December 31, 2021 and had been partially used as of December 31, 2020;

2) an additional program had been set up in October 2020, with a consumer electronics supplier. This program was used in full as of December 31, 2021 and 2020.

For the consumer electronics in question, the additional program set up in October 2020 allowed the Group to keep the same payment terms in 2020 and 2021 as had been in place in 2019.

For both programs, the analysis conducted under IFRS standards led to the conclusion that the change made to trade payables was non-substantial and that the characteristics of both programs remained similar to those of a trade payable with payment terms still compliant with France's law on the modernization of business practices. Thus in the case of the Group's two factoring programs, the liability remained a trade payable.

Neither program has a term limit.

24.2 / Other non-current assets and liabilities

(€ million)	2021	2020
Warranty extensions for more than one year	(77.7)	(121.1)
Commitments to acquire minority interests	0.0	(2.8)
Performance-based earn-outs	(1.0)	(0.5)
Other non-current assets	0.1	0.0
TOTAL OTHER NET NON-CURRENT ASSETS AND LIABILITIES	**(78.6)**	**(124.4)**

As of December 31, 2021, other net non-current assets and liabilities stood at €78.6 million, €77.7 million of which represents the portion of income from Darty warranty extensions of one year or more. As of December 31, 2021, this item also includes the valuation of price adjustments subject to conditions representing net liabilities of €1.0 million.

As of December 31, 2020, other net non-current as sets and liabilities amounted to €124.4 million, of which €121.1 million was for the portion of income from Darty warranty extensions of one year or more, €2.8 million for the valuation of the commitment to purchase minority interests in subsidiaries, and €0.5 million for the valuation of the performance-based earn-out for subsidiaries.

As of December 31, 2021 and 2020, the Group's other non-current assets were not material.

NOTE 25 SHAREHOLDERS' EQUITY

25.1 / Share capital

As of December 31, 2021, share capital was €26,761,118, consisting of 26,761,118 fully paid-up shares with a par value of €1. In 2021, the capital increase corresponds to the creation of 152,547 shares to serve the capital increase reserved for the allocation of bonus shares under the performance-based compensation plans and the 2020 bonus securitization plan.

25.2 / Appropriation of earnings

In 2021, the Group reactivated policy of giving a return to shareholders as part of its strategic plan, Everyday. A first ordinary dividend of €1.00 gross per share for 2020, representing a distribution rate of around 30% [1] and a total amount of €26.7 million. The ex-dividend date was July 5, 2021 and the dividend was paid on July 7, 2021.

(1) *Calculated on the net income from continuing operations, Group share.*

25.3 / Change in shareholders' equity

(€ million)	Shareholders' equity Group share	 Non-controlling interests	 Total
AT DECEMBER 31, 2020	**1,368.5**	**4.9**	**1,373.4**
Total comprehensive income	**188.9**	**(0.5)**	**188.4**
Capital increase/(decrease)	(0.0)	0.0	(0.0)
Treasury stock	0.1	0.0	0.1
Valuation of share-based payments	13.2	0.0	13.2
Equity component of the OCEANE bond	15.4	0.0	15.4
Dividend	(26.7)	(0.6)	(27.3)
Change in scope	(4.4)	4.4	0.0
Other movements	0.4	0.0	0.4
AT DECEMBER 31, 2021	**1,555.4**	**8.2**	**1,563.6**

In 2021, the change in shareholders' equity was largely due to:

- comprehensive income for the year;
- the valuation of share-based payments;
- the equity component of the OCEANE bond;
- the payment of dividends.

The conversion of the OCEANE bond issued by Fnac Darty will result in the delivery of a fixed number of shares in return for a fixed cash amount, and the terms and conditions provide for "full dividend protection" with a corresponding adjustment to parity as soon as a dividend is paid. Since the "fixed for fixed" rule is respected, the conversion option has been classified as an equity instrument. The fair value of this component was determined at the time of its issue and recognized in equity for a gross amount of €20.8 million, i.e. a net amount of €15.4 million.

The debt component was recognized at amortized cost for an initial amount of €179.2 million in March 2021.

NOTE 26 EMPLOYEE BENEFITS AND SIMILAR PAYMENTS

According to the laws and practices specific to each country, Group employees are eligible for long-term or post-employment benefits in addition to their short-term compensation. These additional benefits are either in the form of defined contribution plans or defined benefit plans.

Under the defined contribution plans, the Group does not have to make supplementary payments in addition to the contributions already paid. For such plans, contributions are expensed as incurred.

Defined benefit plans require an actuarial valuation by independent experts. These benefits are composed primarily of retirement benefits and long-service awards in France, and mandatory supplementary pension plans (LPPs) in Switzerland.

Retirement benefits and long-service awards in France

Retirement benefits in France consist of a lump sum paid by a Company to an employee upon retirement. The amount depends on the employee's length of service at the retirement date and is defined by a collective bargaining agreement at industry or company level. Under the pension plan, employees' accrued benefits do not vest until the employee reaches retirement age (non-vested benefits). Retirement benefits are not linked to other standard retirement benefits, such as pensions paid by social security or supplementary plans (Arrco and Agirc).

In France, long-service awards are not mandatory but discretionary. There is no legal obligation to pay a benefit to an employee. However, the French entities in the Group have elected to give a bonus to their employees when they receive a long-service award for 10 and 20 years of service in the Group.

The 2021 year opened with €0.4 million net of deferred tax, without restatement of the comparative period.

Mandatory supplementary pension plans (LPP) in Switzerland

In Switzerland the pension plan is affiliated with a collective foundation. The foundation bears the investment and longevity risks and transfers a portion of the risk benefits to an insurance company.

The Group has no obligations with respect to medical costs.

United Kingdom pension fund

The British Comet pension fund reflects the pension commitment for former Comet employees in the United Kingdom.

Supplementary pension plans

A defined benefit Group pension plan reserved for certain members of senior management.

Furthermore, in December 2020, the IFRS IC Interpretation Committee began discussions on interpreting the method used to calculate employee benefit liability, and the vesting period for retirement benefit plans. The Committee's interpretation is to linearize pension entitlement over the period prior to retirement age to obtain the capped entitlement. The IASB approved this approach in May 2021.

In this context, the interpretation applies to the retirement benefits of the following five companies:

- Nature & Découvertes;
- Terre d'Oc Évolution;
- 123Billets;
- Fnac Monaco;
- Alizé – SFL.

The consequences of the IFRS IC decision have been analyzed as a change in accounting policy within the meaning of IAS 8. Given that the impact on Fnac Darty is not significant, the Group offset the difference in the valuation of the provision against shareholders' equity at the start of 2021 and did not restate the comparative year.

26.1 / Changes during the period

Changes in the current value of the obligation for defined benefit plans are as follows:

(€ million)	**2021**	**2020**
DISCOUNTED VALUE OF THE COMMITMENT AS OF JANUARY 1	**894.2**	**842.7**
Cost of services provided during the period	11.9	12.0
Contributions paid by the members	1.0	0.7
Financial interest expense	1.5	1.6
Cost of past services	0.6	0.5
Revaluation of liabilities	7.5	96.7
Reductions	(7.0)	(3.8)
Benefits paid	(24.3)	(21.3)
Change in scope	0.0	0.0
Change in foreign exchange rates	48.0	(34.9)
Liabilities held for sale	0.0	0.0
DISCOUNTED VALUE OF THE COMMITMENT AS OF DECEMBER 31	**933.5**	**894.2**

The €48.0 million increase in the commitment in 2021 is related to the change in the exchange rate of the British Comet pension fund, which is denominated in pounds sterling.

The breakdown of the discounted value of the commitment by type of plan and by country as of December 31 is as follows:

(€ million)	2021	2020
Pension funds – United Kingdom	725.8	679.0
Retirement benefits – France	185.4	192.5
Supplementary pension plans (LPP) – Switzerland	13.4	14.2
Supplementary pension plans – France	1.1	1.2
Long-service awards – France	7.2	7.1
Other	0.6	0.2
DISCOUNTED VALUE OF THE COMMITMENT AS OF DECEMBER 31	**933.5**	**894.2**

Changes in the fair value of the assets of defined benefit plans are as follows:

(€ million)	2021	2020
FAIR VALUE OF THE DEFINED BENEFIT PLAN ASSETS AS OF JANUARY 1	**688.3**	**666.0**
Employer contributions	(8.2)	3.2
Contributions paid by the members	0.6	0.6
Financial interest on assets	0.1	0.1
Benefits paid	(20.6)	(16.7)
Actual return on assets	38.6	69.9
Other changes	(0.1)	0.0
Change in scope	0.0	0.0
Change in foreign exchange rates	47.0	(34.8)
FAIR VALUE OF THE DEFINED BENEFIT PLAN ASSETS AS OF DECEMBER 31	**745.7**	**688.3**

For all plans, the payments of expected benefits in 2021 are estimated at €26.0 million.

As of December 31, 2021, 52.2% of funded defined benefit plans were invested in debt instruments.

The assets of the British Comet pension fund can be divided into two types of categories:

1) yield-oriented investment funds; and

2) guarantee funds with limited risk.

The reconciliation of the balance sheet data and the actuarial obligation of the defined benefit plans is as follows:

(€ million)	2021	2020	2019	2018	2017
Discounted value of the commitment	933.5	894.2	842.7	739.7	798.0
Fair value of the defined benefit plan assets	(745.7)	(688.3)	(666.0)	(578.2)	(618.2)
DEFICIT/(SURPLUS)	**187.8**	**205.9**	**176.7**	**161.5**	**179.8**
NET PROVISIONS RECOGNIZED UNDER LIABILITIES ON THE BALANCE SHEET	**187.8**	**205.9**	**176.7**	**161.5**	**179.8**
including provisions – continuing operations	*187.8*	*205.9*	*176.7*	*161.5*	*179.8*
including provisions – discontinued operations	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*

(€ million)	2021	2020
Pension funds – United Kingdom	0.0	19.8
Retirement benefits – France	175.8	172.5
Supplementary pension plans (LPP) – Switzerland	3.1	5.0
Supplementary pension plans – France	1.1	1.2
Long-service awards – France	7.2	7.2
Other	0.6	0.2
NET PROVISIONS RECOGNIZED UNDER LIABILITIES ON THE BALANCE SHEET	**187.8**	**205.9**

26.2 / Expenses recognized

The total expense of €7.2 million in 2021 and €9.9 million in 2020 recognized for defined benefit plans breaks down as follows:

(€ million)		2021	2020
Cost of services provided		12.5	12.1
Other costs		0.1	0.1
Net financial cost		1.4	1.4
Cost of past services taken to income		0.0	0.0
Decreases and payments		(6.8)	(3.7)
TOTAL EXPENSE		**7.2**	**9.9**
Of which recognized	*as operating expenses*	*5.8*	*8.5*
	net financial expense	*1.4*	*1.4*
	discontinued operations	*0.0*	*0.0*

The decrease in the 2021 expense compared to 2020 is mainly due to the increase in income related to plan reductions.

26.3 / Actuarial assumptions

The main actuarial assumptions used to calculate Fnac Darty's obligations are as follows:

	2021	2020
Discount rate	1.9% (United Kingdom), 0.25% (Switzerland), 1% (France)	1.4% (United Kingdom), 0% (Switzerland), 0.55% (France)
Expected rate of increase in salaries	1.50%	1.50%

Pursuant to amended IAS 19, a single rate is applied to the difference between plan liabilities and plan assets. This rate is the discount rate of the actuarial liability. It is determined on the basis of underlying AA-rated corporate bonds and a term consistent with that of plans for which an actuarial assumption has been made.

The sensitivity analysis given the assumed discount rates, plus or minus 50 basis points, is provided in the following table:

(€ million)	Retirement benefits	Long-service awards – France	Supplementary pension plans (LPP) – Switzerland	Supplementary pension plans – France	Pension funds – United Kingdom	Other	Total
Discount rate -50 basis points	196.5	7.5	14.5	1.1	798.4	0.6	**1,018.6**
Discounted value of the 2021 commitment	185.4	7.2	13.4	1.1	725.8	0.6	**933.5**
Discount rate +50 basis points	174.9	6.9	12.3	1.1	667.7	0.6	**863.5**

NOTE 27 PROVISIONS

(€ million)	2020	Additions	Reversal used	Reversal not used	Change in scope	Change in foreign exchange rates	Other changes	2021
Provisions for restructuring	0.6	1.3	(0.6)					1.3
Provisions for litigation and disputes	26.3	12.8	(4.4)	(7.0)			(1.5)	26.2
Other provisions	3.7	1.3		(1.5)				3.5
CURRENT PROVISIONS	**30.6**	**15.4**	**(5.0)**	**(8.5)**	**0.0**	**0.0**	**(1.5)**	**31.0**
TOTAL	**30.6**	**15.4**	**(5.0)**	**(8.5)**	**0.0**	**0.0**	**(1.5)**	**31.0**
IMPACT ON OPERATING INCOME		**(15.4)**		**8.5**				**(6.9)**
■ current operating income		(9.5)		2.6				(6.9)
■ other non-current operating income and expenses		(4.6)		5.9				1.3
■ discontinued operations		(1.3)						(1.3)

In 2021, the change in provisions for contingencies corresponds mainly to various disputes and lawsuits.

(€ million)	2019	Additions	Reversal used	Reversal not used	Change in scope	Change in foreign exchange rates	Other changes	2020
Provisions for restructuring	6.9		(6.2)					0.6
Provisions for litigation and disputes	28.3	8.9	(7.1)	(4.0)			0.1	26.3
Other provisions	3.9	1.2	(0.8)	(0.6)				3.7
CURRENT PROVISIONS	**39.0**	**10.1**	**(14.0)**	**(4.6)**	**0.0**	**0.0**	**0.1**	**30.6**
TOTAL	**39.0**	**10.1**	**(14.0)**	**(4.6)**	**0.0**	**0.0**	**0.1**	**30.6**
IMPACT ON OPERATING INCOME		**(10.1)**		**4.6**				**(5.5)**
■ current operating income		(7.3)		1.7				(5.6)
■ other non-current operating income and expenses		(1.8)		2.9				1.1
■ discontinued operations		(1.0)						(1.0)

In 2020, the reduction in provisions for contingencies and expenses was primarily linked to the settlement of restructuring provisions as part of the Group's reorganization following the acquisition of Darty, the after-sales service restructuring and optimization plan, and the Massy warehouse voluntary departure plan. The additions correspond to various litigation and disputes.

NOTE 28 FINANCIAL DEBT

28.1 / Analysis of debt by maturity schedule

(€ million)	2021	Y+1	Y+2	Y+3	Y+4	Y+5	Beyond
LONG-TERM BORROWINGS AND FINANCIAL DEBT	**932.3**		**17.9**	**317.4**	**16.7**	**366.7**	**213.6**
2026 bond	350.0					350.0	
2024 bond	300.0			300.0			
European Investment Bank loan	100.0		16.7	16.7	16.7	16.7	33.2
Financial debt component of the OCEANE bond	180.4						180.4
Other financial debt	1.9		1.2	0.7			
SHORT-TERM BORROWINGS AND FINANCIAL DEBT	**2.1**	**2.1**					
State-guaranteed loan	0.0						
Medium-term credit facility	0.0						
Capitalized interest on bond issues	1.3	1.3					
Bank overdrafts	0.0						
Other financial debt	0.8	0.8					
TOTAL FINANCIAL DEBT EXCLUDING IFRS 16	**934.4**	**2.1**	**17.9**	**317.4**	**16.7**	**366.7**	**213.6**
%	**100.0%**	**0.2%**	**1.9%**	**34.0%**	**1.8%**	**39.2%**	**22.9%**
IFRS 16 LEASING DEBT	**1,130.0**	**238.9**	**226.2**	**208.7**	**137.7**	**84.4**	**234.1**
Long-term IFRS 16 leasing debt	891.1		226.2	208.7	137.7	84.4	234.1
Short-term IFRS 16 leasing debt [a]	238.9	238.9					
TOTAL FINANCIAL DEBT WITH IFRS 16	**2,064.4**	**241.0**	**244.1**	**526.1**	**154.5**	**451.1**	**447.7**

(a) Discounted value of payment due in the next twelve months.

On the back of its solid 2020 results, which demonstrated the resilience of its business in an unprecedented crisis, in March 2021 the Group finalized its long-term debt restructuring, with an extended maturity profile, diversified sources of financing and optimized cost, thereby securing its long-term liquidity.

In March 2021, the Group thus repaid in full its state-guaranteed loan (PGE) for €500 million.

In March 2021, the Group succeeded in placing its issue of bonds with an option for conversion and/or exchange for new and/or existing shares (OCEANE), maturing in 2027, for a nominal amount of €200 million corresponding to 2,468,221 bonds with a par value of €81.03 per bond. Based on the initial conversion/exchange ratio of one share per bond, dilution was approximately 9.28% of the Company's outstanding share capital as of March 16, 2021.

The issue of OCEANE bonds was allocated to the repayment of the €200 million Senior Term Loan Facility, maturing in April 2023.

At the same time, Fnac Darty renegotiated the terms of its credit facilities by amending its RCF credit line to raise the total amount to €500 million from the previous amount of €400 million. This credit line has a maturity of five years (March 2026) and may be extended at Fnac Darty's request until March 2028. The conditions remain identical to those of the RCF for €400 million. In line with the goals of the new strategic plan, Everyday, this new credit facility includes a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing terms if the designated targets are achieved.

The OCEANE bond issue was recognized as new debt.

In line with IFRS, a bond convertible into shares has two components ("split accounting"):

- a debt component; and
- a conversion option, which is, in fact, a call option on treasury shares that is sold by the issuer to the bond underwriter. This conversion option may be considered either as an equity instrument or a derivative. If it is considered to be an equity instrument, the premium is recognized in equity. If it is considered to be a derivative, the premium is recognized as debt in the balance sheet (liabilities derivatives).

The conversion of the OCEANE bond issued by Fnac Darty will result in the delivery of a fixed number of shares in return for a fixed cash amount, and the terms and conditions provide for "full dividend protection" with a corresponding adjustment to parity as soon as a dividend is paid.

Since the "fixed for fixed" rule is respected, the conversion option has been classified as an equity instrument. The fair value of this component was determined at the time of its issue and recognized in equity for a gross amount of €20.8 million, i.e., a net amount of €15.4 million.

The debt component was initially recognized at amortized cost for €179.2 million.

This bond issue includes a change of control clause that could lead to early repayment at the request of each OCEANE bondholder in the event of a change of control of Fnac Darty (in favor of a person or group of persons acting together).

As of December 31, 2021, gross financial debt consisted mainly of the bond issues maturing in 2024 and 2026 for a total of €650 million, the €100 million European Investment Bank loan, as well as the bond issue convertible into and/or exchangeable for new and/or existing shares (OCEANE) for a nominal amount of €200 million. As of 31 December 2021, the RCF credit line was not in use.

The 2021 financial debt includes leasing debt related to the application of IFRS 16. The analysis of leasing debt is detailed in note 28.2.

(€ million)	2020	Y+1	Y+2	Y+3	Y+4	Y+5	Beyond
LONG-TERM BORROWINGS AND FINANCIAL DEBT	**901.9**		**81.2**	**87.4**	**316.7**	**16.7**	**399.9**
2026 bond	350.0						350.0
2024 bond	300.0				300.0		
European Investment Bank loan	100.0			16.7	16.7	16.7	49.9
Medium-term credit facility	150.0		80.0	70.0			
Other financial debt	1.9		1.2	0.7			
SHORT-TERM BORROWINGS AND FINANCIAL DEBT	**552.9**	**552.9**					
State-guaranteed loan	500.0	500.0					
Medium-term credit facility	50.0	50.0					
Capitalized interest on bond issues	1.3	1.3					
Other financial debt	1.6	1.6					
TOTAL FINANCIAL DEBT EXCLUDING IFRS 16	**1,454.8**	**552.9**	**81.2**	**87.4**	**316.7**	**16.7**	**399.9**
%		**38.0%**	**5.6%**	**6.0%**	**21.8%**	**1.1%**	**27.5%**
IFRS 16 LEASING DEBT	**1,113.8**	**229.7**	**222.1**	**192.5**	**135.5**	**98.2**	**235.8**
Long-term IFRS 16 leasing debt	884.1		222.1	192.5	135.5	98.2	235.8
Short-term IFRS 16 leasing debt [(a)]	229.7	229.7					
TOTAL FINANCIAL DEBT WITH IFRS 16	**2,568.6**	**782.6**	**303.3**	**279.9**	**452.2**	**114.9**	**635.7**

(a) Discounted value of payment due in the next twelve months.

28.2 / Leasing debt

Leasing debt is broken down as follows:

(€ million)	As of December 31, 2020	New agreements and revaluations	Devaluations	Redemptions	Change in foreign exchange rates	Reclassification	Other changes	As of December 31, 2021
Leasing debt with a maturity of less than one year	229.7	23.0	(15.8)	(228.0)	0.2	230.0	(0.2)	238.9
Leasing debt with a maturity of more than one year	884.1	307.6	(71.5)		0.8	(230.0)	0.1	891.1
LEASING DEBT	**1,113.8**	**330.6**	**(87.3)**	**(228.0)**	**1.0**	**0.0**	**(0.1)**	**1,130.0**

The maturity schedule of leasing debt is broken down as follows:

(€ million)	2021
Y+1	238.9
Y+2	226.2
Y+3	208.7
Y+4	137.7
Y+5	84.4
More than 5 years	234.1
LEASING DEBT	**1,130.0**

Exemptions, concessions and other information related to IFRS 16

Variable lease payments that do not depend on an index or interest rate are not included in the measurement of the leasing debt or in the measurement of the right-of-use asset. The corresponding payments are recognized over the period and are included under operating expenses in the income statement.

For short-term leases (12 months or less) and leases for low-value assets (less than US$5,000), the Group has chosen to apply the exception permitted under the standard and to recognize a lease expense. This expense is set out in "Other current operating income and expense" in the consolidated income statement.

As a practical expedient, the Group opted not to apply IFRS 16 to lease agreements that were already defined as finance lease agreements under IAS 17, for leases concluded or amended before January 1, 2019. However, a reclassification is carried out in order to link the finance leasing debt to the liability and the finance lease assets to the right-of-use asset.

In accordance with IFRS 16 guidelines, leasehold rights have been reclassified under right-of-use assets.

In accordance with IFRS 16, the Group recognizes a sublease receivable for sublease agreements related to real estate leases primarily by offsetting against the right-of-use asset, with the difference recognized in shareholders' equity.

Exemptions, concessions and other information related to IFRS 16 are detailed in the tables below:

(€ million)	2021	2020
Variable rental expenses	3.3	1.0
Expenses on low-value contracts	1.0	0.7
Expenses on short-term contracts	0.7	0.5
Sublease income	0.9	0.9

(€ million)	2021	2020
Leasing commitment on short-term contracts	0.3	0.2
Finance lease assets	0.1	0.9
Finance lease liabilities	0.0	0.3
Leasehold rights reclassified as right-of-use assets	39.0	40.4

28.3 / Analysis by repayment currency

(€ million)	2021	Long-term borrowings and financial debt	Short-term borrowings and financial debt	%	2020	%
Euro	2,041.1	1,805.0	236.1	98.9%	2,545.2	99.1%
Swiss franc	22.1	17.6	4.5	1.1%	23.0	0.9%
Other currencies	1.2	0.8	0.4	0.1%	0.4	0.0%
TOTAL FINANCIAL DEBT WITH IFRS 16	**2,064.4**	**1,823.4**	**241.0**		**2,568.6**	

28.4 / Gross debt by category

The Group's gross debt is as follows:

(€ million)	2021	2020
2026 bond	350.7	350.7
2024 bond	300.6	300.6
European Investment Bank loan	100.0	100.0
Financial debt component of the OCEANE bond	180.4	0.0
State-guaranteed loan	0.0	500.0
Medium-term credit facility	0.0	200.0
Other financial debt	2.7	3.5
TOTAL FINANCIAL DEBT EXCLUDING IFRS 16	**934.4**	**1,454.8**
IFRS 16 leasing debt	**1,130.0**	**1,113.8**
Long-term IFRS 16 leasing debt	891.1	884.1
Short-term IFRS 16 leasing debt [(a)]	238.9	229.7
TOTAL FINANCIAL DEBT WITH IFRS 16	**2,064.4**	**2,568.6**

(a) Discounted value of payment due in the next twelve months.

NOTE 29 NET FINANCIAL DEBT

The Group's net financial debt excluding leasing debt under IFRS 16 represents net cash of €246.7 million as of December 31, 2021, versus net cash of €113.9 million as of December 31, 2020:

(€ million)	2021	2020
Cash and cash equivalents	1,181.1	1,568.7
Gross financial debt	(934.4)	(1,454.8)
NET CASH	**246.7**	**113.9**

The Group's net financial debt, including lease liabilities under IFRS 16, represents net financial debt of €883.3 million as of December 31, 2021, versus net financial debt of €999.9 million as of December 31, 2020:

(€ million)	2021	2020
Leasing debt	1,130.0	1,113.8
Net cash position	(246.7)	(113.9)
NET FINANCIAL DEBT WITH IFRS 16	**883.3**	**999.9**

NOTE 30 CASH FLOW STATEMENT

Net cash from bank overdrafts stood at €1,181.1 million as of December 31, 2021 and corresponds to the cash and cash equivalents presented in the cash flow statement.

(€ million)	2021	2020
CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET	**1,181.1**	**1,568.7**
Bank overdrafts	0.0	0.0
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT	**1,181.1**	**1,568.7**

The change in cash and cash equivalents between December 31, 2020 and December 31, 2021 represented a decrease of €387.6 million.

(€ million)	2021	2020
Net cash flows from operating activities	528.3	546.2
Net cash flows from investing activities	(109.4)	(116.9)
Net cash flows from financing activities	(805.9)	169.4
Net cash flows from discontinued operations	(1.4)	(25.0)
Impact of changes in foreign exchange rates	0.8	(0.5)
NET CHANGE IN CASH	**(387.6)**	**573.2**

30.1 / Net cash flows from operating activities

Cash flows from operating activities are mainly produced by the Group's principal cash generating activities and can be broken down as follows:

(€ million)	**2021**	**2020**
Cash flow before tax, dividends and interest	637.4	544.5
Change in working capital requirement	(39.7)	67.2
Income tax paid	(69.4)	(65.5)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**528.3**	**546.2**

In 2021, net cash flows from operating activities generated a resource of €528.3 million, versus €546.2 million in 2020.

The composition of cash flow before tax, dividends and interest was as follows:

(€ million)	**2021**	**2020**
Net income from continuing operations	**144.5**	**88.4**
Current and non-current additions and reversals on non-current assets and provisions for contingencies and expenses	370.1	304.5
Impairment on non-current assets		14.2
Current proceeds from the disposal of operating assets	0.8	0.8
Non-current proceeds from the disposal of operating assets	0.3	0.5
Non-current proceeds from the disposal of financial assets		29.1
Deferred tax income and expense	(11.2)	(18.2)
Discounting of provisions for pensions & other similar benefits	11.4	2.1
Other items with no impact on cash	(8.1)	(3.4)
Income and expense with no impact on cash	**363.3**	**329.6**
CASH FLOW	**507.8**	**418.0**
Financial interest income and expense	44.3	48.9
Dividends received		(0.2)
Net tax expense payable	85.3	77.8
CASH FLOW BEFORE TAX, DIVIDENDS AND INTEREST	**637.4**	**544.5**

Current and non-current additions and reversals on non-current assets and provisions for contingencies and expenses includes the amortization of the right-of-use asset pursuant to the application of IFRS 16, as well as the amortization of intangible assets, and property, plant and equipment.

30.2 / Net cash flows from investing activities

The Group's net cash flows from investing activities include cash flows for acquisitions and disposals of intangible assets and property, plant and equipment (net operating investments), as well as acquisitions and disposals of subsidiaries net of cash acquired or transferred, acquisitions and disposals of other financial assets, and interest and dividends received (net financial investments).

The operating and financial investments made by the Group in 2021 amounted to €109.4 million. In 2020, they represented an expenditure of €116.9 million.

(€ million)	2021	2020
Acquisitions of intangible assets and property, plant & equipment	(116.8)	(99.4)
Change in payables on intangible assets, property, plant and equipment	7.3	(8.6)
Net financial investments	(0.4)	(10.2)
CASH FLOWS FROM INVESTING ACTIVITIES	**(109.4)**	**(116.9)**

The net operating investments made by the Group in 2021 amounted to €109.0 million. In particular, investments were used to open new points of sale, to renovate existing points of sale, to expand logistical storage and delivery capacity, to push forward with the convergence of the Fnac and Darty IT systems, and to develop websites.

Generally, investments are intended to support the Group's strategy, particularly the complementary features of the Fnac and Darty brands, the omnichannel platform and the digital segment.

(€ million)	2021	2020
Acquisitions of intangible assets	(58.5)	(41.0)
Acquisitions of property, plant & equipment	(58.3)	(58.4)
TOTAL ASSET ACQUISITIONS BEFORE CHANGE IN PAYABLES ON NON-CURRENT ASSETS	**(116.8)**	**(99.4)**
Change in payables on intangible assets, property, plant and equipment	7.3	(8.6)
TOTAL ASSET ACQUISITIONS	**(109.5)**	**(108.0)**
Disposals of intangible assets and property, plant & equipment	0.5	1.3
TOTAL ASSET ACQUISITIONS AND DISPOSALS	**(109.0)**	**(106.7)**

The Group's net financial investments represented an outflow of €0.4 million in 2021 versus an outflow of €10.2 million in 2020.

(€ million)	2021	2020
Acquisitions and disposals of subsidiaries net of cash acquired and transferred	(2.0)	(9.1)
Acquisitions of other financial assets	(0.7)	(1.3)
Sales of other financial assets	2.3	0.0
Interest and dividends received	0.0	0.2
(NET) FINANCIAL INVESTMENTS	**(0.4)**	**(10.2)**

In 2021, acquisitions and disposals of subsidiaries net of cash acquired and transferred represented a net outflow of €2.0 million, related to the acquisition of minority interests in Group companies.

In 2020, acquisitions and disposals of subsidiaries net of cash acquired and transferred represented a net outflow of €9.1 million, mainly related to:

- an inflow of €3.5 million received in March 2020 as part of the adjusted acquisition price of Nature & Découvertes, in accordance with the provisions of the sale agreement;
- an outflow of €6.0 million made in October 2020 in connection with the finalization of the calculation and trade related to the Nature & Découvertes earn-out provided for in the acquisition agreement;
- an outflow of €6.0 million related to the acquisition of WeFix shares representing 19% of WeFix's equity. Following this acquisition, the Group held 69% of the shares of WeFix as of December 31, 2020.

In 2021, acquisitions of other financial assets for a cash outflow of €0.7 million correspond to the first round of funding in the Raise Seed for Good investment fund. After investing in the Daphni Purple fund in 2016, Fnac Darty wished to support Responsible Tech start-ups by investing in the Raise Seed for Good fund, the first European venture capital fund to integrate CSR criteria into its investment and support strategy right from the seed stage to promote the emergence of future European leaders in Responsible Tech. The Group committed to subscribe to this fund's capital in the amount of €4 million. The first call for funds represents 17% of the total commitment. The Group agreed to underwrite the remaining 83% of Raise Seed for Good shares for €3.3 million.

In 2020, acquisitions of other financial assets included security deposits for funding providers totaling €0.9 million and a Daphni Purple call for funds totaling €0.4 million.

Disposals of other financial assets in 2021 included the return of security deposits to funding providers for €1.3 million, as well as the repayment of the par value of shares held in the Daphni Purple fund for €1.0 million. The Group remains committed to underwriting 23% of the remaining Daphni Purple shares for €1.6 million.

30.3 / Net cash flows from financing activities

Financing activities are activities that result in changes to the size and composition of the entity's contributions to equity and borrowings.

(€ million)	**2021**	**2020**
Purchases or sales of treasury stock	(0.6)	0.7
Dividends paid to shareholders	(27.3)	0.0
Bonds issued	200.0	500.0
Bonds repaid	(700.0)	(58.6)
Repayment of leasing debt	(228.0)	(225.2)
Interest paid on leasing debt	(21.2)	(21.9)
Increase in other financial debt	0.2	0.0
Interest and equivalent payments	(26.7)	(25.2)
Financing of the Comet pension fund	(2.3)	(0.4)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(805.9)**	**169.4**

Net cash flows from financing activities amounted to a net outflow of €805.9 million in 2021, compared to a net resource of €169.4 million in 2020.

In 2021:

- acquisitions of treasury stock for €0.6 million correspond to financial flows related to the acquisition of Fnac Darty shares carried out under the liquidity agreement. As of December 31, 2021, the Group held 67,723 treasury shares;
- dividends paid to shareholders mainly represent the payment of the first ordinary dividend of €1.00 per Group share, paid in cash on July 7, 2021, for a total amount of €26.7 million;
- in March 2021, the Group succeeded in placing its issue of bonds with an option for conversion and/or exchange for new and/or existing shares (OCEANE), maturing in 2027, for a nominal amount of €200 million corresponding to 2,468,221 bonds with a par value of €81.03 per bond. Based on the initial conversion/exchange ratio of one share per bond, the dilution represented approximately 9.28% of the Company's share capital on March 16, 2021;
- the issue of OCEANE bonds was allocated to the repayment of the €200 million Senior Term Loan Facility, maturing in April 2023. At the same time, the Group repaid the state-guaranteed loan (PGE) in full, underwritten for €500 million in April 2020. representing a total repayment of €700 million;
- repayments of leasing debt and interest paid on leasing debt for a total of €249.2 million, in respect of rental payments falling within the scope of IFRS 16;
- net outflows for interest paid and similar items mainly include interest paid on financing instruments and fees for the use and non-use of credit lines in the amount of €21.0 million. They also include an outflow to cover the guarantee cost of €2.5 million for the state-guaranteed loan, costs related to the extension of the RCF credit line in the amount of €1.7 million, and costs of €1.5 million associated with setting up the OCEANE bond.

In 2020:

- acquisitions or sales of treasury stock for €0.7 million correspond to net financial flows related to the acquisition and sale of Fnac Darty shares carried out under the liquidity agreement. As of December 31, 2020, the Group held 68,010 treasury stocks;
- the bond issue corresponded to the €500 million loan agreement, guaranteed by the State, which the Group signed with a pool of French banks in April 2020. The loan, which is a state-guaranteed loan linked to the Covid-19 crisis, was intended to secure the Group's liquidity and ensure business continuity;
- the redemption of borrowings of €58.6 million mainly corresponded to the program of short-term negotiable debt instruments, which was unused as of December 31, 2020. The program is designed to replace the drawdowns on the revolving credit facility for the Group's seasonal financing needs. This program, which was set up in 2018 and increased from €300 million to €400 million in the first half of 2020, consisted of issues made on the short-term debt market, with a maximum maturity of one year. As of December 31, 2020, this program had not been used;
- repayments of leasing debt of €225.2 million and interest paid on leasing debt of €21.9 million corresponded to rental payments that fall within the scope of application of IFRS 16;
- interest and equivalent payments of €25.2 million represented the financial interest on the instruments set up to finance the Group.

30.4 / Financing of the Comet pension fund

Financing of the Comet pension fund in the amount of €2.3 million includes, for 2021, management fees of the British Comet pension fund holding the pension liabilities for former Comet employees in the UK, as well as the costs of legal proceedings incurred by the Group in connection with the Comet lawsuit.

NOTE 31 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A discontinued operation that was sold or is held for sale is defined as a component of an entity that has separate cash flows from the rest of that entity and that represents a principal and distinct business line or region. Over the reported periods, the income from these activities is presented on a separate line in the income statement, under "Discontinued operations," and is restated in the cash flow statement.

Most of the income and expenses relating to discontinued operations in 2021 and 2020 concern the disposal of the Dutch subsidiary BCC on November 25, 2020.

31.1 / Net income from discontinued operations

(€ million)	2021	2020
INCOME FROM ORDINARY ACTIVITIES		**436.6**
Cost of sales		(334.7)
GROSS MARGIN	**0.0**	**101.9**
Personnel expenses		(50.7)
Other current operating income and expense		(58.4)
CURRENT OPERATING INCOME	**0.0**	**(7.2)**
Other non-current operating income and expenses	(1.4)	(84.1)
OPERATING INCOME	**(1.4)**	**(91.3)**
(Net) financial expense		(3.1)
PRE-TAX INCOME	**(1.4)**	**(94.4)**
Income tax	16.7	0.0
NET INCOME	**15.3**	**(94.4)**

Net income from discontinued operations was €15.3 million in 2021 compared with -€94.4 million in 2020. This profit is mainly due to the 2021 adjustment of the tax treatment of the 2020 disposal of Dutch subsidiary BCC. It also includes residual costs of €1.4 million paid in 2021 in relation to this disposal.

In 2020, net income from discontinued operations mainly included:

- BCC's activities until its sale on November 25, 2020;
- impairment corresponding to the full value of BCC's current accounts;
- the costs of divestiture of the subsidiary;
- the proceeds from the disposal of the subsidiary.

The proceeds included a small amount of expenses related to the Group's historical businesses in Italy and in the United Kingdom.

31.2 / Net cash flows from discontinued operations

(€ million)	2021	2020
Net cash flows from operating activities	(1.4)	0.9
Net cash flows from investing activities		(2.0)
Net cash flows from financing activities		(12.0)
NET CASH FLOWS FROM DISCONTINUED OPERATIONS	**(1.4)**	**(13.1)**
Reclassification of cash from discontinued operations to assets held for sale		(11.9)
NET CASH FLOWS FROM DISCONTINUED OPERATIONS	**(1.4)**	**(25.0)**

Net cash flows from discontinued operations in 2021 represent a cash outflow of €1.4 million, related to the residual costs paid in 2021 in connection with the disposal of the Dutch subsidiary BCC on November 25, 2020.

In 2020, net cash flows from discontinued operations amounted to €25.0 million, corresponding to flows relating to the Dutch subsidiary BCC, which are presented separately in the consolidated financial statements in accordance with IFRS 5.

31.3 / Assets held for sale and payables associated with assets held for sale

No assets held for sale or debt associated with assets held for sale are included in the Group's financial statements as of December 31, 2021, and December 31, 2020.

NOTE 32 CONTINGENT LIABILITIES, UNRECOGNIZED CONTRACTUAL COMMITMENTS AND CONTINGENT RISKS

32.1 / Contractual obligations

The table below sets out all of the Group's contractual commitments and obligations, excluding the commitments relating to employee benefits detailed in note 26.

	Payments due according to maturity			
(€ million)	Less than one year	One to five years	More than five years	2021
Irrevocable purchase obligations	19.3	11.3	0.3	30.9
TOTAL COMMITMENTS GIVEN	**19.3**	**11.3**	**0.3**	**30.9**

	Payments due according to maturity			
(€ million)	Less than one year	One to five years	More than five years	2020
Irrevocable purchase obligations	20.4	4.6	2.9	27.9
TOTAL COMMITMENTS GIVEN	**20.4**	**4.6**	**2.9**	**27.9**

32.2 / Pledges and guarantees

In March 2021, Fnac Darty renegotiated the terms of its credit facilities by amending its RCF (Revolving Credit Facility) credit line to raise the total amount to €500 million from the previous amount of €400 million.

In parallel, the Group renegotiated the guarantees given for all its existing financial debts, namely the bond loan, the RCF credit line and the loan taken out with the European Investment Bank.

This renegotiation resulted in the complete cancellation of the guarantees pledged as security for these loans by the following companies: Fnac Darty Participations et Services, Fnac Direct, Établissements Darty et Fils, Darty Grand Est, Darty Grand Ouest, Fnac Belgium and Vanden Borre.

32.3 / Other commitments

Other commitments are as follows:

	Payments due according to maturity				
(€ million)	Less than one year	One to five years	More than five years	2021	2020
Amount of credit facility not used at period-end	0.0	0.0	500.0	500.0	402.5
Amount guaranteed by the state for the state-guaranteed loan				0.0	350.0
Other guarantees received	25.9	43.5	11.7	81.1	100.6
TOTAL COMMITMENTS RECEIVED	**25.9**	**43.5**	**511.7**	**581.1**	**853.1**
Rent guarantees and real estate guarantees	6.3	12.5	21.5	40.3	44.6
Other commitments	35.1	32.7	146.5	214.3	233.6
TOTAL COMMITMENTS GIVEN	**41.4**	**45.2**	**168.0**	**254.6**	**278.2**

The revolving credit facility in the amount of €500 million was not drawn as of December 31, 2021 and thus represents an off-balance sheet commitment received. In March 2021, Fnac Darty renegotiated the terms of its credit facilities by amending its RCF (Revolving Credit Facility) credit line to raise the total amount to €500 million from the previous amount of €400 million. This credit line has a maturity of five years (March 2026) and may be extended at Fnac Darty's request until March 2028. The conditions remain identical to those of the RCF for €400 million.

In March 2021, the Group repaid in full its €500 million state-guaranteed loan (PGE), taken out in April 2020 with a group of French banks and 70% guaranteed by the French state, i.e., for a total of €350 million.

The €19.5 million decrease in other guarantees received relates mainly to the discontinuation of the €20.0 million first-demand guarantee issued in 2019 by FDPS to France Billet as part of the strategic partnership concluded with the CTS Eventim Group as of October 31, 2019.

The same €20.0 million guarantee also represented a commitment given by FDPS, which mainly explains the decrease in other commitments given for €19.3 million.

As part of the strategic partnership entered into with CTS Eventim, CTS Eventim has the option to increase its holding in the capital of France Billet to reach a majority stake via the exercise of a call option in 2023.

The other commitments given include two guarantees for a total amount of £83 million (equivalent to €98.8 million):

- a guarantee of GBP 23 million given by Darty in 2012, during the disposal of Comet, and extended on January 31, 2020, until May 2026;
- an additional guarantee of GBP 60 million, for a term of 20 years, given on June 23, 2017, by the Group via Fnac Darty Participations et Services to cover its obligations in respect of Comet's British pension fund.

Until March 2021, in order to guarantee this commitment to the Comet pension fund, the companies securing the bond issue were the guarantors (Fnac Direct, Établissements Darty et Fils, Darty Grand Est, Darty Grand Ouest, Fnac Belgium and Vanden Borre).

In March 2021, Fnac Darty renegotiated the terms of its credit facilities by amending its RCF (Revolving Credit Facility) credit line to raise the total amount to €500 million from the previous amount of €400 million. This renegotiation also resulted in the complete termination of the guarantees pledged as security for this commitment by the following companies: Fnac Direct, Établissements Darty et Fils, Darty Grand Est, Darty Grand Ouest, Fnac Belgium and Vanden Borre.

32.4 / Group dependence on patents, licenses or supply contracts

The Group is not heavily dependent on patents, licenses or supply contracts.

32.5 / Proceedings and litigation

In parallel with the risks linked to the health crisis, the Group's companies are involved in various proceedings and litigation cases in the normal course of business, including disputes with tax, employment and customs authorities. Provisions have been recorded for the expenses that the Group's companies and businesses and their experts consider likely to be incurred.

On February 3, 2020, Fnac Darty confirmed that a claim had been brought by the liquidator of Comet Group Limited against Darty Holdings SAS for approximately £83 million. Darty Holdings SAS, a Group subsidiary, in its capacity as successor to Kesa International Limited (KIL), sold the British electrical retail chain Comet Group in 2012. The liquidator alleges that, in February 2012, prior to the acquisition of Darty by Fnac in 2016, Comet repaid an intra-group debt to KIL, at a time when Comet was already insolvent. The Fnac Group was not made aware of this matter at the time of its acquisition of Darty. The Group vigorously challenges the merits of the claim and has taken appropriate measures to protect its interests.

A preliminary question to the continuation of the main proceedings was raised in 2020 concerning the applicability to the case of Section 239 of the Insolvency Act 1986, a prerequisite for the admissibility of the dispute. At the end of proceedings on this preliminary issue, which was argued on appeal before the High Court in March 2021, an order dated April 23, 2021, concluded that the conditions of Section 239 of the Insolvency Act 1986 applied to the case at hand. Proceedings on the merits, which were put on hold while the appeal on the preliminary issue was heard, resumed with a trial set for October 2022 and a ruling expected in the first or second quarter of 2023. If the ruling were unfavorable to Darty, any amounts to be reimbursed would be payable within 14 days of the date of the ruling.

In July 2020, Fnac Darty was served with two summonses to appear before the Commercial Court of Paris by some of the franchisees who belong to the Darty Franchisees Group. In addition, discussions are underway with certain Fnac franchisees regarding differences of opinion expressed by them.

The first dispute, for around €2.2 million, mainly concerns the processing of online click&collect sales at franchised stores, an issue that many franchise networks are facing in view of the growth in online sales across all sectors. The Group and Darty brought this case before the arbitrator of the Paris Commercial Court and, following three arbitration meetings, an agreement was reached under which Darty will pay each franchisee a credit note representing a total value of €300,000 for the whole of the dispute, relating to deferred rates of earnings. This agreement was endorsed in a protocol approved by the judge on June 21, 2021. Darty then issued the credit notes.

The second dispute, for around €12.8 million, is based on allegations that seek to have Fnac Darty cover the impact of the closure of franchised stores during the lockdown period. Fnac Darty firmly disputes the merits of this claim. The dispute was discussed in arbitration before the Paris Commercial Court but the parties did not reach an agreement, and proceedings remain pending. Darty filed its first findings as of November 8, 2021. In the absence of any findings filed by the Darty Franchisees Group, the case was again postponed until February 14, 2022, pending the filing of the Darty Franchisees Group's findings.

According to their experts, none of the disputes in which the Group's companies or businesses are involved threatens the Group's normal and foreseeable course of business or its planned development.

The Group is not aware of any litigation involving material risks likely to affect its net assets, income or financial position for which an estimated provision had to be recorded at period-end. No individual lawsuit is material at the Company or Group level.

The Group has no knowledge of any other litigation or arbitration that could have or may recently have had a material impact on the financial position, business or income of the Company or the Group.

NOTE 33 EXPOSURE TO MARKET RISK, INTEREST RATE RISK, CURRENCY RISK AND SHARE PRICE FLUCTUATIONS

As of December 31, 2021, exposure to various market risks was as follows:

33.1 / Exposure to interest rate risks

Exposure to interest rate risk comprises floating-rate financial assets and liabilities exposed to cash flow risk as follows:

		Maturity for 2021		
(€ million)	2021	Less than one year	One to five years	More than five years
Investment securities and cash	1,060.9	1,060.9		
FLOATING-RATE FINANCIAL ASSETS	**1,060.9**	**1,060.9**	**0.0**	**0.0**
Other financial debt				
FLOATING-RATE FINANCIAL LIABILITIES	**0.0**	**0.0**	**0.0**	**0.0**

		Maturity for 2020		
(€ million)	2020	Less than one year	One to five years	More than five years
Investment securities and cash	1,323.4	1,323.4		
FLOATING-RATE FINANCIAL ASSETS	**1,323.4**	**1,323.4**	**0.0**	**0.0**
Other financial debt	701.3	551.3	150.0	0.0
FLOATING-RATE FINANCIAL LIABILITIES	**701.3**	**551.3**	**150.0**	**0.0**

Interest rate risk sensitivity analysis

Following the repayment of the €500 million state-guaranteed loan, along with the €200 million Senior Term Loan Facility, the Group's debt on December 31, 2021 consists entirely of fixed-rate financing (including the €650 million bond issue, the €200 million OCEANE convertible bonds, and the €100 million loan from the European Investment Bank).

Therefore, the Group is not exposed to any interest rate risk relating to its financial debt.

(€ million)	Impact on income
As of December 31, 2021	
Change of +50 basis points	0.0
Change of -50 basis points	0.0

33.2 / Exposure to currency risks

Fnac Darty uses forward exchange instruments to manage currency risk and thus hedge its commercial export and import risks.

In addition, the Group may implement simple optional strategies (purchase of options or collars) to hedge future exposure.

In accordance with IFRS 9, these derivative instruments are analyzed with regard to hedge accounting eligibility criteria. These foreign exchange derivative instruments are recognized on the balance sheet at their market value at period-end.

Fnac Darty's currency derivative instruments managed for hedging purposes are not documented as part of the IFRS 9 hedge accounting and are therefore recognized as derivative instruments for which a change in fair value impacts other comprehensive income items.

As of December 31, 2021, and December 31, 2020, these derivative instruments mainly comprised a currency hedge contract in dollars.

(€ million)	2021	US dollar
HEDGING DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS	**90.3**	**90.3**
Forwards & forward swaps	90.3	90.3

(€ million)	2020	US dollar
HEDGING DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS	**98.8**	**98.8**
Forwards & forward swaps	98.8	98.8

The Group's balance sheet exposure to non-euro currencies as of December 31, 2021 was as follows:

(€ million)	2021	US dollar	Swiss franc	Hong Kong dollar
Exposed trade receivables	3.2	2.9	0.3	
Other exposed financial assets	24.5	2.7	20.7	1.1
Exposed trade payables	30.9		30.9	
Exposed financial debt	0.0			
GROSS BALANCE SHEET EXPOSURE	**(3.2)**	**5.6**	**(9.9)**	**1.1**
Hedging instruments	5.6	5.6		
GROSS EXPOSURE AFTER MANAGEMENT	**(8.8)**	**0.0**	**(9.9)**	**1.1**

(€ million)	2021	US dollar	Swiss franc	Hong Kong dollar
Monetary assets	27.7	5.6	21.0	1.1
Monetary liabilities	30.9	0.0	30.9	0.0
GROSS BALANCE SHEET EXPOSURE	**(3.2)**	**5.6**	**(9.9)**	**1.1**
Hedging instruments	5.6	5.6		
GROSS EXPOSURE AFTER MANAGEMENT	**(8.8)**	**0.0**	**(9.9)**	**1.1**

Trade receivables and payables in currencies exposed to currency risk concern current operations only.

Other exposed financial assets consist of loans and receivables, as well as bank balances, investments and cash equivalents with maturities of less than three months at the acquisition date.

The Group's currency risk management policy consists of reducing the currency risk inherent in Group entities' activities by establishing price policies and gross margins on the Group's imports and exports before the entity is committed, and prohibiting any speculation. The management of currency risk is governed by an internal procedure aimed at hedging risks as soon as they are identified.

Currency risk sensitivity analysis

Sensitivity analysis excludes the impact related to the translation of the financial statements of each Fnac Darty entity into its reporting currency (the euro) as well as the valuation of the balance sheet foreign exchange position, which is considered non-material as of period-end.

Based on market data at period-end, the impact of currency derivative instruments would be non-material in the event of an immediate 10% change in the exchange rates between the euro and the main currencies to which the Group is most exposed (primarily the US dollar).

33.3 / Exposure to risks of share price fluctuations

In the context of its current operations, the Group trades the shares issued by the Group. As of December 31, 2021, no derivative instrument was used to hedge equity risk in the sense of IFRS 9.

33.4 / Other market risks – Credit risks

Given the large number of customers, there is no concentrated credit risk on the receivables held by the Group. In general, the Group does not consider itself to be exposed to a particular credit risk on its financial assets.

33.5 / Liquidity risk

Management of the liquidity risk of the Group and each of its subsidiaries is closely and periodically assessed by the Group using its financial reporting procedures.

The analysis below sets forth the contractual commitments related to financial debt and trade payables, including interest. Future cash flows shown have not been discounted.

Based on the data at period-end, the cash flows shown are not expected to be generated early or in significantly different amounts than those shown in the maturity schedule.

Cash flow relating to currency derivatives is not material.

	2021				
(€ million)	**Book value**	**Cash flows**	**Less than one year**	**One to five years**	**More than five years**
Other financial debt	2,064.4	(2,064.4)	(241.0)	(1,375.7)	(447.7)
Trade payables	2,036.9	(2,036.9)	(2,036.9)		
TOTAL	**4,101.3**	**(4,101.3)**	**(2,277.9)**	**(1,375.7)**	**(447.7)**

	2020				
(€ million)	**Book value**	**Cash flows**	**Less than one year**	**One to five years**	**More than five years**
Other financial debt	2,568.6	(2,568.6)	(782.6)	(1,150.3)	(635.7)
Trade payables	1,784.4	(1,784.4)	(1,784.4)		
TOTAL	**4,353.0**	**(4,353.0)**	**(2,567.0)**	**(1,150.3)**	**(635.7)**

NOTE 34 ACCOUNTING CLASSIFICATION AND MARKET VALUE OF FINANCIAL INSTRUMENTS

	2021	**Breakdown by accounting classification**					**2020**
(€ million)	**Market value**	**Balance sheet value**	**Fair value through profit or loss**	**Fair value through equity**	**Amortized cost**	**Valuation level**	**Balance sheet value**
NON-CURRENT ASSETS							
Non-current financial assets	40.2	40.2	19.7		20.5		32.6
Debt instruments at fair value	*19.7*	*19.7*	*19.7*			*Level 2*	*11.1*
Deposits and guarantees	*20.2*	*20.2*			*20.2*		*21.2*
Other non-current financial assets	*0.3*	*0.3*			*0.3*		*0.3*
CURRENT ASSETS							
Trade receivables	303.9	303.9			303.9		285.4
Other current financial assets	9.4	9.4			9.4		6.8
Derivative instrument assets with hedge accounting					*0.5*	*Level 2*	
Other current financial assets		*0.0*	*0.0*		*8.9*		*6.8*
Cash and cash equivalents	1,181.1	1,181.1	1,181.1			Level 1	1,568.7
NON-CURRENT LIABILITIES							
Long-term borrowings and financial debt	1,863.3	1,823.4			1,643.0		1,786.0
2026 bond	*356.3*	*350.0*			*350.0*	*Level 1*	*350.0*
2024 bond	*301.7*	*300.0*			*300.0*	*Level 1*	*300.0*
Long-term leasing debt	*891.1*	*891.1*			*891.1*		*884.1*
European Investment Bank loan	*100.0*	*100.0*			*100.0*		*100.0*
Medium-term credit facility	*0.0*	*0.0*			*0.0*		*150.0*
Financial debt component of the OCEANE bond	*212.3*	*180.4*					
Other financial debt	*1.9*	*1.9*			*1.9*		*1.9*
CURRENT LIABILITIES							
Short-term borrowings and financial debt	241.0	241.0			241.0		782.6
State-guaranteed loan	*0.0*	*0.0*					*500.0*
Capitalized interest on bond issues	*1.3*	*1.3*			*1.3*		*1.3*
Short-term leasing debt	*238.9*	*238.9*			*238.9*		*229.7*
Medium-term credit facility	*0.0*	*0.0*			*0.0*		*50.0*
Negotiable debt instruments							
Other financial debt	*0.8*	*0.8*			*0.8*		*1.6*
Other current financial liabilities	8.7	8.7			8.7		13.0
Derivative instrument liabilities with hedge accounting					*0.0*	*Level 2*	*2.4*
Other current financial liabilities	*8.7*	*8.7*			*8.7*		*10.6*
Trade payables	2,036.9	2,036.9			2,036.9		1,784.4

IFRS 13 requires the ranking of different valuation techniques for each of the financial instruments. As a result, the Group distinguishes three categories of financial instruments based on the two valuation methods used (quoted prices and valuation techniques) and uses this classification, in compliance with international accounting standards, to show the features of the financial instruments recognized on the balance sheet at fair value through profit or loss at the closing date:

- **level 1 category:** financial instruments quoted on an active market;
- **level 2 category:** financial instruments for which the fair value measurement uses valuation techniques based on observable market parameters; and
- **level 3 category:** financial instruments for which the fair value measurement uses valuation techniques based on unobservable parameters (parameters whose value is produced by assumptions that are not based on observable transaction prices on the markets on the same instrument, or on observable market data available at period-end) or on parameters that are only partially observable.

NOTE 35 RELATED PARTY TRANSACTIONS

Related party having control over Fnac Darty

As of December 31, 2021, the Ceconomy Retail International group held 24.3% of the share capital and 24.3% of the voting rights of Fnac Darty. In 2021, there were no transactions between Fnac Darty consolidated companies and the Ceconomy Retail International group.

As of December 31, 2021, Indexia Développement, formerly SFAM Group, held 11.3% of the share capital and 11.3% of the voting rights of Fnac Darty and did not have a representative on the Fnac Darty Board of Directors. Therefore, Indexia Développement is not a related party.

As of December 31, 2020, the Ceconomy Retail International group held 24.2% of the share capital and 24.2% of the voting rights of Fnac Darty. In 2020, there were no transactions between Fnac Darty consolidated companies and the Ceconomy Retail International group.

As of December 31, 2020, Indexia Développement, formerly SFAM Group, held 11.4% of the share capital and 11.4% of the voting rights of Fnac Darty and did not have a representative on the Fnac Darty Board of Directors. Therefore, Indexia Développement was not a related party.

NOTE 36 COMPENSATION OF EXECUTIVE OFFICERS

Short-term benefits

The scope for the principal executives corresponds to the Executive Committee of the Group. The compensation recorded as expense was the following:

(€ million)	**2021** [(a)]	**2020** [(a)]
Short-term benefits	10.0	7.4
Severance packages	0.1	0.0

(a) Amounts including employee social security expenses.

Long-term benefits

In 2021, five multi-year variable compensation plans based on performance options and bonus shares expired in whole or in part.

In line with IFRS 2, the number of instruments expiring, canceled and allotted during the year was updated. The volatility rate of the Fnac Darty share price was set at 35% for plans awarded from 2020 onwards. The expense measured in accordance with IFRS 2 of these multi-year compensation plans amounted to €6.3 million expensed in 2021 and €3.5 million in 2020. Final vesting of these multi-year plans is subject to performance and continued employment conditions, with the exception of the special 2020 bonus share plan. All these plans are listed in Chapter 5, Note 7.

The 2017 bonus share plan expired on May 1, 2021 for non-French residents.

The performance conditions measured in 2018 and 2019 of the change in the Fnac Darty share price and the achievement of a level of synergy in connection with the merger of Fnac and Darty resulted in the vesting of 87.5% of the shares for beneficiaries in service on May 1, 2021.

The second tranche of the 2018 performance share plan expired as of May 17, 2021. In light of the Fnac Darty share performance conditions based on the Company's total shareholder return (TSR) compared to that of companies in the SBF 120 and the achievement of a target level of current operating income (detailed in note 7.1 to the consolidated financial statements), none of the options in the second tranche were vested for the beneficiaries in service on May 17, 2021.

The second tranche of the 2018 bonus share plan expired on May 17, 2021. In light of the Fnac Darty share performance conditions based on the Company's total shareholder return (TSR) compared to that of companies in the SBF 120 and the achievement of a target level of current operating income (detailed in note 7.2 Bonus Share Plan in the consolidated financial statements), no shares were vested for the beneficiaries in service on May 17, 2021.

The first tranche of the 2019 bonus share plan expired on May 22, 2021. In light of the Fnac Darty share performance conditions based on the Company's total shareholder return (TSR) compared to that of companies in the SBF 120, the achievement of a target level of free cash-flow, and the performance condition linked to the Company's social and environmental responsibility assessed via analysis of the Group's non-financial ratings (detailed in note 7.2, Bonus Share Plan in the Notes to the consolidated financial statements), 70% of the shares were vested for the beneficiaries in service on May 22, 2021.

The 2020 special bonus share plan expired on June 15, 2021, for French residents. These shares may be sold at the end of a one-year holding period.

This plan was implemented in the specific context of Covid-19 and allowed certain Group employees, with the express exclusion of the Executive Corporate Officer, to receive all or part of their annual variable compensation for 2019 in the form of bonus shares.

This plan was not subject to continued employment or performance conditions.

NOTE 37 STATUTORY AUDITORS' FEES

The fees (excluding taxes) paid to the Statutory Auditors of Fnac Darty, the parent company of the Group and associated network, can be analyzed as follows:

	2021							
	Deloitte & Associés				KPMG			
	Statutory Auditors		Network		Statutory Auditors		Network	
(€ million)	Amount	%	Amount	%	Amount	%	Amount	%
Certification and limited half-year review of parent company and consolidated financial statements								
■ Issuer	0.2	33%		0%	0.2	29%		0%
■ Fully consolidated subsidiaries	0.4	67%	0.2	100%	0.5	71%	0.1	100%
SUBTOTAL	**0.6**	**100%**	**0.2**	**100%**	**0.7**	**100%**	**0.1**	**100%**
Services other than certification of financial statements								
■ Issuer	0.0	0%		0%	0.0	0%		0%
■ Fully consolidated subsidiaries	0.0	0%		0%	0.0	0%		0%
SUBTOTAL	**0.0**	**0%**	**0.0**	**0%**	**0.0**	**0%**	**0.0**	**0%**
TOTAL	**0.6**	**100%**	**0.2**	**100%**	**0.7**	**100%**	**0.1**	**100%**

Services other than certification of the financial statements consist primarily of the provision of consulting services with regard to internal control, technical matters and various certifications.

	2020							
	Deloitte & Associés				KPMG			
	Statutory Auditors		Network		Statutory Auditors		Network	
(€ million)	Amount	%	Amount	%	Amount	%	Amount	%
Certification and limited half-year review of parent company and consolidated financial statements								
■ Issuer	0.2	33%		0%	0.2	29%		0%
■ Fully consolidated subsidiaries	0.4	67%	0.2	100%	0.4	57%	0.1	100%
SUBTOTAL	**0.6**	**100%**	**0.2**	**100%**	**0.6**	**86%**	**0.1**	**100%**
Services other than certification of financial statements								
■ Issuer	0.0	0%		0%	0.1	14%		0%
■ Fully consolidated subsidiaries	0.0	0%	0.0	0%	0.0	0%	0.0	0%
SUBTOTAL	**0.0**	**0%**	**0.0**	**0%**	**0.1**	**14%**	**0.0**	**0%**
TOTAL	**0.6**	**100%**	**0.2**	**100%**	**0.7**	**100%**	**0.1**	**100%**

NOTE 38 POST-BALANCE SHEET EVENTS

The very good 2021 performances confirm the Group's strategic choice to transform its model and its position as the European leader in omnichannel retail.

The beginning of 2022 remains disrupted by the health crisis and the gradual rise in inflation. In this context and given the strong comparison basis effect in the first half of the year, Fnac Darty remains cautious at this stage about the development of its markets in 2022. However, the Group will be able to rely on its positioning as a leading omnichannel player to ensure the best possible availability and quality of products and services, its positioning on premium products and its solid cost control.

2022 will also be a year in which the Group will ramp up the implementation of its plan Everyday based on service, advice and sustainability. Efforts will focus on continuing to improve the customer experience, expanding the store network primarily through franchises, strengthening its position in the circular economy, providing a differentiated educated choice for its customers and further developing the Darty Max subscription service model.

The Group confirms its objectives of achieving cumulative free cash-flow from operations [1] of approximately €500 million over the 2021-2023 period, and free cash-flow from operations [1] of at least €240 million on an annual basis from 2025.

In accordance with the shareholder return policy announced at the launch of the strategic plan Everyday in February, Fnac Darty will propose to the General Meeting of Shareholders, on May 18, 2022, the distribution of an ordinary dividend of €2.00 per share [2], representing a payout ratio of nearly 37% [3]. This dividend will be payable entirely in cash. The ex-dividend date will be on June 21, 2022, and the dividend payment date on June 23, 2022.

On March 10, 2022, Fnac Darty announced the extension of its €500 million RCF

In March 2022, Fnac Darty exercised the option to extend its €500 million RCF from March 2026 to March 2027. This option was fully subscribed by bank loans.

The Group still has an option to extend its RCF to March 2028.

The present conflict between Russia and Ukraine

Fnac Darty neither has any premises nor procures from suppliers based in the war zone. At the publication date, the outcome of the conflict is uncertain. The Group continues to closely monitor the situation and how it might affect its operations and results.

(1) Excluding IFRS 16.
(2) Corresponding to an amount of around €54 million on the basis of the number of Fnac Darty shares at December 31, 2021.
(3) Calculated on the net income from continuing operations, Group share.

NOTE 39 LIST OF SUBSIDIARIES CONSOLIDATED AS OF DECEMBER 31, 2021

The Group's subsidiaries are as follows:

- Fully consolidated: F
- Consolidated under the equity method: E

Fnac Darty consolidation scope as of December 31, 2021

Company	% interest 12/31/2021		% interest 12/31/2020	
Fnac Darty (parent company)				
FNAC BANNER				
France				
Alizé – SFL	F	100.00	F	100.00
Codirep	F	100.00	F	100.00
Fnac Darty Participations et Services	F	100.00	F	100.00
Fnac Accès	F	100.00	F	100.00
Fnac Appro Groupe	F	100.00	F	100.00
Fnac Direct	F	100.00	F	100.00
Fnac Logistique	F	100.00	F	100.00
Fnac Paris	F	100.00	F	100.00
Fnac Périphérie	F	100.00	F	100.00
Fnac Tourisme	F	100.00	F	100.00
France Billet	F	52.00	F	52.00
Izneo	E	50.00	E	50.00
MSS	F	100.00	F	100.00
Relais Fnac	F	100.00	F	100.00
Tick & Live	F	26.00	F	26.00
WeFix	F	100.00	F	69.16
WeFix Immo	F	100.00	F	69.16
123Billets (Billetreduc.com)	F	52.00	F	52.00
CTS Eventim France	F	52.00	F	52.00
Belgium				
Belgium Ticket	F	39.00	F	39.00
Fnac Belgium	F	100.00	F	100.00
WeFix (Belgium)	F	100.00	F	69.16
Luxembourg				
Fnac Luxembourg	F	100.00	F	100.00
Spain				
Fnac España	F	100.00	F	100.00
Monaco				
Fnac Monaco	F	100.00	F	100.00

Company	% interest			
	12/31/2021		12/31/2020	
Portugal				
Fnac Portugal	F	100.00	F	100.00
Switzerland				
Fnac Suisse	F	100.00	F	100.00
Swissbillet	F	100.00	F	100.00
Germany				
WeFix (Germany)	F	100.00	F	69.16
DARTY BANNER				
United Kingdom				
Darty Limited	F	100.00	F	100.00
Kesa Holdings Limited	F	100.00	F	100.00
France				
Darty Holdings SAS	F	100.00	F	100.00
Kesa France SA	F	99.71	F	99.71
Participations Distribution Services SNC	F	99.71	F	99.71
Darty Développement SAS	F	99.71	F	99.71
A2I Darty Ouest SNC	F	99.71	F	99.71
A2I Darty Rhône Alpes SNC	F	99.71	F	99.71
A2I Île-de-France SNC	F	99.71	F	99.71
Compagnie Européenne de Commerce et de Distribution SAS (CECD)	F	100.00	F	100.00
Établissements Darty et Fils SAS	F	99.71	F	99.71
Darty Grand Ouest SNC	F	99.71	F	99.71
Darty Grand Est SNC	F	99.71	F	99.71
Belgium				
Vanden Borre	F	100.00	F	100.00
Vanden Borre Transport	F	100.00	F	100.00
Vanden Borre Kitchen	E	50.00	E	50.00
Other countries				
Darty Asia Consulting Limited (CH)	F	100.00	F	100.00
Fnac Darty Asia Limited (HK)	F	100.00	F	100.00
NATURE & DÉCOUVERTES BANNER				
France				
Nature & Découvertes	F	100.00	F	100.00
Terre d'Oc Évolution	F	100.00	F	100.00
Belgium				
Nimmer Dor Belgie	F	100.00	F	100.00
Luxembourg				
Nimmer Dor Luxembourg	F	100.00	F	100.00
Germany				
Nature & Découvertes Deutschland	F	100.00	F	100.00

NOTE 40 EXCHANGE RATES USED FOR THE TRANSLATION OF COMPANIES WORKING WITH FOREIGN CURRENCY

The following exchange rates were used for the translation of Group companies earning in a foreign currency:

	2021		2020	
for €1	**Closing rate**	**Average rate**	**Closing rate**	**Average rate**
Pound sterling	0.84	0.86	0.90	0.89
Swiss franc	1.03	1.08	1.08	1.07

NOTE 41 ESEF IDENTIFYING INFORMATION

Name of reporting entity	Fnac Darty
Explanation of change in name of reporting entity since the end of the previous reporting period	-
Domicile of reporting entity	Ivry-sur-Seine, France
Legal form of entity	A French limited company (société anonyme) with a Board of Directors
Country of incorporation	France
Address of entity’s registered office	9, rue des Bateaux-Lavoirs, ZAC Port d’Ivry, 94200 Ivry-sur-Seine, France
Principal place of operation	France
Description of the nature of the entity’s transactions and main permitted activities	Retail of leisure, technical and domestic appliances to the general public
Name of parent entity	Fnac Darty
Name of ultimate parent entity	-

5.3 / Parent company financial statements as of December 31, 2021 and 2020

INCOME STATEMENT

(€ million)	Notes	2021	2020
Operating income		12.3	10.5
Operating expenses		(15.9)	(13.9)
OPERATING INCOME (LOSS)	**3**	**(3.6)**	**(3.4)**
Charges and interest on debt owed to non-Group entities		(19.6)	(22.3)
Additions/reversals of impairment provisions		68.0	(94.6)
Other financial income and expense		0.6	(0.2)
NET FINANCIAL INCOME (LOSS)	**4**	**49.0**	**(117.1)**
CURRENT INCOME (LOSS) BEFORE TAX		**45.4**	**(120.5)**
Non-recurring income	5	(2.7)	(7.9)
Employee profit-sharing		0.0	0.0
Income tax	6	31.4	55.4
NET INCOME (LOSS) FOR THE PERIOD		**74.1**	**(73.0)**

BALANCE SHEET ASSETS

(€ million)	Notes	Gross value	Amortization, depreciation, provisions	At December 31, 2021 Net value	At December 31, 2020 Net value
NON-CURRENT ASSETS					
Equity investments		1,955.2	(26.6)	1,928.6	1,860.6
Other non-current financial assets		298.1	0.0	298.1	8.7
TOTAL NON-CURRENT FINANCIAL ASSETS	**7**	**2,253.3**	**(26.6)**	**2,226.7**	**1,869.3**
Property, plant and equipment and intangible assets	8	0.0	0.0	0.0	0.0
TOTAL NON-CURRENT ASSETS		**2,253.3**	**(26.6)**	**2,226.7**	**1,869.3**
CURRENT ASSETS					
Receivables	9	42.7	0.0	42.7	354.6
Investment securities	10	0.0	0.0	0.0	0.0
Cash and cash equivalents	10	3.7	0.0	3.7	503.6
TOTAL CURRENT ASSETS		**46.4**	**0.0**	**46.4**	**858.2**
TOTAL ASSETS		**2,299.7**	**(26.6)**	**2,273.1**	**2,727.5**

BALANCE SHEET LIABILITIES

(€ million)	Notes	At December 31, 2021	At December 31, 2020
Shareholders' equity			
Share capital		26.8	26.6
Additional paid-in capital		971.0	971.2
Reserves		2.6	2.6
Retained earnings		202.7	302.4
Regulatory provisions		26.9	25.2
Net profit (loss) for the period		74.1	(73.0)
TOTAL SHAREHOLDERS' EQUITY	**11**	**1,304.1**	**1,255.0**
Provisions			
Provisions for contingencies and expenses		0.6	0.0
Debts			
Bonds	12	651.7	651.3
OCEANE [(a)]	12	200.0	0.0
Other financial debt	12	100.4	800.0
Other debts	13	16.3	21.2
TOTAL LIABILITIES		**2,273.1**	**2,727.5**

(a) OCEANE = bonds convertible into new or existing shares.

CASH FLOW STATEMENT

(€ million)	Notes	2021	2020
Net income		74.1	(73.0)
Income and expense with no impact on cash		(66.5)	99.9
CASH FLOW		**7.6**	**26.9**
Change in working capital requirements		312.9	21.1
CHANGE IN CASH FLOW FROM OPERATING ACTIVITIES	**15**	**320.5**	**48.0**
(Acquisitions)/disposals of non-current operating assets		0.0	0.0
Change in non-current financial assets		(289.2)	0.3
CHANGE IN CASH FLOW FROM INVESTING ACTIVITIES	**15**	**(289.2)**	**0.3**
Net change in financial debt		(504.6)	452.7
Change in shareholders' equity		0.0	0.0
Dividends paid		(26.7)	0.0
CHANGE IN CASH FLOW FROM FINANCING ACTIVITIES	**15**	**(531.3)**	**452.7**
CHANGE IN CASH POSITION		**(499.9)**	**501.1**
CASH AT BEGINNING OF PERIOD		**503.6**	**2.5**
CASH AT END OF PERIOD		**3.7**	**503.6**

CHANGE IN SHAREHOLDERS' EQUITY AND OTHER CAPITAL

(€ million before appropriation of earnings)	Number of shares outstanding	Share capital	Additional paid-in capital and other shareholders' equity	Reserves and retained earnings	Net profit (loss) for the period	Shareholders' equity
AS OF DECEMBER 31, 2019 [(a)]	26,515,572	26.5	971.3	333.9	(9.0)	1,322.7
Appropriation of 2019 earnings				(9.0)	9.0	0.0
Capital increase	92,999	0.1	(0.1)			0.0
Regulatory provisions				5.4		5.4
2020 Profit/Loss					(73.0)	(73.0)
AS OF DECEMBER 31, 2020 [(a)]	26,608,571	26.6	971.2	330.3	(73.0)	1,255.0
Appropriation of 2020 earnings				(73.0)	73.0	0.0
Capital increase	152,547	0.2	(0.2)			0.0
Regulatory provisions				1.7		1.7
Dividends				(26.7)		(26.7)
2021 Profit/Loss					74.1	74.1
AS OF DECEMBER 31, 2021 [(a)]	26,761,118	26.8	971.0	232.2	74.1	1,304.1

(a) €1 par value of shares.

5.4 / Notes to the parent company financial statements for the year ended December 31, 2021

NOTE 1 HIGHLIGHTS OF THE PERIOD

Dividends paid

In 2021, Fnac Darty reactivated its policy of giving a return to shareholders. A first ordinary dividend of €1.00 gross per share for 2020, representing a total amount of €26.7 million. The ex-dividend date was July 5, 2021, and the dividend was paid on July 7, 2021.

Restructuring of financial debt

In March 2021, Fnac Darty finalized its long-term debt restructuring, with an extended maturity profile, diversified sources of financing and optimized cost, thereby securing its long-term liquidity.

In March 2021, Fnac Darty repaid in full its state-guaranteed loan (PGE) in the amount of €500 million.

In March 2021, Fnac Darty succeeded in placing its issue of bonds with an option for conversion and/or exchange for new and/or existing shares (OCEANE), maturing in 2027, for a nominal amount of €200 million corresponding to 2,468,221 bonds with a par value of €81.03 per bond. Based on the initial conversion/exchange ratio of one share per bond, dilution was approximately 9.28% of the Company's outstanding share capital as of March 16, 2021. The issue of OCEANE bonds was allocated to the repayment of the €200 million Senior Term Loan Facility, maturing in April 2023.

As a result of the distribution of a dividend of €1.00 per share to Fnac Darty shareholders as of July 7, 2021, the conversion/exchange rate was increased from 1 Fnac Darty share per OCEANE bond to 1.019 Fnac Darty shares per OCEANE bond as of July 7, 2021.

At the same time, Fnac Darty renegotiated the terms of its credit facilities by amending its RCF credit line to raise the total amount to €500 million from the previous amount of €400 million. This credit line has a maturity of five years (March 2026) and may be extended at Fnac Darty's request until March 2028. The conditions remain identical to those of the RCF for €400 million. In line with the goals of the new strategic plan, Everyday, this new credit facility includes a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing terms if the designated targets are achieved.

Performance stock option plan

The second tranche of the 2018 performance share plan expired as of May 17, 2021. In light of the Fnac Darty share performance conditions based on the Company's total shareholder return (TSR) compared to that of companies in the SBF 120 and the achievement of a target level of current operating income (detailed in note 7.1 to the consolidated financial statements), none of the options in the second tranche were vested for the beneficiaries in service on May 17, 2021.

Bonus share plan

On the recommendation of the Appointments and Compensation Committee, on May 27, 2021, the Board of Directors decided to award bonus shares to certain Group employees (176 beneficiaries) in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This first plan awarded in 2021 applies to French residents only.

The duration of this plan is three years (May 27, 2021 – May 26, 2024). These shares will be vested upon expiration of a vesting period (May 27, 2021, to May 26, 2024), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of these shares will be subject to a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120, as measured in 2024 for the 2021-2023 period in respect of the entire period, and to performance conditions associated with achieving a target level of free cash flow assessed in 2024 upon publication of the Group's annual results for 2023, taking into account the cash flow generated by the Group during the years 2021, 2022 and 2023 for the entire period as well as to performance conditions associated with the Company's corporate, social and environmental responsibility assessed in 2024 by taking into account the Group's non-financial ratings for 2021, 2022 and 2023 for the entire period.

On the recommendation of the Appointments and Compensation Committee, on May 27, 2021, the Board of Directors decided to award bonus shares to certain Group employees (51 beneficiaries) other than the Executive Corporate Officer in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This second plan awarded in 2021 applies primarily to non-French residents.

The duration of this plan is three years (May 27, 2021 – May 26, 2024). These shares will be vested upon expiration of a vesting period (May 27, 2021, to May 26, 2024), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of these shares will be subject to a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120, as measured in 2024 for the 2021-2023 period in respect of the entire period, and to performance conditions associated with achieving a target level of free cash flow assessed in 2024 upon publication of the Group's annual results for 2023, taking into account the cash flow generated by the Group during the years 2021, 2022 and 2023 for the entire period as well as to performance conditions associated with the Company's corporate, social and environmental responsibility assessed in 2024 by taking into account the Group's non-financial ratings for 2021, 2022 and 2023 for the entire period.

On the recommendation of the Appointments and Compensation Committee, on May 27, 2021, the Board of Directors decided to award bonus shares to certain Group employees (49 beneficiaries) other than the Executive Corporate Officer. Settlement will be in equity instruments. This third, specific plan awarded in 2021 applies to French residents only.

The duration of this plan is three years (May 27, 2021 – May 26, 2024).

This plan is not subject to performance conditions and aims to recognize the commitment of managers who have not yet been awarded Fnac Darty bonus shares in the past (or on an exceptional basis). The vesting of the shares is subject to the beneficiary's continued employment within the Group on the maturity date of this plan.

The 2017 bonus share plan expired on May 1, 2021, for non-French residents.

The performance conditions measured in 2018 and 2019 of the change in the Fnac Darty share price and the achievement of a level of synergy in connection with the merger of Fnac and Darty resulted in the vesting of 87.5% of the shares for beneficiaries in service on May 1, 2021.

The second tranche of the 2018 bonus share plan expired on May 17, 2021. In light of the Fnac Darty share performance conditions based on the Company's total shareholder return (TSR) compared to that of companies in the SBF 120 and the achievement of a target level of current operating income (detailed in note 7.2 "Bonus share plan" in the consolidated financial statements), no shares were vested for the beneficiaries in service on May 17, 2021.

The first tranche of the 2019 bonus share plan expired on May 22, 2021. In light of the Fnac Darty share performance conditions based on the Company's total shareholder return (TSR) compared to that of companies in the SBF 120, the achievement of a target level of free cash-flow, and the performance condition linked to the Company's social and environmental responsibility assessed via analysis of the Group's non-financial ratings (detailed in note 7.2 "Bonus share plan" in the Notes to the consolidated financial statements), 70% of the shares were vested for the beneficiaries in service on May 22, 2021.

The 2020 special bonus share plan expired on June 15, 2021, for French residents. These shares may be sold at the end of a one-year holding period.

This plan was implemented in the specific context of Covid-19 and allowed certain Group employees, with the express exclusion of the Executive Corporate Officer, to receive all or part of their annual variable compensation for 2019 in the form of bonus shares.

This plan was not subject to continued employment or performance conditions.

Valuation of Darty Limited shares

Following the increase in the Group's average market capitalization in 2021 associated with the upturn in the price of Fnac Darty shares, Darty Limited's value in use had increased as of December 31, 2021. As a result, Fnac Darty reversed the impairment loss on the shares of Darty Limited in the amount of €68.0 million. Following this reversal of impairment, the net book value of the Darty Limited shares stands at €1,090.2 million.

NOTE 2 ACCOUNTING PRINCIPLES AND POLICIES

The annual financial statements for 2021 were drawn up in accordance with the provisions of ANC Regulation 2016-07 on the French General Accounting Plan, established by the French accounting standards authority on November 4, 2016, and approved by the Ministerial Order of December 26, 2016 (Official Journal of December 28, 2016, updated for all regulations amending it thereafter).

General accounting conventions were applied with respect to the principle of prudence and in accordance with basic assumptions (going concern, consistency of accounting policies from one period to the next, independence of periods) and in accordance with the general rules for preparation and presentation of annual financial statements.

These financial statements are presented in euros, Fnac Darty's functional currency. The following tables contain individually rounded data. The arithmetical calculations based on rounded data may present some differences with the aggregates or subtotals reported.

The basic method used to value the items recognized in the accounts is the historical cost method. The principal methods used are as follows:

2.1 / Non-current financial assets

Equity investments

Securities are classified as "Equity investments" when their ownership is deemed useful to the Company's operations, particularly because it enables influence or control over the issuing company.

On the entry date, equity investments are recognized at the acquisition cost, including transfer taxes, fees, commissions and legal costs. The Company opted for including the acquisition costs in the entry cost of the shares (opinion of the CNC Emergency Committee of June 15, 2007).

At period-end, the Company values its equity investments in Fnac Darty Participations et Services (FDPS) and Darty Limited at their value-in-use. The value-in-use is determined on the basis of the observed average market capitalization of the Fnac Darty share during a given period, weighted by the objective of the analysts' consensus. By applying economic criteria, this value-in-use can be allocated between the two subsidiaries. This valuation takes the Company's debt into account. When this value is lower than the book value, an impairment is recorded for the amount of this difference.

Treasury stock

Treasury stock acquired under a liquidity agreement is recorded in other non-current financial assets. Treasury stock is recognized on the delivery date at acquisition price excluding transaction fees. At the time of sale, the cost price of the shares transferred was established using the First-In-First-Out (FIFO) method.

As of December 31, 2021, Fnac Darty holds 67,723 treasury shares.

2.2 / Receivables and payables

Receivables and payables are recognized at nominal value. Where appropriate, receivables are provisioned to take into account any potential recovery difficulties.

2.3 / Investment securities and cash and cash equivalents

Investment securities are recognized in the balance sheet at their acquisition price.

Acquisition costs of investment securities are expensed in accordance with the option provided by Article 321-10 of the French General Accounting Plan applicable to marketable securities.

Potential impairment provisions are determined by comparing this value with the probable trading value or average share price from the previous month for listed securities.

Mutual fund (Sicav)

Mutual fund (Sicav) shares are recognized at their acquisition cost. They are estimated at period-end at their net asset value. Any unrealized capital loss is provisioned for impairment. Any unrealized capital gain is not taken into account.

2.4 / Tax consolidation

Fnac Darty notified the French tax authorities in writing on March 15, 2013, that the Company and all of its subsidiaries were opting for the tax consolidation rules for groups implemented by Article 68 of the 1988 finance law. The tax consolidation agreement took effect on January 1, 2013.

The tax consolidation agreement entered into on July 1, 2013 between Fnac Darty and its subsidiaries and second-tier subsidiaries is effective from January 1, 2013. As of December 31, 2021, it covered 29 companies.

Since January 1, 2021, the scope of tax consolidation has included the French permanent establishment of Darty Limited.

Under these rules, Fnac Darty acts as a corporate tax collector for the subsidiaries and is solely responsible for paying this tax to the Public Treasury.

Conditions for distribution of the corporate income tax are as follows:

- the tax paid by each subsidiary is the same as the tax the subsidiary would have incurred if it had not been consolidated for tax purposes; and
- Fnac Darty immediately takes into account the tax savings or expense resulting from the difference between the sum of the tax that would have been paid by each of the companies had they paid their own tax and the tax payable on the total taxable income.

2.5 / Operating income (loss)

Operating income (loss) results from income and expense related to the Company's current operations.

2.6 / Net financial income (loss)

Net financial income (loss) results from income and expense related to the Company's financing and cash management.

2.7 / Non-recurring income

Non-recurring income includes income and expense that, by their nature, occurrence or material character, do not fall within the Company's ordinary operating activities.

2.8 / Performance-based compensation plans

The Company applies the French General Accounting Plan (PCG) Article 642-1 et seq. relating to the accounting treatment of stock options and bonus share allotment plans granted to employees. This regulation stipulates that whenever it is probable that the Company will deliver existing shares to plan beneficiaries, a liability should be recognized on the basis of the probable outflow of resources.

NOTE 3 OPERATING INCOME (LOSS)

(€ million)	**2021**	**2020**
Group royalties	10.2	9.5
Payroll expenses	(7.9)	(6.2)
Purchasing, external costs, and income and other taxes	(5.9)	(6.7)
TOTAL	**(3.6)**	**(3.4)**

In 2021, purchasing, external costs, and income and other taxes were primarily comprised of bond borrowing and OCEANE bond costs of €1.0 million, Group registered office costs of €3.0 million and miscellaneous fees of €1.3 million.

In 2020, this item primarily comprised bond borrowing costs of €0.8 million, Group registered office costs of €2.9 million and miscellaneous fees of €1.6 million.

NOTE 4 NET FINANCIAL INCOME (LOSS)

(€ million)	**2021**	**2020**
Charges and interest on debt	(19.6)	(22.3)
Additions/reversals of impairment provisions	68.0	(94.6)
Other financial income and expense	0.6	(0.2)
TOTAL	**49.0**	**(117.1)**

In 2021, debt interest and expense were mainly composed of:

- financial interest on the €650 million bond;
- financial interest on the €100 million loan from the European Investment Bank;
- fees for the non-use of the €500 million Revolving Credit Facility (RCF);
- financial interest on the €200 million OCEANE bond issued in March 2021;
- financial interest on the €200 million medium-term credit line repaid in March 2021.

In 2020, debt interest and expense were mainly composed of financial interest expenses on the bond loan, financial interest on the medium-term loan, financial interest on the loan from the European Investment Bank, and the financial cost of the Revolving Credit Facility (RCF).

Additionally, at the end of 2021, Fnac Darty valued its equity investments in Fnac Darty Participations et Services (FDPS) and Darty Limited at their value in use. As a result, the Company reversed a provision for impairment of Darty Limited shares in the amount of €68.0 million. Following this recovery, the net book value of the Darty Limited shares is €1,090.2 million. In 2020, Darty Limited shares were written down in the amount of €94.6 million, under the same terms and conditions.

NOTE 5 NON-RECURRING INCOME

(€ million)	**2021**	**2020**
Exceptional amortization	(1.7)	(5.4)
Other	(1.0)	(2.5)
TOTAL	**(2.7)**	**(7.9)**

In 2021, non-recurring income consisted primarily of exceptional amortization of €1.7 million related to the fiscal amortization of the costs of the Darty acquisition. Exceptional depreciation related to the costs of the Darty acquisition amounted to €5.4 million in 2020. The miscellaneous item for €1.0 million consists primarily of the provision for the acquisition of shares to be allocated to employees and allocated to performance compensation plans for €0.6 million. In 2020, the other item for €2.5 million consisted primarily of costs and fees related to abandoned projects and to recent acquisitions.

NOTE 6 INCOME TAX

(€ million)	2021	2020
Tax consolidation gain/loss	31.4	55.4
TOTAL	**31.4**	**55.4**

In 2021, net profit from tax consolidation amounted to €31.4 million, compared to €55.4 million in 2020.

The cumulative total of Fnac Darty tax loss carry-forwards as at December 31, 2021 was €241.3 million. It stood at €217.1 million in 2020.

NOTE 7 NET NON-CURRENT FINANCIAL ASSETS

(€ million)	As of December 31, 2020	Increase	Decrease	As of December 31, 2021
Equity investments	1,955.2			1,955.2
Loans	0.0	290.0		290.0
Daphni Purple stake	5.4		(1.2)	4.2
Treasury stock	3.3	0.6		3.9
GROSS VALUE	**1,963.9**	**290.6**	**(1.2)**	**2,253.3**
Equity investments	(94.6)	0.0	68.0	(26.6)
IMPAIRMENT	**(94.6)**	**0.0**	**68.0**	**(26.6)**
NET VALUES	**1,869.3**	**290.6**	**66.8**	**2,226.7**

Equity investments

As of December 31, 2021, Fnac Darty held:

- 46,421,807 shares of FDPS (Fnac Darty Participations et Services) out of 46,421,808 shares for a gross value of €838.4 million;
- 31,000 shares of Fnac Luxembourg, out of a total of 31,000 shares, for a gross value of €0.031 million; and
- 529,553,216 shares of Darty Limited out of 529,553,216 shares for a gross value of €1,116.8 million and a net value after impairment of €1,090.2 million.

At period-end, the Company values its equity investments in Fnac Darty Participations et Services (FDPS) and Darty Limited at their value-in-use. The value-in-use is determined on the basis of the observed market capitalization of the Fnac Darty share over a given period, weighted by the objective of the analysts' consensus. By applying economic criteria, this value-in-use can be allocated between the two subsidiaries. This valuation takes the Company's debt into account. When this value is lower than the book value, an impairment is recorded for the amount of this difference.

In 2021, the Company reviewed the €94.6 million impairment on the shares of Darty Limited as of December 31, 2020, by reversing the impairment in the amount of €68.0 million. Thus, as of December 31, 2021, the impairment of Darty Limited shares was €26.6 million, with a net value of €1,090.2 million.

Other non-current financial assets

- Loans: during 2021, following the restructuring of the Group's external debt, the Company issued a long-term loan to its subsidiary Fnac Darty Participations.
- Daphni Purple stake: As of December 31, 2021, other non-current financial assets also included an equity interest in the Daphni Purple investment fund for €5.4 million, corresponding to a first drawdown of 77% out of a total commitment of €7.0 million. Fnac Darty has agreed to subscribe for the remaining 23% of shares for €1.6 million by 2026. In 2021, Daphni Purple repaid the par value of shares in favor of Fnac Darty for a total amount of €1.2 million, thus reducing the gross value of the financial assets. The net value of the Daphni Purple fund investment was €4.2 million as of December 31, 2021.
- Treasury stock: this is recorded as non-current financial assets and represents an asset of €3.9 million as of December 31, 2021, compared to €3.3 million as of December 31, 2020. In 2021, under the liquidity agreement, 496,078 shares were purchased at an average price of €54.21 for a total amount of €26,893,066, and 496,365 shares were sold at an average price of €54.66 for a total of €21,129,735.

NOTE 8 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

As of December 31, 2021, Fnac Darty had no property, plant and equipment or intangible assets.

NOTE 9 RECEIVABLES

(€ million)	As of December 31, 2021	As of December 31, 2020
Tax consolidation current accounts	0.0	10.1
Current accounts of subsidiary	25.5	332.1
State – income tax	1.8	1.7
Group customers	8.0	3.9
Daphni Purple commitment	1.6	1.6
Deferred expenses	5.4	5.2
Other receivables	0.4	0.0
TOTAL	**42.7**	**354.6**

As of December 31, 2021, the tax consolidation current account had a credit balance (see note 13). In 2020, the tax consolidation current account had a debit balance of €10.1 million, corresponding to the excess of payments made by the subsidiaries in respect of tax consolidation.

The negative current account balance of €25.5 million corresponds to a current account debt to the Fnac Darty Participations et Services subsidiary. During 2021, the current account receivable was repaid in the amount of €306.6 million.

Receivables from the Group, which amount to €8.0 million, consist of receivables from the Fnac Darty Participations et Services subsidiary and from Group companies internationally.

As of December 31, 2021, the Group agreed to underwrite the remaining 23% of Daphni Purple shares for €1.6 million.

Prepaid expenses in the amount of €5.4 million primarily reflect the fees and commissions paid in connection with the refinancing of the bonds and the credit facilities granted for Group financing.

NOTE 10 INVESTMENT SECURITIES AND CASH AND CASH EQUIVALENTS

(€ million)	As of December 31, 2021	As of December 31, 2020
Investment securities	**0.0**	**0.0**
Bank deposits and fund transfers	3.7	503.6
Cash and cash equivalents	**3.7**	**503.6**
CASH DEBT	**3.7**	**503.6**

In 2021, investment securities and cash and cash equivalents comprised bank deposits in the amount of €3.7 million, including €3.0 million in cash linked to the liquidity agreement.

In 2020, investment securities and cash and cash equivalents comprised bank deposits and fund transfers in the amount of €503.6 million, including €2.7 million in cash linked to the liquidity agreement. In 2020, bank deposits included the cash received as part of the €500 million state-guaranteed loan, repaid in March 2021.

NOTE 11 SHAREHOLDERS' EQUITY

(€ million)	As of December 31, 2021	As of December 31, 2020
Share capital	26.8	26.6
Additional paid-in capital	971.0	971.2
TOTAL SHARE CAPITAL AND PREMIUMS	**997.8**	**997.8**
Legal reserve	2.6	2.6
Regulated reserves	0.0	0.0
Other reserves	0.0	0.0
TOTAL RESERVES	**2.6**	**2.6**
Retained earnings	202.7	302.4
Regulatory provisions	26.9	25.2
Net profit (loss) for the period	74.1	(73.0)
TOTAL SHAREHOLDERS' EQUITY	**1,304.1**	**1,255.0**

Over the course of 2021, the increase in share capital of €0.2 million related to the creation of 152,547 shares, corresponding to the allotment of bonus shares.

Over the course of 2020, the increase in share capital of €0.1 million resulted from the creation of 92,999 shares, corresponding to the allotment of bonus shares.

Over the course of 2021, the €0.2 million decrease in the additional paid-in capital item corresponds to the decrease in capital associated with the allotment of bonus shares.

Over the course of 2020, the €0.1 million decrease in the additional paid-in capital item corresponds to the decrease in capital associated with the allotment of bonus shares.

Amounts allocated to the additional paid-in capital item are not distributable but may subsequently be reincorporated into the capital or used to amortize corporate losses.

The change in reserves and retained earnings corresponds to the appropriation of Fnac Darty's 2020 earnings, as well as the reactivation of the shareholder return policy, which saw the distribution in 2021 of an initial ordinary dividend of €1.00 gross per share for 2020, representing a total of €26.7 million. The ex-dividend date was dividend was July 5, 2021, and it was paid on July 7, 2021.

The regulatory provisions represent the exceptional fiscal amortization of the costs for the Darty acquisition, for a total of €26.9 million as of December 31, 2021.

NOTE 12 FINANCIAL DEBT

As of December 31, 2021, Fnac Darty's financial debt comprised four components:

- **bonds:** on May 15, 2019, Fnac Darty completed the transaction to renegotiate its bonds issue after successfully refinancing its senior bonds with a cumulative principal amount of €650 million, composed of a cumulative principal amount of €300 million in senior bonds maturing in 2024, and a cumulative principal amount of €350 million in senior bonds maturing in 2026;
- **OCEANE bonds:** in March 2021, the Group succeeded in placing its issue of bonds with an option for conversion and/or exchange for new and/or existing shares (OCEANE), maturing in 2027, for a nominal amount of €200 million corresponding to 2,468,221 bonds with a par value of €81.03 per bond. Based on the initial conversion/exchange ratio of one share per bond, dilution was approximately 9.28% of the Company's outstanding share capital as of March 16, 2021. The issue of OCEANE bonds was allocated to the repayment of the €200 million Senior Term Loan Facility, maturing in April 2023. As a result of the distribution of a dividend of €1.00 per share to Fnac Darty shareholders as of July 7, 2021, the conversion/exchange rate was increased from 1 Fnac Darty share per OCEANE bond to 1.019 Fnac Darty shares per OCEANE bond as of July 7, 2021;

- **loan agreement with the European Investment Bank:** on February 18, 2019, Fnac Darty announced the signing of a loan agreement in the amount of €100 million with the European Investment Bank (EIB). Issued under the "Juncker Plan," this loan will be used to finance the Group's digital transformation investments. This financing has a maximum maturity of nine years, on very attractive terms. As of December 31, 2021, €100 million of the EIB credit line was used.

In March 2021, the Group repaid in full its €500 million state-guaranteed loan (PGE), taken out in April 2020 with a group of French banks. In the context of the health crisis, this loan was intended to secure the Group's liquidity and ensure the resumption of activities.

	As of December 31, 2021			
(€ million)	**Total**	**Less than one year**	**1 to 5 years**	**More than 5 years**
Bonds	651.7	1.7	650.0	
OCEANE	200.0			200.0
European Investment Bank loan	100.0		66.8	33.2
Other financial debt	0.4	0.4		
FINANCIAL DEBT	**952.1**	**2.1**	**716.8**	**233.2**

The bonds bear annual interest at 1.875% and 2.625% and are redeemable in 2024 and 2026 respectively (High Yield Bonds). Interest is payable half-yearly. The High Yield Bonds are listed for trading on the Global Exchange Market of the Irish Stock Exchange.

The 2024 bonds were redeemable in whole or in part at any time until May 30, 2021, at a price equal to the amount of the nominal value plus an early repayment premium and accrued interest not yet due. Since May 30, 2021, they have been redeemable in full or in part at the values shown in the table below:

2024 Bonds

Redemption period commencing:	Redemption price *(as % of the principal)*
May 30, 2021	100.9375%
May 30, 2022	100.4688%
May 30, 2023, and beyond	100.0000%

The 2026 bonds are redeemable in whole or in part at any time until May 30, 2022, at a price equal to the amount of the nominal value plus an early repayment premium and accrued interest not yet due. From May 30, 2022, they will be redeemable in full or in part at the values shown in the table below:

2026 Bonds

Redemption period commencing:	Redemption price *(as % of the principal)*
May 30, 2022	101.3125%
May 30, 2023	100.6563%
May 30, 2024, and beyond	100.0000%

The redemption premiums will be amortized over the life of the loan as applicable.

NOTE 13 OTHER DEBTS

(€ million)	As of December 31, 2021	As of December 31, 2020
Tax consolidation current accounts	4.2	0.0
Tax and social security liabilities	4.8	9.9
Other liabilities	7.3	11.3
TOTAL	**16.3**	**21.2**

As of December 31, 2021, other liabilities consist primarily of Group royalties invoiced by FDPS (€3.7 million), Fnac Darty's commitment of €1.6 million in the context of its stake in the Daphni Purple fund, as well as those associated with indirect suppliers.

NOTE 14 OFF-BALANCE SHEET COMMITMENTS

Retirement benefits

The Company applies the option provided by ANC Recommendation 2013-02 to recognize all retirement and similar commitments as off-balance sheet commitments. The amount of the retirement benefits was €1.4 million as of December 31, 2021, and €1.6 million as of December 31, 2020.

The main actuarial assumptions used to estimate the retirement commitments of Fnac Darty are as follows:

	2021	2020
Discount rate	1.00%	0.55%
Expected rate of increase in salaries	1.50%	1.50%

Other commitments

In March 2021, Fnac Darty renegotiated the terms of its credit facilities by amending its RCF (Revolving Credit Facility) credit line to raise the total amount to €500 million from the previous amount of €400 million.

In parallel, the Group renegotiated the guarantees given for all its existing financial debts, namely the bond loan, the RCF credit line and the loan taken out with the European Investment Bank.

This renegotiation resulted in the complete cancellation of the guarantees pledged as security for these loans by the following companies: Fnac Darty Participations et Services, Fnac Direct, Établissements Darty et Fils, Darty Grand Est, Darty Grand Ouest, Fnac Belgium and Vanden Borre.

It should also be noted that the revolving credit facility for €500 million was not drawn as of December 31, 2021, and thus represents an off-balance sheet commitment received.

NOTE 15 CASH FLOW STATEMENT

(€ million)	Notes	2021	2020
Net income		74.1	(73.0)
Income and expense with no impact on cash		(66.5)	99.9
CASH FLOW		**7.6**	**26.9**
Change in working capital requirements		312.9	21.1
CHANGE IN CASH FLOW FROM OPERATING ACTIVITIES	**15**	**320.5**	**48.0**
(Acquisitions)/disposals of non-current operating assets		0.0	0.0
Change in non-current financial assets		(289.2)	0.3
CHANGE IN CASH FLOW FROM INVESTING ACTIVITIES	**15**	**(289.2)**	**0.3**
Net change in financial debt		(504.6)	452.7
Change in shareholders' equity		0.0	0.0
Dividends paid		(26.7)	0.0
CHANGE IN CASH FLOW FROM FINANCING ACTIVITIES	**15**	**(531.3)**	**452.7**
CHANGE IN CASH POSITION		**(499.9)**	**501.1**
CASH AT BEGINNING OF PERIOD		**503.6**	**2.5**
CASH AT END OF PERIOD		**3.7**	**503.6**

In 2021, the net change in the cash position represented a decline of €499.9 million. This decline is primarily linked to:

- the improvement in the change in cash position resulting from operating activities for €320.5 million, mainly due to the decrease in the current account receivable of the subsidiary Fnac Darty Participations et Services for €306.6 million;
- the decline in the change in cash flow from investing activities for €289.2 million is related to the establishment of a long-term loan in favor of Fnac Darty Participations et Services for €290.0 million, as well as the repayment of the par value of shares held in the Daphni Purple fund for €1.0 million, partially offset by the change in treasury shares for €0.6 million;
- the decline in the change in cash position resulting from financing activities for €531.3 million, mainly due to the repayment of the state-guaranteed loan for €500.0 million, and the distribution of dividends paid to shareholders for €26.7 million.

In 2020, the net change in the cash position represented an improvement of €501.1 million. This improvement was primarily linked to:

- the improvement in the change in cash position resulting from operating activities in the amount of €48.0 million, which was due to:
  - cash flow from operations of €26.9 million, an improvement compared to 2019 (one-off expense of €18.7 million in 2019 linked to the early repayment premium for the former bonds issue),
  - a decrease in the current account receivable to the Fnac Darty Participations et Services subsidiary in the amount of €22.8 million;
- the improvement in the change in cash position resulting from investing activities in the amount of €0.3 million was linked to the €0.7 million change in treasury shares, partially offset by a €0.4 million call for funds by Daphni Purple;
- the improvement in the change in cash position resulting from financing activities in the amount of €452.7 million was mainly due to the provisioning of €500 million in stated-guaranteed loan funds, partially offset by the repayment of negotiable debt securities in the amount of €50.0 million.

NOTE 16 OTHER INFORMATION

16.1 / Compensation paid to the Chairman of the Board of Directors

In 2021, the gross amount paid to Jacques Veyrat, Chairman of the Board of Directors, for his duties during 2021 amounted to €200,000.

This payment consists of fixed annual compensation only, as the Chairman of the Board stopped receiving compensation in respect of his directorship as of the date of his appointment as Chairman.

16.2 / Compensation paid to the Chief Executive Officer

In 2021, the gross amount paid to Enrique Martinez, Chief Executive Officer, for his current duties, including benefits in kind, other benefits and supplementary pension scheme contributions, amounted to €1,532,500, of which €750,000 represented his fixed annual compensation, €743,530 represented his 2020 variable annual remuneration following approval by the General Meeting of May 27, 2021, €17,958 represented benefits in kind and other benefits, €11,325 represented supplementary pension scheme contributions and €9,687 represented provident insurance plan contributions.

The Chief Executive Officer does not receive any compensation in respect of his directorship.

16.3 / Average number of employees

In 2021, the average number of employees of Fnac Darty was 11.

16.4 / Related-party transactions

As of December 31, 2021, the Ceconomy Retail International group held 24.3% of the share capital and 24.3% of the voting rights of Fnac Darty. In 2021, there were no transactions between Fnac Darty consolidated companies and the Ceconomy Retail International group.

As of December 31, 2021, Indexia Développement, formerly SFAM Group, held 11.3% of the share capital and 11.3% of the voting rights of Fnac Darty and did not have a representative on the Fnac Darty Board of Directors. Therefore, Indexia Développement is not a related party.

As of December 31, 2020, the Ceconomy Retail International group held 24.2% of the share capital and 24.2% of the voting rights of Fnac Darty. In 2020, there were no transactions between Fnac Darty consolidated companies and the Ceconomy Retail International group.

As of December 31, 2020, Indexia Développement, formerly SFAM Group, held 11.4% of the share capital and 11.4% of the voting rights of Fnac Darty and did not have a representative on the Fnac Darty Board of Directors. Therefore, Indexia Développement was not a related party.

16.5 / Supplier and customer payment schedules

	Invoices received, not paid and due at period-end							Invoices issued, not paid and due at period-end						
(€ million)	Invoices not yet due	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total 1 day and over	Invoices not yet due	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total 1 day and over
A) Late payment tranches														
Number of invoices concerned	33	0					5	8	0					0
Total incl. tax of invoices concerned	3.9	0.0	0.2	0.0	0.0	0.0	0.2	8.0	0.0	0.0	0.0	0.0	0.0	0.0
Fnac Darty	*3.7*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*8.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Percentage of total incl. tax for purchases for the period	44.4%	0.0%	2.2%	0.0%	0.0%	0.0%	0.0%							
Percentage of revenue incl. tax for the period								58.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B) Invoices excluded from A) for disputed or unrecognized payables and receivables														
Number of invoices excluded	10							None						
Total incl. tax of invoices excluded – invoices not arrived	0.7							None						
C) Reference payment deadlines used (contractual or legal period – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)														
Payment deadlines used to calculate late payments	Contractual deadlines: general expenses = 45 days end of month Contractual deadlines: Group invoices = 25th of the following month Legal deadlines: 60 days from invoice date							Contractual deadlines: Group invoices = 25th of the following month Legal deadlines: 60 days from invoice date						

NOTE 17 INFORMATION ON POST-BALANCE SHEET EVENTS

On March 10, 2022, Fnac Darty announced the extension of its €500 million RCF

In March 2022, Fnac Darty exercised the option to extend its €500 million RCF from March 2026 to March 2027. This option was fully subscribed by bank loans.

The Group still has an option to extend its RCF to March 2028.

In accordance with the shareholder return policy announced at the launch of the strategic plan Everyday in February, Fnac Darty will propose to the General Meeting of Shareholders on May 18, 2022, the distribution of an ordinary dividend of €2.00 per share (1), representing a payout ratio of nearly 37% (2). This dividend will be payable entirely in cash. The ex-dividend date will be on June 21, 2022, and the dividend payment date on June 23, 2022.

NOTE 18 TABLE OF SUBSIDIARIES AND SHAREHOLDINGS

(€ million)	Share capital	Shareholders' equity excluding capital & income	Share of capital held	Book value of securities held		Loans made by Fnac Darty not yet repaid	Guarantees and endorsements given by Fnac Darty	Revenue before tax of previous period	Profit or (loss) for last period ended	Dividends received by Fnac Darty during the period
				Gross	Net					
Subsidiaries owned at + 50%										
Fnac Darty Participations et Services	325.0	337.5	100%	838.4	838.4	315.5	0.0	4,672.5	58.9	1.0
Darty Limited	157.6	400.8	100%	1,116.8	1,090.2	0.0	0.0	0.0	(1.9)	0.0
Fnac Luxembourg SA	0.0	(2.2)	100%	0.0	0.0	0.0	0.0	6.2	(1.1)	0.0

(1) Corresponding to an amount of around €54 million on the basis of the number of Fnac Darty shares at December 31, 2021.
(2) Calculated on the net income from continuing operations, Group share.

NOTE 19 FIVE-YEAR RESULTS

Five-year results	2021	2020	2019	2018	2017
CAPITAL AT PERIOD-END					
Share capital *(€)*	26,761,118.0	26,608,571.0	26,515,572.0	26,605,439.0	26,658,135.0
Number of ordinary shares outstanding	26,761,118	26,608,571	26,515,572	26,605,439	26,658,135
Transactions and results for the period *(€ thousand)*					
Income from ordinary operating activities	11,940.5	10,490.3	18,626.7	18,117.8	16,873.2
Earnings before tax, employee profit-sharing, amortization, depreciation and provisions	(23,067.7)	(28,463.8)	(45,482.6)	(55,170.5)	(31,883.5)
Employee profit-sharing payable for the period	2.1	(7.7)	(5.3)	(16.1)	(13.3)
Income tax (expense)/credit	31,440.5	55,411.5	41,826.7	43,193.2	27,369.0
Earnings after tax, employee profit-sharing, and amortization, depreciation and provisions	74,122.0	(73,078.6)	(8,992.9)	(17,422.9)	(10,053.8)
Distributed earnings [a]	0.0	26,689.4	0.0	0.0	0.0
DATA PER SHARE *(€)*					
Earnings after tax, employee profit-sharing, and before amortization, depreciation and provisions	0.31	1.01	(0.14)	(0.45)	(0.17)
Earnings after tax, employee profit-sharing, and amortization, depreciation and provisions	2.77	(2.75)	(0.34)	(0.65)	(0.38)
Dividend:					
net dividend per share	0.0	1.0	0.0	0.0	0.0
EMPLOYEES					
Average number of employees during the period	11.0	11.0	9.0	10.0	11.0
Total payroll for the year *(€ thousand)*	5,722.5	4,241.9	4,653.4	3,793.2	8,737.3
Amount paid for employee benefits for the period *(€ thousand)*	2,177.5	1,941.8	2,065.3	2,507.3	3,416.5

(a) The amount of the 2021 dividends will not be definitively known until after the Annual General Meeting of May 18, 2022.

5.5 / Material change in financial or commercial positions

To the best of Fnac Darty's knowledge, no event likely to have a material influence on Fnac Darty's activity, financial position and net assets has occurred since December 31, 2021.

5.6 / Auditors' Report on the consolidated financial statements

Year ended December 31, 2021

To the General Meeting of FNAC DARTY SA,

Opinion

In execution of the mission assigned to us by the General Meetings, we have audited the FNAC DARTY SA consolidated financial statements for the year ended December 31, 2021, as attached to this report.

We hereby certify that the consolidated financial statements present a true and fair view of the results of the operations for the past year and of the financial position and net assets at period-end of the group formed by the persons and entities included in the consolidation in accordance with IFRS guidelines as adopted in the European Union.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of the opinion

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our responsibilities under these standards are set forth in the section "Responsibilities of the Auditor for auditing the consolidated financial statements" contained in this report.

Independence

We conducted our audit in compliance with the applicable rules on independence set out in the French Commercial Code and the Code of Ethics of the auditing profession, over the period from January 1, 2021, to the date we issued our report, and specifically we provided no services prohibited by Article 5, Section 1 of Regulation (EU) 537/2014.

Justification of the assessments – Key points of the audit

The global crisis relating to the Covid-19 pandemic entails special conditions for the preparation and audit of this year's financial statements. Indeed, this crisis and the exceptional measures taken as part of the state of health emergency have many consequences for companies, particularly on their activity and their financing, as well as increased uncertainties regarding their future prospects. A number of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and on the way audits are conducted.

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code regarding the justification of our assessments, we are hereby informing you of the key points of the audit relating to material risks of anomalies which, in our professional judgment, were the most important for the audit of the consolidated financial statements, and our responses to these risks.

The assessments made are part of our process of auditing the consolidated financial statements as a whole and thus contributed to our opinion as expressed above. We are expressing no opinion on elements of these consolidated financial statements taken in isolation.

Valuation and recognition of discounts and commercial cooperation received and to be received from suppliers

(Notes 2.3.2 and 2.19 of the Notes to the consolidated financial statements)

Risk identified	Audit response provided
Within the Group, there is a large number of purchasing contracts and agreements with suppliers that stipulate: ■ commercial discounts given to the Group based on quantities purchased or other contractual conditions, such as reaching thresholds or growth in purchasing volumes ("discounts"); ■ amounts paid to the Group in respect of services to suppliers ("commercial cooperation"). Discounts and commercial cooperation received and to be received by the Group from its suppliers are valued on the basis of contracts signed with suppliers. These are recognized as a reduction in the cost of sales. Given the large number of contracts and the features specific to each supplier, the correct valuation and recognition of discounts and commercial cooperation to be received with respect to contractual provisions and annual purchasing volumes constitute a key point of the audit.	We were informed of the internal control process and key controls established by the Group concerning the process to value and recognize discounts and commercial cooperation, and tested their effectiveness on a sampling of contracts. Our other work, involving surveys, consisted of: ■ reconciling the commercial terms used in the calculation of discounts and commercial cooperation with the conditions stipulated in the purchasing contracts and agreements with suppliers; ■ comparing the estimates made of discount and commercial cooperation amounts for the previous year with the corresponding actual data in order to assess the reliability of the estimation process; ■ corroborating the volumes of business chosen with the volumes of business recorded in the Group's purchasing information systems to calculate the expected amount of discounts; ■ obtaining evidence of the completion of the services rendered as of December 31, 2021; ■ obtaining evidence of payment for amounts already collected as of December 31, 2021.

Valuation of the Darty and Vanden Borre brands

(Notes 2.3.2, 2.7, 2.10, 16 and 19 of the Notes to the consolidated financial statements)

Risk identified	Audit response provided
The Darty and Vanden Borre brands are recognized for a net amount of €287.5 million and €35.3 million respectively. They were valued using the relief from royalty method (for royalties received from franchisees for use of the brand) by an independent expert, for the purpose of allocating the Darty purchase price in 2016. During each fiscal year, when events or circumstances indicate that impairment is likely to occur, management ensures that the net book value of these brands is not greater than their recoverable value. The recoverable value of the brands is their fair value minus exit costs or their value-in-use, whichever is higher. The recoverable value of the brands was determined on the basis of their value-in-use, which is calculated by discounting the royalty savings generated by and received from the franchisees for the use of the brand (net of maintenance costs and taxes). Royalty savings projections were made in the second half of the year, for a three-year period, based on budgets and medium-term plans. To calculate recoverable value, a terminal value equal to capitalization in perpetuity of a normative saving is added to the value of the expected future savings. In this context, we considered the measurement of the recoverable value and specifically the calculation of the recoverable value of the Darty and Vanden Borre brands to be a key point of the audit because of their particularly material amount on the balance sheet assets as of December 31, 2021, uncertainties related to the probability of achieving the budgets and medium-term plans used as the basis for projections of flows of future royalty savings used in the measurement of their recoverable value, and sensitivity to changes in the data and assumptions on which the estimates were based.	We were informed of the process implemented by management in order to determine the value-in-use of the Darty and Vanden Borre brands. Our work consisted of: ▪ assessing the relevance of the principles and method for determining values-in-use in terms of market practices used to value brands; ▪ assessing the consistency of the projected revenue growth rates with available outside analyses, and in the context of the health crisis in 2021; ▪ assessing the royalty rates applied to the brands in calculating value based on future revenue; ▪ assessing the reasonable nature of the discount rates applied to the estimated royalty flows, specifically by verifying that the various parameters comprising the weighted average cost of capital for each brand can approach the rate of return expected by market participants for similar activities; ▪ performing sensitivity tests on the various assumptions. We also assessed the appropriateness of the information presented in note 19 of the notes to the consolidated financial statements.

Recoverable value of goodwill allocated to the France cash generating unit (CGU)

(Notes 2.3.2, 2.6, 2.10, 15 and 19 of the Notes to the consolidated financial statements)

Risk identified	Audit response provided
CGUs containing goodwill are subject to a systematic annual impairment test in the second half of the year and whenever events or circumstances indicate that a loss of value may occur. If the recoverable value of a CGU is lower than its net book value, an impairment is recognized. The recoverable value of a CGU is its fair value less exit costs or its value-in-use, whichever is higher. Value-in-use is determined in relation to projections of the expected future cash flows of a CGU, taking into account the time value and specific risks related to the CGU. Cash flow projections were made during the second half of the year, for a period of three years, based on budgets and medium-term plans. For the value-in-use calculation, a terminal value equal to capitalization in perpetuity of a normative annual cash flow is added to the value of expected future cash flows. As of December 31, 2021, the net book value of the goodwill allocated to the France CGU was €1,512.9 million. We considered the measurement of the recoverable value of the goodwill allocated to the France CGU to be a key point of the audit because of its weight in total assets as of December 31, 2021, uncertainties related to the probability of achieving the projected future cash flows used in the measurement of the value-in-use, and sensitivity to changes in the financial data and assumptions used.	We were informed of the process implemented by management to determine the recoverable value of the goodwill allocated to the France CGU. Our work consisted of: ■ verifying the items comprising the net book value of the France CGU to which the goodwill is attached; ■ ensuring that the principles and methods for determining the recoverable value of the France CGU are consistent with IAS 36; ■ assessing the reasonableness of the cash-flow projections for the France CGU in terms of management's assumptions and the economic environment in which the Group operates in France, in the context of the health crisis in 2021; ■ assessing the consistency of the growth rate used for projected flows for calculating the terminal value with information from available outside analyses and with the help of our specialists; ■ assessing the reasonableness of the discount rate applied to the cash flows, estimated with the help of our specialists, by specifically verifying that the various parameters comprising the weighted average cost of capital of the France CGU approaches the rate of return expected by market participants for similar activities; ■ comparing the accounting estimates of cash flow projections from previous periods with the corresponding actual data in order to assess reliability; ■ performing sensitivity tests on the various assumptions. We also assessed the appropriateness of the information presented in note 19 of the notes to the consolidated financial statements.

Specific verifications

Consistent with professional standards applicable in France, we also performed the specific verifications required by the legal and regulatory texts of information relating to Group data in the Board of Directors' Management Report.

We have no observations to make on its fair presentation and its consistency with the consolidated financial statements.

We certify that the consolidated non-financial performance declaration provided for by Article L. 225-102-1 of the French Commercial Code is included in the information relating to the Group given in the Management Report, on the understanding that, pursuant to the provisions of Article L. 823-10 of the said Code, we have not verified the fairness or consistency of the information contained in this report with the consolidated financial statements, and that it must be the subject of a report by an independent third party.

Other verifications or information required by laws and regulations

Format of the consolidated financial statements intended for inclusion in the annual financial report

In line with the professional standard on due diligence of statutory auditors in relation to annual and consolidated financial statements presented in accordance with the Single European Electronic Reporting Format, we have also verified compliance with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, in the presentation of the consolidated financial statements intended for inclusion in the annual financial report referred to in Section I of Article L. 451-1-2 of the French Monetary and Financial Code, established under the responsibility of the Chief Executive Officer. With regard to the consolidated financial statements, our work includes verifying that the mark-up of these financial statements complies with the format set out in the above-mentioned Regulation.

Based on our work, we conclude that in all material respects, the presentation of the consolidated financial statements for inclusion in the annual financial report complies with the Single European Electronic Reporting Format.

It is not our responsibility to verify that the consolidated financial statements which will effectively be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Auditors

Deloitte & Associés was appointed auditor of Fnac Darty SA by the General Meeting of June 22, 1993, and KPMG Audit, a division of KPMG SA, was appointed at the General Meeting of April 17, 2013.

As of December 31, 2021, the two firms were in the ninth year of their appointment since the Company's shares had been listed for trading on a regulated market. Deloitte & Associés is in the twenty-ninth year of its appointment without interruption, and KPMG SA in its ninth year.

Responsibilities of management and the individuals comprising corporate governance for the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present a fair image, in accordance with IFRS guidelines as adopted in the European Union, and to implement the internal controls it believes necessary for the preparation of consolidated financial statements containing no material anomalies, whether as a result of fraud or errors.

During preparation of the consolidated financial statements, it is management's responsibility to assess the Company's ability to continue operations, to present in these statements any information concerning operating as a going concern, and to apply the going concern accounting principle, unless it is planned to liquidate the Company or cease operations.

It is the responsibility of the Audit Committee to monitor the process of preparing the financial information and to monitor the effectiveness of the internal control and risk management systems and, if applicable, the internal audit system, with regard to the procedures for preparing and processing the accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Auditor for auditing the consolidated financial statements

Audit purpose and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our goal is to obtain reasonable assurance that the consolidated financial statements, considered in their entirety, contain no material anomalies. Reasonable assurance corresponds to a high level of assurance without, however, guaranteeing that an audit conducted in accordance with professional standards will systematically detect any material anomaly. Anomalies may result from fraud or error and are considered material when one can reasonably expect that, individually or together, they could influence the economic decisions made by users of the financial statements based on those statements.

As specified by Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist of guaranteeing the viability or quality of your Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit. Moreover:

- the auditor identifies and measures the risks that the consolidated financial statements contain material anomalies, whether as a result of fraud or error, defines and implements audit procedures in light of these risks, and collects information deemed sufficient and appropriate on which to base an opinion. The risk of failure to detect a material anomaly resulting from fraud is greater than the risk of failure to detect a material anomaly resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or bypassing of internal controls;
- the auditor reviews the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, and not in order to express an opinion on the effectiveness of the internal controls;
- the auditor assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as information on these elements provided in the consolidated financial statements;
- the auditor assesses the appropriateness of management's application of the going concern accounting convention and, based on information collected, the existence or absence of material uncertainty related to events or circumstances that could call into question the Company's ability to continue operations. This assessment is based on information collected up to the date of the auditor's report; it is, however, noted that subsequent circumstances or events could call into question the Company operating as a going concern. If the auditor concludes that a material uncertainty exists, he calls the attention of readers of the audit report to information provided in the consolidated financial statements concerning this uncertainty or, if this information is not provided or is not pertinent, the auditor certifies with reservations or refuses to certify the financial statements;
- the auditor assesses the overall presentation of the consolidated financial statements and evaluates whether they reflect and provide a fair picture of the underlying transactions and events;
- for financial information on persons or entities included within the scope of consolidation, the auditor collects information believed to be sufficient and appropriate in order to express an opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and completion of the audit of the consolidated financial statements and for the opinion on those statements.

Report to the Audit Committee

We are submitting a report to the Audit Committee specifically describing the scope of the audit work and the work conducted, as well as the conclusions arising from our work. We are also informing the Committee of any significant weaknesses in the internal controls we have identified in the procedures for preparing and processing the accounting and financial information.

The elements communicated in the report to the Audit Committee include the risks of material anomalies which we believe were the most important for the audit of the annual consolidated financial statements and which therefore constitute the key points of the audit which it is our responsibility to describe in this report.

We are also providing the Audit Committee with the declaration stipulated by Article 6 of Regulation (EU) 537/2014 confirming our independence, under the rules applicable in France specifically as established by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics for the auditing profession. As necessary, we discuss with the Audit Committee any risks impacting our independence and the safeguards taken.

Paris-La Défense, March 16, 2022

Statutory Auditors

Deloitte & Associés	KPMG Audit
	A department of KPMG SA
Guillaume Crunelle	Éric Ropert
Partner	*Partner*

5.7 / Auditors' Report on the annual financial statements

Year ended December 31, 2021

To the General Meeting of FNAC DARTY SA,

Opinion

In execution of the mission assigned to us by the General Meetings, we have audited the FNAC DARTY SA annual financial statements for the year ended December 31, 2021, as attached to this report.

We hereby certify that the annual financial statements present a true and fair view of the results of the operations for the past year and of the financial position and net assets of the Company at year-end in accordance with French accounting rules and principles.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of the opinion

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our responsibilities under these standards are set forth in the section "Auditors' responsibilities for the audit of the annual financial statements" contained in this report.

Independence

We conducted our audit in compliance with the applicable rules on independence set out in the French Commercial Code and the Code of Ethics of the auditing profession, over the period from January 1, 2021, to the date we issued our report, and specifically we provided no services prohibited by Article 5, Section 1 of Regulation (EU) 537/2014.

Justification of the assessments – Key points of the audit

The global crisis relating to the Covid-19 pandemic entails special conditions for the preparation and audit of this year's financial statements. Indeed, this crisis and the exceptional measures taken as part of the state of health emergency have many consequences for companies, particularly on their activity and their financing, as well as increased uncertainties regarding their future prospects. A number of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and on the way audits are conducted.

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code regarding the justification of our assessments, we are hereby informing you of the key points of the audit relating to material risks of anomalies which, in our professional judgment, were the most important for the audit of the annual financial statements, and our responses to these risks.

The assessments made are part of our process of auditing the annual financial statements as a whole and thus contributed to our opinion as expressed above. We are expressing no opinion on elements of these annual financial statements taken in isolation.

Valuation of equity investments

(Notes 2.1 "Non-current financial assets", 7 "Net non-current financial assets" and 18 "Table of subsidiaries and shareholdings" in the notes to the annual financial statements)

Risk identified	Audit response provided
As at December 31, 2021, equity investments are recorded on the balance sheet at a net book value of €1,928.6 million, or 85% of total assets, of which Fnac Darty Participations et Services stocks for €838.4 million and Darty Limited stocks for €1,090.2 million. On the entry date, they are recognized at acquisition cost, including related costs and fees. At period-end, the gross value of equity investments is compared to their value-in-use. The value-in-use of the equity investments of Fnac Darty Participations et Services and Darty Limited is determined on the basis of observation of Fnac Darty's market capitalization over a given period, weighted by the consensus objective agreed by analysts. By applying economic criteria, this value-in-use can be allocated between the two subsidiaries. This valuation takes the Company's debt into account. When this value is lower than the acquisition cost of the securities, an impairment is recorded for the amount of this difference. Estimating the value-in-use of equity investments requires a substantial amount of judgment on the part of management, in particular to determine and allocate this value-in-use between the two subsidiaries. Taking into account the weight of equity interests on the balance sheet and in the model used, we considered the accurate measurement of the value in use of the equity interests to be a key point of our audit.	In order to assess the reasonableness of the estimated value-in-use of the equity investments and their allocation between the subsidiaries of Fnac Darty Participations et Services and Darty Limited, based on the information provided to us, our work consisted primarily of: ■ verifying that the estimate of the value-in-use determined by management is based on an appropriate justification of the valuation method and the data used; ■ recalculating this value-in-use by our valuation experts; ■ verifying the consistency and arithmetical control of how the chosen allocation criteria were distributed between the equity investments of the subsidiaries of Fnac Darty Participations et Services and Darty Limited.

Specific verifications

Consistent with professional standards applicable in France, we also performed the specific verifications required by the legal and regulatory texts in effect.

Information provided in the Management Report and other documents on the financial position and the annual financial statements sent to shareholders

We have no observations to make as to the fair presentation and consistency with the annual financial statements of the information provided in the Board of Directors' Management Report, the documents on the financial position, and the annual financial statements sent to shareholders.

We certify the fairness and consistency with the financial statements of the information regarding the payment periods outlined in Article D. 441-6 of the French Commercial Code.

Report on Corporate Governance

We certify the existence of the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code in the Board of Directors' Report on Corporate Governance.

As regards the information provided pursuant to Article L. 22-10-9 of the French Commercial Code on compensation and benefits paid or awarded to corporate officers and the commitments made to them, we have verified that it is consistent with the financial statements or with the data used to prepare these statements and, as applicable, with the evidence gathered by your Company from companies controlled by your Company that are within the scope of consolidation. On the basis of this work, we certify the accuracy and fairness of this information.

With respect to information on the items which your Company believes could have an impact in the event of a public tender or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code, we verified its consistency with the documents from which the information was drawn and which were provided to us. On the basis of this work, we have no comment to make about this information.

Other information

As required by law, we have made certain that various information on the identity of shareholders and voting rights has been provided to you in the Management Report.

Other verifications or information required by laws and regulations

Format of the annual financial statements intended for inclusion in the annual financial report

In line with the professional standard on due diligence of statutory auditors in relation to annual and consolidated financial statements presented in accordance with the Single European Electronic Reporting Format, we have also verified compliance with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, in the presentation of the annual financial statements intended for inclusion in the annual financial report referred to in Section I of Article L. 451-1-2 of the French Monetary and Financial Code, established under the responsibility of the Chief Executive Officer.

Based on our work, we conclude that in all material respects, the presentation of the annual financial statements for inclusion in the annual financial report complies with the Single European Electronic Reporting Format.

It is not our responsibility to verify that the annual financial statements which will effectively be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Auditors

Deloitte & Associés was appointed auditor of FNAC DARTY SA by the General Meeting of June 22, 1993, and KPMG Audit, a division of KPMG SA, was appointed at the General Meeting of April 17, 2013.

As of December 31, 2021, the two firms were in the ninth year of their appointment since the Company's shares had been listed for trading on a regulated market. Deloitte & Associés is in the twenty-ninth year of its appointment without interruption, and KPMG SA in its ninth year.

Responsibilities of management and the individuals comprising corporate governance for the annual financial statements

It is the responsibility of management to prepare annual financial statements that present a fair image, in accordance with French accounting rules and principles, and to implement the internal controls it believes necessary for the preparation of annual financial statements containing no material anomalies, whether as a result of fraud or error.

During preparation of the annual financial statements, it is management's responsibility to assess the Company's ability to continue operations, to present in these statements any information concerning operating as a going concern, and to apply the going concern accounting principle, unless it is planned to liquidate the Company or cease operations.

It is the responsibility of the Audit Committee to monitor the process of preparing the financial information and to monitor the effectiveness of the internal control and risk management systems and, if applicable, the internal audit system, with regard to the procedures for preparing and processing the accounting and financial information.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the Auditor for auditing the annual financial statements

Audit purpose and approach

It is our responsibility to prepare a report on the annual financial statements. Our goal is to obtain reasonable assurance that the annual financial statements, considered in their entirety, contain no material anomalies. Reasonable assurance corresponds to a high level of assurance without, however, guaranteeing that an audit conducted in accordance with professional standards will systematically detect any material anomaly. Anomalies may result from fraud or error and are considered material when one can reasonably expect that, individually or together, they could influence the economic decisions made by users of the financial statements based on those statements.

As specified by Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist of guaranteeing the viability or quality of your Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit. Moreover:

- the auditor identifies and measures the risks that the annual financial statements contain material anomalies, whether as a result of fraud or error, defines and implements audit procedures in light of these risks, and collects information deemed sufficient and appropriate on which to base an opinion. The risk of failure to detect a material anomaly resulting from fraud is greater than the risk of failure to detect a material anomaly resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or bypassing of internal controls;
- the auditor reviews the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, and not in order to express an opinion on the effectiveness of the internal controls;
- the auditor assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as information on these elements provided in the annual financial statements;
- the auditor assesses the appropriateness of management's application of the going concern accounting convention and, based on information collected, the existence or absence of material uncertainty related to events or circumstances that could call into question the Company's ability to continue operations. This assessment is based on information collected up to the date of the auditor's report; it is, however, noted that subsequent circumstances or events could call into question the Company operating as a going concern. If the auditor concludes that a significant uncertainty exists, he calls the attention of readers of the audit report to information provided in the annual financial statements concerning this uncertainty or, if this information is not provided or is not pertinent, the auditor certifies with reservations or refuses to certify the financial statements;

- the auditor assesses the overall presentation of the annual financial statements and evaluates whether they reflect and provide a fair picture of the underlying transactions and events.

Report to the Audit Committee

We are submitting a report to the Audit Committee specifically describing the scope of the audit work and the work conducted, as well as the conclusions arising from our work. We are also informing the Committee of any significant weaknesses in the internal controls we have identified in the procedures for preparing and processing the accounting and financial information.

The elements communicated in the report to the Audit Committee include the risks of material anomalies which we believe were the most important for the audit of the annual financial statements and which therefore constitute the key points of the audit which it is our responsibility to describe in this report.

We are also providing the Audit Committee with the declaration stipulated by Article 6 of Regulation (EU) 537/2014 confirming our independence, under the rules applicable in France specifically as established by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics for the auditing profession. As necessary, we discuss with the Audit Committee any risks impacting our independence and the safeguards taken.

Paris-La Défense, March 16, 2022

Statutory Auditors

Deloitte & Associés	**KPMG Audit**
	A department of KPMG SA
Guillaume Crunelle	Éric Ropert
Partner	*Partner*

6

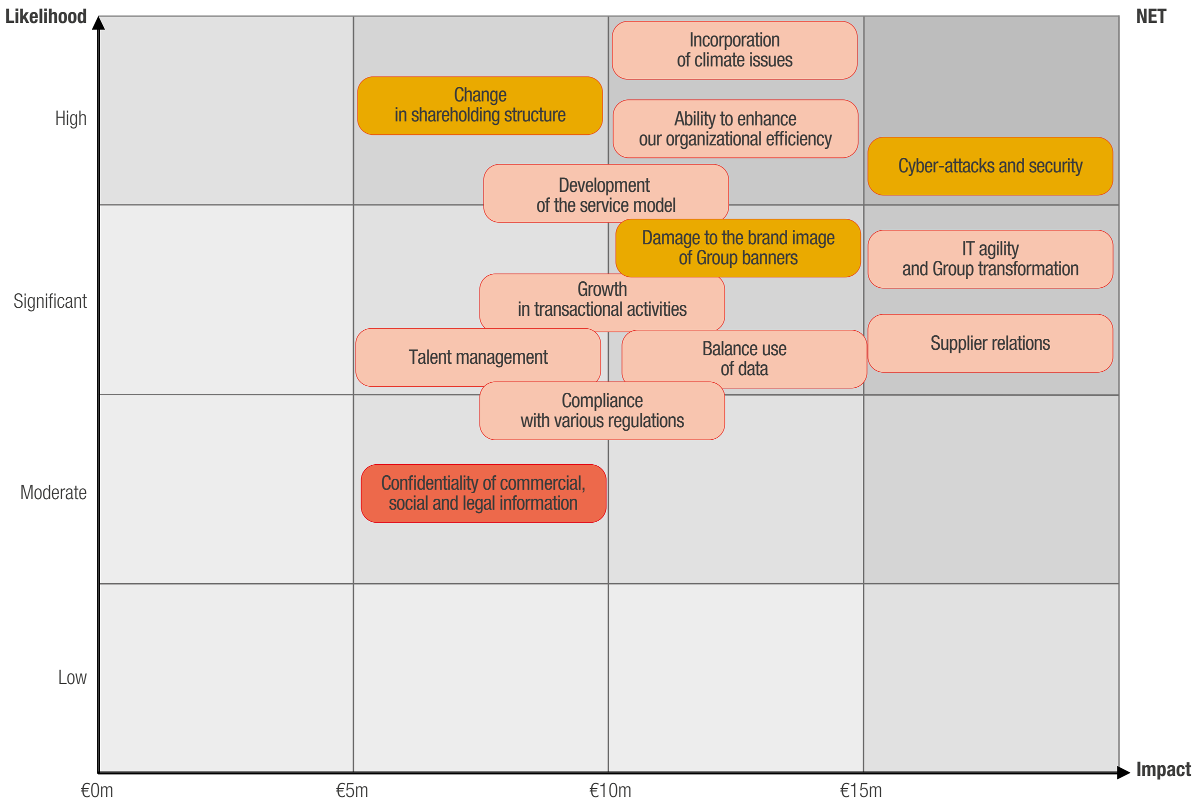
Risk factors and management

The Group operates in a constantly changing environment and is therefore exposed to both external and internal risks in developing its activities relating to its strategic plan. Moreover, the Group has conducted a review and assessment of the risks that could potentially have a material adverse impact on its activities, its financial position, its net assets, its income, its ability to achieve its objectives, its image and its reputation. This chapter set outs the main risks identified to which the Group considers itself to be exposed, as well as the internal control and risk management procedures implemented to prevent, manage and mitigate these risks. The risk mapping was presented and approved at the Audit Committee meeting in December.

The most substantial risk factors within each category are presented first. The importance of each risk is calculated as at the date of this document, based on an assessment of the estimated level of impact of the risk and the likelihood of its occurrence.

Main risks identified to which the Group considers itself to be exposed

Assessment of risks according to their likelihood of occurrence and estimated financial impact



6.1 / Risks related to changes in the economic model

Against the backdrop of the crisis, Fnac Darty needs to persist with transforming its omnichannel model by continuing to adapt its organization and investing in IT systems and operational resources. Product and service lines must continue to be updated to achieve a better fit with changing consumer behaviors. However, the Group strives to balances its investments so as to maintain the profitability of its economic model, and keeps a close eye on developments and the economic outlook.

Risks related to changes to the economic model – IT agility and Group transformation

Risk identification	Risk management
Fnac Darty's ambition, as expressed through its strategic plan and the multiplication of the Group's growth drivers (its online platforms, Marketplace, development of the franchise, partnerships, etc.), requires significant investment and the extremely rapid and successful transformation of its information systems. Some applications used by the Group need to be updated to improve the customer experience and strengthen operational continuity during busy periods. There is a lack of standardization across the applications used by the Group's various entities. Moreover, the Group may fail to deliver this transformation successfully, both in terms of its capacity and its speed of execution.	The governance for a three-year master plan was set up in 2018 and updated at the end of 2020. This master plan is sponsored at Executive Committee level in close collaboration with the business lines and its main measures include: ■ the monthly monitoring of key issues and investment strategies at Executive Committee level within a dedicated committee; ■ the rollout of agile development, particularly in the Digital Factory project, aims to create omnichannel and omni-brand IT functionality in France. The creation of combined IT and business teams to help improve the efficiency of production launches and to mitigate the associated risks; ■ the insourcing of key IT resources, enabling control of core business components over time and facilitating the success of the plan to converge the Fnac and Darty IT systems; ■ strengthening the continuity of service arrangements for the most critical applications in place, including handling the obsolescence of end-of-life applications; ■ the use of public cloud resources to provide faster support for new business strategies (subscription, CRM, data sharing & advertising, ramp-up of online sales).

Risks related to changes in the economic model – Relations with suppliers

Risk identification	Risk management
Fnac Darty offers a wide range of products and is supplied by a large number of suppliers. In France, in particular, purchases from the top twenty suppliers represented around 60% of the total purchases made in 2021. A major portion of the Group's operations depends on its capacity to negotiate under good commercial conditions and maintain contracts and long-term business relations with its suppliers, especially those for whose products there is no substitute as far as customers are concerned (e.g. Samsung, Apple, Microsoft, Sony, etc.). Any deterioration in the brands' relationships with their main suppliers, partners or service providers, the imposition of stricter conditions by these parties, or the non-renewal or early termination of their main supply or service agreements may have a material adverse effect on the Group's image, operations, earnings, financial position and outlook. In addition, amid a global shortage of semiconductor components, the Group could also be faced with its suppliers' inability to deliver the expected volumes.	The Group's sales policy is designed to develop strategic partnerships with suppliers, partners and contractors in its primary markets: ■ align our interests and suppliers' interests around the value strategy, with its opportunities and constraints, by entering into partnerships that shape the entire relationship (purchasing, communication, merchandising, demonstrations, etc.); ■ ad-hoc structures with a specific governance system are implemented with the aim of rebalancing our relations with our suppliers through: ▪ a "hybrid" mode of operation which links buyers to product categories and provides central coordination, ▪ integration of the scope of the France and international Purchasing Departments (management of European contracts) is in progress, ▪ separate management of the Services area by a specific Services Department; ■ offer developments to the services delivered to our suppliers through data supply and to the customer's experience online and in store; ■ agreements with suppliers are periodically negotiated in accordance with local laws and regulations and the Business Code of Conduct (appended to supplier contracts).

Risks related to changes in the economic model – Ability to enhance our organizational efficiency

Risk identification	Risk management
The simplest, most impactful, and most readily implementable cost-saving plans have already been accomplished through the synergies announced at the time of the Fnac Darty integration. The Group must nevertheless continually seek out further cost-saving plans to ensure that its operational efficiency and earnings do not deteriorate due to the normal inflation of costs, particularly real estate costs. As such, the Group may not be able to implement sufficient cost-saving plans to offset the impact of inflation. The Group needs to ensure that it maintains an ideal balance between its store network and changes in business activity and consumer behavior.	The performance culture is central to the Group's strategy, to ensure that all departments contribute to the search for potential cost savings while maintaining operational efficiency, which has been in place for several years. A governance structure and action plans to support its staff have been identified, primarily through a matrix structure that permits decision-making without hampering Group-wide development and pays special attention to any potential human resource impacts in its entities. Performance plan management is monitored monthly by the Executive Committee. In 2020, the Property Department realigned its organizational structure to improve its response to the challenges of developing sales activities and managing real estate costs, with a clear roadmap for redefining store formats and optimizing retail space.

Risks related to the development of the business model – Ability to integrate climate issues into our strategic planning and tactical decisions

Risk identification

The profound environmental crisis that is facing our societies is gradually calling into question the production and consumption methods of the last 50 years.

Against this backdrop, public authorities are strengthening the legislative arsenal to force companies to reduce their environmental impacts, particularly those related to transport, energy, waste and consumer goods. The number of consumers seeking to consume better, or consume less, is steadily increasing. Young workers are increasingly conscious of CSR commitments, and many investors are investing in companies that are rated highly by non-financial rating agencies.

The Group must incorporate this growing dimension and develop its business model to prevent contradictions or inconsistencies that, in some extreme cases, could lead to smear campaigns on social networks or demonstrations outside head offices, stores or warehouses.

The Group must also ensure compliance with new climate regulations and anticipate future changes in the regulatory framework.

Failure to incorporate these environmental issues would expose the Group to multiple risks, such as:

- damage to the Group's reputation;
- decline in popularity;
- loss of business;
- non-compliance and penalties.

A detailed description of the risks identified by the Group is presented in chapter 2, section 2.4.2.

Risk management

Aside from these risks, Fnac Darty believes that the incorporation of environmental issues into its business model represents an opportunity to enhance the strong and historic assets of the Group's brands (responsible image, after-sales service, technical laboratory, sales expertise, store network, etc.). By integrating the sustainability objective into its strategic plan, the Group is demonstrating its desire to make itself more sustainable and to position itself as the leader in responsible retail.

In this regard, the Group has implemented three major initiatives:

1/ definition of a *raison d'être* that embeds environmental concerns within a context of hyperchoice and over-consumption: "Committed to providing an educated choice and more sustainable consumption." This mission statement guides the Company in its strategic decisions and its day-to-day activity and management;

2/ strengthening governance: social and environmental responsibility is driven by the Executive Committee and the Board of Directors. Since 2021, a CSR objective has been incorporated into the variable compensation of the Chief Executive Officer, the members of the Executive Committee and all managers.

A *Climate Committee* is steering the Group's target of a 50% reduction in CO_2 emissions by 2030 (compared to 2019) for transport and energy, established in line with the science and in order to limit global warming to 1.5°C.

A *Circular Economy Committee* oversees cross-functional initiatives to promote repair, reuse and recycling.

A *CSR Committee* steers the roadmaps of the operational departments in France and internationally, and instigates projects aimed at reducing the environmental impact of the Group's activities;

3/ the development of services and advice that promote a more circular economy: launch of the "sustainability score" and the "Sustainable Choice" label, a subscription-based repair service (Darty Max), a repair assistance platform, expansion of the pre-owned Occasion activities, etc.

The management of this risk, the governance, the decarbonization strategy, the objectives and all actions taken to address this risk are detailed in chapter 2, section 2.4 ("Reduce impacts on the climate") and section 2.2 ("Promote sustainable consumption and an educated choice").

Risks related to changes in the economic model – Damage to the brand image of the Group's banners

Risk identification	Risk management
The success of our banners relies in part on the strong reputation and consumers' high opinion of our Fnac, Darty and Nature & Découvertes brands. In the context of the growth of its network of franchises and of Marketplace, the development of external partnerships, increasingly fierce competition and the development of social media that encourage the rapid dissemination of opinions, comments and reviews, the Group's ability to maintain the consideration, preference and distinctive character of its brands, the ability to integrate CSR and ethical issues into the choice of our suppliers and partners, and to retain the membership of its customer loyalty programs, are key factors for longevity. Moreover, our banners' brand image could be affected by exceptional events such as liability incurred for marketing faulty products, the ability to integrate CSR and ethical issues in the choice of our suppliers and partners, or non-compliance with applicable regulations.	A number of measures have been implemented to reduce the aforementioned risks: ■ an ongoing monitoring mechanism flags any event likely to affect the Group's image and reputation. This system relies on various departments working together, in particular the Marketing Department, Internal Communications and the Risk Prevention Department; ■ a mechanism to monitor the reputation of our leading third parties has been initiated under the Sapin 2 law; ■ Fnac Darty's Business Code of Conduct, which was updated at the end of 2021, is available on the Company's internal network and appended to our contracts and agreements with third parties; it sets out the Group's ethical commitments and the behaviors required; ■ furthermore, the IT Charter sets out the rules governing the use of the IT tools available to employees in compliance with the Group's ethical rules.

Risks associated with changes to the economic model – Development of the service model

Risk identification	Risk management
The significant changes in the Fnac Darty service model involve speedy adjustments within the organization. We need to develop appropriate IT systems, align our internal processes, and train and gear up our technical and sales teams. To achieve the expected profitability of this model, it is essential that we provide the quality of service promised to the customer and that the business is managed effectively. The Group must also tighten up controls to guard against the various risks inherent in these activities.	The Group relies on its ecosystem and partnerships to make its services accessible to as many customers as possible. It is organized to acquire the right skills for managing subscriptions and driving its profitability (churn, NPS, payment problems). The Group is recruiting 500 technicians over the plan period to provide the capacity to meet the customer demand for repairs generated by the increase in Darty Max repair subscriptions. It is expanding its IT platform to include new subscription management functionality, and continues to develop control reporting tools. The Group is capitalizing on its high levels of flexibility/agility, which helped it to recruit 500,000 subscribers to its new Darty Max service by the end of 2021, despite stores being closed for several weeks.

Risks associated with changes to the economic model – Growth in transactional activities

Risk identification	Risk management
The development of our multichannel model and the growth of our online sales are placing increasing pressure on Fnac Darty's operations. The Group needs to support its growth ambition by maintaining its delivery capacity and ensuring high-class service in dealing with the challenges of controlling the costs of availability, order preparation, shipment and delivery.	The structure of our operating model is changing to bring our capacity more closely into line with increasing demand. The Group plans to make a significant investment in high-quality modern equipment to mechanize and automate order preparation and shipment. The aim of these investments over the term of the plan is to ensure a significant improvement in productivity and service quality. The development of click&collect also helps to mitigate the impact of online sales growth on operations, with stores being used as warehouses and delivery locations.

Risks associated with changes to the economic model – Talent management

Risk identification	Risk management
The Group needs to maintain the commitment of its employees and ensure that it retains the talent required to implement the strategy and develop the various business activities. Failure to control workforce turnover would mean the Group was unable to capitalize on employees' experience, which could therefore impede its operational efficiency. The Group could also find it difficult to hire for existing business lines that will be crucial in the future. The Group's strategy commits us to strengthening our technical business lines and our digital skills.	The Group has implemented: ■ regular face-to-face communication; ■ the Group plans changes to its workforce per business line based on demographic data and assumptions contained in the strategic plan, thereby making it possible to pre-empt changes and establish appropriate action plans; ■ development reviews, carried out in order to identify talent and support these individuals in their career path within the Group; ■ employees are asked to give their opinion on various themes every month by answering three questions. This mechanism is also an opportunity for them to freely express their expectations, which facilitates the creation of concrete action plans. Monitoring committees have been set up for this purpose; ■ the Group has developed its structure and work environment in order to facilitate a collaborative approach and agility within digital business lines; ■ support for Group employees and managers on new collaborative ways of working has been implemented with the roll-out of teleworking and management through accountability; ■ adjustment of the compensation policy for a number of Group business lines; ■ development of the Fnac Darty Academy, with the creation of nine classes, allowing the Group to establish a pool of experts in the technical, kitchen designer or delivery business lines; ■ a partnership with Pôle Emploi to set up the readiness for individual employment (POEI) system through several classes on delivery and kitchen designer roles; ■ actions to modernize the employer image with technicians (various communication plans); ■ modernization of recruitment models and practices to provide faster and more targeted hiring; ■ discussion is ongoing on how to develop and enhance working methods. In addition, the use of dedicated tools and resources, the development of links with specialized schools, the use of sponsorship and the recruitment of staff (especially in the context of work-study programs) with digital skills are intended to foster employee retention in these areas within the Group.

6.2 / Security risks

Security risks – Cyber-attacks and information system security

Risk identification	Risk management
Most of the Group's operations rely on information systems developed or administered by internal resources or outside contractors. Any fragility or failure of these systems could disrupt business operations and potentially have major repercussions on the Group's sales and financial results, particularly with regard to websites and ordering and payment systems, and especially during peak business activity, such as at the end of the year. Our Group's commercial websites could be subject to cyber-attacks and our databases might be corrupted. Our Group could also be the subject of internal malicious actions through privilege escalation, particularly due to inadequate security of our access to information systems and networks. Our employees and customers could be subject to phishing scams (wrongful use of the Fnac Darty identity) resulting in unlawful data capture.	Fnac Darty's Information Systems Department ensures that all IT applications are consistent throughout the Group through a coordinated strategy that aims to anticipate operational incidents, particularly in the context of sharing tools due to the consolidation of the two banners, and to arrange emergency plans. The Group aims to ensure the security of the information systems and the data they contain. This is achieved through appropriate governance, technical solutions, shared standards, a common policy and the distribution of the IT Charter to employees, the implementation of a complementary security solution enabling the detection of threats and suspicious activities linked to IT systems (endpoint detection and response), the management of digital identities, cyber resilience and the strengthening of the security audits of external service providers. Verifying external IT service providers by obtaining contractual guarantees ensures the confidentiality and security of the data processed (PCI-DSS compliance of service providers processing banking data). Furthermore, the Group works continuously to raise its employees' awareness of cyber security, with mandatory training for all employees. Increasingly stringent security solutions are in place on our commercial websites, messaging services, and outflows. Every year, specialist external consultants carry out anti-intrusion audits and, where necessary, draw up immediate action plans.

Security risks – Confidentiality of key strategic, commercial, social and legal information

Risk identification	Risk management
In the context of its current operations and strategic development, the Group processes and stores key information that could be used for malicious purposes. The Group must, at all times, ensure the controlled management of any confidential information upon which the market success of the year's major commercial operations depends.	The Group ensures the confidentiality of its key information by means of: ■ an internal authorization and rights policy for the various shared tools and networks; ■ a reminder of the best practices to adopt when using tools and managing information, provided in the Group's IT Charter; ■ the monitoring of key employees' inboxes for suspicious emails; ■ regular awareness-raising of all employees about the risk of phishing; ■ the management of key commercial information in a siloed, restricted manner and in accordance with a "just-in-time" data approach.

6.3 / Regulatory risks

Regulatory risks – Compliance with the various regulations

Risk identification	Risk management
Because of its in-store and online retail activities, the Group is exposed to changes in the legal and regulatory environment in the countries in which it operates. In particular, the Group's activities are subject to controls, investigations and regulations relating to consumer protection, competition, e-commerce, intermediation in consumer credit and insurance, personal data protection, information technology, digital and physical book prices, contractual warranties for customers, and store safety and accessibility. The Sapin 2 Law and the law establishing a duty of care places a heavier obligation on our Group to put in place an annual declaration on interest representation activities, as well as measures to combat corruption and influence-peddling, and a vigilance plan covering the risks of infringements of human rights, the health and safety of people and the environment, in every country where the Group is present. The Group's business is also affected by environmental regulations, which may have an impact on the products our banners distribute (such as obligations to dispose of or recycle consumer electronics and domestic appliances), the organization of after-sales services, the methods and cost of transporting products distributed, or the costs our banners incur for the rental of retail space. Moreover, financial penalties and/or the requirement to publish such penalties may be imposed on the Group if its compliance is considered to be insufficiently robust, impacting the Group's earnings and image.	Legal and regulatory requirements are monitored and incorporated at the country level by the local Finance and Legal Department with the support of the Group's advisory network, under the supervision of the Group's Legal, Finance and Tax Departments. The Group's Business Code of Conduct, updated in 2021, reaffirms our commitments to compliance with legal and regulatory obligations towards Group employees and the third parties with which we enter into contracts. This system is supplemented by letters of representation signed in-house by key employees. Employees are reminded of our obligations through internal training courses carried out in a classroom or via e-learning modules. The Group participates in discussions that may affect its environment, by presenting its actions and innovations to the public authorities, by participating alongside the authorities in discussions prior to the drafting of legislative and regulatory texts, and by defending its positions and proposals during hearings with the government, parliamentarians, local elected representatives, or independent authorities. The Group aims to support political objectives in terms of a commitment to a more circular economy, consumer protection, and equal treatment of economic operators, while preserving the interests of the companies concerned. The Group provides technical expertise useful for political decision-making in a fully transparent manner. As part of a constructive approach with the public authorities, the Group is able to promote innovative proposals thanks to its operational experience, but also to warn about the economic, social and environmental risks to which certain measures might expose the sector's stakeholders. In the latter case, the Group is responsible for working proactively on compromise solutions that are satisfactory and acceptable to all stakeholders. Its approach to interest representation alternates between its own commitments and participation within groups of stakeholders under the aegis of the professional federations – national or local – of which it is a member.

Regulatory risks – Balanced use of data

Risk identification	Risk management
As part of its ongoing activities and strategic development, the Group processes and maintains significant volumes of personal data in a complex and innovative technological environment. As such, the Group could be exposed to malicious external uses or attacks. In an aggressive competitive environment, the Group also ensures, within the context of its activities, a balance between using personal data for commercial purposes and protecting the privacy of its customers.	In 2017, Fnac Darty appointed a Group Data Protection Officer (DPO) with the CNIL (Commission Nationale de l'Informatique et des Libertés – French data protection authority). Three people were employed to strengthen the data protection team. Each country subsidiary also has a Data Protection Officer or person responsible for monitoring this issue. Specific governance of personal data protection has been implemented across the entire scope of the business. As part of a continuous improvement process, an action plan is carried out in particular with regard to (see section 2.5.2 "Protecting the personal data of employees and customers"): ■ dedicated governance led by a Management Committee and a report at the Executive Committee level; "data protection" champions in each department; ■ keeping a register of personal data processing operations; ■ awareness and training; ■ documentation and procedures; ■ informing data subjects; ■ retention for limited periods; ■ security of information systems; ■ introduction of formal contracts (Data Protection Agreements) with subcontractors and partners; ■ following an initial customer survey, implementation of a barometer with monitoring of indicators to measure the annual change in customer perception of the actions and improvements carried out by the Group in terms of personal data processing.

6.4 / Financial risks

Financial risks – Liquidity risk

Risk identification	Risk management
The Group's activity is seasonal and is marked by a significant spike in its activity at the end of the year with the Black Friday period at the end of November and the Christmas celebrations in December. Group revenues and EBITDA are therefore significantly higher in the fourth quarter than in the other quarters of the year. The Group's working capital requirements fluctuate during the year and are normally highest in the third quarter of each year, leading to significant liquidity needs. As of December 31, 2021, the Group's gross debt was €951.7 million (excluding IFRS 16), consisting mainly of: ■ €200 million convertible bond, maturing March 2027; ■ €650 million in senior bonds maturing in April 2024 and April 2026 with capitalized interest; ■ €100 million in loans from the EIB. Free cash flow from operations amounted to €170 million in 2021. The EIB contract, the bank loan, the state-guaranteed loan and the bond issue contain clauses customary for these types of financing, namely financial commitments, general restrictive covenants and early repayment clauses. As of December 31, 2021, the Company was in compliance with its financial covenants under the loan agreement (see section 2.11.5 "Financial debt" of this Universal Registration Document). The Company conducts a specific periodic review of its liquidity risk. The terms and conditions of the Group's financing lines are detailed in section 2.11.5 "Financial debt" of this Universal Registration Document.	Liquidity risk for the Group and each of its subsidiaries is closely and regularly evaluated by the Group through periodic financial reporting. In order to manage liquidity requirements, the Group has diversified its sources of financing, set up a €300 million NEU CP program in the first quarter of 2018 (increased to €400 million in June 2020), and has access to an unused €500 million revolving line of credit maturing in March 2028. Furthermore, the process of diversifying financing and renegotiating the Group's financial instruments launched in early 2018, which contributes to risk management and mitigation, continued in 2021. In 2019, the Group refinanced the €650 million bond issue from 2016 in two tranches of €300 million and €350 million maturing in 2024 and 2026 respectively, and raised financing of €100 million, amortizable over nine years, from the European Investment Bank. In 2021, the Group refinanced the term loan maturing in March 2023 by issuing a €200 million convertible bond maturing in March 2027. Lastly, due to the Covid-19 crisis, in April 2020 the Group raised €500 million in financing in the form of a state-guaranteed loan from a group of French banks. This financing was repaid in full in March 2021. **Centralized cash management** Fnac Darty Participations et Services has entered into centralized cash management agreements for an unlimited term with its main French and its non-French subsidiaries. The purpose of these agreements is to centralize the Group's cash management ("cash pool") in order to encourage coordination and optimization in using cash surpluses or in covering aggregate cash requirements at Group level. Pursuant to the agreements, these subsidiaries deposit any cash surpluses they do not use to finance their operation and their capital expenditure program with Fnac Darty Participations et Services, in exchange for which Fnac Darty Participations et Services finances their working capital requirements and capital expenditure program.

Financial risks – Pension plan

Risk identification	Risk management
The pension plan, known as the “Comet pension plan,” which is funded by Darty in the United Kingdom, has been taken over as part of the Fnac Darty consolidation. Fnac Darty’s financing obligations depend on the future performance of the assets, the level of interest rates used to measure future commitments, actuarial projections and experience of changes in pension plans and the applicable regulations. Due to the many variables that determine the pension financing obligations, which are hard to predict, as well as any statutory changes, the future financing obligations for this pension plan in terms of cash could be larger than the amounts estimated as of December 31, 2021. In this case, these financing obligations could have a negative impact on the Group’s financial position. Since October 1, 2021, the regulation of pension funds in the UK has changed with an increased supervisory role for the UK regulator. Fnac Darty is complying with this new regulation by assessing the impact that key decisions taken by the Company may have on the financing of the pension fund.	The monitoring of the commitments under this pension fund is jointly managed by the Financial Operations and Transformation Department and the Financing and Treasury Department. Commitments are reassessed jointly every three years by the Group and the Comet Board of Trustees. Following the three-year renegotiation that took place in 2019, it was decided that contributions to the fund would be suspended from 2020 for the next two years. The Group is a member of the Comet pension fund Board, which meets approximately once per quarter. The Group uses a valuation model to formalize key decisions that could have an impact on the financing of the fund, in particular when these decisions relate to the Group’s sources of financing, share buybacks or dividend payments.

Strategic risks – Change in the Group's capital structure

Risk identification	Risk management
Upon completion in 2017 of Ceconomy's purchase of the shares held by Kering, Ceconomy International group held 24.3% of the share capital and voting rights of the Company as of December 31, 2021. Furthermore, in early February 2018, SFAM bought 11.38% of Fnac Darty shares from the Knight Vinke investment fund. As of December 31, 2021, the shareholding of the Indexia Développement group (formerly SFAM) in the Company remained the same, at 11.3% of share capital and voting rights. Currently, no shareholder can influence the adoption or rejection of resolutions submitted for approval by Company shareholders at Ordinary and/or at Extraordinary General Meetings, in particular with respect to the appointment or removal of members of the Board of Directors, approval of the annual accounts, dividend distributions, authorizations related to capital increases, mergers, contributions, or any other decision requiring approval from Company shareholders. However, these recent changes demonstrate that the Group is potentially exposed to the risk of a change in shareholding structure that may hinder the execution of its strategic roadmap.	The Company's bylaws stipulate that shareholders must inform the Company when they pass the 3% capital holding threshold, and any multiple of 1% above this threshold. Any shareholder holding more than 5% of the capital must also make a declaration of intent providing the information specified in Paragraph VII of Article L. 233-7 of the French Commercial Code, including a declaration regarding any intention to take control of the Company or to continue purchasing securities. This declaration is renewable every six months. Together with the performance of shareholder identification studies several times per year, these mechanisms ensure that the Company is well informed about the various participants that have a stake in its capital. The Group also adheres to a strict policy ensuring that its governing bodies remain independent in the event of potential conflicts of interest with an existing shareholder. Accordingly, following the acquisition by Ceconomy of its equity stake in the Group, the latter entered into a dialog with Ceconomy in order to determine the best way for it to be represented in the Company's governance without hindering the proper functioning of operations or impeding execution of the Group's strategy. As such, no Director representing Ceconomy is present on the Board of Directors, but the Ceconomy group did participate in the selection of three Independent Directors. None of the 14 Directors on the Board are linked to the company Indexia Développement (formerly SFAM), a service provider for the Group, and it therefore has no influence on the Group's decisions.

6.5 / Risk management associated with the Covid-19 health crisis

Specific risks associated with the Covid-19 pandemic

In addition to the specific risks that are subject to regular review and defined action plans, the Group continued to face the Covid-19 health crisis in 2021, but with a lower impact. The main issues are listed below:

Risk identification	Risk management
- The Group must ensure the health of its employees, customers and service providers by incorporating everyday prevention measures to suit each business line. - If the pandemic develops differently in a particular country, it may disrupt industrial supply chains and cause inventory shortages in certain product categories. - The health measures imposed by the authorities may have an impact on the logistics chain for the transportation of goods, on the supply of certain Group products and on the ability to deliver and sell to the end customer. - Social problems could slow the pace of consumer recovery post Covid-19. - Greater digitization in consumer behavior could adversely affect store footfall and the Group's revenue. - The Group needs to remain vigilant regarding the sound financial health of the key partners in its ecosystem.	- The digitalization of the working environment has enabled the move to remote working to protect employees. - The choices and decisions aimed at ensuring the safety of our stores and head office were continued in 2021. (chapter 2.1.3.1 "Measures taken to protect employees and customers during the health crisis"). - The Group has adapted its goods purchasing policy to deal with production delays. Working closely with its suppliers, it has drawn up a tactical purchasing plan for key product categories. - Building on the centralized organization of its logistics platforms and the reliability of its digital platforms, the Group continued to adjust its operational model to respond to changes in demand and the situation. - The Group relies on its ecosystem of partnerships with delivery providers and its internal delivery capabilities to ensure that its delivery times are in line with the highest market standards. - The Group adapted its stores and developed click&collect to address health constraints during key commercial periods for the Group. While the impact of Covid-19 was not felt as strongly as in 2020, the Group remains vigilant, periodically and very closely reassessing the development of the situation and its impact on its activities and results.

6.6 / Insurance

General overview

The Group took out its insurance policies under conditions that were tailored to the scale and type of the Group's risks.

The Group's insurance approach is coordinated by its Legal Department, which is responsible, with the support of the other departments, for identifying risks, quantifying their consequences and reducing them by:

- recommending preventive measures for risks that can be eliminated or reduced by these means; and
- establishing financing arrangements, including the transfer to insurance companies of risks of an exceptional nature where the potential impact is high and the frequency is low.

This requires each Group subsidiary to provide the Group Legal Department with the information required to identify and quantify risks, and to implement appropriate resources to ensure business continuity in the event of an incident. Based on this information, the Group Legal Department negotiates with the major players in the insurance and reinsurance industry in order to find the cover best suited to the Group's risk coverage requirements.

Risk prevention policy

The risk prevention, precaution and protection policy is managed at Group level by the Risk Committee, which brings together multiple departments involved in risk management. Its role is to identify, assess and reduce exposure to risk and the occurrence and severity of claims, through:

- audits of the main operational sites;
- adherence to the recommendations of security professionals;
- internal control procedures;
- staff training;
- the dissemination of risk management best practices; and
- the implementation of appropriate emergency plans.

The Group's insurance policy

The Group's policy of transferring material risks to insurance companies is primarily determined by:

- the best economic balance between risk cover, premiums and deductibles; and
- the choice and limitations available in the insurance market, and local regulations.

Under its insurance policy, the Group favors the "all risks with exceptions" approach, which is determined by assessing the financial consequences for the Group of potential claims, specifically in terms of:

- property damage resulting from fire, explosion, water damage, theft, natural events causing damage to the Group's own property (buildings, furniture, equipment, merchandise or computer systems), riots, terrorism, war or other causes;
- operating losses following direct damage;
- third-party liability: personal injury or damage to property caused to third parties due to products, installations and equipment;
- cyber-attacks;
- transportation of goods; and
- vehicle fleet.

The setting up of insurance coverage is based on determining the level of coverage required to cope with the reasonably estimated occurrence of the risks that the Group wishes to transfer to the insurance market for each facility and company concerned. This appraisal takes into account the assessments made by brokers and insurers, as insurance professionals and underwriters of the Group's risks.

Uninsured risks are those for which no coverage is offered on the insurance market or where insurance is offered at a cost that is disproportionate to the potential benefits of such insurance. The Group's insurance requirements are reviewed regularly by the Risk Committee in order to verify their suitability with regard to developments within the Group and the insurance market.

The main insurance programs taken out by the Group cover all of its subsidiaries. This coverage is underwritten by international insurance brokers that specialize in the coverage of major risks with reputable insurers.

Main insurance programs

The main insurance programs taken out by the Group to cover the risks it faces in its operations are described below. Where necessary, they may be supplemented by local programs specific to the country in question:

Damage and operating losses: The principal purpose of this policy is to insure the Group against damage resulting from fire, explosions, water damage, theft, natural disasters affecting property (buildings, furniture, equipment, merchandise, or computer systems) and those for which the Group is liable, and against resulting operating losses, for an estimated period required for resumption of normal business. The cover limit is €400 million and €20 million per claim for direct damages and operating loss combined for the Group over the insurance term expiring January 1, 2023.

Third-party liability: This policy chiefly covers operating risks and post-delivery or post-service risks of physical injury or material damage caused to third parties due to the activity of any of the Group's subsidiaries or products sold by the Group. The amount of damage covered in this respect is capped for the Group for an insured period expiring April 30, 2022. The cover limit is €75 million per claim per year for the Group.

Cyber risk: This policy covers the risks of loss of confidentiality, integrity and availability of the Group's information systems. The Cyber coverage limit is $20 million per claim per insurance period, for an insured period expiring on April 30, 2022.

Transportation of goods: This policy covers the Group's goods while they are in transit against the risk of damage, theft, loss or major events that may occur during transportation. The cover limit for this policy, which is renewed on April 30, 2022, is €1 million per claim.

Vehicle fleet: This policy covers our fleet of around 2,000 vehicles against the risks of liability and damage that may arise during the circulation of our vehicles. Foreign subsidiaries have local cover.

Insurance expenses borne by the Group: The cost to the Group of all insurance policies for the period ended is approximately €6.5 million.

6.7 / Risk management

The AMF defines risk as the possibility of an event whose consequences are likely to impact the persons, assets, environment and objectives of the Company, its image or its reputation.

Risk management includes areas that encompass far more than just financial risks: strategic, operational, market, corruption, image, reputation or compliance risks. Risk management is a management tool that contributes to:

- creating and protecting the Company's value, assets, image and reputation;
- preserving the longevity of the Company's short-, medium- and long-term activities;
- securing the Company's decision-making process and other processes to achieve its objectives;
- encouraging consistency between the Company's actions and its values; and
- mobilizing the Company's workforce around a shared vision of the main risks.

The Group closely associates risk management with internal control. The Group's risk management and internal control systems rely on a series of resources, procedures and actions aimed at ensuring that proper measures are taken to identify, analyze and control:

- risks that could have a significant impact on the Company's assets or the achievement of its objectives, whether operational, financial or related to compliance with laws and regulations; and
- the activities, efficiency of its operations and efficient use of resources.

6.7.1 / THE RISK MANAGEMENT SYSTEM

The implementation of the risk management system in the Group is based on an organizational framework, a three-step risk management procedure and ongoing oversight.

6.7.1.1 / Risk management structure and coordination with internal control

Organizational framework

The organizational framework includes:

- a structure that defines the roles and responsibilities of those concerned, establishes clear and consistent procedures and standards within the system; and
- a risk management policy that formalizes the system objectives.

Organization of risk management at country level

Managing the exposure to decentralized risks is the responsibility of the country CEO and local managers, who are closest to the risks associated with the activities they exercise or supervise:

- monthly performance reviews help to detect the appearance or occurrence of risks;
- country Security Departments are responsible for the security of the Company's physical and intangible assets and for the security and safety of all persons present at all the Group's sites; they implement all human, organizational and technical means to handle risks of an accidental or intentional nature; and
- the Support Services Departments, in their role of securing and driving progress, may identify risks and propose an action plan to the reporting line for their containment.

Organization of risk management at Group level

The Internal Audit Department organizes, for management, the process of mapping the Group's major internal and external risks based on a formalized approach for identifying and assessing risks.

The Security Department circulates a set of rules and best practices to control the risks within its remit. The network of individual country Security Directors also rely on these rules and best practices. Its objectives at Group level are to harmonize procedures, reduce risks and optimize safety costs by promoting synergies and raising the awareness of all personnel within the Group's banners.

The Legal Department identifies and analyzes the Group's material legal risks and the insurable risks to be included in the Group's financial statements.

Preparation of the strategic plan by the Strategy Department provides the opportunity to assess the major external risks and update the mapping of the Group's major risks.

Risk management policy

The Group instituted its risk management policy based on the COSO II Framework.

A three-step risk management process

- Risk identification: the Group treats risk identification as an ongoing business process. Risk identification helps to categorize and centralize major risks either with the Security Department or with the Internal Audit Department, depending on the type of risk.
- Risk assessment: in terms of the Group's activities, this approach is documented at least once a year during a risk self-assessment process headed by the Internal Audit Department. The risk management policy sets out the criteria and procedures for these assessments. The aim is to review potential consequences of the main risks (consequences that may be of a financial, HR, legal, image-related or reputational nature) and assess the likelihood of their occurrence, as well as the level of risk management.
- Handling risk: the last step of the risk management process includes identifying the action plan(s) best suited to the Company.

Managing risk management procedures

The risk management system is subject to regular monitoring and review, which allows it to be continually improved.

The Audit Committee reviews on an annual basis the risk map prepared by the Internal Audit Department and validated by the Group's senior management. The Audit Committee monitors the progress of dedicated action plans for major risks through specific presentations made by the sponsors of the various risks.

The Group also conducts regular internal audits in France and abroad to assess and improve the effectiveness of its risk management systems.

Links between risk management and internal control

The risk management and internal control systems are complementary to the management of the Group's activities:

- the risk management system aims to identify and analyze the main risks. Such risks are addressed and are the subject of action plans. These plans may propose a change to the organization, the implementation of projects and the introduction of controls. Any such controls to be implemented come within the internal control system and may be reviewed in light of the risk mapping;
- the internal control system relies on the risk management system to identify the main risks to be contained; and
- the audit plan relies mainly on risk mapping to test the assessment of the level of control of identified risks.

The coordination and balance between the two systems depend on their shared underlying control environment, and, more specifically, the Company's specific risk and control culture, and the ethical values specified in the Group's Business Code of Conduct.

6.7.1.2 / General internal control principles

Internal control definition and objectives

The internal control system within the Group encompasses a number of tailored resources, policies, practices, procedures and initiatives, the purpose of which is to ensure that the required measures are taken to control:

- the activities, efficiency of its operations and efficient use of resources;
- the risks likely to have a material impact on the Company's assets or its ability to meet its objectives, whether of an operational, financial or compliance nature.

Internal control is defined as a process conducted by senior management under the control of the Board of Directors, and implemented by the Directors and all employees. Irrespective of the quality and scope of internal control, it cannot entirely guarantee that the objectives in the following areas will be achieved:

- compliance with applicable laws and regulations;
- application of instructions and strategy adopted by senior management;
- proper functioning of internal processes, including those contributing to the protection of the Company's assets; and
- reliability of financial information.

Internal control limits

The following limitations inherent in any internal control system affect the probability that the Company will achieve its established objectives, in particular:

- human errors or malfunctions that occur when decisions are made or implemented;
- deliberate collusion between several persons, making it possible to elude the control system in place;
- deliberate fraud by management;
- where the implementation, or even maintenance, of a control would be more burdensome than the risk which it is supposed to alleviate; and
- when, in endeavoring to achieve the above-mentioned objectives, companies are confronted with events and hazards that are outside of their control (unforeseen changes in markets and competition, unforeseen change in the geopolitical situation, errors in forecasting or estimating the impact of such changes on the organization, etc.).

Internal control components

The quality of the internal control system depends on the following components:

- a control environment based on rules of conduct and integrity that are upheld by the management and communicated to all employees;
- the existence of clearly and appropriately defined roles and responsibilities;
- a system for categorizing, analyzing and managing the main risks; and
- ongoing monitoring of the internal control system, and regular review of its performance.

The Group's internal control environment

This environment is structured around the principles and values that are detailed in the Group's internal codes and charters and govern the behavior and ethics of all employees. It relies on the management of human resources to ensure the competence, ethics and involvement of employees.

Principles and values

- The Business Code of Conduct was updated in 2021. The aim is to reaffirm the basic principles that should govern each person's behavior in their professional life, both individually and collectively. These principles are reaffirmed through respecting people, respecting Company property, respecting trade regulations, and through the Group's commitments to social and environmental responsibility.
- A "Gifts and Benefits Charter", updated in 2021, outlines the Group's internal rules for accepting gifts and hospitality. Its aim is to help employees deal more confidently with the offer of various gifts and enticements from suppliers, third parties and partners.
- A "Prevention of Conflicts of Interest Charter", launched in 2021, aims to raise awareness of conflicts of interest. Its intention is to help employees avoid them and understand how to conduct themselves when faced with them. For members of the Leadership Group and employees potentially at risk, this is combined with an annual conflict of interest disclosure. Through the process related to this disclosure, nearly 650 people received conflict of interest training in 2021. All reported conflict of interest situations are reviewed by the Internal Audit Department and, if necessary, measures are taken to avoid them. This approach has a dual objective of education and protection.

- The “ethics alert line” enables staff to report with complete confidence and confidentiality any behavior that contravenes the ethical framework and any serious situation or event identified within the Company or within our partners/suppliers on our ethics alert and compliance website.
- The key unifying values of the Fnac Darty Group are respect, loyalty and transparency. These shared underlying values are reiterated in the updated Business Code of Conduct.
- An Ethics Charter for Securities Trading, updated in 2019, in compliance with AMF instructions, defines the obligations incumbent on persons holding privileged information.
- A charter relating to the appropriate use of information systems is updated every year to raise awareness and increase user responsibility among Fnac Darty employees in respect of their rights and duties.

These codes and charters have been validated by the Group’s Executive Committee. They are available to all employees for reference on the intranet sites of the Group’s banners.

“Fnac Darty’s Essential Rules,” updated in 2020, set forth the 15 main operational and administrative cycles of the Group’s activities and the key internal control rules to follow in respect of legal or regulatory compliance, and in respect of efficiently allocating resources in order to achieve these objectives. In addition to these rules, there is a “Store Best Practices” corpus and a “Risk Prevention in management” glossary.

Human resources policy

The human resources policy contributes to internal control, in particular via the delegation of power and responsibilities, descriptions of functions, an employee assessment system and investments in training.

- Given the size of the Group and its workforce, the diversity of its activities, and the geographical dispersion of its different entities, it is necessary to delegate powers and responsibilities for the business to operate effectively. Responsibilities are delegated to appropriate people and entities, along with all the powers and resources they need to carry them out, in compliance with applicable regulations. Official job descriptions exist for key functions. The descriptions refer to the necessary controls for the supervision of the activity and also serve as a framework for the individual assessment system. The identification and description of key skills (managerial and business-specific) for the Group allows for the gradual implementation of a shared system for managing skills.
- Training, a component of annual plans, is focused on business-specific skills, combining specialist know-how, management expertise, and mandatory and regulatory knowledge. It is provided from the time new recruits first join the Group and continues throughout their careers, ensuring their individual development and that they follow essential rules on safety and compliance.
- All Group managers and employees benefit from an annual performance and skills appraisal and a professional interview designed to identify their training and professional development needs. Group Human Resources is responsible for the Group’s senior executives (recruitment, international mobility, career management and training). Succession plans are in place for the principal Group management positions.
- Employees are asked to give their opinion on various themes every month by answering three questions. This mechanism is also an opportunity for them to freely express their expectations, which facilitates the creation of concrete action plans. Monitoring committees have been set up for this purpose.
- Compensation policies are managed and controlled by Group Human Resources for the principal management functions and at country level for other functions, in accordance with the main defined goals.

Organization

The structure of the Group’s internal control involves persons throughout the chain of command, from the Executive Committee to all employees and supervisory and assessment bodies, including the Board of Directors, the Audit Committee, the Appointments and Compensation Committee, the Corporate, Environmental and Social Responsibility Committee and the Statutory Auditors.

The allocation of responsibilities and application of the rule on the division of functions ensures control and provides the basis on which the respective roles of the various decision-making bodies are built.

The Executive Committee

The Executive Committee determines the Group’s main strategic policies and their impact on the major financial and management goals. It reviews the development of the business and decides which directions to take and which action plans to follow.

It is chaired by the Chief Executive Officer of Fnac Darty, and in 2021 will include, in addition to the latter, the Chief Executive Officer of Belgium and Luxembourg, the Group General Secretary, the Director of Human Resources, the Director of Sales, the Director of Customer and Business Development, the Director of Services and Operations, the Director of Operations, the Director of Administration and Finance, the Chief Executive Officer of Fnac Spain, the Director of E-commerce and Digital, the Director of Communications and Public Affairs, and the Executive Director of Transformation and Strategy.

Investment Committees

The Group Investment Committee examines and authorizes all investment decisions on major projects and projects related to:

- the creation of directly owned or franchised stores; and
- the acquisition or disposal of companies or businesses.

The Group Investment Committee is chaired by the Chief Executive Officer and its permanent members are the Group Chief Financial Officer, the Group Deputy CFO in charge of performance, and the Group Deputy CFO in charge of financial operations and financial transformation. Country projects are presented by the country CEO, assisted by his or her Chief Financial Officer and the experts involved in the projects (e.g. the Property Department for a real estate project).

The IT Investment Committee examines and authorizes all investment decisions on major IT projects.

The IT Investment Committee is chaired by the Group's Deputy Chief Financial Officer, and its permanent members are the Group Director of Operations and Information Systems and the Group Financial Control Director. Country projects are presented by the country CEO, assisted by his or her Chief Financial Officer.

Operational managers and employees

Management is the operational agent for internal control and relies on it for the achievement of its targets; the exercise of appropriate controls is therefore one of the prime responsibilities of every Group manager. This responsibility begins at the first level of supervision. Awareness of these controls among the main participants is formalized by the signing of delegations of powers and responsibilities.

As part of their delegated powers and formalized responsibilities, each Director and manager defines, implements and manages the internal control system. In particular, store, subsidiary and entity Directors are responsible for maintaining a satisfactory level of internal control over the assets and cash flows of the unit or company they manage.

Employees must be aware of the internal control systems for the objectives assigned to them, and must comply with the control principles and rules. They may help to improve and detect malfunctions. They are informed of the existing measures when they sign their employment contracts and by the internal regulations of the legal entities to which they report.

Other internal control participants

- The Group Legal Department advises and assists the operational departments and subsidiaries on major legal questions.
- The Group Tax Department advises and assists the operational departments and subsidiaries on major tax issues.
- The Group Financial Operations Department is in charge of implementing and ensuring compliance with the procedures for reporting and preparing the consolidated financial statements.
- The Group Human Resources Department advises on and ensures compliance of internal practices with labor laws and regulations.
- The Group Security Department and the Group Architecture, Works and Maintenance Department conduct specific risk analyses and propose action plans for security and safety.
- The CSR Department advises operational departments and subsidiaries and helps them with the actions to be implemented in order to comply with societal and environmental responsibilities and duty of care.

Supervisory and internal control assessment bodies

- The Board of Directors contributes to the general control environment through the skills of its members. It is regularly informed of major internal control and risk management methodologies and describes them in its Activity Report.
- Part of the Audit Committee's responsibility is "to ensure the implementation and relevance of internal control procedures and to identify and hedge Company risks, in particular risks relating to its financial or commercial assets (whether physical or intangible) as well as any type of contingent risk relating to employees, customers or third parties arising from the activities of the Company and/or its subsidiaries".
- Part of the Appointments and Compensation Committee's responsibility is "to evaluate the independence of the members of the Board of Directors, propose the appointment of its members, senior management and the specialized committees, and to examine and propose to the Board all elements and conditions for the compensation of members of senior management and the Group's main Directors".
- Under its rules, part of the Corporate, Environmental and Social Responsibility Committee's responsibility is "to examine the principal risks and opportunities for the Group in corporate, social and environmental matters". It also oversees the risks associated with the duty of care.
- Having been set up in 2019, the Climate Committee meets once per quarter and comprises two sponsors from the Executive Committee (Group General Secretary and Director of Operations and Information Systems), as well as the Directors of Indirect Purchasing, CSR, Logistics, National Transportation, the Services Policy and After-Sales Service. It is responsible for deploying and verifying compliance with the Group's climate roadmap, ensuring that climate awareness is incorporated into the Company's global strategy and driving the reduction objectives for greenhouse gas emissions.

- In January 2018, the Group's Ethics Committee was set up. It is chaired by the General Secretary, and its permanent members are the Human Resources Director, the Legal Director, the Security Director, the Internal Audit Director, the CSR Director and the Data Protection Officer. This Committee's primary responsibilities are to ensure that the Group's codes, charters and policies are kept up to date, to monitor the effectiveness of risk reduction plans when mapping specific risks involving corruption, duty of care, and data protection, and to prepare an annual report of its work for the Executive Committee.
- The Group's small Ethics Committee was established in July 2002 and is chaired by the General Secretary. Its permanent members are the Group Director of Human Resources, Group Legal Director, Group Risk Prevention Manager and Group Internal Audit Manager. The Committee's main duty is to oversee the follow-up and management of information reported via the ethics and compliance alert line.
- A GDPR Management Committee was set up in 2017 to oversee compliance and adherence with the European General Data Protection Regulation (GDPR) of May 25, 2018. This Committee is chaired by the Data Protection Officer (DPO) appointed by the Group for France, who coordinates the DPOs appointed for other countries. The main objectives of this Committee, which meets every three months in the presence of the GDPR representatives of each major department, are explained in chapter 2 of this Universal Registration Document, in particular in section 2.5.2 "Guaranteeing the protection of customers' and employees' personal data".
- The Group's Insurable Risks Committee was created in 2019. It has the authority to validate, assess and improve the effectiveness of the risk management system in place, particularly in order to reduce net risk. This Committee meets at least once every quarter and is chaired by the Group General Secretary. Its permanent members are the Legal Director, the Financial Control Director, the Security Director, the Internal Audit Director, the Director of Internal Control France and the Head of Insurance.
- The Group Internal Audit Department, which contributes to the assessment of the internal control system through its missions, draws up recommendations for the improvement of its operations. The Internal Audit Department is in charge of managing and coordinating risk management, in particular through annual risk mapping and monitoring of action plans. It is also in charge of the central administration and analysis of internal control pursuant to the Financial Security Law and the AMF's reference framework set out in the section below, "Oversight of the system". The Group Internal Audit Department, which reports to the Group's General Secretary, reports the main results of its assessments to executive management and the Audit Committee.
- The Statutory Auditors take note of the elements of internal control that are pertinent for the audit in order to take into consideration those factors that may generate risks of material anomalies in the financial statements, and not for the purpose of formulating an opinion on the efficacy of the internal control.

  At the time they deem appropriate, the Statutory Auditors communicate to management, at the appropriate level of responsibility, those weaknesses in the internal control system identified during the audit that they believe to be of sufficient importance to merit attention, unless the Auditors believe that this approach would be inappropriate under the circumstances. They submit this communication in writing when detailing weaknesses believed to be significant. The Statutory Auditors communicate the significant internal control weaknesses in writing to the bodies cited in Article L. 823-16 of the French Commercial Code, at the time they deem appropriate.

Oversight of the system

The ongoing oversight of the internal control system and the regular review of its functioning entail three types of tasks: annual self-assessment exercises, internal audits and observations made by the Statutory Auditors, as indicated in the previous paragraph. In addition to the existing system, in October 2021 senior management commissioned the consulting firm PwC to carry out a maturity assessment on the organization of risk management, internal control and internal audit. The purpose of this assessment was to obtain an independent and objective evaluation to determine the areas for improvement to be implemented to ensure full coverage of the issues within the Group.

Self-assessment

Those in charge are asked to apply the internal control system in order to assess the level of internal control achieved through the use of controls that are essential to the proper functioning of their activities.

This approach helps to:

- raise awareness among operational and functional managers of the internal control procedures for which they are responsible;
- provide a structured and objective framework for analyzing risks and sharing internal control best practices; and
- launch action plans and, if necessary, improvement plans.

The internal control analysis strategy is based on the following principles:

- an annual self-assessment of Fnac Darty's essential rules, through questionnaires filled in by key operational staff in each Group country organization. In 2021, 15 cycles were self-evaluated. The questionnaires were updated following the creation of the Legal Charter and the update of GDPR risk mapping. The questionnaire for the "Finance, Accounting and Management" cycle sent to country Chief Financial Officers takes into account the AMF's reference framework and, in particular, its application guide.

  These questionnaires help operational staff to assess the quality of the internal control procedures for which they are responsible. They standardize the level of internal control across all activities and allow operational staff to benefit from best practices. They enable the launch of improvement action plans based on the results obtained.

Internal audit

In 2021, the Internal Audit Department continued to strengthen its system for assessing the organizations' internal control and risk management. The main actions undertaken concern:

- Internal Control Committees for all French and international subsidiaries, as well as for major departments. The purpose of these committees includes:
  - formalizing feedback from operational managers concerning identified and/or proven risks, and
  - ensuring that control activities are implemented and that they cover the subsidiary's risks.

  These Internal Control Committees met between January and December with the country and subsidiary CEOs and CFOs, and the Legal Department, Tax Department, Financial Department, Internal Audit Department, Data Protection Department and Information Security Department;
- the performance of specific audits in connection with the risk mapping.

Statutory Auditors

Within the framework of their assignment to certify the financial statements, the Statutory Auditors make observations. At the time they deem appropriate, the Statutory Auditors communicate to management, at the appropriate level of responsibility, those weaknesses in the internal control system identified during the audit that they believe to be of sufficient importance to merit attention, unless the Auditors believe that this approach would be inappropriate under the circumstances. They submit this communication in writing when detailing weaknesses believed to be significant. The Statutory Auditors communicate the significant internal control weaknesses in writing to the bodies cited in Article L. 823-16 of the French Commercial Code, at the time they deem appropriate.

6.7.1.3 / Internal control procedures relating to the preparation of financial information

General principles relating to the organization of accounting and financial internal control

Definition and objectives

Accounting and financial internal control includes the processes that provide accounting data: the financial information production process, account-closing process and the communications process.

The accounting and financial internal control system aims to ensure:

- compliance with accounting regulations and proper implementation of the principles on the basis of which the financial statements are prepared;
- implementation of senior management's instructions on financial reporting;
- the preservation of assets;
- the quality of information reported for the preparation of published financial statements and the reliability of their centralized processing for Group consolidation, with a view to the distribution and use of that information for management purposes; and
- the control of production of financial, accounting and management items.

Scope

The scope of application of internal control procedures relating to the preparation and handling of financial and accounting information comprises the parent company and all subsidiaries included in the consolidated financial statements.

Organization and management process of the accounting and finance function

Organization

Group financial and accounting information is prepared by the Group Finance Department.

In 2021, the Group's Financial Department supervised:

- the Financial Operations and Transformation Department, including consolidation, financial control, the accounting shared services center, commercial administration and a single Group finance project manager;
- the Financial Performance Department, which brings together the management control functions in France, internal control and the Finance Directors of all countries and BUs;
- the Tax Department;
- the Investor Relations Department;
- the Security Department;
- the Treasury and Finance Department;
- the Real Estate Department.

Standards

Accounting standards

The Group has a body of accounting rules and policies which must be applied to all consolidated subsidiaries.

These accounting rules, which are regularly updated, take into account changes in accounting regulations and standards.

The accounting standards establish the principles required for the consistent processing of transactions. They specify, in particular, the recording methods pursuant to International Financial Reporting Standards (IFRS).

The budgetary and closure procedures ensure consistency in the processing of data.

Management standards

Management standards not only specify the rules applying to the valuation of certain major account balance sheets and income statements, but also the controls and validations applying to key processes.

The Financial Control Department is responsible for updating these rules and improving the quality of their formalization.

Management process

The production and analysis of financial and accounting information is based on a set of management procedures, such as:

- the medium-term plan, which measures the consequences of the strategic directions on the Group's major financial and management goals. The plan is also used annually by the Group to assess the value-in-use of assets relating to the various cash generating units;
- the annual budget, compiled after discussions with Country and Group operational departments and general management: this budget, which identifies the major financial goals and operational action plans, is prepared in the fourth quarter of the year and is definitively adopted in the following first quarter after any intervening events are taken into account;
- the annual budget is updated at least twice a year to ascertain whether the budgetary targets have been met and, if necessary, to revise said targets in light of the results to date and any changes in the internal and external environment. In addition, a rolling monthly forecast is provided as part of the monthly budget update, with the entities sending in their revised monthly earnings and cash flow forecasts based on their business activity estimates;
- the reporting that is carried out each month on the basis of monthly result closures performed by all entities dependent on the Group allows rapid reporting of financial information and regular monitoring of operational performance. The Financial Operations Department, on the basis of the controls delegated to country or subsidiary Chief Financial Officers, makes sure that this reporting is consistent and complies with the applied accounting treatments.

  The Group's CEO, its Chief Financial Officer, and the regional, country or subsidiary CEOs meet regularly with the managers of the various activities to assess the development of the business, based on financial and operational aspects; and
- the Financial Operations Department regularly monitors, for annual and semi-annual closures, the off-balance sheet commitments of consolidated legal entities, including as part of the statutory consolidation processes, which require them to list all their commercial or financial commitments and monitor them over the years.

Information systems

The purpose of the financial and accounting information systems implemented in the Group is to meet the requirements in terms of compliance, security, reliability, availability and traceability of information.

- Financial management and accounting data are managed with a single SAP information system in all Fnac banner activities to ensure consistent processing, comparison and control of accounting and financial information. Financial management and accounting data are managed using a different SAP information system for Darty France, using software developed in-house for Vanden Borre (Darty Belgium).
- Financial reporting data and budget construction and tracking data are managed using a single information system across all Group activities. This SAP BPC tool interfaces with the various accounting information systems.
- Consolidation data are collected in a single consolidation tool known as BPC Consolidation, which interfaces with Fnac Darty's SAP BPC consolidated reporting system.

To reinforce internal control of systems, the Organization and Information Systems Department has strengthened the system used for the division of functions and has improved right of access controls through a formalized annual review across the entire Group.

Preparation of accounting and financial information

Operational bookkeeping processes

All bookkeeping processes, including sales, purchases and inventory management, fixed assets, payroll and cash are the subject of specific monitoring procedures and accounting validation and authorization rules.

Consolidation of accounts

The statutory consolidation of accounts is performed monthly using a single consolidation tool that allows the consolidated subsidiaries' financial information to be transmitted in real time after a comprehensive validation process of the consolidation files by their Statutory Auditors, CEOs and CFOs, who sign a representation letter every six months, thus ensuring the quality of the financial information transmitted.

The Financial Control Department conducts the consolidation process.

Financial communication

The Investor Relations and Financial Communication Department, which reports to the Group Chief Financial Officer, is responsible for preparing a precise timetable for releasing the latest financial information on the Group's activities to the financial markets.

This timetable complies with the requirements of the market authorities. Managers verify, with help from the Legal Department, that the information is released within the required time and in compliance with the laws and regulations that it monitors on an ongoing basis.

All material information communicated to the financial community accurately and transparently reflects the situation of the Group's activity, and is released in accordance with the principle of equality of information between shareholders.

Statutory Auditors

As part of their ongoing assignment, the Statutory Auditors audit the annual and interim accounts and financial statements of consolidated entities. The Group's annual consolidated financial statements are prepared under the supervision of the Financial Operations Department under the responsibility of the Group Chief Financial Officer after validation by the entities' Finance Departments. The Chief Executive Officer and the Group Chief Financial Officer certify that the consolidated financial statements are true and present a fair view by signing a representation letter addressed to the Statutory Auditors.

6.7.2 / RISK MAPPING

Under its risk management and internal control procedures, the Group maps the principal risks to which it is exposed. The Group assesses the potential impact of each risk that is identified. The risk maps are updated regularly and allow the Group to define and monitor the various action plans that are implemented to reduce or manage these risks. The risks identified in the most recent Group risk mapping are described in the previous sections of chapter 6 "Risk factors and management". Additionally, in order to meet new regulatory requirements, risk mapping specifically for anti-corruption risks and risk mapping relating to the French law establishing a duty of care that must be exercised by parent companies and ordering companies have been carried out.

6.7.2.1 / Mapping of Group business risks

The key business risks identified are mapped at Group level with contributions from the Group's countries and main operational departments. This mapping is initially approved by the Executive Committee and then reviewed and approved by the members of the Audit Committee in December of every year.

Audit Committee members are updated on a regular basis on the progress of any risk mitigation plans.

6.7.2.2 / Specific mapping of Group corruption risks

In accordance with the Sapin 2 Law promulgated in December 2016, which came into effect in June 2017, the Group has established a corruption risk mapping process. Developed from interviews with the Group's various departments, it takes into account the geographical location of our activities, our interactions with third parties, the various business lines within the Group, our human resources policy, and existing procedures. The action plans defined in this regard have helped to strengthen our business ethics system (see chapter 2, section 2.5.3 "Combating corruption"). The mapping of corruption risks is reviewed annually by the Group's Ethics Committee.

6.7.2.3 / Specific mapping of Group risks relating to duty of care

In consideration of the French law establishing a duty of care that must be exercised by parent companies and ordering companies, the Group, in conjunction with the Company's stakeholders, has mapped the specific risks relating to fundamental human rights and freedoms, personal health and safety, ethics and the environment that directly or indirectly result from its business activities. This work has helped us to define a robust Vigilance Plan that includes appropriate mitigation measures (see chapter 2, section 2.5.5 "Vigilance Plan"). The mapping of risks relating to duty of care is reviewed annually by the Group's Ethics Committee.

6.7.2.4 / Specific mapping of Group GDPR risks

Under the General Data Protection Regulation that was adopted in 2016 and took effect in 2018, the Group has mapped its GDPR risks. Developed from interviews with the Group's various departments, it takes into account the geographical location of our activities, our interactions with third parties, and the various business lines within the Group. This mapping helps to direct actions for the GDPR compliance program in each business line (see section 2.5.2 "Guaranteeing the protection of customers' and employees' personal data"). The mapping of GDPR risks is reviewed annually by the Group's Ethics Committee.

7

Information on the Company, capital and shareholders

7.1 / The Company

7.1.1 / INFORMATION REGARDING THE COMPANY

7.1.1.1 / Corporate name

The name of the Company is “Fnac Darty”.

7.1.1.2 / Place of registration, registration number and Legal Entity Identifier (LEI)

The Company is registered under No. 055 800 296 with the Créteil Trade and Companies Registry.

The Legal Entity Identifier (LEI) of the Company is 96950091FL62XSLPHO35.

7.1.1.3 / Date of incorporation and term

Date of incorporation

The Company was incorporated on December 15, 1917.

Term of the Company

The term of the Company is set at January 1, 2100, unless it is dissolved early or extended.

7.1.1.4 / Registered office, legal form, applicable legislation and website

Registered office

Fnac Darty’s registered office is located at 9, rue des Bateaux-Lavoirs, ZAC Port d’Ivry, 94200 Ivry-sur-Seine, France (telephone: +33 1 55 21 57 93).

Legal form and applicable legislation

Fnac Darty is a French limited company *(société anonyme)* specifically governed by the provisions of Book II of the French Commercial Code.

Previous corporate form

The Company was initially incorporated as a limited company. It was transformed into a simplified joint stock company by a unanimous resolution of the shareholders on June 4, 2002. On September 26, 2012, the Company’s partners approved the transformation of the Company into a limited company with a Board of Directors.

Website

The Company’s website is www.fnacdarty.com.

7.1.2 / ARTICLES OF INCORPORATION AND BYLAWS

The Company’s bylaws were written pursuant to the laws and regulations governing French limited companies with a Board of Directors. The principal stipulations described below are taken from the Company’s bylaws, as adopted by the Company’s Ordinary and Extraordinary General Meeting of April 17, 2013.

7.1.2.1 / Corporate purpose

Article 2 of the Company’s bylaws provides that its purpose is to:

- create, operate, and develop commercial or industrial establishments in the sectors of the distribution of cultural, educational, musical, leisure, electronic and computer products and services, services for individuals and companies, or personal, home and office equipment, directly or indirectly by setting up subsidiaries or acquiring interests worldwide;
- acquire, administer, and sell financial securities or interests of any type in any entity with a lawful purpose, irrespective of the legal form, including unincorporated entities, throughout the world and for any length of time or duration, and carry out any transaction on these financial securities or interests, directly or indirectly by setting up subsidiaries or acquiring interests;
- carry out any transactions, including financial, investment, or real estate transactions, that directly or indirectly relate to, are necessary or useful in any way for, or are incidental or ancillary to the above.

To this end, the Company may act, directly or indirectly, on its own behalf or on behalf of third parties, either alone or in a partnership, association or company with any other company, individual or enterprise and carry out any transaction that comes within the scope of its purpose.

7.1.2.2 / Fiscal year

From January 1 to December 31 of each year.

7.1.2.3 / Administrative, management, supervisory and senior management bodies

Board of Directors

Composition of the Board of Directors (Article 12 of the bylaws and Article 1 of the Board's internal regulations)

The Board is composed of at least three and no more than eighteen members, subject to exceptions allowed by law, including in the case of a merger.

The Directors are appointed for a term of four years by the General Meeting under the conditions set forth by law. Article 12 of the bylaws provides the option of appointing Directors for a term that is less than the term of office in order to implement or maintain the staggering of Board members' terms of office. This enables the Board members' terms of office to be organized in such a way that allows for the renewal of members as regularly as possible. The Directors are eligible for re-appointment and may be dismissed at any time by a General Meeting. If one or more directorships are vacant, the Board may, under the conditions set forth by law, make provisional appointments, which will be subject to ratification at the next Ordinary General Meeting. A Director appointed under these conditions to replace another Director remains in office for the remaining period of his or her predecessor's term of office.

The Board also includes one or two Directors representing employees, who are appointed for four years by the trade union organization(s) that obtained the most votes in the first round of the elections.

Senior management

Chief Executive Officer (Article 17 of the bylaws)

If the Board of Directors chooses to separate the functions of Chairman and Chief Executive Officer (CEO), it will appoint the CEO from among or outside its members, and will set the term of office, compensation and, as applicable, the limits to his or her powers. At no time may the CEO be more than 65 years of age.

Chief Operating Officers (Article 18 of the bylaws)

Upon the CEO's recommendation, whether this position is held by the Chairman of the Board or by another person, the Board may appoint one or more natural persons responsible for assisting the CEO with the title of Chief Operating Officer (COO). The maximum number of Chief Operating Officers is set at five. At no time may a Chief Operating Officer be more than 65 years of age.

Should the CEO cease to exercise or be prevented from exercising his or her duties, the Chief Operating Officer(s) shall retain their positions and duties until the appointment of the new CEO, unless otherwise decided by the Board of Directors.

7.1.2.4 / General Meetings

Convening General Meetings

The Company's General Meetings are convened under the conditions and according to the procedures and timetables set forth by applicable laws and regulations and the Company's bylaws. They are held at the registered office or in any other place stated in the convening notice.

Attendance and voting at General Meetings

All shareholders may participate in General Meetings, in person or through a proxy, under the conditions defined by the regulations in force. They will need to prove their identity and their ownership of the securities through registration in their name (or in the name of the intermediary registered on the shareholder's behalf when Company shares are listed for trading on a regulated market, pursuant to the regulations in force). This must occur no later than midnight (Paris time) on the second business day preceding the Meeting, either in the registered securities accounts kept by the Company or in bearer share accounts kept by any authorized intermediary, when the Company's shares are listed for trading on a regulated market. Proof of shareholder status can be provided electronically, under the conditions set by the applicable regulations.

Shareholders who participate in the Meeting by video-conferencing or by any means of telecommunication, including online, which allow for their identification under the conditions provided by the regulations in force are deemed to be present for the purposes of calculating the quorum and majority pursuant to the Board of Directors' decision published in the Notice of Meeting that such forms of telecommunication are permitted.

Any shareholder may vote from a distance or by proxy, in accordance with the regulations in force, by completing a form provided by the Company and returned to it, in accordance with the regulations in force, including electronically or by remote transmission, pursuant to the Board of Directors' decision. To be accepted, this form must be received by the Company under the conditions provided by the regulations in force.

By prior decision of the Company's Board of Directors, electronic forms may be completed and signed using a reliable identification process that meets the conditions stated in the first sentence of the second paragraph of Article 1367 of the French Civil Code, which may consist of a user name and password, or any other means consistent with applicable regulations. Any proxy or vote issued electronically before the Meeting, as well as the confirmation of receipt issued, shall be considered as irrevocable written instructions enforceable against all parties. If ownership of securities is transferred before midnight (Paris time) on the second business day prior to the Meeting, the Company shall invalidate or accordingly modify the proxy or vote, as applicable, issued before that date and time.

Fnac Darty has implemented Votaccess, a service offering the option to vote online in advance of the General Meeting and to receive the Meeting invitation in electronic form.

Conduct of General Meetings

The meetings are chaired by the Chairman of the Board of Directors, or, in his or her absence, by a Board member specially delegated for that purpose by the Board. Otherwise, the Meeting shall elect its own Chairman.

The minutes of Meetings are prepared and copies are certified and issued in accordance with the regulations in force.

7.1.2.5 / Provisions of the bylaws that could have an impact on a change of control of the Company

The Company's bylaws do not contain any provisions that would, to the Company's knowledge, have the effect of delaying, deferring or preventing a change of its control.

7.1.2.6 / Shareholding thresholds and identification of shareholders (Article 9 of the bylaws)

Shareholding thresholds

While the Company's shares are admitted for trading on a regulated market, any individual or corporate entity acting alone or collectively who directly or indirectly comes to hold or ceases to hold 3% or more – or any multiple of 1% above 3% – of the Company's capital or voting rights must notify the Company thereof by registered letter with acknowledgment of receipt within the time limit stated in Article R. 233-1 of the French Commercial Code (at the time of writing, no later than the close of trading on the fourth trading day following the date that the shareholding threshold is crossed). This is in addition to the legal obligation to notify the Company of the holding of certain percentages of capital. The provisions of paragraph VI bis of Article L. 233-7 of the French Commercial Code and of the AMF General Regulations apply mutatis mutandis to the thresholds referred to in this paragraph.

If not declared in accordance with the preceding paragraph, shares exceeding the percentage that should have been declared shall be stripped of their voting rights in General Meetings if the absence of a declaration has been noted at a Meeting and if one or more shareholders holding at least 3% of the Company's capital or voting rights so requests at said Meeting. This removal of voting rights applies to all General Meetings held until the expiration of a two-year period following the date on which the declaration is regularized.

Furthermore, any person who solely or jointly comes to hold a number of shares representing more than one-twentieth of the Company's capital or voting rights must include the information referred to in paragraph VII of Article L. 233-7 of the French Commercial Code in their declaration to the Company, as specified in the AMF General Regulations. This is applicable while the Company's shares are admitted to trading on a regulated market and is in addition to the thresholds provided by the regulations in force.

At the end of each six-month period following their first declaration, any shareholders who continue to hold a number of shares or voting rights greater than or equal to the fraction referred to in the previous paragraph must renew their declaration of intent for each subsequent six-month period, in accordance with the terms mentioned above.

The Company reserves the right to notify the public and shareholders of any information of which it has been advised or of any failure to comply with the abovementioned obligation by the person concerned.

The ownership percentages are determined using the shares and voting rights referred to in Articles L. 233-7 et seq. of the French Commercial Code and the provisions of Articles 233-11 et seq. of the AMF General Regulation.

Identification of shareholders

While the Company's shares are listed for trading on a regulated market, the Company is authorized to use the methods pursuant to the regulations in force to identify the holders of securities that grant immediate or future voting rights at the Company's Shareholders' Meetings.

7.2 / Share capital

7.2.1 / SHARE CAPITAL ISSUED AND SHARE CAPITAL AUTHORIZED BUT NOT ISSUED

The Company's share capital as at December 31, 2021 and March 1, 2022 was €26,761,118, divided into the equivalent number of shares with a par value of one (1) euro, fully subscribed and paid up and all of the same class. This represents the same number of theoretical voting rights and 26,693,395 actual voting rights as at December 31, 2021 and 26,673,215 actual voting rights as at March 1, 2022. The difference between the number of theoretical voting rights and the number of actual voting rights corresponds to the treasury shares, to which no voting right is attached. The Company has not, to the best of its knowledge, pledged a significant portion of its capital.

The table below shows the financial delegations and authorizations that were granted by the Company's Combined General Meetings on May 23, 2019, May 28, 2020 and May 27, 2021.

Subject of resolution	Maximum amount	Authorization validity	Use of the delegation or authorization during the year
Share buybacks and share capital reduction			
Authorization to trade in the Company's shares [i]	10% of share capital Maximum price per share: €80 Maximum amount of the transaction: €212,868,560	18 months [b]	See 7.2.3.1
Authorization to reduce capital by canceling treasury shares	10% of share capital per 24 months	26 months [b]	See 7.2.3.2
Issuance of securities			
Issue of ordinary shares, with preemptive subscription rights, giving access to ordinary shares or to the allotment of Company debt instruments and/or investment securities giving access to ordinary shares, as applicable [i]	Shares: €13m [d] Debt instruments: €260m [d]	26 months [b]	This delegation has not been used
Issue of ordinary shares giving access, as applicable, to ordinary shares or to the allotment of debt instruments and/or investment securities giving access to ordinary shares, in the form of a public tender offer and/or as payment in a public exchange offer, with preemptive subscription rights waived and with a mandatory priority period [i]	Shares: €2.6m [e] Debt instruments: €260m [d]	26 months [b]	This delegation has not been used
Issue of ordinary shares giving access, as applicable, to ordinary shares or to the allotment of Company debt instruments and/or investment securities giving access to ordinary shares, with preemptive subscription rights waived, in the form of a private placement [i]	Shares: €2.60m [f] Debt instruments: €260m [d]	26 months [b]	This delegation has not been used
Issue of shares or investment securities giving access to capital in consideration for contributions in kind [i]	Shares: 10% of share capital on the day of the AGM [f] Debt instruments: €260m [d]	26 months [b]	This delegation has not been used
Authorization granted to the Board of Directors, in the event of an issue without preemptive subscription rights, to set the issue price up to a limit of 10% of the share capital [i]	10% of share capital per year	26 months [b]	This authorization has not been used
Capital increase through the capitalization of reserves, profits [i] and/or premiums	€13m [g]	26 months [b]	This delegation has not been used

Subject of resolution	Maximum amount	Authorization validity	Use of the delegation or authorization during the year
Increase in the number of shares to be issued in the event of a capital increase with or without preemptive subscription rights [i]	As limited by applicable regulations (currently 15% of the initial issue) and the caps set by the General Meeting	26 months [b]	This authorization has not been used
Issue reserved for employees and Directors			
Capital increase, through the issue of ordinary shares or investment securities giving access to capital, reserved for members of employee share savings plans, with preemptive subscription rights waived in favor of the latter	€1.3m [g]	26 months [b]	This delegation has not been used
Award of stock subscription and/or purchase options, with preemptive subscription rights waived	5% of share capital on the allotment date [h]	38 months [a]	This authorization has not been used
Bonus allotments of existing shares and/or shares to be issued to the Company's employees, with preemptive subscription rights waived	5% of share capital on the allotment date [h]	as of 09/28/2020 to 07/27/2023	244,660 shares were allotted on May 27, 2021, i.e., 0.91% of the share capital [j]

(a) From May 23, 2019.
(b) From May 27, 2021.
(c) From May 28, 2020.
(d) All delegations for capital increases count towards this overall cap on capital increases. Shared cap for debt instruments.
(e) Shared cap for capital increases totaling €2.6 million towards which the caps referred to in (f) count and which counts towards the overall cap referred to in (d).
(f) Included in the shared cap for capital increases referred to in (e).
(g) Included in the overall cap referred to in (d).
(h) Shared cap for authorizations relating to stock options and the allotment of bonus shares, it being understood that, for each authorization, the nominal amount of capital increases counts towards the overall cap referred to in (d). Shared sub-cap for authorizations relating to stock options and the allotment of bonus shares to executive officers: 1% of the share capital within the shared cap.
(i) Suspension during a public tender offer.
(j) Percentage of the authorization remaining: 4.09%.
€m: millions of euros.

The Company acted on the resolutions authorizing the purchase or sale of Company shares and the reduction of the Company's capital as described in section 7.2.3 below.

The Company has decided to make use of the delegation of authority granted to it by the General Meeting of May 23, 2019 in its seventeenth resolution and has decided to issue, by way of a public offering as provided for in Article L. 411-2 1° of the French Monetary and Financial Code (referred to as a "private placement"), convertible bonds known as "OCEANE bonds", up to a maximum nominal value of two hundred and sixty million euros (€260,000,000), with waiver of shareholders' preferential subscription rights and with no priority period. The Company has also decided to make a capital increase resulting from the potential conversion of the convertible bonds into new shares, up to a maximum nominal value of two million six hundred thousand euros (€2,600,000) (see section 7.2.4 "Other rights or securities giving access to capital – Bonds with an option for conversion and/or exchange for new and/or existing shares (OCEANE bonds)").

7.2.2 / SECURITIES NOT REPRESENTING SHARE CAPITAL

Since September 22, 2016, the Group has had at its disposal Senior bonds in the amount of €650 million, bearing 3.25% annual interest, maturing in 2023 (High Yield Bonds) as described in section 4.2.2.2 “Financial debt”.

On March 16, 2021, Fnac Darty announced that it had finalized the restructuring of its long-term debt, with an extended maturity profile, diversified sources of financing and optimized cost, thereby securing its long-term liquidity.

The group has therefore initiated repayment in full of its PGE of €500 million. This instrument will have allowed Fnac Darty to face the health crisis with confidence throughout 2020.

At the same time, Fnac Darty renegotiated the terms of its credit facilities by amending its RCF credit line to raise the total amount to €500 million from the previous amount of €400 million. This credit line will have a maturity of five years (March 2026) which may be extended at Fnac Darty’s request until March 2028. In line with the strategic goals of the new strategic plan, Everyday, this new credit facility includes a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing terms if the designated targets are achieved.

7.2.3 / SHARES CONTROLLED BY THE COMPANY, TREASURY SHARES AND THE COMPANY’S ACQUISITION AND CANCELLATION OF ITS OWN SHARES

7.2.3.1 / Share buyback program applicable at the Universal Registration Document preparation date

On May 27, 2021, the Ordinary General Meeting of the Company authorized the Company’s Board of Directors to implement a buyback program for Company shares for a period of 18 months from the date of the Meeting, in accordance with the provisions of Article L. 22-10-62 et seq. and Article L. 225-210 et seq. of the French Commercial Code and pursuant to the AMF General Regulations, under the following conditions:

Transaction concerned	Duration of authorization	Maximum purchase price per share	Maximum amount	Maximum number of shares
Share buyback program authorized by the AGM of May 27, 2021	18 months	€80 (excluding acquisition costs)	€212,868,560	10% of the Company’s share capital

On May 27, 2021, the Ordinary General Meeting of the Company authorized, under the same conditions, the Company’s Board of Directors to reduce the share capital, on one or more occasions through the cancellation of any amount of treasury shares in the proportions and at the times as it may decide. This authorization is for a period of 26 months from the date of the Meeting, within the limits authorized by law and in accordance with the following conditions:

Transaction concerned	Duration of authorization	Maximum term of the share cancellation period	Maximum number of shares that may be canceled
Share buyback program	26 months	24 months	10% of the Company’s share capital

Authorized purposes

Acquisitions may be made for the following purposes:

a) to stimulate the secondary market or liquidity for Fnac Darty shares via a liquidity agreement with an investment services provider in accordance with the practice permitted by the regulations, it being understood that the number of shares used to calculate the aforementioned limit is the number of shares purchased minus the number of shares sold;

b) to hold the purchased shares for future sale as exchange or payment in the context of potential external growth, merger, demerger or asset transfer transactions;

c) to cover stock purchase options and/or bonus share allotment plans (or similar) for the benefit of employees and/or corporate officers of the Group (including associated companies and economic interest groups), as well as allotment of shares in connection with a company or group savings plan (or similar), company profit-sharing plan and/or any other form of share allotments to Group employees and/or corporate officers;

d) to cover investment securities that establish the right to allotment of Company shares, as required by applicable regulations; and

e) to potentially cancel the purchased shares, in accordance with the authorization granted or to be granted by an Extraordinary General Meeting.

This program is also intended to enable the Company to trade in its shares using any means and for any other authorized purpose or using any market practice permitted now or subsequently by applicable laws and regulations or those accepted by the French Financial Markets Authority, the AMF. If the Company undertakes any transactions outside the purposes mentioned above, it will inform its shareholders by means of a press release.

Buyback mechanism

Acquisitions, sales, trades and transfers may be arranged by any means, including by acquiring blocks of shares, and the Company reserves the right to use options or derivative instruments subject to applicable regulations.

If a third party files a public tender offer for the Company's shares, the Board of Directors may not use this delegation for the duration of the offer period, unless it receives prior authorization to do so from the General Meeting.

Implementation

On October 18, 2018, the Company informed the market of the implementation of a treasury share buyback program, in the amount of 535,000 shares, or approximately 2% of its capital, over a 24-month period. This buyback is carried out at a price that may not exceed the ceiling of €130 per share, set by the General Meeting.

These shares are intended to be canceled so as to offset the dilutive effects of performance share plans or past stock option plans.

For the purpose of implementing this program, the Group granted a mandate to an independent investment services provider.

As at December 31, 2019, 495,000 shares had been redeemed under this mandate at an average price of €63.31 (brokerage fees amounting to €31,338 were paid in this respect). These shares, representing around 2% of capital before cancellation, were canceled.

No treasury share buyback program was implemented by the Company in 2020 or 2021.

Redemptions under the liquidity agreement

From September 26, 2018, and for a term of one year renewable by tacit agreement, Fnac Darty entrusted the implementation of a market surveillance and liquidity agreement covering its ordinary shares to Oddo BHF and Natixis, in accordance with the practice permitted by regulations.

For the implementation of this contract, the following resources were allotted to the liquidity account:

- 97,750 Fnac Darty shares; and
- €360,967.54.

An amendment to the liquidity agreement was also signed in March 2019.

In 2021, under the liquidity agreement, 496,078 shares were purchased at an average price of €54.2112 for a total amount of €26,892,980.05, and 496,365 shares were sold at an average price of €54.6568 for a total of €27,129,728.51. Under this liquidity agreement, the following resources were in the liquidity account on December 31, 2021: 67,723 shares and €2,967,287.08.

On March 1, 2022, the Company held 87,903 shares.

In consideration of the development of the Covid-19 pandemic and in accordance with the conditions imposed by the establishment of the state-guaranteed loan, the Board of Directors did not proceed with the share buybacks in 2020 and 2021, except as part of the current liquidity agreement.

7.2.3.2 / Description of the share buyback program submitted to the General Meeting of May 18, 2022 for authorization

Presentation of the program submitted to the next General Meeting

A new authorization is being submitted for the approval of the Combined General Meeting of May 18, 2022 called to approve the financial statements for the year ended December 31, 2021. This authorization seeks authority for the Board of Directors to implement a new Company share buyback program pursuant to the provisions of Article L. 22-10-62 et seq. and Article L. 225-210 et seq. of the French Commercial Code and the AMF General Regulations, under the following conditions:

Transaction concerned	Duration of authorization	Maximum purchase price per share	Maximum amount	Maximum number of shares
Share buyback program	18 months	€80	€214,088,880	10% of the Company's share capital

Acquisitions may be made for the following purposes:

- to stimulate the secondary market or liquidity for Fnac Darty shares via a liquidity agreement with an investment services provider in accordance with the practice permitted by the regulations, it being understood that the number of shares used to calculate the aforementioned limit is the number of shares purchased minus the number of shares sold;
- to hold the purchased shares for future sale as exchange or payment in the context of potential merger, demerger, asset transfer or external growth transactions;
- to cover stock purchase options and/or bonus share allotment plans (or similar) for the benefit of employees and/or corporate officers of the Group, including associated economic interest groups and companies, as well as allotments of shares in connection with a company or group savings plan (or similar), company profit-sharing plan and/or any other form of share allotments to employees and/or corporate officers of the Group, including associated economic interest groups and companies;
- to cover investment securities that establish the right to allotment of Company shares, as required by applicable regulations; and
- to potentially cancel the purchased shares, in accordance with the authorization granted or to be granted by an Extraordinary General Meeting.

This program is also intended to enable the Company to trade in its shares using any means and for any other authorized purpose or using any market practice permitted now or subsequently by applicable laws and regulations or those accepted by the French Financial Markets Authority, the AMF. If the Company undertakes any transactions outside the purposes mentioned above, it will inform its shareholders by means of a press release.

Acquisitions, sales, trades and transfers may be arranged by any means, including by acquiring blocks of shares, and the Company reserves the right to use options or derivative instruments subject to applicable regulations.

If a third party files a public tender offer for the Company's shares, the Board of Directors may not use this delegation for the duration of the offer period, unless it receives prior authorization to do so from the General Meeting.

7.2.4 / OTHER RIGHTS OR SECURITIES GIVING ACCESS TO CAPITAL

As of December 31, 2021, the potential capital consists of 2,468,221 OCEANE bonds and 1,022,299 bonus shares in the process of vesting, as described below. The long-term compensation mechanism described in section 3.4.2 "Long-term incentives" is achieved partially through stock subscription options and partially through bonus share allotments.

The principles and implementation of a long-term incentive plan for the Group's main Directors (including the Executive Corporate Officer) were approved by the Board of Directors meetings on April 28, 2017, December 15, 2017, May 18, 2018, May 23, 2019, May 28, 2020 and May 27, 2021 on the recommendation of the Appointments and Compensation Committee. This was in accordance with the authorizations granted by the General Meeting of June 17, 2016 in its thirteenth and fourteenth resolutions, the General Meeting of May 23, 2019 in its twenty-third resolution and the General Meeting of May 28, 2020 in its nineteenth and twentieth resolutions.

These plans consist of an allotment of stock subscription options to the executive corporate officer and main Directors, and an allotment of bonus shares to the executive corporate officer, main Directors, Group leadership Directors and high-potential Directors and managers, in order to link them to the Company's performance through the appreciation of its share price.

The options issued through stock subscription option plans vest gradually to the beneficiaries, in tranches, at the end of successive vesting periods, subject to the beneficiary's continued employment in the Group at the end of the relevant period, and are subject to a Fnac Darty share performance condition defined for each vesting period and to non-market performance conditions.

The shares issued through the bonus share allotment plans awarded in 2017, 2018 and 2019 vest gradually to the beneficiaries (other than Executive Corporate Officers in the case of the 2019 plan), in tranches, at the end of successive vesting periods, subject to the beneficiary's continued employment in the Group at the end of the relevant period, and are subject to a Fnac Darty share performance condition defined for each vesting period and to non-market performance conditions.

Shares issued through the bonus share allotment plans awarded in 2019 Executive Corporate Officers, and in 2020 and 2021 for all beneficiaries, vest to the beneficiaries at the end of a single vesting period and according to the same principle as the plans outlined above, subject to compliance with continued employment, share performance and non-market performance conditions.

The principles and implementation of a special long-term incentive plan for the Group's main Directors, with the express exclusion of the Executive Corporate Officer, were approved by the Board of Directors meeting on June 16, 2020 on the recommendation of the Appointments and Compensation Committee. This was in accordance with the authorization granted by the General Meeting of May 28, 2020 in its nineteenth resolution relating to the allotment of bonus shares.

This special plan consists of an allotment of bonus shares, on an exceptional basis due to the specific circumstances concerning Covid-19, to a larger number of employees, Group executives, with the express exclusion of the Company's corporate officers, without these allotted shares being considered exceptional compensation for the beneficiaries. This is in the Group's interest at this particular time insofar as it protects the Group's cash position compared to a cash-based compensation system, and strengthens the link between the interests of the beneficiaries and those of the shareholders.

Pursuant to Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, the Board decided that:

- the executive corporate officers must hold, in registered form, until the end of their term of office, a minimum number of shares corresponding to 25% of their fully vested shares (net of fees and taxes and the disposals necessary to exercise options) on each of the bonus share and option plans allotted to them by the Board on or after the date of their appointment; it is specified that the plans from which they may have benefited earlier as employees are not included in this requirement; and
- this percentage would be lowered to 5% once the number of shares held by the executive corporate officers from bonus share allotments and options exercised in all plans represents an amount equal to twice their gross annual fixed compensation, which is the minimum number of shares that the executive corporate officers must hold in registered form until the end of their term of office, as recommended in paragraph 23 of the AFEP-MEDEF Code.

In accordance with the recommendations of the AFEP-MEDEF Code, the executive corporate officers who receive share options and/or performance shares formally commit not to hedge their risk on the options, the shares resulting from the exercise of options, or the performance shares, until the end of the share lock-up period set by the Board of Directors.

To the Company's knowledge, no hedging instruments are in place.

Stock options

The options issued through the stock subscription option plan vest gradually to the beneficiaries, in tranches, at the end of successive vesting periods, subject to the beneficiary's continued employment in the Group at the end of the relevant period. They are subject to a Fnac Darty share performance condition, a performance condition associated with the achievement of specific synergy targets with regard to the merging of Fnac and Darty, and a current operating income target, defined for each vesting period.

The exercise price of the allotted stock subscription options is set without a discount. It is equal to the average of the 20 closing prices of the Group's share prior to the date of the decision of the Board of Directors regarding the allotment of the plan.

The plan established by the Board of Directors on April 28, 2017 stipulates two vesting periods: May 2, 2017 to May 1, 2019, and May 2, 2017 to May 1, 2020.

The plan established by the Board of Directors on May 18, 2018 stipulates two vesting periods: May 18, 2018 to May 17, 2020, and May 18, 2018 to May 17, 2021.

Main features	**2017 plan**	**2018 plan**
Date of the authorization of the General Meeting	June 17, 2016	June 17, 2016
Date of Board of Directors' meeting	April 28, 2017	May 18, 2018
Exercise price [(a)]	€66.23	€89.43
Performance conditions	Share price increase Achievement of synergy targets	TSR Achievement of current operating income target
Date of full vesting (start date for exercising options)	May 1, 2019: for 50% May 1, 2020: for 50%	May 17, 2020: for 50% May 17, 2021: for 50%
Plans' expiration date	May 1, 2020: for 50% May 1, 2021: for 50%	May 17, 2021: for 50% May 17, 2022: for 50%
Number of stock subscription options initially allotted	300,000	97,438
Alexandre Bompard, Chairman and CEO until 07/17/2017	150,000	
Enrique Martinez, CEO since 07/17/2017		41,766
Number of beneficiaries as at December 31, 2021	0	0
Being vested as at December 31, 2021	0	0
Canceled or expired as at December 31, 2021	294,537	97,438
Of which vested, not exercised and expired	*49,113*	*22,965*
Vested as of December 31, 2021	32,748 (1st tranche vested as at May 1, 2019) 21,828 (2nd tranche vested as at May 1, 2020)	22,965 (1st tranche vested as at May 17, 2020) 0 (2nd tranche vested as at May 17, 2021)
Vested and exercised as of December 31, 2021	5,463 (1st tranche vested as at May 1, 2019)	0
Vested, not exercised as of December 31, 2021 and expired	27,285 (1st tranche vested as at May 1, 2019) 21,828 (2nd tranche vested as at May 1, 2020)	22,965 (1st tranche vested as at May 17, 2020)
TOTAL NUMBER OF OPTIONS BEING VESTED AS AT DECEMBER 31, 2021		**0**

(a) Price is equal to the average of the 20 closing prices of Fnac Darty's share prior to the date of the decision of the Board of Directors regarding the allotment of the plan.

Stock subscription or purchase options granted to the first ten non-executive corporate officer employees and the options exercised by these beneficiaries	Total number of options allotted/ shares subscribed or purchased	Weighted average price	Plan No. 1	Plan No. 2
Options granted during the period by the issuer and any company included within the scope of allotment of options, to the ten employees of the issuer and any company included within this scope, of which the number of options granted is the highest. (Global information)	0	n.a.	n.a.	n.a.
Options held on the issuer and the companies referred to above, exercised during the period by the ten employees of the issuer and these companies, of which the number of options thus purchased or subscribed is the highest. (Global information)	0	n.a.	n.a.	n.a.

Allotment of bonus shares

The plan established by the Board of Directors on April 28, 2017 stipulates a duration of four years: two vesting years (May 2, 2017 to May 1, 2019) and two holding years for French residents, and four vesting years (May 2, 2017 to May 1, 2021) for non-French residents. The Fnac Darty share performance condition was assessed annually, in April 2018 and April 2019, based on the share's average closing price over the 20 trading days preceding May 1, 2018 and May 1, 2019 respectively. The performance condition relating to the achievement of synergies in the merger of Fnac and Darty were assessed in 2018 after publication of the Group's 2017 annual results, and in 2019 after the publication of the Group's 2018 annual results.

The plan established by the Board of Directors on May 18, 2018 stipulates a term of three years (May 18, 2018 to May 17, 2021) with two successive vesting periods: a first period of two years (May 18, 2018 to May 17, 2020) and a second period of three years (May 18, 2018 to May 17, 2021). The Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120 is measured annually: for the first period, in 2019 for 2018, and in 2020 for 2018-2019; and for the second period, in 2021 for 2018-2020. It will also be subject to a performance condition tied to a target level of current operating income that will be set: for the first period in 2019, after the publication of the Group's 2018 annual results, and in 2020, after publication of the Group's 2019 annual results; and for the second period in 2021, after the publication of the Group's 2020 annual results.

The plan (excluding the executive corporate officer) established by the Board of Directors on May 23, 2019 provides for a term of three years (May 23, 2019 to May 22, 2022) with two successive vesting periods: a first period of two years (May 23, 2019 to May 22, 2021) and a second period of three years (May 23, 2019 to May 22, 2022). The performance condition relating to the Fnac Darty share price based on the Company's total shareholder return (TSR) compared to that of SBF 120 companies is measured in respect of 2019-2020 for the first period, and in respect of 2019-2021 for the second period. The performance conditions associated with achieving a target level of free cash flow will be assessed in 2021 upon publication of the Group's annual results for 2020, taking into account the cashflow generated by the Group during the financial years 2019 and 2020 for the first period, and in 2022 upon publication of the Group's annual results for 2021, taking into account the cashflow generated by the Group during the financial years 2019, 2020 and 2021 for the second period. The Company's performance in the area of corporate, environmental and social responsibility will be assessed by taking into account the Group's non-financial ratings for 2019 and 2020 for the first period, and by taking into account the Group's non-financial ratings for 2019, 2020 and 2021 for the second period.

The plan in respect of the executive corporate officer established by the Board of Directors on May 23, 2019 provides for a term of three years with a single vesting period (May 23, 2019 to May 22, 2022). The performance condition relating to the Fnac Darty share price based on the Company's total shareholder return (TSR) compared to that of SBF 120 companies is measured in respect of 2019-2021 for the entire period. The performance conditions associated with achieving a target level of free cash flow will be assessed in 2022 upon publication of the Group's annual results for 2021, taking into account the cashflow generated by the Group during the financial years 2019, 2020 and 2021 for the entire period. The Company's performance in the area of corporate, environmental and social responsibility is assessed by taking into account the Group's non-financial ratings for 2019, 2020 and 2021 for the entire period.

The plan established by the Board of Directors on May 28, 2020 stipulates a duration of three years with a single vesting period (May 28, 2020 to May 27, 2023). The performance condition relating to the Fnac Darty share price based on the Company's total shareholder return (TSR) compared to that of SBF 120 companies is measured in 2023 in respect of 2020-2022 for the entire period. The performance conditions associated with achieving a target level of free cash flow will be assessed in 2023 upon publication of the Group's annual results for 2022, taking into account the cashflow generated by the Group during the financial years 2020, 2021 and 2022 for the entire period. The Company's performance in the area of corporate, environmental and social responsibility is assessed in 2023 by taking into account the Group's non-financial ratings for 2020, 2021 and 2022 for the entire period.

The special plan (with the express exclusion of the Executive Corporate Officer) established by the Board of Directors on June 16, 2020 stipulates a duration of two years: one vesting year (June 16, 2020 to June 15, 2021) and one lock-up year (June 16, 2021 to June 15, 2022) for French residents, and two vesting years (June 16, 2020 to June 15, 2022) for non-French residents. This special plan consists of an allotment of bonus shares, on an exceptional basis due to the specific circumstances concerning Covid-19, to a larger number of employees, Group executives, with the express exclusion of the Company's corporate officers, without these allotted shares being considered exceptional compensation for the beneficiaries. This is in the Group's interest at this particular time insofar as it protects the Group's cash position compared to a cash-based compensation system, and strengthens the link between the interests of the beneficiaries and those of the shareholders.

The first plan established by the Board of Directors on May 27, 2021 stipulates a duration of three years with a single vesting period (May 27, 2021 to May 26, 2024). This plan applies to French residents only. The performance condition relating to the Fnac Darty share price based on the Company's total shareholder return (TSR) compared to that of SBF 120 companies is measured in 2024 in respect of 2021-2023 for the entire period. The performance conditions associated with achieving a target level of free cash flow will be assessed in 2024 upon publication of the Group's annual results for 2023, taking into account the cashflow generated by the Group during the financial years 2021, 2022 and 2023 for the entire period. The Company's performance in the area of corporate, environmental and social responsibility is assessed in 2024 by taking into account the Group's non-financial ratings for 2021, 2022 and 2023 for the entire period.

The second plan (with the express exclusion of the Executive Corporate Officer) established by the Board of Directors on May 27, 2021 provides for a term of three years with a single vesting period (May 27, 2021 to May 26, 2024). This plan applies primarily to non-French residents. The performance condition relating to the Fnac Darty share price based on the Company's total shareholder return (TSR) compared to that of SBF 120 companies is measured in 2024 in respect of 2021-2023 for the entire period. The performance conditions associated with achieving a target level of free cash flow will be assessed in 2024 upon publication of the Group's annual results for 2023, taking into account the cashflow generated by the Group during the financial years 2021, 2022 and 2023 for the entire period. The Company's performance in the area of corporate, environmental and social responsibility is assessed in 2024 by taking into account the Group's non-financial ratings for 2021, 2022 and 2023 for the entire period.

The third plan (with the express exclusion of the Executive Corporate Officer) established by the Board of Directors on May 27, 2021 provides for a term of three years with a single vesting period (May 27, 2021 to May 26, 2024). This specific plan is subject to a condition that beneficiaries remain employed when it matures, but is not subject to performance conditions. It aims to recognize the commitment of managers who have not yet been awarded Fnac Darty bonus shares in the past (or on an exceptional basis).

Vesting of the bonus shares is subject to a continuous service condition and Fnac Darty performance conditions, with the exception of the special 2020 plan and the specific 2021 plan, the latter being subject to a performance condition.

Main features	2017 plan	2018 plan	2019 plan
Date of the authorization of the General Meeting	June 17, 2016	June 17, 2016	June 17, 2016
Date of Board of Directors' meeting	April 28, 2017	May 18, 2018	May 23, 2019
Performance conditions	Share price increase Achievement of synergy targets	TSR Achievement of current operating income target	TSR Achievement of free cash flow target CSR
Date of full vesting	For French residents: May 1, 2019 For non-French residents: May 1, 2021	May 17, 2020: for 66.67% May 17, 2021: for 33.33%	May 22, 2021: for 33.33% May 22, 2022: for 66.67%
End date of the holding period	For French residents: May 1, 2021		
Number of bonus shares initially allotted	122,000	109,817	214,449
Alexandre BOMPARD, Chairman and CEO until 07/17/2017	20,333		
Enrique MARTINEZ, CEO since 07/17/2017		9,983	
Number of beneficiaries as at December 31, 2021	0	0	182
Being vested as at December 31, 2021	0	0	121,909
Canceled or expired as at December 31, 2021	51,181	77,385	45,916
Vested as of December 31, 2021	70,819	32,432	46,624

Main features	2019 plan	2020 plan	Special 2020 plan
Date of the authorization of the General Meeting	June 17, 2016	May 23, 2019	May 28, 2020
Date of Board of Directors' meeting	May 23, 2019	May 28, 2020	June 16, 2020
Performance conditions	TSR Achievement of free cash flow target CSR	TSR Achievement of free cash flow target CSR	None
Date of full vesting	May 22, 2022: for 100%	May 27, 2023: for 100%	For French residents: June 15, 2021 For non-French residents: June 15, 2022
End date of the holding period			For French residents: June 15, 2022
Number of bonus shares initially allotted	31,752	616,496	98,743
Alexandre BOMPARD, Chairman and CEO until 07/17/2017			
Enrique MARTINEZ, CEO since 07/17/2017	31,752	76,997	
Number of beneficiaries as at December 31, 2021	1	216	15
Being vested as at December 31, 2021	31,752	557,606	4,557
Canceled or expired as at December 31, 2021	0	58,890	0
Vested as of December 31, 2021	0	0	94,186

Main features	2021 plan	2021 plan	2021 plan
Date of the authorization of the General Meeting	May 28, 2020	May 28, 2020	May 28, 2020
Date of Board of Directors' meeting	May 27, 2021	May 27, 2021	May 27, 2021
Performance conditions	TSR Achievement of free cash flow target CSR	TSR Achievement of free cash flow target CSR	None
Date of full vesting	May 26, 2024 for 100%	May 26, 2024 for 100%	May 26, 2024 for 100%
End date of the holding period			
Number of bonus shares initially allotted	244,660	54,376	14,005
Enrique MARTINEZ, CEO since 07/17/2017	39,911		
Number of beneficiaries as at December 31, 2021	171	50	47
Being vested as at December 31, 2021	239,893	53,077	13,505
Canceled or expired as at December 31, 2021	4,767	1,299	500
Vested as of December 31, 2021	0	0	0
TOTAL BONUS SHARES BEING VESTED AT DECEMBER 31, 2021			**1,022,299**

No companies affiliated with Fnac Darty under the conditions laid down in Article L. 225-197-2 of the French Commercial Code or controlled by it as defined by Article L. 233-16 of the French Commercial Code have issued any stock purchase or subscription option plans.

Bonds with an option for conversion and/or exchange for new and/or existing shares (OCEANE bonds)

On March 16, 2021, Fnac Darty issued bonds with an option for conversion and/or exchange for new and/or existing shares ("OCEANE bonds") maturing on March 23, 2027 via placement with qualified investors. The nominal value of the issue was €199,999,947.63, represented by 2,468,221 bonds with a unit par value of €81.03.

The net proceeds from the issue will be allocated to the repayment of some of the Group's financing, including the Senior Term Loan Facility in the amount of €200 million that matures in April 2023.

The OCEANE bonds were issued at par and will bear interest from the issue date at an annual rate of between 0.0% and 0.5%, payable annually in arrears on March 23 each year (or on the following business day if this date is not a business day) commencing on March 23, 2022. As a result of the distribution of a dividend of €1 per share to Fnac Darty shareholders on July 7, 2021, the conversion/exchange rate was increased from one (1) Fnac Darty share per OCEANE bond to 1.019 Fnac Darty shares per OCEANE bond as of July 7, 2021.

As of December 31, 2021, there were no early conversions of OCEANE bonds.

Dilutive effect

As of December 31, 2021, the Company had 1,022,299 bonus shares in the process of vesting, 955,717 of which may result in the issue of new shares. It should be noted that the second and third bonus share allotment plans awarded in 2021 expressly provide for the delivery of existing shares and are therefore not dilutive. As at December 31, 2021, there were 26,761,118 Company shares. On that date, if all bonus shares that may result in the issue of new shares had vested through the issue of new shares, 955,717 shares would have been created, representing a dilution of 3.57%.

The maximum dilution, estimated on the basis of the Company's capital and the conversion ratio of the 2,515,117 OCEANE bonds as of December 31, 2021, would be 9.40% if Fnac Darty resolved to deliver only new shares in the event that conversion rights were exercised for all OCEANE bonds.

On March 16, 2021, Fnac Darty announced its new financing strategy with the repayment in full of its €500 million state-guaranteed loan (PGE), the extension of its RCF to €500 million and the repayment of the €200 million Senior Term Loan Facility maturing in April 2023, as well as the placement of its first OCEANE bond in the amount of approximately €200 million.

Details of these various transactions are set out in section 4.3 "Recent events and outlook" of chapter 4 of this Universal Registration Document.

7.2.5 / TERMS GOVERNING ANY VESTING RIGHT AND/OR ANY OBLIGATION ATTACHED TO THE CAPITAL AUTHORIZED BUT NOT ISSUED

None.

7.2.6 / SHARE CAPITAL OF ANY GROUP COMPANY THAT IS SUBJECT TO AN OPTION OR AN AGREEMENT TO GRANT AN OPTION

Except as described in section 7.3 "Shareholders" of this Universal Registration Document, the Company is not aware of any options to acquire all or part of the capital of any company in the Group or any conditional or unconditional agreement to grant an option over all or part of the capital of any Group company.

7.2.7 / HISTORY OF THE SHARE CAPITAL OVER THE LAST FIVE YEARS

The table below presents the evolution of the Company's share capital over the last five full financial years.

Date	Nature of the transaction	Capital prior to the transaction (€)	Issue premium (€)	Number of shares prior to the transaction	Number of shares after the transaction	Par value after the transaction (€)	Capital after the transaction (€)
05/24/2016	Capital increase reserved for Vivendi	16,687,774	156,079,753	16,687,774	19,632,675	1.00	19,632,675
07/29/2016	Capital increase as payment for the Darty shares tendered as securities for the Darty plc acquisition offer	19,632,675	n.a.	19,632,675	26,103,758	1.00	26,103,758
09/15/2016	Capital increase as payment for the Darty shares tendered as securities for the Darty plc acquisition offer following the forced disposal notifications	26,103,758	n.a.	26,103,758	26,122,771	1.00	26,122,771
01/09/2017	Increase in the number of shares following the exercise of stock subscription options	26,122,771	3,749,880.60	26,122,771	26,299,576	1.00	26,299,576
03/01/2017	Increase in the number of shares resulting from the full vesting of bonus shares	26,299,576	(38,890)	26,299,576	26,338,466	1.00	26,338,466
12/15/2017	Increase in the number of shares following the exercise of stock subscription options	26,338,466	7,614,068.08	26,338,466	26,658,135	1.00	26,658,135
06/18/2018	Increase in the number of shares resulting from the full vesting of bonus shares	26,658,135	44,245	26,658,135	26,702,380	1.00	26,702,380
07/16/2018	Capital increase reserved for employees, corporate officers and eligible former employees subscribing to the Group Savings Plan	26,702,380	6,585,377.76	26,702,380	26,792,938	1.00	26,792,938
12/28/2018	Increase in the number of shares following the exercise of stock subscription options	26,792,938	463,368.1	26,792,938	26,803,689	1.00	26,803,689
12/28/2018	Capital reduction through the cancellation of shares	26,803,689	n.a.	26,803,689	26,605,439	1.00	26,605,439

Date	Nature of the transaction	Capital prior to the transaction (€)	Issue premium (€)	Number of shares prior to the transaction	Number of shares after the transaction	Par value after the transaction (€)	Capital after the transaction (€)
03/07/2019	Increase in the number of shares resulting from the full vesting of bonus shares and following the exercise of stock subscription options	26,605,439	138,307.9	26,605,439	26,618,995	1.00	26,618,995
03/07/2019	Capital reduction through the cancellation of shares	26,618,995	n.a.	26,618,995	26,567,245	1.00	26,567,245
05/20/2019	Increase in the number of shares resulting from the full vesting of bonus shares and following the exercise of stock subscription options	26,567,245	752,353.60	26,567,245	26,643,288	1.00	26,643,288
05/20/2019	Capital reduction through the cancellation of shares	26,643,288	n.a.	26,643,288	26,498,288	1.00	26,498,288
06/07/2019	Increase in the number of shares following the exercise of stock subscription options	26,498,288	394,451.9	26,498,288	26,504,635	1.00	26,504,635
07/17/2019	Capital increase reserved for employees, corporate officers and eligible former employees subscribing to the Group Savings Plan	26,504,635	6,128,159.88	26,504,635	26,615,572	1.00	26,615,572
09/13/2019	Capital reduction through the cancellation of shares	26,615,572	n.a.	26,615,572	26,515,572	1.00	26,515,572
03/02/2020	Increase in the number of shares resulting from the full vesting of bonus shares	26,515,572	n.a.	26,515,572	26,566,152	1.00	26,566,152
05/18/2020	Increase in the number of shares resulting from the full vesting of bonus shares	26,566,152	n.a.	26,566,152	26,598,464	1.00	26,598,464
06/17/2020	Increase in the number of shares resulting from the full vesting of bonus shares	26,598,464	n.a.	26,598,464	26,607,956	1.00	26,607,956
07/24/2020	Increase in the number of shares resulting from the full vesting of bonus shares	26,607,956	n.a.	26,607,956	26,608,571	1.00	26,608,571
05/03/2021	Increase in the number of shares resulting from the full vesting of bonus shares	26,608,571	n.a.		26,620,803	1.00	26,620,803

Date	Nature of the transaction	Capital prior to the transaction (€)	Issue premium (€)	Number of shares prior to the transaction	Number of shares after the transaction	Par value after the transaction (€)	Capital after the transaction (€)
05/23/2021	Increase in the number of shares resulting from the full vesting of bonus shares	26,620,803	n.a.	26,620,803	26,666,932	1.00	26,666,932
06/16/2021	Increase in the number of shares resulting from the full vesting of bonus shares	26,666,932	n.a.	26,666,932	26,761,118	1.00	26,761,118

The following major transactions involving the Company's share capital were completed between May 24, 2016 and the preparation date of this Universal Registration Document.

In accordance with the right to sub-delegate granted by the Board of Directors:

- the Chairman and Chief Executive Officer, in a decision dated May 25, 2016, noted the capital increase of €159,024,654 with an issue premium of €156,079,753 reserved for Vivendi, through the issue of 2,944,901 new shares; the share capital was therefore raised from €16,687,774 to €19,632,675 (divided into 19,632,675 shares with a par value of €1);
- the Chairman and Chief Executive Officer, in a decision dated July 29, 2016, noted the capital increase of €6,471,083 through the issue of 6,471,083 new shares with a par value of €1, as payment for the Darty shares tendered as securities for the buyback offer; the share capital was therefore raised from €19,632,675 to €26,103,758 (divided into 26,103,758 shares with a par value of €1);
- the Chairman and Chief Executive Officer, in a decision dated September 15, 2016, noted the capital increase of €19,013 through the issue of 19,013 new shares with a par value of €1, as payment for the Darty shares tendered as securities for the buyback offer; the share capital was therefore raised from €26,103,758 to €26,122,771 (divided into 26,122,771 shares with a par value of €1);
- the Chairman and Chief Executive Officer, in a decision dated January 9, 2017, noted the capital increase of €176,805 through the issue of 176,805 new shares with a par value of €1, following the exercise of stock subscription options in 2016; the share capital was therefore raised from €26,122,771 to €26,299,576 (divided into 26,299,576 shares with a par value of €1);
- the Chairman and Chief Executive Officer, in a decision dated March 1, 2017, noted the capital increase of €38,890 through the issue of 38,890 new shares with a par value of €1, following the full vesting of bonus shares by the beneficiaries; the share capital was therefore raised from €26,299,576 to €26,338,466 (divided into 26,338,466 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated December 15, 2017, noted the capital increase of €319,669 through the issue of 319,669 new shares with a par value of €1, following the exercise of stock subscription options in 2017, not recognized as of March 1, 2017; the share capital was therefore raised from €26,338,466 to €26,658,135 (divided into 26,658,135 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated June 18, 2018, noted the capital increase of €44,245 through the issue of 44,245 new shares with a par value of €1, following the full vesting of bonus shares by the beneficiaries; the share capital was therefore raised from €26,658,135 to €26,702,380 (divided into 26,702,380 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated July 16, 2018, noted the capital increase of 90,558 new shares with a par value of €1 following the subscription of shares by employees, and eligible corporate officers and former employees subscribing to the Group Savings Plan for Fnac Darty's French companies, and to the International Group Savings Plan for Fnac Darty's non-French companies; the share capital was therefore raised from €26,702,380 to €26,792,938 (divided into 26,792,938 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated December 28, 2018, noted the capital increase of 10,751 new shares with a par value of €1 following the exercise of stock subscription options since October 1, 2018; the share capital was therefore raised from €26,792,938 to €26,803,689 (divided into 26,803,689 shares with a par value of €1);

- the Chief Executive Officer, in a decision dated December 28, 2018, noted the capital reduction of 198,250 shares with a par value of €1 following the redemption of shares under the share buyback program implemented by the Company's Board of Directors; the share capital was therefore reduced from €26,803,689 to €26,605,439 (divided into 26,605,439 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated March 7, 2019, noted the capital increase of 13,556 shares with a par value of €1 following the full vesting of 10,347 bonus shares and the exercise of 3,209 stock subscription options, followed by a reduction of 51,750 shares with a par value of €1 following the redemption of shares under the share buyback program implemented by the Company's Board of Directors; the share capital was therefore reduced from €26,605,439 to €26,567,245 (divided into 26,567,245 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated May 20, 2019, noted the capital increase of 76,043 shares with par value of €1 following the full vesting of 58,587 bonus shares and the exercise of 17,456 stock subscription options, followed by a reduction of 145,000 shares with a par value of €1 following the redemption of shares under the share buyback program implemented by the Company's Board of Directors; the share capital was therefore reduced from €26,567,245 to €26,498,288 (divided into 26,498,288 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated June 7, 2019, noted the capital increase of 6,347 shares with a par value of €1 following the exercise of 6,347 stock subscription options; the share capital was therefore raised from €26,498,288 to €26,504,635 (divided into 26,504,635 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated July 17, 2019, noted the capital increase of 110,937 new shares with a par value of €1 following the subscription of shares by employees, and eligible corporate officers and former employees subscribing to the Group Savings Plan for Fnac Darty's French companies, and to the International Group Savings Plan for Fnac Darty's non-French companies; the share capital was therefore raised from €26,504,635 to €26,615,572 (divided into 26,615,572 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated September 13, 2019, noted the capital reduction of 100,000 shares with a par value of €1 following the redemption of shares under the share buyback program implemented by the Company's Board of Directors; the share capital was therefore reduced from €26,615,572 to €26,515,572 (divided into 26,515,572 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated March 2, 2020, noted the capital increase of €50,580 through the issue of 50,580 new shares with a par value of €1, following the full vesting of bonus shares by the beneficiaries; the share capital was therefore raised from €26,515,572 to €26,566,152 (divided into 26,566,152 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated May 18, 2020, noted the capital increase of €32,312 through the issue of 32,312 new shares with a par value of €1, following the full vesting of bonus shares by the beneficiaries; the share capital was therefore raised from €26,566,152 to €26,598,464 (divided into 26,598,464 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated June 17, 2020, noted the capital increase of €9,492 through the issue of 9,492 new shares with a par value of €1, following the full vesting of bonus shares by the beneficiaries; the share capital was therefore raised from €26,598,464 to €26,607,956 (divided into 26,607,956 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated July 24, 2020, noted the capital increase of €615 through the issue of 615 new shares with a par value of €1, following the full vesting of bonus shares by the beneficiaries; the share capital was therefore raised from €26,607,956 to €26,608,571 (divided into 26,608,571 shares with a par value of €1).
- the Chief Executive Officer, in a decision dated May 03, 2021, noted the capital increase of €12,232 through the issue of 12,232 new shares with a par value of €1, following the full vesting of bonus shares by the beneficiaries; the share capital was therefore raised from €26,608,571 to €26,620,803 (divided into 26,620,803 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated May 23, 2021, noted the capital increase of €46,129 through the issue of 46,129 new shares with a par value of €1, following the full vesting of bonus shares by the beneficiaries; the share capital was therefore raised from €26,620,803 to €26,666,932 (divided into 26,666,932 shares with a par value of €1);
- the Chief Executive Officer, in a decision dated June 16, 2021, noted the capital increase of €94,186 through the issue of 94,186 new shares with a par value of €1, following the full vesting of bonus shares by the beneficiaries; the share capital was therefore raised from €26,666,932 to €26,761,118 (divided into 26,761,118 shares with a par value of €1).

7.3 / Shareholders

7.3.1 / SHAREHOLDING

To the Company's knowledge, as at December 31, 2021, the Company's share capital and voting rights were distributed as follows:

	Position as of December 31, 2021			
Shareholders	Shares	% of share capital	% of theoretical voting rights	% of exercisable voting rights
Floating [(a)]	16,701,616	62.41%	62.41%	62.57%
Ceconomy Retail International	6,501,845	24.30%	24.30%	24.36%
Indexia Développement [(b)]	3,026,422	11.31%	11.31%	11.34%
Employee share ownership	463,512	1.73%	1.73%	1.74%
Treasury shares	67,723	0.25%	0.25%	-
TOTAL	**26,761,118**	**100.00%**	**100.00%**	**100.00%**

(a) Determined by deduction.
(b) Formerly the SFAM Group.

As of December 31, 2021, the date of the most recent shareholder survey, more than 85% of floating shares were held by institutional investors, half of which are French.

To the Company's knowledge and as at March 14, 2022, other than Ceconomy Retail International, Indexia Développement and Vesa Equity Investment, no other shareholder directly or indirectly, solely or jointly, holds more than 5% of the share capital or voting rights.

The main shareholder movements between 2017 and 2021 were as follows:

- 2017: disposal of the Artémis shareholding from the capital of Fnac Darty (6,451,845 shares, i.e. 24.3% of the capital) for the benefit of the companies Ceconomy AG and Metro Vierzehnte, under the terms of a forward disposal agreement for Fnac Darty shares, concluded on July 26, 2017;
- 2018: Ceconomy remains the Group's reference shareholder with 24.3%. On February 6, 2018, the French insurance broker SFAM purchased Knight Vinke's 11.4% stake in Fnac Darty, thus becoming the Group's second-largest shareholder. On July 2, 2018, Vivendi exercised the right it secured at the start of the year to exit its 11% interest in Fnac Darty;
- 2021: Ceconomy remains the Group's reference shareholder with 24.3%, followed by Indexia Développement (formerly SFAM) with 11.3% of the capital.

Shareholding thresholds

The following major holding notifications were submitted to the AMF and/or the Company in relation to the year 2021, and up to March 14, 2022:

- In a letter sent on February 24, 2021, Dorval Asset Management indicated that it had dropped below the statutory thresholds of 4% and 3% of Fnac Darty's share capital and voting rights, on May 10, 2019 and October 8, 2019 respectively, and that it held 1.37% of the capital and voting rights as of February 23, 2021.
- In a letter sent on February 25, 2021, M&G reported that it held 781,348 Fnac Darty shares representing the same number of voting rights, i.e. 2.94% of the capital and voting rights as of February 24, 2021.
- In a letter dated June 18, 2021, the Caisse des Dépôts et Consignations, indirectly through CNP Assurances, reported that it had exceeded the statutory threshold of 3% of Fnac Darty's capital and voting rights. The crossing of these thresholds arose as the result of securities received as collateral by CNP Assurances, bringing the CDC's holdings, indirectly through CDC Croissance and CNP Assurances, to 824,462 Fnac Darty shares and voting rights, representing 3.09% of the capital and voting rights to date.
- In a letter dated June 25, 2021, the Caisse des Dépôts et Consignations, indirectly through CNP Assurances, reported that its holdings had dropped below the statutory threshold of 3% of Fnac Darty's capital and voting rights. The crossing of this threshold arose as the result of the return of the securities received as collateral by CNP Assurances, bringing the CDC's holdings, both directly and indirectly through CDC Croissance and CNP Assurances, to 771,763 Fnac Darty shares and voting rights, representing 2.88% of the capital and voting rights to date.

Position as of December 31, 2020				Position as of December 31, 2019			
Shares	% of share capital	% of theoretical voting rights	% of exercisable voting rights	Shares	% of share capital	% of theoretical voting rights	% of exercisable voting rights
16,686,953	62.71%	62.71%	62.87%	16,652,076	62.80%	62.80%	62.99%
6,451,845	24.25%	24.25%	24.31%	6,451,845	24.33%	24.33%	24.40%
3,026,422	11.37%	11.37%	11.40%	3,026,422	11.41%	11.41%	11.45%
375,341	1.41%	1.41%	1.41%	306,479	1.16%	1.16%	1.16%
68,010	0.26%	0.26%	-	78,750	0.30%	0.30%	-
26,608,571	**100.00%**	**100.00%**	**100.00%**	**26,515,572**	**100.00%**	**100.00%**	**100.00%**

- In a letter dated July 28, 2021, BDL Capital Management reported that, as of March 26, 2021, its holdings had dropped below the statutory threshold of 3% of Fnac Darty's capital and voting rights. As of that date, BDL Capital Management held 783,032 Fnac Darty shares, representing 2.94% of Fnac Darty's capital and voting rights.
- In a letter dated September 20, 2021, Amundi reported that it had exceeded the statutory threshold of 3% of Fnac Darty's capital and voting rights. As of that date, Amundi held 874,264 Fnac Darty shares in its UCITS, representing 3.26% of Fnac Darty's capital and voting rights.
- In a letter dated December 2, 2021, VESA Equity Investment reported that it had exceeded the statutory threshold of 3% of Fnac Darty's capital and voting rights. As of that date, VESA Equity Investment held 810,184 Fnac Darty shares, representing 3.02% of Fnac Darty's capital and voting rights.
- In a letter dated December 23, 2021, Amundi reported that it had exceeded the statutory threshold of 4% of Fnac Darty's capital and voting rights. As of that date, Amundi held 1,093,133 Fnac Darty shares in its UCITS, representing 4.08% of Fnac Darty's capital and voting rights.
- In a letter dated January 25, 2022, VESA Equity Investment reported that it had exceeded the statutory threshold of 4% of Fnac Darty's capital and voting rights. As of that date, VESA Equity Investment held 1,070,390 Fnac Darty shares, representing 4% of Fnac Darty's capital and voting rights.
- In a letter dated February 22, 2022, VESA Equity Investment reported that on February 16, 2022, it had exceeded the threshold of 5% of Fnac Darty's capital and voting rights and held 1,350,000 shares in the Company, representing 5.04% of Fnac Darty's capital and voting rights.
- In a letter dated March 3, 2022, VESA Equity Investment reported that it had exceeded the statutory threshold of 6% of Fnac Darty's capital and voting rights. As of that date, VESA Equity Investment held 1,612,842 Fnac Darty shares, representing 6.03% of Fnac Darty's capital and voting rights.
- In a letter dated March 7, 2022, VESA Equity Investment reported that it had exceeded the statutory threshold of 8% of Fnac Darty's capital and voting rights. As of that date, VESA Equity Investment held 2,204,085 Fnac Darty shares, representing 8.24% of Fnac Darty's capital and voting rights.
- In a letter dated March 10, 2022, VESA Equity Investment reported that it had exceeded the statutory threshold of 9% of Fnac Darty's capital and voting rights. As of that date, VESA Equity Investment held 2,434,943 Fnac Darty shares, representing 9.1% of Fnac Darty's capital and voting rights.
- In a letter dated March 11, 2022, VESA Equity Investment reported that it had exceeded the threshold of 10% of Fnac Darty's capital and voting rights. As at that date, VESA Equity Investment held 2,702,770 Fnac Darty shares, representing 10.1% of Fnac Darty's capital and voting rights.
- In a letter dated March 14, 2022, VESA Equity Investment reported that it had exceeded the statutory threshold of 11% of Fnac Darty's capital and voting rights. As at that date, VESA Equity Investment held 3,037,358 Fnac Darty shares, representing 11.35% of Fnac Darty's capital and voting rights.

- In a letter dated August 22, 2021, Ceconomy reported that it held directly and indirectly through its subsidiary Ceconomy Retail International GmbH, 6,451,845 shares, representing 24.33% of the shares and theoretical voting rights making up Fnac Darty's capital and that, as of August 24, 2017, it had exceeded all the 1% thresholds for holding Fnac Darty's capital and voting rights between 3% and 24%, and in particular the statutory thresholds of 5%, 10%, 15% and 20%.

  In the same letter it reiterated a previous statement of intent dated February 22, 2021, and made the following statement of intent:

  "Ceconomy declares that, over the next six months, its intentions and those of Ceconomy Retail International, which it directly controls, are as follows:

  - *the acquisition (of 6,451,845 Fnac Darty shares) was financed by the issue of promissory notes and commercial paper;*
  - *Ceconomy controls Ceconomy Retail International and these entities are not parties to any concerted action with any third party with regard to Fnac Darty;*
  - *Ceconomy and Ceconomy Retail International contemplate to purchase additional shares of Fnac Darty depending on financial markets opportunities, but will not exceed the threshold of 30% of the share capital and voting rights of Fnac Darty;*
  - *Ceconomy and Ceconomy Retail International do not intend to take control of Fnac Darty;*
  - *Ceconomy and Ceconomy Retail International support the strategy implemented by Fnac Darty and its management;*
  - *Neither Ceconomy nor Ceconomy Retail International intend to propose that any of the transactions referred to in section 6 of Article 223-17-I of the AMF General Regulations should be implemented;*
  - *Neither Ceconomy nor Ceconomy Retail International are party to any agreement or hold any financial instrument referred to in sections 4 or 4 bis of Article L. 233-9-I of the French Commercial Code;*
  - *Neither Ceconomy nor Ceconomy Retail International are party to agreements on a securities financing transaction involving Fnac Darty's shares or voting rights;*
  - *Neither Ceconomy nor Ceconomy Retail International intends to seek appointment to Fnac Darty's Board of Directors, but they reserve the right to propose that a Ceconomy representative is appointed [(1)]."*

  Ceconomy sent Fnac Darty a letter dated February 22, 2022, in which it renewed these same declarations and intentions.

- In a letter sent on December 9, 2021, Indexia Développement reported that it continued to hold 3,026,422 Fnac Darty shares, representing 11.34% of Fnac Darty's capital.

  In the same letter, reiterating a previous statement of intent dated June 10, 2021, Indexia Développement stated, for a further period of six months, that:

  - *"it had not acquired or sold any Fnac Darty shares or securities giving access to the capital or voting rights of Fnac Darty, since its last statement;*
  - *it is not acting in concert with any third party;*
  - *it intends to acquire additional shares as market opportunities arise;*
  - *it has no intention of taking control of Fnac Darty;*
  - *it supports the strategy announced by the management team; therefore, no specific measures such as those listed in section 6 of Article 223-17-I of the AMF General Regulations need to be implemented; consequently Indexia Développement does not envisage the implementation of any of the measures listed in the above-mentioned Article;*
  - *it is not party to any agreement or financial instrument referred to in sections 4 or 4 bis of Article L. 233-9-I of the French Commercial Code;*
  - *it is not party to any temporary sale agreements involving the shares and/or voting rights of Fnac Darty;*
  - *it does not intend to request representation on the Board of Directors."*

- In a letter dated February 22, 2022, VESA Equity Investment stated that, for the next six months, its intentions were as follows:

  - the acquisitions made by Vesa Equity Investment were financed using shareholders' equity and a credit facility of an unconfirmed amount taken out with a European bank;
  - Vesa Equity Investment is not party to any concerted action in respect of Fnac Darty;
  - depending on market conditions and circumstances, Vesa Equity Investment may, if necessary, continue to purchase Fnac Darty shares in order to increase its shareholding, sell all or some of its shares in order to reduce its holding, or withdraw from the Company's capital completely;
  - Vesa Equity Investment has no intention of taking control of Fnac Darty;
  - Vesa Equity Investment does not intend to implement any of the measures listed in section 6 of Article 223-17 of the AMF General Regulations;
  - Vesa Equity Investment has not entered into any agreements or financial instruments mentioned in sections 4 and 4 bis of Article L. 233-9-I of the French Commercial Code concerning Fnac Darty;
  - Vesa Equity Investment is not party to any temporary sale agreements involving the shares or voting rights of Fnac Darty;
  - Vesa Equity Investment does not intend to seek the appointment of one or more members to Fnac Darty's Board of Directors.

  VESA Equity Investment sent Fnac Darty a letter dated March 11, 2022, in which it renewed these same declarations and intentions.

(1) As of the date of writing this Universal Registration Document, two independent directors proposed by Ceconomy are members of Fnac Darty's Board of Directors.

7.3.2 / SHAREHOLDERS' VOTING RIGHTS

Each share of the Company entitles its holder to one voting right. The Company has not granted any double voting rights. The voting rights of Fnac Darty's main shareholders do not differ from those of its other shareholders.

7.3.3 / CONTROL STRUCTURE

No shareholder controls Fnac Darty.

Ceconomy holds 24.3% of the Company's share capital and voting rights at December 31, 2021 but is not represented on the Company's Board of Directors or Board committees. Three independent directors, Daniela Weber-Rey, Delphine Mousseau and Caroline Grégoire Sainte Marie were appointed on the recommendation of Ceconomy (see section 3.1.1 "Composition of the Board of Directors and its committees" of this Universal Registration Document). Delphine Mousseau resigned from her position on January 26, 2022.

7.3.4 / AGREEMENTS THAT COULD RESULT IN A CHANGE OF CONTROL OF THE COMPANY

None.

7.4 / Stock market information

7.4.1 / EQUITIES MARKET

Fnac Darty shares have been listed on Euronext Paris since June 20, 2013.

Codes and classification of Fnac Darty shares

ISIN code: FR0011476928

Mnemo: Fnac

Where listed: Euronext Paris

Compartment: A

Index: SBF 120

7.4.2 / FNAC DARTY SHARE PRICE AND TRADING VOLUMES

At the time of the IPO, the reference price for Fnac Darty shares was €22.00. On the first day of trading (June 20, 2013), the opening price was €20.03 and the closing price was €19.00.

As at December 31, 2021, the closing price for Fnac Darty shares was €57.50. In addition, Fnac Darty market capitalization reached €1,539 million.

(€)	**Average closing price**	**High**	**Low**	**Number of shares traded on all platforms**
January 2021	49.4646	54.2509	42.8509	2,383,369
February 2021	47.4236	52.6308	45.2664	2,477,420
March 2021	51.7726	57.5403	48.7816	3,619,725
April 2021	55.3138	59.4551	51.4525	2,254,388
May 2021	56.5935	58.7186	53.7109	2,183,948
June 2021	55.4917	59.9951	51.9434	1,983,464
July 2021	54.4915	58.9000	51.0000	2,979,069
August 2021	57.9182	60.4000	56.1500	1,802,162
September 2021	55.7841	58.2500	53.2500	1,970,482
October 2021	55.1238	57.8000	52.2000	1,875,964
November 2021	55.8318	58.4000	51.2500	1,951,255
December 2021	55.1000	58.6500	52.3000	1,380,575

(Source: Bloomberg for the share prices and for the number of shares traded on all platforms).

7.4.3 / FINANCIAL SERVICES ESTABLISHMENT

The securities are managed by:

CACEIS Corporate Trust
Investor Relations
14, rue Rouget-de-Lisle
92862 Issy-les-Moulineaux Cedex 9, France

Tel.: +33 1 57 78 34 44
Fax: +33 1 57 78 32 19
Email: ct-contact@caceis.com

7.5 / Dividend distribution policy

On February 26, 2020, Fnac Darty announced the launch of a shareholder return policy, with a target payout rate of 30% to 40%. The Group originally intended to recommend, at the General Meeting on May 28, 2020, the distribution of an ordinary dividend of €1.50 per share for 2019, corresponding to a distribution rate of 35%, in line with the objectives. Given how the Covid-19 epidemic developed, and in line with the conditions required for the implementation of a state-guaranteed loan, the Board of Directors withdrew the dividend proposal for 2019. As a result, the Group did not pay any dividends during 2020.

Given the 2020 results and the ambitions outlined on February 23, 2021, when the strategic plan Everyday was announced, Fnac Darty has reactivated its shareholder return policy. For 2020, the Group therefore distributed an initial ordinary dividend of €1.00 per share, which was paid in full in cash on July 7, 2021, for a total amount of €26.7 million.

Given the 2021 results and in line with the shareholder return policy outlined when the strategic plan Everyday was announced (see paragraph 1.5.4 of this document), the Group will propose to the General Meeting of May 18, 2022, the distribution of an ordinary dividend of €2.00 per share for 2021. This dividend will be payable entirely in cash. The ex-dividend date will be on June 21, 2022 and the dividend payment date on June 23, 2022.

Year	Total number of shares as of December 31	Dividend paid for the year *(in €/share)*	Paid on	Closing price on 31 December *(in €)*	Rate of return based on closing price
2019	26,515,572	-	-	52.80	-
2020	26,608,571	1.00	July 7, 2021	52.70	1.9%
2021	26,761,118	2.00 [a]	June 23, 2022	57.50	3.5%

(a) Subject to the approval of the General Meeting on May 18, 2022.

In addition, each year the Group will look at the possibility of making an additional distribution to shareholders in the form of an exceptional dividend or share buyback, after financing any M&A transactions and paying the ordinary dividend, subject to an overall maximum leverage of 2.0× [1]. In any event, the Group considers that a leverage amounting to a maximum of 2.0× is an acceptable level to enable the Group to conduct M&A transactions and to allow for a return to shareholders. This indicator will be assessed at the end of June each year in the belief that the position at this date will best reflect the Company's situation, given the seasonality of the business.

The target for the Group is twofold: to secure a recurring dividend distribution for shareholders and to ensure an acceptable level of debt over the long term.

Lastly, under the Loan Agreement, Fnac Darty may only make dividend distributions or other types of distributions related to its share capital in the following circumstances: (A) if the leverage at June 30 of the previous year, measured as the ratio of consolidated net debt excluding IFRS 16 to consolidated EBITDA excluding IFRS 16, pro forma of the ongoing dividend distribution and all dividends or other distributions carried out after June 30 of the previous year, is less than or equal to 2.0x, there is no restriction on dividend distributions; (B), if the leverage at June 30 of the previous year, measured as the ratio of consolidated net debt excluding IFRS 16 to consolidated EBITDA excluding IFRS 16, pro forma of the ongoing dividend distribution and all dividends or other distributions carried out after June 30 of the previous year, is greater than 2.0×, such a distribution and/or payment cannot exceed, in one financial year, 50% of the distributable profits for the previous year; and (C) as long as none of the default events provided for in the Loan Agreement have occurred or are likely to be triggered by such a distribution (see section 4.2.2.2 of this document on financing under the Loan Agreement).

(1) Leverage: net debt/EBITDA excluding IFRS 16 at the end of June.

7.6 / Dialogue with shareholders and investors

Meetings with investors

Fnac Darty's management and Investor Relations team are in regular contact with analysts and investors based in various countries that represent the Company's main regions of financial interest in terms of its business sector and its market capitalization, in particular in Europe (France, Germany, Spain, Switzerland), the United Kingdom and North America (United States, Canada).

These interactions took place in the form of roadshows, phone calls, and conferences. In the specific context of the Covid-19 crisis, which continued in 2021, greatly restricting travel between countries, the vast majority of these meetings took place remotely by videoconference.

In addition, the Investor Relations team, supported by the CSR Director of Fnac Darty, participated in conferences dedicated to socially responsible investment (SRI). These meetings with investment funds and SRI analysts contributed to the Group's progress in the field of CSR, the results of which are detailed in section 2 "Non-financial Performance Declaration" of this document.

- **382** meetings with investors in 2021
- **11** roadshows and **13** conferences, including **2** on the subject of ESG, in 2021
- **7** countries covered
- **9** analysts monitor the share price

Communication policy

Fnac Darty regularly communicates its activities, strategy, and outlook to its institutional and individual investors and, more generally, to the financial community in compliance with best industry practices.

In terms of accessibility to information, Fnac Darty provides all financial information, in both French and English, in the "Investors" section of its website at www.fnacdarty.com; this includes regulated information pursuant to the provisions of Articles 221-1 et seq. of the AMF General Regulations.

The publication of the annual and half-year results as well as revenue for the first and third quarters are notified in press releases in French and English. These press releases, which are made available online on the Company's website and which are sent via the usual regulatory channels (wire), are also sent by email to the entire investor base within Fnac Darty's Customer Relationship Management (CRM), as well as to any individual who wishes to receive them. Investors can request a copy of these reports directly on the Company's website, under the heading "Contacts" of the "Investors" section, or by writing to the Investor Relations and Financial Communication Department by email to investisseurs@fnacdarty.com.

After each report is published, there is a conference call. These meetings are interpreted into English and broadcast by phone and online in French and English.

- **13th** among SBF 120 companies in the Transparency of Corporate Information category (1) and winner of the 2021 Transparency Grand Prize in the "Most Improved" category (2)

The following financial publication schedule for 2022 is also available from the "Investors" section of the Group's website, www.fnacdarty.com:

- February 23, 2022 (after trading): Full-year results 2021;
- April 21, 2022 (after trading): First-quarter revenue 2022;
- May 18, 2022: Annual General Meeting;
- July 27, 2022 (after trading): Half-year results 2022;
- October 19, 2022 (after trading): Third-quarter revenue 2022.

Dialogue with shareholders

Dialogue with shareholders on topics related to governance is handled by senior management, the Chairman, the Investor Relations team, and the Legal Department. Shareholders also have a dedicated area on the Group's website under the heading "Shareholders" in the "Investors" section, where they can find all documents relating to the General Meetings and information about becoming a shareholder. Lastly, all shareholders are welcome to ask questions at any time, either by email to actionnaires@fnacdarty.com or by mail to the following address:

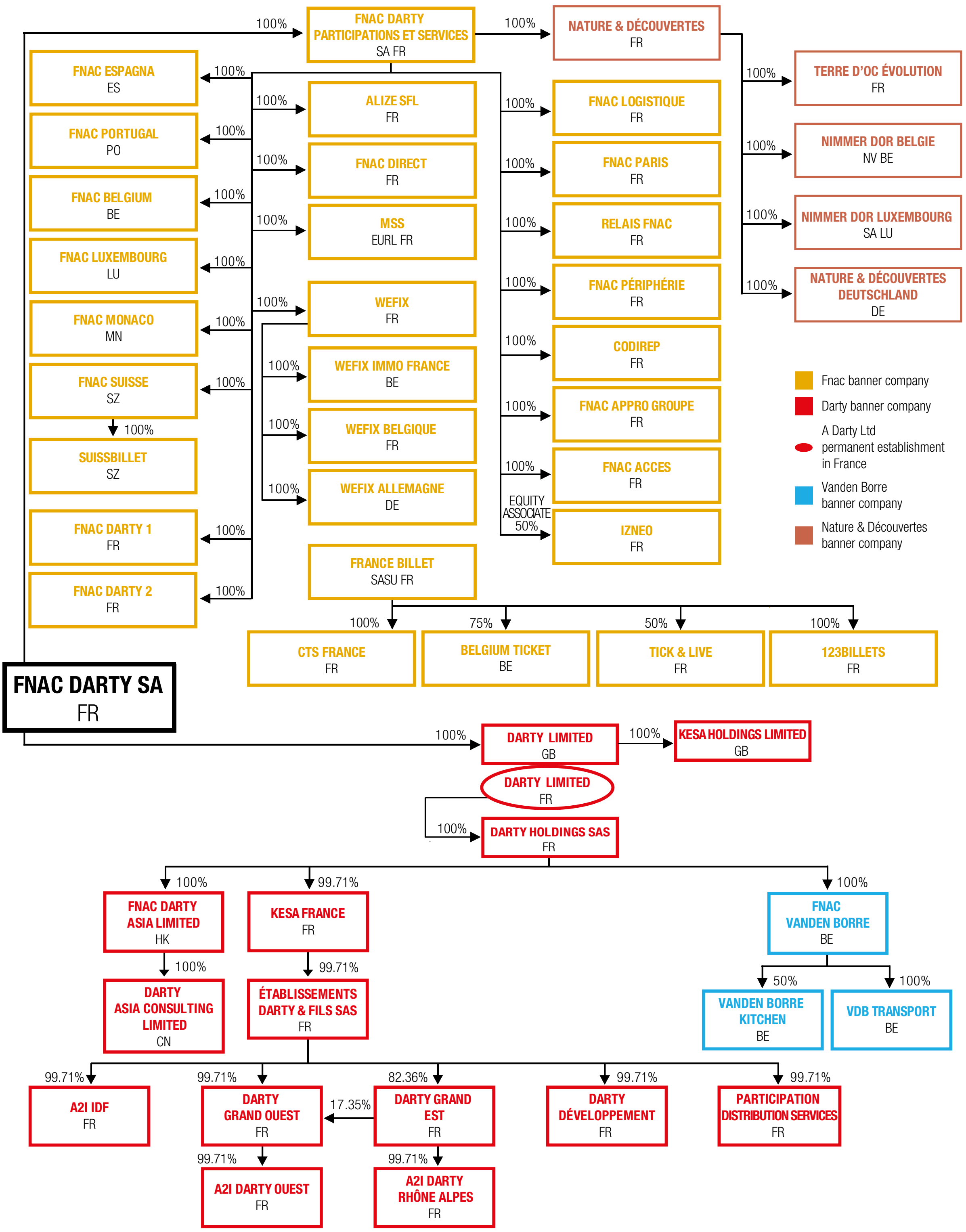
Fnac Darty – Shareholder Relations
9, rue des Bateaux-Lavoirs
94200 Ivry-sur-Seine, France

(1) Scientific Committee of the Transparency Awards 2021 organized by Labrador.
(2) Fnac Darty moved from 74th place in 2020 to 13th place in 2021.

7.7 / Organization of the Group

7.7.1 / SIMPLIFIED GROUP ORGANIZATIONAL CHART

The following simplified organizational chart shows the legal structure of the Group's main subsidiaries as of December 31, 2021.



7.7.2 / MAIN SUBSIDIARIES

7.7.2.1 / General Overview

Fnac Darty is the parent company of a group of companies including, as of December 31, 2021, 52 consolidated subsidiaries (33 in France, 1 in Monaco and 18 in other countries). The Company also heads a tax consolidation group consisting of 29 French subsidiaries.

The Company is a holding company with no operating activities in its own right. Its principal asset is nearly 100% of the shares of Fnac Darty Participations et Services SA and Darty Ltd. The simplified organizational chart provided in section 7.7.1 "Simplified Group organizational chart" includes the main subsidiaries and all direct and indirect holdings of the Company as at December 31, 2021. The consolidated subsidiaries are also listed in note 39 "List of subsidiaries consolidated as of December 31, 2021" of the Company's 2021 consolidated financial statements in section 5.2.

For a description of the main transactions occurring within the Group, see section 7.8.3 "Major intra-group transactions" of this Universal Registration Document.

7.7.2.2 / Main subsidiaries

Fnac Darty's main direct and indirect subsidiaries are described below:

- **Fnac Darty Participations et Services SA** is a French limited company (société anonyme) with capital of €324,952,656. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 775661390. Fnac Darty holds nearly 100% of the capital and voting rights of Fnac Darty Participations et Services SA. Fnac Darty Participations et Services SA is directly or indirectly the parent company of all the subsidiaries of the banner and provides most of the management and support functions for the banner: Services and Operations Department, E-Commerce and Digital Department, Sales Department, Customer and Business Development Department, Transformation and Strategy Department, Operating Department, Communication and Public Affairs Department, Financial Department, Group CSR and Governance Department and Human Resources Department.
- **Fnac Paris** is a French limited company (société anonyme) with capital of €58,500. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 350127460. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Paris. Fnac Paris' main business activity is the operation of the banner's stores.
- **Fnac Direct** is a French single-shareholder simplified joint stock company (société par actions simplifiée unipersonnelle) with capital of €13,583,280. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 377853536. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Direct. Fnac Direct's main business activity is the operation of the fnac.com website.
- **Relais Fnac** is a French single-shareholder simplified joint stock company (société par actions simplifiée unipersonnelle) with capital of €70,777,648. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 334473352. Fnac Darty indirectly holds 100% of the capital and voting rights of Relais Fnac. Relais Fnac includes most of the Banner's regional departments and operates the banner's stores.
- **France Billet** is a French single-shareholder simplified joint stock company (société par actions simplifiée unipersonnelle) with capital of €352,512. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 414948695. Fnac Darty indirectly holds 52% of the capital and voting rights of France Billet. France Billet's main business activity is the marketing and retailing of tickets for sporting, artistic, cultural, tourism and entertainment events via a network of local points of sale, as well as on the fnac.com and francebillet.com websites. A minority share of 48% of France Billet's capital and voting rights is held by the CTS Eventim group. France Billet is governed by the company's bylaws and a shareholders' agreement under which Fnac Darty retains exclusive control of France Billet.
- **Codirep** is a French general partnership company (société en nom collectif) with capital of €23,085,326. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 343282380. Fnac Darty indirectly holds 100% of the capital and voting rights of Codirep. Codirep's main business activity is the operation of the Banner's stores.
- **Alizé-SFL** (Société Française du Livre) is a French single-shareholder simplified joint stock company (société par actions simplifiée unipersonnelle) with capital of €38,962,737. Its registered office is located at 3, avenue Charles-Lindbergh in Wissous (91320) (France) and it is registered with the Évry Trade and Companies Registry under Number 349014472. Fnac Darty indirectly holds 100% of the capital and voting rights of Alizé-SFL. The principal activity of Alizé-SFL is the operation of a bookstore located at 11, rue Rottembourg in Paris in the 12th district, and the supply of services to municipalities, businesses and professionals for their book acquisitions.

- **Fnac Périphérie** is a French single-shareholder simplified joint stock company (société par actions simplifiée unipersonnelle) with capital of €8,559,675. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 434001954. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Périphérie. Fnac Périphérie's main business activity is the operation of the Banner's stores.
- **Fnac Logistique** is a French single-shareholder simplified joint stock company *(société par actions simplifiée unipersonnelle)* with capital of €50,000. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 414702506. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Logistique. Fnac Logistique's main business activity is the operation of the Banner's warehouses.
- **Grandes Almacenes Fnac España** is a Spanish single-shareholder limited company (SAU) with capital of €1,202,000. Its registered office is located at Paseo de la Finca 1, Edificio 11 – 2ª planta, 28223 Pozuelo de Alarcón, Madrid (Spain) and it is registered with the Madrid Companies Registry under Number A-80/500200 (Tax ID number). Fnac Darty indirectly holds 100% of the capital and voting rights of Grandes Almacenes Fnac España. Grandes Almacenes Fnac España's main business activity is the operation of the Banner's Spanish stores (37 as of December 31, 2021) and website.
- **Fnac Portugal** is a Portuguese limited liability company *(Sociedade por Quotas de Responsabilidade Limitada)* with capital of €2,250,000. Its registered office is located at Edifício Amoreiras Plaza, Rua Professor Carlos Alberto Mota Pinto, No. 9-6B, 1070-374 Lisbon (Portugal) and it is registered with the Lisbon Companies Registry (Conservatoria do Registo Comercial) under Number 503952230. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Portugal. Fnac Portugal's main business activity is the operation of the Banner's Portuguese stores (38 as of December 31, 2021) and website.
- **Fnac Belgium** is a Belgian limited company with capital of €3,072,000. Its registered office is located at Slesbroekstraat 101, 1600 Sint-Pieters-Leeuw (Belgium) and it is registered with the Brussels Registry of Legal Entities under Number 0421 506 570. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Belgium. Fnac Belgium's main business activity is the operation of the Banner's Belgian stores (12 points of sale as at December 31, 2021).
- **Fnac Suisse** is a Swiss limited company with capital of CHF 100,000. Its registered office is located at 5, route des Moulières, 1242 Satigny (Switzerland) and it is registered with the Canton of Geneva Trade Registry under Federal Number CH-660.0.404.000-9. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Suisse. Fnac Suisse's main business activity is running Fnac's activities in Switzerland (nine points of sale and 13 shop-in-shops as at December 31, 2021).
- **Établissements Darty et Fils** is a French simplified joint stock company *(société par actions simplifiée)* with capital of €23,470,382. Its registered office as at December 31, 2021 is located at 129, avenue Gallieni, 93140 Bondy (France) and it is registered with the Bobigny Trade and Companies Registry under Number 542086616. Établissements Darty et Fils SAS is the parent company of two regional subsidiaries. The first, Darty Grand Ouest, is a French general partnership company with capital of €30,612. Its registered office is located at Parc Tertiaire de l'Éraudière, 32, rue Coulongé, 44300 Nantes (France), and it is registered with the Nantes Trade and Companies Registry under Number B 339 403 933. The second, Darty Grand Est, is a French general partnership company with capital of €394,205. Its registered office is located at RN 6 Lieu-dit l'Époux 69760 Limonest (France) and it is registered with the Lyon Trade and Companies Registry under Number B 303 376 586. The main business activity of Établissements Darty et Fils SAS, Darty Grand Ouest SNC and Darty Grand Est SNC is the operation of Darty banner stores. Établissements Darty et Fils SAS also operates the website darty.com. These three subsidiaries had 222 points of sale as at December 31, 2021.
- **Darty Développement** is a French simplified joint stock company (société par actions simplifiée) with capital of €17,621. As of December 31, 2021, its registered office is located at 129, avenue Gallieni, 93140 Bondy (France) and it is registered with the Bobigny Trade and Companies Registry under Number 490 596 020. The main business activity of Darty Développement SAS is the development of the network of franchise stores under the Darty banner and licensed stores. The network of franchise stores and licensed stores consisted of 243 points of sale as at December 31, 2021.
- **Fnac Vanden Borre SA** is a Belgian limited company with share capital of €22,652,461. Its registered office is located at Slesbroekstraat 101, 1600 Sint-Pieters-Leeuw (Belgium) and it is registered with the Brussels Registry of Legal Entities under Number BE 0412 723 419. The main business activity of Fnac Vanden Borre SA is operating Vanden Borre banner stores in Belgium (72 stores and 1 shop-in-shop as at December 31, 2021).
- **Nature & Découvertes** is a French limited company (société anonyme) with capital of €57,650,500. Its registered office is located at 11, rue des Étangs-Gobert, 78008 Versailles (France) and it is registered with the Versailles Trade and Companies Registry under Number 378702674. Its main business activity is operating Nature & Découvertes banner stores. Nature & Découvertes has 103 points of sale as at December 31, 2021.

7.7.2.3 / Recent acquisitions and disposals

The main acquisitions and disposals made by the Group during the period covered by the financial statements are described in note 3 "Changes in the scope of consolidation" in the consolidated financial statements in section 5.2.

7.8 / Related-party transactions

7.8.1 / RELATED PARTY TRANSACTIONS

Related party transactions are described in note 35 to the consolidated financial statements.

7.8.2 / REGULATED AGREEMENTS

Fnac Darty SA did not enter into any regulated agreements over the period ended December 31, 2021.

7.8.3 / MAJOR INTRA-GROUP TRANSACTIONS

- **Tax consolidation agreement:** in 2013, a regulated agreement was signed by Fnac Darty and its French subsidiaries in which it holds at least 95% of the share capital for the purposes of creating a tax consolidation group in France, effective January 1, 2013. This agreement was approved by the Ordinary General Meeting of May 15, 2014 pursuant to Article L. 225-40 of the French Commercial Code. In its annual review of regulated agreements in force, on February 26, 2015, the Board of Directors decided to reclassify this agreement as a current agreement concluded under normal conditions in accordance with Article L. 225-39 of the French Commercial Code. As of January 1, 2022, the Group's French subsidiaries that fulfill the holding criteria were signed up to the tax consolidation agreement.
- **Cash investment and financing agreement:** Fnac Darty Participations et Services has concluded cash agreements with the majority of Group companies. The purpose of these agreements is to centralize the Group's cash management in order to encourage coordination and optimization of the utilization of cash surpluses or coverage of aggregate cash requirements within the Group. Pursuant to the agreements, these subsidiaries deposit any cash surpluses they do not use to finance their operation and their capital expenditure program with Fnac Darty Participations et Services, in exchange for which Fnac Darty Participations et Services finances their working capital requirements and capital expenditure program.
- **Long-term intra-group lending agreements:** in addition to cash investment and financing agreements, Fnac Darty Participations et Services has set up long-term loans/borrowings with certain Group companies with recurring borrowing or lending positions. In 2021, such agreements were concluded with Codirep, Fnac Paris, Relais Fnac, Darty Holding, Kesa France, Fnac Vanden Borre and Fnac Darty.
- **Buying agent and reference centralized listing agreements:** some of the Group's French subsidiaries as well as its Spanish, Portuguese, Swiss and Belgian subsidiaries have concluded purchasing agent agreements with Fnac Darty Participations et Services or Fnac Appro Groupe ("FAG") for terms of one year that are renewable for each period for an identical term. The purpose of these agreements is to grant Fnac Darty Participations et Services or FAG, as appropriate, a mandate to define the relevant subsidiary's procurement policy, select its suppliers and certain products sold in its stores, negotiate the purchasing conditions for those products and distribute and disseminate those products and services. Fnac Darty Participations et Services has also entered into centralized product listing agreements with some of the Group's French subsidiaries that have a similar purpose to the purchasing agent agreements but also include the purchase of certain products on behalf of each contracting subsidiary. In exchange for these services, Fnac Darty Participations et Services or FAG, as appropriate, receives from the relevant subsidiary a percentage of the revenue from the products purchased on its behalf. A purchasing agent agreement between Fnac Darty Participations et Services, as the first party, and Établissements Darty & Fils, Darty Grand Ouest and Darty Grand Est, as the second party, also entered into force in 2018.

  In addition, Alizé-SFL has entered into purchasing agent agreements for terms of one year, renewable for additional periods of the same length, with some of the Group's French subsidiaries. The purpose of these agreements is to grant Alizé-SFL a mandate to negotiate the purchasing conditions and to purchase the merchandise, including books, on behalf of each relevant subsidiary. In exchange, Alizé-SFL receives a fixed payment from the relevant subsidiary per number of products billed.

- **Service agreements:** Fnac Darty entered into service agreements with Fnac Darty Participations et Services, Établissement Darty et Fils, Grandes Almacenes Fnac España SA, Fnac Portugal, FNAC (Suisse) SA, Fnac Belgium et Fnac Vanden Borre for a renewable one-year term. The purpose of these agreements is to provide the contracting subsidiaries with the expertise of Fnac Darty as it relates to the following: Chairmanship, Strategy Department, definition of the Group's marketing policy, organization and coordination of the finance function, definition of IT system requirements, definition of HR policy.
- Fnac Darty Participations et Services has entered into **service agreements** with some of its French subsidiaries and its foreign subsidiaries, generally for a term of one year and renewable for additional periods of the same length. The purpose of these agreements is to provide the contracting subsidiaries with the expertise of Fnac Darty Participations et Services as it relates to the following, according to the subsidiary: communication, accounting, risk prevention, optimization of cash pooling (for companies that use cash pooling), internal auditing, management of overheads, legal, management control, IT, human resources management, marketing, development, strategy, logistics and product marketing. Fnac Darty Participations et Services' compensation is determined on the basis of the annual expenses incurred to provide the relevant services and is allocated between the subsidiaries receiving the services based on criteria that take into account the beneficiaries' effective revenue and level of services provided.
- **"Fnac in a box" agreements:** Fnac Darty Participations et Services has entered into software license agreements with its Belgian and Swiss subsidiaries for Fnac in a Box (FIB); the agreements are for a two-year term and are renewable with tacit consent for three-year terms. The purpose of these agreements is to grant the relevant subsidiary a non-exclusive user license for the FIB software for its operating needs, solely within the territory of the country in which it is based. In exchange, Fnac Darty Participations et Services receives an annual license fee, calculated annually based on software development, maintenance and investment costs.
- **Trademark licensing agreements:** Fnac Darty Participations et Services has entered into two- or three-year trademark licensing agreements that are renewable for a one-year term with some of its French subsidiaries and all of its foreign subsidiaries. The purpose of these agreements is to grant, solely for the territory of the country in which the subsidiary is based, a non-exclusive license to use "Fnac" trademarks and all other templates and trademarks required to operate a Fnac store or websites belonging to the Group. In exchange, Fnac Darty Participations et Services receives an annual license fee based on a percentage of the relevant subsidiary's revenue.
- Fnac Darty Participations et Services SA has entered into (in its own name and in the name and on behalf of its subsidiary Fnac Direct) a **trademark licensing agreement** with its subsidiary France Billet **for the Fnac Spectacles and Fnac Tickets brands.** Fnac Darty Participations et Services SA has undertaken to include a link to the website www.fnacspectacles.com on the fnac.com website. This contract has been concluded for a term of 19 years.
- Fnac Darty Participations et Services SA and its subsidiaries that operate Fnac brand stores have entered into a 19-year contract with France Billet for the **retail of France Billet's ticketing catalog.**

Related party transactions are described in note 35 to the consolidated financial statements.

7.9 / Major contracts

The major contracts to which the Group has been party over the last two years are presented in section 4.2.2.2, paragraph "Sources of Group financing", and section 7.8 "Related party transactions" in this Universal Registration Document.

8

Additional information

8.1 / Persons responsible

8.1.1 / PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Enrique Martinez, Chief Executive Officer of Fnac Darty.

8.1.2 / CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

"I declare that the information contained in this Universal Registration Document is, to my knowledge, in accordance with the facts and contains no omission that might affect its import.

I declare that, to the best of my knowledge, these financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the financial position and profit or loss of the Company and of all consolidated companies, and that the Management Report (for which the cross-reference table is presented in section 8.8.1 herein) includes a fair review of the development and performances of the Company and the companies forming part of the consolidated Group, and that it describes the main risks and uncertainties they face."

Ivry-sur-Seine, March 17, 2022

Enrique Martinez

Chief Executive Officer of the Group

8.1.3 / PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Jean-Brieuc Le Tinier

Group Chief Financial Officer

Le Flavia
9, rue des Bateaux-Lavoirs
94200 Ivry-sur-Seine, France

8.2 / Statutory Auditors

INCUMBENT STATUTORY AUDITORS

Deloitte & Associés

Represented by Guillaume Crunelle

6, place de la Pyramide
92908 Paris La Défense Cedex
France

Deloitte & Associés is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (Regional Association of Auditors of Versailles).

KPMG Audit, a department of KPMG SA

Represented by Éric Ropert

Tour Eqho
2, avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
France

KPMG is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (Regional Association of Auditors of Versailles).

8.3 / Statutory Auditors' fees

The Statutory Auditors' fees are presented in Note 37 of section 5.2 "Notes to the consolidated financial statements for the period ended December 31, 2021", with regard to the consolidated financial statements of this Universal Registration Document.

8.4 / Information from third parties, expert certifications and declarations of interests

Some of the market data in Chapter 1 "Presentation of the Group" in this Universal Registration Document comes from third-party sources. The Company certifies that this information was faithfully reproduced and that, to the knowledge of the Company and based on the data reported or provided by these sources, no fact has been omitted that would render this information inaccurate or misleading.

8.5 / Availability of financial documents and reports

Copies of this Universal Registration Document are available free of charge from the Company's registered office. This document may also be viewed on the Company's website (www.fnacdarty.com) and on the website of the French Financial Markets Authority (www.amf-france.org).

While this Universal Registration Document is valid, the following documents (or a copy of these documents) may be viewed on the Company's website (www.fnacdarty.com):

- the latest available updated version of the Fnac Darty by-laws;
- any reports, correspondence and other documents, assessments and statements prepared by an expert at the Company's request, any part of which is included or referred to in the Universal Registration Document;
- information about the Darty plc acquisition offer; and
- historical information about Darty plc.

All such legal and financial documents relating to the Company and made available to shareholders in accordance with applicable regulations may be viewed at the Company's registered office.

Regulated information pursuant to the AMF General Regulations has also been available on the Company's website since the Company's shares were admitted to trading on Euronext Paris.

The Fnac Darty business Code of Conduct is also available on the Group's website, www.fnacdarty.com, under the ESG Commitments section.

Information on the Company's website (www.fnacdarty.com), except information incorporated by reference, is not part of this Universal Registration Document. As such, this information has not been reviewed or approved by the AMF.

For 2021, the list of financial documents and reports published by Fnac Darty is as follows (information is available on the Company's website, www.fnacdarty.com, under the Investors section):

Date	Subject
01/06/2021	Information on the total number of voting rights and shares
01/06/2021	Half-yearly achievement report of Fnac Darty's liquidity agreement
01/19/2021	Very good performance by the Group thanks to excellent digital growth
02/08/2021	Information on the total number of voting rights and shares
02/09/2021	Fnac Darty: Presentation of a new strategic plan on February 23, 2021
02/23/2021	Fnac Darty partners with Sofinco to promote and expand access to the Darty Max service
02/23/2021	Fnac Darty announces its new strategic plan Everyday
02/23/2021	Full-year results 2020
03/09/2021	Information on the total number of voting rights and shares
03/16/2021	Fnac Darty launches a bond issue with an option for conversion and/or exchange for new and/or existing shares (OCEANE bonds), maturing in 2027, for a nominal amount of €200 million
03/16/2021	Fnac Darty announces the repayment in full of its €500 million state-guaranteed loan (*Prêt Garanti par l'État* – PGE) and the extension of its RCF credit line to €500 million
03/16/2021	Fnac Darty announces the success of its bond issue with an option for conversion and/or exchange for new and/or existing shares (OCEANE bonds), maturing in 2027, for a nominal amount of €200 million
03/16/2021	Fnac Darty announces the success of its new financing strategy
04/07/2021	Information on the total number of voting rights and shares
04/15/2021	Very good revenue momentum in the first quarter of 2021
05/05/2021	Information on the total number of voting rights and shares
05/06/2021	Fnac Darty: Information on the procedures for holding the Combined General Meeting of May 27, 2021 to be held behind closed doors, and procedures for the provision or consultation of preparatory documents
06/07/2021	Information on the total number of voting rights and shares
06/17/2021	Fnac Darty extends its subscription repair service, Darty Max, to new products and confirms its leading position in home assistance services
06/22/2021	Fnac Darty: Fnac Darty and Manor sign a partnership agreement for the roll-out of Fnac shop-in-shops in 27 Manor stores in Switzerland
07/05/2021	Half-year report on the liquidity agreement
07/05/2021	Information on the total number of voting rights and shares
07/28/2021	Fnac Darty – Information
07/29/2021	Half-year results 2021
07/29/2021	Availability of 2021 Interim Financial Report
08/04/2021	Information on the total number of voting rights and shares
08/20/2021	Correction – Information on the total number of voting rights and shares
09/06/2021	Information on the total number of voting rights and shares
10/07/2021	Information on the total number of voting rights and shares
10/20/2021	Fnac Darty obtains a V.E (Moody's ESG Solutions) A2 sustainability rating with a score of 54/100, up 6 points year-on-year, and is ranked eighth in its sector
10/21/2021	Very good revenue performance in the third quarter of 2021, stable year-on-year and up 7.4% compared to the third quarter of 2019
11/08/2021	Information on the total number of voting rights and shares
12/07/2021	Fnac Darty obtains an A- rating from the CDP, reflecting its commitment to incorporating climate issues in its Everyday strategy
12/09/2021	Information on the total number of voting rights and shares

8.6 / Information on equity investments

Information relating to companies in which the Company holds a percentage of equity that could have a material impact on the value of its assets, financial position or its earnings is provided in section 7.7 "Organization of the Group" and in Note 39 "List of subsidiaries consolidated as of December 31, 2021" in section 5.2, "Notes to the consolidated financial statements for the period ended December 31, 2021".

8.7 / Documents incorporated by reference

Pursuant to Article 19 of European Regulation 2017/1129, the following elements are incorporated by reference in this Universal Registration Document:

- for the period ended December 31, 2019: key figures, Group businesses, Business Report, investment policy, consolidated financial statements and the related Statutory Auditors' Report presented in 2019 Universal Registration Document No. D. 20-0323, filed with the AMF on April 20, 2020, on pages 164 to 166, 22 to 45, 161 to 188, 185 to 186, 192 to 279 and 298 to 308, respectively (https://www.fnacdarty.com/wp-content/uploads/2017/01/FNAC_DARTY_URD_2019_VA_PDFI.pdf);
- for the period ended December 31, 2020: key figures, Group businesses, Business Report, investment policy, consolidated financial statements and the related Statutory Auditors' Report presented in 2020 Universal Registration Document No. D. 21-0154, filed with the AMF on March 19, 2021, on pages 200 to 202, 26 to 44, 197 to 226, 223 to 225, 231 to 318 and 339 to 350, respectively (https://www.fnacdarty.com/wp-content/uploads/2021/04/FNAC_DARTY_URD2020_EN_V3BIS_FINAL.pdf).

The information contained in the 2019 Universal Registration Document and the 2020 Universal Registration Document, other than that mentioned above, is, where applicable, replaced or updated by the information contained in this Universal Registration Document. The 2019 Universal Registration Document and the 2020 Universal Registration Document are available at the Company's headquarters and on its website at www.fnacdarty.com, under the Investors section.

8.8 / Cross-reference tables

8.8.1 / MANAGEMENT REPORT CROSS-REFERENCE TABLE (ARTICLES L. 225-100 ET SEQ. OF THE FRENCH COMMERCIAL CODE)

Management Report categories	Section	Page
Information relating to the activity of the Company and the Group	**4.1**	**242**
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Business and results of the Company, its subsidiaries and controlled companies by business line	4.1.3; 4.1.4	254; 261
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Adjustments to the basis of exercise of securities giving access to the share capital in the event of financial transactions	n.a.	n.a.
Adjustments to the basis of exercise of securities giving access to the capital in the event of share buybacks	n.a.	n.a.
Adjustments to the basis of exercise of share subscription and purchase options in the event of share buybacks	n.a.	n.a.

Management Report categories	Section	Page
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Table of the Company’s results for each of the last five years	5.4. note 19	380
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8.8.2 / CROSS-REFERENCE TABLE OF THE REPORT ON CORPORATE GOVERNANCE (ARTICLES L. 225-37 ET SEQ. OF THE FRENCH COMMERCIAL CODE)

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Compensation policy for corporate officers	3.3.1	210
Information referred to in I of Article L. 22-10-9 of the French Commercial Code for each corporate officer	3.3.2	217
Compensation and benefits of all kinds paid during the year or granted in respect of the year to each corporate officer (L. 22-10-9, Section I, paragraph 1 of the French Commercial Code)	3.3.2	217
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Commitments of all kinds made by the Company in favor of its corporate officers, corresponding to compensation, indemnities or benefits due or likely to be due as a result of the assumption, termination or change in their duties or subsequent to the exercise thereof (L. 22-10-9, Section I, paragraph 4 of the French Commercial Code)	3.3.1	210
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Ratios between the level of compensation of each executive corporate officer and the average and median compensation of the Company's employees (L. 22-10-9, Section I, paragraph 6 of the French Commercial Code)	3.3.2.4	232
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Variation from the procedure to implement the compensation policy and any exceptions (L. 22-10-9, Section I, paragraph 10 of the French Commercial Code)	n.a.	n.a.
Application of the provisions of paragraph two of Article L. 225-45 of the French Commercial Code (suspension of payment of Directors' compensation in the event of non-compliance with gender equality of the Board of Directors) (L. 22-10-9, Section I, paragraph 11 of the French Commercial Code)	n.a.	n.a.
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8.8.3 / ANNUAL FINANCIAL REPORT CROSS-REFERENCE TABLE (ARTICLE 222-3 OF THE AMF GENERAL REGULATIONS)

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8.8.4 / CORRESPONDENCE WITH THE SECTIONS OF APPENDICES 1 AND 2 OF EUROPEAN REGULATION NO. 2019/980

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8.8.5 / NON-FINANCIAL PERFORMANCE DECLARATION CROSS-REFERENCE TABLE

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Societal commitments to sustainable development	2.2; 2.4	81; 105
Specific information: ■ the Company's risk prevention policy in respect of technological accidents; ■ the Company's ability to cover its civil liability to property and persons as a result of the use of such facilities; ■ resources scheduled by the Company to manage the compensation of victims in the event of a technological accident engaging its liability (L. 225-102-2 of the French Commercial Code)	n.a. n.a. n.a.	
Certification by the independent third-party organization on the information contained in the Non-financial Performance Declaration (L. 225-102-1, III and R. 225-105-2 of the French Commercial Code)	2.8	162

8.8.6 / DUTY OF CARE CROSS-REFERENCE TABLE

See section 2.5 of Chapter 2 of this document, page 138.

8.8.7 / TCFD CROSS-REFERENCE TABLE

In June 2017, the Task Force on Climate-Related Financial Disclosures (TCFD) published its recommendations on information relating to climate change to be published by companies.

The cross-reference table below identifies the actions carried out by the Group with regard to these recommendations. In addition to the information published in the Universal Registration Document, this table also refers to the Group's responses to the CDP Climate Change and Water Security questionnaires, which have been taking the TCFD recommendations into account since 2018. The Group's responses are public and can be viewed at www.cdp.net.

Theme		TCFD recommendation	Source of information in Fnac Darty's Report
Governance	Describe the governance of the organization concerning climate risks and opportunities	a) Describe the supervision of climate risks and opportunities by the Board of Directors	URD 2021 – § 2.4.1 CDP – C1.1
		b) Describe the role of management in the assessment and management of climate risks and opportunities	URD 2021 – § 2.4.1 CDP – C1.2
Strategy	Describe the existing and potential impacts of climate risks and opportunities on the organization's activities, its strategy and its financial planning, insofar as the information is relevant	a) Describe the climate risks and opportunities that the Company has identified in the short, medium and long term	URD 2021 – § 2.4.2 CDP – C2
		b) Describe the impacts of climate risks and opportunities on the organization's activities, its strategy and its financial planning	URD 2021 – § 2.4.2 CDP – C2.3a, C2.4a
		c) Describe the resilience of the organization's strategy, taking into account various climate scenarios, including a scenario of 2°C or less	URD 2021 – § 2.4.2 CDP – C3.2a, C3.3, C3.4
Risk management	Describe how the organization identifies, assesses and manages climate risks	a) Describe the organizational processes for identifying and assessing climate risks	URD 2021 – § 2.4.1, § 2.4.3 CDP – C2.2
		b) Describe the organizational processes for managing climate risks	URD 2021 – § 2.4.3, § 6.1 CDP – C2.2
		c) Describe how the processes for identifying, assessing and managing climate risks are incorporated in the organization's risk management	URD 2021 – § 2.4.3, § 6.1 CDP – C2.2
Indicators & objectives	Describe the indicators and objectives used to assess and manage climate risks and opportunities, insofar as the information is relevant	a) Describe the indicators used by the organization to assess climate risks and opportunities, in conjunction with its risk management strategy and process	URD 2021 – Introduction Chapter 2, section 2.2, §2.4.4 CDP – C6
		b) Publish the scope 1, scope 2 and, if relevant, scope 3 greenhouse gas (GHG) emissions and the corresponding risks	URD 2021 – § 2.4.4 CDP – C6
		c) Describe the objectives used by the organization to manage climate risks and opportunities, and its performance in relation to the objectives	URD 2021 – § 2.4.4.1 CDP – C4.1, C4.2

8.8.8 / CROSS-REFERENCE TABLES AND RENEWAL OF ADHERENCE TO THE 10 PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

The Group is a signatory to the United Nations Global Compact and is officially renewing its adherence for 2022 in order to demonstrate its willingness to act in support of its 10 fundamental principles, such as human rights, international labor standards, environmental protection and anti-corruption.

Categories	Principles	Subjects	Section	Page
Human rights	1. Promote and respect the protection of international law relating to human rights within their sphere of influence	Audit procedure in factories	2.5.5.2 A.	139
		Ethics system	2.5.1	131
		Responsible purchasing policy	2.5.4	137
		Vigilance plan	2.5.5	138
	2. Ensure that they are not complicit in human rights abuses	Combating corruption	2.5.3	135
		Health and safety	2.1.3	79
		Protection of personal data	2.5.2	133
Employment conditions	3. Respect the freedom of association and recognize the right to collective bargaining	Ethics system	2.5.1	131
		Open dialog with stakeholders	Introduction Chapter 2, “Open dialogue with stakeholders” paragraph	59-60
	4. Contribute to the elimination of all forms of forced or compulsory labor	Responsible purchasing	2.5.4	137
	5. Contribute to the effective abolition of child labor	Audit procedure in factories	2.5.5.2 A.	139
	6. Contribute to the elimination of discrimination in employment and occupation	Gender equality	2.1.1.1	69
		Anti-discrimination	2.1.1.2	71
Environment	7. Apply the precautionary principle to environmental problems	Responsible purchasing policy	2.5.4	137
		Roll-out of a climate strategy	2.4	105
	8. Take initiatives to promote greater environmental responsibility	Promote sustainable consumption and an educated choice	2.2	81
		Contribute to debate around sustainability	2.2.6	96
		Raising employee awareness of environmental issues	Introduction Chapter 2, “Awareness and training in sustainable development” paragraph	58-59
		Give a second life to products	2.2.4	92
	9. Promote the development and dissemination of environmentally friendly technologies	Encourage repairs	2.2.3	89
Combating corruption	10. Work against corruption in all its forms, including extortion and bribery	Ethics system	2.5.1	131
		Anti-corruption roadmap	2.5.3	135
		Responsible purchasing policy	2.5.4	137

8.9 / Glossary of alternative performance indicators and current terms

ALTERNATIVE PERFORMANCE INDICATORS

Indicator title	Indicator definition
EBITDA	Current operating income before depreciation, amortization and provisions on fixed operational assets
EBITDA excluding IFRS 16	EBITDA including leasing expenses within the scope of IFRS 16
Free cash-flow from operations	Net cash flows related to operating activities less net operating investments
Free cash-flow from operations, excluding IFRS 16	Free cash flow from operations including impacts relating to rents within the scope of IFRS 16
Net financial income excluding IFRS 16	Financial result minus financial interest on leasing debt
Net financial debt	Gross debt minus gross cash and cash equivalents
Net debt excluding IFRS 16	Net financial debt excluding leasing debt
Net cash	Gross cash and cash equivalents, minus gross debt
Net cash excluding IFRS 16	Net cash excluding leasing debt
Change in revenues at a constant exchange rate	Change in revenues at a constant exchange rate means that the impact of changes in exchange rates has been excluded. The exchange rate impact is eliminated by recalculating sales for period N-1 using the exchange rates used for period N
Change in revenues at a comparable scope of consolidation	Change in revenues at a comparable scope of consolidation means that the impact of changes in the scope of consolidation is corrected so as to exclude the modifications (acquisition, sale of subsidiary). Revenues of subsidiaries acquired or sold since January 1 of period N-1 are, therefore, excluded when calculating said change
Change in revenues on a like-for-like basis	Change in revenues on a like-for-like basis means that the impact of directly owned store openings and closures is excluded. Revenues of stores opened or closed since January 1 of period N-1 are excluded from calculations of the change

CURRENT TERMS

Title	Definition
B2B	Business to business
B2C	Business to customer
B2B2C	Business to business to customer
CGU	Cash generating unit
Stat. Aud.	Statutory Auditors
Click&collect	Click&collect is a service offered to consumers whereby they reserve or order products online before collecting them directly in store
Click&mag	Click&mag is a service offered to consumers whereby a product that is not in stock in store can be delivered to them
Click & mortar	Click & mortar refers to companies that offer additional sales processes combined with traditional retail sales in store, or at physical points of sale (offline) and website sales (online)
COI	Current operating income
Comex	Executive Committee
Consumer electronics	Photography, TV and video, sound (hi-fi, headsets and speakers), computers and tablets, telephony, connected objects
CSR	Corporate Social Responsibility
Domestic appliances	Domestic appliances include large domestic appliances (refrigerators, cookers, washing machines) and small domestic appliances (vacuum cleaners, cleaning appliances and small kitchen appliances)
DPO	Data Protection Officer
Editorial products	Books (physical or digital), audio (CD, vinyl), DVD/Blu-Ray, new and used video games and consoles, stationery
GDPR	General Data Protection Regulation
ISP	Internet Service Provider
LHA	Large domestic appliances
NFPD	Non-financial Performance Declaration
OCEANE	OCEANE bonds or bonds convertible into new or existing shares are hybrid bonds, as the issuer reserves the right to exchange them for shares, until maturity
OIE	Other income and expense
PP	Pure player: this refers to companies who only sell products online
SAV (after-sales service)	After-sales service
SDA	Small domestic appliances
Services	Darty Max, after-sales services, insurance and warranties, gift boxes and gift cards, ticketing, Marketplace and franchise fees
VB	Volume of business
VC	Venture capital
WEEE	Waste electrical and electronic equipment
Welcomer	Salesperson who greets and guides customers as they enter the store

8.10 / Index

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