

◆ CSR POLICY

FDJ GROUP ◆

APRIL 2021



PUBLIC

Table of contents

1. A corporate social responsibility (CSR) policy at the centre of the strategy	3
1.1 Introduction	3
1.2 Governance	4
1.3 CSR as a pillar of the integrated management system	5
2. A strong ambition: be a key player in CSR.....	5
2.1 The Group's recognised CSR performance.....	5
2.2 A constantly developing reference framework.....	6
3. A CSR policy built with stakeholders	7
3.1 Stakeholders	7
3.2 Ongoing co-construction	8
4. A CSR policy based on six themes	8
4.1 Analysis of the FDJ Group's CSR risks	8
4.2 Six CSR themes	9
4.2.1 Responsible gaming.....	9
4.2.2 Integrity	13
4.2.3 Human Resources.....	20
4.2.4 Solidarity.....	23
4.2.5 Regions	24
4.2.6 Environment.....	25
4.3 CSR action plan	26
5. Non-financial disclosure	26
5.1 Non-financial information statement	26
5.2 CSR reporting.....	26
5.3 Financial and non-financial performance.....	27

1. A corporate social responsibility (CSR) policy at the centre of the strategy

1.1 Introduction

La Française des Jeux (FDJ) is the successor to the French National Lottery, which was founded in 1933 to help injured First World War veterans. Since its inception, corporate responsibility has been central to its business model.

In the interest of safeguarding public and social order, FDJ's purpose under the law – in exchange for the exclusive rights granted by Act No. 2019-486 of 22 May 2019 (Pacte Act) – is to funnel public demand for gaming into a controlled channel, thereby preventing the risks and potentially negative effects of gaming and gambling activities.

FDJ's gaming model is extensive, recreational and responsible:

- extensive in that it reaches a very large player base
- recreational because it builds on a diversified range of games fostering moderate gaming habits
- responsible by virtue of its proactive policy of preventing excessive and underage gambling.

The "responsible gaming" (RG) policy is the foundation of the Group's social responsibility; FDJ intends to be a key player in this area, contributing to a sustainable performance and making a positive contribution to the community.

As an extension of its responsible gaming policy initiated in 2005, in 2006 the company implemented a global Corporate Social Responsibility policy for all of its activities that takes into account the expectations of all its stakeholders. In 2009, FDJ consolidated its CSR strategy by applying the principles of the Iso 26000 standard. In 2012, a CSR and Responsible gaming Committee (formerly the Sustainable Development Committee), set up within the Board of Directors, made it possible to establish the Group's CSR governance framework.

The FDJ Group's CSR policy has grown in maturity over the years and continues to be part of a continuous improvement approach.

Following the publication of the Pacte Act on business growth and transformation, and while also conducting its privatisation and IPO, FDJ formalized its *raison d'être* (core purpose) which was adopted and included in the preamble to its articles of association, at the General Meeting of Shareholders held on 18 June 2020.

FDJ's *raison d'être* is based on five themes: gaming offering, responsible business model, social commitment, regional presence and sustainability.

FDJ Group's *raison d'être* (core purpose)

FDJ Group offers people who wish to experience the thrill of gaming and moments of emotion a wide range of responsibly designed games.

Gaming is our business, giving back to society is what drives us, and responsibility is our constant focus.

We promote recreational gaming by accompanying our customers, creating games with built-in integrity, and reducing risks and consequences arising from our activity; we actively help prevent addictive behaviour and underage gambling.

Faithful to the legacy of the French national lottery – created to help wounded World War One soldiers – we continue to support social and community initiatives, and fund good causes.

As key partners of local businesses, we ensure that our games and services are widely available through a dense network of neighbourhood retailers.

Thanks to our committed employees and capacity for innovation, we are pursuing our goal of sustainable growth, underpinned by a responsible and socially useful business model, and close collaboration with our stakeholders.

In the interests of consistency and efficiency, the FDJ Group has chosen to work jointly on its *raison d'être* and commitments. These commitments, which were developed in a collaborative manner, cover the company's essential themes, such as the gaming offer, the responsible gaming policy, social and solidarity initiatives, and support for local business. This approach reflects the Group's desire to make this work a concrete and operational exercise.

The six commitments that embody FDJ's *raison d'être* are as follows:



The commitments resulting from FDJ's *raison d'être* have been established in line with the CSR themes but are not restricted to them. A huge number of actions associated with the commitments can be found in each of the CSR themes.

1.2 Governance

The definition and implementation of the Group's CSR policy are based on a governance framework integrated at the highest level of the company and ensuring its broad dissemination throughout the Group.

At the operational level, priority CSR actions are defined each year and then validated and monitored by the company's decision-making bodies:

The CSR and Responsible gaming Committee (specialized committee set up by the Board of Directors) has the following duties:

- ensuring that the Group promotes a responsible gaming model that develops moderate and supervised gambling among the general public, from the design of the games to their sale;

- reviewing the CSR policy and, more broadly, addressing essential issues for the business model;
- reviewing the coordination between the policies implemented and the corporate strategic policy, the Company's management processes; how the Company derives value from its key assets;
- supporting the actions and evolution of the Corporate Foundation's policy;
- issuing a decision on the action plan to prevent excessive gambling and underage gambling and promoting reasonable gaming practices;
- validating the action plan to combat fraud and money laundering that is transmitted to the French gaming regulator (ANJ) each year before 31 January.

It reports on its work to the Board of Directors. It may also be consulted on any other regular assignment or on an ad hoc basis as assigned by the Board. In addition, it can suggest that the Board of Directors refer to it any issue that it deems necessary or relevant.

The Group Management Committee – internal management body - decides on the responsible gaming action plan submitted to the regulatory authorities for approval, as well as the assessment of the CSR actions of the past year and the priorities for the coming year. As members of the Group Management Committee, the Communication & CSR Director and the CSR Director who reports to her lead these discussions. The integration of CSR, at the heart of the company's strategy and governance, is also illustrated by the definition of CSR criteria, linked notably to the responsible gaming policy, among the criteria determining the variable remuneration of the company's corporate officers.

The CSR Department is responsible for implementing CSR actions throughout the Group while ensuring their consistency. As part of this function, it carries out the following tasks:

- preparing and leading the meetings of the CSR and Responsible gaming Committee;
- designing and implementing the responsible gaming action plan submitted each year to the regulatory authorities for approval and reporting on its implementation;
- participating in the definition, implementation and coordination of the actions carried out;
- drawing up management and performance dashboards and reporting documents (non-financial information statement, integrated report);
- communicating the company's CSR policy (challenges, objectives and results) to all internal and external stakeholders.

1.3 CSR as a pillar of the integrated management system

Since 2011, FDJ has implemented an integrated management system (IMS) that provides it with a fundamental framework for the operational implementation of its strategic priorities in compliance with norms and standards. CSR is one of the pillars of the company's IMS and enables the CSR policy to be implemented. Macro-process reviews are an opportunity to familiarise employees with CSR issues and to facilitate the actual rollout of CSR actions within the Group in compliance with norms and standards.

2. A strong ambition: be a key player in CSR

2.1 The Group's recognised CSR performance

As the fourth largest lottery in the world and the main player in the French gambling market, FDJ intends to be a key player in terms of CSR in its sector, both in France and internationally, and to implement the best standards in this area.

The FDJ Group's commitment and performance in this area are recognised. In 2009, FDJ was one of the first lotteries in Europe to be certified to the Responsible Gaming standards of the European Lotteries Association (EL). The audit for the renewal of this certification, carried out by Afnor in November 2018, confirmed the maximum level of compliance (100%) maintained by FDJ since 2012, as well as the level 4 certification (maximum level) with the World Lottery Association (WLA). At the end of 2020, FDJ carried out a partial audit of this certification to verify the level of progress of its actions and once again obtained 100% compliance.

The FDJ Group's performance is regularly assessed by non-financial rating agencies.

FDJ called on non-financial rating agency Vigeo-Eiris to assess the Group's CSR policy, which received a score of A1+. FDJ ranks in the 5% of highest-rated companies out of more than 4,900 companies analysed. FDJ's 2020 ESG score¹ was 70/100, significantly higher than the average score of other gaming sector operators assessed by Vigeo-Eiris. This score highlights FDJ's maturity as a leader in managing environmental, social and governance risks in the gaming sector in Europe and, more broadly, in the European hospitality and leisure sector.

FDJ was assessed by ISS-Oekom in 2020 and obtained "Prime" excellence status, granted to companies that outperform their sector in terms of ESG, i.e. meeting ambitious performance requirements.

For the first year, FDJ also completed the Corporate Sustainability Assessment questionnaire created by SAM², along with 7,300 other companies worldwide. The results were encouraging: FDJ ranked among the 21% of most responsible companies in the "Casinos & Gaming" sector.

FDJ also received a score of 82/100 in the 2020 Gaïa Rating³ ranking. FDJ ranked 37th out of 390 companies assessed in France and 16th out of 149 in the "Services" category.

Lastly, for the third year in a row FDJ - in a bid to set an example for its own suppliers - took part in the Ecovadis CSR rating system, which examines buyers and suppliers with the aim of accelerating the development of balanced, sustainable relations. FDJ obtained a score of 70/100 (identical to 2019), ranking it among the 5% of most responsible companies in the world⁴.

In 2017, FDJ once again obtained the Diversity label, a testament to the FDJ Group's commitment to preventing discrimination, ensuring equal opportunities and promoting diversity in human resources management. FDJ also obtained the label for professional equality between men and women from Afnor.

2.2 A constantly developing reference framework

Initiated in 2005, the FDJ Group's CSR policy has been strengthened over the years, notably by incorporating the Iso 26000 standard and its founding principles. This policy, supported and validated by the company's General Management, is now being implemented in all business lines and gradually in all of the company's subsidiaries.

The seventeen Sustainable Development Goals (SDGs), defined by the United Nations, constitute an international reference framework in terms of CSR, complementary to the Iso 26000 standard. For the record, the targets defined by the SDGs for 2030 meet three general objectives: eradicate poverty, protect the planet and ensure prosperity for all.

¹ Economic, social and governance criteria.

² SAM is an asset manager specialising in "sustainable" investments. It was bought out in January 2020 by S&P Global Inc.

³ Consulting firm Ethifinance established its own rating system to assess the ESG performances of SMEs.

⁴ Ecovadis assessed around 75,000 companies.

Based on the recommendations of the SDG Compass⁵, FDJ has identified the main SDGs to which the Group contributes through its CSR actions with regard to the one hundred and sixty-nine targets that define the SDGs and the roadmap defined by France in the 2030 Agenda:

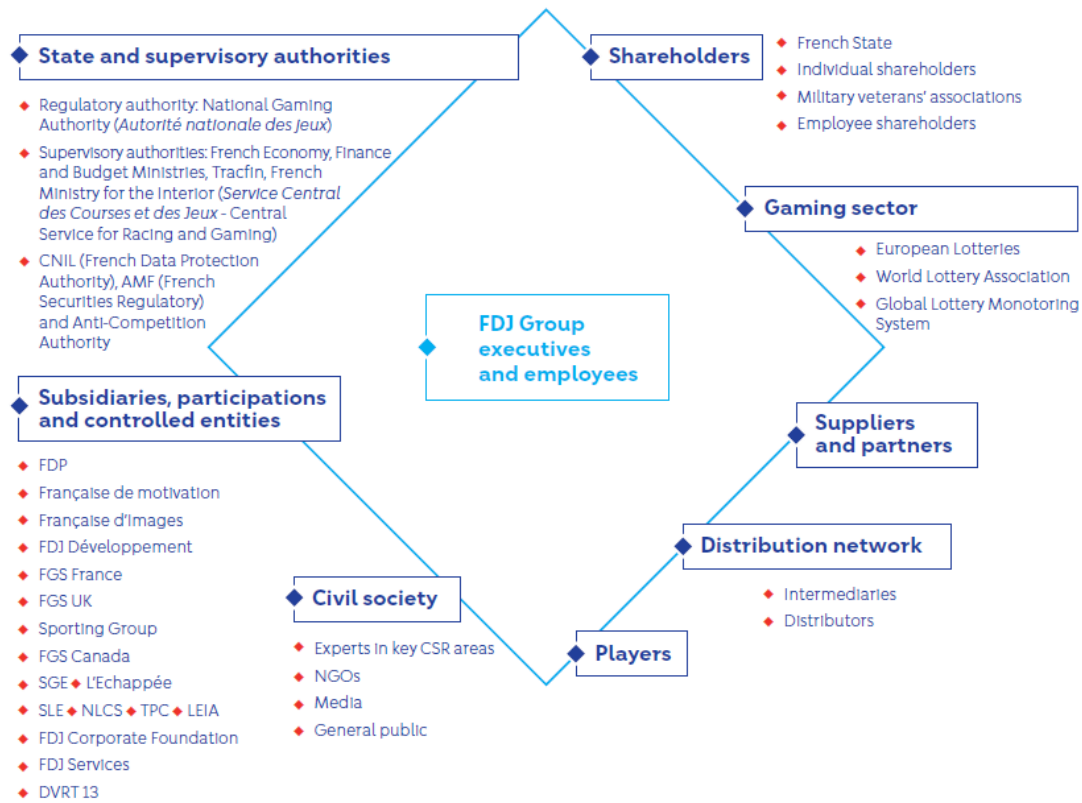
	<p>SDG 8: decent work and economic growth Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all</p> <p>Target 8.3: promote development-oriented policies that [...] encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> <p>Target 8.5: by 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>
	<p>SDG 10: reduced inequality Reduce income inequality within and among countries.</p> <p>Target 10.3: ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p> <p>Target 10.4: adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.</p>
	<p>SDG 11: sustainable cities and communities Make cities and human settlements inclusive, safe, resilient, and sustainable.</p> <p>Target 11.4: strengthen efforts to protect and safeguard the world's cultural and natural heritage.</p> <p>Target 11.7: support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.</p>
	<p>SDG 12: responsible consumption and production Ensure sustainable consumption and production patterns.</p> <p>Target 12.8: by 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.</p>
	<p>SDG 13: climate action Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.</p> <p>Target 13.2: integrate climate change measures into national policies, strategies and planning.</p>
	<p>SDG 15: life on land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and end biodiversity loss.</p> <p>Target 15.2: by 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.</p>
	<p>SDG 16: peace, justice and strong institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p> <p>Target 16.5: substantially reduce corruption and bribery in all their forms.</p> <p>Target 16.6: develop effective, accountable and transparent institutions at all levels.</p>

3. A CSR policy built with stakeholders

3.1 Stakeholders

The FDJ Group's CSR policy is built and managed in conjunction with its internal (employees) and external (players, retailers, suppliers, civil society, regulators and public authorities, etc.) stakeholders. A sustained and in-depth dialogue helps enhance the actions taken.

⁵ SDG (Sustainable Development Goals) Compass: methodology guide developed by the GRI and UN Global Compact for companies wishing to contribute to the UN 2030 Agenda.



3.2 Ongoing co-construction

In line with the Iso 26000 methodology, the FDJ Group is committed to an ongoing process of consultation and dialogue with its stakeholders in order to take into account their CSR expectations.

This co-construction of the Group's CSR policy is embodied in particular in the creation, since 2012, of a Social Laboratory. The latter allows for dialogue and co-construction between stakeholders and FDJ's various businesses. The consultations are organised by a specialised agency acting as a third-party facilitator. A dozen or so Civil Society Organisations (CSOs) and FDJ contacts regularly examine key subjects related to the company's CSR and Responsible gaming policy.

In 2020, following the adoption of its *raison d'être*, FDJ set up a Stakeholder Committee. It has a twofold objective: to monitor the implementation of the commitments resulting from the newly adopted *raison d'être*, and to enable high-level dialogue between the Group's general management and the main stakeholders, as well as experts, on key issues for FDJ, gathered in the same committee. The composition of the Stakeholder Committee reflects the diversity of expertise and experience in order to implement the commitments arising from the *raison d'être*.

4. A CSR policy based on six themes

4.1 Analysis of the FDJ Group's CSR risks

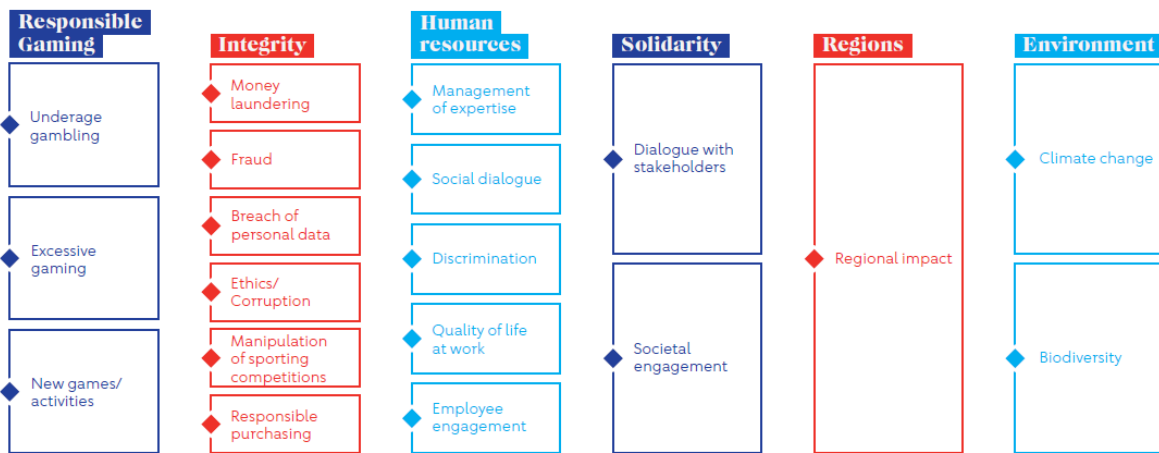
In accordance with the regulations, FDJ analysed its CSR risks for the first time in 2018. To that end, the company defined its CSR risk universe, based in particular on:

- The CSR materiality analysis conducted in 2017
- The non-financial challenges specific to its business sector
- The Group's annual risk-mapping exercise

- The topics presented in Article 2, Chapter II, of the implementing decree⁶ (social, societal, environmental, anti-bribery and tax evasion, and human rights) and Article 1, Chapter III, of the Ministerial Order⁷.

The assessment of the main CSR risks liable to affect FDJ was based on an identification and prioritisation methodology involving internal stakeholders representing the Company’s various businesses. The methodology was based on risk assessment scales tailored to CSR risk analysis (consistent with the assessment scales used by FDJ Group) and on three main criteria: impact (strategic, financial, reputational and legal), plausibility and estimated level of control.

This CSR risk analysis was updated in 2020. As a result, the CSR risk universe was expanded to include 19 main risks (vs. 17 in 2018) falling into six categories (responsible gaming, integrity, human resources, solidarity, regions, environment). The analysis also incorporated changes in the Group’s internal and external environment, centred on CSR challenges. The main CSR risks, redefined as challenges, are divided into six major themes presented in the diagram below:



4.2 Six CSR themes

4.2.1 Responsible gaming

FDJ operates in the gaming and gambling industry, a regulated sector in terms of the specific risks it entails, particularly in terms of maintaining public and social order.

Since 2012, and for the third consecutive time in 2018, FDJ obtained a 100% compliance rating from Afnor (French standards organisation) as part of the three-year responsible gaming certification programme conducted by the European Lotteries Association. This is the highest certification level that can be obtained, securing FDJ’s position as the French leader in responsible gaming in the gambling industry, and as one of the European leaders in the lottery sector. At the end of 2020, FDJ carried out a partial audit of this certification to verify the level of progress of its actions and once again obtained 100% compliance.

In accordance with regulatory provisions applicable to lottery and sports betting games, FDJ is required to submit its “action plan for the prevention of excessive gambling and underage gambling, and for the promotion of reasonable gaming practices” to the ANJ for approval on a yearly basis.

⁶ Decree No. 2017-1265 of 9 August 2017.

⁷ Ministerial Order No. 2017-1180 of 19 July 2017.

The responsible gaming Action Plan is aligned with the Group's efforts to continuously improve and enhance the RG systems in place and incorporates the concerns expressed by its stakeholders. All of these initiatives, whether carried out directly by FDJ or through partnerships, are part of an ethical framework based on the recognition of FDJ's responsibility for reducing the potential negative impacts stemming from its activity, and at the same time the limits on its role in terms of prevention, as an operator, as opposed to the role played by public health officials.

Underage gambling

FDJ is required by law to prevent minors, even emancipated minors, from participating in the gaming and gambling activities offered by the company⁸. In recent years, the regulatory framework has been strengthened and stakeholder expectations have grown. The Ministerial Order of 2 October 2019, enacting the Pacte Act, increased penalties in place in the event of non-compliance with the rules applicable to the gambling sector. Each year, the Group works hard to prevent underage gambling and make it easier for retailers to refuse to sell products to minors.

Three practical mechanisms have been set up to prevent underage gambling:

1) Training and support for the distribution network and sales force

Training and raising awareness in the distribution network and sales force is one of the pillars of FDJ's responsible gaming policy, with a key focus on prevention of underage gambling. FDJ trains and supports all commercial players on an ongoing regular basis, through long-term or more ad hoc measures linked in particular to the calendar of major sports events.

A major component of the anti-underage gambling action plan launched in 2020 is training on refusing to sell gaming products to minors. The goal is to further adapt prevention mechanisms to the needs and specific characteristics of the PoS via a three-pronged approach:

- Gradually differentiate training initiatives and materials according to the risk profile and segmentation of PoS
- Give sales representatives greater autonomy in deploying training initiatives, based on a framework defined centrally by the company
- Encourage sales representatives to use workshops/round tables highlighting the best practices of retailers in the field.

2) Preventive information campaigns for the general public

For many years, raising public awareness of the ban on underage gambling has been an important part of FDJ's action. This is done through several distribution channels in order to maximise the impact of the messages disseminated.

The development of the various preventive information actions is part of a regular dialogue with all its stakeholders. Exchanges with addiction experts and organisations are organised within the Social Laboratory. Throughout the year, numerous preventive information measures on underage gambling, in particular the broadcasting of preventive films, accompany commercial advertising campaigns.

3) PoS inspections by conducting compliance checks and testing campaigns

The verification of retailers' compliance with the ban on the sale of games to minors relies on a team of twelve inspectors controlling the implementation in the field of the obligations relating to responsible gaming and, in particular, those relating to the prevention of underage gambling.

⁸ Article 139 of the Pacte Act states that it is prohibited to sell or offer games of chance free of charge to minors at points of sale authorised to sell lottery and sports betting games.

As a reminder, since 2014, these controls give rise to the payment of a remuneration bonus called the "Responsible Gaming Bonus", linked to retailers' compliance with various compliance criteria, including two relating to underage gambling (presence and display in the points of sale of the poster and sticker reminding of the ban on underage gambling).

Since 2015, given the persistence of underage gambling and in order to strengthen the impact of its evaluation system, FDJ has been deploying a complementary control approach based on mystery visits, called "minor testing". These put the retailer in a sales situation with minors aged 16 and 18. These minors are selected in partnership with Sedap⁹ in order to prevent any risk related to their exposure to FDJ games. This innovative system is part of an educational approach, making it possible to evaluate the effectiveness of training plans on the progress of retailers and their practices in terms of refusing to sell to minors

Excessive gambling

Gambling, which can be addictive, may create a risk of addiction for some players. For many years, in keeping with its commitment to a gaming model that is intended to be recreational and responsible, the Group has deployed significant efforts to prevent excessive or even addictive gambling behaviour. In accordance with applicable legislative and regulatory provisions, FDJ is required to implement an action plan - subject to ANJ approval - specifically aimed at preventing excessive gambling and promoting reasonable gaming practices.

The prevention of excessive gambling behaviour and the detection and support of persons in vulnerable situations is the second major focus of FDJ's actions to promote responsible gaming.

FDJ is continuing to strengthen its actions in this area based on six focal points:

1) Evaluation of the gaming range and advertising/promotional initiatives

The gaming range and promotional/advertising initiatives are evaluated through a process of interaction between FDJ's Responsible Gaming and Marketing teams, as well as its stakeholders. Gaming ranges are also monitored by the regulator, under the licensing system, with all gaming and betting activities operated by FDJ under exclusive rights subject to licensing requirements.

A specific process for the Group's innovations ensures that the challenges of preventing excessive gambling behaviour are taken into account in operational terms, with the mobilisation of responsible gambling teams and thanks to the analysis matrices developed by FDJ in conjunction with experts. A committee of experts comprising a range of professional profiles – addictive behaviour, psychiatry, psychology, human sciences – is consulted regularly on the development of game ranges, as well as new services made available to players to help them control and monitor their gaming habits, throughout their gaming experience, such as a chart that can be used to assess the potential risks of proposed games (Serenigame[®]), game moderators and a software tool used to detect high-risk gaming habits.

2) Supporting players and monitoring their habits

FDJ provides its online players with several tools for monitoring and controlling their online gambling practices:

- *Playscan*, assesses the level of risk associated with the players' gaming habits
- Game moderators allow players to set limits for themselves. These limits, which concern in particular the payments into the players' account or their bets, some of which are compulsory, allow players to regulate their gambling practices.

⁹ Société d'entraide et d'action psychologique (mutual aid and psychological action company)

- In addition to these tools, players can also impose a temporary self-ban.

3) Training of employees, retailers and the sales force

FDJ trains its employees on Responsible Gaming policy, particularly in the prevention of excessive gambling and underage gambling.

Like the training measures planned to reinforce the application of the ban on underage gambling, FDJ also trains its retailers and its sales force on issues related to excessive gambling behaviour.

4) Preventive information on excessive gambling risks

In keeping with the first preventive information campaign dedicated to responsible gaming broadcast on TV in 2019, FDJ has continued and strengthened its preventive information actions. As a reminder, the purpose of the TV spots is to inform FDJ customers of the existence of tools to prevent excessive gambling and to give them advice on good gambling practices. Each spot highlights a specific message. The broadcasting of these campaigns is part of the responsible gaming communication policy decided by the FDJ Group in 2019. It includes a commitment to devote 10% of its overall TV advertising budget to responsible gaming communications, with a focus on preventing underage gambling.

5) Detection and support of persons in vulnerable situations

For several years, the Group has been developing systems aimed at identifying and then guiding persons in vulnerable situations. These initiatives are based on a system for detecting and managing risky situations requiring the training of employees and retailers.

To detect and manage atypical situations and potential risks, collaborative bodies comprising representatives of the various business lines involved (including the internal Responsible Gaming team) meet to address reports concerning retailers and players. These types of initiatives are aimed above all at directing persons in vulnerable situations to gambling support structures (SOS Joueurs, etc.) or to local healthcare or social workers such as the CSAPA (centre for the care, support and prevention of addiction). On its websites, FDJ also provides players with the contact details of helplines and support structures for problem gambling, which offer specialised information pages, such as the Addict'Aide internet portal developed by Fonds Actions Addiction.

The design and implementation of these various measures and systems are underpinned by a policy of forming partnerships in the field of research and prevention, which in turn informs the Responsible Gaming Action Plan (RGAP). This policy helps strengthen expertise and circulation of knowledge in the fields of gambling and addictive behaviour. It draws on the guidelines for the 2018-2022 Mildeca¹⁰ anti-addiction plan. The policy is based on three pillars:

1. Helplines for vulnerable players
2. Research in addictive behaviour, and in human and social sciences
3. Harm and risk prevention and reduction initiatives and trials.

6) Support for big prize winners

FDJ offers winners of a million euros or more the benefit of a complete support programme that includes an individual, tailor-made welcome at the time of payment. This is followed by collective support (free and à la carte) in the form of workshops for a period of five years. The aim of the support is to take into account the impact of the winnings on the lives of the new millionaires, particularly in terms of financial and emotional management. These sessions allow them to get informed, express themselves and share their experiences. This programme, co-constructed with the winners, has evolved over the years, particularly in response to changes in society.

More generally, FDJ is one of the few lotteries in the world to offer its big prize winners such a vast support system.

This support approach for major winners allows FDJ to better understand its customers and their gambling practices. When the Company identifies a big prize winner presenting a risk of excessive

¹⁰ *Mission interministérielle de lutte contre les drogues et les conduites addictives* (Government programme aimed at combating drug use and addictive behaviour).

gambling behaviour, the payout can be an opportunity to raise awareness, especially in view of the winner's new financial situation, which could well generate additional risks. In cases like these, a member of the Responsible Gaming team can be asked to attend the payout.

Developing new responsible games

FDJ Group takes care to ensure that its development strategy is perfectly aligned with its responsible business model.

Its Responsible Gaming policy applies at all stages of its business. Before, during and after the marketing of a game, adapted measures accompany the development and marketing of the offer to promote recreational gaming. At the operational level, a specific process ensures that issues related to the prevention of excessive gambling behaviour are taken into consideration as part of the innovations produced by the company. A trial phase is also run for new offers to identify their impact on player behaviour, to identify and consider possible changes to the game to foster recreational gaming.

At the design stage of a new game and/or an innovation in the mechanics of an existing game, the level of attractiveness of the game offerings is assessed through analysis matrices developed by FDJ together with experts. Three different matrices are used:

- A general matrix used to assess all gambling products sold by FDJ (universal Serenigame matrix developed in 2012);
- A matrix used to assess scratch games (Serenigame Grattage), commissioned in 2018;
- A matrix used to assess sports betting games (Serenisport) rolled out in 2019.

4.2.2 Integrity

FDJ is fully committed to reducing the risks associated with the integrity of its business, with the goal of setting a good example and building trust in its gaming model. To that end, it is implementing and ensuring compliance with rules and procedures shared with its stakeholders.

Combating gambling fraud

As a gaming and gambling operator, FDJ is exposed to various fraud risks liable to arise at different stages in the game marketing process. Combating fraud is one of the basic objectives assigned to FDJ in its role as an operator. A specifications list defines the measures applicable to the company. The company strengthened its anti-fraud action plan in 2020, based on a three-pronged approach: anticipate, monitor and audit.

Anticipate

All of the company's plans in terms of products, infrastructures, systems, operating methods, regulations and publications are analysed beforehand by the Security Division in order to identify fraud risks starting in the design stage.

For the purposes of marketing its games, FDJ's approach is based on a risk analysis calling for:

- Incorporation of any vulnerabilities, including any risks inherent in each product range or process;
- Knowledge and analysis of threats associated with contributing parties, marketing methods and distribution channels, and conditions for intervention;
- Identification of gaming fraud scenarios.

By implementing this system, FDJ can make sure previously identified scenarios are kept in check and new risk scenarios associated with the plan are analysed.

Monitor

FDJ has established indicators to keep track of gaming activities in real time. The real-time fraud detection system serves to raise the alert, identify circumstances and means of fraud, and trigger corrective actions.

Audit

In addition to real-time detection, ex-posts checks are also performed in which a set of data is cross-checked to highlight unusual situations that will then be investigated for the purpose of classifying the fraud.

Acts of gaming fraud and attempted gaming fraud are addressed in three ways.

- Precautionary measures: protective measures are taken immediately upon detecting situations indicative of fraud risk or the perpetration of gaming fraud: game sales and prize payouts are suspended, player accounts are blocked, gaming ranges are withdrawn, etc.
- Cooperation with the authorities: a complaint is filed with the competent authorities on any clear cases of fraud.
- Accountability: the contract binding FDJ and its retailers requires compliance with procedures and training materials, and is subject to a penalty system applied in the event of breaches. When a fraud is discovered, the Company plans to terminate the contract. Furthermore, a 0.2% responsible gaming bonus is granted to retailers that observe transparency measures and behavioural measures aimed at protecting against gaming fraud risk and enhancing the security of the retailer-customer relationship.

Prevention of money laundering

Money laundering risks are inherent in the gaming and gambling industry, which is one of the non-financial professions subject to the anti-money laundering obligations laid down by the French Monetary and Financial Code. The stakes and challenges involved in combating the use of FDJ products and services for money laundering purposes are critical in a constantly changing and increasingly demanding legal and regulatory environment. In addition to complying with strict regulatory anti-money laundering obligations, FDJ works to maintain an upstanding gaming environment by actively combating criminal organisations.

Money laundering risks can be heightened in offline gaming activities, as the players are anonymous and substantial cash payments are in circulation. Against this backdrop, because sports betting is a game of skill, it is highly exposed to money laundering risk.

Accordingly, FDJ has established an Anti-Money Laundering and Counter-Terrorist Financing (AML-CTF) system, in accordance with a risk-based approach tailored to its business, customer base, products, transactions, establishments and the distribution channels used. Each year, it submits its AML-CTF action plan for the following year to the ANJ.

The Security Division is responsible for implementing the AML-CTF system through prevention, monitoring and audits. The operational structure works to prevent or audit potentially suspicious activity (“anomalies”) detected by the company in transactions and games, particularly those conducted offline.

The missions are organised around three pillars:

- Prevention

An assessment of money laundering and terrorist financing risks is performed whenever a new game is designed and new services are implemented, in a bid to prevent, reduce or eliminate previously identified risks.

Training and empowering employees and retailers is also one of the keys to risk prevention. To assess the level of awareness among retailers in 2020, FDJ conducted a survey for the second year running on knowledge of money laundering risks and related obligations among a representative sample of 1,000 retailers. In total, 69% of retailers have a good knowledge of the subject (compared to 67% in 2019).

- Monitoring

The legal and regulatory framework requires gaming and gambling institutions to establish a transaction monitoring system based on KYC and detection of suspicious transactions.

As of 2018, FDJ set up Safergame, a software tool connected to its central website, used to detect anomalies liable to constitute PoS money laundering activities. In the sports betting segment, FDJ is continually improving its resources for detecting and countering suspicious activity. It has set up a system that constantly monitors betting. If an anomaly is detected, an alert is raised in real time, resulting if necessary in an extensive analysis aimed at clarifying the circumstances and identifying the parties involved. This vigilance system provides for enhanced examinations to assess the risk of money laundering and, in the event of suspicion, to meet the obligation to report to Tracfin, the French intelligence service for information and action against illegal financial circuits. In 2020, the Group filed 252 suspicious transaction reports (compared with 158 in 2019).

- Audit

Enhanced reviews conducted for monitoring may at times call for PoS inspections. In such cases, the inspectors go on site to collect circumstantial data that can often be used to classify money laundering suspicions. On-site inspections also provide an opportunity to determine if retailers are meeting their regulatory and contractual obligations.

Personal data protection

Application of the EU's General Data Protection Regulation ("GDPR") 2016/679 took effect on 25 May 2018 and laid down the main principles and requirements for personal data protection in Europe, such as transparency, integrity, confidentiality of data processing operations conducted by data controllers, and the new rights of data subjects over their personal data.

Improving KYC to better meet the needs of its customers is a cornerstone of FDJ Group's strategy, which requires the collection and use of a growing volume of personal data.

In the course of operating its business, FDJ relies on industry best practices and draws on multiple resources to protect the security and confidentiality of all Group data (especially personal data) against potential security breaches.

Data protection (particularly personal data protection) is one of the pillars of the information system security strategy, as identified in the Group Information System Security Policy. This strategy aims in particular to protect the personal data of players, retailers, employees and applicants.

FDJ implemented its information security management system (ISMS) in 2008 and had it ISO 27001-certified. In accordance with the ISMS, the Information System Security teams conduct multiple risks analyses aimed at verifying that the data protection measures in place are appropriate to the needs of

the business lines and requirements of the Group Information System Security Policy (GISSP). Data protection (particularly personal data protection) is one of the pillars of the IS security strategy, as identified in this policy, covering the data belonging to customers, retailers, employees and applicants alike. The personal data protection policy goes into specific detail on FDJ's personal data protection requirements.

Promoting ethical business management and fighting corruption

FDJ Group is subject to the Sapin II Act and, accordingly, is required to implement a programme to prevent and combat corruption and influence peddling.

The impact of potential acts of corruption on the Group is not limited to sanctions due to failure to comply with laws, but also includes consequences affecting the reputation of the company and the trust of its customers, shareholders, investors, partners and employees.

Ethics policy

In the course of conducting its business, and as stated in its Ethics Charter, FDJ Group observes the fundamental ethical principles of compliance with laws and regulations, sharing a culture of integrity, respecting employees and stakeholders, and engaging in constructive dialogue with civil society.

The Ethics Charter is paired with an anti-corruption Code of Conduct that defines and illustrates the types of behaviour that should be avoided, as they are liable to constitute breaches of probity, and describes the high-risk situations and rules to follow to comply with the "zero tolerance" policy against acts of corruption. The Ethics Charter and the anti-corruption Code of Conduct, appended to the Internal Rules, have been distributed to all employees and are accessible at all times.

The Ethics Charter is also available to the public on the Group's website.

The anti-corruption Code of Conduct is supplemented by procedures made available to employees. These include:

- A procedure covering gifts and invitations;
- A procedure on the prevention, reporting and management of conflicts of interest;
- A whistleblowing system;
- A third-party assessment procedure.

Prevention of corruption

FDJ is committed to continuing its efforts to educate and implement the anti-corruption programme that the FDJ Group has set up by continuing to apply the Group's rules and procedures and by providing ongoing support to employees (communication campaigns, physical and online training, support for business lines by the team in charge of anti-corruption compliance). At the end of 2020, 39% of employees had been trained in ethics and anti-corruption, i.e. a total of 960 people. In 2020, FDJ strengthened its anti-corruption training programme by continuing face-to-face training sessions and launching a mandatory e-learning module for all Group employees in early December. The module has enabled a large number of employees to be quickly trained in the anti-corruption system.

In accordance with the provisions of the Sapin II Act, the anti-corruption and influence peddling programme is centred on eight pillars: the anti-corruption code of conduct, the whistleblowing system, the corruption risk map, the customer and supplier assessment procedure, the accounting controls procedures, training courses in corruption and influence peddling risks, anti-corruption disciplinary measures, and the internal control and assessment system.

With ongoing efforts to raise awareness and train employees, the FDJ Group is committed to promoting responsible and transparent behaviour, which is essential for maintaining a lasting ethical culture.

Responsible tax policy

In the fight against tax evasion, FDJ has made transparency and tax compliance the priorities of its tax policy. The Group takes care to comply with all tax rules and laws applicable in all countries where it operates. In particular, all tax returns required by laws and regulations are duly filed, and all taxes and levies are paid accordingly.

With regard to cross-border transactions, FDJ complies with the OECD guidelines and ensures that the transfer pricing policies implemented within the company comply with the arm's length principle.

One of the tasks of the Tax Department is to define transfer pricing policies applicable within the Group and to ensure that they are properly applied. To avoid artificial transfers of profits, the Group applies the arm's length principle, which aims to ensure that transactions within an international group are priced as if they had taken place between independent parties.

Prevention of anti-competitive practices

FDJ operates under exclusive rights (online lotteries, PoS lotteries, PoS sports betting) as well as in open competition (online sports betting) in the traditional gaming sector. In recent years, the Group has diversified its activities and launched initiatives in new competitive and/or developing markets, namely eSport, online entertainment games and the provision of services to international sports betting operators. Given the monopoly held on the large majority of its activities, this duality of operations exposes the Company to greater risks under competition law, particularly in terms of abuse of a dominant position.

In 2019, FDJ developed a guide for employees to prevent risks of non-compliance with competition law, listing situations that pose risks for the company, as well as a set of best practices employees can adopt to avoid any breaches of competition law.

Integrity of the Groupama-FDJ cycling team

Working closely with its partners and stakeholders, FDJ has for many years contributed to the fight against corruption in sports by sharing the information it has collected, particularly by monitoring unusual sports betting activities in France and abroad, and by conducting multiple prevention initiatives targeted at professionals in the French sports industry.

As an illustration of the Group's commitment to sporting partnerships, it started investing in cycling sponsorship back in 1997. The cycling team (dubbed the Groupama-FDJ cycling team in 2018), has since played an active role in the fight against doping and is recognised for its commitment. In accordance with the value placed on responsible sponsorship, FDJ focuses its initiatives on raising awareness and providing cyclists with guidance in ethics and integrity (zero tolerance for doping).

Lastly, FDJ is a founding member of the Movement for Credible Cycling (MPCC), whose goal is to promote clean cycling, transparency, responsibility and mobilisation among its members. FDJ runs the sponsors programme, and was behind the Sponsors' Charter, which states that sponsors undertake not to apply pressure on athletes to achieve results. The Groupama-FDJ cycling team was the first in which all cyclists were individual members of the MPCC, followed by the Continental team and the FDJ-Nouvelle Aquitaine-Futuroscope women's team (which FDJ Group has sponsored since 2017).

➔ Find the Ethics Charter on: www.groupefdj.com/

Prevention of match fixing

In the course of its activities in the sports industry (sports betting games and athletic sponsorships), the Group is directly exposed to the risk of match fixing. Because this type of activity can undermine confidence in athletic competitions and in the integrity of sports betting, FDJ has taken a strong stance.

The health crisis brought athletic competitions to a complete halt before they were gradually resumed, striking a blow to sports activities both nationally and worldwide. Match fixing risks rose sharply as a result, under the influence of criminal networks. In July 2020, Interpol, the International Olympic Committee and the United Nations Office on Drugs and Crime teamed up to publish a report on this troubling phenomenon, in a bid to develop prevention and encourage the sports industry to oversee the effective monitoring and integrity of their competitions.

FDJ Group is deeply committed to the fight against match fixing around the world, often linked to fraudulent betting. Decree No. 2019-1060 of 17 October 2019 consolidated the tasks assigned to FDJ by the government, particularly regarding the installation of the tools required to detect sports betting anomalies, prevention programmes targeting sports industry professionals, and FDJ's participation as a member of the French national anti-match fixing platform.

The Group works alongside European and global lottery associations to establish national and international cooperation with the sports industry and government authorities aimed at improving the effectiveness of sports integrity policies.

Prevention

A broad plan to promote the integrity of athletic competitions has been implemented on several fronts. The Group carries out internal awareness-raising and training initiatives to combat match fixing through regular communication with all employees and special training for employees working directly or indirectly on sports betting activities.

In 2020, FDJ once again addressed the protection of integrity in the sports industry in all its athletic partnerships, including with Olympique Lyonnais and Olympique de Marseille.

In 2019 and 2020, the Group was a major contributor on the national platform to a digital French multi-sport system for reporting match-fixing suspicions called "Signale!". The tool, co-funded by the French Sports Ministry and the CNOSF¹¹, will be made available to French sports industry professionals in time for the 2021 Tokyo Olympic Games.

Furthermore, in accordance with the Pacte Act and the new regulatory framework published in 2019, the amendment of the French Sports Code authorises FDJ to monitor compliance with the ban on betting by sports industry professionals at PoS, in cooperation with participating federations (Ministerial Order No. 2019-1015 of 2 October 2019).

Monitoring

In 2020, FDJ created a new organisation responsible for auditing its sports betting activity, thus expanding its capability for detecting anomalies, including a trading risk management department in the Sports Betting business unit. This department will further develop synergies between the Business Unit, the Sports Betting Oversight Department and the Sports Integrity Department.

As a member of the Executive Committee of the Global Lottery Monitoring System (GLMS), an association of international lotteries that pools its sports betting monitoring data, FDJ is helping enhance the effectiveness of international competition oversight in the interest of sports integrity. In July 2020, GLMS set up a new monitoring centre in Canada, with other centres in Hong Kong and Denmark able to monitor all members¹², partners in the international sports industry and public authorities 24/7.

¹¹ French National Olympic Committee.

¹² For the list of members, go to: <https://glms-sport.org/glms-members>

Cooperation

In France, FDJ has taken part since 2020 in the plan to create a set of sports integrity standards, launched by the French Sports Ministry and led by Afnor in preparation for the 2024 Paris Olympic Games. Three framework standards will be developed to standardise the integrity of organisations, competitions and sports industry professionals. These efforts can then serve as a foundation for building an Iso standard.

On the international stage, FDJ continued making a financial and human contribution to the Council of Europe's KCOOS+ (Keep Crime Out of Sport +) project from 2018 to 2020. KCOOS+ is designed to facilitate the implementation of the international Convention on the Manipulation of Sports Competitions, also known as the Macolin Convention, aimed at harmonising international regulations and practices to combat match fixing.

FDJ is also a stakeholder in the Group of Copenhagen, run by the Council of Europe, which comprises around 30 national platforms aimed at facilitating operational cooperation between existing platforms and helping create new national platforms. The Group of Copenhagen is thus working on the practical implementation of the Macolin Convention.

Promoting responsible purchasing

In the course of its activities and business relations, FDJ promotes responsible sales practices and works to prevent unethical practices (human rights violations, adverse impacts on the environment, excessive payment deadlines, excessive levels of dependency) by its suppliers and partners.

The Group is committed to building balanced, sustainable relations with its suppliers to ensure the continuity and fairness of its value chain. To that end, in 2014, FDJ signed the Responsible Supplier Relations Charter, drafted by Médiation inter-entreprises, the aim of which is to raise awareness of responsible sourcing challenges and the quality of customer-supplier relationships among economic operators. In the interest of continuously improving its sourcing practices, FDJ is working to obtain the "Responsible Supplier Relations & Purchasing" label awarded by Médiation inter-entreprises. This label is an extension of the principles laid down in the Charter. It aims to distinguish companies whose practices demonstrate sustainable and balanced relationships with their suppliers.

The Purchasing policy, aligned with the 2020-2025 strategic plan, is based on four pillars: economic performance, supplier relations, responsible purchasing and human capital; and underpins four development drivers: services for business lines, innovation, international development and risk management.

In the interest of ongoing support and continuous improvement, FDJ has divided its suppliers into segments in order to tailor its oversight to the top priorities of its business lines and its challenges in terms of performance and innovation. CSR criteria are incorporated in the oversight of suppliers, primarily through CSR performance assessments (e.g. Ecovadis), and by increasing the weight of the CSR criterion to at least 8%, whenever possible, in the bid assessment charts.

FDJ is committed to encouraging its suppliers to reduce their greenhouse gas emissions in accordance with the Science Based Targets initiative (see "Environment").

By 2025, FDJ aims to achieve "zero payment default" on supplier invoicing to protect their financial viability.

The health crisis undermined multiple economic operators, and hit certain Group suppliers and service providers especially hard. The health crisis served as an opportunity to develop relationship management with suppliers forced to stop doing business through mediation. A dedicated working

group was formed to coordinate the supplier mediation unit, comprising the Sourcing, Finance and Legal divisions and FDJ's mediator. This multi-disciplinary and cross-business team meets on a weekly basis, applying the special request process for suppliers and partners experiencing cash flow problems (the process was distributed Groupwide in March 2020).

This initiative has been maintained and contributes to responsible sourcing practices. FDJ also shared this exceptional crisis management procedure with Médiation Inter-Entreprises (French Economy and Finance Ministry).

Through the purchases it makes, FDJ contributes to the economic, social and societal vitality of the regions, with more than 85% of purchases (by value) made in France and nearly 60% from SMEs and ISEs.

FDJ Group undertakes to support purchases from disability-inclusive businesses. The Group aims to continue increasing purchases from this sector by 2025. In July 2020, FDJ joined Pas@Pas (an association promoting the development of solidarity sourcing) to encourage purchases from disability-inclusive businesses (provision of a directory listing EAs, ESATs and independent workers with disabilities).

➔ Find the Purchasing policy on: www.groupefdj.com

4.2.3 Human Resources

Embodying values of equity and responsibility, FDJ Group has for many years worked to set an example as a pioneer in the field of social innovation. Offering the same opportunities for career development and professional success to all employees, based on the breadth and diversity of their profiles, is a top-priority commitment. FDJ Group strives to enhance the quality of life at work and employability through an ambitious and inclusive HR management policy.

Good employee skills management

In a competitive and constantly changing environment, the Group needs dedicated teams boasting high levels of expertise in order to expand its businesses and achieve its performance targets.

Due to rapid technological advancements and changes in society, it is more important than ever to stay one step ahead and anticipate the expertise that will be needed in the future. The Skills management policy, developed by FDJ more than ten years ago, is designed to ensure that the Group's employees have the necessary skills to implement its strategy. All of these initiatives are contributing to the implementation of the Group strategy to continue digitising its lottery range, and especially the online sports betting activity.

FDJ is continuously updating its Skills management policy, working with the business lines to identify the skills they need in the short and medium term and rolling out the necessary HR growth drivers. Through the development of employee skills, the training policy is also a major driver for the implementation of the Group's strategic priorities. Each year, it devotes a substantial proportion of its budget to training employees.

Promoting a constructive social dialogue

Developing and maintaining quality social dialogue is an essential part of the company's sustainable performance policy.

All projects impacting the general operation of the company are regularly presented and discussed within the employee representative bodies.

Within this framework, each Group entity relies on the employee representative bodies depending on its configuration. Most of these bodies meet once a month. A Group Committee, in which the majority of Group entities are represented by elected employees, also meets three times a year. All projects

impacting the general operation of the company are regularly presented and discussed within these bodies.

At FDJ SA, management meets every two weeks with its three trade union organisations (CGT-FO, CFE-CGC, UNSA) to negotiate agreements that help guarantee a high level of social dialogue. This is how agreements on the right to disconnect, professional equality, salaries and working hours were signed.

Strengthening diversity and equality in the workplace

The Group has been working for many years to combat discrimination and promote inclusion and equal opportunities. This commitment is aligned with the firm belief that diversity and social cohesion are invaluable attributes that build employee engagement and drive sustainable performance.

FDJ has employed an ambitious four-pronged policy since 2010: gender equality in the workplace, employment of persons with disabilities, inclusion of multiple generations and diversity of social origins. The diversity policy and associated initiatives are presented each year to the Group Management Committee and the Board of Directors.

In 2017, FDJ once again obtained Diversity certification, and for the first time was awarded the Gender Equality label. These labels are issued by Afnor (French standards body) every four years. They are the result of a collective effort involving and mobilising the entire company, underscoring a shared determination to implement the policy over time, with a view to continuous improvement.

Gender equality in the workplace

FDJ actively supports measures to promote the better representation of women in management roles. The objective is to reach the same percentage of women managers as there are women employed in the company.

For several years, FDJ has undertaken specific initiatives aimed at bringing more women into technological professions, which are a key component of its business. In October 2020, FDJ signed a commitment charter to promote diversity in digital professions and pave the way for more women entrepreneurs to obtain funding for their start-ups from investment funds.

For 2020, FDJ SA obtained a score of 100/100 on the “gender equality” index (Pénicaud Index) for companies with 50 or more employees, instigated by the Professional Future Act. The FDP subsidiary obtained a score of 92/100 and FGS France 75/100.

In addition, the internal network "All'In" has the ambition to act for equity between women and men, by erasing the inequalities from the start to achieve equal opportunities.

The company has set the following goals for 2025:

- Maintaining and improving the gender equality index (Pénicaud Index) to 99/100 or better for FDJ SA, 95/100 or better for FDP, and 75/100 or better for FGS France;
- Achieving a percentage of women managers equal to the percentage of women in the Group’s workforce;
- Establishing supplementary leave equal to 100% of 25 days’ paternity leave by Group companies and three days’ “childbirth” leave;
- Monitoring the commitments of the anti-sexism charter;
- Continuing awareness-raising programmes and initiatives with the “All’In” network for gender equality.

Integrating persons with disabilities

For many years, FDJ has been committed to the professional integration of persons with disabilities, carrying on the torch of the National Lottery from which it descended, and which was created to provide financial support to injured First World War veterans. Initiatives along these lines are aimed at meeting two objectives: recruiting new employees with disabilities and ensuring their continued employment and support.

FDJ Group's target for 2025 is for employees with disabilities to make up 6% of its workforce. In 2020, the disability rate for FDJ was 5.52% and 4.95% for the FDJ Group (direct rate). The identification and creation of a CV library of disabled workers, the recruitment of disabled employees, the establishment of new recognitions of disabled workers in the internal workforce and the renewal of recognitions that had expired have resulted in a clear increase in the direct rate of more than one point for FDJ SA and for the Group.

All members of the Employee Experience and Transformation Department are also made aware of the issue to help them hire people with disabilities and support them throughout their careers.

In addition to the initiatives aimed at developing the recruitment and integration of employees with disabilities, FDJ is expanding its working relationships with ESATs¹³ and EAs¹⁴.

In November 2019, at the initiative of Sophie Cluzel, Secretary of State responsible for Persons with Disabilities, FDJ signed the manifesto for the economic inclusion of persons with disabilities, alongside a hundred other French companies.

Inter-generational initiatives

For many years, FDJ has supported the employment and training of young people within the Company. Since 2017, FDJ has given serious thought to initiatives in favour of seniors. Taking into account issues specific to seniors helps motivate teams and boost both performance and quality of life at work. It also promotes intergenerational work.

The company differentiates between seniors (who are actively preparing for retirement) and "seniors" (active employees aged 45 and over) taking a proactive approach to their career plans. A catalogue of dedicated training courses for young seniors and seniors was rolled out in 2018, addressing aspects relating to personal development to give them a clearer picture of their career development opportunities.

Diversity of social origins

To promote diversity in terms of social origins, a pillar of the Group's diversity policy, FDJ signed up to the PAQTE initiative (action plan to promote inclusion of businesses in socially disadvantaged areas) in 2018. PAQTE is built on four pillars:

- Awareness-building via a policy of developing internships within the Company, especially for first-year high school students under the government-sponsored system for schools located in REP+ areas¹⁵, with 32 interns brought in through the United Way Alliance in 2020;
- Training, with the development of access to apprenticeships for students from priority urban policy districts, in terms of career orientation, access to combined work-study programmes and

¹³ *Établissements et services d'aide par le travail* (Vocational rehabilitation centres).

¹⁴ *Entreprises adaptées* (disability-inclusive companies).

¹⁵ *Réseau d'éducation prioritaire* (priority education network).

support for apprentices. In 2020, 20% of FDJ SA's work-study participants came from priority districts;

- Recruitment to support employment in priority urban policy districts and guarantee discrimination-free hiring methods. In 2020, FDJ renewed its partnership with Mozaik RH, to help the company recruit employees from all backgrounds;
- Development of responsible and inclusive purchases from businesses established in these districts: in 2020, 6.8% of FDJ purchases were made from suppliers in priority districts (see "Responsible sourcing").

Supporting quality of life at work

Improving working conditions and quality of life at work is a major driver of team performance and efficiency.

Since 2010, FDJ Group has been deeply committed to the quality of life at work (QLW) of its employees. In 2014, it created a dedicated Diversity & QLW department to oversee initiatives in this area.

In mid-March 2019, employees were given access to Wittyfit, a QLW diagnostic tool that takes an ongoing collaborative approach to improving quality of life at work, focused on increasing satisfaction and reducing stress. Indicators and ideas can be used as a basis for upstream team discussion on issues that are generally only tackled in the event of actual problems. The approach is therefore part of a general effort to prevent workplace risk.

At the same time, FDJ established personal support and social assistance services ("FDJ Group For Me") for all Group employees, with the aim of backing up the internal counselling unit, which is always available in the event of distress or discrimination. The "FDJ Group For Me" tool was expanded to offer an additional service: making virtual doctor's visits and online medical advice available to employees.

Ensuring employee engagement

Employee engagement is a key contributor to company performance. To measure the level of employee engagement, FDJ interviews all Group employees every year, based on an indicator generally used in internal surveys by other benchmark companies¹⁶. The engagement indicator covers five categories: job satisfaction, loyalty to the company, motivation to do more, recommendation of the company as an employer and pride in working for the Group.

By 2025, the Group aims to keep the employee engagement rate at high level of more than 85/100.

4.2.4 Solidarity

Societal engagement

FDJ has been committed to the greater good since its inception. Its contribution to society is a key component of its *raison d'être* and thus its business model. Its initiatives are divided into three categories: engagement through its Corporate Foundation, support for French sports, and contributing to the preservation and renovation of French heritage sites.

FDJ Corporate Foundation

The FDJ Corporate Foundation has strived to develop equal opportunities through gaming in all its forms since 2018. The Foundation is focusing in particular on two specific areas for the 2018-2022 period: education and social and/or professional inclusion of persons experiencing hardship, for whatever reason (disability, economic/social/cultural vulnerability, etc.). Through such initiatives, it

¹⁶ This survey was conducted among a sample of 500 employees working in ISEs (250 to 5,000 employees) operating in the services sector. The majority of employees in these companies have manager or intermediate profession status, as at FDJ, and have similar profiles to those of FDJ in terms of age and seniority.

continues to invest specifically in the integration and reintegration of persons with disabilities. The FDJ Foundation has an endowment of 18 million euros over five years (2018-2022).

Sports

FDJ has for many years been committed to developing French sports and promoting their values, particularly in terms of ethics and inclusiveness (support for women's sports and disabled sports).

With the third edition of its "Performance pour Elles" call for projects in 2020, FDJ is continuing its commitment to supporting the development of women's sports. The Group has rewarded five federations that are developing an Olympic and Paralympic performance project for their female members.

The FDJ Sport Factory, a support system for high-level athletes launched in December 2019, is made up of twenty-seven "elite" athletes, including eleven women (i.e. a representation of 44% of the programme) practising an individual discipline in an Olympic or Paralympic sport, as well as a nursery of thirty "hopeful" athletes.

Heritage

As part of the multi-year strategy led by the Ministry of Culture in favour of heritage, the government has adopted the principle of financing the "Patrimoine en péril" mission with FDJ games, which are sheltered by the Heritage Foundation. FDJ is thus participating in the financing of a major national cause, as are many other lotteries around the world. By participating in these games, players contribute to the rehabilitation of French heritage.

Dialogue with stakeholders

The risks inherent in the gaming and gambling sector associated with the Group's activities, and the stakes and challenges related to FDJ's various commitments, call for vigilance, close dialogue and ongoing cooperation with all stakeholders - local, national and international.

FDJ's CSR policy is built and coordinated in close collaboration with its various stakeholders (players, sales network, employees, suppliers, civil society, etc.). The Social Laboratory has been responsible for dialogue with civil society since 2014, with the objective of fostering dialogue and co-building CSR initiatives. Consultations are organised by a specialised agency acting as a third-party facilitator. Based on the Chatham House¹⁷ confidentiality rule, roughly a dozen civil society organisations (CSOs) and as many contacts within the FDJ Group regularly examine sensitive topics related to the company's CSR and Responsible Gaming policies.

A Stakeholder Committee was created in 2020 to foster dialogue between the Group and organisations in its socioeconomic environment on major issues for its business, and to monitor the implementation of commitments made following the publication of the *raison d'être*.

4.2.5 Regions

FDJ relies on a network of nearly 30,000 PoS spanning the entire nation to distribute its products. The Group's social and economic development has been impacted by the closure of local retailers.

The sale of FDJ games represents a major portion of the business generated by the bar-tobacconist-newsagents that make up the bulk of the distribution network. With PoS in more than 11,000 municipalities nationwide, the Group boasts the No. 1 local sales network in France. It supports all PoS

¹⁷ Confidentiality rule serving to protect the anonymity of speakers. Participants are free to use the information collected by the group but may not disclose the identity or affiliation of the persons providing the information, nor may they disclose the identity of any other participants.

in their modernisation efforts (new equipment and digitisation) but provides special aid to the most vulnerable among them.

Economic and social contribution (BIPE study)

In order to evaluate FDJ's economic and social contribution in France, a study was conducted by BIPE (Bureau d'Informations et de Prévisions Economiques) using a methodology that is in line with the international and academic benchmark for evaluating economic impacts used by international organisations (UN, European Commission, etc.) and that allows for sectoral and international comparability of results. In 2020, FDJ's contribution to national GDP (Gross Domestic Product) was evaluated at 5.2 billion euros and 50,800 jobs were created or maintained throughout the country, including 20,400 in the Bar-Tobacco-Press sector.

Local economic impact of purchases

FDJ also contributes to the creation of jobs in the region through its purchases, most of which are made in France with suppliers with whom it works directly and indirectly.

4.2.6 Environment

FDJ has been working for many years to reduce its environmental footprint and help meet the challenges of preserving biodiversity and combating climate change.

Combat climate change

Given the urgency of taking steps to combat climate change, FDJ Group has undertaken to reduce the direct and indirect environmental impacts of its activities for more than 10 years now.

Measure the Group's greenhouse gas emissions

Since 2017, FDJ has carried out an annual measurement of its greenhouse gas emissions. This measurement corresponds to two distinct scopes: a scope of direct responsibility of the company (scopes 1 and 2: energy consumption of buildings and travel of the Group's fleet of vehicles) and a scope of indirect responsibility (scope 3: purchases of goods and services, depreciation, freight, fixed assets and IT equipment, employee travel (business and home-to-work) and waste).

The Group's GHG emissions are measured according to the GHG Protocol methodology, the unit of measurement used by the Science Based Targets (SBT) initiative, launched in 2015 following Cop 21, which offers companies a clearly defined pathway, based on scientific targets, to reduce greenhouse gas emissions in line with the objectives of the Paris Agreement.

Carbon reduction plan by 2025

To combat global warming and preserve the environment, in accordance with the criteria set by the SBT initiative, FDJ Group raised its ambitions by drafting a new environmental policy and setting a new course for reducing greenhouse gas emissions by 2025: -20% GHG emissions between 2017 and 2025 across its entire scope of operations.

The targets set by the Group cover the main GHG emissions sources in Scopes 1, 2 and 3. The main sources of Scope 3 emissions covered by the carbon reduction targets are purchases, advertising and travel.

This ambitious approach to reducing the Group's greenhouse gas (GHG) emissions has been initiated throughout its scope of responsibility (from its sites to its points of sale, i.e. 100% of its activity). These

actions include switching to 100% renewable electricity, reducing the number of commercial vehicles and limiting their GHG emissions, and reusing the heat emitted by the data centre to heat the premises.

Acting to preserve biodiversity

Since 2019, FDJ has been financing "FSC Biodiversity Ecosystem Services" projects (over ten years) to preserve biodiversity in France. These innovative projects aim to conserve and restore French forest environments to protect rare and threatened species. Some species, notably bats and birds, are on the IUCN red list. The projects are implemented by International Paper Foret Services, holder of an FSC® forest management certificate and the tools used for this project were developed with WWF France and naturalist experts.

→ Find the environmental policy on: www.groupefdj.com

4.3 CSR action plan

Each year, FDJ defines priority CSR actions for the year, i.e:

- New subjects or subjects with significant room for improvement during the year
- CSR priorities arising from business priorities.

In addition, there are the so-called "RUN" actions, i.e. those that are fully integrated into the day-to-day work of the business lines and are carried out on a recurring basis between years.

An annual review is carried out in December/January at the Group Management Committee meeting and enables the priorities for the following year to be defined. The past year's assessment and the priorities for the coming year are validated by the CSR and Responsible gaming Committee.

5. Non-financial disclosure

5.1 Non-financial information statement

The non-financial information statement is published every year in the management report at the end of the first quarter of the following year. It presents the company's business model; the analysis of CSR risks and enables the presentation of the past year's actions.

→ Find the non-financial information statement on: <https://www.groupefdj.com/>

5.2 CSR reporting

Annual CSR reporting aims to measure the performance of the CSR policy. The results are published in the Non-Financial Information Statement (NFIS). The objective is to demonstrate the results of the commitments made.

With the transposition of the European directive on non-financial reporting, FDJ Group has associated performance indicators with each of the identified CSR risks. Each year, an independent third-party organisation draws up a report that includes:

- a reasoned opinion on the compliance of the NFIS and the sincerity of the information provided
- the due diligence it carried out to conduct its verification mission.

The work of the third-party organisation is carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, which determine the terms and conditions under which the independent third-party body conducts its mission, and in accordance with the professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes* (CNCC) relating to this type of intervention, as well as the ISAE 3000 standard (Assurance engagements other than audits or reviews on historical financial information).

5.3 Financial and non-financial performance

The NFIS is integrated in the financial and non-financial report and in the Universal Registration Document.

Since 2017, an integrated activity report completes the financial and non-financial information of the company. The production of this integrated activity report has made it possible to share a global and synthetic vision of the company (business model, risks/challenges and opportunities, strategy, performance) with all stakeholders. Its objective is to globalise the value creation approach around financial and non-financial information.