2021

Universal Registration Document

Tarkett

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Tarkett

Société anonyme with Management Board and Supervisory Board with a share capital of €327 751 405

Registered office: Tour Initiale – 1 Terrasse Bellini – 92919 Paris La Défense

352 849 327 RCS Nanterre

2021 UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

This is a translation into English of the Universal Registration Document of the Company issued in French.

This Universal Registration Document was filed with the Autorité des Marchés Financiers (the "AMF") on March 28, 2021, as a competent authority under Regulation (EU) 2017/1129, without prior approval, in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purpose of a public offering of securities or admission securities traded on a regulated market if supplemented by a note relating to securities and if applicable, a summary and any amendments made to the universal registration document. The whole is approved by the AMF according to the Regulation (EU) 2017/1129.

The Universal Registration Document, including the Annual Financial Report is a reproduction of the official version of the Annual Financial Report which was drawn up in XHTML. This Universal Registration Document is available on the websites of Tarkett (www.tarkett.com) and the AMF (www.amf-france.org).

A world leader in flooring and sports surface solutions

For over 140 years now, we commit every day to the design of great spaces. For Tarkett, this means putting people and planet first, caring about the environment and the health of present and future generations incorporated by our Tarkett Human-Conscious Design® approach.

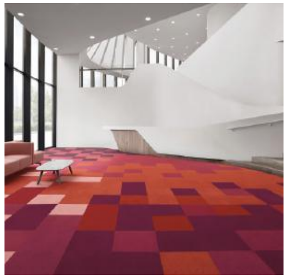
It is our holistic way of doing business, capable of marrying the specific expectations of each of our customers with the profound challenges of protecting our planet, reducing our carbon footprint and changing the game with circular economy. Working together with our partners, we deliver safer and healthier spaces in which people can reach their full potential.

A BROAD RANGE OF SOLUTIONS

We offer to our customers one of the largest portfolios of flooring and sports surface solutions, and we share with our customers our expertise in multiple market segments.


Vinyl


Linoleum


Carpet


Wood


Laminate


Rubber & Accessories


Artificial Turf

Athletic Tracks

HEALTH CARE & AGED CARE

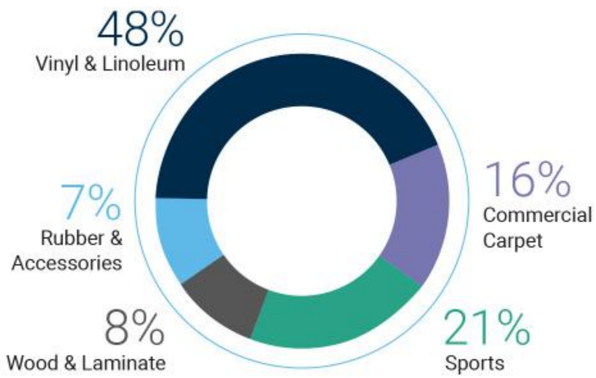
EDUCATION

WORKPLACE

HOSPITALITY

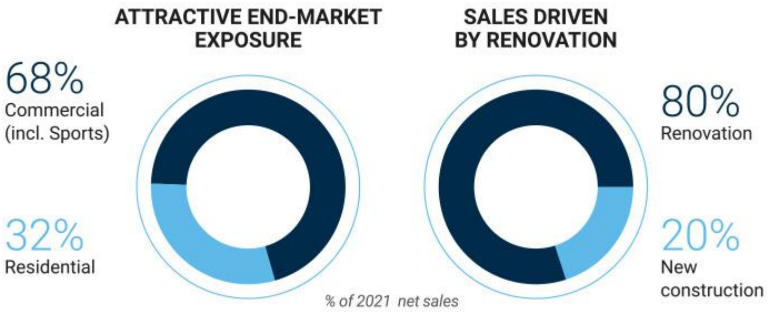
SPORTS

RESIDENTIAL



% of net sales by product categories

TARKETT WORLDWIDE



CONSCIOUS CHOICES.
FOR PEOPLE AND PLANET.

Tarkett Human-Conscious Design® is our pledge
to stand with present and future generations.
To create flooring and sports surfaces that are good for people and for the planet. And to do it every day.
We deliver on this through three commitments:

- Deep human understanding.
- *Conscious choices. For people and planet.*
- *With all our stakeholders. Every step of the way.*

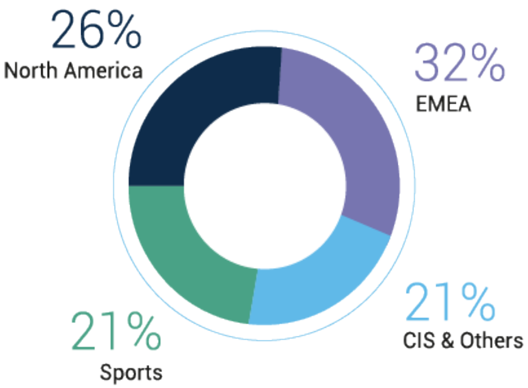
Eco-design by appling Cradle to Cradle® principles

Comply with the 10 United Nations principles

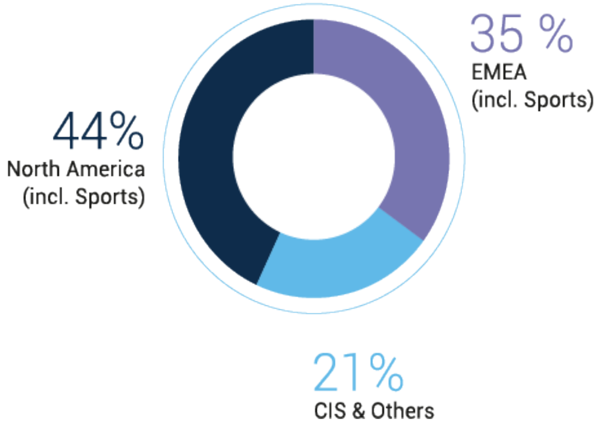
Contribute to the Sustainable Development Goals defined by the United Nations

Tarkett in figures

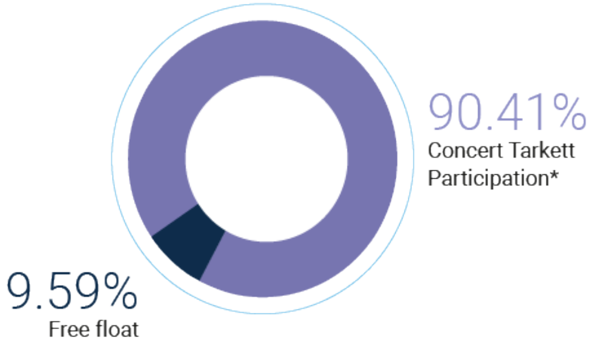
SALES BY SEGMENT



SALES BY GEOGRAPHIES



SHAREHOLDING STRUCTURE
(31.12.2021)



Tarkett is listed on Euronext Paris (compartment B, ISIN: FR0004188670, ticker: TKTT).

**Tarkett Participation, acting in concert on all the Tarkett shares not held by Tarkett Participation with Société Investissement Deconinck, Expansion 17 S.C.A., Global Performance 17 S.C.A. and the members of the supervisory board linked to the Deconinck family, have declared on October 25, 2021 holding in total 59 263 596 shares and 59 272 507 voting rights of the Company, representing 90.41% of the share capital and 90.08% of the voting rights of the Company. This includes 163,344 treasury shares (i.e. 0.25% of the share capital) and 84,211 shares held via its Luxembourg subsidiary Tarkett GDL SA, 100% owned (i.e. 0.13% of the share capital).*

Supervisory Board

The Supervisory Board is composed of 13 members of which 5 members representing the Deconinck family, 3 independent members, 2 members representing the employees and 2 observers.

Éric La Bonnardière
Chairman
Member since 2015

Didier Deconinck
Vice-Chairman
Member since 2001

Nicolas Deconinck
Member since 2015

Julien Deconinck
Member since 2014

Agnès Touraine
Member since 2016

Didier Michaud-Daniel
Member* since 2019

Françoise Leroy
Member* since 2013

Sabine Roux de Bézieux
Member* since 2017

Véronique Laury
Member since 2021

Florent Jannier
Member** since 2021

Caroline Tith
Member** since 2021

Bernard-André Deconinck
Observer

Josselin de Roquemaurel
Observer

Audit, Risks and Compliance Committee:
- Françoise Leroy (President)*
- Sabine Roux de Bézieux*
- Julien Deconinck

Appointments, Compensation and Governance Committee:
- Françoise Leroy (President)*
- Agnès Touraine
- Didier Michaud-Daniel*

CSR Committee:
- Sabine Roux de Bézieux (President)*
- Véronique Laury
- Nicolas Deconinck

** Independent*
*** Was appointed member of the Supervisory Board representing employees by the Tarkett Economic and Social Committee.*

Executive Management Committee

The Group Executive Committee is led by Fabrice Barthélemy, Chief Executive Officer (CEO). This international and entrepreneurial team is composed of experienced leaders who share the Group's interest and values, while ensuring operational agility through a decentralized organization.

Fabrice Barthélemy
CEO

Eric Daliere
President of Tarkett North America and Tarkett Sports

Slavoljub Martinovic
President of Tarkett Eastern Europe & Asia

Francesco Penne
President of Tarkett EMEA, LATAM & ANZ*

Raphaël Bauer
Chief Financial Officer

Audrey Dauvet
Group General Counsel

Séverine Grosjean
EVP Group Human Resources & Communication

Arnaud Marquis
Chief Sustainability & Innovation Officer

Carine Vinardi
Group R&D and Operations EVP

Hervé Legrand
Group Chief Information Officer (CIO)

** Australia/New-Zealand*

A Word from the CEO

Fabrice Barthélemy

While the COVID-19 pandemic remained prevalent in 2021, the global campaign of vaccination helped limit the impact, which, along with government and central bank support, have enabled continued economic recovery. The disparate resumption of economic activity has brought new challenges, notably with difficulties in the supply chain leading to shortage and inflationary pressures on raw materials and transport.

In this context, Tarkett has responded effectively, improving its cost base and pursuing initiatives to reduce production costs and general expenses, while offsetting higher costs through increases in sales prices. The Group also remained focused on following its strategic roadmap “Change to Win” to promote sustainable growth.

2021 was also marked by the growing acknowledgement that drastic action is required to limit global warming to not more than 1.5°C, as we witness more frequently the dramatic effects of climate change.

Here too, Tarkett has stepped up its action, committing to reduce our whole value chain greenhouse gas (GHG) emissions by 30% by 2030 compared to 2019. This target, which is aligned with the Paris Agreement goal to limit global warming to +1,5°C, is extremely challenging, given that only 10% of our emissions are linked to our manufacturing operations, with the rest essentially linked to raw materials and the treatment of our products at end-of-life.

For this reason, and as part of our Change to Win strategy, we are fully engaged with our customers, architects, designers, end-users, suppliers, and other partners to change the game with the circular economy. Firstly, by designing in and sourcing more recycled material which requires finding new innovative suppliers. Secondly, by diverting more flooring from landfill and incineration which requires onboarding more customers to our ReStart® take-back and recycling program.

Both of these strategies mean obtaining and using more secondary raw materials from recycling which not only enables us to greatly reduce the carbon footprint of our products, but also makes us more resilient against supply chain constraints for virgin materials. In this domain, we are measuring our progress against our 2030 goal to triple the share of recycled raw materials to 30% by 2030.

Embarking our clients on this circular economy journey is critical and in 2021 we gave ourselves new opportunities to engage with our customers on their needs and on our solutions as we opened new showrooms in six countries. Our teams, for example, have brought together all our flooring solutions which contribute to the circular economy in the Tarkett Circular Selection. These products along with Tarkett's ReStart® take-back and recycling program are concrete examples of how we are helping our customers mitigate climate change. We ourselves have continued to make good progress in reducing our operational GHG emissions in 2021 (-27% Scope 1 & Scope 2 GHG emissions vs 2019), largely a result of further plants switching to renewable and non-fossil electricity and continued investment and implementation of energy efficiency solutions.

Tarkett is not only leading the drive on climate and the circular economy within our industry, but we are also helping our clients address other contemporary challenges and opportunities, such as rethinking the workplace in the post-COVID-19 world, reflecting on hospitals for the future, designing for diversity to create more inclusive spaces, or sustaining the game to achieve zero waste to landfill from artificial turf.

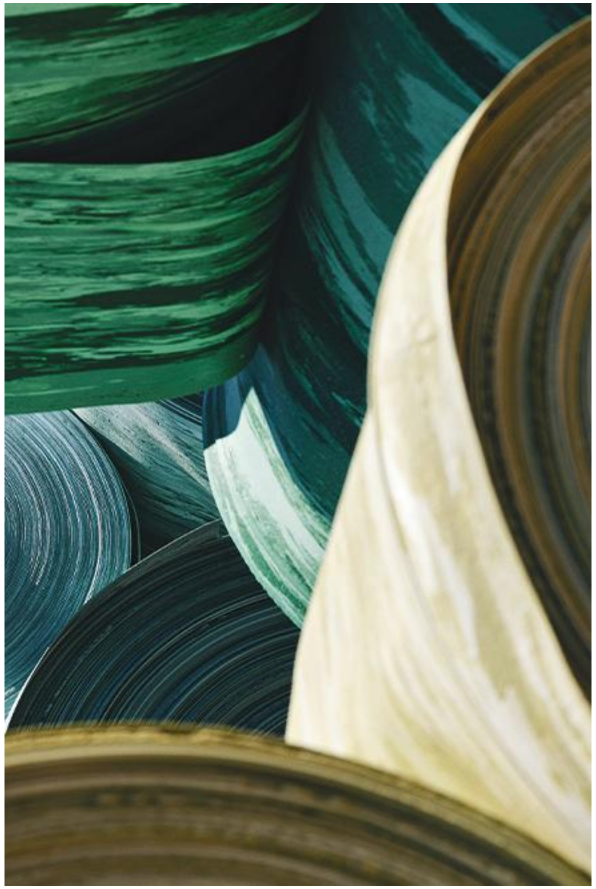
Tarkett, certainly appreciates the benefits of ensuring diversity, inclusion and a modern workplace as key enablers for greater creativity and collaboration. In 2021 our digital transformation successfully delivered a new set of tools and ways of working which are helping our teams become more agile, interactive, innovative and efficient. Our leaders and human resources experts further drove engagement and action on diversity, adapting action to local contexts.

Our digital transformation is also about greater interaction and transparency with our customers, designers and end-users. Tarkett has long since been committed to transparency, providing for example product Material Health Statements (MHS®), Cradle to Cradle® certifications and specific environmental product declarations (EPDs). In 2021 Tarkett continued to lead in discussions and initiatives to further facilitate and optimize the access to product information.

All these endeavors illustrate Tarkett Human-Conscious Design®, our commitment to stand with present and future generations. To create flooring and sports surfaces that are good for people and for the planet. It is a holistic way of doing business, capable of marrying the specific expectations of each of our customers with the profound challenges of protecting our planet.

Lastly, we are pleased to have the full support in this journey of our Supervisory Board and the majority shareholders. In 2021, Wendel teamed up with the Deconinck family to form Tarkett Participation (now holding 90% of Tarkett's share capital), bringing their support and expertise to Tarkett's long-term sustainable growth. We notably welcomed the new opportunity to discuss Tarkett's commitment and action on CSR topics with the new CSR committee created by the Supervisory Board.

Together with the Supervisory Board, we will continue to demonstrate our commitment to the United Nations Global Compact, and its 10 principles on human rights, labor, environment, and anti-corruption. We are convinced that we can provide our customers with the solutions and partnerships to provide a tangible contribution to the UN 2030 Sustainable Development Goals, in particular for good health and well-being (Goal 3) thanks to flooring contributing to indoor air quality and healthy and safe spaces; for responsible consumption and production (Goal 12) with our ReStart® collection and recycling service; and for climate action (Goal 13) with our circular economy and whole value chain GHG emissions reduction commitments.



Homogeneous vinyl flooring at Ronneby site, Sweden.

Our Business Model dedicated to serving our customers...

Our Inputs: Sustainable Capital

Financial capital

- Listed on Euronext Paris
- Concert Tarkett Participation (90.41%) Free float (9.59%)

Human, social and relationship capital

- Close to 12,000 employees in 45 countries, representing more than 50 nationalities
- Diversified B2B2C clients, present in over 100 countries (sales forces, showrooms…)
- Diversified suppliers, from international key raw materials suppliers (PVC, plasticizers…) to local suppliers
- Local communities close to our industrial sites

Manufacturing capital

- 34 production sites in 19 countries worldwide (Europe, Russia, North America, Serbia, China, Ukraine, Brazil, Mexico, Australia, Turkey)
- 8 recycling centers

Natural capital

- Energy from renewable and non-renewable sources
- Water
- Renewable (wood, jute, cork, …) and non-renewable (fossil and mineral) raw materials, from recycled and virgin sources

Intellectual capital

- More than 150 patent families active in 42 countries
- 25 R&D labs
- Tarkett Human-Conscious Design®
- Network of internal experts and methodology (World Class Manufacturing, Cradle to Cradle®, Talent Philosophy…)
- Scientific partnerships (universities, Environmental Protection Encouragement Agency - EPEA, suppliers…)

Governance and compliance capital

- Management Board, Supervisory Board and 3 specialized committees (including CSR)
- Executive Management committee
- Codes of ethics and conduct
- Whistleblowing procedure
- Code of conduct Securities Markets

Section 3.2.1 in the section on CSR Governance describes how Tarkett is organized to drive change and achieve its CSR objectives

Our Ambition: Change to win

- **Be the global leader in commercial flooring and sports surfaces**
- **Grow selectively in residential flooring**
- **Change the game with circular economy**

1. *Sustainable Growth*
2. *OneTarkett for our Customers*
3. *People & Planet*
4. *Cost & financial discipline*

Our values: Committed – Collaborative – Creative – Caring

Our Segments:
A recognized expertise in specific segments, in renovation and new construction

- Health & Aged Care
- Education
- Workplace
- Hospitality
- Sports
- Residential

Our Solutions:
A comprehensive, innovative and coordinated offer of flooring and sport surfaces

- Resilient flooring (vinyl, linoleum…)
- Commercial carpet
- Wood and laminate
- Rubber and accessories
- Artificial turf and athletic tracks

Our Channels:
A local service tailored to our different clients and regions

- Distribution, DIY and digital online platforms
- Key accounts, end-users, facility managers
- Specifiers (architects, designers), installers, contractors

Our Stakeholders:
Our ambition to transition to a low carbon and circular economy through continual dialogue and collaboration with our stakeholders

The principal means of dialogue are described in section 3.5 Stakeholder engagement

- Customers, architects, designers, installers and end-users
- Employees and other external workers
- Suppliers, service providers and business partners
- Shareholders, investors, creditors and the financial community
- Trade associations, business networks, academic and scientific institutions
- Public authorities, intergovernmental and non governmental organizations

Section 3.1.3 presents the Group's ambition to place its stakeholders at the heart of its business model, responding to their expectations as well as setting out how Tarkett's Change to Win strategy and CSR objectives contribute to the UN's Sustainable Development Goals

Our Outputs: sustainable performance despite challenging context

Demonstrating the resilience of Tarkett's business model

€2,792 million	€229 million	8.2%	€15.1 million	€687 million	€73 million	€26.3 million	€0.1 million
Net sales (6.4% organic growth)	**Adjusted EBITDA**	**Adjusted EBIDTA margin** (% of net sales)	**Résultat net** (part du Groupe)	**Remunerations**	**Investments**	**Income tax paid**	**Support to local communities (Tarkett Cares)**

Confirming our solid global positions

3rd **largest flooring group worldwide**

1.3 million **m^2 flooring sold daily in over 100 countries**

No. 1 **in vinyl flooring**

Maintaining efforts to protect teams and develop talents

Safety: 2.56 Recordable Lost Time Accident Frequency Rate (FR1t) for all employees[1]
2025 objective: 1.0
1# accidents with lost time < & > 24 hours per million worked hours

Diversity: 26% of managers are women
2025 objective: 30%

Internal mobility: 63% of open management positions filled by an internal candidate
2025 objective: 70%

Training & Performance: 44% employees trained in last year

56% of permanent employees had a Performance & Development Review

Meeting customer and societal expectations with good materials and healthy spaces

- **Assessing raw materials** (for health and environmental impacts) according to **Cradle to Cradle® (C2C)** principles (97%)
- **Contributing to well-being through our products:** indoor air quality (99% of flooring with low volatile organic compounds emissions), healthy spaces (95% of flooring using phthalate-free plasticizers), comfort (visual, acoustics, installation, maintenance...)
- **Selecting raw materials not contributing to resource scarcity** (70% - renewable, abundant or recycled)

Supporting a green recovery by responding to the climate emergency and developing a circular economy approach

- **Reducing production greenhouse gas emissions to be aligned with The Paris Agreement** (-27% scope 1 & 2 vs 2019, 38% renewable energy)
2030 objective: -50% Scope 1 & 2 GHG emissions vs 2019 & -30% Scope 1+2+3 GHG emissions vs 2019 (where scope 3 relates to purchased goods and end-of-life treatment of products)
- **Shifting to a circular economy model** bringing a positive contribution to climate change, using more recycled materials (~147,000 tons, 15% of raw materials in volumes)
2030 objective: 30% (in volume) of recycled raw materials
- **Recycling our production waste** internally and externally
- **Collecting flooring via the ReStart® program** (~112,000 tons between 2010 and 2021)
- **Innovating and eco-designing** with new technology for low carbon products that can be disassembled and recycled
- **Achieving water savings** (-56% m^3 vs 2010) by equipping plants with closed loop water systems (71%)

Driving collaboration in the value chain and in communities

- **Promoting sustainability in the supply chain** ("responsible sourcing program" with 49% of suppliers adhering to our code of conduct or equivalent, C2C eco-design)
- **Sharing our products information with our clients** (Material Health Statements - MHS, Environmental Product Declarations - EPD), engaging dialogue at 33 showrooms
- **Supporting local communities** through Tarkett Cares and employees' involvement
- **Training students and professionals** in flooring profession and installation techniques via Tarkett Academy (44,000 people trained from 2012 to 2021)

Section 3.3. on CSR risks and opportunities describes how Tarkett is contributing to addressing global challenges

1 GROUP PRESENTATION

1.1 General presentation

1.1.1 Group activity

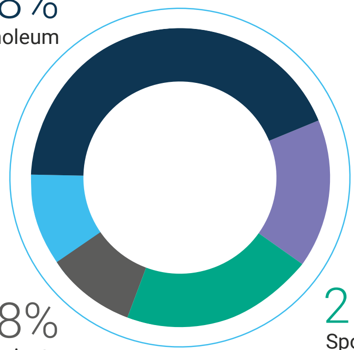
With more than 140 years of experience, Tarkett is a worldwide leader in innovative flooring and sports surface solutions.

Tarkett offers one of the widest ranges of flooring solutions. With experienced teams and sales in more than 100 countries, the Group has acquired extensive knowledge and an excellent understanding of customer cultures, tastes and requirements, local regulations, and the use of flooring in each country.

With 34 industrial sites and customer service centres located close to local markets, the Tarkett Group is able to offer highly flexible solutions to meet specific customer needs.

Distribution of 2021 net revenue by geographical area

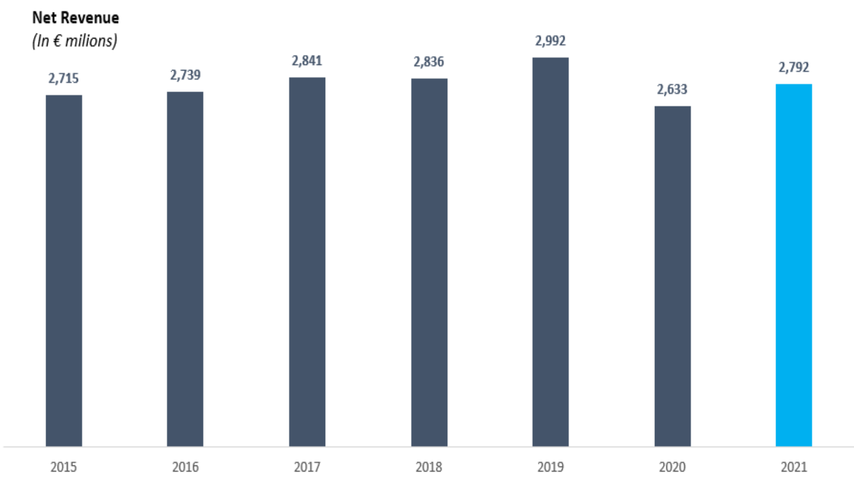
Distribution of 2021 net revenue by product category

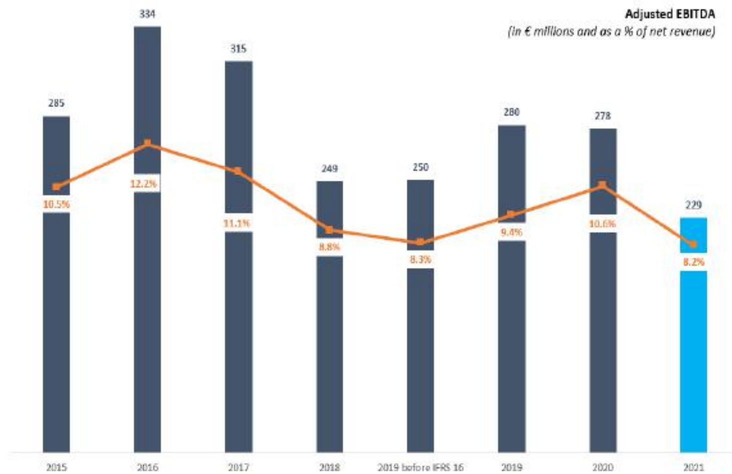


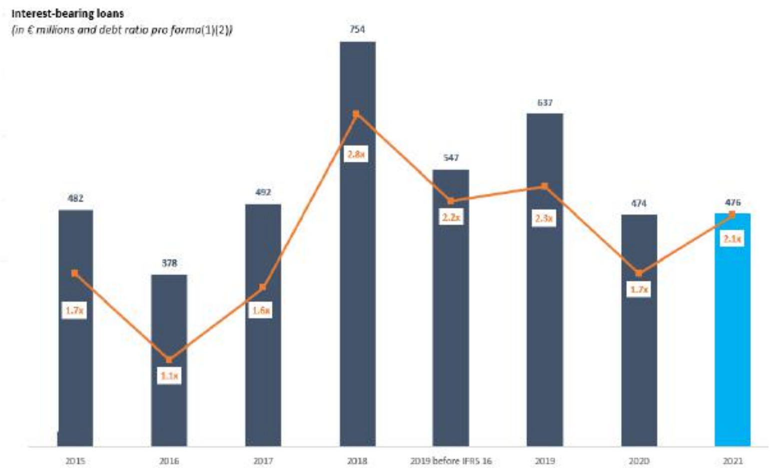
% of net sales by product categories

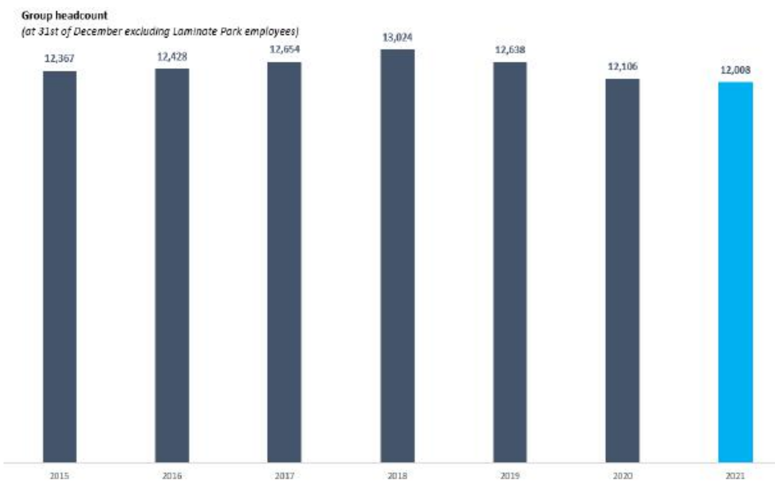
1.1.2 Main key figures

> The financial data presented below is derived from the Group's Consolidated Financial Statements for Fiscal 2021, prepared in accordance with IFRS as adopted by the European Union, which are included in Section 5.1 "Consolidated Financial Statements for Fiscal 2021". The Consolidated Financial Statements for Fiscal 2021 were audited by the Company's Statutory Auditors. The Statutory Auditors' Report is included in Section 5.9 "Statutory Auditors' Report on the Consolidated Financial Statements".









[(1)]*Net debt/EBITDA 2018 pro forma adjusted: including EBITDA from Lexmark (acquired in September 2018) for the full year.*
[(2)]*2019 net debt includes the implementation of €126m receivables programmes*

(in € millions)	December 31, 2021	December 31, 2020
Consolidated results		
Net revenue	**2,792.1**	**2,632.9**
Organic growth[(1)]	+6.4%	-9.5%
Adjusted EBITDA before IFRS 16[(1)]	**197.7**	**247.0**
% of net revenue	7.1%	9.4%
Adjusted EBITDA[(1)]	**229.0**	**277.9**
% of net revenue	8.2%	10.6%
Adjusted EBIT before IFRS 16[(1)]	**77.8**	**118.0**
% of net revenue	2.7%	4.5%
Adjusted EBIT[(1)]	**80.2**	**119.4**
% of net revenue	2.9%	4.5%
Result from operating activities (EBIT)	**59.6**	**47.4**
% of net revenue	2.1%	1.8%
Profit for the period - Group share	**15.1**	**(19.1)**
Dividends per share (in Euro)[(2)]	0.23	-
Consolidated financial position		
Equity attributable to equity holders of the parent	840.2	770.3
Net debt before IFRS 16[(3)]	367.6	364.9
Net debt[(3)]	475.7	473.8
Balance sheet total	2,418.3	2,337.0
Consolidated cash flow		
Cash generated from operations	191.6	313.1
Investments	(72.8)	(74.1)
Free cash flow[(1)]	19.5	163.5
Market capitalisation as of December 31	**1,278**	**944**
Headcount as of December 31	**12,008**	**12,106**

[(1)]Cf. Section 4.7.
[(2)]It will be proposed at the Shareholders' Meeting on April 29, 2022 to allocate the 2021 results to te "Retained Earnings" account and therefore, to not distribute dividends.
[(3)]Cf. Section 4.3.3 and Note 7 in Section 5.2

1.2 History

The Group was formed in 1997 through the merger of the French company Sommer Allibert S.A. and Tarkett AG (at the time listed on the Paris and Frankfurt Stock Exchanges respectively). Sommer Allibert S.A. was also formed as the result of a merger in 1972 between two French companies. Sommer was established at the end of the nineteenth century and Allibert was formed at the beginning of the twentieth century by Mr. Joseph Allibert, whose heirs are the members of the Deconinck family, the majority shareholder. Tarkett was formed at the end of the nineteenth century in Sweden.

In 1997, the Group embarked on a strategy which refocused on flooring by transferring its other activities, in particular automotive equipment (2001) obtained from Sommer Allibert S.A., and was renamed Tarkett (in 2003).

The Group began a strategy of dynamic growth in the flooring sector through a series of acquisitions and joint ventures. As a result, the Group stepped up its activities in Eastern Europe in 2002 and acquired a strong base in Russia with the establishment of a partnership with the Serbian company Sintelon AD, which was to be completely absorbed by the Group in 2009. In 2004, the Group entered the sports sector by taking a minority interest in the Canadian company FieldTurf, a manufacturer of synthetic grass, later acquiring the company the following year. At the same time, the Group began to develop its flooring activities in North America, notably with the acquisition of Johnsonite Inc., a manufacturer of resilient flooring and accessories.

In 2006, the Group finalised the withdrawal of its subsidiary Tarkett AG from its listing on the Frankfurt stock exchange and in 2007, investment funds recommended and managed by Kohlberg Kravis Roberts & Co. L.P. ("KKR") indirectly acquired approximately 50% of the Company's shares while the Deconinck family retained approximately 50% of the share capital, the remaining shares being held directly and indirectly by management.

Since then, Tarkett has intensified its external growth policy and has made several acquisitions in the field of sports surfaces which have established its position as market leader. The Group has also made various acquisitions in the flooring sector in order to strengthen its position in certain regions or to penetrate countries where the company is not yet present. The Group entered the commercial carpet market in the United States in 2012 with the acquisition of the Tandus group, an American designer, manufacturer and retailer of carpets for commercial segments. With this acquisition, the Group established itself as a major player in the North American commercial carpet market.

In 2013, the Group proceeded with its listing on the Paris stock exchange and continued its dynamic external growth strategy, notably with its acquisition of the Desso group in 2014, one of the European leaders in commercial carpet. In terms of capital, KKR, which had already decreased its ownership stake at the time of the Group's IPO, sold the remainder of its ownership in the Company over the course of 2016. In 2018, Tarkett acquired Lexmark Carpet Mills, a manufacturer of high quality carpets, mainly for the North American hospitality industry. The Group has also continued to strengthen its activity in the sports surface sector by means of targeted acquisitions.

Tarkett focussed on its debt reduction in 2019 and launched a new strategic plan *"Change to Win"* in June that year. In view of the situation with the COVID-19 pandemic, Tarkett did not resume its external growth strategy in 2020, preferring to focus its efforts on maintaining the Group's profitability and cash flow while continuing its debt reduction.

On April 26, 2021, Tarkett Participation, acting in concert with Société Investissement Deconinck ("SID") Global Performance 17 S.C.A., FIAR and Expansion 17 S.C.A., FIAR (which superseded Wendel Luxembourg S.A. (formerly Trief Corporation SA) on July 27, 2021) and the members of the Supervisory Board associated with the Deconinck family (together the "**Concert**"), filed a simplified tender offer with the Autorité des Marchés Financiers (the "AMF") targeting all Tarkett shares not held by Tarkett Participation, namely 29,085,420 shares representing 44.37% of the Company's share capital and 29,893,484 voting rights equal to 45.05% of the company's voting rights[1], at the price of 20 Euros per share. The simplified tender offer, declared compliant by the Autorité des Marchés Financiers (the "AMF") on June 8, 2021 was opened on June 10, 2021 and closed on July 9, 2021.

As a result of the simplified tender offer, and on and off market acquisitions, Tarkett Participation and the other members of the Concert hold a total of 59,263,596 shares and 59,272,507 voting rights of the company, representing 90.41% of the company's share capital and 90.08% of its voting rights[2].

1 *Based on capital made up of 65,550,281 shares representing 66,358,345 voting rights, pursuant to the second paragraph of article 223-11 of the general regulation of the AMF*
2 *This ownership takes into account the 247,555 shares held by the company itself, 4,000 shares held by members of the company's Supervisory Board associated with the Deconinck family, and shares of corporate officers and employees of the Tarkett Group having agreed liquidity contracts for Tarkett shares with Tarkett Participation, in time allowing Tarkett Participation to acquire these shares on its own initiative on the condition that a liquidity default occurs on the exercise date of the purchase option (such a liquidity default having been observed).*

1.3 Strategy

Tarkett's ambition is to be the world leader in commercial flooring and sports surfaces and to grow in a targeted manner in the residential sector. The Group's vision is also to become a leader in the circular economy, an area in which it has set itself some ambitious objectives.

The Group strives to provide innovative solutions to create value for its customers and designs flooring and sports surfaces which offer end users a good return on investment, high technical performance and clear, strong commitments in terms of the environment.

1.3.1 Group strategic objectives

The strategic plan is based on the following four strategic pillars:

a) **Sustainable growth upheld by an increased focus on a selection of buoyant commercial market segments such as health, education or corporate, the development of a global range in the hospitality industry and the continued expansion of sporting activities. The Group is also planning to invest in digital distribution channels in order to harness future growth.**

> Tarkett is to intensify its efforts in a certain number of commercial market segments in which the Group already holds a strong position thanks to a sustained innovation capacity, a varied, comprehensive product range, high technical performance and recognised design quality. The segments which the Group plans to target as a priority include corporate, health centres and retirement homes or education. These are also market segments in which Tarkett can make a difference due to its ability to take part in regional or global calls for tender which are growing, particularly in the corporate segment. With production sites in Europe, the United States and Asia, Tarkett has the capacity to serve major customers in different regions of the world where they are present. Tarkett will continue to work innovatively in terms of design and technical performance in order to serve these markets. Due to the situation created in 2020 by the COVID-19 pandemic, Tarkett will focus its efforts on the segments that will benefit from recovery plans and public investment, mainly in the health and education sectors. The Group will also look to grow its market share in segments experiencing a more gradual recovery such as corporate, hospitality or even sport.

> Tarkett is working towards a position as leader in the hospitality industry. The acquisition of Lexmark Carpet Mills in September 2018 has enabled the Group to gain a foothold in a market in which it had limited presence. The Group is now able to promote its comprehensive, global product range in this segment, notably to major hotel chains which account for a significant share of the worldwide market. To this end, a new management team was put in place at the beginning of 2020 with the task of positioning Tarkett as market leader while improving profitability. This strategy is beginning to show positive results despite a difficult environment where the pandemic has particularly affected the hospitality and tourism industry.

> Tarkett continues to develop its sporting activities. The Group became the world leader by drawing on strong organic growth and targeted acquisitions. The pandemic has also affected the level of activity and the seasonality of this activity, however there remains significant growth potential both from first installations and replacement of existing pitches and running tracks. Tarkett aims to maintain its edge by offering new solutions, including greater integration of the various elements making up the range. The Group also plans to accelerate growth through targeted acquisition in new regions.

> Tarkett is in the process of launching its range through digital distribution channels in order to harness their growth. Digital platforms are eventually expected to represent between 10% and12% of residential flooring sales and Tarkett is keen to gain a foothold as quickly as possible, in particular with chains specialising in DIY. With this in mind, Tarkett has developed tools which will help it to stand out from the competition and guarantee a good level of online visibility. The Group is also exploring different means to expedite last mile delivery which is one of the key challenges of online sales. In 2019, the Group tested a number of different solutions in partnership with leading distribution channels with a view to determining which will be the most appropriate to implement. In 2020, the environment encouraged the increasing power of distribution channels and Tarkett continued its development in this area. These developments were particularly reinforced in Europe and in CIS countries.

b) **Its approach will be even more focused on customers with a simpler, more flexible and responsive organisation.**

- Tarkett began to simplify its organisation and change its working methods in 2019. This progress continued in 2020 and certain measures were implemented quicker than planned based on the pandemic situation and restrictions on movement. These changes are being implemented throughout the entire Group. The aim is to provide the Group with greater agility but also to offer customers unique, smooth access to the Tarkett sales teams and allow marketing and innovation teams to respond more effectively to customers' expectations. The Group's ambition is to invest in innovation in order to respond to the growing needs of its customers to develop a healthy environment and unique, modular areas which are easy to maintain and install. The Group has also outlined the circular economy and recycling as priority areas for innovation. Tarkett is keen to optimise the value of the materials it uses and to develop innovative solutions so that the products and solutions offered to customers can be recycled in a complete loop. Tarkett plans to use technological innovation to increase the lifecycle of materials and develop innovative collection and recycling solutions.
- The Group has an international research and innovation centre located in Luxembourg and a scientific committee made up of internationally renowned internal and external experts.
- Research and development activities have been carried out in collaboration with the operations division in view of their effects on production processes. The aim is to increase the efficiency of research and development relating to products and processes, taking into account the industrial and supply challenges created as a result for the Group upstream. This new organisation should enable Tarkett to increase its industrial efficiency and be better prepared for technological, statutory and environmental developments.
- Tarkett is also planning to optimise synergies in terms of design. The Group has three regional teams that continuously monitor trends in the various markets. This enables Tarkett to offer products in line with the latest trends that correspond to customer expectations. The Group is to intensify the exchanges between the three centres in order to capitalise on its global expertise.
- Based on this logic of an approach focusing on customers and their requirements, Tarkett has decided to create a key account management organisation for strategic market segments, notably the hospitality and corporate segments. In these two segments, a global presence and range is a differentiating element for major regional or global customers.
- The Group is also simplifying its product portfolio by reducing the number of reference items in each collection. The aim is to reduce the number of references by around 30% whilst growing sales. This will enhance the clarity of the product portfolio and reduce the complexity and costs throughout the entire value chain.
- Finally, since 2019 Tarkett has been working with the support of a new salesforce organisation in North America which from now on will provide a unique point of entry for customers. This reorganisation, which was finalised in the first half of 2019, has gone hand in hand with a transition towards the use of a single trademark (Tarkett) in order to enhance the Group's visibility in the North American market.

c) **This is an ambitious development in terms of the circular economy, with specific efforts made to develop recycling solutions for customers.**

- Tarkett aims to establish a virtuous model for product design. It recommends the use of high quality materials, responsible resource management, the creation of areas which encourage well-being and quality of life, and the reuse and recycling of products and materials.
- Tarkett's strategic priority is to increase the use of recycled materials in its production processes. By 2030, the portion of recycled materials in raw material purchase volumes will increase to 30% compared to 15% in 2021. Furthermore, in 2021 Tarkett revised it climate target, committing to reduce emissions by 30% (scope 1,2,3) across the entire value chain by 2030 compared to 2019.
- Tarkett is a precursor in the transition towards the circular economy model in the flooring industry. The Group will continue to invest in the development of technologies, turnkey solutions and partnerships which encourage the development of this model. The mission of the director for sustainable development and innovation, appointed to the Executive Management Committee in July 2020, is to intensify the reduction of greenhouse gases and accelerate the development of circular solutions for customers. They supervise circular economy innovation programmes and the development of associated business models. They work in close cooperation with operations and marketing to ensure ownership of sustainable development matters by all teams and their integration into all Group processes.
- Tarkett continues the development of technologies and industrial processes making it easier to recycle vinyl flooring and carpet. In 2019, the Group announced the European launch of a range that masters the product lifecycle of carpet tiles by using an innovative process developed in its Waalwijk (Netherlands) plant separating the two main components of carpet tiles - underlay and textile fibre. These components are then recycled and used to manufacture new carpet tiles.
- The Group is also addressing the problem of reusing and recycling fitting waste and used products. Tarkett leverages its collection and recycling programme, ReStart®. Almost 112,000 tonnes of flooring have been collected from 2010 to 2021 as part of ReStart® in Europe, Brazil and North America (post-installation and post-use collection of vinyl flooring, linoleum and carpet). Tarkett's aim is to develop this programme worldwide, particularly in Europe and North America, by incorporating increasing numbers of customers and working with the support of strong partners.

d) **A rigorous cost reduction programme has been developed with the aim of generating savings of at least 120 million Euros between 2019 and 2022 alongside a selective capital allocation policy aligned with strategic sustainable growth initiatives.**

- The cost reduction programme includes the reorganisation of the industrial facility and a reduction in selling, distribution, general and administrative expenses. In this context, Tarkett announced and implemented the closure of four industrial sites, including two in North America. Accessory production in Waterloo (Canada) was transferred to the expanded Chagrin Falls site (Ohio, USA) and the manufacture of carpet rolls in Truro (Canada) was transferred to the carpet production plant acquired during the buyout of Lexmark, realising the cost synergies planned as part of this acquisition. Tarkett has also ceased production of laminate flooring in Europe by closing the Eiweiler site (Germany) and closed a storage and production site in Goirle (Wales) at the end of 2020, transferring products to an entirely automated warehouse near the Waalwijk (Netherlands) production site.
- The cost reduction programme also draws on the automation of production processes and the World Class Manufacturing ("WCM") programme whose efficiency has already been demonstrated in the past. The acceleration of automation programmes leads to a reduction in personnel costs, an increase in productivity and quality, and a reduced risk of accident. The priority programmes are those relating to automatically guided vehicles, inspection cameras, automated packaging and digital printing. The WCM programme continuously researches measures that can improve the Group's productivity. This programme is carried out by a dedicated team comparing and sharing the methods used on each site and helping local teams to implement best practices for their operations. It also aims to improve product quality, increase Group productivity, control costs and provide the best services.
- Tarkett has set up strong governance to monitor the cost reduction programme. Its effective implementation is a key factor in the plan's success and therefore requires the involvement and ongoing monitoring of Senior Management and the Supervisory Board. In 2020, it was decided to expedite certain measures, notably around general and administrative expenses to adapt to the new economic environment. The actions undertaken optimise the entire cost structure and increase flexibility.
- This programme is accompanied by a selective capital allocation and is aligned with strategic sustainable growth initiatives. For example, the investments focus mainly on security, productivity, automation and the circular economy.
- Since 2019, priority has been given to the Group's debt reduction. Consequently, no significant acquisition took place nevertheless external growth remains a strategic focus for Tarkett. The Group is keen to seize acquisition opportunities in order to strengthen its position in market segments or key regions. The flooring and sports surface industry remains highly fragmented and offers numerous opportunities. Targeted acquisitions have to fulfil rigorous financial and extra-financial criteria. Financial criteria are measured after synergies and mainly correspond to the positive contribution to the EBITDA margin and the return on invested capital. The main extra-financial criteria include cultural appropriateness, management quality and the sustainable development policy.

1.3.2 Group strategic assets

The Group benefits from many assets that it believes make it unique in the international flooring market. These assets include the following:

- **A leading position**: The Group occupies leading positions among flooring manufacturers for the products that constitute the heart of its business and in the principal geographical markets in which it does business. The Group is the third-largest flooring supplier worldwide (based on 2021 sales). The Group is the leading supplier of vinyl flooring and sports surfaces in the world. The Group is also a leader in the vinyl flooring sector in Russia and more generally in the countries of the Commonwealth of Independent States (hereinafter "CIS"), as well as in a large number of European countries, notably France and Sweden.
- **Balanced geographical exposure and diversified market segments** mitigate the cyclical nature of the construction and renovations business: the Group's diversified geographic exposure and its large customer base provide the Group with natural protection against regional economic cycles in the construction and renovation sectors. Approximately 80% of the Group's sales (in square metres) come from the renovation projects, a market that is subject to less volatility than new construction. Group sales are divided between commercial users (68% of 2021 sales) and residential users (32% of 2021 sales). It enjoys a wide customer base throughout the world, which reduces concentration risk. In 2021, the Group's largest customer represented less than 5% of total consolidated net revenue. The Group believes its wide product range, diverse and extensive customer base as well as its global footprint reduce its dependence on any one industry, region or sector of the economy.

- **A product range among the widest in the flooring and sports surface industry** means the Group can offer unique integrated solutions, adapted to the technical specifications, budgets and requirements in terms of safety and design of the various activity segments (health and care for the elderly, health centres, housing, education, corporate, sports facilities and hospitality). Tarkett possesses one of the widest product ranges available in the flooring market consisting of vinyl, linoleum, parquet and laminate flooring, commercial carpets and rubber flooring. The Group is therefore in a position to create integrated solutions using different types of flooring and to establish a position as a single point of contact for its customers. Tarkett also carries out regular surveys among its customers that confirm the high level of satisfaction in terms of product quality which is a particularly important selection criteria for all customers.
- **The Group continuously works** on nurturing long-term relationships with customers. Tarkett has also developed co-design tools for its customers. Thus, during 2017, Tarkett opened the “Atelier Tarkett” (Tarkett Workshop) in the heart of Paris, a place to exchange and gain inspiration dedicated to architects and designers, acting as an extension of the architect’s practice. This place consists of various areas centred on products and services, such as a library, lab, digital tools, meeting room, kitchen. In 2021, Tarkett opened six new showrooms worldwide: in Stockholm (Sweden), Moscow (Russia), Kiev (Ukraine), Almaty (Kazakhstan), Paris - La Défense (France) and Dubai (United Arab Emirates).
- **Special long-term relationships with fitters and contractors** play an essential advisory role in the choice of flooring, especially among commercial users. The Group also created training programmes, called “Tarkett Academy”, aimed at building professionals and fitters. These programmes help develop the Tarkett trademark loyalty and ensure higher quality installation services for the Group’s products.
- **A “GloCal” position:**
  - The Group draws leverage from its global geographic footprint, one of the largest in the industry. It markets its products to thousands of customers in over 100 countries, having production sites and sales teams in Europe, North America, the CIS countries, Latin America and Asia Pacific. This geographical presence is the result of significant investments made over several years and various acquisitions. This broad geographical coverage is now a key competitive differentiator for the Group over its competitors, and one of the main reasons for its long-term success. The Group’s global scale and size also enable it to pool its research and innovation efforts and optimise the investments made in these areas. Economies of scales are also essential for the Group, reducing purchasing costs of raw materials (particularly PVC, plasticisers and polyurethane), and benefiting from operational best practices in the different regions.
  - The Group also has in-depth knowledge of the technical specificities, designs, tastes and local preferences of users in the major countries in which it operates. It can thus design products perfectly adapted to the needs and tastes of local users, distinguishing itself from its competitors by its geographical presence and market knowledge.
  - The Group has production sites in the main countries in which it operates. This enables it to offer its customers high quality service while reducing delivery times, transportation costs, customs duties and working capital requirements.
  - The Group believes its in-house research and innovation teams are best-in-class, allowing it to provide innovative and durable products that are tailored to the needs and demands of each of its local users while promoting environmentally responsible solutions that keep it ahead of regulatory and industry norms.
- **An eco-innovation pioneer**. Respect for the environment and human health at every stage of the product lifecycle is at the heart of the Group’s virtuous cycle design approach, applied to all of its activities around the world. By offering ever more innovative products having very low Volatile Organic Compounds (VOCs) emissions or phthalate-free plasticisers, Tarkett positions itself as a pioneer, influencing industry standards, encouraging a collaborative circular economy and involving all stakeholders in this sustainable approach.
- **An international and experienced management team** heads up a decentralised and agile organisation. The management team, whose members have varied international profiles and solid expertise, promotes an entrepreneurial spirit within the Group. The current management team has played a key role in the development of the new strategic plan which it is currently implementing.

1.4 Overview of Group activities

1.4.1 Preamble on sources of information

Unless otherwise noted, the information included in this Section is based on Group estimates for 2020 and is provided solely for informational purposes. The Group is currently in the process of updating its estimates for 2021. To the best of the Group's knowledge, there are no authoritative external sources providing exhaustive and comprehensive coverage or analysis of the flooring market. Therefore, the Group has made estimates based on a number of sources, including studies and statistics published by independent third parties (in particular Freedonia, the European Parquet Industry Federation and the*European Resilient Flooring Manufacturers' Institute*), data published by other players in the market and data obtained from its operational subsidiaries. These various studies, estimates, research and information, which the Group considers reliable, have not been verified by independent experts. The Group does not guarantee that a third party using other methods to gather, analyse or compile the market data would obtain the same results. In addition, the Group's competitors may define their geographic regions and categories differently.

1.4.2 General presentation of Group activities

The Tarkett Group is one of the global leaders in flooring and sports surfaces, providing integrated flooring and sports surface solutions to professionals and end-users in the residential and commercial markets. Leveraging over 140 years of experience, the Group offers believes that it offers the widest and most innovative product range in the industry. The Group currently sells an average of 1.3 million square metres of flooring per day through 34 production sites located around the world in each of its principal geographic regions where it markets its products. The Group has an extensive geographical footprint which enables it to capture growth opportunities wherever they arise. The Group holds a leading position in each of its main regions and product categories.

In 2021, the Group's consolidated net revenue was 2,792 million Euros and adjusted EBITDA amounted to 229 million Euros. The Group's financial information can be divided into four segments: three of which relate to its flooring products and their geographic regions (EMEA, North America, CIS, Asia Pacific ("APAC") and Latin America), and one global segment which relates to its sports surface business.

1.4.3 General presentation of Group markets

The Group sells its products in more than 100 countries worldwide. With local salesforces and production sites located in its principal geographic regions, the Group is able to match its products to local and regional demands and tastes. The Group's net revenue from flooring sales are well balanced geographically between the different regions with 35% of 2021 revenue generated in EMEA (including sports surfaces), 44% in North America (including sports surfaces) and 21% in CIS, APAC and Latin America.

Group product sales are divided between commercial users (approximately 68% of 2021 sales) and residential users (approximately 32% of 2021 sales). In these two principal channels, renovation projects typically account for the large majority of sales (approximately 80% of sales in terms of square metres). The Group sells residential flooring with designs and styles adapted to the local specificities of each geographical region that it serves. The CIS countries represent the Group's largest geographic region for residential products. The Group's products for commercial end-users are sold mainly in North America and Western Europe, although the Group's business is seeing growth in the APAC and Latin American markets. The Group's commercial products benefit from the significant research and development strategy led by the Group which is essential for meeting the technical specifications of commercial end-users (such as offices, schools, universities, hospitals, health centres, hotels and retail establishments). The Group's innovation capacity is also a key factor in its success in the sports surface segment, where the Group is the leader in synthetic grass and athletic tracks in North America and occupies a privileged position in the synthetic grass sector in many European countries.

The Group has national and international trademarks that are recognised by professionals and the general public and are fully integrated into the distribution strategies used in each geographical region. Tarkett uses a diversified mix of distribution channels that include wholesalers, speciality chains, independent retailers, large DIY retail chains, key account customers and professional fitters from the building trade. Furthermore, the quality of the Group's products is widely recognised by architects, fitters and contractors who are instrumental in specifying and choosing flooring solutions, particularly for commercial applications. The Group has also adapted its distribution strategy according to the characteristics of the different segments in which it is involved. In particular, it has created logistic platforms which enhance proximity with customers. The Group has also created training centres intended for professionals in the building sector and fitters to guarantee the optimum installation of its products and develop brand loyalty. The Group has a broad network of sales and marketing offices with a local salesforce in each of its geographical regions.

1.5 Flooring and sports surfaces markets

The Group estimates that approximately 14.1 billion square metres of flooring were sold globally in 2019, excluding sales of specialised products (concrete, bamboo and metal flooring). The product categories sold by Tarkett account for approximately 26% of the market, equal to 3.6 billion square metres in 2019.

The table below presents an estimated breakdown of the global flooring market in 2019 by product category, based on the number of square metres of product sold.

As a result of the impact of the COVID-19 pandemic, estimates made in 2020 are not representative of market data. It was decided to present the estimates made for 2019 that did not take into account this impact.

(in millions of square metres)	Volume	% of global market
Resilient flooring (vinyl, linoleum and rubber)	1,511	11%
Parquet and laminate	1,397	10%
Carpet (commercial)	690	5%
Total sold by the Group	**3,598**	**26%**
Carpet (residential)	1,396	10%
Ceramic	8,645	61%
Other	448	3%
Total	**14,087**	**100%**

The flooring market segments in which the Group is present are resilient flooring (vinyl, linoleum and rubber), parquet, laminate flooring and carpet for commercial users.

The Group believes that its current product categories still have strong growth potential, however it may pick up opportunities in other categories if they are aligned with the Group's profitable growth strategy. For more information, see Section 1.3 "Strategy".

The flooring market is divided into residential and commercial end-users. In 2019, for the product categories in which the Group is present, the residential market represented approximately one-third of sales, while the commercial market represented approximately two-thirds. In these two main categories and in each region, the vast majority of sales (approximately 80% in square metres) are for renovation projects, while a minority is for new construction.

The Group's sports surface products are generally intended for commercial use, primarily by universities, schools and public facilities. Synthetic grass is also sold to residential end-users, particularly for landscaping purposes in the southern United States.

1.5.1 Flooring market

Demand for flooring products presents certain disparities depending on the geographical area due to different cultures, as well as climatic and regulatory factors. However, the globalisation of certain hospitality and corporate customers in particular, the dynamism of worldwide players such as LVT and the consolidation of design trends enable worldwide players to differentiate from those present at local level.

The table below presents a breakdown of the global flooring market in 2019 by product category and geographic area, based on the number of square metres of product sold.

(in millions of square metres)	EMEA		North America	CIS, APAC and Latin America			Total
	Western Europe[1]	Middle East/ Africa		CIS & Balkans[2]	Asia Pacific	Latin America	
Resilient flooring (vinyl, linoleum and rubber)	325	48	575	177	352	32	1,509
Parquet and laminate	332	94	247	165	533	26	1,397
Carpet (commercial)	90	25	286	6	267	16	690
Total sold by the Group	**747**	**167**	**1,108**	**348**	**1,152**	**74**	**3,596**
Carpet (residential)	277	189	790	78	62	-	1,396
Ceramic	431	1,239	351	242	5,319	1,063	8,645
Other	54	-	30	-	364	-	448
Total	**1,509**	**1,595**	**2,280**	**669**	**6,897**	**1,137**	**14,087**

[1] The countries included in Western Europe category are: Germany, Austria, Belgium, Luxembourg, Denmark, Finland, France, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom and other countries in Central and Southern Europe.
[2] The countries included in the Balkans category are Albania, Bosnia Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia, Slovenia and Turkey (western).

The information below presents the principal characteristics of the geographic regions in which the Group does business.

1.5.1.1 EMEA region

Market characteristics

In 2019, demand for flooring in Western Europe was 1.5 billion square metres, representing 11% of worldwide flooring demand. The product categories sold by the Group accounted for 747 million square metres in 2019, equal to 49.5% of flooring sold in Western Europe, including 22% of wood and laminate product sales, 21.5 % resilient flooring and 6% carpets for commercial use. Products in these categories are used by both the residential and commercial market.

In Western Europe, the demand for different flooring product categories varies considerably from one country to the next, particularly between Northern and Southern Europe. For example, carpet is extremely common in the United Kingdom, while parquet is more popular in the Nordic countries and demand for ceramics is greater in the south. In Germany and France, the breakdown by product category is more balanced.

In Western Europe, the Group sells mainly resilient vinyl flooring, wood and laminate parquets, as well as carpet for commercial use. The majority of these sales are made in France, Sweden, Germany and the United Kingdom, with the majority of resilient flooring sales taking place in France, Germany and the United Kingdom, and the majority of sales of wood and laminate parquets in the Nordic countries.

In 2019, demand for flooring in the Middle East/Africa region was 1.6 billion square metres, representing 11% of worldwide flooring demand. In this region, where ceramics counts for nearly 78% of flooring demand, product categories sold by the Group represented 167 million square metres in 2019, equal to 10% of volume sold in the Middle East/Africa region, including 6% wood and laminate parquets, 1% carpet tiles for commercial use and 3% resilient flooring.

Growth factors

Recent trends in the EMEA region differ from one country to another. In France, the flooring market has picked up since 2017 after having suffered for several years in a difficult economic environment. In the Nordic countries and Germany the flooring market has remained relatively stable, nevertheless it recorded a decline in laminate sales in a highly competitive environment. In the United Kingdom, overall construction activity has decreased in recent years despite an increase in home improvements and renovations. The Group believes that the flooring market is currently stable in this region, although the economic backdrop remains uncertain, in particular due to the consequences of the COVID-19 pandemic and Brexit. Demand could level off for wooden parquet. However, volumes of laminate flooring are likely to decline slightly. In this region, LVT sales (luxury vinyl tiles) continue to experience faster growth than the general flooring market.

Competitive position of the Group

The Group is a leader in the Western Europe flooring market. It is a leader in vinyl flooring in Europe and a leading company in parquet in general in Sweden. It is also the third largest wood and linoleum flooring manufacturer in Western Europe. It is a leader in wood and laminate flooring in Scandinavia with approximately 15% of sales in this region. Moreover, the Group is the second largest manufacturer of carpets for commercial use in the EMEA region.

The Group's main competitors in this region are European groups, which generally focus their business on a limited number of products. Its major competitors in the region are Forbo (resilient flooring), Gerflor (resilient flooring), Kährs-Karelia Upofloor (wooden parquet and resilient flooring), IVC (resilient flooring, company acquired by the Mohawk group in 2015), Beauflor (resilient flooring), James Halstead (resilient flooring) and Bauwerk-Boen (wooden parquet). In addition, the Group faces local competitors in certain countries. Finally, in terms of the commercial use carpet market, the main competitor of Desso (the Tarkett Group trademark) is the American group Interface.

1.5.1.2 North America region

Market characteristics

In 2019, demand for flooring in North America was 2.3 billion square metres, representing 16% of worldwide flooring demand. This market is dominated by the carpet sector which represented 47% of demand in 2019, however LVT is experiencing fast growth in the majority of commercial and residential market segments. The product categories sold by the Group accounted for 1.1 billion square metres in 2019, equal to 49% of flooring sold in North America. 25% of products sold was resilient flooring and 13% carpets for commercial use. In North America, these product categories are sold by the Group primarily to commercial users and, to a lesser extent, to residential users.

Group flooring sales in North America are fairly evenly distributed across carpet for commercial use, resilient flooring and vinyl and rubber accessories; laminate and rubber flooring makes up a smaller part of residential sales. The Group sells its products primarily to the United States, and to a lesser extent Canada (approximately 6% of its North America sales). The Mexican market is regarded as part of the CIS/APAC/Latin America region.

Growth factors

The North American flooring market has seen constant growth between 2015 and 2019. In 2016, the US construction market saw a return to pre-recession levels and has continued to reach new heights. This growth has stimulated both the commercial and residential flooring market. A move towards modular hard flooring has contributed to LVT growth. However, the North American markets have been affected by the introduction of customs duties in 2018 and 2019 that have impacted growth.

In the coming years, the Group expects an increasingly difficult market due to the uncertainty related to the COVID-19 pandemic and its impact on the American economy. Sources analysed by the Group indicate that product demand could pick up thanks to resilient products, particularly in the healthcare segment. In addition, the strong growth of LVT continues at a higher rate that the rest of the market.

Competitive position of the Group

The Group enjoys a strong presence in several product categories in North America. It is the third largest commercial flooring company in this region. Through the acquisition of Tandus in 2012 and Lexmark in 2018, it is also the fourth largest commercial carpet company in North America. The Group holds a leadership position for vinyl and rubber accessories.

The Group's main competitors in this region are Mohawk, Shaw, Interface, Mannington, Engineered Floors and Armstrong Flooring. The vast majority of sales for most of these competitors take place in the American market. In keeping with the strong North American preference for carpet, this product category represents a significant share of sales for these companies (this is particularly the case for Mohawk, Shaw, Interface and Engineered Floors). However, some of these companies, such as Mohawk, Shaw, Armstrong Flooring, Mannington and Interface, also sell resilient flooring as well as wood and laminate parquet. On the accessories side, the Group counts Nora/Interface among its competitors, which manufactures rubber flooring, as well as local manufacturers. In recent years, this market has seen several mergers and acquisitions: acquisition of Mannington vinyl tiles by Armstrong Flooring, the former having recently bought Phenix-Pharr Flooring (carpets for commercial use), takeovers of Beaulieu by Engineered Floors and of Nora by Interface.

1.5.1.3 CIS & Balkans region

Market characteristics

In 2019, demand for flooring in Russia, other CIS (Commonwealth of Independent States) countries and the Balkans (former Yugoslavia) was 669 billion square metres, representing 5% of worldwide flooring demand. Resilient flooring for residential and commercials use is extremely popular in these countries: it represents 26% of flooring demand compared with 11% for the worldwide market as a whole. Besides resilient flooring, the main products sold are ceramic tiles (36% of total flooring demand), wood and laminate parquet (approximately 25%) and carpet (13%).

Unlike Western Europe and North America, resilient flooring is used primarily in the residential market in CIS countries. Renovation is a high priority for individual owners and resilient flooring is both adapted to local tastes and the climate and attractive for household budgets. The commercial market has been slower to develop in this region but shows good growth potential. Commercial end-users select products specifically designed for their environment and constraints. In particular, Russia has implemented extremely strict fire protection regulations for commercial products. In Russia and the CIS countries, the Group primarily sells vinyl flooring for residential use (and to a lesser extent wood and laminate parquet), as well as commercial flooring products such as resilient flooring and carpet for commercial use.

Growth factors

The Group expects to benefit from the fact that two thirds of the Russian residential market has high renovation requirements according to the Russian national statistics agency Rosstat. In addition, over recent years the Russians have begun to buy laminated flooring to imitate the look of wood parquet while keeping to a reasonable budget.

Competitive position of the Group

The Group has been active in the CIS and the Balkans for over 20 years, primarily in Russia, Serbia, Ukraine, Kazakhstan and Belarus. Thanks to its long history in this geographical region, the Group is seen as a local company and a market leader. It is the number one company for resilient flooring in Russia, Ukraine, Kazakhstan, Serbia and Belarus.

Tarkett's position as market leader for resilient flooring in Russia is the result of brand recognition, local production, efficient distribution platforms and deep understanding of local tastes. According to the Group, IVC (part of the Mohawk group since 2015), Komiteks and Juteks/Beaulieu, three local companies, are the other leading companies in this region alongside international suppliers Gerflor and Forbo.

Other prominent companies in this market are Kronostar, Kronospan, Kastomonu, Egger, Classen and Unilin (part of the Mohawk group since 2005).

Finally, the Group is the third largest seller of wood parquet in the CIS countries, where its main competitors are Barlinek and Kährs-Karelia Upofloor.

1.5.1.4 Latin America and Asia Pacific region (APAC)

Market characteristics

In 2019, demand for flooring in Latin America and Asia Pacific was 1.1 billion and 6.9 billion square metres respectively, representing 8% and 49% of worldwide demand. Ceramic was the most used material in Latin America and Asia Pacific due to the local climate, ease of production and number of local suppliers. In Latin America, the Group mainly operates in Brazil where the majority of its sales are vinyl products for commercial use.The Group is also present in Argentina.

In Asia Pacific, the Group primarily sells carpets and vinyl flooring in China, Australia and to a lesser extent in the rest of Asia.

Growth factors

The Group believes that demand for product categories it offers in Latin America could increase, in an overall market that is stagnant or even declining. In Brazil, LVT sales (luxury vinyl tiles) continue to experience faster growth than the general flooring market in this region.

With regard to China, Chinese government initiatives should continue to strengthen the construction market. The ageing of the Chinese population should also lead to growth in the retirement homes sector, in addition to the growth expected in the healthcare and education markets.

Competitive position of the Group

The Group's position in Latin America was strengthened in 2009 with the acquisition of Brazilian vinyl flooring manufacturer Fademac (now called Tarkett Brazil Revestimentos LTDA). It is currently the leader in vinyl flooring for commercial use in Brazil. New commercial organisations in Argentina will allow Tarkett to develop its presence in this significant market.

Since 2012, the Group has a commercial carpet production site in China through its acquisition of the Tandus group. In 2014, Tarkett strengthened its presence in manufacturing and sales in APAC through two transactions in China.

In Latin America, the Group's main vinyl flooring competitors are Gerflor and Forbo. Its main vinyl flooring competitors in APAC are Armstrong Flooring, Gerflor, LG and Forbo, as well as local Chinese manufacturers. Finally, its mains commercial carpet competitors in APAC are Interface and Mohawk, particularly in Australia.

1.5.2 Sports surfaces market

Market characteristics

Within the sports surfaces sector, the Group primarily sells synthetic grass, athletic tracks and gym flooring. The Group mainly sells sports surfaces in the United States and Canada, but is also active in Europe, particularly in France, Spain, Benelux and the United Kingdom, and in Asia Pacific. The Group draws on the acquisition made in Australia to benefit from this market's potential.

The Group's sports surfaces are generally for sports use, mainly in universities, schools and public buildings. In addition, synthetic grass is sold for residential use, especially for landscaping in the United States.

Growth factors

The Group is confident that the growth in demand for sports surfaces will continue in the long term, particularly as far as synthetic grass is concerned which represents a significant share of the Group's sports surface sales. The growth in demand for synthetic grass is due to the increasing renovation requirements for sport grounds and government restrictions on water consumption (particularly in the United States). In addition, the Group is beginning to benefit from the replacement cycle of grounds that were installed 10 to 15 years ago.

Competitive position of the Group

The Group is one of the largest suppliers of synthetic grass in the world and the largest supplier of athletic tracks in the United States. It has many competitors, mainly smaller companies and retailers who outsource the manufacture of synthetic fibres.

In the synthetic grass market, the Group's major competitors in North America are AstroTurf (SportGroup), Hellas Construction, Shaw Sports Turf and Sprinturf. In Europe, the Group is one of the biggest players with TenCate, Polytan (SportGroup) and Sports Leisure Group.

With regard to athletics tracks, the main competitors are Hellas Construction, SportsGroup (APT), Mondo and Stockmeier.

1.6 Products marketed by the Group

The Group offers a diversified range of flooring solutions, enabling it to adapt to the specificities of the markets where it operates. The choice of a flooring solution greatly depends on the type of premises where the product is used. The demand for products from both professionals and individuals varies significantly from one geographic region to another, due primarily to cultural differences, requirements and environmental constraints, particularly climate related.

The Group designs and sells products with the aim of offering a solution for different users according to their requirements, demands and budget: choice of materials, design, compliance with the various standards in force and movement of people. Its extensive product ranges allow it to offer integrated decorative and functional solutions using coordinating ranges of accessories. Product diversity allows the Group to respond to several needs at a single site.

Each product features technological enhancements developed by the Group to offer quality products for end-users. The products are also developed with environmental impact in mind through a focus on product composition, manufacturing processes and end-of-life.

The controlled use of renewable raw materials and recycled materials is part of the products' eco-design. Products are designed to promote better air quality and indoor environments. For example, levels of Volatile Organic Compounds ("VOCs") emissions lower than current standards and phthalate-free plasticisers for vinyl floors in certain regions.

The products are also designed to be recyclable and may be reused either within the Group's production chain or in other uses. The production process is also design to minimise the use of water and energy at its production sites.

The Group has been active for several decades throughout the world. Its trademarks are internationally or locally recognised and are associated with high quality products sold at competitive prices. The Group often provides training to local fitters to optimise the performance of the products purchased by commercial end-users, thereby improving installation quality. The after-sales service provide support for professionals throughout the life of its products.

1.6.1 Presentation of the Group's products

The Group sells the following main product categories:

- resilient flooring: vinyl or linoleum products (approximately 48% of 2021 revenue), which includes:
  - resilient flooring for residential end-users, including heterogeneous (multi-layer) vinyl flooring, which can be sold in rolls or as tiles, especially luxury vinyl tiles ("LVT");
  - resilient flooring for commercial end-users, including heterogeneous vinyl flooring in rolls, tiles, or LVT, homogeneous vinyl (single-layer) flooring and linoleum floors;
- parquet and laminate flooring (approximately 8% of 2021 revenue), including multi-layer parquet and laminate flooring (residential and commercial end-users);
- carpets (approximately 16% of 2021 revenue) primarily aimed at commercial end-users;
- rubber flooring and and accessories (approximately 7% of 2021 revenue);
- sports surfaces (approximately 21% of 2021 revenue), primarily synthetic grass and athletic tracks.

The following table presents the breakdown of the Group's 2021 consolidated net revenue by product type:

2021 net revenue	% of revenue
Resilient flooring (vinyl and rubber)	48%
Parquet and laminates	8%
Commercial carpets	16%
Rubber and accessories	7%
Sports surfaces	21%
Total	**100%**

The Group's activities are organised around four segments: three geographic regions for flooring (EMEA, North America and CIS/APAC/Latin America), and one worldwide segment for sports surface products. The following table presents the geographic breakdown of the Group's 2021 consolidated net revenue (including sports surfaces).

2021 net revenue	% of revenue
EMEA	35%
North America	44%
CIS/APAC/Latin America	21%
Total	**100%**

1.6.1.1 Resilient flooring (vinyl and linoleum)

The Group offers a wide range of resilient flooring, including homogeneous and heterogeneous vinyl as well as linoleum. Both residential and commercial end-users purchase heterogeneous vinyl. Homogeneous vinyl and linoleum, on the other hand, are purchased primarily by commercial end-users.

The Group is firmly established in the resilient flooring market. It is the leading manufacturer of vinyl flooring worldwide. Resilient flooring represents the largest portion of the Group's sales in the EMEA and CIS/APAC/Latin America regions, and also accounts for a significant share of its sales in North America. In particular, the Group is the largest manufacturer of resilient flooring in Germany, Sweden, Russia and Ukraine. It is also the third largest manufacturer of resilient flooring for commercial end-users in North America, and it offers these products in Latin America (in particular in Brazil, where it is the largest manufacturer of commercial vinyl flooring) and in APAC (notably China).

Residential vinyl flooring

The Group offers a variety of heterogeneous vinyl flooring for the residential market, which includes apartments and individual houses.

Design, appearance and price ranges must be adapted to the budgets, tastes and needs of the residential users, which are generally specific to each market.

Heterogeneous vinyl flooring is composed of several layers of PVC. A fibreglass reinforcement can be added to bring dimensional stability, as well as a foam or textile backing to provide specific acoustic or thermal resistance. On top, a printed decorative layer, a transparent wear layer and a traffic resistant finishing treatment are added. Heterogeneous vinyl flooring for residential end-users contains a thin wear layer, which enables it to be sold at competitive prices while maintaining the level of durability needed for residential use.

In terms of the pattern printed on the flooring surface, the Group offers its end-users a variety of colours and designs. To meet end-user expectations, the Group must tailor its products according to the decorative trends and tastes specific to their geographic region. Heterogeneous vinyl products also offer the advantage of comfort and easy maintenance over a long period of time.

Residential heterogeneous vinyl flooring can be sold in rolls or in modular format, namely tiles or strips. Rolls are generally installed with glue, whereas modular products may be installed using glue, self-adhesive attachments or snapped together, which facilitates their transport, installation and repair. Tarkett has also designed Starfloor Click, a range of modular, designer, ultra-resistant luxury vinyl tiles (LVT). Installation is easy thanks to a simplified assembly system with strips or tiles that clip together.

The Group helps customers choose flooring that matches their tastes and interior decoration.

Commercial vinyl flooring

Commercial resilient flooring is specifically designed for high-traffic areas and can withstand numerous shocks. This flooring is used in commercial premises and areas: offices, local community buildings, educational and health institutions, retirement homes, hospitality, shops, communal areas of apartment buildings and the industry and transport sectors.

Resilient flooring for commercial uses includes a wide range of products in homogeneous and heterogeneous vinyl.

Heterogeneous vinyl flooring

Heterogeneous vinyl flooring for commercial use is designed to withstand intense foot traffic. A wear layer is applied to each product, thicker than is used on residential resilient flooring, in order to reinforce the product and ensure its durability. Heterogeneous vinyl flooring is suitable for almost any commercial use.

The Group offers two types of heterogeneous vinyl flooring: acoustic products intended to reduce the ambient sound in a room (footsteps, voices, etc.) and compact products which enhance the solidity of the flooring.

The Group offers a diverse range of designs and patterns printed on the decor layer, for both rolled and modular products including luxury vinyl tiles (LVT), as further described below, and *Loose Lay Tiles*. These frequently updated ranges give end-users a wide choice of products.

Among these heterogeneous vinyl flooring products, the Group has developed a high-end modular product intended primarily for the commercial market: luxury vinyl tiles (LVT). This product offers a wide range of designs, which can easily be coordinated with other products, and precision printing using sophisticated graphics.

Homogeneous vinyl flooring

Unlike heterogeneous flooring, homogeneous vinyl flooring is made in a single layer with the pattern embedded directly in the product. This flooring is covered with a layer of pigment and reinforced by a treatment that facilitates maintenance.

Homogeneous vinyl flooring has several advantages: its resistance to wear and tear makes it an ideal solution for high traffic areas. It is available in a compact version for high traffic areas and in an acoustic version. The absence of multiple layers in the product composition makes the flooring design simple, hygienic and easy to maintain.

As a result of its particular acoustic benefits, antibacterial properties and reinforced durability, homogeneous vinyl flooring is frequently used in the healthcare and educational sectors, as well as in retirement facilities.

Linoleum flooring

The Group's historical product, it has been making linoleum for more than one hundred years.

Linoleum is composed of a jute backing treated with renewable raw materials (linseed oil, pine resin, cork and wood flour) to which a surface treatment is added.

Linoleum is a natural product covered with a surface treatment that makes it extremely robust and easy to maintain. The Group's linoleum products offer a level of resistance which is adapted to heavy use in communal premises. It is used above all in education, healthcare, offices and indoor sports facilities.

1.6.1.2 Parquet and laminate flooring

Parquet

The Group sells parquet in Europe (EMEA region), primarily in the Nordic countries. It also sells these products in the CIS countries and the Balkans. The Group is among the leading manufacturers of parquet in Europe and the CIS. Parquets are generally sold in the residential market. Although most of the wood the Group uses comes from Europe, it uses a staining process to adapt to demand in different markets and regions, in particular by offering parquet that resembles exotic wood.

The engineered parquet sold by the Group is composed of three main layers: the bottom stabilising layer, a latted middle layer in soft wood or HDF (high density fibre board) and a top layer of high quality wood. This composition results in a more responsible use of the high quality wood, which is consistent with the Group's circular economy initiative, in a thin layer and allows the Group to optimise the hidden layers with fast-growing species of wood. These three stacked layers ensure the longevity of parquet, in addition to their dimensional stability.

The Group uses high performance protection techniques to reinforce resistance to scratches and wear. Engineered parquet helps limit the use of high quality wood such as oak. In this way, the Group contributes to sustainable forest management which requires relatively long regeneration cycles.

Laminate flooring

Laminate flooring is mainly used in the residential market. Its allows the end-user to reproduce their preferred design - wood, stone, ceramic or graphic design - with greater durability at a lower cost.

Laminate flooring consists of a paper balancing layer, a core board of high-density wood fibre or HDF, a decor layer of printed paper and an overlay to protect the visible surface.

Laminate flooring is sold at competitive prices compared to wood and provides a durable flooring solution. The Group offers a wide range of designs to end-users to satisfy all of their wishes, although this product type is intended primarily for the residential market, in particular through *DIY* (*do-it-yourself*) chain stores and construction material distribution channels.

Laminate flooring is easy to maintain and install, particularly with the *2-Lock* or *T-Lock click* system where strips can be locked together without using glue. Laminate flooring can also be adapted to the specific needs of each end-user: heavy use and weight, high resistance to shocks and/or high-traffic areas. Due to its modular nature, laminate flooring also allows users to easily change their flooring without incurring prohibitive costs.

1.6.1.3 Carpets

The Group primarily offers carpets for use in commercial spaces such as office buildings, public institutions, and the healthcare and education sectors. The Group's principal markets for commercial carpet are North America, since the acquisition of Tandus in 2012, and Europe, since the acquisition of Desso in 2014. In 2018, the Group significantly strengthened its position in the North American hospitality sector carpet market with its acquisition of Lexmark.

The Group offers three types of carpet, which correspond to three generations of products:

> broadloom carpet, which is made from a polypropylene backing and fibres that are either tufted or woven;
> modular carpet, sold in tiles and made of a vinyl or urethane backing and tufted (nylon) fibres; and
> hybrid carpet, which is an inseparable structure made of a resilient base, a nylon carpet and a specific foam that contributes to its performance and enhances design options.

Carpet is a shock-absorbent floor covering with good acoustic properties that adds comfort and warmth. The Group offers a wide selection of colours and patterns that are regularly updated and tailored to appeal to its different geographic regions. The different carpet ranges also offer acoustic properties and high performance resistance to rolling and heavy traffic, as well as being comfortable to walk on and easy to maintain.

1.6.1.4 Rubber flooring and accessories

The Group sells a wide range of rubber flooring as well as vinyl and rubber accessories. Flooring products include rubber sheets and tiles, while accessories include stair nosing, tactile warning strips, tactile paving tiles, warning tiles, baseboards, decorative wall skirting, thresholds and adhesives.

Sold primarily in North America, these products are used mostly by commercial end-users in the healthcare and education sectors, in industrial buildings as well as indoor sports facilities. The Group is the leading supplier of vinyl accessories in North America.

As part of the Group's sustainable development initiative, it can produce these products with recycled rubber.

The Group offers rubber flooring and accessories in a wide variety of colours, patterns and textures, in order to coordinate with its other flooring solutions. These products and accessories are slip-resistant and shock-absorbent and provide a high level of safety. They have natural acoustic properties, require little maintenance and are easy to install and replace.

1.6.1.5 Sports surfaces

The sports surfaces manufactured by the Group are used all over the world. They support amateur and high level sports people in their activities and combine safety, comfort, performance and attractiveness. Sports surfaces are laid in universities, schools and public sporting areas, primarily in North America and Europe (particularly in France, Spain, Benelux and the United Kingdom).

The Group has a strong presence in the sports market due to the diversity of its products. It is one of the only flooring manufacturers able to provide such a wide range of sports surface solutions.

The Group's sports surfaces includes three product types: synthetic grass, athletic tracks and indoor sports flooring.

Synthetic grass

Synthetic grass represents the largest portion of the Group's sales of sports surfaces. The Group is the leading synthetic grass manufacturer in the world, and particularly in North America. Synthetic grass can be used for both sports surfaces as well as landscaping.

The Group belongs to the synthetic grass manufacturers certified by FIFA (International Federation of Football Associations), World Rugby and the FIH (International Hockey Federation), and its pitches are used for training or competition by some of the biggest European football club, as well as for hockey, tennis and other multi-sports activities. However, the main users of this product are universities and colleges as well as municipal authorities.

The manufacture of synthetic grass is a three-step process for which the Group has numerous patented innovative processes: fibre production, tufting and backing coating.

For sports facilities, the Group produces high quality fibres, whose properties result from the chemical composition, extrusion parameters and unique, carefully designed geometry. The Group has become a leader in fibre extrusion technology since 2010, when it entered into a joint venture with Morton Extrusionstechnik (MET), a German company specialised in fibre extrusion, a process completed in 2017. This company enables the Group to control the fibre production process for its synthetic grass.

Synthetic grass is a cost-effective solution for owners or maintenance personnel of sports facilities because it is less expensive to maintain compared to natural grass. From a sustainable development standpoint, it also reduces water use and eliminates the need for fertilizers. Synthetic grass offers resistance to wear and tear from constant, year-round play, and can be used every day, unlike natural grass.

The Group also offers an innovative range of landscaping products with a variety of designs that respond to the specific needs of end-users, in particular hospitality and commercial areas. Its products are also available to residential end-users, in particular for landscaping in the United States.

Athletic tracks

The Group offers athletic tracks that promote athlete speed, safety and comfort. They are sold primarily in North America where the Beynon Sports Surface company is the market leader.

Athletic tracks are composed of successive shock-absorbing layers of composite rubber, to which a polyurethane layer is applied, with the surface then worked on to give a particular colour and external appearance, whether smooth or rough.

Due to the polyurethane surface layer, the Group's athletic tracks are extremely durable and provide athletes with important safety advantages, in particular due to their stability and shock absorption. These tracks are also suitable for sporting performances: by restoring the athletes' energy, they act as a springboard which "propels" the athlete a little more with each stride. They are quick and easy to install, can be used in all weather conditions and have good acoustic properties.

Indoor sports flooring

The Group offers indoor sports flooring products in wood, vinyl, block or cast polyurethane, rubber, grass and linoleum for multi-purpose sport venues and gyms.

Within the vinyl flooring range, the Omnisports collection is adapted to multi-purpose sports venues. It is available in several levels of thickness to respond to the technical requirements of a wide range of sporting events, and to offer performance qualities adapted to the needs of its end-users. The Group also offers a parquet range for sports such as basketball, handball, dance, futsal, volleyball, badminton, pelota, squash and martial arts. Certain of the Group's parquet ranges are popular for their ease of installation, such as its removable parquet (*Sportable*).

The Group's wide range of indoor sports flooring provides effective solutions for the demands of both high level and amateur sports people: shock absorption, ball bouncing and smoothness. Indoor sports surfaces are marketed by a dedicated Sport salesforce in the North America and EMEA regions and by the general flooring salesforces in other regions. These indoor sports sales are then recorded in the corresponding segments.

1.6.2 Product manufacturing

1.6.2.1 Raw materials and suppliers

The Group uses various raw materials to manufacture its flooring products: PVC and plasticisers for vinyl flooring; wood for parquet and laminate flooring; polymers and fibres for carpets and synthetic grass; rubber, which is used in several flooring types; and cork for linoleum flooring. The Group builds its supplier base on long-term relationships, while focusing on optimising purchasing terms and adapting the Group's procurement policy to the specific needs of each country.

Raw materials

PVC and plasticisers for vinyl flooring

The Group mainly uses two raw materials to manufacture the products which it markets: PVC and plasticisers. These are used to manufacture homogeneous and heterogeneous vinyl flooring.

Oil-derivative products accounted for slightly more than half of the Group's raw materials purchases in 2021. PVC and plasticiser producers have worldwide presence, but with regional differences relating to the supply and demand balance in different geographies.

When the Group makes acquisitions, it aims to reduce raw material costs by working jointly with the target company's suppliers to honour the prices negotiated with the rest of the Group.

Despite its close relationships with its suppliers, the Group is constantly looking for raw materials opportunities, with regard to both technical characteristics and geographical location, to ensure continued competitiveness.

Other raw materials

Wood represented around 11% of the Group's raw material costs in 2021. The Group uses wood to make parquet and laminate flooring. The wood market remains very local, due to the significant cost of transporting logs or rough timber. The Group is therefore subject to local fluctuations in the price of wood.

The Group purchases other raw materials, in particular fibreglass for vinyl flooring, rubber for rubber flooring, accessories and synthetic grass, nylon and polypropylene for carpets, melamine and decor paper for laminate flooring and linseed oil, jute and cork for linoleum flooring.

Supplier relationships and purchasing policy

Suppliers are essential partners of the Group. The Group has chosen to build long term relationships with selected partners.

Supplier relations

The Group is careful to maintain trusting relationships over the long term with all its suppliers. These relationships enable the Group to negotiate favourable commercial terms, but also to create value through innovations.

In order to adapt its procurement structure to different geographic regions, Tarkett favours partnerships with:

- the leading international chemical companies, such as BASF, Eastman, Westlake/Vinnolit, Vestolit, etc.) which supply the Group throughout the world;
- local suppliers.

Purchasing policy

The Group is committed to centralising its purchases at the global level for the most important raw materials used to manufacture vinyl flooring, parquet, and, since 2015, carpets.

In the majority of supplier agreements, pricing is indexed monthly or quarterly to market prices of the raw materials used in manufacturing its products. These agreements have terms of between one and three years with no commitment on purchase volumes.

The Group's purchasing policy is based on four principles:

- market analysis and building a worldwide pool of suppliers;
- optimisation of raw materials;
- collaboration with key suppliers to achieve continuous improvement;
- undertake an annual review of main contracts.

The Group actively manages its portfolio of partner suppliers. The Group reviews its main contracts annually in order to renegotiate prices and determine supplier availability.

Diversification of raw materials that the Group uses enables it to substitute inputs between several suppliers and thus reduce its dependence on certain specialised suppliers.

The Group cooperates closely with its key suppliers on technical issues and innovations. It also shares its growth objectives with them in order to ensure that they increase production capacities sufficiently to respond to increased demand.

1.6.2.2 Production sites

The Group's production sites are located as close as possible to product delivery sites, while maintaining competitive production costs. The Group has 34 production sites in 19 countries to be close to the markets where it sells its products, reduce transport costs and customs duties and remain competitive compared to local players.

Since 2009, the Group has implemented a "*Lean Management*" style "*World Class Manufacturing*" continuous improvement programme in its plants. Its main objectives are to improve employee safety, customer service, product quality, environmental footprint and production costs.

The Group uses flexible assembly lines so that it can adapt production to changes in end-user demand.

Location of production sites

The Group owns 31 production sites and rents three in the United Kingdom, China and the United States.

As a result of the Group's historical presence, it has 12 production sites, excluding Sports plants, in EMEA (including two major sites with more than 500 employees each in Luxembourg and Sweden). The production sites supply the products it markets in this region: resilient flooring, laminate flooring, parquet, carpet and sports surfaces. In 2020, Tarkett closed its site in Goirle in Wales and transferred activity to an entirely automated warehouse. The Group also opened a plant in Tuzla in Turkey specialising in the production of resilient flooring primarily for the Middle East markets. A small portion of European production is also marketed in North America, the Middle East, Latin America and Asia.

The Group owns 10 production sites (excluding Sports) in North America, which produce vinyl flooring, accessories, carpet and, to a lesser extent, sports surfaces.

The CIS/APAC/Latin America region also has a substantial number of production sites to satisfy local demand. In this region, the Group has seven production sites, including two major sites, one in Backa Palanka in Serbia, and the other in Otradny in Russia. The Otradny site has more than 1,000 employees and is the Group's largest site worldwide. The production sites in the CIS/APAC/Latin America regions make resilient flooring, parquet, laminate flooring, carpets and rugs. The Group also has a carpet production site in China as a result of the Tandus acquisition and a recently acquired vinyl flooring production plant near Beijing. In Brazil, where the Group is the leading supplier of commercial vinyl flooring, it has a production site that manufactures this product to satisfy local demand.

The Sport segment includes six production sites. Two of them manufacture synthetic grass (one in the United States and one in France), two athletic tracks production sites in the United States and one fibre extrusion plant for synthetic grass in Germany. Since the acquisition of Grassman in 2018, the Group now has a synthetic grass production site in Australia.

Products marketed by the Group

The following table presents the Group's manufacturing sites and the main products manufactured at each site.

Division	Country	Products	Location
EMEA	*Germany*	Fibres for synthetic grass	Abtsteinach
		Resilient flooring	Konz
	France	Synthetic grass	Auchel
		Resilient flooring	Sedan
	Italy	Resilient flooring (linoleum)	Narni
	Luxembourg	Resilient flooring	Clervaux
	United Kingdom	Resilient flooring	Lenham
	Sweden	Parquets	Hanaskog
		Resilient flooring	Ronneby
	Poland	Parquets	Orzechowo
		Resilient flooring	Jaslo
	Netherlands	Carpets	Waalwijk
	Belgium	Carpets	Dendermonde
	Turkey	Resilient flooring	Tuzla
North America	*Canada*	Resilient flooring	Farnham
		Shockpads	Toronto
	United States	Athletic tracks	Hunt-Valley
		Synthetic grass	Calhoun
		Resilient flooring	Chagrin Falls
		Resilient flooring	Middlefield
		Carpets	Dalton
		Carpets	Calhoun
		Carpets	Dalton
		Resilient flooring	Florence
		Luxury vinyl tiles (LVT)	Florence
	Mexico	Resilient flooring	Mexico
CIS	*Russia*	Laminate flooring	Mytishchi
		Resilient flooring	Otradny
	Serbia	Resilient flooring	Backa Palanka
		Parquets	
		Carpets and rugs	
	Ukraine	Resilient flooring	Kalush
		Parquets	
APAC	*China*	Carpets	Suzhou
		Resilient flooring	Beijing
	Australia	Synthetic grass	Botany
Latin America	*Brazil*	Resilient flooring	Jacarei

The Group's investments in production sites

In recent years, the Group has made significant investments in its production sites in order to respond to increasing customer demand, maintain competitiveness and continue reducing production costs.

Operations performance improvement

The Group is continually looking to improve its processes.

In February 2009, the Group launched a "*World Class Manufacturing*" ("WCM") programme, inspired by the success of programmes in the auto industry.

This programme pursues three main aims:

> improve product quality and customer service;
> improve the safety and performance of production sites; and
> improve financial profitability while reducing the Group's impact on the environment.

In the framework of the WCM programme, the Group is particularly focussed on customer satisfaction and is carrying out initiatives to improve product quality, on-time delivery and production yields, all while reducing environmental impact.

The Group has appointed WCM leaders for all its sites who coordinate ongoing improvement projects on-site and develop related methodologies. They can then share their experiences within the WCM network, thus competing together on operational improvements and profitability within the Group. The Group also has a central team dedicated to the WCM programme. The team visits each production site to help local teams to implement the WCM programme. By travelling to the various production sites, the WCM team can adapt the programme's methodologies to local conditions, while at the same time managing action plans centrally.

The Group has been recording positive results for several years thanks to the introduction of the WCM programme. Following a study conducted by an independent body, it has noted a significant improvement in customer satisfaction in around fifteen countries where it sells its products. There has been a substantial decrease in accidents at the Group's production sites and a decreased environmental impact from the manufacture of its products. In addition, the WCM programme has improved management of the Group's supply chain and led to a significant reduction in production costs over the course of the last eight years.

The Group believes that the WCM programme will continue to generate substantial savings in production costs in the coming years.

Special attention to employee safety

A team dedicated to cross-divisional safety action was created in 2020 to expedite our progress and strengthen the robustness of our processes. It draws on the WCM programme which emphasises the prevention of safety risk in plants and the systematic analysis of all incident with identification and elimination of their main causes.

At the same time, training has been conducted to raise employee and management awareness. The Group's Executive Management Committee is particularly sensitive to employee safety and discusses the subject with employees on plant visits.

Strengthened quality control

The Group has implemented a quality control structure in its plants to ensure rigorous monitoring of its products.

In the framework of the WCM programme, teams systematically analyse the main causes of customer complaints and quality defects and create action plans to eliminate them.

An environmentally-friendly manufacturing process

The Group takes the environment into consideration at every stage of product design. For that reason, it does its best to select materials that present the least risk to end-users and the environment, and that can be part of a biological or technical cycle. The Group prioritises the use of renewable and recyclable materials in manufacturing its products.

The Group has also developed a flooring collection system called ReStart® where cuttings and used flooring on building site and in companies are collected to be recycled or reused in the manufacture of new flooring.

The Group has also signed a partnership agreement with the German research institute EPEA (Environment Protection Encouragement Agency) to roll out the eco-innovation programme Cradle to Cradle® across the Group. This programme aims to reduce the environmental impact of industrial activities and to design products with materials that respect human health and the environment, and that allow for indefinite recycling of end-of-life products.

1.6.3 Product distribution

The indoor flooring market is divided into residential and commercial end-users. Residential users buy the Group's products primarily to renovate their homes, but they may also purchase them in connection with construction projects. Commercial users choose flooring for areas that are generally open to the public, in connection with both renovation and construction projects.

Residential users have limited knowledge about the different product qualities and attributes. They are therefore largely dependent on the salesperson at the sales outlet when selecting their flooring. In general, residential purchases of flooring are made in *DIY stores*). These products may, however, also be purchased from specialised construction material suppliers, especially when the contractor or fitter is making the purchase. Therefore, awareness of the Group's trademarks among fitters and salespeople may have a large influence on product choice. Numerous distributors are working on the development of their e-commerce sales. This represents around 3% of the market and some 7% to 8% of sales for certain DIY stores, with continued growth due to the health crisis where the online visibility of trademarks and products is increasingly important.

The commercial market includes large-scale projects as well as those with small surface areas, such as artisans and boutiques, whose purchasing patterns tend to be similar to residential users. This segment is markedly more heterogeneous than the residential market in terms of technical requirements, but less varied in terms of design. In a commercial project, each space is designed for a very specific purpose, and materials must often be supplied in large quantities. For example, in a hospital project, the flooring solutions must conform to strict hygiene requirements to prevent the spread of nosocomial infections. Hospital flooring will also be required to meet minimum standards of slip resistance, static absorption and noise absorption. A large department store or a mall, on the other hand, would require an ultra-resistant flooring to bear intense foot traffic without showing signs of wear. Office flooring must take into account acoustic considerations (absorb sound), comfort and durability. In addition, public areas are subject to regulations that can vary considerably from one country to the next, even within a single economic zone such as the European Union.

On the commercial market, the interior installation must comply with many requirements in terms of design, cost, technical performance, durability, compliance with standards and public health. Project managers are greatly influenced by specifiers in the choice of flooring, in consultation with the end-user. Specifiers can include almost any type of construction industry professional: they may be architects, interior decorators, fitters, project managers or approved building contractors. They are tasked with studying each product and understanding the relative advantages and disadvantages of the various flooring solutions. As a result, they tend to be open to technological innovations. The Group has teams dedicated to maintaining close relationships with specifiers and this is a key success factor in the commercial market.

For the same reasons, the commercial flooring market has other particularities in terms of distribution channels. Unlike the residential market where the consumer places an order immediately, the commercial buyer has to plan purchases. In general, a project will begin with a planning phase where the quantities and qualities of each type of construction material will be determined and delivery and installation schedules will be set. It is during the planning phase that a manufacturer has the opportunity to act as a consultant to the specification team and design a customised solution based on the project's technical and aesthetic requirements, leaving the design and cost considerations to the project manager according to their specialisation. The order can then be placed by the fitter with the wholesaler or directly with the manufacturer depending on the project size and specification.

1.6.3.1 Distribution strategy

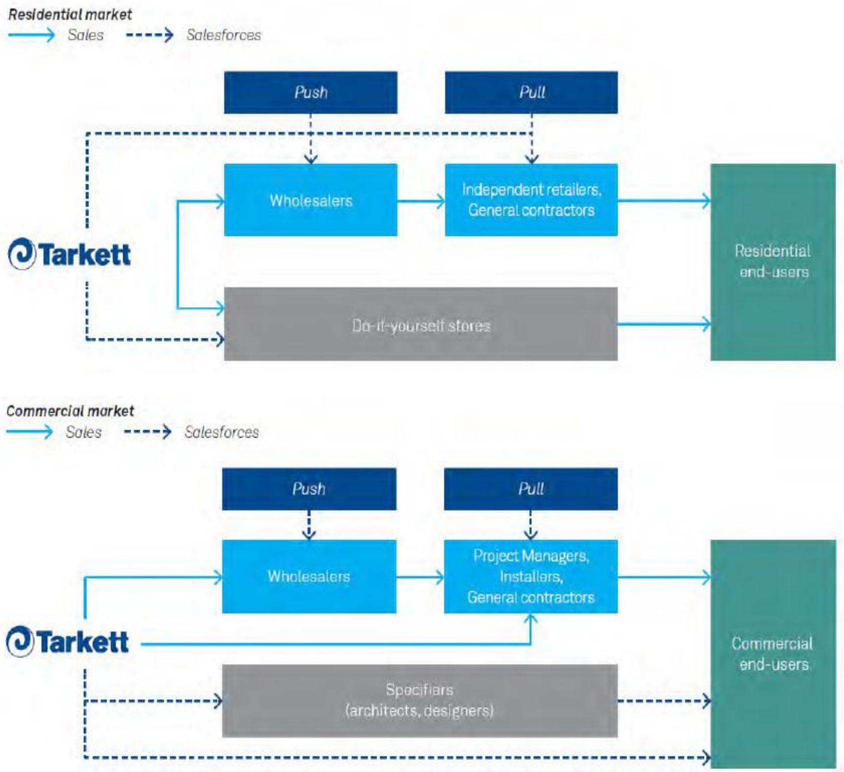
The Group works with different distribution channels depending on whether the product is for a residential or commercial end-user, in line with the characteristics of each market. It reaches customers using a "push and pull" strategy:

> push. Specialised teams are in charge of the implementation of the "push" strategy whose aim is to encourage wholesalers to buy the Group's products. To that end, the Group's salesforce meets with them to discuss the advantages of its flooring and present the trademarks under which it markets its products. The Group has entered into numerous agreements with the main wholesalers in each market. In the residential market, in addition to wholesalers, this strategy also includes DIY chains and independent speciality retailers;

> pull. The Group has also formed specialised team to implement the "pull" strategy which aims to encourage the sale of products stocked by wholesalers to end-users. In the commercial market, the salesforce focuses its efforts on the main specifiers such as architects, interior design firms and construction companies.

The Group supports several e-commerce leaders and is establishing its expertise on key success factors for an online presence (range, content, customer feedback, delivery terms, etc.).

The following diagrams illustrate the operation of the Group's distribution strategy for the residential and commercial markets.



The distribution strategy for the commercial market is complemented by training centres, called "Tarkett Academies", which promote awareness of the Group's products among specifiers and ensure the highest quality installation services. The Group has 11 Tarkett Academies throughout the world (in eight countries). These training centres are primarily aimed at young professionals such as architects and designers, as well as building industry professionals, namely flooring installers and fitters.

In these training centres, fitters learn how to correctly install Tarkett products, which often influences them to choose or recommend Tarkett products for their future projects. Thanks to its training centres, the Group also improves its reputation, increases loyalty to Tarkett trademarks, encourages the loyalty of participants, develops special relationships with its commercial partners and improves customer satisfaction, notably by guaranteeing an optimum product installation.

1.6.3.2 Distribution channels

The Group's products are distributed primarily by distributors and wholesalers, retail chains, fitters, specialised chains and independent stores.

The weight of each distribution channel is different in each geographic region:

- the majority of the Group's sales in the North America and CIS/APAC/Latin America regions are through distributors. This channel is characterised by large storage spaces, providing significant economies of scale in terms of logistics, with delivery to a large number of retail stores. In Western Europe, on the other hand, a smaller share of sales is through distributors, though the number still remains significant;
- large retail chains are common in Western Europe and North America, representing a significant share of the Group's sales in these regions. This distribution channel is currently less significant in the CIS countries, but could grow in the years to come;
- independent stores represent a relatively significant share of the Group's distribution in Western Europe and the CIS/APAC/Latin America region, with a larger presence in high-end products such as parquet;
- fitters and building companies represent a significant share of sales in Western Europe, particularly in the commercial sector.

It should be noted that commercial carpet distribution (the Tandus, Desso and Lexmark businesses acquired in 2012, 2014 and 2018 respectively) is a special case, since it is generally distributed directly to commercial end-users in the form of "turnkey" solutions.

1.6.3.3 Customers

The Group has a large and diversified customer base, including, in particular, distribution companies and leading large retail chains. Distributors are the Group's principal customers and represent the majority of sales volume, followed by retail chains (including DIY chains).

The Group is not dependent on its main customers. In 2021, the Group's largest customer represented less than 5% of total consolidated net revenue.

1.6.3.4 Salesforce organisation

The Group employs roughly 1,400 sales professionals dedicated to selling the Group's products. They are spread over 46 countries, enabling the Group to adapt to local differences and better understand the market needs. Each sales office has its own organisation, responding to the requirements and structure of the local market. One of the main strengths of the Group's salesforce organisation is its ability to adapt to local market differences.

1.6.3.5 Logistics

The Group's logistics organisation is based on three main principles:

- improving the quality of customer service, in particular by offering a wide product range and rapid delivery;
- reducing costs, in particular storage, transport costs and customs duties; and
- adapting the distribution network to the characteristics of local markets at the lowest cost.

The Group works with its distributors to support their logistics needs and reduce costs. For example, in 2013 and 2014 the Group extended its logistics platforms in the CIS countries, where there are 11 regional distribution centres located close to its main distributors. This unique approach to distribution gives the Group a significant advantage over its competitors in the CIS countries. This leads to a clear service improvement and a close relationship with customers: reduced delivery times, improved training of teams and better after-sales service.

Logistics and transport

Transport of the Group's products is organised with the objective of improving the quality of customer service while managing transportation costs both upstream and downstream.

Upstream, for delivery of raw materials and other materials needed to manufacture products, the Group negotiates framework agreements with its principal suppliers covering prices and lead times and favours the production sites near its suppliers' manufacturing sites.

Downstream, for delivery of products to customers, the primary objective of the Group's logistics organisation is to offer short delivery times so that customers can optimise their inventory levels. In some countries the Group uses outside service providers.

Most of the Group's production sites are located in the regions in which it sells its products. By reducing the distance between production sites and customers, the Group improves service, significantly reduces transportation costs, saves on custom duties and shortens delivery times.

Logistics and information systems

The Group's information systems include various applications, in particular applications to manage purchases and product life cycles, resource planning, customer relations, supply chain management, accounting and financial information and human resources.

The Group continues with its optimisation, consolidation and security programmes of its information systems on an ongoing basis.

To do this, it invested in the deployment of a SAP software system to improve monitoring and management of the Group's activities, to make internal processes uniform, simplify the services offered to end-users and develop the Group's online presence.

1.6.4 Product innovation and intellectual property

The Group has a long history of research and development. Innovations are incorporated into the Group's new products and industrial processes in order to offer new solutions shifting towards respect for the environment and end-user needs in both residential and commercial markets.

To the extent permitted by local law, the Group patents, trademarks or registers its industrial know-how and research and development innovations in order to protect its intellectual property.

1.6.4.1 Research and development

The Group's research, design and development policy

Research and innovation is at the centre of the Group's strategy. Over the last three years, spending on research, design and development has been stable at €23 million Euros for 2021, equal to 1% of revenue.

In 2021, the Group continued to invest heavily in latest generation laboratory equipment.

The Group's organisation leverages the key expertise of internal and external reference networks and on a structured innovation process aimed at improving customer satisfaction and creating competitive advantage. In particular, in terms of the health and well-being of those who live in the spaces we fit out, in terms of the installation and maintenance, total operation costs or even sustainable development.

Design is also a key aspect of Tarkett's innovation with design creation answering the latest worldwide and local trends being built into its research policy.

Organisation of the Group's research and development activity

A network of internal experts

The Group's research and development activities employ over 200 employees in the international research and innovation centre located in Luxembourg or in the 24 development and application laboratories located in 15 countries worldwide. This allows the Group to cater for the specificities and needs of local users while developing synergies in terms of expertise and anticipating future trends.

An internal network of experts is organised by speciality and accessible through a unique digital collaboration platform. These internal experts support development and innovation project leaders throughout the world. They also have the responsibility or ensuring and building long-term competitive advantage around technical and scientific expertise that the Group would like to harness to develop business over the coming years.

Close relationships with scientific experts, universities and suppliers

In order to develop expertise and innovative creativity, the Group has formed close relationships with external experts and leading institutions.

Tarkett dedicates around 20% of its Group research and innovation budget to external research activities. In this framework, the Group has also entered into partnerships with research laboratories from the most prestigious universities, engineering schools and public research centres throughout the world depending on their expertise in specific subjects. For example, with the German scientific institute EPEA (Environment Protection Encouragement Agency), UNISTRA (University of Strasbourg), Mines ParisTech (École des Mines de Paris) and the Douai Mines engineering schools, to develop new expertise and attract young talent (engineers, doctors, graduates, etc.). The Group has also developed special relationships with certain suppliers through innovative partnership agreements relating, for example, to surface treatment and inks.

1.6.4.2 High performance innovation process

Key principles

The Group's innovation strategy aims to offer greater benefits to our customers in every step of the product lifecycle and, for this reason, actively supports the Group's "Change to Win" strategy.

The Group's innovation strategy is based on four key pillars:

- Health and well-being
- Circular economy and carbon footprint
- Product installation and maintenance
- Total ownership cost

Tarkett continuously researches new materials and processes that have a lower carbon footprint, respect the environment and human health. Since 2010, Tarkett has evaluated over 5,000 materials through a third party organisation (EPEA) in order to select quality materials and design health and environmentally friendly products. The Group details its product composition in the document entitled "Material Health Statement" issued by EPEA on the Tarkett North America website or on customer request in Europe. In Europe, an indicator system displays the COV emissions level of each product.

The Group places a great deal of importance on the principle of eco-design in a virtuous circle based on the principles of Cradle to Cradle®. In 2021, Tarkett obtained 22 Cradle to Cradle® certifications covering a wide range of product categories including carpets, linoleum, rubber, wood and synthetic grass.

Testament to the Group's commitment to the circular economy and its effort to reduce its carbon footprint, Tarkett has developed innovative technologies at the Waalwijk (Netherlands) site that separates the fibres from underlay and carpet tiles and recycles the two components. In 2019, Tarkett and Aquafil announced an innovative partnership to recycle 100% of carpet tiles made from an EcoBase® underlay and PA6 nylon thread. Furthermore, recycling carpet tiles with EcoBase® and made from ECONYL® fibres reduces CO_2 production by up to 84% compared to incineration.

The third pillar of the Group's innovation strategy is built around the development of solutions that make installation or removal easier, as well as cleaning and maintenance of the flooring.

The COVID-19 pandemic highlighted the importance of applying strict health protocols. For years Tarkett has made every effort to develop easy care solutions and to recommend optimal cleaning procedures. Tarkett offers increasingly easier care solutions that resist traffic and stains such as the Contour vinyl tiles with Tectonik™ technology, iD Inspiration with Tektanium™ technology or even IQ4, resilient flooring that offers excellent stain resistance in a hospital setting.

The Group has developed a complete range that's easy to lay including modular solutions, carpet tiles, soft and hard vinyl tiles, as well as iD Click Ultimate and Starfloor Click Ultimate offering a wide selection of models and innovative designs. In addition, Tarkett offers solutions that can be installed on floors that are still damp to make the fitter's work easier. For example the Rollsmart adhesive or fabric tiles with Omnicoat technology and, since 2020, a new generation of loose laid products in rolls (Genius HE).

In terms of total ownership cost, Tarkett deploys several categories of systematic approach to *Design to Cost* and *Design to Value* to offer the appropriate product or solution at the right price and with the optimal ownership cost.

Finally, Tarkett is determined to maintain its stronghold in the area of creative and innovative design and optimise the "cross-categorisation" possibilities of its different product ranges. The Group has developed various digital printing technologies for wood and vinyl to offer unique designs and new services such as co-creation with designers. Tarkett is also the first company to develop this technology for mass personalisation of vinyl floor coverings.

The Group's numerous innovations

As early as 1942, the Group developed a new process for manufacturing parquet that reduced the amount of wood used. Since then, the Group has always worked to develop products and concepts that simplify the lives of end-users while respecting the environment and public health.

At the end of 2021, 95% of our vinyl floorings were phthalate-free worldwide (with the exception of the recycled content of certain products in certain countries). Tarkett's eco-innovation is also happening at the industrial level by recycling the plasticiser emissions of its products, as is the case at the plant in Farnham, Canada.

Another example of eco-innovation is the underlay of the Ethos® carpet tiles made from recycled materials from used glass film from windscreens and security glass. The same material was used in 2018 the iD Revolution tile range which received the Gold Cradle to Cradle® certification.

Tarkett also provides solutions that protect flooring surfaces allowing for easier cleaning and maintenance. In 2018, LVT Contour in the United States used Tectonik® varnish offering the best market performance in terms of stain and abrasion resistance.

The Group's innovation awards

Over the last four years, the Group has received awards and certifications in numerous areas, and in particular: the Muuuz International Awards (MIAW) also recognised our new iQ Natural collection (iQ Natural is the first bio-attributed vinyl flooring). The award is presented to the most innovative products in architecture and design.

- Tarkett linoleum range - a key example of our sustainable development approach - was a winner at the 2021 Muuuz Design Awards;
- In 2021, the Muuuz International Awards (MIAW) also recognised our new iQ Natural collection.The award is presented to the most innovative products in architecture and design. iQ Natural is the first bio-attributed vinyl flooring.
- In 2021, Color Splash Speckled Rubber Tile won the Best of NeoCon (United States) award in the Hard Surface Flooring / Natural Materials category;
- In 2020, iQ Surface received a "Red Dot Design Award";
- In the United States, Tatami System received two "Good Design" awards from the Chicago Athenaeum Museum of Architecture and Design in collaboration with the European Centre for Architecture Art Design and Urban Studies;
- In the United States, the Garden Walk collection (commercial carpet North America) won the "SID Design Impact" award from the American Society of Interior Designers;
- In 2019, iD Revolution won the FX Award from the interior design publication FX Magazine in the United Kingdom;
- In Luxembourg, iD Revolution received the environmental award in the product category of the Fédération des Industriels Luxembourgeois (Business Federation of Luxembourg, FEDIL);
- In the United States, ethos® Modular with Omnicoat Technology™ received the Re|focus Sustainability Innovation Award in the Design category form the Plastics Industry Association and the Society of Plastic Engineers Sustainability Division;
- In the United States, Tatami System received the prestigious Building Product Innovations Award at NeoCon 2019;
- In the United States, iD Mixonomi was awarded a #MetropolisLikes award and a HiP award for flooring designed for the hospitality industry at the NeoCon Awards which celebrates innovative products;
- In France, iD Surface received the Architecture @ Construction award at the Muuuz International Awards ceremony (MIAW) organised by Muuuz in partnership with the magazine D&A;
- In the Netherlands, Desso Flores and Desso Colourant carpets received two awards from "Good Industrial Design" during Dutch Design Week in Eindhoven;
- In 2018 in France, iD Revolution received the Innovation Team Best Practices 2018 award, organised by the University of Paris Sorbonne and the Paris Innovation Directors Club. In addition, iD Revolution received the UK's Green World Award, where iD Revolution was Global World Winner in the Innovation Category;
- The Pentagonals collection received the Best of the Year award from Interior Design magazine.

1.6.4.3 Standards relating to the Group's products

The Group complies with a large number of regulations, standards and certifications in the countries where it sells its products. These standards vary depending on the geographic region where the Group is present, the type of building in which a product is installed and the type of flooring. The Group exceeds the standards and regulations in force in terms of environment and human protection.

Mandatory standards and standards with which the Group complies voluntarily

The Group is subject to two types of standards: mandatory standards based on legal requirements (such as European regulations or national decrees), and voluntary standards that it has chosen to comply with to respond to its customers' needs.

In most cases, compliance with mandatory standards must be certified by independent laboratories and/or organisations as well as by a governmental authority. The main aim is to guarantee safety and protect the health of users by demonstrating the product's compliance with statutory requirements. They relate mainly to properties such as fire resistance, skid resistance and the limitation of emissions of toxic products.

Voluntary standards are primarily testing standards to determine a product's technical performances, such as acoustic properties or dimensional stability, and specifications relating to minimum thresholds for a specific use. These standards vary depending on the product and its intended use (school, hospital, home).

Especially in the commercial market, users often stipulate compliance with non-mandatory standards. Specifiers (architects, contractors, etc.) demand compliance with these standards in their specifications. Moreover, compliance with non-mandatory standards is also required by certain national or municipal governments for the construction or renovation of public buildings.

The Group discloses the different standard with which it has chosen to comply. Purchasers, specifiers and users may also be informed of all the flooring characteristics. This enables them to differentiate the Group's products from those of its competitors. The technical specifications that the Group chooses to communicate vary depending on the requirements of the market in question.

Standard organisations and standards applied in different geographic regions

Organisations for standardisation define the technical characteristics and performance that a product must meet, as well as the tests to be used.

At the international level, the principal organisation in charge of publishing the standards applicable to the Group is the International Standardisation Organisation ("ISO"). Compliance with ISO standards is based on the principles developed by the World Trade Organisation, and is technically voluntary, although often required by architects and project contractors, in particular for government buildings. Furthermore, agreements between the ISO and Europe enable the transposition of an ISO standard into a European standard.

In Europe, standards are established by the European Committee for Standardisation ("CEN"). These standards, called "EN" standards, are mandatory when referenced by a European regulation. Each European Union Member State is required to transpose the European standards into its national standards, replacing the corresponding national standard.

The "CE" marking for construction products is governed primarily by Regulation No. 305/2011 of April 24, 2011, which entered into force on July 1, 2013. It covers health, user safety and energy savings, and defines the mandatory requirements in order to sell the Group's products in the European market. The CE marking indicates that the Group's products comply with the various harmonised standards specific to those products and attests that the flooring has been adequately tested. Among the requirements for the CE marking, products must demonstrate fire resistance, low levels of toxic fumes, and anti-slip properties. For example, the Group complies with the harmonised standard EN 14041, which details requirements for resilient and laminate flooring and carpets. A complete overhaul of this rule is currently under discussion. This should result in the introduction in particular of long-term requirements related to sustainable development and the circular economy.

In addition to the CE marking, the Group is required to comply with Member State regulations, which may rely on national standards established by organisations in various European Union Member States, such as the Association Française de Normalisation ("AFNOR") in France and the Deutsches Institut für Normung ("DIN") in Germany. The Group is subject to national standards in the countries where it sells its products.

In the United States, workplace regulatory environmental and safety requirements are primarily drawn up at Federal government level, whereas regulatory requirements on the use of goods are essentially set at state level. For example, flooring fire resistance properties or the restricted use of certain chemical substances for specific goods are generally found in the regulations of each state or each city. The formulation of voluntary standards applicable to flooring in the United States is mainly handled by the American Society for Testing and Materials ("ASTM") or the American National Standard Institute ("ANSI"). Both the federal and state governments may decide to adopt ASTM or ANSI standards, thereby making them mandatory. ASTM and ANSI standards are mandatory when referenced in federal or state regulations.

In Russia, flooring products must comply with numerous technical standards imposed by various federal laws and technical regulations, including, in particular, Federal Law No. 184-FZ on the verification and compliance system for flooring and Federal Law No. 123-FZ on fire safety requirements.

Countries such as Australia, New Zealand, Japan and China also develop standards as well as national regulations with which the Group may be required to comply.

Finally, certain laboratories and private sector organisations have established procedures for labelling products that comply with certain standards.

The Group actively participates with organisations such as ASTM, ANSI, ISO and CEN in the process of developing standards.

1.6.4.4 Intellectual property rights

The Group has a significant portfolio of trademarks and patents which gives it a strategic advantage over its competitors that it constantly works on maintaining,

Trademark portfolio

The Group's products are sold under known trademarks targeted at specific regions and markets.

The Group sells its product under the internationally recognised trademark Tarkett®, and under specialised international or regional trademarks that are widely recognised in their markets such as FieldTurf®, Beynon®, and GrassMaster® for sports surfaces, or Desso® (Western Europe - Carpet), Sinteros® or Sintelon® (SEE and CIS)

In certain markets, the Group uses a multi-trademark strategy, using different trademarks for different distribution channels, to cover the entire market and optimise coexistence between the Tarkett Group's different distributors.

The Group's principal trademarks are protected and leveraged in the markets where the Group operates.

Protection of the Group's trademarks is based on registration or prior use of the marks, according to the jurisdiction. Such protections are subject to either national, European and/or international registrations for varying lengths of time depending on the applicable laws.

Patent portfolio

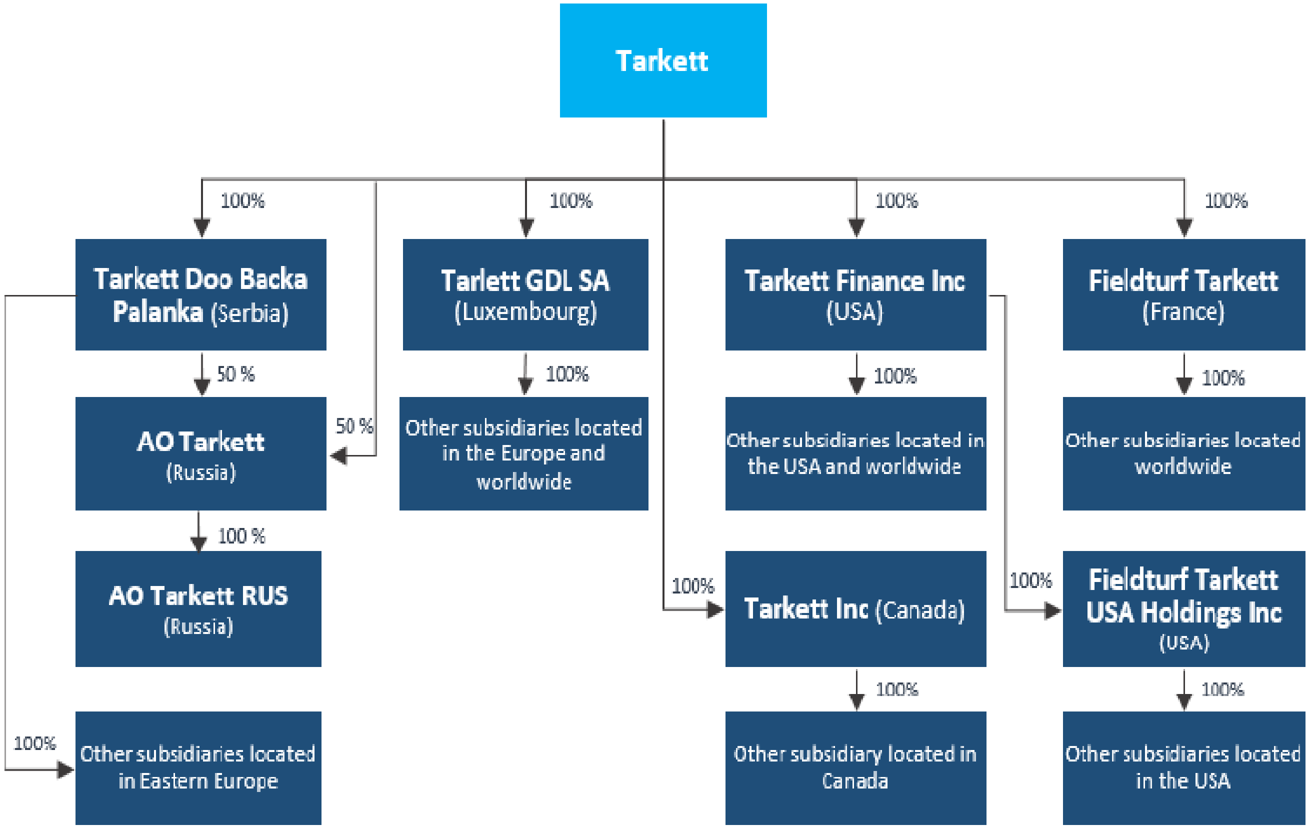
The Group holds active patents in over 42 countries. The Group's patents cover flooring and sports surface products as well as technologies for the development of new products.

The Group's patents cover approximately 138 different technology families that support its innovation. Each year the Group files 10 to 15 new patent applications. The average age of the patent families in the Group's portfolio is approximately eight years, which is the same as the average age of its competitors' patents.

The geographical origin of the Group's patent portfolio is highly diversified, with 94 active patent families filed in Western Europe, one in Eastern Europe and nine in North America. Finally, the Group holds 34 specific patent families relating specifically to its sports surfaces business.

The Group believes it has significantly reduced its dependency on patents filed by third parties through its research and development efforts.

1.7 Simplified group organisation chart



2 GOVERNANCE AND COMPENSATION

2.1 Governance

2.1.1 Corporate Governance Code

The Company adheres to the Corporate Governance Code for Listed Companies of the French Association of Private Sector Companies (Association Française des Entreprises Privées - AFEP) and of the Movement of the Entreprises of France (Mouvement des Entreprises de France - MEDEF), the "Afep-Medef Corporate Governance Code" which constitutes the Company's corporate governance frame of reference. It may be consulted online (http://www.afep.com) and copies are permanently made available to members of its corporate bodies.

The Company ensures compliance with all the principles of corporate governance set out in the Afep-Medef Corporate Governance Code, insofar as they are compatible with the Group's organization, size, and resources.

AFEP-MEDEF RECOMMENDATION	TARKETT'S PRACTICE
Article 10.3: The code recommends a formal assessment at least every three years.	A self-assessment by the Supervisory Board is coordinated every year by the Appointment, Compensation and Governance Committee and the results are presented and debated at a Supervisory Board meeting. The last assessment by an independent external consultant was carried out in 2017. During the last Supervisory Board self-assessment proposed by the Appointment, Compensation and Governance Committee in December 2021, the Board members were consulted about the need to appoint an independent external consultant for the next assessment. The results of this questionnaire indicated that the self-assessment proposed each year fulfils the Supervisory Board's requirements to a satisfactory degree and the members do not consider it necessary to appoint an external consultant for the next assessment.
Article 18.1: The code recommends the presence of a member representing employees on the compensation committee.	Insofar as the Appointment, Compensation and Governance Committee does not only deal with compensation issues, the Supervisory Board does not wish to alter the composition of the Committee, two-thirds of which is currently made up of independent members, which guarantees its effectiveness. It is also important to point out that the Supervisory Board members, including the members representing employees, have the option of expressing opinions on matters relating to compensation addressed by the Appointment, Compensation and Governance Committee at Supervisory Board meetings. In this context, the deliberations of the Appointment, Compensation and Governance Committee are recorded in a report by the Supervisory Board and its recommendations are also debated.

2.1.2 Supervisory Board report on corporate governance

In accordance with the provisions of Article L.22-10-20 of the French Commercial Code, this Chapter on governance and compensation contains information taken from the Supervisory Board report on corporate governance that was adopted at the Supervisory Board meeting on February 16, 2022, after considering the opinion of the Appointments, Compensation and Governance Committee.

A reconciliation table in Section 9.7.4 provides an overview of the information included in this document and that forms part of the Supervisory Board's Corporate Governance Report.

2.2 Management and supervisory bodies

2.2.1 Management of the Company

The Shareholders' Meeting of January 2, 2001 opted for the two body management form of a French public limited company ("société anonyme") with a Management Board and a Supervisory Board (hereinafter the "*Board*" or the " *Supervisory Board* "). This organizational structure, which separates management and direction of the Company, which are the responsibility of the Management Board, from supervision of that management body, which is the responsibility of the Supervisory Board, addresses concerns about the balance of powers between the executive and control functions and is particularly suited to the Company's shareholding structure.

2.2.2 Management Board

2.2.2.1 Operation of the Management Board

As laid down in its Articles of Association, the Management Board is composed of at least two, and at most five, members appointed by the Supervisory Board for a three-year term of office.

2.2.2.2 Composition of the Management Board

At December 31, 2021, the Management Board was composed of the following two members:

	Age	Gender	Nationality	Date of 1st appointment	Effective date of last renewal	Term end date	Number of shares held
Chairman							
Fabrice Barthélemy	53			23.05.2008	27.10.2019	27.10.2022	15,662
Member							
Raphaël Bauer	42			01.05.2019	27.10.2019	27.10.2022	3,500

2.2.2.3 Changes in the composition of the Management Board in 2021

The composition of the Management Board did not undergo any changes during Fiscal 2021.

2.2.2.4 Main positions and corporate offices of the Management Board members, at December 31, 2021

FABRICE BARTHELEMY - Chairman of the Management Board

Born on March 27, 1968

French nationality

1st appointment : May 23, 2008

End of term of office: October 27, 2022

Number of shares : 15,662

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

He was appointed as interim Chairman of the Management Board of Tarkett on September 18, 2018, and was confirmed in this position on January 14, 2019. He has been a member of the Management Board since May 2008.

He began his career as an industrial controller with Safran, joining Valeo in 1995 as Financial Controller of a division in the United Kingdom. From 2000 to 2003, he helped turn around Valeo's Lighting Division in France, before taking over the global financial management of Valeo's Electronics & Connective Systems and then of the Valeo's Wiping Systems.

He joined Tarkett in 2008 as Chief Financial Officer and also oversaw the Information Systems and Legal departments. He was President of the Target EMEA-LATAM Division from February 2017 to September 2019. He is a graduate of the French school of management, the École supérieure de commerce de Paris (ESCP) Europe.

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

- Chairman of Tarkett Participation S.A.S. (France)
- Chairman of Tarkett Bois S.A.S (France)
- Member of the Supervisory Board of Morton Extrusionstechnik GmbH (Germany)
- Member of the Board of Directors of Laminate Park GmbH (Germany)
- Chairman of the Board of Directors of AO Tarkett (Russia)
- Vice-Chairman of the Board of Directors of Tarkett Capital SA (Luxembourg)
- Chairman of the Board of Directors of Tarkett Capital SA (Luxembourg)

Ended during the last five years:

- President of the EMEA & ATAM Division
- Twenty two positions within French and international subsidiaries

Other offices and positions in companies not associated with Tarkett

Current:

- Member of the Supervisory Board and Chairman of the Appointments, Compensation and Governance Committee of Elis (France)[1]

Ended during the last five years:

- None

[1] *Listed company*

RAPHAEL BAUER - Member of the Management Board and Group Chief Financial Officer

Born on June 10, 1979

French nationality

1st **appointment**: May 1, 2019

End of term of office: October 27, 2022

Number of shares : 3,500

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

Raphael Bauer has been the Group's Chief Financial Officer and a member of the Executive Committee since February 2017. He has been a member of the Management Board since May 1, 2019.

Formerly the Group's Financial Controller, Raphael Bauer joined Tarkett in 2010 as financial controller within the EMEA Division, then for the Asia-Pacific and Latin American Regions.

Raphael Bauer began his career as a management controller at Valeo from 2002 to 2007, then joined Rexam as a financial officer from 2007 to 2010. He is a graduate of the institute of political studies (Sciences Po) in Paris.

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

> Member of the Board of Directors of Tarkett GDL (Luxembourg)
> Chairman of the Board of Directors of Tarkett Capital SA (Luxembourg)
> Member of the Board of Directors of Somalré (Luxembourg)
> Member of the Board of Directors of Tarkett Hong Kong Limited (Hong-Kong)
> Member of the Board of Directors of Tandus Flooring (Suzhou) Co. Ltd (China.
> Supervisor for Tarkett Industrial (Beijing) Co., Ltd (China)
> Member of the Board of Directors of Tarkett Flooring India Private Limited (India)
> Member of the Board of Directors of Tarkett Flooring Singapore Pte Ltd. (Singapore)
> Member of the Board of Directors of AO Tarkett (Russia)
> Member of the Board of Directors of Tarkett Inc. (Canada)
> Member of the Board of Directors of Tarkett Finance Inc. (USA)

Ended during the last five years:

> Member of the Board of Directors of Tarkett Brasil Revestimentos LTDA (Brazil)

Other offices and positions in companies not associated with Tarkett

Current:

> None

Ended during the last five years:

> None

2.2.2.5 Activities of the Management Board in 2021

The Management Board met 8 times during the period ending at December 31, 2021 (a stable number compared with 2020). The attendance rate was 100%. Its meetings primarily focused on the:

Financial results:

- Fourth quarter 2020 activity report;
- Review and approval of the Company and annual Consolidated Financial Statements for Fiscal 2020;
- Fourth quarter 2021 activity report;
- Approval of the half-year financial report at June 30, 2021;
- Third quarter 2021 activity report;
- Approval of forecast results documents;
- Review of press releases relating to the financial results.

Shareholders' Meeting of April 30, 2021:

- Proposed allocation of the results for Fiscal 2020;
- Approval of the management report on the Company and the Group;
- Examination of current offices;
- Review of the regulated agreements;
- Preparation of the agenda and the draft of the text of resolutions submitted for approval to the Shareholders' Meeting;
- Calling Shareholders' Meeting.

Other activities:

- Setting up the 2021-2024 LTIP on October 29, 2021.

2.2.3 Supervisory Board

2.2.3.1 Operation of the Supervisory Board

General operation

The operation of the Supervisory Board is described in Articles 17 to 23 of the Company's Articles of Association, drawn up in accordance with the laws and regulations in effect.

On November 21, 2013, the Company adopted Internal Regulations governing its organization and operation and the rights and duties of its members. These Internal Regulations follow industry guidance designed to ensure compliance with the fundamental principles of corporate governance, and in particular the recommendations of the Afep-Medef Corporate Governance Code. The Internal Regulations are reviewed regularly by the Supervisory Board so that they can be adapted to any new legislation and regulations and, if appropriate, to any new recommendations of the Afep-Medef Corporate Governance Code.

Chairman and Vice-Chairman

The Supervisory Board elects a Chairman and a Vice-Chairman from among its non-corporate members, for a duration that may not exceed that of the member's term of office.

In accordance with the legal provisions, the main mission of the Chairman of the Supervisory Board is to organize the work of the Supervisory Board so that the control of the Company's management can be exercised correctly. The Chairman of the Board is the principal point of contact for answering any request by a shareholder or investor addressed to the Supervisory Board.

If the Chairman is unavailable, Supervisory Board meetings are chaired by the Vice-Chairman.

Rights and obligations of Supervisory Board members

Each Supervisory Board Member (with the exception of observers) must hold 1,000 shares in the Company, as required under the Internal Regulations. Each newly appointed Supervisory Board Member is therefore asked to devote one-half of their director's fees to acquiring these 1,000 shares in due time. Under the prevailing legislation and regulations, the Supervisory Board representing employees is not required to hold a minimum number of shares in the Company.

Each Supervisory Board Member agrees to comply with the applicable legislation and regulations with respect to market abuse and inside information (including observers). Supervisory Board members (including observers) are reminded of these statutory and regulatory provisions each year, and in the event of any significant changes to the provisions.

Meetings of the Supervisory Board

The Supervisory Board approves the schedule of meetings a year in advance to ensure that all its members can attend. Prior to each meeting, a notice is sent by e-mail to each member, specifying the place, time, and agenda for the meeting. Detailed presentations on each item on the agenda are sent to each member in advance through a secure digital platform.

During the meeting, each item on the agenda is presented to the Supervisory Board members with an explanation. Issues reviewed and debated earlier by specialized committees are summarized by their Chairman at the next Supervisory Board meeting deliberating on these issues. For certain technical subjects, presentations are made by Group executives specialized in the subject area presented. Each item on the agenda is followed by questions, a discussion, and a vote. Written minutes are drawn up and provided to Supervisory Board members in advance of their approval at the next meeting.

Since October 2019, a delegate from the Company Economic and Social Committee (ESC), the employee representative body, has also attended Supervisory Board meetings without the right to vote. That delegate was also trained and made aware of the legislation and regulations applicable to market abuse.

2.2.3.2 Composition of the Supervisory Board

At December 31, 2021, the Supervisory Board was made up of thirteen members, including two members representing employees and two observers. At the time of the Company's Initial Public Offering on November 21, 2013, in accordance with the provisions of the Afep-Medef Corporate Governance Code and Article 18 of the Articles of Association, the Supervisory Board members already in office on that date were either appointed or renewed early for a term of less than four years to ensure staggered renewal of their terms of office.

The composition of the Supervisory Board is designed to enable the Group to benefit from the diversified professional experience of its members and involve the representatives of the Company's majority shareholders in the definition of the Group's strategy and its implementation.

Furthermore, at December 31, 2021, the proportion of women on the Supervisory Board stood at 44% (a rate higher than the legal requirements) and the proportion of independent members according to the Afep-Medef Corporate Governance Code was equal to the one-third recommended by the Afep-Medef Corporate Governance Code for companies with majority shareholders *(members representing employees and observers were not taken into account for the calculation of these proportions)*.

1/3

of non-independent members (excluding members representing employees and observers)

57 years

Average age of Supervisory Board members

44%

female members of the Supervisory Board (excluding members representing employees and observers)

At December 31, 2021, the composition of the Supervisory Board was as follows:

	Personal data and experience							Attendance at Supervisory Board meetings				Attendance at specialized committees		
Member	**Age**	**Gender**	**Nationality**	**Seniority (in years)**	**Number of shares held[1]**	**Other offices[2]**	**Independence**	**1st appointment**	**Last renewal**	**End of term of office [3]**	**2021 attendance**	**ARCC[4]**	**ACGC[5]**	**CSRC [6]***
Eric La Bonnardière *Chairman*	40			6	1,000	-	-	24.04.15	26.04.18	2022	100%	-	-	-
Didier Deconinck *Vice-Chairman*	74			21	1.000	-	-	02.01.01	26.04.18	2022	100%	-	-	-
Julien Deconinck	43			7	1,000	-	-	13.05.14	26.04.18	2022	100%	M	-	-
Nicolas Deconinck	41			6	1,000	-	-	24.04.15[7]	30.04.20[7]	2024	100%	-	-	M
Florent Jannier	40			0	N/A	-	N/A	02.12.21[8]	-	2025	100%	-	-	-
Véronique Laury	56			0	0	1	-	30.04.21	-	2025	80%	-	-	M
Françoise Leroy	69			8	1,000	-	√	26.11.13	26.04.19	2023	100%	P	M	-
Didier Michaud-Daniel	63			2	1,000	1	√	26.04.19	-	2023	100%	-	P	-
Sabine Roux de Bézieux	56			4	1,000	1	√	27.04.17	30.04.21	2021	88%	M	-	P
Caroline Tith	31			0	N/A	-	N/A	02.12.21[8]	-	2025	100%	-	-	-
Agnès Touraine	66			5	300	3	-	05.12.16	30.04.21	2025	100%	-	M	-
Bernard-André Deconinck *Observer*	77			21	N/A	-	N/A	02.01.01	26.04.18	2022	100%	-	-	-
Josselin de Roquemaurel *Observer*	45			0	N/A	1	N/A	29.07.21	-	2025	100%	-	-	-

[1]Number of shares held by members of the Board on a personal basis in their capacity as Supervisory Board members. The observers and members representing employees are not required to hold shares
[2]Number of offices held in listed companies, excluding Tarkett Group.
[3]Date of Shareholders' Meeting convened to approve the financial statements for the period during which the term of office expires.
[4]Audit, Risks and Compliance Committee.
[5] Appointments, Compensation and Governance Committee.
[6] CSR Committee.
[7] Nicolas Deconinck was appointed observer of the Board on April 24, 2015 and member of the Board on April 30, 2020.
[8]Date of appointment by the Company Economic and Social Committee - Participation in the next Supervisory Board meeting, i.e. the meeting of December 15, 2021 (further details provided in Section 2.2.3.6.)

N/A Not applicable.
C: Chairman / M: Member

2.2.3.3 Changes in the composition of the Supervisory Board in 2021

	Departure	Appointment	Renewal
Supervisory Board	Guylaine Saucier	Florent Jannier Véronique Laury Caroline Tith	Agnès Touraine Sabine Roux de Bézieux
Audit, Risks and Compliance Committee	Guylaine Saucier	Sabine Roux de Bézieux	
Appointments, Compensation and Governance Committee	Sabine Roux de Bézieux		
CSR Committee		Nicolas Deconinck Véronique Laury Sabine Roux de Bézieux	

The Shareholders' Meeting of April 30, 2021 decided to appoint Véronique Laury as member of the Supervisory Board, taking over from Guylaine Saucier whose term of office had ended, and to renew the terms of office of Agnès Touraine and Sabine Roux de Bézieux. In accordance with the Company's Articles of Association, the term of office of said members is four years.

Following the departure of Jean-Hubert Guillot and Ségolène Le Mestre from the Company, the Economic and Social Committee of Tarkett (the "ESC") appointed Florent Jannier and Caroline Tith at December 2, 2021 as new Board members representing employees in accordance with Article L.225-79-2 of the French Commercial Code and Article 17 of the Company's Articles of Association. They were welcomed at the meeting following their appointment at December 15, 2021. In accordance with the Company's Articles of Association, their term of office as members of the Board representing employees will be four years, ending after the Ordinary Shareholders' Meeting approving the financial statements for Fiscal 2024.

Furthermore, since April 30, 2021, the Specialized Supervisory Board committees have been made up of the following:

- Audit, Risks and Compliance Committee (ARCC): Françoise Leroy (appointed as Chairwoman following the departure of Guylaine Saucier), Julien Deconinck and Sabine Roux de Bézieux.
- Appointments, Compensation and Governance Committee (ACGC): Didier Michaud-Daniel (Chairman replacing Françoise Leroy, who resigned from her position as Chairwoman only), Françoise Leroy and Agnès Touraine.
- CSR Committee, created on April 30, 2021: Sabine Roux de Bézieux (Chair), Nicolas Deconinck and Véronique Laury.

2.2.3.4 Changes proposed in 2022

After consideration and at the recommendation of the Appointments, Compensation and Governance Committee, the Board is to propose the renewal of the terms of office as Supervisory Board members of Eric La Bonnardière, Didier Deconinck and Julien Deconinck for a further period of four years at the Shareholders' Meeting of April 29, 2022.

It will also be suggested at the Shareholders' Meeting of April 29, 2022 that the term of office of Bernard-André Deconinck as observer of the Board should be renewed for a further period of four years.

The reasons for said renewals are outlined in Section 8 of this document.

2.2.3.5 Biographies, main positions and corporate offices of the Supervisory Board members at December 31, 2021

ERIC LA BONNARDIERE - Chairman of the Supervisory Board

Born on April 11, 1981

French nationality

1st appointment : April 24, 2015

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2021 *(Proposed renewal)*

Number of shares : 1,000

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

Eric La Bonnardière became a member of the Company's Supervisory Board and a member of the Audit Committee in 2015. He was appointed Vice-Chairman of the Supervisory Board in 2017. He has been Chairman of the Board since April 2018.

He began his career in 2006 as a consultant at Capgemini and then joined the Advancy strategy consulting firm where he carried out assignments in industry and distribution. Since 2009, he has been the Chairman and co-founder of Evaneos, a travel marketplace and European leader in its segment.

He is a graduate of the Centrale-Supélec engineering school and has a Master's degree in management from the HEC academy in Paris.

[1] *Listed company*

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

- Member of the Management Board of Société Investissement Deconinck S.A.S (France)
- Chairman of the Supervisory Board of Tarkett Participation S.A.S (France)

Ended during the last five years:

- Vice-Chairman of the Supervisory Board of Tarkett[1] (France)
- Member of the Tarkett Audit Committee[1] (France)

Other offices and positions in companies not associated with Tarkett

Current:

- Chief Executive Officer of Evaneos S.A. (France)
- Member of the Management Board of the Investment Company Deconinck S.A.S (France)

Ended during the last five years:

- None

DIDIER DECONINCK - Vice-Chairman of the Supervisory Board

Born on May 2, 1947

French nationality

1st Appointment : January 2, 2001

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2021 *(Proposed renewal)*

Number of shares : 1,000

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

Didier Deconinck joined the Company's Supervisory Board in 2001, and was its Chairman from 2005 to April 2018, when he was appointed its Vice-Chairman. He represents the company DDA on the Management Board of Société Investissement Deconinck ("SID"), a family-owned company with interests in the Company. He was a Managing Director of Société Investissement Familiale ("SIF"), a holding company that controlled the Company until its initial public offering in 2013. He is also co-founder of the Monin group, a French manufacturer of hardware items for building and industry, and was Managing Director of the group until its transfer in January 2017.

From 1979 to 1984, Didier Deconinck was the Managing Director of Allibert-Mobilier-de-Jardin. He then became Managing Director of the Video division of Thompson and an executive officer of its German holding company, DAGFU, until 1987. From 1987 to 1990, he was the General Manager of Domco, a company traded on the Toronto Stock Exchange and the largest Canadian flooring manufacturer. He was Chairman of the Supervisory Board and the Appointments, Compensation and Governance Committee of the company ARDIAN Holding between 2013 and 2015 and since 2015 has been acting as Vice-Chairman of the Supervisory Board and Chairman of the Audit, Risks and Compliance Committee within this company.

Since 2019, he has been a director of the Cercle de l'Orchestre de Paris and of the funds du Musée d'Art Moderne of Fontevraud.

Didier Deconinck holds an engineering degree from École Polytechnique of Zurich and received additional training in marketing at the Wharton Business School and in finance at the European Business Administration Institute INSEAD (Fontainebleau).

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

- Member of the Supervisory Board of Tarkett Participation S.A.S (France)

Ended during the last five years:

- Chairman of the Supervisory Board of Tarkett[1] (France)

Other offices and positions in companies not associated with Tarkett

Current:

- Member of the Family Council and representative of the company DDA on the Management Board of Société Investissement Deconinck S.A.S (France)
- Chairman of DDA (France)
- Vice-Chairman of the Supervisory Committee and Chairman of the Compliance, Internal Control, Risk and Audit Committee of ARDIAN Holding (France)
- Director and Treasurer of Cercle de l'Orchestre de Paris (France)
- Director of the funds du Musée d'Art Moderne de Fontevraud (France)

Ended during the last five years:

- Vice-Chairman of the Management Board of Société Investissement Deconinck S.A.S (France)
- Director of the Museum of the Army (France)
- Member of the Management Board and Managing Director of SIF (France)
- Managing Director of Monin (France)
- Chairman of the Supervisory Board and of the Appointments and Compensation Committee of ARDIAN Holding (France)

1 *Listed company*

JULIEN DECONINCK - Member of the Supervisory Board and member of the Audit, Risks and Compliance Committee

Born on August 23, 1978

French nationality

1st appointment : May 13, 2014

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2021 *(Proposed renewal)*

Number of shares : 1,000

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

He is a founding member of Clermount, a mergers and acquisitions consulting company specialised in fund raising for positive-impact companies. He began his career in 2002 as a mergers and acquisitions analyst at Lazard.

He then joined the Tarkett Group, where he held several positions in marketing development and project management from 2003 to 2006. From 2006 to 2015, he was a mergers and acquisitions associate at HSBC, then Director of Equity Investments at the investment firm Parcom Capital, and then a Director at Société Générale Corporate & Investment Banking.

Julien Deconinck is a graduate of the HEC business academy in Paris.

[1] *Listed company*

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

- Chairman of Société Investissement Deconinck S.A.S. (France)
- Member of the Supervisory Board of Tarkett Participation S.A.S (France)

Ended during the last five years:

- Observer at Supervisory Board meetings of Tarkett[1] (France)

Other offices and positions in companies not associated with Tarkett

Current:

- None

Ended during the last five years:

- None

NICOLAS DECONINCK - Member of the Supervisory Board and member of the CSR Committee

Born on August 14, 1980

French nationality

1st appointment : April 24, 2015

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2023

Number of shares : 1,000

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

Nicolas Deconinck is currently an Advisory Director with Publicis Sapient, an agency specialised in digital strategies. He supports key accounts in their process of digital change by applying new marketing, communications and management drivers.

He began his career in 2003 as a marketing analyst with Orange, and then became IT strategy consultant at Bearing Point. In 2006, he founded his own company, Attractive, later renamed SoActive, an international e-business platform specialised in sports equipment, which he sold to Bentley Hall Ivts fund in 2015.

Nicolas Deconinck graduated from Paris Institute of Political Studies (Sciences Po) and the University of Paris Dauphine.

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

- Managing Director of Société Investissement Deconinck S.A.S. (France)
- Member of the Supervisory Board of Tarkett Participation S.A.S (France)

Ended during the last five years:

- Observer at Supervisory Board meetings of Tarkett[1] (France)

Other offices and positions in companies not associated with Tarkett

Current:

- Managing Director and director of Demunich S.A.S (France)

Ended during the last five years:

- None

[1] *Listed company*

FLORENT JANNIER - Member of the Supervisory Board representing employees

Born on September 3, 1981

French nationality

1st appointment : December 2, 2021

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2024

Number of shares : N/A

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

Florent Jannier has been working as Group Compliance Manager since 2019. In this capacity, he has been responsible for the implementation of Anti-corruption, Competition, International Sanctions and Due Diligence programmes.

Florent Jannier previously worked as Senior Intellectual Property Lawyer (2012-2019).

He was appointed as employee representative on the Board in December 2021 by the ESC of Tarkett.

Florent Jannier began his career with Gameloft where he protected the group's artistic creations and innovations.

He holds a Master's degree in Intellectual Property Research.

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

> None

Ended during the last five years:

> None

Other offices and positions in companies not associated with Tarkett

Current:

> None

Ended during the last five years:

> None

VERONIQUE LAURY - Member of the Supervisory Board and member of the CSR Committee

Born on June 29, 1965

French nationality

1st appointment : April 30, 2021

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2024

Number of shares : 0

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

Véronique Laury joined Leroy Merlin where she fulfilled various sales and marketing roles for around fifteen years.

In 2003, she joined Kingfisher, the European DIY giant and parent company of B&Q, Brico Dépôt, Castorama and Screwfix. She was appointed Sales and Marketing Manager of the French company Castorama and the British company B&Q, before taking on the role of group Sales and Marketing Strategy Manager in charge of group purchasing programmes and brand development.

In 2013, Véronique Laury became Managing Director of Castorama France. In September 2014, she was appointed Managing Director of Kingfisher, a listed UK company (FTSE100), where she stayed until September 2019. She has been a director of the company Sodexo since January 2020.

Véronique Laury is a former student of the Institute of Political Studies (Sciences-Po) in Paris.

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

> None

Ended during the last five years:

> None

Other offices and positions in companies not associated with Tarkett

Current:

> Founder and Chair of WEEEE S.A.S. (France)
> Member of the Board of Directors and member of the Audit Committee of Sodexo S.A.[1] (France)
> Member of the Board of Directors of Ikea Holding B.V. (the Netherlands)
> Member of the Supervisory Board, Chair of the ESG Committee and member of the Appointments and Compensation Committee of Eczacibosi Holding (Turkey)
> Member of the Board of Directors, Chair of the Appointments and Governance Committee and member of the Audit Committee and Compensation Committee of WeWork[1] (USA)
> Senior advisor at Accenture (France)

Ended during the last five years:

> Managing Director of Kingfisher plc (UK)

[1] *Listed company*

FRANCOISE LEROY - Independent member of the Supervisory Board, Chairwoman of the Audit, Risks and Compliance Committee and member of the Appointments, Compensation and Governance Committee

Born on April 30, 1952

French nationality

1st appointment : November 26, 2011

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2022

Number of shares : 1,000

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

Françoise Leroy has been a member of the Supervisory Board since 2013. She began her career in 1975 as Secretary General of the Union Industrielle d'Entreprise. Elle joined Elf Aquitaine in 1982, where she held various positions in financial management. In 1998, she became the Director of Financial Communications, and then, in 2001, she became Director of Chemical Subsidiaries Operations in the Finance Department of Total following its merger with Elf Aquitaine. She was the Secretary General of Total's Chemical Division between 2004 and 2012 and a member of its Steering Committee since 2006. She was Head of Acquisitions and Disposals from January 9, 2012 until June 2013.

Françoise Leroy is a graduate of the Reims business management and administration school, the École Supérieure de Commerce et d'Administration des Entreprises.

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

- None

Ended during the last five years:

- None

Other offices and positions in companies not associated with Tarkett

Current:

- None

Ended during the last five years:

- Member of the Board of Directors and a member of the Audit and Risk Committee and of the Appointments and Compensation Committee of Gaztransport & Technigaz GTT[1] (France)
- Member of the Supervisory Board and Chair of the Audit Committee of HIME (Saur Group) (France)
- Member of the Supervisory Board of Argan SA[1] (France)

[1] *Listed company*

DIDIER MICHAUD-DANIEL - Independent member of the Supervisory Board and Chairman of the Appointments, Compensation and Governance Committee

Born on August 2, 1958

French nationality

1st appointment : April 26, 2019

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2022

Number of shares : 1,000

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

Since March 2012, Didier Michaud-Daniel has been Managing Director of Bureau Veritas, a listed company in the Paris SBF 120 index of most actively traded stocks. He began his career in 1981 with OTIS, where he held various posts in the Sales Management and Operations Department. He was appointed Deputy General Manager of Operations in January 1998.

He then became Managing Director of OTIS UK and Ireland, then Chairman of OTIS for the UK, Germany and Central Europe region, before being appointed Chairman of OTIS Elevator Company in May 2008.

He is a graduate of the Poitiers business management school and European Business Administration Institute INSEAD and is Chevalier de la Légion d'honneur, the highest French order of merit.

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

- None

Ended during the last five years:

- None

Other offices and positions in companies not associated with Tarkett

Current:

- Managing Director of Bureau Veritas S.A.[1] (France)
- Chairman of Bureau Veritas International S.A.S (France)

Ended during the last five years:

- None

1) Listed company

SABINE ROUX DE BEZIEUX - Independent member of the Supervisory Board, member of the Audit, Risks and Compliance Committee and Chairwoman of the CSR Committee

Born on April 29, 1965

French nationality

1st appointment : April 27, 2017

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2024

Number of shares : 1,000

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

Sabine Roux de Bézieux has been a member of the Company's Supervisory Board since 2017.

After two years in investment banking, she spent 13 years with the Andersen Group in London and Paris. From 2002 to 2012, she ran her own consulting company, Advanceo, before joining the Board of Directors of several listed companies and taking over the General Management of Notus Technologies.

She has been committed to social and environmental projects for the past fifteen years. In 2005, she created her own Foundation, Araok, to support vulnerable members of society before going on to establish the association Un Esprit de Famille with a number of other foundations. She is treasurer of United Way l'Alliance pour l'éducation, and Chair of the Fondation de la Mer, of which she is one of the founders.

Sabine Roux de Bézieux graduated from the ESSEC business school in 1986. She also holds a DECF (Diploma of Accounting and Finance) and a bachelor's diploma in philosophy. She is a former auditor of IHEDN.

[1] *Listed company*

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:
- None

Ended during the last five years:
- None

Other offices and positions in companies not associated with Tarkett

Current:
- Managing Director of Notus Technologies SAS (France)
- Member of the Supervisory Board of ABC Arbitrage S.A[1] (France)
- Member of the Supervisory Board of Banque Transatlantique S.A.(France)
- Manager of Galiseo S.A.R.L (France)
- Chair of Fondation de la Mer (France)
- Chair of the association Un Esprit de Famille (France)
- Treasurer France of Alliance pour l'éducation - United Way (France)

Ended during the last five years:
- Member of the Supervisory Board of Altur investissement[1] (France)
- Member of the Supervisory Board of ANF immobilier (France)

CAROLINE TITH - Member of the Supervisory Board representing employees

Born on April 27, 1990

French nationality

1st appointment : December 2, 2021

End of term of office : Shareholders' Meeting approving the financial statements for Fiscal 2024

Number of shares : N/A

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Expérience et expertise

Caroline Tith has been working since 2019 as a BI (Business Intelligence) technical/functional analyst in the sales finance and budget areas of the Tarkett Group.

She had previously worked in different Data positions since 2014: data manager and biostatistician within a clinical organisation, followed by a role as Big Data consultant.

She was appointed as employee representative on the Board in December 2021 by the ESC of Tarkett.

Caroline Tith holds a bachelor's diploma in biology/chemistry and a Master's degree in bioinformatics and biostatistics from the Faculté des Sciences d'Orsay, jointly certified by the École Polytechnique.

Caroline Tith is also qualified as a Production Manager for Artistic Projects and trained in Digital Strategy at the Institut d'Études Supérieur des Arts (IESA). She is also a keen pianist and founding secretary of the Ensemble Iliade, a semi-professional choir.

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

> None

Ended during the last five years:

> None

Other offices and positions in companies not associated with Tarkett

Current:

> Founding secretary of the Ensemble Iliade

Ended during the last five years:

> None

AGNES TOURAINE - Member of the Supervisory Board and member of the Appointments, Compensation and Governance Committee

Born on February 18, 1955

French nationality

1st appointment : December 5, 2016

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2024

Number of shares : 300

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Expérience et expertise

Agnès Touraine the founding Chair of Act III Consultants, a consultancy firm specializing in digital strategies, and Senior Advisor with McKinsey.

Previously, she was the CEO of Vivendi Universal Publishing, after spending 10 years with Lagardère Group and five years with McKinsey. She was also the Chair of the Institut Français des Administrateurs (IFA) until 2019.

She is a member of the Board of Directors of Proximus (ex-Belgacom) and GBL in Belgium, the Board of Directors of the SNCF and the Supervisory Board of Tarkett in France. She was a Board member of Darty Plc and Neopost until the middle of 2016. She was also a member of the Boards of Directors of various non-profit associations such as IDATE and the French American Foundation.

In October 2017, she became a member of the "Partage de la valeur et engagement sociétal des entreprises" [sharing the value and social commitment of companies] Working Group for the Ministry of the Economy and Finance Action Plan for Business Growth and Transformation (Plan d'Action pour la Croissance et la Transformation des Entreprises - PACTE), a government action plan aimed at fostering entrepreneurship and corporate innovation. Since January 2018, Agnès Touraine has also been a member of the "Conseil d'orientation de la participation, de l'intéressement, de l'épargne salariale et de l'actionnariat salarié" (Advisory Board on Employee Share Ownership, Incentive, Savings and Shareholding Schemes) (Copiesas).

She has a law degree, from the Paris Institute of Political Studies (Sciences Po), and holds an MBA from Columbia University

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

> None

Ended during the last five years:

> None

Other offices and positions in companies not associated with Tarkett

Current:

> Chair of Act III Consultants (France)
> Member of the Supervisory Board of 21 Invest France S.A.S. (France)
> Member of the Board of Directors and Strategic Committee of Proximus[1] (Belgium)
> Member of the Board of Directors and member of the Appointments, Compensation and Governance Committee of GBL S.A.[1] (Belgium)
> Member of the Board of Directors and Chair of the Appointments and Compensation Committee of Rexel S.A.[1] (France)
> Member of the Board of Directors and Chair of the Appointments, Compensation and Governance Committee and CSR Committee of SNCF S.A. (France)

Ended during the last five years:

> Chair of the Institut Français des Administrateurs (France)
> Member of the Board of Directors of Darty
> Member of the Board of Directors of Neopost

[1] *Listed company*

BERNARD-ANDRE DECONINCK - Observer at Supervisory Board meetings

Born on May 7, 1944

French nationality

1st Appointment : January 2, 2001

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2021 *(Proposed renewal)*

Number of shares : N/A

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

Bernard-André Deconinck is an observer at Company Board meetings and, since 2013, has been the Chairman of the Supervisory Board and a member of the Family Council (as the representative of the Heritage Fund) of SID. He was also a member of the SIF Management Board.

Bernard-André Deconinck is a graduate of the Ecole Centrale de Paris and began his career with the Group in 1969 as a methods engineer. From 1970, he held operational management positions (in the factories and in the divisions), then became Director of Purchasing, Investment, Style, and Research and Development for the Group.

He is Chevalier de l'Ordre national du Mérite.

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

- Member of the Supervisory Board of Société Investissement Deconinck S.A.S. (France)

Ended during the last five years:

- Member of the Supervisory Board of Tarkett[1] (France)
- Member of the Appointments, Compensation and Governance Committee of Tarkett[1] (France)

Other offices and positions in companies not associated with Tarkett

Current:

- Chairman of the Supervisory Board of SID (France)
- Co-manager of Heritage Fund SPRL (Belgium)
- Manager of Val Duchess SPRL (Belgium)

Ended during the last five years:

- Member of the Management Board and Managing Director of SIF (France)

[1] *Listed company*

JOSSELIN DE ROQUEMAUREL - Observer at Supervisory Board meetings

Born on June 6, 1976

French nationality

1st appointment : July 29, 2021

End of term of office: Shareholders' Meeting approving the financial statements for Fiscal 2024

Number of shares : N/A

Professional address: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

Experience and expertise

Josselin de Roquemaurel is Deputy General Manager and Associate Manager of Wendel. He is also a member of the Investment and Management Committees of Wendel, Director of Constantia Flexibles, Cromology and Tarkett Participation and since July 2021 has been an observer at Company's Supervisory Board meetings.

Before joining Wendel in 2018, Josselin worked between 2005 and 2017 with Kohlberg Kravis Roberts (KKR) in London, where he has recently been appointed Manager in charge of private equity business in France.

He began his career in 2001 as an analyst with JPMorgan in London before being appointed as an associate in their corporate banking department.

He is a former student of the Ecole Normale Supérieure de Fontenay / Saint-Cloud and a graduate of the HEC business academy.

[1] *Listed company*

List of positions and corporate offices held in French and foreign companies during the last five years

Other offices and positions in companies associated with Tarkett

Current:

- Deputy General Manager, Associate Manager, member of Investment and Management Committees of Wendel SE[1] (Luxembourg)
- Member of the Board of Directors of Cromology Holding S.A.S (France)
- Director of Constantia Flexibles Group GmbH (Austria)
- Member of the Supervisory Board of Tarkett Participation S.A.S (France)

Ended during the last five years:

- None

Other offices and positions in companies not associated with Tarkett

Current:

- None

Ended during the last five years:

- None

2.2.3.6 Diversity and balance in the composition of the Supervisory Board

The Supervisory Board and the Appointments, Compensation and Governance Committee regularly assess the composition of the Supervisory Board and its specialized Committees, and in particular the variety of skills and experience contributed by each of its members. It also identifies the approaches to be adopted to ensure the best possible balance through complimentary profiles, whether in terms of nationality, gender and experience.

To achieve diversity, measures have been adopted within the Supervisory Board, with the help of the Appointments, Compensation and Governance Committee, that encompass the criteria taken into account, the objectives set by the Supervisory Board, the procedures for implementation and the results obtained during each period.

Balanced representation of men and women within the Supervisory Board

In accordance with the prevailing legislation and regulations, and in order to guarantee a balanced composition, the Supervisory Board ensures that at least 40% of the Supervisory Board members are women.

Each time the term of office of a member of the Supervisory Board comes up for renewal or a new member is to be appointed, on recommendation by the Appointments, Compensation and Governance Committee, the Supervisory Board examines the various candidates with a view to ensuring gender equality.

At December 31, 2021, the proportion of women on the Board stood at 44 % *(members representing employees and observers are not included in the calculation of this proportion)*. This balanced representation of women and men on the Supervisory Board will be maintained after the Shareholders' Meeting of April 29, 2022 subject to the adoption by the shareholders of the proposed reappointments.

Employee representation

Members of the Supervisory Board representing employees

Following the enforcement of the provisions of the PACTE law amending the provisions relating to employee representation on the Boards, the Shareholders' Meeting of April 30, 2020 amended the Articles of Association so that a second member representing employees can be appointed by the Economic and Social Committee when the Board has more than eight members (in accordance with the regulations, observers and members representing employees are not included in the calculation of the threshold).

On this basis and in accordance with the regulations in force, Florent Jannier and Caroline Tith were appointed by the Economic and Social Committee at December 2, 2021 and participated for the first time to the Supervisory Board meeting held on December 15, 2021. Their biographies are provided in Section 2.2.3.5.

In accordance with the regulations in force, the new members representing employees were offered training in January 2022 by the Institut Français des Administrateurs (IFA) which was covered by the Group. They will be offered internal training during the year, whose aim will be to present the role and operation of the Board, the rights, obligations and responsibilities of the Board members, particularly in view of the applicable regulations with respect to market abuse and inside information. The new members representing employees will also be offered training on issues relating to governance and compensation.

Furthermore, extra hours and preparation time for meetings will be granted to members representing employees. It has been agreed that the latter will not receive compensation for their term of office as Supervisory Board members. Being unconnected with their corporate office, the components of their compensation as a Company employee will not be published.

Company Economic and Social Committee delegate on the Supervisory Board

Emmanuel Pasquier, the elected member of the Company Economic and Social Committee, has also attended meetings of the Board as the employee representative appointed by the Economic and Social Committee, without a right to vote, since the Board meeting of October 23, 2019. He was given the same training as the members representing employees, with the exception of the internal training relating to the office of member of the Supervisory Board, given that he does not have that status.

Rights and obligations of Supervisory Board members

As every year, the Supervisory Board has reviewed its composition, and that of its committees, in terms of achieving an appropriate balance in terms of the diversity of the professional skills and experience of its members, particularly at an international level.

With the assistance of the Appointments, Compensation and Governance Committee, the Supervisory Board seeks to achieve a balance between those members with a historical knowledge of the Group and members appointed more recently to the Board. Their skills and expertise encompass the following areas of specific importance for the Group's strategy:

This analysis shows that the members give the Board the benefit of in-depth knowledge of the sector in which the Group operates and to take advantage of complementary skills, thereby ensuring deliberations of the highest quality in its meetings. Collectively, the members of the Board also ensure that the measures adopted are in the Company's corporate interests and contribute to implementation of the Group's strategy.

2.2.3.7 Independence of the Supervisory Board members

The Company refers to criteria for independence defined in the Afep-Medef Corporate Governance Code and set out in the Internal Regulations.

- Criterion 1: not being, and not to have been, within the previous five years, an employee or executive officer of the Company; an employee, executive officer or member of the Board of Directors or Supervisory Board of a company consolidated by the Company or the parent Company of the Company or a company consolidated by said parent Company;
- Criterion 2: not being an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office within the last five years) holds a directorship;
- Criterion 3: not being a customer, supplier, commercial banker, investment banker or consultant that is significant to the Company or its group or for which the Company or its group represents a significant portion of its activities. 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: not to be related by close family ties to any corporate officer;
- Criterion 5: not having been the company's auditor in the previous five years;
- Criterion 6: not having been a member of the Supervisory Board of the Company for more than twelve years;
- Criterion 7: not being, controlling or representing a shareholder holding, alone or jointly, representing more than 10% of the capital or voting rights at the Company Shareholders' Meetings.

In accordance with the recommendations made in theAfep-Medef Corporate Governance Code, Article 1.1 of the Internal Regulations, each time the term of office of Supervisory Board members is to be renewed or a new member appointed and at least once a year prior to publication of the Universal Registration Document, the Supervisory Board, based on the recommendations and report of the Appointments, Compensation and Governance Committee, compares the status of its members against the independence criteria and checks that its composition is balanced and that at least one-third of its members are independent, as defined in the Afep-Medef Corporate Governance Code. The Supervisory Board also seeks to ensure that its specialized Committees are chaired by independent members and are composed of at least two-thirds independent members, in accordance with the governance recommendations and good practices.

In this regard, the Appointments, Compensation and Governance Committee at its meeting of February 7, 2022, and the Supervisory Board at its meeting of February 16, 2022 examined the independence of each of its members.

The outcome of this analysis is given in the table below:

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7
Eric La Bonnardière		√			√	√	
Didier Deconinck		√			√		
Julien Deconinck		√			√	√	
Nicolas Deconinck		√			√		
Véronique Laury	√	√	√		√	√	√
Françoise Leroy	√	√	√	√	√	√	√
Didier Michaud-Daniel	√	√	√	√	√	√	√
Sabine Roux de Bézieux	√	√	√	√	√	√	√
Agnès Touraine	√	√		√	√	√	√

√: means that the Supervisory Board member satisfies the independence criterion concerned

This annual review shows that at December 31, 2021:

- The Supervisory Board is made up of three independent members (Françoise Leroy, Didier Michaud-Daniel and Sabine Roux de Bézieux), in addition to four members appointed at the proposal of the main shareholder of the Company, one qualified non-independent member, two members representing employees and two observers, i.e. 1/3 independent members within the meaning of the Afep-Medef Corporate Governance Code *(members representing employees and observers are not included in the calculation of this proportion)*;
- two of the Audit, Risks and Compliance Committee's three members are independent, i.e. its Chairwoman (Françoise Leroy) and Sabine Roux de Bézieux, that is to say 2/3 of its members are independent within the meaning of the Afep-Medef Corporate Governance Code;
- two of the Appointments, Compensation and Governance Committee's three members are independent, i.e. its Chairman (Didier Michaud-Daniel) and Françoise Leroy, that is to say 2/3 of its members are independent within the meaning of the Afep-Medef Corporate Governance Code;
- one of the CSR Committee's three members is independent, i.e. its Chairwoman (Sabine Roux de Bézieux), that is to say 1/3 of its members are independent within the meaning of the Afep-Medef Corporate Governance Code.

It should be pointed out that Tarkett has signed a three year contract with Bureau Veritas according to which Bureau Veritas is to provide the Group with support in terms of quality certification. The proposal put forward by Bureau Veritas (of which Didier Michaud-Daniel, an independent member of the Supervisory Board, is also chief executive officer) was selected at the end of a fully transparent, fair selection process. Furthermore, the Supervisory Board also considered that the contract had been concluded under normal, standard conditions and was therefore an agreement relating to a common operation.

2.2.3.8 Assessment of the way in which the Supervisory Board functions

At least once a year, the Supervisory Board and its specialized committee assess the way in which they function and are organised to ensure that important issues are properly prepared and debated in their meetings in accordance with the recommendations of the Afep-Medef Corporate Governance Code. This also make it possible to assess the actual contribution of each member to the work of the Supervisory Board and its specialized committees.

This assessment is generally conducted:

- every year: by each of its members, under the supervision of the Chairman of the Appointments, Compensation and Governance Committee and the Chairman of the Supervisory Board ("self-assessment");
- every three years: by an independent external consultant, in accordance with the recommendations of the Afep-Medef Corporate Governance Code.

All the members of the Supervisory Board take part in the assessment of the way in which the Supervisory Board and its Committees function (including members representing employees and observers).

During the last two self-assessments carried out in 2020 and 2021, attention was drawn in particular to the confidence placed in the General Management and the smooth running of the Supervisory Board and its Specialized Committees. It was noted that the meeting of the Supervisory Board and Committees are well prepared and coordinated and the members contribute significantly not only to the preparation of the meetings but also to the discussions.

Efforts were made during 2021 following the self-assessment of the Board in 2020 within the framework of a continuous improvement plan. The Supervisory Board has therefore created on April 30, 2021 a CSR Committee in response to the growing importance of CSR problems for the Group and proposed the appointment of Véronique Laury at the Shareholders' Meeting of April 30, 2021 to reinforce the competencies of the Supervisory Board with Marketing/Digital Consultancy skills.

The results of the 2021 self-assessment were presented to the Supervisory Board on February 16, 2022 and an action plan is to be introduced in 2022 to continue to respond as effectively as possible to the requirements of Supervisory Board members.

The last assessment of the Board by an independent external consultant was carried out in 2017. This assessment led to a number of proposals for improving the way in which the Supervisory Board operates and concrete measures were taken in 2018.

During the last Supervisory Board self-assessment, the members were consulted about the need to appoint an independent external consultant for the next assessment of the Supervisory Board and its Committees. The results of this questionnaire indicated that the self-assessment proposed each year fulfils the Supervisory Board's requirements to a satisfactory degree and the members do not consider it necessary to appoint an external consultant for the next assessment of the Supervisory Board and its Committees.

2.2.3.9 Activity of the Supervisory Board

	2021	2020
Number of meetings	8	10
Average attendance rate	97 %	100 %

The Supervisory Board met by all possible means, including by video and audio conferencing in compliance with the Internal Regulations. Its work primarily focused on the:

Financial Information:

- Review of the Company and annual consolidated financial statements for Fiscal 2020, presented by the Management Board;
- Review of the quarterly information presented by the Management Board on March 31, 2021 and September 30, 2021;
- Review of the half-year financial report at June 30, 2021, presented by the Management Board;
- Review of the forward planning documents;
- Validation of the press releases relating to financial information.

Shareholders' Meeting of April 30, 2021:

- Proposed allocation of the results for Fiscal 2020;
- Review of the Company and Group management report approved by the Management Board;
- Review of the status of the terms of office of the Supervisory Board members;
- Annual review of the independence of Supervisory Board members and diversity measures put in place;
- Review of regulated agreements and commitments;
- The compensation of the members of the Executive Committee and members of the Supervisory Board;
- Approval of the Supervisory Board's Corporate Governance Report;
- Approval of resolutions relating to Company share transactions submitted by the Management Board to the Shareholders' Meeting for approval;
- Review of the agenda and the resolutions submitted by the Management Board to the Shareholders' Meeting for approval;
- Review of the voting results at the Shareholders' Meeting.

Governance:

- The Appointment of a new observer;
- The Appointment of two new members representing employees by the Social and Economic Committee;

Other activities:

- Monitoring the Group's situation in the healthcare and economic context linked to COVID-19;
- Announcement concerning the simplified tender offer;
- Aauthorisation of new regulated agreements;
- The 2021-2026 business plan review;
- Implementation of the share buyback program under the conditions set by the Shareholders' Meeting on April 30, 2021;

2.2.4 Specialized Supervisory Board committees

The Supervisory Board decided to create three specialized committees to assist with its deliberations. These specialized committees are responsible for presenting proposals, recommendations and opinions, as the case may be, to the Supervisory Board. Their tasks and duties do not divest the Management Board or the Supervisory Board of their powers, these Boards alone having decision-making powers in their respective areas of competence. Each of the specialized committees has drawn up Internal Regulations setting out the rules to be applied in conducting their work.

The members of the committees are chosen by the Supervisory Board from among its members, on proposal by the Appointments, Compensation and Governance Committee, in the light, in particular, of their skills. The term of office of the members of the specialized committees coincides with that of their term of office as members of the Supervisory Board. Each committee appoints its own Chair, after consulting the Appointments, Compensation and Governance Committee. The secretariat duties for committees meetings may be performed by any person designated by the Chair of the committee or with the Chair's approval.

Meetings of the specialized committees are called by their Chair or secretary and the members may conduct meetings in person or by video or telephone conferencing under the same terms and conditions as the Supervisory Board, provided at least half of their members are present.

Minutes must be drawn up for every committee meeting. The chair of the committee in question, or, in his absence, another member designated for that purpose, reports to the Supervisory Board on the work of the committee.

Furthermore, "ad hoc" committees working on specific projects may be established at the Supervisory Board's decision after consulting and obtaining recommendations from the Appointments, Compensation and Governance Committee. Within the framework of the simplified tender offer, the Board established an ad hoc committee made up of three independent members (Françoise Leroy (Chairwoman), Didier Michaud-Daniel and Sabine Roux de Bézieux).

The descriptions below present the main tasks and duties of these committees as set out in their Internal Regulations.

2.2.4.1 Audit, Risks and Compliance Committee

2.2.4.1.1 Composition and operation

At December 31, 2021, this Committee was set up as follows:

Member	Role	Independence
Françoise Leroy	Chairwoman	√
Julien Deconinck	Member	
Sabine Roux de Bézieux	Member	√

The members of this committee are chosen on the basis of their skills in financial and/or accounting matters, as presented in Section 2.2.3.6.

At December 31, 2021, the proportion of independent members on this committee was two-thirds and did not include any executive corporate officer, in accordance with the committee's Internal Regulations and the recommendations of the Afep-Medef Corporate Governance Code.

This committee meets as often as necessary and, in any event, at least twice a year in connection with the Group's preparation of its annual and half-year financial statements. The meetings are held prior to the Supervisory Board meeting and, where possible, at least two days prior to that meeting when the committee's agenda includes examination of the financial statements.

2.2.4.1.2 Duties and resources

The committee is responsible for monitoring the preparation and auditing of accounting and financial information, as well as for ensuring the effectiveness of risk-monitoring and internal-control procedures to facilitate the Supervisory Board's review and approval thereof.

The committee's Internal Regulations set out its main duties as follows:

> **Regarding financial information**:
- Monitoring the process of preparing financial information (in particular parent company and consolidated annual or half-year financial statements) accompanied by a presentation of the Company's significant off-balance sheet commitments and the accounting options retained;
- Monitoring the efficacy of the internal-control, internal-audit and risk-management systems relating to financial and accounting information.

> **Regarding risk management and compliance**:
- Regular review of risk mapping;
- Regular review of the functioning of the risk-management and internal-control systems;
- Monitoring the Group's exposure to the key risks, including those of a social and environmental nature;
- Review and follow-up of the systems put in place within the Group regarding compliance.

> **Statutory Auditors**:
- Monitoring the statutory audit of the Company and Consolidated Financial Statements by the Company's Statutory Auditors;
- Monitoring the independence of the Statutory Auditors.

In performing its duties, the committee may ask the Management Board to provide it with any information it requires. Subject to having notified the Chairman of the Management Board or the Management Board itself beforehand, the commitee may also make contact with the Group's senior executives and/or request external technical studies on issues within the scope of its competency, in which case it must report to the Supervisory Board and the Management Board. The committee may hear the Statutory Auditors of the Company and Group companies, the financial, accounting and treasury officers and the head of internal audit. At the committee's discretion, these hearings may be held without the presence of the members of the Management Board.

The committee regularly reports to the Supervisory Board and informs it without delay of any difficulties that it encounters.

2.2.4.1.3 Activities during 2021

	2021	2020
Number of meetings	6	6
Average attendance rate	100 %	100 %

In 2021, the work of this committee included the following:

> **Financial Information**:
- Review of the Company and annual Consolidated Financial Statements for Fiscal 2020;
- Review of the management report of the Management Board;
- Review of the operating income, exceptional items, the financial and tax result, balance-sheet changes, the cash flow performance and the Group's debt position;
- Review of quarterly information at March 31, 2021 and September 30, 2021;
- Review of the half-year Consolidated Financial Statements for the period ended June 30, 2021;
- Review of the press releases relating to financial information;
- Putting in place an action plan/monitoring for investment management and the operational working capital requirement (WCR).

> **Risk management and compliance**:
- Examination of the implementation of the 2020 internal audit plan and the results of internal audit assignments carried out;
- Review of the 2021 internal audit plan;
- Review of major risks and disputes;
- Examination of Group risk mapping;
- Review of the 2021 Universal Registration Document relating to internal control and risk management;
- Review of the results of internal audit self-assessment campaigns;
- Review of the progress made in compliance programmes established within the Company (including Sapin II, competition);
- Review of the progress made in measures to attenuate significant risks such as health/safety, environmental accident, discrimination, harassment and cyber attack risks.

> **Current and future regulations**:
- Annual review of the Audit Guidelines focusing on services other than certification of the accounts.

2.2.4.2 Appointments, Compensation and Governance Committee

2.2.4.2.1 Composition and operation

At December 31, 2021, this Committee was set up as follows:

Member	Role	Independence
Didier Michaud-Daniel	Chairman	√
Françoise Leroy	Member	√
Agnès Touraine	Member	

The members of the committee are chosen based on their skills as regards corporate governance, human resources and/or compensation of the executive officers of listed companies.

At December 31, 2021, the committee was primarily composed of independent members, exceeding the requirements laid down in the Afep-Medef Corporate Governance Code.

This committee meets as often as necessary and, in any event, at least once a year, prior to the Supervisory Board meeting called to decide on the status of its members based on the independence criteria adopted by the Company and, in any event, in advance of any Supervisory Board meeting called to decide on the terms of office of members of the Management Board, the allocation of compensation to members of the Management Board or the distribution of compensation allocated to Supervisory Board members for their office.

2.2.4.2.2 Duties

The principal task of the committee is to assist the Supervisory Board with the composition of the governing bodies of the Company and the Group and to determine and regularly assess all the compensation, benefits and/or indemnities awarded to Group managers.

The committee's Internal Regulations set out its main duties as follows:

> **Functioning and composition of the Group's management and control bodies**:
- Establishment of a diversity policy within the Supervisory Board and monitoring of its implementation;
- Proposals for the appointments of independent members of the Supervisory Board and of its committees and assessment of applications for non-independent Supervisory Board members;
- proposals for the appointments of members of the Management Board, executive corporate officers and senior executives within the Group (in accordance with the recommendations of the Afep-Medef Corporate Governance Code, the Chairman of the Management Board is involved in these committee activities);
- Annual assessment of the independence of Supervisory Board members;
- Annual assessment of the functioning of the Supervisory Board.

> **Compensation for executive officers and senior executives of the Group**:
- Examination and proposal to the Board concerning methods for distributing the compensation package;
- Examination and proposal to the Board concerning all the elements and conditions associated with compensation for executive corporate officers and senior executives of the Group (the compensation policy for managers is established with reference to positions in comparable companies);
- Review of any exceptional compensation for exceptional assignments given by the Supervisory Board to any of its members.

> **Governance**:
- Preparation and monitoring of a succession plan for members of the Management Board as well as for the Group's senior executives;
- Review of the draft Corporate Governance Report to be approved by the Supervisory Board.

2.2.4.2.3 Activities during 2021

	2021	2020
Number of meetings	3	6
Average attendance rate	91.67 %	100 %

In 2021, the work of this committee included the following:

Regarding the Management Board and the Group's senior executives, a review of:
- Examination of the performance of managers and their compensation;
- Examination of the short and long-term performance conditions and their attainment;
- Examination of succession plans for senior executives and key appointments and recruitments;
- Examination of the diversity and feminisation of governing bodies;
- Examination of the analysis of voting on "*Say on Pay*".

With regard to the Supervisory Board:
- Annual assessment of the independence of Supervisory Board members;
- Review of the offices and examination of the profiles of the Supervisory Board members whose terms of office are coming to an end;
- Examination of the composition of the Supervisory Board and the diversity approach.

With regard to the Shareholders' Meeting of April 30, 2021:
- Preparation and review of the "*Say on Pay*" for adoption by the Shareholders' Meeting of April 30, 2021;
- Review of theSupervisory Board's Corporate Governance Report;

2.2.4.3 CSR Committee

2.2.4.3.1 Composition and operation

At December 31, 2021, this committee was set up as follows:

Member	Role	Independence
Sabine Roux de Bézieux	Chairwoman	√
Nicolas Deconinck	Member	
Véronique Laury	Member	

The members of this Board are chosen based on their skills as regards Social and Environmental Responsibility (CSR).

At least 1/3 of the members of this Committee were independent at December, 31 2021 (including its Chairwoman).

This committee meets as often as necessary and at least once a year.

2.2.4.3.2 Duties

The task of the CSR committee is to examine the Group's CSR policy.

In this context, the Internal Regulations of the committee state that its main task is to examine:

- The main risks and opportunities for the Group in terms of social, societal and environmental matters;
- Issues relating to CSR within the Group strategy and divisions;
- The Group's commitments in terms of CSR:
- The ethical questions that the Audit, Risks and Compliance Committee may decide to raise;
- The *reporting*, assessment and control systems to enable the Group to produce efficient, consistent extra-financial information;
- The main lines of communication with shareholders and other parties involved in CSR; in this context, it validates the CSR of the Universal Registration Document.
- The ratings obtained by the Group from extra-financial rating agencies or independent certification or labelling organisations.

2.2.4.3.3 Activities during 2021

	2021
Number of meetings	2
Average attendance rate	100 %

In 2021, the work of this Committee included the following:

- The main environmental risks (identification and management of risks);
- The expected regulatory developments;
- The carbon footprint and circular economy;
- Extra-financial Performance Declaration certification (DEPF);
- The extra-financial rating agencies: Group approach and main results.

Within the strict context of its duties, the CSR Committee may contact members of the Management Board and the leading management executives of the Company after notifying the Chairman of the Management Board, with the obligation of reporting to the Supervisory Board and the Management Board. The CSR Committee may also commit external technical studies on issues within the scope of its competency, at the expense of the Company and within the limits of an annual budget which may be decided upon by the Supervisory Board, after notifying the Chairman of the Management Board or the Management Board itself, with the obligation of reporting to the Supervisory Board and the Management Board.

2.2.5 Group Executive Committee

Composition of the Group Executive Committee

The Group Executive Committee was made up of 10 members at December 31, 2021 (including members of the Management Board), 30% of whom were women, and four different nationalities. Its composition was as follows:

Members	Nationality	Age	Position
Fabrice Barthélemy	French	53	Chairman of the Management Board
Raphaël Bauer	French	42	Member of the Management Board and Chief Financial Officer
Eric Dalière	American	54	President of the North America and Sport Divisions
Audrey Dauvet	French	48	Group General Counsel & Compliance Officer
Séverine Grosjean	French	50	EVP Group Human Resources & Communication
Hervé Legrand	French	54	Group Chief Information Officer
Arnaud Marquis	French	50	Chief Sustainability & Innovation Officer
Slavoljub Martinovic	Serbian	51	President of the Eastern European & Asia Division
Francesco Penne	French-Italian	50	President of the EMEA, LATAM & ANZ* Division
Carine Vinardi	French	48	Group R&D and Operations EVP

**Australia/New-Zealand*

No changes have been made within the Group Executive Committee since December 31, 2021.

Meetings

The Group's Executive Committee meets monthly to review the Group's operational and financial performance and to discuss strategic projects and the business operations of the Group.

Policy on diversity and non-discrimination within the Group

Particular attention is made to respecting the diversity of the teams within the Group's governing bodies. In this context, the Management focus particularly on gender parity in the recruitment process of senior executives. In addition, given the fact that the Group has branches all over the world, preference is given to the recruitment of international employees with international professional experience. The Group pursues objectives established by the regulations of the Afep-Medef Corporate Governance Code concerning parity within the governing bodies and has introduced objectives and action plans which are reviewed each year by the Supervisory Board.

Furthermore, in its concern to digitise the HR department to promote the balanced management of internal mobility, the identification and development of talents and performance, the Group has implemented a worldwide HR information system to enhance consistency in the personal development and career advancement of all its employees. This new solution was launched at December 7, 2020.

2.3 Compensation

It should be pointed out that the Company refers to the Afep-Medef Corporate Governance Code and is concerned to improve the quality of information relating to the compensation of corporate officers on a continuous basis.

This Section, established by the Supervisory Board at the recommendation of the Appointments, Compensation and Governance Committee, describes the compensation policy concerning corporate officers as well as compensation elements and all kinds of social benefits granted during or allocated for Fiscal 2021 for all corporate officers.

The Company has created its compensation policy in order to attract and retain talents. This exhaustive policy is based on the following principles:

1. Base salaries in line with market practices, in order to ensure that the Company remains competitive and attractive. This position is regularly measured through compensation surveys conducted by specialized firms using a benchmark of comparable companies in France.

2. Variable compensation based on annual objectives, in line with market practices, that reflect the Company's ambitious goals and expectations:
   - quantifiable criteria based on performance over the year as compared with budgetary commitments. These criteria (adjusted EBITDA and Operating Cash Flow) have been unchanged for more than ten years;
   - qualitative criteria precisely defined each year and reflecting the Group's main challenges, and in particular those relating to Social and Environmental Responsibility (CSR).

3. Medium-term motivation and loyalty tools based on the *Long Term Incentive Plan* (LTIP), introduced in July 2011 and allocated every year. The definitive acquisition of shares or the LTIP payment are subject to a twofold condition:
   - presence for 3 years to encourage retention and
   - the economic and environmental performance of the Company reflecting the creation of value.

For the plans established prior to 2018, performance is measured against achievement of the objectives laid down in the medium-term strategic plan with regard to EBITDA growth and debt reduction.

An external TSR criterion (Total Shareholder Return) has been added amounting to 20% for 2018-2021, 2019-2022 and 2020-2023 LTIP.

Since the 2020-2023 LTIP, two CSR criteria have been added, each amounting to 10% (the reduction of greenhouse gas and the proportion of recycled products).

As far as the 2021-2024 LTIP is concerned, the performance criteria relate to the fulfilment of the objectives of the medium-term strategic plan (80%) and the maintaining of the two CSR objective defined above (10% each). The members of the Management Board do not benefit from this plan.

The real distribution rate as compared with the target package was:

2014-2017 LTIP	2015-2018 LTIP	2016-2019 LTIP	2017-2020 LTIP	2018-2021 LTIP
53 %	79 %	37 %	35 %	31 %

With regard to the plans under vesting, the target capital amount was:

2019-2022 LTIP	2020-2023 LTIP	2021-2024 LTIP
0.6 %	0.8 %	1 %

4. Unlike most listed companies of comparable size, the Group has chosen so far not to set up any supplementary pension plan for the present.

5. Equal treatment of men and women, particularly in terms of compensation

2.3.1 Summary of compensation paid to members of the Management Board for 2020 and 2021

The following table provides a summary of the compensation and shares awarded to Fabrice Barthélemy and Raphaël Bauer during the periods ended December 31, 2020 and 2021.

Table 1 - Summary table of compensation, share options and shares awarded to each member of the Management Board (Autorité des Marchés Financiers (the "AMF") nomenclature)

(in euros)	2021 period	2020 period
Fabrice Barthélemy, Chairman of the Management Board (1)		
Compensation allocated for the period	950,251	1,274,430
Valuation of stock options granted during the period	N/A	N/A
Valuation of performance-based shares granted during the period (2)	N/A	517,000
Valuation of other long-term compensation plans (3)	2,536,400	N/A
Total	**3,486,651**	**1,791,430**
Raphaël Bauer, member of the Management Board (4)		
Compensation allocated for the period	324,945	361,267
Valuation of stock options granted during the period	N/A	N/A
Valuation of performance-based shares granted during the period (2)	N/A	112,800
Valuation of other long-term compensation plans (3)	527,280	N/A
Total	**852,225**	**474,067**

(1)The fixed compensation of Fabrice Barthélemy, Chairman of the Management Board, has been €575,000 gross per year since January, 14 2019, when his office was confirmed by the Supervisory Board. The compensation allocated for 2020 does not take into account the reductions applied in April and May 2020 in the context of the COVID-19 pandemic.

(2)Fair value valuation used for the Consolidated Financial Statements.

(3) In the context of the simplified tender offer of Tarkett Participation closed on July, 15 2021, the members of the group presenting the offer agreed, in the investment agreement concluded between them, to launch a cash investment and ordinary shares and preference shares allocation plans after the offer within Tarkett Participation in particular for the benefit of members of the Management Board (as described in section 1.3.3 of the Tarkett Participation information note signed by the AMF n° 21-208 dated June 8, 2021). In addition to an investment by the beneficiaries in Tarkett Participation ordinary shares, this plan includes an exceptional allocation (i) of Tarkett Participation ordinary share, subject to attendance conditions and gradual acquisition by tranche of 25% per year for 4 years and (ii) Tarkett Participation preference shares subject to the same attendance conditions by tranche, granting their holders pecuniary rights in the event of a "Withdrawal" (defined as the initial public offering of Tarkett Participation, the transfer by Wendel of its interest or an event after which the SID would no longer control Tarkett Participation) or the liquidation of the company based on a preference share value dependent on the global investment multiple noted on that occasion ("Project Multiple"). With this plan in mind, no Tarkett performance shares were allocated to the members of the Management Board in 2021.

(4) It should be pointed out that Raphaël Bauer does not receive any compensation for his office as member of the Management Board. The elements communicated are those provided for by his employment contract for his position as Group Chief Financial Officer

2.3.2 Compensation paid to members of the Management Board for 2020 and 2021

The table below gives a breakdown of the fixed and variable compensation components and other benefits granted to Fabrice Barthélemy and Raphaël Bauer during the periods ended December 31, 2020 and 2021.

Table 2 - Summary of the compensation paid to each Management Board member (Autorité des Marchés Financiers (the "AMF") nomenclature)

(in euros)	2021		2020	
	Amount allocated[2]	Amount paid [3]	Amount allocated[2]	Amount awarded[3]
Fabrice Barthélemy, Chairman of the Management Board				
Fixed compensation[1]	575,000	575,000	575,000	555,833
Variable annual compensation[1]	375,251	699,430	699,430	483,596
Exceptional compensation[1]	-	-	-	-
Benefits in Kind	2,559	2,559	3,216	3,216
Total	**952,810**	**1,276,989**	**1,277,646**	**1,042,645**
Raphaël Bauer, member of the Management Board since May 1, 2019 [4]				
Fixed compensation[1]	245,000	245,000	245,000	239,738
Variable annual compensation[1]	79,945	116,267	116,267	84,250
Exceptional compensation[1]	60,000	60,000	-	-
Benefits in kind	3,716	3,716	2,078	2,078
Total	**388,661**	**424,983**	**363,345**	**326,066**

[1]Based on gross amounts before tax.
[2]Compensation allocated for positions held during the period whatever payment date is
[3]Compensation paid during the period. The fixed compensation paid for 2020 takes into account the reductions applied in April and May 2020 within the framework of the COVID-19 pandemic.
[4] It should be pointed out that Raphaël Bauer does not receive any compensation for his office. The elements communicated are those provided for by his employment contract for his position as Group Chief Financial Officer

Compensation paid to Fabrice Barthélemy, Chairman of the Management Board

The elements making up the compensation of Fabrice Barthélemy in his capacity as Chairman of the Management Board for 2021 were validated by the Supervisory Board on February 18, 2021 at the proposal of the Appointments, Compensation and Governance Committee and approved by the Shareholders' Meeting of April 30, 2021.

For information, this compensation is made up of:

- a fixed annual amount of €575,000, which has remained unchanged including during the renewal of his term of office as Chairman of the Management Board on October 23, 2019;
- a variable amount capped at 170% of his base salary, at 100% of his base salary if the objectives are achieved in full, this to be paid no later than the month following the Shareholders' Meeting authorizing this payment within the framework of the ex-post vote. The award criteria, as outlined below, are reviewed each year by the Appointments, Compensation and Governance Committee and the amount is set by the Supervisory Board on proposal by the Committee.
- No exceptional compensation was awarded to Fabrice Barthélemy for the period ended December 31, 2021.

It should also be pointed out that Fabrice Barthélemy has a company car.

Compensation of Raphaël Bauer

Raphaël Bauer receives no compensation or benefits for his office as a member of the Management Board.

Raphaël Bauer concluded an employment contract with the Company for his duties as Chief Financial Officer. Under this contract, he received fixed as well as variable compensation, the criteria for which are reviewed annually by the Appointments, Compensation and Governance Committee and the amount of which is fixed by the Supervisory Board, on proposal by the Committee.

For information, the compensation of Raphaël Bauer is made up of:

> fixed compensation of €245,000 gross (unchanged since 2020)
> variable compensation between 0% and 85% of the fixed compensation depending on the attainment or exceeding of objectives set by the Board, i.e. 50% of his basic salary if 100% of objectives are attained, as validated by the Shareholders' Meeting of April 30, 2021.

It should be pointed out that, after validation by the Supervisory Board, Raphaël Bauer received an exceptional bonus of €60,000 in August 2021 as thanks for his decisive contribution to the plan to change the Group's capital and refinancing structure.

It should also be pointed out that Raphaël Bauer has a company car.

Criteria for the variable compensation for members of the Management Board

The award criteria for variable compensation of the Chairman and members of the Management Board are reviewed each year by the Appointments, Compensation and Governance Committee and the amount is set by the Supervisory Board on proposal by the Committee.

As provided for in the compensation policy, the allocation criteria for variable compensation may be adjusted in exceptional cases by the Board under the conditions described in Section 2.6.1.

For information, for 2021:

1. Variable compensation is linked to:

> the attainment of quantifiable economic objectives set within the framework of the budget approved by the Supervisory Board (70%):
  - Budget adjusted EBITDA: 2021 target amount €270 million - weighting 40%:
  - Operating cash flow: 2021 target amount €142 million - weighting 30%: The operational cash flow and EBITDA objectives are allocated a coefficient of 0 % to 200 %.
> 30% for the achievement of individual objectives, multiplied by a coefficient of 0% to 100 %.

2. The individual objectives of Fabrice Barthélemy were:

> Corporate strategy (70%) linked to the "Change to Win" plan and the 2025-2030 project based on a culture of innovation, geographical development and use of digital tools.
> The Company's Social and Environmental Responsibility (CSR) (30%) through objectives relating to security, diversity, talent management, motivation and commitment of teams, carbon footprint, circular economy and compliance.

3. The objectvies of Raphaël Bauer related in particular to:

> The proposal, assessment and monitoring of the implementation of strategic action;
> The structuring of financing;
> The continuous improvement of the financial department and management of associated costs;
> The continued strengthening of the internal control context, particularly in connection with the most recent compliance regulations;
> Development, training and mobility within finance teams.

The table below summarises the attainment of variable compensation criteria applying to Fabrice Barthélemy and Raphaël Bauer:

2021 Group Criteria	Reference	Minimum	Target (100% of objectives achieved)	Maximum	Attainment rate in 2021
Quantifiable criteria					
Consolidated adjusted EBITDA	Budget	0 %	40 %	80 %	48 %
Operating cash flow	Budget	0 %	30 %	60 %	64 %
Sub-total for the quantifiable criteria		0 %	70 %	140 %	55%
Qualitative criteria	(see details in 2.6)	0 %	30 %	30 %	See table opposite
Total		**0 %**	**100 %**	**170 %**	

The table below provides a breakdown of the individual performance goals achieved and the overall level of achievement for the purposes of the variable compensation:

	Target variable compensation as a % of fixed compensation	Rate of achievement in 2021 as a % of the target		Variable compensation due for 2021 as a % of fixed compensation
		Quantifiable criteria (70 %)	Qualitative criteria (30 %)	
Fabrice Barthélemy	100 %	55%	90%	65 %
Raphaël Bauer	50 %	55%	90%	33%

2.3.3 Performance shares acquired and awarded to members of the Management Board in 2021

Table 7 below details the amounts definitively vested by members of the Management Board under the 2018-2021 Long-term Incentive Plan, within the meaning of Articles L.22-10-59 et seq. of the French Commercial Code, due to mature in July 2021.

Table 6 below shows the shares awarded in 2021 for the Management Board.

Table 7 - Performance shares made available during the period for each corporate executive officer (Autorité des Marchés Financiers (the "AMF") nomenclature)

Name of corporate officer	Number of performance shares initially awarded	Percentage achievement of the performance criteria	Number of performance shares definitively vested during 2021
2018-2021 LTIP			
Fabrice Barthélemy	22,000	50 %	11,000
Raphaël Bauer	8,000	50 %	4,000
Total	**30,000**	**50 %**	**15,000**

For information, the calculation of the attainment rate for the LTI 2018-2021 plan was based on a theoretical value creation index for the shareholder amounting to 80% and the relative TSR performance of Tarkett compared with the TSR of SBF120.

The theoretical shareholder value is calculated as follows:

adjusted EBITDA (audited, published financial aggregate) X **valuation multiple** (based on market multiples) - **Net debt** (audited, published financial aggregate) - **Other debts** (pension debt and option to purchase minority interests).

The target theoretical shareholder value is defined in the strategic three-year plan, by applying the above formula and allowing for the adjusted EBITDA and net debt targets set by the plan.

The strategic plan and its objectives are reviewed and approved by the Supervisory Board.

The theoretical value creation is measured on the basis of the difference between the theoretical shareholder value for the year in which the plan comes to an end (2020 in the case of the 2018-2021 LTI plan, calculated on the basis of the audited and published aggregates) and the theoretical shareholder value for the reference year for the plan (2017 in the case of the 2018-2021 LTI plan, based on the audited and published aggregates).

The dividends paid to shareholders during the years covered by the plan, where applicable, are reintegrated into the creation of value over the period.

The EBITDA multiple used to calculate the theoretical shareholder value actually reached is the same as that set in the strategic plan.

The attainment rate obtained from the application of this formula is 0%, due mainly to the significant difference between the EBITDA generated in 2020 and the objective in the plan. In this case, the minimum rate of 50% provided by the plan rules applies.

The TSR is calculated as follows:

It compares, as a percentage, changes in the average level of the last 20 prices in 2020 of Tarkett shares with the average of the last 20 prices in 2017, with dividends reinvested compared with the changes in the TSR of SPF120 between December 31, 2020 and December 31, 2017 with dividends reinvested.

The attainment rate obtained by applying the formula is 0%. In this case, the minimum rate of 50% provided for by the regulations of the plan applies.

These attainment rates were noted by the Board on October 28, 2021 after a preliminary review by the Appointments, Compensation and Governance Committee.

Table 6 - Performance-related shares awarded during the period to each executive corporate officer by the issuer and by any Group company (AMF nomenclature)

Name of corporate officer	Number of shares awarded during the period	Value of the share applying the method used for the consolidated financial statements *(in €)*	Acquisition date	Availability date	Performance conditions
Tarkett Participation 2021-2025 performance share allocation plan [1]					
Fabrice Barthélemy	659,345 Tarkett Participation ordinary shares [1]	1,100,000	21/10/2022 21/10/2023 21/10/2024 21/10/2025	21/10/2023 21/10/2013 21/10/2024 21/10/2025	Attendance conditions with gradual acquisition by tranche of 25% per year for 4 years.
	1,140,000 Tarkett Participation preference shares [1]	1,436,400	21/10/2022 21/10/2023 21/10/2024 21/10/2025	21/10/2023 21/10/2013 21/10/2024 21/10/2025	*For preference shares only:* pecuniary rights of shareholders in the event of a "Withdrawal" or liquidation of the company dependent on the fulfilment of a "Project Multiple"
Raphaël Bauer	143,857 Tarkett Participation ordinary shares [1]	240,000	21/10/2022 21/10/2023 21/10/2024 21/10/2025	21/10/2023 21/10/2013 21/10/2024 21/10/2025	Attendance conditions with gradual acquisition by tranche of 25% per year for 4 years.
	228,000 Tarkett Participation preference shares [1]	287,280	21/10/2022 21/10/2023 21/10/2024 21/10/2025	21/10/2023 21/10/2013 21/10/2024 21/10/2025	*For preference shares only*: pecuniary rights of shareholders in the event of a "Withdrawal" or liquidation of the company dependent on the fulfilment of a "Project Multiple"
Total		**3,063,680**			

[1] Company controlling Tarkett and included in the consolidation structure within the meaning of Article L .233.-16 of the Commercial Code. In the context of the simplified tender offer of Tarkett Participation closed on July 15, 2021, the members of the group presenting the offer agreed, in the investment agreement concluded between them, to launch a cash investment and free ordinary and preference share allocation plans after the offer within Tarkett Participation in particular for the benefit of members of the Management Board of Tarkett (as described in section 1.3.3 of the Tarkett Participation information note signed by the AMF n° 21-208 dated June 8, 2021). In addition to an investment by the beneficiaries in Tarkett Participation ordinary shares, this plan includes an exceptional allocation, as shown in the table above, (i) of Tarkett Participation ordinary share, subject to attendance conditions and gradual acquisition by tranche of 25% per year for 4 years and (ii) Tarkett Participation preference shares subject to the same attendance conditions by tranche, granting their holders pecuniary rights in the event of a "Withdrawal" (defined as the initial public offering of Tarkett Participation, the transfer by Wendel of its interest or an event after which the SID would no longer control Tarkett Participation) or the liquidation of the company based on a preference share value dependent on the global investment multiple noted on that occasion ("Project Multiple"). With this plan in mind, no Tarkett performance shares were allocated to the members of the Management Board in 2021.

2.3.4 Employment contracts, pension payments, and severance payments for members of the Management Board

Table 11 - Employment contracts, pension payments, and severance payments for members of the Management Board (AMF nomenclature)

Members of the Management Board	Employment contract	Supplementary Pension Plan	Payments or other benefits due or likely to be due as a result of termination or change of office	Payments under a non-compete clause
Fabrice Barthélemy Chairman of the Management Board Start of term of office: 23/05/2008[(2)] Expiry of the term of office: 27/10/2022	No[(1)]	No	Yes	Yes
Raphaël Bauer Member of the Management Board and Chief Financial Officer Start of term of office: 01/05/2019 Expiry of the term of office: 27/10/2022	Yes	No	No	Yes

[(1)]Fabrice Barthélemy resigned as employee of the Company on January 14, 2019, when he was finally appointed as Chairman of the Management Board.
[(2)]Starting date of term of office as member of the Management Board.

2.3.4.1 Supplementary Pension Plan

None of the members of the Management Board benefited from a supplementary pension plan in 2021.

2.3.4.2 Payments or other benefits due or likely to be due as a result of termination of office

In his capacity as Chairman of the Management Board, Fabrice Barthélemy has benefited since January 14, 2019 from a severance clause.

This severance payment, which is subject to the performance conditions defined below, is equal to 2 years of gross fixed and variable compensation received by Fabrice Barthélemy during the 12 months prior to the forced departure for his term of office as Chairman of the Management Board, including in particular the consequences of a change of control or disagreement concerning the strategy at the initiative of the Board, regardless of whether the officer's term was terminated early or not renewed.

In accordance with the compensation policy approved by the Shareholders' Meeting of April 31, 2021, the severance payment is subject to performance conditions measured by the level of achievement of the annual objectives defined by the Board, at the proposal of the Appointments, Compensation and Governance Committee, used to calculate the variable compensation. It is equivalent to the average performance achieved by Fabrice Barthélemy over the 3 calendar years preceding his departure.

The severance payment is subject to a performance level of between 50% and 100%. If the performance level is less than 50%, no payment is due, and if the performance level is at least equal to 100%, the payment is due in full. It is calculated strictly in proportion to the performance level amount. (For example: if the performance level is 90%, the severance payment due equates to 90% of the amount.)

No severance payment is due in the event of gross misconduct (defined wrongdoing of an extremely serious nature preventing any continuation of the corporate office) or serious misconduct (defined as wrongdoing of an extremely serious nature committed by an officer with the intention of harming the Company) or has the possibility of claiming his pension rights in the near future.

Should Fabrice Barthélemy be eligible for both the severance payment and the non-compete payment, the total amount that he receives will be limited to two years of the gross fixed and variable compensation received in the twelve months prior to his forced departure for his office as Chairman of the Management Board.

2.3.4.3 Unemployment insurance for corporate officers

The Company took out an unemployment insurance policy for corporate officers (garantie social de chef d'entreprise) for Fabrice Barthélemy, providing him, with insurer agreement, with cover in the event of his forced departure (under an "F 70" policy).

2.3.4.4 Payments under a non-compete clause

It should be noted that following his appointment as Chairman of the Management Board on January 14, 2019, the Supervisory Board has put in place a non-compete payment for Fabrice Barthélemy that equates to the gross fixed and variable compensation received in the twelve months prior to his departure from his office as Chairman of the Management Board and is payable in 24 monthly instalments over the duration of the non-compete clause.

It is pointed out that the Company reserves the right to waive this clause within a reasonable time, as decided by the Supervisory Board, on recommendation by the Appointments, Compensation and Governance Committee.

In accordance with the recommendations of the Afep-Medef Corporate Governance Code referred to by the Company, no non-compete payment is due if, on departure, the Chairman of the Management Board has the possibility of invoking his pension rights within a short time frame, has claimed his pension rights or has reached the age of 65.

The Supervisory Board indicates in this regard that the non-compete payment is deducted from the severance payment, so that the total amount due for both does not exceed 2 years of the gross fixed and variable compensation received by Fabrice Barthélemy in the 12 months preceding his departure from his office as Chairman of the Management Board.

Under the non-compete clause, Raphaël Bauer would receive a fixed monthly amount, for a maximum of two years, equating to half his monthly salary calculated on the basis of the average gross fixed and variable compensation (excluding benefits in kind) in the 12 months preceding termination of his employment contract. The Company reserves the right to waive the benefit of the non-compete clause.

2.3.5 Compensation of members of the Supervisory Board and its Chairman

2.3.5.1 Compensation policy

The overall compensation package to be paid to members of the Board was set by the Shareholders' Meeting of April 30, 2021 at a fixed total amount of €550,000 taking effect as of January, 1 2021.

The total amount actually paid to all the members of the Supervisory Board during the period ended at December 31, 2021 stood at €513,301, equivalent to 93.32% of the overall compensation package approved by the Shareholders' Meeting.

These amounts have been calculated and paid in accordance with the Internal Regulations of the Board and according to the following criteria approved for the period ended at December 31, 2021:

Amount of compensation by office held

Position	Annual basis (in Euros)
Chairman of the Supervisory Board	35,000(1)
Vice-Chairman of the Supervisory Board	10,000(1)
Member of the Supervisory Board	35,000
Chairman of a Specialized Committee (with the exception of the CSR Committee)	15,000(2)
Member of a Specialized Committee (with the exception of the CSR Committee)	7,000
Chairman of the CSR Committee	5,000(2)
Member of the CSR Committee	2,000
Attendance at a non-permanent ad hoc committee meeting	25,000
Penalties applied in the event of absence	
Absence from a Supervisory Board meeting	3,000
Absence from a Specialized Committee meeting	1,000

(1) Additional compensation to that received as a member of the Supervisory Board
(2) Additional compensation to that received as a member of the Specialized Committee

It is specified that the observers and the member of the Supervisory Board representing employees do not receive any compensation for the offices they hold. However, the Supervisory Board may authorize the reimbursement of any expenses they incur in performing those offices.

Moreover, in accordance with the clarification provided by the Supervisory Board at its meeting of December 3, 2018, the actual attendance condition does not apply to so-called "exceptional" meetings, i.e. to meetings convened at short notice, for reasons beyond the control of the Company, due to the urgency of decisions that must put to the Supervisory Board and that have been brought late to the attention of the Company. Therefore, if certain members of the Supervisory Board are not able to take part in these meetings because they have been convened at short notice, the absence penalties will not be applied.

2.3.5.2 Compensation elements paid or allocated in the 2020 and 2021 periods

The table below presents the compensation elements paid and allocated to members of the Supervisory Board during the periods ending at December 31, 2020 and 2021 on account of their corporate office, in accordance with the compensation policy.

It is specified that the observers and the members representing employees on the Board do not receive any compensation for the offices they hold. The compensation received by members of the Supervisory Board within the framework of their employment contract is not disclosed for confidentiality reasons.

Table 3 - Summary of the compensation paid to each Supervisory Board member (Autorité des Marchés Financiers (the "AMF") nomenclature) *(in Euros)*

Members of the Supervisory Board	Gross amounts allocated for FY 2021	Gross amounts allocated for FY 2020
Eric La Bonnardière - *Chairman of the Supervisory Board*		
Compensation awarded for the office held	70,000	63,000
Other compensation	-	-
Didier Deconinck - *Vice-Chairman of the Supervisory Board*		
Compensation awarded for the office held	45,000	38,000
Other compensation	-	-
Julien Deconinck		
Compensation awarded for the office held	42,000	35,000
Other compensation	-	-
Nicolas Deconinck		
Compensation awarded for the office held	37,000	18,795(1)
Other compensation	-	-
Véronique Laury		
Compensation awarded for the office held	22,493(1)	N/A
Other compensation	-	N/A
Françoise Leroy		
Compensation awarded for the office held	89,000(2)	57,000
Other compensation	-	-
Didier Michaud-Daniel		
Compensation awarded for the office held	77,068(1)(2)	35,000
Other compensation	-	-
Sabine Roux de Bézieux		
Compensation awarded for the office held	71,000(1)(2)	35,000
Other compensation	-	-
Guylaine Saucier		
Compensation awarded for the office held	18,740(1)	50,000
Other compensation	-	-
Agnès Touraine		
Compensation awarded for the office held	41,000	35,000
Other compensation	-	-

(1) It is applied pro rata temporis in the event of appointment, resignation, or change of office during the year as set out in Section 2.2.3.3.

(2) These members received additional compensation amounting to €25,000 for their participation in the ad hoc Committee created within the framework of the simplified tender offer

2.4 Other information about corporate officers

2.4.1 Share subscription or purchase options

At December 31, 2021, no members of the Management Board or the Supervisory Board held Share subscription or purchase options.

2.5 Long-term Incentive Plans (LTIP)

Since 2011, as part of its policy to motivate and encourage the loyalty of its management teams, the Company has put in place, on an annual basis, Long-term Incentive Plans (LTIP).

LTIP are based on the principle of the allocation of Company shares relating to shares existing on the definitive allocation date (or their equivalent in cash) subject to the fulfilment of the performance and attendance conditions by the beneficiary for the duration of the plan, i.e. 3 years. The performance criteria are applicable to all performance shares awarded and to all beneficiaries.

It is specified that the settlement of this plan expressly provides that, in accordance with the recommendation of the Afep-Medef Corporate Governance Code, the Management Board members must not resort to hedging instruments on their performance shares.

The 2018 LTIP created company shares in 2021 on the final allocation date provided for by the plan.

Three LTI plans are currently underway, namely:

- The 2019-2022 and 2020-2023 LTIP, which offer beneficiaries the possibility of being allocated shares at the end of the acquisition period subject to fulfilment of market and non-market performance conditions and the attendance condition. Following the simplified tender offer in 2021, a liquidity contract was proposed by Tarkett Participation for the beneficiaries of these plans in the event that the shares were no longer listed at the end of the acquisition period.
- The new 2021-2024 LTIP, which has been designed directly in cash in view of the company's capital context.

It should also be pointed out that LTIP were introduced in 2021 by Tarkett Participation (company controlling Tarkett and included in the consolidation structure within the meaning of Article L .233.-16 of the Commercial Code). In the context of the simplified tender offer of Tarkett Participation closed on July 15, 2021, the members of the group presenting the offer agreed, in the investment agreement concluded between them, to launch a cash investment and free ordinary shares and preference shares allocation plans after the offer within Tarkett Participation in particular for the benefit of members of the Management Board of Tarkett (as described in section 1.3.3 of the Tarkett Participation information note signed by the AMF n° 21-208 dated June 8, 2021). In addition to an investment by the beneficiaries in Tarkett Participation ordinary shares, this plan includes an exceptional allocation (i) of Tarkett Participation ordinary share, subject to attendance conditions and gradual acquisition by tranche of 25% per year for 4 years and (ii) Tarkett Participation preference shares subject to the same attendance conditions by tranche, granting their holders pecuniary rights in the event of a "Withdrawal" (defined as the initial public offering of Tarkett Participation, the transfer by Wendel of its interest or an event after which the SID would no longer control Tarkett Participation) or the liquidation of the company based on a preference share value dependent on the global investment multiple noted on that occasion ("Project Multiple").

The table below outlines the history of LTIP in force on the publication date of this document.

Table 9 - History of performance share allocations (AMF nomenclature)

	2019-2022 LTIP	2020-2023 LTIP	2021-2024 LTIP (whose valuation is not indexed to a capital instrument)	LTIP 2021-2025 Tarkett Participation
Date of the Shareholders' Meeting	April 26, 2019	April 30, 2020	April 30, 2021	N/A for Tarkett
Date of Management Board's resolution	June 24, 2019	July 30, 2020	October 29, 2021	
Number of shares potentially awarded)[(1)]	400,000	500,000	N/A	3,687,513 Tarkett Participation ordinary shares 5,909,000 Tarkett Participation preference shares
Target amount potentially allocated (Euros)			3,300,000	6,151,957 for Tarkett Participation ordinary shares 7,445,340 for Tarkett Participation preference shares
Number of shares awarded to:				
Fabrice Barthélemy	32,000	55,000	N/A	659,345 Tarkett Participation ordinary shares 1,140,000 Tarkett Participation preference shares
Raphaël Bauer	10 000	12,000	N/A	143,857 Tarkett Participation ordinary shares 228,000 Tarkett Participation preference shares
Share vesting date	July 1, 2022	August 1, 2023	July 1, 2024	25% on October 21, 2022 25% on October 21, 2023 25% on October, 21, 2024 25% on October 21, 2025
Retention period end date	July 1, 2022	August 1, 2023	July 1, 2024	50% on October 21, 2023 25% on October 21, 2024 25% on October 21, 2025
Performance conditions	(2)	(2)	(2)	Attendance conditions and fulfilment of a project multiple for preference shares
Number of shares vested as of the filing date for this Universal Registration Document	0	0	0	0
Cumulative number of cancelled or expired shares	**69,996**	**56,067**	**0**	**0**
Cumulative cancelled or expired amount	N/A	N/A	160,000 Euros	N/A
Number of performance-related shares remaining at December 31, 2021	311 649	439,433	N/A	N/A
Target amount remaining at December 31, 2021	N/A	N/A	2,567,000 Euros	N/A

(1)The number of shares potentially allocated corresponds to the total package approved by the Supervisory Board, on recommendation by the Appointments, Compensation and Governance Committee, and to a performance achievement of 100%, which may vary by 50% for 2019- 2021 plans and 40% for the 2020- 2023 plan and up to 150% depending on the performance calculated.
(2)The performance conditions are indicated in Sections 2.5.1 "LTIP 2019-2022" 2.5.2 "LTIP 2020-2023" 2.5.3. "2021-2024 Long-term Incentive Plan", below.

The regulations and performance criteria of these LTIP have not been changed since their adoption by the Management Board or in the context of the simplified tender offer by Tarkett Participation closed on July 2021.

Within the framework of this offer, all employees and corporate officers holding LTIP currently being acquired and unavailable Tarkett shares have been given the opportunity to conclude a liquidity contract (as described in section 1.3.4 of the Tarkett information leaflet signed by the AMF n° 21-208 dated 8 June 2021). This agreement, concluded with Tarkett Participation, will allow them to transfer the shares concerned to the latter once they have been distributed within the framework of the plan (including those under the 2019-2022 and 2020-2023 LTIP at the time of their acquisition if the Company is no longer listed at that time or if the average exchange volume of Tarkett securities over the last 20 days prior to the availability date is equal to or less than 0.05% of Tarkett's capital on that date).

Retention requirement : In his capacity as Chairman of the Management Board, Fabrice Barthélemy must retain, throughout his entire term of office, a number of Company shares corresponding to 50% of the Company shares allocated (after payment of taxes and social security contributions) within the framework of the long-term incentive plan (LTIP) concerned.

In addition, in his capacity as member of the Management Board, Raphaël Bauer must retain, throughout his entire term of office, a number of Company shares corresponding to 33 % of the Company shares allocated (after payment of taxes and social security contributions) within the framework of the (LTIP) concerned.

In order to allow members of the Executive Committee to sell their shares within the framework of the simplified tender offer, the Supervisory Board has decided, at the proposal of the Appointments, Compensation and Governance Committee, to waive their retention requirement, with the exception of 2 members of the Management Board who have retained their retention requirement.

Performance level: For each LTIP, the performance is based on the attainment of several medium-term criteria according to the details below for plans in force at December 31, 2021.

Plan	Criterion	Criterion weighting	Target performance condition
2019 - 2022	Theoretical value creation for the shareholder	80%	Fulfilment of the strategic plan
	TSR compared with SBF120	20%	100% of TSR SBF120
2020 - 2023	Adjusted EBITDA margin	60%	12%
	TSR compared with a panel of flooring and construction material Companies	20%	100% of TSR of panel
	Reduction in greenhouse gases	10%	- 10% tonnes CO^2e. Compared with 2019 (scope 1 & 2)
	Proportion of recycled materials in raw materials	10%	150,000 tonnes per year in 2022
2021- 2024	Theoretical value creation	80%	€515 million of theoretical value creation
	Reduction in greenhouse gases	10%	- 22% tonnes CO^2e. Compared with 2019 (scope 1 & 2)
	Proportion of recycled materials in raw materials	10%	160,000 tonnes per year in 2023

2.5.1 2019-2022 LTIP

This allocation is governed by the attendance and performance conditions indicated above. The performance conditions are calculated between December 31, 2018 and December 31, 2021.

The theoretical shareholder value is calculated as follows:

adjusted EBITDA (audited, published financial aggregate before application of IFRS16) X **valuation multiple** (based on market multiples) - **Net debt** (audited, published financial aggregate) - **Other debts** (pension debt and option to purchase minority interests).

The target theoretical shareholder value is defined in the strategic three-year plan, by applying the above formula and allowing for the adjusted EBITDA and net debt targets set by the strategic plan.

The strategic plan and its objectives are reviewed and approved by the Supervisory Board.

The theoretical value creation is measured on the basis of the difference between the theoretical shareholder value for the year in which the plan comes to an end (2021 in the case of the 2019-2022 LTIP, calculated on the basis of the audited and published aggregates) and the theoretical shareholder value for the reference year for the plan (2018 in the case of the 2019-2022 LTIP, based on the audited and published aggregates).

If dividends were paid to shareholders during the years covered by the plan, they are reintegrated into the creation of value over the period.

The Total Shareholder Return measures, as a percentage, the change in the average price of a Tarkett share over the last 20 listed prices in 2021 as compared with the last 20 listed prices in 2018, dividends reinvested, as compared with the change in the SBF120 index between December 31, 2021, and December 31, 2018, dividends reinvested. This last indicator is provided by Thomson- Reuters.

With respect to members of the Management Board, the 2019-2022 LTIP represented 11% of the total number of shares potentially allocated in July 2019.

2.5.2 2020-2023 LTIP

This allocation is governed by the attendance conditions and 4 performance conditions indicated above. The performance conditions are calculated between December 31, 2019 and December 31, 2022.

The Total Shareholder Return measures, as a percentage, the change in the average share price over the last 20 listed prices in 2022 as compared with the last 20 listed prices in 2019, dividends reinvested, of Tarkett and the weighted panel.

The Companies included on the panel on the allocation date were: Mohawk Industries Inc., Wienerber AG, Imerys SA, Forbo holding AG, Vicat SA, Polypipe Group PLC, Interface Inc., Uponor Oyj, Victoria PLC, Balta Group NV, Armstrong Flooring Inc.

In the event of a significant change within this panel (e.g. merger - acquisition), the panel and the relative weighting of the Companies constituting the latter may be reviewed by the Management Board with the authorisation of the Supervisory Board.

It should be pointed out that if greenhouses gases represented more than 90% of the 2019 level in 2022, this target would be deemed not to have been reached.

It should also be pointed out that this target would be deemed not to have been reached if less than 150,000 tonnes of our raw materials were recycled.

With respect to members of the Management Board, the 2020-2023 LTIP represented 13.4% of the total number of shares potentially allocated in August 2020.

2.5.3 2021-2024 LTIP

This cash allocation is governed by the attendance conditions and 3 performance conditions indicated above. The performance conditions are calculated between December 31, 2020 and December 31, 2023.

This plan is not linked to a capital instrument. Its result is linked to an economic criterion (theoretical value creation) and two CSR criteria which are identical to those of the 2020-2023 LTIP but with more demanding targets.

The members of the Management Board do not benefit from this plan.

2.6 Shareholder consultation on the compensation awarded to corporate officers

2.6.1 Principles and criteria constituting elements of compensation of corporate officers (“ex-ante” vote - resolutions n° 15 to 18 of the Shareholders' Meeting of April 29, 2022)

2.6.1.1 Principles governing compensation Management Board Members

2.6.1.1.1 Fundamental principles

These principles have been established in accordance with the recommendations of the Afep-Medef Corporate Governance Code, to which the Company refers.

Care is taken to ensure that managers' compensation is competitive, adapted to the strategy and context of the company and is intended to promote the company's performance and competitiveness in the medium and long term by incorporating one or more criteria linked to Social and Environmental Responsibility (CSR).

The following principles are taken into account and rigorously applied:

- **Exhaustiveness**: Care is taken to ensure that the determination of compensation is exhaustive. All the elements of compensation are included in the overall compensation assessment.
- **Balance between elements of compensation**: Care is taken to ensure that each element of compensation is justified and corresponds to the Company's corporate interests.
- **Comparability**: Care is taken to ensure that compensation is assessed in the context of a business and the reference market, among other elements.
- **Consistency**: Care is taken to ensure that the compensation of the corporate executive officer is determined in line with that of other company managers and employees.
- **Clarity of rules**: Care is taken to ensure that the rules are simple, stable and transparent. The performance criteria used correspond to the company's targets and are strict, clear and as sustainable as possible.
- **Measurement**: Care is taken to ensure that the determination of elements of compensation provides a fair balance and takes into account the company's corporate interest, market practice and the performance of managers and other parties involved in the company.

The Company also respects the **principle of equality and non-discrimination** particularly through the equal treatment of men and women.

It is specified that, except in exceptional cases, the payment of all the variable and exceptional components of the compensation of the Chairman of the Management Board relating to his office is subject to a favourable “ex-post” vote by the Shareholders' Meeting in the year following the period in question, under the terms and conditions laid down in Article L.22-10-34 of the French Commercial Code. The elements of compensation of Raphaël Bauer are also put to the "ex post" vote as of 2021.

2.6.1.1.2 Methods for determining and changing the principles applied

The principles for determining the compensation to be paid to Management Board members are set by the Supervisory Board, on recommendation by the Appointments, Compensation and Governance Committee.

They are reviewed annually, taking into account the Group's strategic plan and any changes in legislation and regulations and in good governance practices.

It should be pointed out that, within the framework of the simplified tender offer of Tarkett Participation closed on July 15, 2021, the Tarkett shareholding has changed with the transfer by the SID of its entire holding in the Company to Tarkett Participation and the acquisition of a shareholding by Wendel (minority shareholder). In this context, a new basic level of compensation for the Chairman of the Management Board has been discussed with the Appointments, Compensation and Governance Committee and the Supervisory Board. This new basic compensation takes market data into account. It may be applied as of January 1, 2022 after consultation and approval at the Shareholders' Meeting of April 29, 2022.

The compensation policy for members of the Management Board is put to an “ex ante” vote each year at the Shareholders' Meeting, which approves in advance the principles governing compensation owed for the current period.

The Shareholders' Meeting also conducts "ex post" voting on variable and exceptional elements of compensation to be paid for the previous period in accordance with the information in Section 2.6.1.1.1 above.

It should be pointed out, however, that the order of November 27, 2019 implemented within the framework of the Pacte law allows companies to depart from their compensation policy in the event of exceptional circumstances which could significantly affect the level of attainment of one or more performance criteria.

In this context, the Board, at the proposal of the Appointments, Compensation and Governance Committee may, in the case of exceptional circumstances, adjust one or more criteria making up the variable compensation of the Chairman of the Management Board or each member of the Management Board either upwards or downwards within the limits of the maximum levels indicated for each element of variable compensation.

It should be pointed out that this exceptional adjustment must be justified, must respect the Company's corporate interest and must only be temporary, pending the approval of said adjustment by the next Shareholders' Meeting. It should also be pointed out that this exceptional adjustment must be communicated clearly and in detail so that the shareholders are able to reach a decision at the next Shareholders' Meeting.

This right granted to the Supervisory Board means, on the one hand, that the compensation policy can be brought in line with the performance of Chairman of the Management Board and the Group's performance and, on the other, that the Company's interests can be aligned with those of its shareholders and its corporate executive officer.

2.6.1.1.3 Criteria constituting compensation for members of the Management Board

Fixed compensation

The fixed compensation is approved by the Supervisory Board, on proposal by the Appointments, Compensation and Governance Committee. It is in line with market practices, in order to ensure that the Company remains competitive and attractive. This positioning is measured on the basis of compensation surveys, as well as more qualitative feedback (executive search firm).

Annual variable compensation

Objective: Variable annual compensation is designed to reward performance in the previous period. The payment of this variable component is subject to achievement of simple and measurable objectives (both quantifiable and qualitative) closely linked to the Group's objectives and regularly communicated to shareholders.

Functional principles:

The variable compensation consists of two components:

- the first is based on quantifiable objectives defined at the beginning of the period, representing 70% of the variable annual compensation of members of the Management Board where the objectives have been achieved 100%.

For the last thirteen years, the adjusted EBITDA and Operating Cash Flow have been the key indicators for measuring this quantifiable component of the variable annual compensation.

These key indicators may be supplemented by other relevant indicators in any given year. The weighting given to each of the criteria is decided by the Supervisory Board.

The target level set for each of the quantifiable criteria is information that is strategically and economically sensitive and cannot be made public.

The level achieved will be communicated once the performance analysis is complete;

- the second component is based on qualitative objectives defined at the beginning of the period based on the challenges faced by the Group.

The variable annual compensation may vary from:

- 0% to 200% based on the quantifiable economic criteria that make up 70% of the variable compensation; and
- from 0% to 100% based on the individual qualitative criteria that constitute 30% of the variable compensation.

It should be pointed out that this variable compensation structure applies to other Group managers and executives.

Exceptional compensation

By definition and in accordance with the Afep-Medef Corporate Governance Code recommendations, exceptional compensation may only be granted under very specific circumstances.

Medium-term compensation - LTIP

Objective: The objective of the medium-term compensation plans is to attract and reward beneficiaries if medium and long-term financial objectives are reached or exceeded internal and external targets, including Corporate Social and Environmental (CRS) targets. All objectives are measured over a period of 3 years.

The *Long Term Incentive Plans* ("LTIP") were introduced in July 2011 as part of an annual allocation policy for performance-related shares - or their equivalent in cash. Definitive allocation occurs subject to the twofold condition of attendance after 3 years and Company performance.

The suitability and amount of performance share allocations are assessed taking investment and incentive plans into account within Tarkett Participation, where applicable.

By way of an example, no Tarkett performance shares were allocated to members of the Management Board in 2021 in the context of the investment and incentive plan introduced within Tarkett Participation on the occasion of the simplified tender offer of Tarkett Participation closed on July 15, 2021 (see table 6).

Legal framework: These LTIP were introduced in the form of bonus share allocations governed by the plan outlined in Article L.22-10-59 of the French Commercial Code (previously Article L225-197 et seq of the same). Between 2012 and 2014, the Long-term Incentive Plans set up fell outside the scope of this legal framework and could be paid out in cash. Since 2015, LTIP have been reintroduced within the framework of the plan outlined in Article L.22-10-59 of the French Commercial Code, with the exception of the 2021-2024 LTIP. This practice may be adapted depending on regulatory developments or legal circumstances or changes in the Tarkett trading market making the use of this plan restrictive or impossible.

Attendance condition: Except under exceptional circumstances, vesting of the shares is subject to the Management Board members remaining with the Company until the end of the vesting period. The Management Board, or the Supervisory Board in the case of the Chairman of the Management Board, may decide to waive this condition in exceptional circumstances and in the light of the recommendations of the AMF.

Retention requirement The Chairman of the Management Board is a beneficiary of the 2019-2022 and 2020-2023 LTIP and is subject to a requirement to retain, for the term of his office, 50% (after tax and social security contributions) of the Tarkett shares actually vested when the plans come to an end.

This retention requirement is equivalent to 33% for the other member of the Management Board who also benefits from the same plans.

With the exception of the Long-term Incentive Plans set up annually, the Chairman of the Management Board does not benefit from multi-year compensation.

Supplementary Pension Plan

The Group had chosen until now not to introduce any supplementary pension plans. However, in view of the changes both in the market (numerous listed companies of a comparable size have a supplementary pension plan) and in pension systems in France, a proposal has been put forward to introduce a defined benefit pension plan governed by Article L137-11-2 for the Chairman of the Management Board in 2022.

The introduction of a mandatory pension savings plan (PERO) will also be proposed from 2022 with employee contributions in addition to those of the employer for Tarkett senior executives in France, defined by level IV of the Collective Agreement for the textile sector, which includes the member of the Management Board.

2.6.1.2 Criteria constituting compensation for the Chairman of the Management Board

2.6.1.2.1 Criteria constituting compensation for the Chairman of the Management Board

The components of the compensation are as follows:

- fixed compensation;
- variable annual compensation;
- medium-term compensation (with performance-related shares);
- loss of office payments;
- non-compete payments;
- contributions to a specific unemployment insurance policy for corporate officers;
- a supplementary retirement plan with defined benefits, governed by Article L137-11-2 of the social security code, may also be introduced in 2022.
- other components and benefits in kind.

2.6.1.2.2 Application to the 2022 annual compensation of the Chairman of the Management Board

Compensation

Fixed compensation: In order to take market data into account, fixed compensation amounting to €700,000 gross per year (compared with €575,000, unchanged since his appointment in January 2019) applied retroactively from January 1, 2022, is proposed at the Shareholders' Meeting of April 29, 2022

Variable compensation:

Variable compensation is payable no later than the month following the Shareholders' Meeting authorising the payment of this compensation for the previous year within the framework of the ex-post vote.

This variable compensation consists of two components:

- the first component is based on quantifiable goals defined at the beginning of the period by the Supervisory Board, on recommendation by the Appointments, Compensation and Governance Committee, and represents 70% of the annual fixed compensation (if the quantifiable objectives are achieved) to which a coefficient ranging from 0% to 200% is applied, with the result that it may represent up to 140% (if the goals are exceeded) of the annual fixed compensation, based on a linear progression;
- the second component is based on qualitative goals defined at the beginning of the period by the Supervisory Board, on recommendation by the Appointments, Compensation and Governance Committee, and represents 30% of the annual fixed compensation (if the qualitative objectives are achieved) to which a coefficient ranging from 0% to 100% is applied, with the result that it may represent up to 30% of the annual fixed compensation.

The 2022 qualitative objectives of the Chairman of the Management Board, Fabrice Barthélemy, are being finalized at the time of publication of this document.

Benefits

- **Supplementary retirement plan with defined benefits** governed by Article L137-11-2 from 2022, with a fixed and variable annual compensation percentage in the form of an annuity of 1% and submitted to a performance condition determined by the Board on recommendation by the Appointments, Compensation and Governance Committee
- **Healthcare insurance**: Benefit of the existing healthcare insurance taken out by the Company.
- **Welfare scheme**: Benefit of the Group welfare scheme (death, incapacity, disability) applicable to the Company's employees.
- **Civil liability insurance**: Benefit of the existing managers' civil liability insurance taken out by the Company.
- **Unemployment insurance**: Benefit of an unemployment insurance policy for corporate officers (garantie social de chef d'entreprise) for Fabrice Barthélemy, providing him, upon acceptance of the Insurer, with cover in the event of his forced departure (under an "F 70" (70%) policy).
- **Company car**: Use of a company

Terms and conditions of cessation of office

Non-compete commitment

Term: 2 years.

Amount:

A non-compete payment equal to the gross fixed and variable compensation received by Fabrice Barthélemy in the twelve months prior to his departure from his office as Chairman of the Management Board, to be paid in 24 monthly instalments for the duration of the non-compete commitment.

Terms and conditions:

It is pointed out that the Company reserves the right to waive this clause within a reasonable time, as decided by the Supervisory Board, on recommendation by the Appointments, Compensation and Governance Committee.

In accordance with the recommendations of the Afep-Medef Corporate Governance Code referred to by the Company, no non-compete payment is due if, on departure, the Chairman of the Management Board has the possibility of invoking his pension rights within a short time frame, has claimed his pension rights or has reached the age of 65.

The Supervisory Board indicates in this regard that the non-compete payment is deducted from the severance payment, so that the total amount due for both does not exceed 2 years of the gross fixed and variable compensation received by Fabrice Barthélemy in the 12 months preceding his departure from his office as Chairman of the Management Board.

Severance payment

Amount:
The severance payment equates in an amount equal to two years of the gross fixed and variable compensation received by Fabrice Barthélemy in the 12 months prior to his forced departure from his office as Chairman of the Management Board.

Performance criteria:
Performance is measured on the basis of the level of achievement of the annual objectives set by the Supervisory Board, on proposal by the Appointment, Compensation and Governance Committee, which serve to calculate the variable remuneration. It is equivalent to the average performance achieved by Fabrice Barthélemy over the 3 calendar years preceding his departure.

- If the performance level is below 50%, the payment will be equal to 50%. This 50% minimum, except in case of gross or serious misconduct, was proposed by Tarkett Board in the context of heavy uncertainties weighing on the global economy and having direct repercussions on the achievement of the annual objectives, and would apply to any forced departure from January 1, 2022.
- If the performance level is between 50% and 100%, the payment is calculated strictly in proportion to the performance level amount. (For example: if the performance level is equal to 90%, the forced departure payment paid is 90% of the amount as defined in the first paragraph).
- If the performance level is equal to 100% or above, the payment is due in full.

Payment:
This severance is due in the event of forced departure of the corporate officer, including, in particular, because of a change of control or a disagreement as to strategy, on the initiative of the Supervisory Board, regardless of whether the officer's term was terminated early or not renewed.

No severance payment is due if Fabrice Barthélemy has committed gross misconduct (defined wrongdoing of an extremely serious nature preventing any continuation of the corporate office) or serious misconduct (defined as wrongdoing of an extremely serious nature committed by an officer with the intention of harming the Company) or has the possibility of claiming his pension rights in the near future.

Common ceiling:
Should Fabrice Barthélemy be eligible for both the severance payment and the non-compete payment, the total amount that he receives will be limited to two years of the gross fixed and variable compensation received in the twelve months prior to his forced departure for his office as Chairman of the Management Board.

Non-solicitation clause

Fabrice Barthélemy undertakes to refrain from soliciting, directly or indirectly, any employee or corporate officer of Tarkett in the 24 months following his departure from the Company:.

Shares arising from LTIP

The Chairman of the Management Board is one of the beneficiaries of the Long-Term Incentive Plans and is bound by the terms and conditions of these plans.

The Chairman of the Management Board will not benefit from the 2022-2025 LTIP if it is introduced by the Company.

The Chairman of the Management Board is obliged to hold Tarkett shares up to a level of 50% of Tarkett shares allocated within the framework of LTIP - after deduction of associated tax and social security contributions - throughout his entire term of office.

Other compensation
The Chairman of the Management Board does not receive any compensation for any office held within the Tarkett Group. He will not benefit either from deferred, multi-year or exceptional compensation.

2.6.1.3 Criteria constituting compensation for the Management Board member

2.6.1.3.1 Criteria constituting compensation for member of the Management Board

The components of the compensation are as follows:

- fixed compensation;
- variable annual compensation;
- medium-term compensation (with performance-related shares);
- non-compete payments;
- a supplementary pension plan with defined contributions (PERO)
- other components and benefits in kind.

2.6.1.3.2 Application to the 2021 annual compensation of the Management Board member

It should be pointed out that only the Chairman of the Management Board is compensated for his position on the Management Board and that Raphaël Bauer does not receive any compensation for his offices as member of the Management Board.

The characteristics of the employment contract binding Raphaël Bauer to the Company are as follows:

- Term of the contract: an open-ended contract
- Notice periods: 3 months, in accordance with the collective labour agreement applicable to Company employees falling within the "Executives" category
- Terms and conditions for removal from office or termination: The terms and conditions for termination are those authorised under the prevailing legislation and regulations and laid down in the collective labour agreement applying the Company employees.

Compensation

Fixed compensation: €260,000 gross per year

An increse of 6.1% was proposed compared to Raphaël Bauer's 2020 fixed compensation in order to continue the alignment with the market of positions of Chief Financial Officers of comparable companies.

Variable compensation: 50%

Variable compensation is payable no later than the month following the Shareholders' Meeting authorizing this variable component for the previous year.

This variable compensation consists of two components:

- the first component is based on quantifiable goals defined at the beginning of the period by the Supervisory Board, on recommendation by the Appointments, Compensation and Governance Committee, and represents 35% of the annual fixed compensation if the quantifiable objectives are achieved) to which a coefficient ranging from 0% to 200% is applied, with the result that it may represent up to 70% (if the goals are exceeded) of the annual fixed compensation, based on a linear progression;
- the second component is based on qualitative goals defined at the beginning of the period by the Chairman of the Management Board, and represents 15% of the annual fixed compensation (if the qualitative objectives are achieved) to which a coefficient ranging from 0% to 100% is applied, with the result that it may represent up to 15% of the annual fixed compensation.

For 2022, the personal qualitative goals of Raphaël Bauer related in particular to:

- Contribution to strategic options
- Anticipation and forecasting of external impacts
- Oversee review of purshasing effeiciency
- Tools and digitalization
- Development and diversity of finance function
- CSR (reinforcement of anti-corruption controls, carbon emission investments impacts, etc.)

Benefits

- **Company car**: Use of a company car.
- **Healthcare insurance**: Benefit of the existing healthcare insurance taken out by the Company.
- **Welfare scheme**: Benefit of the Group welfare scheme (death, incapacity, disability) applicable to the Company's employees.
- **Supplementary pension plan** with defined contributions in the form of a mandatory pension savings plan (PERO) from 2022 with employer contributions of 4% and employee contributions of 2%.

Terms and conditions of cessation of office

Non-compete commitment

Term: 2 years.

Amount:

A non-compete payment is equal to half of the gross fixed and variable compensation received by Raphaël Bauer in the twelve months prior to the termination of his contract, to be paid in 24 monthly instalments for the duration of the non-compete commitment.

Terms and conditions:

It is pointed out that the Company reserves the right to waive this clause within a reasonable time, as decided by the Supervisory Board, on recommendation by the Appointments, Compensation and Governance Committee.

Shares arising from LTIP

The member of the Management Board is one of the beneficiaries of the various Long-Term Incentive Plans and is bound by the terms and conditions of these plans.

The member of the Management Board will not benefit from the 2022-2025 LTIP if it is introduced by the Company.

The member of the Management Board is obliged to hold Tarkett shares up to a level of 33 % of Tarkett shares allocated within the framework of LTIP - after deduction of associated tax and social security contributions -

Other compensation

The member of the Management Board does not receive any compensation for any office held within the Tarkett Group. He will not benefit either from deferred, multi-year or exceptional compensation.

2.6.1.4 Principles and criteria constituting elements of compensation received by the members of the Supervisory Board and its Chairman

Principles

Based on the total amount approved by the Shareholders' Meeting, the Supervisory Board allocates an amount to its members, on proposal by the Appointments, Compensation and Governance Committee.

This overall amount is distributed among the members of the Supervisory Board based on their actual attendance at meetings of the Supervisory Board and of its specialised committees.

Finally, it is specified that under the Company's internal regulations, the members of the Supervisory Board are required to use half of the compensation their receive each year for their offices as Supervisory Board members to acquire and hold at least 1,000 Tarkett shares.

Application

The maximum amount of compensation paid to Board members for their offices, authorised by the Shareholders' Meeting of April 30, 2021, was fixed at €550,000.

This package will be distributed as follows:

> each Member of the Supervisory Board receives €35,000 annually;
  - a penalty of €3,000 is applied if a member fails to attend a duly convened meeting of the Supervisory Board;

> an additional €35,000 a year will paid to the Chairman of the Supervisory Board;

> an additional €10,000 a year will paid to the Vice-Chairman;

> €7,000 a year will paid to each member of the Appointments, Compensation and Governance Committee and the Audit, Risks and Compliance Committee;

> an additional €15,000 a year will paid to the Chairmen of these two Committees;

> €2,000 a year will paid to each member of the CSR Committee;

> an additional €5,000 a year will paid to the Chairman of this Committee;
  - a penalty of €1,000 is applied if a member fails to attend a duly convened meeting of a specialised committee.

The balance of the €550,000 package not used to compensate participation in Boards and Special Committees may be shared between the Board members participating in these Committees on a non-permanent, ad hoc basis to analyse specific, major projects for the Group introduced at the decision of the Board. The amount to be paid in this regard, distributed in proportion to the number of meetings and the time allocated, will be decided by the Supervisory Board, on proposal by the Appointments, Compensation and Governance Committee.

In addition, as stated at the Supervisory Board meeting of December 3, 2018, the Supervisory Board felt that it would be legitimate not to apply the attendance condition to so-called "exceptional" meetings, i.e. to meetings convened at short notice, for reasons beyond the control of the Company, due to the urgency of decisions that must put for prior approval to the Supervisory Board and that have been brought late to the attention of the Company.

The allocated amounts will be calculated on a *prorata temporis* basis according to the term of office during the period.

The manner in which compensation is distributed between the members of the Supervisory Board (including compensation of the Chairman and Vice Chairman) may be adjusted by the Board in the event of a change in composition or to take work loads and responsibilities into account.

Observers and members of the Supervisory Board representing employees

The observers and the member of the Supervisory Board representing employees do not receive any compensation for the offices they hold. However, all the expenses incurred for their duties as observers or members of the Supervisory Board representing employees will be reimbursed upon presentation of supporting documents.

2.6.2 Elements of compensation paid during or allocated for Fiscal 2021 (“ex-post” vote - resolutions n° 12 to 14 of the Shareholders' Meeting of April 29, 2022)

2.6.2.1 Elements of compensation paid during or allocated to Fabrice Barthélemy for Fiscal 2021 (resolution n°12)

<table>
<tr><th>Elements of compensation</th><th>Amount or accounting value submitted to the vote for approval (in €)</th><th>Comments</th></tr>
<tr><td>Fixed compensation</td><td>575,000</td><td>Amount owed (gross before tax) unchanged since 2019</td></tr>
<tr><td>Annual variable compensation</td><td>375,251</td><td>Compensation calculated for the period from January 1 to December 31, 2021 not yet paid.
<table>
<tr><th>Criterion</th><th>Minimum</th><th>Target objective</th><th>Maximum</th><th>Degree of fulfilment</th></tr>
<tr><td>EBITDA</td><td>0</td><td>40%</td><td>80%</td><td>48%</td></tr>
<tr><td>OCF</td><td>0</td><td>30%</td><td>60%</td><td>64%</td></tr>
<tr><td>Individual criteria</td><td>0</td><td>30%</td><td>30%</td><td>90%</td></tr>
</table>
For information, the annual variable compensation allocated for 2020 and paid during 2021 after the Shareholders' Meeting of April 30, 2021 amounted to €699,430.</td></tr>
<tr><td>Performance-related shares</td><td>0</td><td>No Tarkett performance-related shares were allocated in 2021. The Company does not allocate any share options.</td></tr>
<tr><td>Valuation of benefits of all kinds</td><td>2,559</td><td>Company car</td></tr>
<tr><td>Severance payment</td><td>0</td><td>In the event of a forced departure from an office as corporate officer, the severance payment would equate to 2 years' of the gross fixed and variable compensation received by Fabrice Barthélemy in the 12 months preceding his forced departure from his office as Chairman of the Management Board.

This payment is subject to a performance criterion that is measured by the level of achievement of the annual objectives serving to calculate the variable compensation. It is equivalent to the average performance achieved by Fabrice Barthélemy over the 3 calendar years preceding his departure as Chairman of the Management Board.

The severance payment is subject to a performance level of between 50% and 100%. If the performance level is less than 50%, no payment was due.

No severance payment would be due if Fabrice Barthélemy were to commit gross or serious misconduct or had the possibility of claiming his pension rights in the near future.</td></tr>
<tr><td>Non-compete compensation</td><td>0</td><td>The non-compete payment would be equal to the gross fixed and variable compensation received by Fabrice Barthélemy in the twelve months prior to his departure from his office as Chairman of the Management Board, and would be payable in 24 monthly instalment for the duration of the non-compete commitment.

The Company reserves the right to waive the benefit of the non-compete clause.

No non-compete payment may be paid if, on departure, the Chairman of the Management Board has the possibility of claiming his pension rights in the near future or has reached the age of 65.</td></tr>
</table>

2.6.2.2 Elements of compensation paid during or allocated to Raphaël Bauer for Fiscal 2021 (resolution n°13)

Elements of compensation	Amount or accounting value submitted for approval *(in €)*	Comments
Fixed compensation	245,000	Amount owed (gross before tax) unchanged since 2020
Annual variable compensation	79,945	Compensation calculated for the period from January 1 to December 31, 2021 not yet paid.

Criterion	Minimum	Target objective	Maximum	Degree of fulfilment
EBITDA	0	40%	80%	48%
OCF	0	30%	60%	64%
Individual criteria	0	30%	30%	90%

Elements of compensation	Amount or accounting value submitted for approval *(in €)*	Comments
		For information, the annual variable compensation allocated for 2020 and paid during 2021 amounted to €116,267.
Exceptional compensation	60,000	Payment of a bonus validated by the Supervisory Board as thanks for its exceptional contribution to the plan to change the Group's capital and refinancing structure.
Performance-related shares	0	No Tarkett performance-related shares were allocated in 2021. The Company does not allocate any share options.
Valuation of benefits of all kinds	3,716	Company car
Severance payment	0	
Non-compete compensation	0	

2.6.2.3 Elements of compensation paid or allocated to Eric La Bonnardière as Chairman of the Supervisory Board for Fiscal 2021 (resolution n° 14)

Elements of compensation	Amount or accounting value submitted for approval (in €)	Comments
Fixed compensation	70,000	Amount owed (gross before tax)

It should be pointed out that the Chairman of the Supervisory Board receives fixed compensation of €35,000 for his role is member of the Supervisory Board and additional compensation of €35,000 for his role as Chairman of the Supervisory Board

2.6.2.4 Equity ratios between the compensation paid to the Chairmen of the Management Board and of the Supervisory Board and the average and median compensation paid to employees.

This presentation has been drawn up in accordance with the provisions of the PACTE Act.

The following ratios have been calculated on the basis of fixed and variable compensation, incentives and benefits in kind due during the years in question.

Consideration of the awarded amount of compensation began in 2020 to ensure that the variable amounts for a given year were aligned as far as possible with the economic and financial performances of that same year.

The ratios have also been calculated taking into account the performance-related shares allocated and valued at their fair value as well as the 2021 LTIP allocations of Tarkett Participation.

The average and median amounts have been calculated for all employees in France present throughout the whole of the year concerned, representing a broader scope than the one required by law.

	2017	2018	2019	2020	2021[1]
Average salary France	60,817	55,105	60,252	62,205/61,615	63,945/70,226
Median salary France	43,240	42,135	46,234	47,903/47,372	49,274
Chairman of the Management Board					
Compensation paid to Chairman of the Management Board	2,588,508	1,472,662	1,693,411	1,794,646/1,775,479	952,810/3,489,210
Ratio based on the average compensation	43	27	28	29	15/50
Ratio based on the median compensation	60	35	37	37	19/71
Chairman of the Supervisory Board					
Compensation paid to Chairman of the Supervisory Board	70,000	70,000	85,000	85,000/63,000	70,000
Ratio based on the average compensation	1.2	1.3	1.4	1.4/1.0	1.0
Ratio based on the median compensation	1.6	1.7	1.8	1.8/1.3	1.4

[1]The variable amounts and incentives due for 2021 taken into account for the calculation of the average and median amounts are estimates based on the data available at the time of publication of this document. The 2021 figures may be readjusted in the next Universal Registration Document.

With regard to the compensation ratios in 2020, the first figure per line takes into account the theoretical basic compensation whilst the second figure includes reductions in compensation due to the COVID-19 pandemic. The ratios are comparable in both cases for the Chairman of the Management Board.

With regard to the compensation ratios in 2021, the first figure per line excludes the exceptional LTIPs of Tarkett Participation. The second figure includes the exceptional LTIPs of Tarkett Participation.

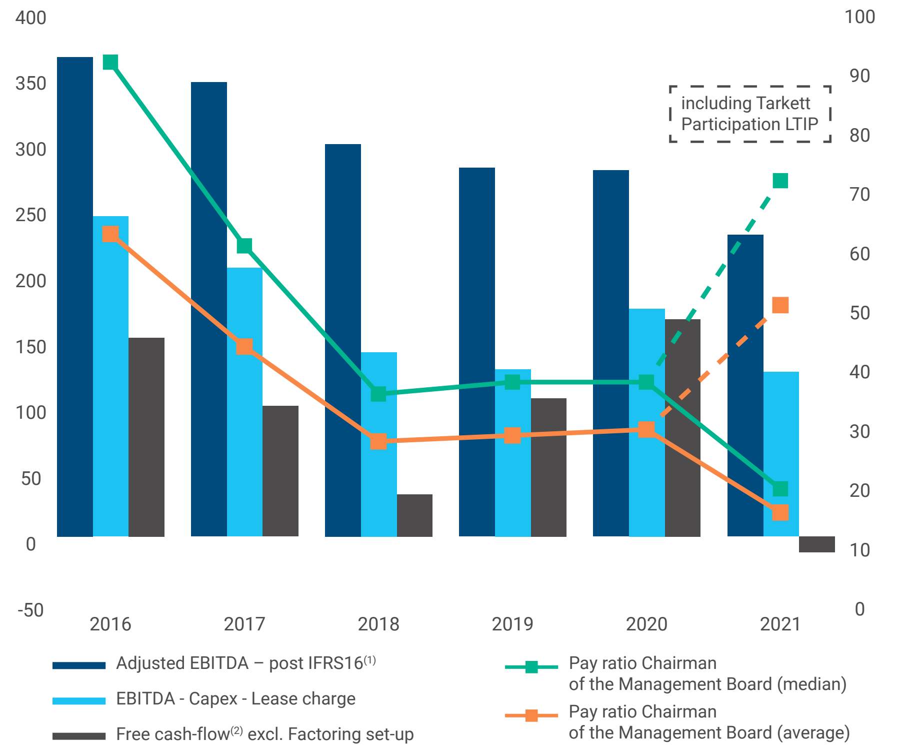
The compensation taken into account for the calculation of ratios concerning the Chairman of the Management Board are a combination of compensation paid to the following individuals in proportion to their attendance:

- Michel Giannuzzi until August 31, 2017 inclusive;
- Glen Morrison from September 1, 2017 to September 17, 2018 inclusive;
- Fabrice Barthélemy from September 18, 2018.

The compensation taken into account for the calculation of ratios concerning the Chairman of the Supervisory Board are a combination of compensation paid to the following individuals in proportion to their attendance:

- Didier Deconinck until April 26, 2018;
- Eric La Bonnardière since that date.

Comparison between the changes in the compensation ratios concerning the Chairman of the Management Board and the company's financial performance



(1)The adjusted EBITDA is the operating result before depreciation and amortisation restated for the following income and expenses: restructuring costs intended to improve the Group's future profitability, capital gains and losses generated from significant asset transfers, provisions and reversals of provisions for loss of value, costs relating to business combinations and legal restructuring, expenses linked to compensation in shares and other one-off elements considered by their nature to be non-recurrent.

(2)The free cash flow is the operating cash flow before variations in working capital, plus the following receipts (or minus the following disbursements): the variation in the working capital, the reimbursement of rent governed by rental contracts, net interest received (paid), net tax collected (paid), various operational elements collected (disbursed), the acquisition or tangible and intangible assets and the income (loss) from fixed asset disposals.

2.7 Profit-sharing agreements and incentive schemes

2.7.1 Profit-sharing agreements and incentive schemes

Profit-sharing agreements and incentive schemes have been in place for many years within the Group companies in France and extend to all French employees.

There are three principal profit-sharing agreements with their own calculation formulas, adjusted to the reality of each entity and taking into account value creation, as well as criteria relating to safety in the workplace and commitment to Corporate Social and Environmental Responsibility (CSR). The duration of each agreement is three years.

2.7.2 Company savings plans and similar schemes

The Group created a company savings plan on June 29, 2004, for a term of one year, renewable automatically. This plan offers employees, based in France, who have been with the Company for over three months the ability to allocate amounts paid to them immediately and in full to subscribe for shares in company investment funds (FCPE). In particular, this plan can receive amounts from an incentive scheme or profit-sharing agreement, as well as voluntary payments.

2.8 Security transactions by corporate officers

The table below shows, for Fiscal 2021, the share acquisitions, disposals and exchanges, as well as transactions in closely related financial instruments, that fall within the scope of Articles L.621-18-2 and R.621-43-1 of the French Monetary and Financial Code and Article 19 of Regulation (EU) No. 596/2014 of April 16, 2014, on market abuse and that have been the object of disclosure to the AMF:

Identification	Positions held within the Company on the date of the transaction	Nature of the transaction	Financial instrument	Place of the transaction	Number of securities	Unit price (in €)	Date of the transaction	Amount (in €)
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	144	20.00	21/10/2021	2,880.00
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the M	Buy	Share	Euronext Paris	175,536	20.00	20/10/2021	3,510,720.00
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	15,627	19.99	18/10/2021	312,383.73
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	523	19.99	15/10/2021	10,454.77
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	224	19.99	13/10/2021	4,477.76
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	6,455	19.97	06/10/2021	128,906.35
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	573	19.98	05/10/2021	11,448.54

Security transactions by corporate officers

Identification	Positions held within the Company on the date of the transaction	Nature of the transaction	Financial instrument	Place of the transaction	Number of securities	Unit price (in €)	Date of the transaction	Amount (in €)
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	918	19.97	04/10/2021	18,332.46
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	7,145	19.97	29/09/2021	142,685.65
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	23,628	19.95	28/09/2021	471,378.60
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	14,128	19.99	27/09/2021	282,418.72
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	16,514	20.00	20/09/2021	330,280.00
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	3,908	19.86	15/09/2021	77,612.88
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Outside negotiation platform	2,526	19.90	10/09/2021	50,267.40
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Outside negotiation platform	4,258	19.78	10/09/2021	84,223.24
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	14,064	20.00	01/09/2021	281,280.00
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	1	20.00	30/08/2021	20.00
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	3	20.00	30/08/2021	60.00
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	243	20.00	26/08/2021	4,860.00
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	243	20.00	26/08/2021	4,860.00
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	232	20.00	26/08/2021	4,640.00
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Outside negotiation platform	775,138	20.00	20/08/2021	15,502,760.00
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	498	20.00	28/07/2021	9,960.00
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	610,675	20.00	22/07/2021	12,213,500.00

Security transactions by corporate officers

Identification	Positions held within the Company on the date of the transaction	Nature of the transaction	Financial instrument	Place of the transaction	Number of securities	Unit price (in €)	Date of the transaction	Amount (in €)
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Buy	Share	Euronext Paris	1,008,863	20.00	21/07/2021	20,177,260.00
DDA	Legal entity linked to Didier Deconinck, Vice-Chairman of the Supervisory Board	Transfer	Share	Euronext Paris	92,560	20.00	09/07/2021	1,851,200.0
Didier Deconinck	Member of the Supervisory Board	Transfer	Share	Euronext Paris	36,000	20.00	09/07/2021	€720,000.00
Bernard André Deconinck	Observer at Supervisory Board meetings	Transfer	Share	Euronext Paris	21,036	20.00	07/07/2021	420,720.00
SRL HERITAGE FUND	Legal entity linked to Bernard-André Deconinck, Observer at Supervisory Board meetings	Transfer	Share	Euronext Paris	20,000	20.00	06/07/2021	400,000.00
Fabrice Barthélemy	Chairman of the Management Board	Transfer	Share	Euronext Paris	11,000	20.00	02/07/2021	220,000.00
Raphaël Bauer	Member of the Management Board	Transfer	Share	Euronext Paris	7,909	20.00	01/07/2021	158,180.00
Nicolas Deconinck	Member of the Supervisory Board	Transfer	Share	Euronext Paris	4,000	20.00	28/06/2021	80,000.00
Fabrice Barthélemy	Chairman of the Management Board	Transfer	Share	Outside negotiation platform	45,077	20.00	25/06/2021	901,540.00
Eric La Bonnardière	Chairman of the Supervisory Board	Transfer	Share	Euronext Paris	16,971	20.00	22/06/2021	339,420.00
Tarkett Participation	Legal entity linked to Eric La Bonnardière, Chairman of the Supervisory Board	Buy	Share	Outside negotiation platform	33,222,659	11.98	23/04/2021	398,007,454.82
Société Investissement Deconinck	Legal entity linked to Eric La Bonnardière, Chairman of the Supervisory Board	Transfer	Share	Outside negotiation platform	33,222,659	11.98	23/04/2021	398,007,454.82

2.9 Other information

2.9.1 Declarations linked to corporate governance

2.9.1.1 Conflict of interest

To the Company's knowledge and apart from the matters set out in Sections 2.2.3.2 and 2.9, at December 31, 2021, there were no potential conflicts of interest between the duties of Management Board or Supervisory Board members vis-à-vis the Company and their private interests or other duties. Indeed, in accordance with Article 2.2. of the Internal Regulations of the Supervisory Board, each of its members has the obligation to inform it of any conflicts of interest, even if potential.

Notwithstanding the provisions of Section 2.5, "Long-term Incentive Plans (LTIP)", at December 31, 2021 and the rules relating to the prevention of insider trading and the recommendations of the Afep-Medef Corporate Governance Code imposing a share retention requirement, no restrictions have been accepted by the members of the Management and Supervisory Boards concerning the transfer of their holdings in the Company's equity capital.

2.9.1.2 Personal information relating to corporate officers

At December 31, 2021, there were no family relationships between the Company's officers other than the fraternal relationship between Didier Deconinck (Vice-Chairman of the Supervisory Board) and Bernard-André Deconinck (observer) and between these two members of the Board and Eric la Bonnardière (Chairman of the Supervisory Board), Nicolas Deconinck (Supervisory Board Member) and Julien Deconinck (Supervisory Board Member), their nephews.

Other than the agreements set out in Sections 2.9.2, there are no business ties between the members of the Supervisory Board and the Management Board, on the one hand, and the Company, on the other.

To the Company's knowledge, over the course of the past five years:

> no corporate officer has been convicted of fraud;

> none of the corporate officers has been associated in any bankruptcy, receivership or liquidation;

> none of the corporate officers have been held guilty of an offence and/or had an official public sanction imposed by statutory or regulatory authorities (including designated professional bodies); and

> none of the aforementioned persons has ever been prevented by a court from acting as a member of an administrative, management, or supervisory body of an issuer, nor from being involved in the management or conduct of the business of an issuer.

2.9.2 Regulated agreements

2.9.2.1 Procedure for reviewing current and regulated agreements

In accordance with Article L.22-10-29 of the French Commercial Code, the Supervisory Board adopted an internal Group policy ("the Policy") making it possible to categorize agreements subject to the regulated agreements procedure and to distinguish them from agreements relating to the ordinary course of business entered into under normal conditions, as well as to facilitate compliance by the Group with the new statutory requirements on this matter that provide for regular review of the conditions under which the various agreements are entered into and for their categorisation to be analysed. This Policy was reviewed in advance by the Statutory Auditors and the Audit, Risks and Compliance Committee.

In addition to summarzsing the legislative and regulatory framework applicable to the different types of agreement likely to be concluded, this Policy sets out a procedure for regular review by the Supervisory Board of the terms and conditions for the conclusion of standard agreements entered into and makes it clear that persons with a direct or indirect interest in any such agreement may not take part in that review.

2.9.2.2 Service agreement with Société Investissement Deconinck (SID)

The Company has entered into a service agreement with (SID) under which the latter can avail itself of the Company's administrative support services in relation to business management, tax declaration and accounting, for a fixed annual fee of €55,000, before tax.

It should also be pointed out that the following individuals:

- Eric La Bonnardière, in his capacity as Chairman of the Supervisory Board of the Company;
- Didier Deconinck, in his capacity as Vice-Chairman of the Supervisory Board of the Company;
- Julien Deconinck, in his capacity as member of the Supervisory Board of the Company;
- Nicolas Deconinck, in his capacity as member of the Supervisory Board of the Company; and
- Bernard-André Deconinck, in his capacity as observer of the Supervisory Board of the Company;

have stated that they are indirectly interested in the agreements outlined above even though they are not party to them.

2.9.2.3 Assistance and guidance agreement with Société Investissement Deconinck (SID)

SID and the Company entered into an assistance and guidance agreement for the provision of assistance in determining the strategic approach to be adopted by Tarkett and in taking major decisions. In return for its services, and in particular the work undertaken by its Management Board members and its role in assisting with the definition of the strategic approaches to be adopted by the Company, the SID receives a fixed annual amount before tax of €300,000 which subject to indexation each year based on an index agreed between the parties.

It should also be pointed out that the following individuals:

- Eric La Bonnardière, in his capacity as Chairman of the Supervisory Board of the Company;
- Didier Deconinck, in his capacity as Vice Chairman of the Supervisory Board of the Company;
- Julien Deconinck, in his capacity as member of the Supervisory Board of the Company;
- Nicolas Deconinck, in his capacity as member of the Supervisory Board of the Company; and
- Bernard-André Deconinck, in his capacity as observer of the Supervisory Board of the Company;

have stated that they are indirectly interested in the agreements outlined above even though they are not party to them.

2.9.2.4 Agreements concluded within the framework of the simplified tender offer

Within the framework of the simplified tender offer that took place in 2021, the Supervisory Board approved the conclusion of the following regulated agreements on April 23, 2021 in order to refinance its existing debt.

Intra-group loan agreement

Within the framework of this agreement concluded between the Company in its capacity as borrower and Tarkett Participation in its capacity as lender, Tarkett Participation is to provide the Company, in one or more instalments, with sums obtained from one or more drawdowns by Tarkett Participation of Tranche B (as the term is defined below) in the form of a term loan facility.

1. Aim of the intra-group loan agreement: The aim of the intra-group loan agreement is to fund the refinancing of the Company's existing debt.

2. Financial terms of the intra-group loan agreement: The main financial terms of the intra-group loan agreement are outlined below:

- maximum principal amount of €528,000,000, with a principal amount of €446,192,246.68 on December 31, 2021 and USD72,000,000 (equivalent to €63,570,545.65 on December 31, 2021);
- maturity: 7 years.
- margin: equal to that of Tranche B (see below).

Act of accession to a loan agreement governed by English law

Within the framework of this act of accession by the company to a loan agreement governed by English law concluded between:

- Tarkett Participation in its capacity as borrower
- BNP Paribas, Crédit Agricole Corporate and Investment Bank and Société Générale in their capacity as underwriters and guarantors of the offer
- the financial institutions listed in the document in their capacity as initial lenders
- CACIB in its capacity as agent and security agent

the lenders are to provide:

- Tarkett Participation with a term loan for a maximum principal amount of €889,173,870.24, with a principal amount on December 31, 2021 of €839,173.870.24 ("**Tranche B Euro**") and an amount of USD 72,000,000 ("**Tranche B USD**") and
- Tarkett Participation and all members of the Group, subject to their involvement, with a revolving loan for a total principal amount of €350,000,000 (the "**Revolving Tranche** ") whose purpose is to finance the Group's general requirements.

Within the framework of this agreement, the Company is acting as borrower with regard to the Revolving Tranche as well as guarantor. In this context, the borrowers and guarantors, including the Company, guarantee the obligations of other debtors (including Tarkett Participation (via an upstream guarantee), with the Company and/or its subsidiaries having adhered to the credit agreement via the act of accession) within the limits at all times of the amounts that would have been received by the Company and its subsidiaries (via the intra-group loan agreement), or by any other means.

1.Aim of the credit agreement: The credit agreement, for an initial maximum amount of €1,239,173,870.24, finally used on December 31, 2021 for an amount of €1,189,173,870.24 and an amount of USD72,000,000 (equivalent to €63,570,545.65 on December 31, 2021), was intended in particular:

- for Tranche B Euro and Tranche B USD: (a) for the partial funding of the acquisition price of target shares (including the refinancing of all drawdowns of the Revolving Tranche allocated to the acquisition of target shares) and associated expenses; and (b) for the funding of refinancing by the provision of the intra-group loan by Tarkett Participation to the Company, and
- for the Revolving Tranche: for the funding of general and operational requirements, Group development and investment and all acquisitions and the refinancing of certain term loans.

2.Financial terms of the credit agreement: The main financial terms of the credit agreement are outlined below:

- available principal amount of €1,189,173,870.24 and USD 72,000,000 (equivalent to €63,570,545.65 on December 31, 2021);
- maturity of Tranche B: 7 years;
- maturity of the Revolving Tranche: 6 years and 6 months;
- margin of Tranche B Euro: between 3.00% and 3.75% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria);
- margin of Tranche B USD: between 3.25% and 4.25% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria);
- margin of the Revolving Tranche: between 1.75% and 2.50% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria);
- underwriting fee equal to 1.25% of the principal amount; and
- commitment fee equal to 30% of the margin applied to the available commitment of the lender concerned for the Revolving Tranche for the availability period applying to the Revolving Tranche.

Act of accession to a subordination agreement governed by English law

The Company's adhesion to a subordination agreement governed by English law by means of an act of accession is intended to govern creditors' rights in particular with respect to the credit agreement referred to above.

The Supervisory Board has concluded that the agreements referred to above present the following financial advantages for the Company:

- Market positioning: the possibility for the Company to gain access to a more liquid market than the bond market, the market associated with the two Tranche Bs, which is more likely to finance its external growth;
- Financing capacity: the possibility for the Company to cover its general financial requirements and its working capital requirement;
- Flexibility: easing of the credit repayment terms under the credit agreement (early repayment of the two Tranche B at any time without charge, with the exception of an initial six month period during which a penalty of 1% will be applied and early repayment of all or part of the Revolving Tranche);
- Financial ratios: the absence of any financial ratio to be respected by the Group within the framework of the refinancing of the existing debt by the Company, with the exception of compliance with a leverage ratio provided that the drawdowns associated with the Revolving Tranche are greater than 40% of the total amount of the Revolving Tranche. The financial covenant is also fixed at a significantly higher level (around 5.8x).
- Financial terms: the financial terms associated with the two Tranche Bs reflected in the intra-group loan seem to be competitive in the Term Loan B market, given that this financing benefits from extremely favourable market conditions, close to historical lows, and the competitive process introduced with the selected banks; and
- Maturity: an opportunity for the Company to anticipate the refinancing of its existing financing lines (the maturity of the two Tranche B (i.e. 7 years) and the Revolving Tranche (i.e. 6.5 years) being longer than the residual term of existing credits (i.e. 5 years for the existing revolving credit and between 2 and 5 years for Schuldschein credits).

The Company's Supervisory Board also noted that the accession fees for this type of financing seem reasonable, based on the elements presented, with regard to the advantages for the Company and that these fees have been distributed fairly between Tarkett Participation and the Company, with Tarkett Participation having committed, under the terms of the letter of commitment, to cover a significant proportion of the Company's refinancing costs.

It should also be pointed out that the following individuals:

- SID in its capacity as indirect majority shareholder of the Company;
- Eric La Bonnardière, in his capacity as Chairman of the Supervisory Board of the Company;
- Didier Deconinck, in his capacity as Vice Chairman of the Supervisory Board of the Company;
- Julien Deconinck, in his capacity as member of the Supervisory Board of the Company;
- Nicolas Deconinck, in his capacity as member of the Supervisory Board of the Company; and
- Bernard-André Deconinck, in his capacity as observer of the Supervisory Board of the Company;

have stated that they are indirectly interested in the agreements outlined above even though they are not party to them.

2.9.3 Principal regulated transactions

Material transactions entered into or ongoing between the Company and related parties (whether individuals or entities), other than those referred to in Section 2.9.2, consist of the following.

2.9.3.1 Guarantees

The Company has:

- granted a counter-guarantee ("*General Indemnity Agreement*") for a maximum amount of USD 75.0 million for the benefit of *Federal Insurance Company* so that this company can issue site guarantees for FieldTurf Inc, which had been availed of in full at the end of the period;
- signed a *Joint and Several Guarantee*, for a maximum amount of USD 75 million, in favour of Ester Finance Titrisation for the collections made on its behalf in relation to the securitization line put in place with certain subsidiaries in the United States;
- granted a guarantee to the Swedish pension insurance company Pri-Pensions to insure Tarkett AB's employee benefit commitments in the amount of SEK 206.2 million;
- granted a guarantee covering 50% of a credit line for a maximum amount of €10.0 million that was granted to its joint venture Laminate Park GmbH & Co KG, of which €9.5 million had been drawn down at the balance-sheet date;
- granted a payment guarantee to a supplier of its subsidiary Morton Extrusiontechnik (M.E.T GmbH) for deliveries of raw materials up to a maximum amount of €7.0 million, of which €4.6 million had been committed at the balance-sheet date;
- granted a guarantee as parent company to the banks of certain subsidiaries, in particular Tarkett Limited (United Kingdom), Tarkett BV (the Netherlands), Tarkett Asia Pacific (Shanghai) Management Co Ltd and Tarkett Industrial (Beijing) Co Ltd (China), Tarkett Spa (Italy), Tarkett USA Inc. (United States), to enable them to obtain overdraft facilities, bank loans or credit lines for a maximum total amount equivalent to €41.8 million, of which the equivalent of €13.0 million had been committed at the balance-sheet date.

Furthermore, in the ordinary course of business, Tarkett and several of the Group's subsidiaries granted payment or site guarantees to various suppliers, customers, government bodies, lessors and cash pooling or trade finance operators, either directly or through bank guarantees, for an amount of €26.1 million at the balance-sheet date.

In addition, pledges have been established for the securities and financial receivables of the Company and certain subsidiaries as a security for new financing (see Section 4.3.4 " New credit line terms").

2.9.3.2 Cash management agreements

The Company has entered into cash management agreements with some of its subsidiaries to organise the financial flows between the Group's entities and manage the cash pooling.

2.9.3.3 Service agreements

The Company has entered into service agreements with some of its French and foreign manufacturing subsidiaries. The purpose of these agreements is the provision of the following services: general management, financial, legal, human resources, operations and communications. These agreements represented an aggregate amount of €14.0 million in 2021.

The Company has also entered into IT assistance agreements with certain of its subsidiaries. The purpose of these contracts is the provision of the following IT services: IT support, project management, development, IT licensing and advice (auditing and SAP project preparation) These agreements represented an aggregate amount of €32.8 million in 2021.

3 SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

3.1 Tarkett's CSR ambition and commitment

3.1.1 Message from the CEO – Fabrice Barthélemy

The message from the CEO is presented in the introduction of this document.

3.1.2 Tarkett's business model

Our business model is presented in the introduction of this document and we detail further our engagement with our stakeholders in Section 3.5 and the identification and management of CSR risks and opportunities in Section 3.3.

3.1.3 Putting people first, our commitment to social and environmental responsibility

Putting people first: the people who live and play on our surfaces, the people we serve, the people we employ and the people in the communities where we operate. Tarkett is committed to putting people first, which implies caring for their health, safety, and well-being, creating a more inclusive culture and building teams that reflect the diversity of our society and our customers all over the world (nationalities, origins, background, gender, generations), with everyone feeling empowered to bring a broad range of views and talents to work every day. It also implies respecting their fundamental human rights and contributing to making the planet a better place to live for today's and tomorrow's generations.

We create floors that help make spaces healthier, more comfortable, and more beautiful, while striving to lessen the Group's environmental impact so that people flourish now, and in the future. Driving change to tackle climate change, develop a circular economy, innovating with good materials, and exceeding indoor air quality standards are keyways in which Tarkett implements its commitment to Human-Conscious Design®- putting people first.

Constantly working to ensure that all employees, contractors, and visitors know and apply safe work practices and procedures, every day and everywhere is another example of how Tarkett is committed to putting people first.

Engaging with and helping local communities through our Tarkett Cares program to help improve people's lives in the communities in which we are based is also about putting people first.

Change to Win

Every business, large and small, has a role to play in combatting climate change, conserving natural resources, and protecting the planet's ecosystems for the benefit of all. That is why Tarkett is championing the circular economy within the flooring industry and putting circular economy and climate change challenges at the heart of its current strategic plan, Change to Win.

This plan, presented in 2019, sets out our path to future growth, where Tarkett aims to be the global leader in commercial flooring and sports surfaces, to grow selectively in residential flooring and to change the game with circular economy by delivering across four strategic pillars: Sustainable growth, OneTarkett for our customers, People & the Planet and Cost and financial discipline.

In 2020, Tarkett's CEO created a new role in the Executive Management Committee for a Chief Sustainability Officer to establish Tarkett as a reference regarding climate change and circular economy.

In 2021, Tarkett's Supervisory Board, convinced of the strategic importance of CSR topics and committed to supporting Tarkett's management in this domain, established a new special committee dedicated to overseeing Tarkett's CSR ambition, objectives, and reporting.

Focus

Understanding and anticipating our client's expectations and requirements regarding sustainable and responsible development

Our clients face various challenges and have continually increasing expectations, for example:

> Installers and contractors: need to easily install new flooring and sports surfaces as well as remove and recycle post-installation and old flooring and sports surface waste without difficulty.

> Architects and designers: select materials meeting more and more stringent criteria on certification and standards regarding indoor air quality, healthy spaces, climate, and recycling, requiring transparent information on the composition of our products and solutions to facilitate their recycling during future renovations.

> Distributors: offer products responding to market trends, requiring support for sales force, notably regarding products' technical and environmental characteristics, and assurance of timely product availability.

> Final users, who live and play on our flooring and sports surfaces on a daily basis: do not want to compromise on price, design (visual aspect), performance (comfort, resistance, acoustics, safety, easy maintenance) and respect for health and the environment.

Our commitment to social and environmental responsibility is embedded in our strategy and integrated in all our activities. Here are some examples:

> eco-design according to Cradle to Cradle® principles;

> responsible sourcing with third-party material assessment and our Supplier Code of Conduct;

> operational excellence with our World Class Manufacturing (WCM) program (in particular safety and environmental management);

> climate mitigation in our plants and in our value chain;

> embracing circular economy through design, use, and end-of-life recovery and recycling, notably with our ReStart® take-back and recycling program;

> product development for greater indoor air quality;

> collaboration with customers, suppliers and other stakeholders, bringing thought leadership through our Tarkett Human-Conscious Design® initiative;

> promoting diversity and inclusion in our teams and in our industry;

> enabling employee development with Talent Management Guiding principles.

Every day, we strive to combine these elements not only to best serve our clients, but also to anticipate and respond to the expectations and requirements of our different stakeholders : customers, architects, designers, installers, end users, employees, suppliers, investors, NGOs, public authorities, and local communities.

See the following sections for more details:

> Section 3.5 Stakeholder engagement

> Section 3.6 Meeting customer and societal expectations through eco-design, transparency, and circular solutions

> Section 3.7 Responding to the climate emergency with good environmental management and a circular economy approach

> Section 3.8 Creating solutions for greater indoor air quality and safe, healthy spaces for our customers

> Section 3.9 Driving Collaboration in the value chain and in communities

> Section 3.10 Nurturing our human capital

Tarkett contributes to several of the United Nations Sustainable Development Goals (SDG) through our *Tarkett Human-Conscious Design*® approach

In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development along with a set of 17 Sustainable Development' Goals. This framework defines a blueprint to achieve a better and more sustainable future for all by spurring local and global ecological, social, and humanitarian changes. The action plan aims to address key issues in areas such as poverty eradication, environmental protection, and economic development. Through its ambitious CSR approach implemented since 2010, Tarkett contributes to several of the UN Sustainable Development Goals.

- **Developing a circular economy for present and future generations:** Tarkett's long term vision is for all flooring to be recyclable and recycled. Tarkett is building a circular economy based on programs and business models that encourage take-back, reuse, recycling, and elimination of waste (SDG12).
- **Eco-designing products according to Cradle to Cradle® principles**: Tarkett's eco-design approach follows the independent and internationally recognized Cradle to Cradle® methodology that applies science-led thinking to implement circular economy solutions with materials evaluation undertaken by a third-party, EPEA (Environmental Protection Encouragement Agency). Tarkett is continuously seeking ways to optimize its existing materials by switching them for even better alternatives where possible and available. Selecting good materials that can be recycled over and over is a cornerstone of the Tarkett Human-Conscious Design® approach. Eco-design also means preserving natural resources (SDG 15), fighting climate change (SDG 13), developing products that contribute to greater indoor air quality, with better health and well-being in working, leisure, and living spaces (SDG 3).
- **Driving collaboration for a circular economy**: inspiring others to join us through education, collaboration, transparency, and communication (SDG17).
- **Supporting communities**: contributing to the development of communities and territories where we operate and making sure our business is inclusive by bringing together various stakeholders, including suppliers, and encouraging them to take part in our responsible value chain (SDG 11).
- **Creating a more inclusive culture**: building teams that reflect the diversity of our society and our customers all over the world, notably deploying an objective concerning gender diversity (SDG 5) and promoting design for diversity.
- **Developing talents**: involving and engaging each employee, which we consider crucial for the successful implementation of our projects, therefore creating a safe, respectful, inclusive, and rewarding work environment (SDG 8).

Tarkett's long-term sustainable development objectives

In 2021 Tarkett revised its climate objective, engaging on reducing whole value chain emissions by 30% by 2030 compared to 2019. Tarkett prepared this short-term target following the Science-Based Target Initiative (SBTi) methodology and submitted it for their validation in February 2022. This represents a significant step change as Tarkett widens its commitment from its operational GHG emissions (Scope 1 & 2) to include its value chain emissions (Scope 3) related to the production of raw materials and to the end-of-life treatment of its products. These so-called Scope 3 value chain emissions represent 90% of Tarkett's overall GHG emissions.

Tarkett already focused on these value chain emissions as part of its commitment to a circular economy in its Change to Win strategic plan, launched in 2019. It set the objective to triple the share of recycled raw material by 2030 in addition to setting new objectives on safety and diversity:

- Circular Economy: Triple share of recycled raw materials[1] from 10% to 30% by 2030
- Safety: Reduce the Injury frequency rate[2] to 1.0 by 2025
- Talent & Diversity: Increase internal mobility[3] to 70% by 2025

In 2020, Tarkett's Supervisory Board also approved a new diversity target of 30% of managers and senior executives to be women by 2025.

1 Also known as secondary raw materials
2 Number of accidents with lost time < & > 24 hours per million worked hours
3 Open management positions filled by an internal candidate

3.1.4 Tarkett Human-Conscious Design® - Our sustainability progress in 2021

Preserving resources through circular economy

RENEWABLE, ABUNDANT OR RECYCLED MATERIALS

70% of our raw materials do not contribute to resource scarcity

RECYCLED RESOURCES

147,000 tons of recycled materials in production

15% of our raw materials are recycled materials

45% in EMEA carpet production
23% in EMEA vinyl production
2030 Global Objective: 30%

FLOORING TAKE-BACK

112,000 tons of flooring collected from 2010 to 2021 by Tarkett ReStart® collection and recycling program in our 8 recycling centers in Europe, Brazil, and North America

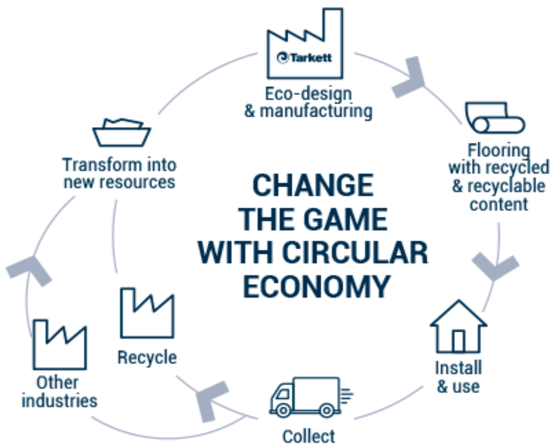
PRODUCTION WASTE

14 plants send no waste to landfill

WATER CONSUMPTION

-56% vs 2010 (m^3)

71% of plants equipped with a closed loop water system



Fighting climate change

RENEWABLE ENERGY

12 plants purchasing 100% renewable electricity

38% of total energy consumption comes from renewable energies

GREENHOUSE GAS EMISSIONS

-27% Scope 1 & 2 versus 2019

2030 objective: -50% vs. 2019 & -30% scope 1+2+3 vs. 2019

177,500 tons CO_2e
(Scope 1 & 2) in 2021 from production sites

Using good materials for people's health and the environment

C2C MATERIALS ASSESSMENT

97% of our raw materials are third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria

INDOOR AIR QUALITY

99% of flooring solutions have low VOC (volatile organic compounds) emission levels (10 times lower than the most stringent world standard)

HEALTHY INDOOR ENVIRONMENT / PHTHALATE-FREE

95% of our flooring solutions containing PVC (vinyl and carpet) are phthalate-free[1] on a global level (% of m² produced)

Respecting and developing our teams

SAFETY

2.56 Recordable Lost Time Accident Frequency Rate (FR1t)[2]

2025 Objective: 1.0

DIVERSITY

26% of women among managers & senior executives

2025 Objective: 30%

INTERNAL MOBILITY

63% of open management positions filled by an internal candidate

2025 Objective: 70%

Supporting local communities and global initiatives

COMMUNITY SUPPORT

700

community initiatives with employees volunteering **3,300** days and **over 1 million euros** of product donations between 2017 and 2021

EXPERTISE SHARING

44,000

professionals or students trained as professional installers or in flooring installation techniques from 2012 to 2021

Engaging with our value chain to promote climate solutions and circular economy

Deploying our responsible sourcing program

49% of our suppliers have adhered to Tarkett's Code of Conduct for Suppliers or equivalent

Engaging with customers, architects, designers and end-users

33 showrooms in 18 countries, with **6 new** openings in 2021

[1]*Except recycled content for certain products and countries.*
[2]*Number of accidents with lost time < & > 24 hours per million worked hours.*

Tarkett's CSR performance and ESG Ratings (Environment, Social and Governance)

CDP Climate Change disclosure score: B (management level)	> Tarkett discloses its climate change impact through CDP, a global non-profit that runs the world's leading environmental disclosure platform. More than 13,000 companies worth over 64% of global market capitalization disclosed environmental data through CDP in 2021.
EcoVadis Sustainability rating: 74/100 – platinum medal (advanced level, in top 1% of our industry category, highest level of maturity in this rating a company can reach)	> EcoVadis assesses CSR policies, actions, and results across 4 themes and 21 CSR criteria: environment, labor and human rights, ethics, and sustainable procurement. 85 000 companies in 160 countries are assessed through EcoVadis.
UN Global Compact Advanced level	> Advanced level corresponds to companies that produce an annual communication on progress (COP) which meets all minimum requirements and information is provided in the self-assessment on additional advanced criteria in the following areas: Implementing the Ten Principles into Strategies & Operations; Taking Action in Support of Broader UN Goals and Issues; Corporate Sustainability Governance and Leadership. > As early as 2010, Tarkett responded to the United Nations Global Compact. Since 2012, we have reached the highest level of maturity, the Global Compact Advanced Level. All in all, 15 000 companies in 163 countries are assessed through Global Compact, with only 11% of all corporations worldwide reaching an Advanced level.

3.2 CSR governance

3.2.1 Driving change and the achievement of our CSR objectives

Tarkett stepped up its commitment on climate in 2021 as it continued to build and deliver on its 2019 Change to Win strategy.

Execution of our Change to Win strategic plan and associated CSR strategy is monitored by the CEO and the Executive Management Committee, involving the divisions' Presidents (Sports & North America, Eastern Europe & Asia, EMEA & LATAM Australia/ New Zealand) and the support functions' Executive Vice Presidents / Chief Officers. The Executive Management Committee meets monthly to review the Group's operational, financial and non-financial performance, notably the execution of the Change to Win strategic plan, including the safety, internal mobility, climate and circular economy objectives, and to discuss business operations and other current Corporate Social Responsibility issues.

Our Chief Sustainability Officer, a position created in 2020, is leading the implementation of our Change to Win strategy on sustainability. Responsibilities include establishing Tarkett as a reference regarding climate change and circular economy, intensifying the reduction of greenhouse gas emissions and the deploying circular solutions for our customers. The Chief Sustainability Officer also manages the group innovation process, which includes programs for the circular economy and the creation of new business models.

Our General Counsel supervises all legal, compliance and insurance matters for the Group in close coordination with the Divisions and ensures compliance with all relevant laws and regulations, as well as the respect of Tarkett's codes on business ethics, anti-corruption and fair competition.

Our Executive Vice President for Human Resources responsibilities include overseeing the deployment of Tarkett's Talent Management Guiding principles, notably diversity and inclusion, promoting employee health and well-being, career development and internal mobility and organizing social dialogue, such as the Group's European works council.

Our Executive Vice President for Research and Development and Operations responsibilities include ensuring product eco-design according to Cradle to Cradle® principles, innovation, and responsible sourcing, as well as improving the Group's operational performance to enhance safety, customer satisfaction and productivity notably by supporting division teams through Tarkett's World Class Manufacturing program.

Our Group Chief Information Officer is responsible for accelerating the digitalization of our internal and customer-facing processes by providing more efficient tools centrally, such as through the modern workplace project, and also by providing an IT environment allowing local applications satisfying customer needs.

Our CFO oversees the company risk mapping, mitigation, and internal control, as well as reviewing business plans and ensuring the monitoring of progress against Change to Win targets, such as Tarkett's non-financial CSR reporting on safety, talent and diversity, climate change and circular economy.

Finally, the Presidents of Tarkett's 4 Divisions (EMEA / LATAM & Australia/New Zealand; Eastern Europe & Asia; North America; and Sports) ensure the operational deployment with the assistance of the support Functions.

Focus

Focus on climate-related disclosure according to Task Force for Climate-related Financial Disclosures (TCFD) recommendations

Governance

Tarkett has a two-tier board structure, with a Management board (executive) and a Supervisory board (non-executive), both of whom provide oversight of climate-related risks and opportunities:

Tarkett's CEO, is responsible for oversight of climate-related issues on the executive Management board and larger Executive Management Committee (EMC), reporting regularly to the Supervisory board. The Group's EMC meets monthly to review the Group's operational, financial, and non-financial performance and to discuss strategic projects and business operations, including Corporate Social Responsibility and climate-related issues. In June 2020 the CEO nominated a Chief Sustainability Officer to the EMC to accelerate the implementation of Tarkett's Change to Win Sustainability strategy, and to establish Tarkett as a reference regarding climate change and circular economy. Other roles in the EMC include for example:

- the CFO who oversees the company risk mapping, which includes the risk factor 'climate change' as well as reviewing the business plans, annual budgets, and ensuring the monitoring of progress against targets such as the tracking and reporting of climate-related as well as other CSR key performance indicators;
- the Presidents of Divisions who ensure the operational deployment with the assistance of the support functions; and
- the Group R&D and Operations Executive Vice-President who actively supports the divisions in executing key projects and strategy, including the circular economy and climate objectives.

In 2019 the CEO prepared with the EMC Tarkett's new strategy Change to Win, personallypersonally deciding to include the circular economy as part of Tarkett's ambition as he believes that as a responsible flooring and sports surfaces company, Tarkett has a role to play to change the game of the industry with circular economy – a widely recognized solution to address resource scarcity and the climate emergency.

In 2020 and 2021 the EMC regularly reviewed the execution of the Change to Win strategy, including approving a new climate objective and action plan.

The Supervisory board reviewed and approved in 2019 the Change to Win strategy with the ambition to change the game with circular economy as a key solution to responding to the climate emergency. The Supervisory board has monitored the follow-up and progress of the implementation of this new strategic plan which includes action and targets on climate-related issues (e.g. plant GHG emissions intensity reduction and the transition to a circular economy with the increasing use of recycled secondary raw materials). In 2021 the Supervisory Board created a new special committee to assist it in reviewing CSR risks, opportunities and corresponding strategy and actions. In 2021 the new CSR Committee reviewed the double materiality of sustainability risks and opportunities, looking at both the potential impacts of Tarkett's activity on the environment and the sustainability risks and opportunities facing Tarkett's value chain. It also examined Tarkett's climate and circular economy objectives, strategy, and action plan.

Strategy, Risk management and Targets

In 2019, as part of the Change to Win strategic plan, the CEO set two climate-related targets:

- to triple to 30% the share of recycled raw materials used, and
- to reduce Scope 1 & 2 GHG emissions / sqm of flooring by 30% by 2030 compared to 2020

In 2021, Tarkett revised its climate objectives:

- 50% reduction in total Scope 1 and Scope 2 GHG emissions by 2030 compared to 2019 in line with the Paris Agreement aim of limiting the global temperature rise to 1.5°C.
- 30% reduction of whole value chain GHG emissions (Scope1, Scope 2 and Scope3) by 2030 compared to 2019 (the target will be submitted to the Science-Based Target Initiative for validation).

Group Sustainability Committee

- The committee is composed of sustainability managers from Tarkett's divisions, managers, and experts from Purchasing, Operations, Research and Development, Finance, Human Resources and Communication. The role of the committee, which regularly reports to the Executive Management Committee, is to coordinate and to monitor the execution of Tarkett's sustainability strategy; to regularly review the adequation of Tarkett's sustainability strategy and objectives in the light of new risk, opportunity and materiality assessments and internal and external stakeholder dialogue; and to prepare proposals for the Executive Management Committee to ensure Tarkett leads the industry regarding climate change and circular economy. In 2021 the Committee met seven times notably working on Tarkett's objectives and action plans on climate and circular economy as well as reviewing local market trends, such as customer sustainability requirements.

Other instances supporting the implementation of Tarkett's CSR strategy, commitments, and objectives

- the **HR Core team,** led by Tarkett's Human Resources and Communication Executive Vice President and comprised of senior HR executives from Tarkett's divisions, regularly review the execution of the actions related to the Change to Win strategic plan, the progress of the Group Talent Management strategy along with implementation of other HR policies and initiatives, such as internal mobility, diversity and inclusion, benefits, employee feedback, social dialogue, and Tarkett Cares. In 2021 the team drove action on diversity and inclusion with each division developing action plans and locally adapted additional objectives. Continued attention was also given to facilitating flexible remote working with the deployment of digital tools such as online learning through the Workday platform.
- The **Group anti-corruption committee,** established in 2020, leads Tarkett's anti-corruption program. In 2021 the committee met 6 times.
- The **innovation program management,** implemented in November 2019, accelerates innovation and leverages synergies for delivering on the Change to Win Strategy. The program was adapted in 2021, providing greater focus on Tarkett's key priorities to support the Change to Win strategy and taking into account Tarkett's new climate objective. The program dedicated to the circular economy was widened to cover climate mitigation with a focus on both product recycling and product carbon footprint. The specific programs, which include one on 'Health and Well-being', are led by global program managers who drive the work and ensure support to the Divisions.

Communication of Tarkett's CSR strategy, commitments, and objectives

- The Change to Win strategy and associated CSR objectives, along with initiatives and achievements, are **shared with company employees**, in particular via internal newsletters, intranet news, and training. Progress and challenges are also shared with the senior executives as part of quarterly results presentations.
- Our commitment and results are also **presented to the shareholders and the financial community** during the annual Shareholders Meeting and Quarterly Financial webcasts, and to all our stakeholders via our different publications (the annual Universal Registration Document with the non-financial statement / annual CSR report, and on Tarkett internet website).
- Tarkett organized its first **global Sustainability Day** on December 8, 2021, coinciding with the World Climate Day. The main aim of the day was to mobilize employees around Tarkett's climate and circular economy actions. Different initiatives were organized on a local, divisional, and global level, with resources and support provided through a new dedicated sustainability intranet page. These included a video session with Tarkett CEO and Chief Sustainability Officer on what Tarkett has achieved and the focus of action going forward.

CSR performance linked compensation

The successful implementation of Tarkett's Change to Win strategy, the associated objectives and other corporate social responsibility policies and actions is driven in part through individual incentives.

- The reduction of Scope 1 & 2 greenhouse gas (GHG) emissions and the circular economy (increase in the percentage of recycled materials used in the manufacture of our products) were **included in the 2020-2023 and 2021-2024 LTIP** (Long-term incentive-plan) criteria. The GHG emissions and circular economy objectives form part of Tarkett's Change to Win strategy aiming to transition to a circular economy, a central part of Tarkett's response to climate-related risks and opportunities. In total, some 181 to 240 managers and executives worldwide, depending on the plan, have part of their LTI grant related to the achievement of these two objectives. Furthermore, all the members of the Executive Management Committee (EMC) have other CSR objectives depending on their areas of responsibilities.
- At plant and Division level, **Health, safety and environmental managers** are responsible for the deployment of actions plans and programs on safety and environmental protection, including Tarkett's climate-related strategy. As such their personal objectives may include safety targets, efficiency targets, emission reduction targets, energy reduction targets, ReStart® collection targets, waste management or other circular economy objectives depending on their specific local roles.

- At plant level, some **managers and operators** may have their personal objectives related to the deployment of Tarkett's Change to Win strategy and the implementation of Tarkett's World Class Manufacturing (WCM) program. This program includes procedures and actions to improve efficiency, energy reduction, emissions reduction, waste reduction and recycling and environmental incident reporting and analysis. Some managers in the sales network may also have their personal objectives linked to Tarkett's ReStart® collection and recycling program – a key part of Tarkett's circular economy and climate strategy.

Supervisory Board oversight on Tarkett's CSR strategy, commitments, and performance

The CEO regularly reports to the Supervisory Board on the progress on Tarkett's Change to Win objectives, which includes CSR objectives.

In 2021, the Supervisory Board created a new special committee to further assist the Supervisory Board with the review of CSR topics. The role of this new CSR Committee includes the review of:

- Tarkett's main CSR risks and opportunities;
- the Group's CSR commitments, strategy and internal management;
- the Group's CSR reporting and CSR communication to shareholders and other stakeholders, notably with the review of Tarkett's annual CSR report;
- the ratings obtained by the Group from non-financial rating agencies or independent certification or labelling bodies.

The Committee, to form its opinion, consults Tarkett's CEO, Chief Sustainability Officer, and other executives when appropriate, as well the group's statutory auditor appointed as an independent third-party for the verification of its non-financial statement (CSR report). It then reports to the Supervisory Board with the findings of its work.

Furthermore, the two other existing special committees continue to support the Supervisory Board on certain CSR aspects related to their area of responsibility:

- The **Audit, Risk and Compliance Committee** ensures the effectiveness of risk-monitoring and internal control procedures.
- The **Appointments, Compensation and Governance Committee** determines and regularly reviews the compensation and benefits awarded to the Company's top executives, and particularly checks that CSR objectives have been included in the variable compensation criteria. For example, in 2021, like in 2020, specific targets of reduction of greenhouse gas (GHG) emissions (Scope 1 & 2) and circular economy (increase in the percentage of recycled materials used in the manufacture of our products) were included in the Long-Term Incentives criteria for all the beneficiaries of the plans. Furthermore, the members of the Executive Management Committee have individual CSR objectives depending on their areas of responsibilities.

3.2.2 Tracking our CSR performance with a robust reporting process

The reporting process of CSR / sustainability indicators is managed and consolidated since 2018 by the Financial department with the support from the different relevant functions (including Sustainability, Operations/WCM, HR, Legal, Research & Development…), divisions and sites. The CSR report (Non-financial statement), managed by the Communication & CSR department, is included in the annual Universal Registration Document. The reported indicators and the CSR report are audited by a third-party independent organization (see Section 3.11.4 Report of Independent Third-Party Organization).

A detailed, rigorous, and audited reporting process: The reporting process is documented in a comprehensive CSR reporting guide, which provides the Group and all teams involved in the CSR reporting at all levels of the organization with clear instructions, definitions and guidelines. This guide, which is reviewed annually, describes in detail CSR reporting principles, the scope, the definition of indicators, as well as the tools / calculation methods and controls carried out by contributors at the local level, and consolidation of data at the Group level. The process and the indicators are audited by internal audit teams and by a third-party independent organization (see Section 3.11.4 Report of Independent Third-Party Organization).

Dashboards that allow accountability and management of CSR performance at each level: The Group follow dashboards, which notably include Tarkett's environmental and social objectives for 2025 and 2030, as announced in 2019 and subsequently, as part of Tarkett's Change to Win strategic plan. Divisions and functions also have dashboards with their CSR indicators, allowing the different entities to drive their performance and focus their efforts on the material challenges associated with their local activities. The analysis of indicators over time is crucial to measure progress achieved, identify room for improvement and the challenges which still need to be tackled, and implement ambitious and pragmatic action plans.

Progress review meetings are also jointly organized at different levels: Group, divisions, functions and sites, and as part of specific "networks" (WCM, HR, etc.).

3.2.3 Adhering to international standards

Tarkett's commitment, as well as the CSR report, the dashboards, the 2025 and 2030 objectives and the robust reporting process, meet the European and French regulatory obligations, and are in line and consistent with the requirements of internationally recognized standards:

- the European Union Directive and the French regulations on non-financial statement, known as the extra-financial performance declaration ("*déclaration de performance extra-financière*" or DPEF);
- the French duty of care ("*Devoir de Vigilance*") and anti-corruption law ("*Loi Sapin 2*");
- the European Data Protection Regulation on data privacy;
- the ten principles of the United Nations Global Compact (UNGC), to which we communicate our results to comply with the "Advanced" level standard;
- several Sustainable Development Goals (SDGs) defined by the United Nations;
- the Global Reporting Initiative (GRI) Standards – see in particular Section 3.11.3 GRI and DPEF concordance table;
- the Task-force on Climate-related Financial Disclosures (TCFD);
- the Carbon Disclosure Project (CDP) climate change questionnaire;
- the calculation and reporting of greenhouse gas (GHG) emissions in line with the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) GHG Protocol;
- the setting of a whole value chain GHG emissions (Scopes 1, 2 and 3) reduction target in line with the Paris Agreement's aim of limiting the global temperature rise to 1.5°C, following the Science-Based Target Initiative (SBTi) methodology and criteria (NB. the target was submitted to SBTi for validation in February 2022);
- Cradle to Cradle® (C2C) principles for the design of our products, from material selection and product manufacturing, to installation, use, maintenance, end-of-use and product recovery;
- the AFEP-MEDEF recommendations, notably regarding corporate governance and the DPEF.

3.2.4 Remaining committed to high business and ethical standards

Tarkett signed up to the United Nations Global Compact (UN GC) in May 2010. Tarkett continues to remain committed to upholding the ten UN GC principles in its day-to-day business and operations and works constantly to further progress its action and performance on social responsibility as demonstrated in its "people and planet" pillar of its Change to Win strategy. Tarkett understands that the ten Principles of the United Nations Global Compact were derived from key texts to which Tarkett fully adheres: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Tarkett is committed to supporting and respecting the protection of internationally proclaimed human rights; and to making sure that we are not complicit in human rights abuses. Tarkett upholds the freedom of association and recognizes the right to collective bargaining. Tarkett will not be party to any form of forced and compulsory labor or to child labor or to any forms of discrimination. Tarkett adopts a precautionary approach to environmental challenges and continually strives to promote greater environmental responsibility, notably developing and promoting environmentally friendlier solutions. Tarkett also remains steadfast in its resolve to tackle all forms of corruption.

In 2021, Tarkett prepared a Human Rights Statement to reconfirm and raise awareness to these commitments.

Tarkett completes the annual communication on progress to the UN GC, according to the Advanced level, which can be consulted on the UN GC website.

3.2.4.1 Ensuring business ethics and integrity

Among our most important company assets are our reputation and credibility for high standards of ethics and integrity. We consider that adherence to these principles as well as compliance with applicable laws and regulations are “non-negotiable” and central to how we do business every day and in every country. This corporate responsible commitment is evident in our core values, and we urge every Tarkett employee to follow and act according to these principles.

These principles are transcribed in **several Group's Codes and Policies**, for example:

- The **Code of Ethics,** which was originally developed in 2009, was completely revised in 2020. It defines basic principles that must imperatively be respected by the Group and its employees. It covers business ethics, with notably the topics of fair competition, anti-corruption, conflict of interest and veracity of accounts; Tarkett's role as an employer, with the respect for human rights and health and safety of employees; and Tarkett's commitments as a corporate citizen, responsible and caring of others with respect for the environment, local cultures as well as personal data. The Code has been translated into 17 languages and deployed throughout the Group.
- The **Anti-corruption Code of Conduct**, updated in 2021, builds on the principles in the Code of Ethics. It was deployed from 2018 in replacement of the Anti-corruption Policy which was in effect since 2012 (see Section 3.2.4.2 Preventing corruption). This Code has been translated into 17 languages and deployed throughout the Group with employee representative bodies being consulted when necessary.
- The **Competition Policy** complements the Code of Ethics on the topic of compliance with competition laws, underlining the essential principles and rules to be strictly respected in terms of relationship with competitors (horizontal agreements, exchange of information, membership, and participation in trade associations), relationships with suppliers and customers, good practices to avoid abuse of dominance, misleading advertising, etc. Competition Guidelines for commercial negotiation were finalized in 2021 in France.

To ensure that all Tarkett employees are aware of and respect the values and behaviors that we wish to share, we have implemented **several trainings and monitoring programs**:

- **Automated acknowledgement**: IT-equipped employees' receipt of compliance documents, such as Code of Ethics, Anti-corruption Code of Conduct and Competition Policy, is now automated, along with the completion of a conflict of interest declaration.
- **Compliance training:** the compliance training program initiated in 2018 and regularly reviewed, focuses on fair competition, anti-corruption, and ethics. The program consists of customized e-learning modules which are organized for employees considered most at risk by their function (e.g. over 4,000 employees enrolled for each of the training modules on ethics, anti-corruption and antitrust). Anti-corruption issues addressed include bribery, relations with intermediaries, gifts and invitations, charitable donations and the whistleblowing systems available to employees as well as third parties. Regarding competition law, the program covers in particular horizontal (competitors) and vertical (suppliers and sub-contractors) restrictions of competition such as the exchange of information in the framework of professional trade organizations. A user-friendly tool with improved look and feel was deployed in 2021 with modules shortened but conducted more regularly. Face-to-face training sessions have also continued in 2021 via dedicated compliance workshops (mostly virtual) tailored to groups of employees more exposed to the previously mentioned risks, notably teams in France and Russia. Tarkett has changed the approach to its training programme by targeting those most at risk in terms of compliance. This new methodology allows for more thorough monitoring of participation and easier consideration of disciplinary action for non-compliance. Overall participation rates improved thanks to an efficient follow-up strategy with controls to ensure that all at-risk employees were enrolled. In 2021, 97.3% of enrolled employees completed training on ethics, 96.2% on anti-corruption, and 99.4% on antitrust. In general, 97.6% of targeted employees completed e-learnings on Business Ethics in 2021.
- **Participation in trade associations:** Guidelines of good behavior practices when joining trade associations and more generally when attending meetings where competitors are present were developed in 2018 and are now included in the training sessions. Several controls were made in 2021 on the application of the guidelines.
- **Cybercrime and fraud training:** We have also implemented training sessions to raise awareness and empower teams on cybercrime and fraud.
- **Whistleblowing systems:** A first professional whistleblowing system, the Ethics Hotline, was established in 2016 for our activities in North America, and a second similar tool, the Compliance Hotline, was introduced for other countries in 2018. This system, hosted by a third-party service provider, enables Tarkett's employees and any third party to raise their concerns and/or report potential violations with Code of Ethics and Anti-corruption Code of Conduct they may witness within Tarkett, including in an anonymous way if they wish to. Deployment of the system was subject, in certain countries, to the approval of local works councils. These whistleblowing systems are presented and explained in all the compliance training modules and a specific procedure for the alert systems is available on Tarkett's Internet and Intranet site. In 2021 an internal communication campaign was launched to promote the system with emails, newsletters, and digital posters

Example

Our Compliance Hotline: a tool for conveying concerns to Tarkett

- Easy access on the internet and the company intranet or by phone from 150 countries in 200 languages.
- Accessible to all Tarkett's employees, business partners (suppliers, clients, etc.) and other third parties.
- To report any type of violation related to, for example, antitrust, conflict of interest, corruption, fraud, harassment, discrimination, environmental damage, etc.
- Presented for consultation to Tarkett's Works Councils in countries where local law enforces it.
- Supported by a platform to ensure the protection of whistleblowers.
- Guaranteeing the confidentiality of cases.

The compliance section of Tarkett's intranet provides all employees who have intranet access with readily available information on business ethics, including the main principles on competition law, anti-corruption, the whistleblowing procedures, and Tarkett's professional alert mechanisms (Compliance Hotline and Ethics Hotline), as well as the Supplier Code of Conduct. Similar information is publicly disclosed on Tarkett's Group website.

Compliance risks are included in the controls and work programs of the internal audit department.

Protection of personal data: The Group is committed to protecting the personal data of its employees, customers and business partners, in compliance with applicable regulations, in particular the EU General Data Protection Regulation ("GDPR"). The Group's legal department, in close collaboration with the IT department, has deployed a Data Privacy Compliance Program, covering notably:

> signature of personal data protection clauses with our business partners to ensure confidentiality and data security;
> monitoring data processing activities in internal records;
> privacy impact assessment (PIA) for new processing activities presenting potential privacy risks;
> clear and easily accessible data privacy information provided to our customers, business partners and employees;
> deletion of personal data when no longer needed, in particular using automatic data purges;
> reinforcement of awareness-raising actions and training for employees most exposed to data privacy risks.

Cybersecurity:

The Group uses complex information systems (notably for production management, sales, logistics, accounting, and reporting), which are essential for conducting its commercial and industrial activities. Recognizing that a failure of any one system could have a material adverse effect on the Group's business, Tarkett has procedures, tools, and trainings in place to continually strengthen the security of its information systems. These include an IT Charter governing the use of IT equipment and explaining Tarkett's IT department monitoring activities and use of personal data; a global IT Security policy setting out the key measures and procedures to ensure IT security; a leaflet describing the 5 key security measures and a specific leaflet on detecting and avoiding fraudulent emails. In 2021 Tarkett continued to focus on raising employee awareness on cybersecurity through regular messages, guidance, and training. Other measures were also taken to reinforce protection, such as strengthening the authentication and identity security with MFA (Multi Factor Authentication) for collaborative solutions in addition to existing MFA for remote connections; improving the means of detection and response with an EDR tool (Endpoint Detection and Response) and a SIEM (Security and Information Events management) covering Tarkett's IT equipment; and implementing a security posture evaluation of third-party providers. A "Cybersecurity Council" was also established to support Tarkett's cybersecurity strategy and strengthen the collaboration and cooperation between entities on cybersecurity matters. In the UK, Tarkett obtained the UK Cyber Essentials certification, this is a government backed scheme that demonstrates protection against a whole range of the most common cyber-attacks. Further details on cybersecurity are given in Chapter 6 "Risk factors and internal control" of the 2021 Universal Registration Document.

Responsible tax practices: As part of its activities, Tarkett does not resort to complex financial arrangements aiming at obtaining a tax benefit conflicting with the purpose or the aim of applicable tax law. Tarkett does not have legal entities in any of the nine countries of the European Union (EU) black-listed tax havens, which include countries refusing to engage a dialogue with the EU or to remedy shortcomings in terms of good tax governance. With regard to the 15 countries of the EU grey-listed tax havens, which include countries committed to comply with international standards but having signed less than twelve agreements, Tarkett has a commercial legal entity in Turkey, which includes production and another in Hong Kong.

The list of these countries, updated as of October 5, 2021, is available at the following link:

https://ec.europa.eu/taxation_customs/common-eu-list-third-country-jurisdictions-tax-purposes_en.

In the EU, Tarkett operates in Luxembourg since 1961 (where it has a vinyl flooring manufacturing site and a research and development center employing over 500 employees) and in the Netherlands (where it has one carpet manufacturing site and sales activities employing less than 400 employees). Finally, it is specified that the Tarkett Group has not signed any tax rescript with tax authorities in its different countries of operation.

Further details on tax practices and associated fiscal risks are provided in Chapter 6 "Risk factors and internal control" of the 2021 Universal Registration Document.

3.2.4.2 Preventing corruption

In line with the requirements of the French anti-corruption law ("*Loi Sapin 2*") and the guidelines of the Anticorruption French Agency (AFA), Tarkett has implemented a Corruption Prevention Program, which provides a framework to our teams and business partners globally and which includes the following components:

- **A corruption risk mapping** exercise was initiated in 2017, updated in 2019 and redesigned in 2020. The risk identification and assessment process was based on interviews of 81 internal stakeholders covering the whole range of Tarkett activities and processes worldwide. The risk mapping is continually expanded and updated annually based on elements gathered through additional interviews and/or potential alerts or incidents and/or NGO reports we have been informed about. The granularity of the assessment is thus refined as these elements are collected by Tarkett. In 2020, an important update of the corruption risk mapping was undertaken to identify and then assess risks in a more refined and relevant way and to take into account the latest requirements of the French Anticorruption Agency.
- The **Anti-corruption Code of Conduct**, which was developed and rolled-out in 2018 in replacement of the Anti-corruption Policy, defines clear guidelines allowing our teams to identify and prevent inappropriate behavior in terms of corruption and influence peddling. This code lists prohibited practices (illegal payment, facilitation payments and political contributions), practices governed by strict rules (gifts and invitations, donations to charities, sponsorships, interest representation and/or lobbying action), and practices to be followed internally (proper and exact accounting, declaration of conflict of interest) and with our business partners (anti-corruption contractual clauses, implementation of due diligence procedures, use of intermediaries). The Code was reviewed and updated in 2021 following the latest findings of our regular corruption risk mapping exercise. Every employee is fully informed that non-compliance with any one of the provisions listed in the Anti-corruption Code of Conduct may give rise to disciplinary sanctions, including dismissal.
- The **whistleblowing systems** implemented with the Compliance Hotline in 2018 complementing the Ethics Hotline deployed in 2016 in the United States and in Canada. The systems are supported by the Whistleblowing Procedure to enable employees, business partners and other third parties to report any corruption-related concern.
- The **assessment of our business partners:** Tarkett performed an assessment of its suppliers as part of our **Responsible Sourcing Program** (see Section 3.9.1.1 Deploying our responsible sourcing program) as well as anti-corruption due diligences on some of its intermediaries, clients and suppliers. In 2019, Tarkett retained a specialized service provider to assist with the anti-corruption evaluation of its business partners. This third-party due diligence program continued in 2021 with additional IT resources.
- An **Anti-corruption Accounting Control Procedure** relating in particular to gifts, invitations, business meals, donations, sponsorships and intermediary commissions was set up in 2020 and is deployed throughout the Group.
- **Control procedures** on corruption risks are included in the work program of the internal audit department. We implemented additional controls from 2020 on gifts, invitations, donations, sponsorships, and intermediaries to focus on corruption issues. Second-level anti-corruption controls on gifts, invitations, business meals, donations, sponsorships, intermediaries, conflict of interest, and purchases, were performed in 2021 by the Compliance Officer and the Finance department.
- An **Anti-corruption training program**, targeting all Tarkett employees considered most at risk in terms of corruption by their function, covering anti-corruption practices in general, and reminding our teams of good practices in this regard, with a particular focus on use of intermediaries, gifts and invitations, and donations to charities. Anti-corruption workshops are also organized for specific audiences.
- The **Anti-corruption committee** which was established in 2020 is composed of the CEO, CFO, Group General Counsel, Group Internal Audit Director, and the Compliance Officer. The role of this committee, which meets once every two months, is to define the Group strategy in the deployment of its Anti-corruption program.

3.3 CSR risks and opportunities

At our scale and with our resources, we are committed to positively contributing to tomorrow's changes and challenges:

WORLD'S CHANGES	CHALLENGES TARKETT CAN CONTRIBUTE TO
By 2050, one in six people in the world will be over age 65 (16%), up from one in 11 in 2019 (9%) according to the UN, and nearly two thirds of this population will live in cities, according to the United Nations.	**Increase of the population** and of the share of **elderly people in the cities**, along with expectations and challenges regarding **quality of life** (indoor air quality, healthy spaces, comfort, acoustics, spaces flexibility and modularity, etc.).
With a global population expected to reach 9.7 billion people by 2050, according to the UN, and aspiring for a better quality of life, the pressure on natural resources will continue to rise and become an even greater critical issue in the future. The United Nations Environment Program (UNEP) 2019 Resource Panel report found that global resource use has more than tripled since 1970 to reach 92 billion tons in 2017 and projects that without action resource use will more than double to 190 million tons by 2060.	**Scarcity of natural resources and waste management**, issues which challenge the linear economy model (based on production, use and disposal of a product) and call for the **development of a circular economy model**, where waste becomes a resource, and where a product can be reused or transformed into a new resource. The use of eco-design principles makes it possible to select abundant raw materials on the one hand and to build products that are easily reusable or recyclable on the other hand.
In 2021 the UN COP26 in Glasgow (UK) recognized that the impacts of climate change will be much lower at the temperature increase of 1.5°C, however that limiting global warming to 1.5°C requires rapid, deep and sustained reductions in global GHG emissions. The UN Secretary General called for accelerated action to keep alive the goal of limiting global temperature increase to 1.5°C asking every country, every city, every company, every financial institution to radically, credibly and verifiably reduce their emissions. With UNEP reporting in 2021 that 37% of energy related CO2 emissions in 2020 came from the building and construction sector (Global Status Report for Buildings and Construction, 2021 UNEP Global Alliance for Buildings and Construction). The UNEP Executive Director called for more bio-based and recycled materials and a move towards circularity in the building and construction sector.	**Reduce greenhouse gas emissions** by reducing our energy consumption and using renewable energy sources. We can reduce, both, our greenhouse gas emissions in our production cycle, and the emissions along the whole value chain, with the implementation of a circular economy model, **using more recycled materials** which are less energy intensive than extraction and transformation of virgin materials, increasing the lifespan of our products, recycling after use instead of incineration which emits more CO_2 and by limiting the distance necessary to deliver with production sites close to our clients. **Recycling flooring waste is essential to reducing climate impact**. As well as saving virgin raw materials it has a substantial contribution to avoiding GHG (greenhouse gas) emissions as it avoids valuable waste heading to landfill or incineration. We can also influence change on our value chain by selecting suppliers which have a lower carbon footprint, by raising our customers' awareness and by offering them the choice to select our products with the lowest carbon footprint.
The society is constantly evolving, and so are its expectations, with the Millennials and Generation Z living in a hyper-connected world with growing concerns, notably about the climate and environment, diversity, ethics, and the importance of having a positive impact on society, etc.	**Play an active role in responding to societal challenges, such as reducing the carbon footprint of our products and building a circular economy**, respecting ethical and compliance values, and promoting transparency and proximity with local communities, and the development and diversity of talents.

As one of the world's leading flooring and sports surfaces companies, Tarkett is committed to contribute, at its scale, in achieving the fundamental changes required to address these challenges, which generate various risks and opportunities.

3.3.1 Identifying and assessing CSR risks and opportunities

Tarkett identifies CSR risks primarily through our company risk mapping process, which is managed by the Internal Audit and Control department and which covers the range of financial and extra-financial or environmental, social and governance (ESG) related risks applicable to our activities. This mapping exercise, initiated in 2011, is updated every other year or more frequently in the case of significant changes. The process for identifying risks uses primarily a three-step method:

- the Internal Control and Audit Department, sometimes in collaboration with external experts, interviews members of the Executive Management Committee and key employees holding strategic positions at the Group and Division level in order to identify risks within their areas;
- the qualification and quantification of risks according to the following areas: precise definition, possible causes, impact assessments (financial, operational, strategic, legal, or reputational) and the degree of control by the Group;
- the review and validation of the risk mapping by the Executive Management Committee and presentation to the Audit, Risk and Compliance Committee, as well as to the Supervisory board.

In 2021 there were no major evolutions in Tarkett's risk mapping. In 2020, given the emergence of certain risks and the global health crisis, an in-depth review of the group's risk mapping had been carried out to reassess individually each risk and integrate any new potential or proven risks. This process saw the risk of the COVID-19 pandemic being added to Tarkett's list of material risks. The entire process was carried out through 25 interviews with members of the Executive Management Committee and other key managers. In this context, each risk was reviewed to assess:

- their occurrence over a recent period of time;
- the state and effectiveness of mitigation efforts and
- the level of the potential absolute and residual impacts.

The feedback from other operational initiatives to identify and evaluate risks are also considered:

- At manufacturing sites, Health, Safety and Environmental (HSE) risks are identified and evaluated locally in accordance with our World Class Manufacturing program (which includes annual site audits by a third-party consultant – ERM) and through the management systems for health and safety (ISO 45001), environment (ISO 14001) and energy (ISO 50001), which are implemented at most of our sites (see List of plant ISO certifications in Appendix);
- At supply chain level, a procurement CSR risk mapping covering the vast majority of our suppliers was completed in 2018 in partnership with a company specialized in sustainability ratings and supply chain intelligence (see Section 3.7.1.1 Promoting good and positive practices along the supply chain);
- A specific corruption risk mapping, developed in 2017 in line with the requirements of the "*Loi Sapin 2*" was reviewed and updated in 2019 (as previously described in Section 3.2.4.2 Preventing corruption) and again in 2020 to meet the latest requirements of the French Anti-Corruption Agency;
- Finally, Tarkett participated in an assessment, conducted by Trucost (S&P Global) in 2018, of its performance in light of the Sustainable Development Goals (SDG) defined by the United Nations. This provided insight to our exposure, risk mitigation and positive impact regarding the most relevant SDGs for our activities.

Focus

Focus on climate-related disclosure according to Task Force for Climate-related Financial Disclosures (TCFD) recommendations

Risk management & Governance

Climate-related risks are identified and assessed as part of Tarkett's multi-disciplinary company-wide risk management process (see Section 6 Risk factors and internal control). "Climate change and damage to the environment" is one specific risk factor that is considered material based on Tarkett's assessment of its level of impact and the probability of occurrence. Other potentially climate-related risks are also taken into consideration in other material risk factors such "downtime, disruptions, damage on site" and "deployment of the transition to a circular economy". Risk mapping takes into consideration direct operations as well as upstream and downstream value chain risks.

The Executive Management Committee has overall responsibility for organizing and overseeing risk management, including risk mapping and assessment, risk mitigation as well as internal control and audit. Each member of the Executive Management Committee ensures the implementation of continual risk monitoring, controls, and mitigation in their realm of responsibility.

In 2021 Tarkett completed an in-depth review of the impact of Tarkett's activity on the climate and the impact of climate on Tarkett's activity. This work, which was undertaken with the assistance of Carbone 4, an independent climate consulting firm, led to Tarkett revising its climate objective to be aligned with the aim of limiting the global temperature rise to 1.5°C, consistent with the Paris Agreement. The work included using quantitative scenario-based foresight analysis to measure activity against different future scenarios, identifying the risks and opportunities in each scenario and assessing the resilience of the business. The findings of this double materiality risk and opportunity mapping were presented to Tarkett's new Supervisory Board's CSR Committee.

EU Taxonomy

In addition to the review of climate-related risks, Tarkett examined, in 2021, the implications of the EU Taxonomy. The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities with the aim of helping the EU scale up sustainable investment and implement the European green deal. The EU taxonomy provides companies, investors, and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. The first Delegated Acts, adopted in June 2021, set out a list of economic activities in the sectors that are considered most relevant for addressing climate change mitigation and climate change adaptation and thus having the potential to make a substantial contribution to the EU's environmental goals on climate. Our initial analysis of Tarkett's principal activities based on NACE codes[1] (European Nomenclature of Economic Activities) found flooring and sports surface manufacturing not to be covered by these Climate Delegated Acts. However, we understand that the European Commission is continuing to provide guidance and clarification on the interpretation of the list of activities which are eligible. As such Tarkett will review its analysis in the coming year, in the light of new guidance, to see if any of Tarkett's activities can indeed be considered eligible to the Taxonomy criteria on climate objectives. In all cases, Tarkett remains strongly committed to contributing to climate mitigation, notably materialized in 2021 by the new objective to reduce whole value chain GHG emissions (For more details see Section 3.7 Responding to the climate emergency with good environmental management and a circular economy approach).

1 C13.93 Manufacture of carpet and rugs (including artificial turf), C16.22 Manufacture of assembled parquet floors, C22.19 Manufacture of other rubber products, C22.23 Manufacture of builders' ware of plastic

EU Taxonomy - Climate Delegated Act (Climate mitigation & adaptation)	Turnover *(Net revenue in millions of euros)*	%
A. Taxonomy eligible activities	0	0%
B. Taxonomy non-eligible activities	2,792	100%
Total (A+B)	2,792	100%

The company risk mapping is also completed with an evaluation of the probability of each risk materializing in the next five years to further qualify the materiality of the risks in accordance with the EU Prospectus Regulation (EU 2017/1129) and the European Securities and Market Authorities guidelines published in 2019. The risk mapping identified 17 material risks, which are presented in Chapter 6 "Risk factors and internal control" of the 2021 Universal Registration Document, including 5 ESG risks (ethics and integrity in business conduct; climate change and damage to environment; deployment of the transition to a circular economy; product safety and quality and talent retention and recruitment of key employees) and a number of other ESG-related risks (e.g. worker health, safety and security; downtime, disruptions, damage on site; flooring market changes; raw material price volatility; supplier dependency; evolution, complexity and interpretation of tax regulations; IT and cybersecurity and COVID-19 pandemic) which are also covered in this CSR report.

3.3.2 Mapping key challenges, risks and opportunities

The main worldwide challenges and ESG and ESG-related risks applicable to Tarkett (as identified by Tarkett's Risk Mapping and other risk identification and evaluation initiatives previously described), along with resulting opportunities, are summarized in the above infographic.

Focus

Focus on climate-related disclosure according to Task Force for Climate-related Financial Disclosures (TCFD) recommendations

Strategy – climate-related risks and opportunities

The following climate-related risks and opportunities have been identified by Tarkett as material, either in the short (up to 2 years), medium (2-5 years) or long-term (5-20 years):

- The risk of Tarkett on climate through excessive growth of GHG emissions from operations (use of fossil fuels) and/or from upstream and downstream activities associated with its products (i.e. product life cycle GHG emissions)
- The risks of climate change on Tarkett are mainly transition risks, such as:
  - Current and emerging regulation, including potential future regulation on tracking, and reducing Scope 3 emissions, future carbon taxes, extended producer responsibility and minimum recycled content.
  - Technology, for example access to / development of necessary technology to enable Tarkett to meet growing market demand of low-carbon circular flooring products.
  - Market changes, related for example: to downstream risk / opportunity of end users preferring alternative flooring products driven by climate-related issues; to raw material price volatility with upstream and operational risks of raw material availability and costs evolving due to climate-related issues and due to the transition to a low-carbon economy; to increased demand for low carbon products; and to circular economy regulatory and market requirements potentially generating increased demand for circular / recycled and recyclable flooring products.
  - Reputation, associated to not achieving our climate-related objectives or to losing the trust of our customers on Tarkett's commitments. The risk of Tarkett's activity on climate: direct and indirect GHG emissions from operations (use of fossil fuels and purchased electricity) and more critically from indirect GHG emissions associated to upstream and downstream activities (i.e. product life cycle GHG emissions).
- **Opportunities include:**
  - To reduce indirect operating costs through production efficiency, and notably actions to improve energy efficiency, reduce greenhouse gas emissions and to increase the use of recycled raw materials.
  - To increase revenues resulting from increased demand for low carbon products which are recyclable and where circular solutions are available. Tarkett believes that adopting a closed-loop circular economy approach will help it limit raw material costs, secure raw material sourcing, limit greenhouse gas emissions and meet growing customer demand for responsible products.

3.3.3 Managing risks

Our systematic and integrated approach towards risk management, which includes CSR risks, is based on the following steps:

- Presentation of updated Tarkett's Risk Mapping to the Executive Management Committee for approval and follow-up.
- Regular presentation to the Audit, Risk and Compliance Committee, which is in charge of ensuring the effectiveness of risk-monitoring and internal control procedures as well as presentation of CSR risks and opportunities to the CSR Committee.
- Integration of the review of risks and controls into the work programs of the internal audit department.

The Group CSR strategy and policies developed to manage our material CSR risks and challenges are defined at the Executive Management Committee level, then implemented at Division and function level, and finally at the level of sites/networks in each country. Different programs support the deployment of these CSR policies, such as World Class Manufacturing (WCM) for operations; Cradle to Cradle® (C2C) principles for eco-design; Innovation programs for climate and circular economy, and health and well-being; and ReStart® for take-back and recycling; or Talent Management Guiding Principles.

Our policies and initiatives intended to manage CSR risks and challenges, their objectives and results, and the related key performance indicators are described in detail in the relevant Sections of this CSR Report 2021, namely:

- **Section 3.2** CSR governance, for risks and issues related to governance and business ethics
- **Section 3.5** Stakeholder engagement, for risks and issues related to anticipating and responding to stakeholder expectations, and collaborating with the value chain
- **Section 3.6** Meeting customer and societal expectations through eco-design, transparency and circular solutions, for risks and issues related to the environmental and health impacts of our products along the value chain
- **Section 3.7** Responding to the climate emergency with good environmental management and a circular economy approach, for risks and issues related to climate change
- **Section 3.8** Creating solutions for greater indoor air quality and safe, healthy spaces for our customers, for risks and issues related to the health and safety impacts of our products
- **Section 3.9** Driving Collaboration in the value chain and in communities, for risks and issues related to our suppliers and our activities within local communities
- **Section 3.10** Nurturing our human capital, for risks and issues related to our employees

Concerning the risk "COVID-19 pandemic", our initiatives intended to manage the risks and opportunities related to the ESG aspects of this risk are described throughout this Chapter and in particular detailed in the following Sections:

- **3.8.2** Participating to people's well-being
- **3.9.2.3** Giving time, assistance and other contributions to local communities: Tarkett Cares
- **3.10.2** Caring for the health and well-being of our workforce

Example

Focus on our World Class Manufacturing (WCM) operational excellence program

World Class Manufacturing (WCM) is a continuous improvement program, focused on improving employee's safety, reinforcing customer service and quality, reducing the impact of the Group's operations on the environment while optimizing resource management, and improving industrial performance.

WCM is applied globally in almost all our plants and distribution centers using a proven methodology, with structured tools, a central dedicated team at Group level, and local division coordinators who help reach objectives defined by local teams, through coaching, training and sharing of best practices. Completion of internal WCM audits enables the teams to monitor the progress of production sites and to define action plans.

In 2021 Tarkett decided to evolve our WCM system for more simplicity, leadership, and results. Notable improvements include defining more clearly our vision and targets as well as the path to follow. Developing maturity roadmaps focused on fundamentals and linked to standards and training. Sharing leadership topics with the Executive Management Committee to enable their support of the change. The transition started in 2021 and will be completed in 2022.

3.3.4 Assessing the materiality of CSR issues for Tarkett

The materiality assessment helps identify and specify the material CSR issues and challenges for Tarkett, in other words the most important issues in the context of the Group's activities, their impact on our business model and our stakeholders' expectations.

In 2016, a survey was completed to determine the material topics for Tarkett and ensure that our CSR strategy and our objectives were aligned with them. **Each year we maintain regular dialogue with our stakeholders** (Section 3.5 Stakeholder engagement), listening to their concerns, desires, and expectations. In this way we ensure our actions, and our priorities are adapted to meet the material challenges and opportunities. For example, we note that the risks relating to the environment (implementation of new standards to limit global warming and to reduce the use of fossil resources) are today considered to be more significant than in 2016.

The stakeholders' mapping was completed followed by a survey that was sent to both external stakeholders (customers, suppliers, sales partners, NGOs, trade organizations, experts, research, and educational institutions, etc.) and internal stakeholders (members of the Tarkett Supervisory Board and the Executive Management Committee, Tarkett employees). The survey involved stakeholders based in France, Germany, the Netherlands, Serbia, Sweden, Russia, the United Kingdom, and the United States. The survey covered key topics included in the GRI Standards and Cradle to Cradle® principles, organized into five categories: the environmental impacts of production, responsible products, work, human rights, and societal issues.

Four specific issues emerged from the 2016 survey and are still considered, **along with responding to the climate emergency**, to be among the most material CSR topics for Tarkett: health and safety at work, health and safety related to products and materials, the environmental impact of products, and responsible use of materials and resources.

	Environmental impacts of production	Product Stewardship	Labor, Human Rights & Societal issues
Priority topics for both external and internal stakeholders, and relevant for Tarkett's activities		Environmental impact of products Health & Safety of products and materials Resource and material use	Health & Safety at work Child Labor (a key priority for external stakeholders, but not a potential risk for Tarkett activities)
Other priority topics for internal stakeholders	Energy Consumption Production waste	Cradle to Cradle® principles Recyclability of products	Training and talent development Anti corruption
Other topics of importance	Air emissions from production Waste water from production Assessment of suppliers on environmental topics	Transparent marketing communication	Support for local job and income Assessment of suppliers on human rights Forced Labor Diversity, equality, non-discrimination, labor rights

When comparing the materiality matrix with our CSR risk mapping, it is clearly visible that priority topics and other topics of importance identified by the materiality assessment in 2016, along with action on climate mitigation, are covered by and consistent with the identification of our CSR risks and opportunities.

3.4 Duty of care / Vigilance plan

In line with the requirements of Article L. 225-102-4 of the French commercial code ('*Code de commerce*'), Tarkett develops and implements a vigilance plan to identify risks and prevent potential violations of human rights and fundamental liberties, adverse impacts on the health and safety of people and on the environment. This vigilance plan covers the Company's activities, as well as activities of our subcontractors and suppliers with whom an established commercial relationship is maintained. This vigilance plan is incorporated into the Group's CSR strategy and policies, as described hereafter.

Risk mapping

Our CSR risk identification process and mapping are described in detail in Section 3.3 CSR risks and opportunities. Tarkett's Risk Mapping covers risks related to health, safety and environment (HSE), as well as human rights as follows:

- At Group level, HSE risks are identified and evaluated by the Audit Department and the Compliance Officer in collaboration with the Chief Sustainability Officer and the Group Safety Director.
- At manufacturing sites, HSE risks are identified and evaluated locally in accordance with our WCM program and through the management systems implemented at most of our sites[1]: ISO 45001 for health and safety aspects, ISO 14001 and ISO 50001 for environmental and energy aspects. Human rights risks have not been assessed as significant for activities at our production sites to date. We are however aware that current geopolitical trends can generate new risks (e.g. risk of modern slavery related to vulnerable populations such as migrants), to identify and take into consideration as they appear.
- At supply chain level, a procurement CSR risk mapping covering the vast majority of our suppliers was completed in 2018 in partnership with a company specialized in sustainability ratings and supply chain intelligence, and includes HSE risks, as well as those related to a potential violation of human rights, among others (see Section 3.9.1.1 Deploying our responsible sourcing program).

Assessment procedures

At manufacturing sites, the assessment of HSE risks are conducted internally on a continual basis as per the procedures and guidelines of our WCM program (see Section 3.3.3 Managing risks). In addition, our sites are regularly audited on environmental compliance by a third-party (ERM), and most of our sites are subject to surveillance and re-certification audits for ISO 45001, ISO 14001 and additionally in some cases ISO 50001.

At supply chain level, the third-party supplier CSR evaluation by EcoVadis, which started in 2019, continued in 2021 as part of our responsible sourcing program. Assessed suppliers are selected based on the outcomes of the procurement CSR risk mapping, in parallel to the deployment of the Supplier's Code of Conduct (see Section 3.9.1.1 Deploying our responsible sourcing program).

Alert mechanism

The Compliance Hotline implemented in 2018 and accessible from 150 countries, and the Ethics Hotline in the United States and in Canada, allow alerts on any potential breaches found or observed within Tarkett, in particular relating to human rights, health, safety and the environment (see Section 3.2.4.1 Ensuring business ethics and integrity).

Actions and monitoring scheme

Our objectives and actions / initiatives implemented to prevent risks covered by the vigilance plan, as well as the related key performance indicators enabling to assess the efficiency of implemented measures and their results, are described in detail in the relevant sections of this CSR Report 2021, namely:

- Section 3.2 CSR governance, for managing risks related to human rights, business ethics and compliance
- Section 3.5 Stakeholder engagement, for managing risks related to anticipating and responding to stakeholder expectations, and collaborating with the value chain
- Section 3.6 Meeting customer and societal expectations through eco-design, transparency and circular solutions, for managing risks related to the environmental and health impacts of our products along the value chain
- Section 3.7 Responding to the climate emergency with good environmental management and a circular economy approach, for managing risks related to the climate
- Section 3.8 Creating solutions for greater indoor air quality and safe, healthy spaces for our customers, for managing risks related to the health impacts of our products
- Section 3.9 Driving Collaboration in the value chain and in communities, for managing risks related to our suppliers
- Section 3.10 Nurturing our human capital, for managing risks related to our employees' health and safety

1 *See full list of plant ISO certifications in Appendix*

3.5 Stakeholder engagement

In order to positively impact not only people's daily lives but also the generations to come, we have to start with a profound understanding of people, those who create with our products, those who rely on them and those who care for them. Having a deep human understanding is thus one of the key commitments of the Tarkett Human-Conscious Design® initiative.

Tarkett recognizes that constant dialogue and engagement with the whole value chain and wider community is essential to achieve its objectives of best serving its customers and contributing to addressing societal challenges. In this respect, Tarkett proactively engages with stakeholders on a wide variety of topics, such as building a circular economy, designing for diversity, rethinking the workplace, preparing hospitals for the future, or sustaining the game with sustainable solutions for sports surfaces.

Tarkett facilitates this dialogue and engagement locally by creating in each country multiple occasions to meet, to listen, to share, to inform and to learn with all those interested in Tarkett's products, services, and activities. The following table highlights the principal ways that Tarkett engages dialogue and collaboration with its stakeholders.

Our stakeholders	Principal means of dialogue	Frequency (up to 4/yr | 5-12/yr | >12/yr)	Section for more information in this report
Customers, architects, designers, installers, and end-users	> Social media, internet, email > Tarkett showrooms > Tarkett Academy & continual professional development (CPD) > Transparency tools: Material Health Statements (MHS®), Cradle to Cradle® certification, specific Environmental Product Declarations (EPDs), Asthma and Allergy friendly® certification, and other product certifications and information tools > Product brochures and documentation > Tarkett ReStart® take-back and recycling program		3.5, 3.6, 3.7, 3.8, 3.9
	> Conferences, exhibitions, trade shows (both physical and virtual) > Tarkett hosted webinars		
	> Tarkett Green Tours presenting our sustainability approach and initiatives on our production sites in Narni (Italy), Clervaux (Luxembourg), Ronneby (Sweden), Sedan (France), Waalwijk (the Netherlands) and Otradny (Russia) > White papers > Supplier assessments (such as EcoVadis CSR assessment)		
Employees, other workers, schools and universities	> Multidisciplinary working groups > Tarkett-Inside intranet & Workday > Internal communities (e.g. Safety, Environment) > Employee Resource Groups > Job fairs and career section of corporate website		3.10
	> Internal newsletters > Focus days (e.g. Global Safety day, Earth Day, World Climate Day …)		
	> Annual Performance and Development Dialogue > Employee feedback surveys > Internal webinars		

Our stakeholders	Principal means of dialogue	Frequency (up to 4/yr | 5-12/yr | >12/yr)	Section for more information in this report
	> Annual meeting and quarterly conference calls on financial and CSR topics for senior executives > Social dialogue with worker representatives, such as with the Tarkett Forum in Europe > Partnerships with local schools / universities		
Suppliers, service providers and other business partners	> Responsible sourcing program: supplier code of conduct, supplier CSR assessment, raw material assessments > ReStart® take-back and recycling program > Third-party recycling programs (e.g. Valobat in France, Carpet America Recovery Effort in US, AgPR in Germany)		3.6, 3.7, 3.9
	> Circular economy partnerships and collaborative projects		
	> Tarkett Innovation Challenge		
Shareholders, investors, creditors, and the financial community	> Tarkett websites (https://www.tarkett-group.com) with dedicated information on health and well-being, climate and circular economy,and social responsibility		3.1, 3.5
	> Response to questions on ESG topics from investors, proxy advisors, analysts, and rating agencies > Roadshows and presentations to investors and asset management companies		
	> Supervisory Board and its special committee on CSR > Shareholder's Annual General Meeting > Financial statements / Universal Registration Document / CSR Report > Investor days		
Trade associations, business networks, academic and scientific institutions	> Industry trade and professional associations (e.g. European Plastics Converters, European Parquet Federation, European Resilient Flooring Manufacturers' Institute – ERFMI, Vinyl Sustainability Council) > Scientific institutes and experts (e.g. Cradle to Cradle Products Innovation Institute, Environmental Protection Encouragement Agency – EPEA and Carbone 4)		3.5, 3.6, 3.7
	> Industry projects (e.g. EU Circular Plastics Alliance, ERFMI Circular Economy Platform) > Think tanks (e.g. Ellen MacArthur Foundation Network, Globe EU Bee Group, Circular Sweden and Cireko in Sweden)		
	> Research projects		
Public authorities, intergovernmental, non-governmental and not-for-profit organizations	> Conferences, webinars, and other meetings > Industry projects and initiatives (e.g. Green Building Councils, Asthma and Allergy organizations) > Public consultations (e.g. EU Taxonomy, EU New European Bauhaus, OECD Sustainability Criteria for Plastics Design)		3.5, 3.6, 3.7, 3.8
	> Public-Private projects (e.g. Circular Flooring EU, EU Circular Plastic Alliance) > Participation to standardization work (e.g. Cradle to Cradle Certified, ISO TC323 on future ISO Circular Economy standard)		
Local communities	> Tarkett Cares community initiatives		3.7, 3.9
	> Tarkett Green tours and other plant open days > Local sponsorships		

Focus: Tarkett Showrooms – a place to engage with Tarkett on flooring and Tarkett Human-Conscious Design®

Tarkett has 33 showrooms in a number of markets providing space to welcome clients, architects, designers and others to see and feel Tarkett's range of flooring solutions and to engage with Tarkett on topics from design and material choice, to installation, maintenance, indoor air quality, the circular economy, post-use recycling, and more. In 2021 Tarkett opened six new showrooms in Paris – La Défense (France), Stockholm (Sweden), Moscow (Russia), Kiev (Ukraine), Almaty (Kazakhstan), and Dubai (United Arab Emirates). These join our existing showrooms in the US cities of New York City, San Francisco, Washington DC, Atlanta, Chicago, Charlotte, Dallas, Denver, Houston, Los Angeles, and Calhoun; and in cities across western and eastern Europe and norh Africa: Paris (France); London (UK); Madrid, Barcelona and Valencia (Spain); Ludwigshafen (Germany); Vienna (Austria); Waalwijk (the Netherlands); Bucharest (Romania); Sofia (Bulgaria); Bačka Palanka and Belgrade (Serbia), Zagreb (Croatia); Sarajevo (Croatia); Saint Petersburg (Russia); and Casablanca (Morocco).

The Tarkett Ateljé in Stockholm, which was inaugurated in June 2021, was designed in collaboration with the Note Design Studio. The space is created as a forum for sustainability and design talks, with a central auditorium and in a setting that showcases circular economy being put into practice. The material used comes from Tarkett's post-use recyclable product ranges, which are now presented as part of Tarkett's Circular Selection.

The Tarkett Bureau in Moscow offers 170m² of dedicated spaces for both end users and B2B buyers. Clients can browse the full range of our offer and use our cutting-edge digital tool, Tarkett iDesigner, to see mockups of installed flooring. Clients, architects, designers, and construction partners can all discuss the specifics of their projects and learn how Tarkett can best support them.

The Atelier Tarkett in Dubai was opened during the Dubai Design Week in November 2021 in the heart of the Dubai Design District. It was conceived as a hub for a vast array of stakeholders including architects and designers, specifiers, and urban planners. It provides a showroom area aimed at demonstrating the creative potential of Tarkett flooring solutions, as well as architectural and working areas to facilitate interactions, hold meetings and host talks. The new space puts the spotlight on how to change the game with circular economy strategies and making conscious choices for people and the planet.

Focus: Sharing innovative action for a low carbon, circular economy at COP26 in Glasgow (UK)

In November 2021 Tarkett participated to the **COP26 in Glasgow**, with Tarkett's Chief Sustainability Officer talking at an International Chamber of Commerce event about Tarkett's actions to transition to a circular economy, through notably the partnership with Ragn-Sells on developing a carbon negative mineral filler for vinyl flooring from recycled ash from Estonia (for more details see Section 3.6.2.1 Working collectively towards a circular economy). Tarkett's Chief Sustainability Officer also explained how we are focused on transitioning to a circular economy during a live streamed discussion organized by Business Sweden. Following a presentation by Ragn-Sells of their project to recycle ash and capture carbon dioxide to produce calcium carbonate, Tarkett described how this solution joins other initiatives taken by the group to increase the use of recycled materials and close the loop on flooring through take-back and recycling. Tarkett also participated to another panel discussion organized by the ICC and the French Chamber of Great Britain which was moderated by the Chair of the Supply Chain Sustainability School. Here, business leaders from the built environment sector share how they are working - separately and together as an industry - to make their supply chains more sustainable.

Focus: Transitioning to a circular economy – sharing practical solutions to spur more action

Tarkett held and participated to a number of events promoting the transition to a circular economy, sharing Tarkett's initiatives to design for recycling, to use more recycled secondary raw materials and to develop ReStart® take-back and recycling of post-use flooring. For example, Tarkett contributed to the Circular Week in October 2021 at Swedish embassy in Poland, discussing, along with Ikea and Electrolux, on how to accelerate the Circular Economy in Poland. Circular Week is an international campaign consisting of a series of events and initiatives devoted to circular economy and sustainable development throughout Europe. Its goal is to promote the idea of a circular economy, support sustainable business models and establish cooperation between interested stakeholders. See other examples in Section 3.6.2.3 Building a circular economy together.

Focus: Diversity in design - understanding differences to better achieve inclusion

Tarkett in North America is actively promoting dialogue on diversity, with webinars, training and by participating to events, such as the American Institute of Architects (AIA) Washington DC pride month in June 2021, which saw Tarkett moderate a panel of industry leaders sharing their stories of empowerment and resilience through the lens of justice, equity, diversity, inclusion, and belonging. In 2021 Tarkett also embraced neurodiversity through Tarkett Human-Conscious Design® with the aim of making workplaces more inclusive through a partnership with HOK an American design and architecture firm. See Section 3.8.2 Participating to people's well-being.

Focus: Rethinking workplace – exploring how the COVID-19 pandemic is impacting workplace trends

As part of its Great Indoors platform to inform and inspire the evolving worklife conversation Tarkett regularly conducts research and shares its latest findings. In 2020 and 2021, Tarkett tracked how people's views and experiences of work and the office changed over time, running three global surveys of 10,000 office workers in total, in collaboration with workplace consultants from WKSpace. This initiative forms part of Tarkett's ongoing research project 'Rethinking Workplace' - which was first launched long before COVID-19 to understand how changing behavioral trends might impact on office design specification. To date, we've gathered data from 17,000+ office workers worldwide and hosted a series of focus groups, seminars and webinars with architects, designers, and workplace specialists. This helps to inform how the office is going to be more of a place to 'meet', than a place to 'produce' and how indoor air quality and sustainability are emerging as key issues. These insights directly fit for the purpose of the New European Bauhaus to create sustainable, human centric, inspiring, and inclusive spaces and buildings, supporting people wellbeing and safety in offices. Sharing the findings during dedicated webinars, or in our showrooms, provides a new opportunity to engage with all those involved in building design, construction, renovation and use, on the importance of eco-design and material choice, indoor air quality, circular economy, and recycling to which Tarkett is actively proposing solutions.

Focus: Hospitals for the Future – collective insight into tomorrow's needs to be more efficient, eco-conscious, and human-centric

Understanding human needs is the basis for the Tarkett Human-Conscious Design® approach. Having observed that the COVID-19 pandemic was impacting healthcare organizations heavily Tarkett was inspired to investigate. Tarkett led research with an international group of healthcare experts on the human, logistical and technical challenges, and opportunities for the Hospital of the Future. Findings were published in 2021 in a white paper report as a contribution to the debate on the hospital of the future, sharing knowledge and ideas to help drive forward thinking among healthcare providers, consultants, designers, and suppliers. The white paper underlined three pillars for a positive patient experience: improving access to care; empowering patients and families; and improving quality of life for patients and staff. It also noted the importance of ensuring continuity of service, with infection control to help contain contagion and flexibility in healthcare facilities to adapt to emergency needs. Lastly the white paper looked at the opportunities presented by digital transformation and by transitioning to sustainable practices.

Focus: Sustaining the game – with circular solutions for artificial turf

Tarkett Sport's FieldTurf launched an expert network in 2021 to engage dialogue on sustainability topics relating to the artificial turf industry. It organized webinars with UK, Danish and Swedish clients and municipalities to explain Tarkett's work on sustainability and some of the recycling technologies we can offer such as FieldTurf's innovative SuReTec program. See Section 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources

Focus: Trade shows and conferences – connecting with customers, architects and designers

In the US, as well as attending NeoCon 2021, a major US commercial interior industry trade event in Chicago, Tarkett's North American teams also organized a series of local events across the country (Dallas, Nashville, Denver, Chicago) to help limit travel and facilitate social distancing measures compared to the large-scale national trade event. Tarkett's theme for the "Ignite 2021" event was "Designing the Future. Brilliantly.", focusing on three key messages: creativity, inclusivity, and responsibility. These messages reflect our approach to designing, developing, and manufacturing flooring products and solutions - with a focus that begins with people, planet, and performance. These more intimate, local shows, gave Tarkett the ability to inform, educate, engage with more local participants and to address each person's unique flooring solution needs. Our design and sustainability teams were present onsite to host live product and sustainability presentations along with CEUs (continuing education units) available during the event and on-demand for viewing afterwards. In addition to trade shows, Tarkett joins various conferences and meetings to listen and to share experience and ideas. For example, Tarkett spoke at the Metropolis Perspective Sustainability symposium event in June 2021 on "understanding the whole life impact of building interiors". Tarkett explained its Cradle to Cradle® circular design approach and its commitment to transparency with third party verified information. Tarkett shared examples of its actions to using more recycled and renewable materials instead of virgin material which helps to reduce the carbon footprint of the flooring, such as the use of PVB from recycled windshields. Tarkett also stressed the importance of collaboration and getting everyone onboard to successfully progress in closing the loop and getting flooring back to be recycled.

In Sweden, Tarkett participated to the 2021 Stockholm Creative Edition design week, an annual event providing a platform for the latest and most cutting-edge Swedish design. Tarkett created for the occasion a 70m² floor installation made entirely of recycled Tarkett flooring created in partnership with a Swedish artist. This helped foster discussion and interest on recycling and the circular economy. Tarkett continued the dialogue showcasing its Circular Selection which brings together post-use recyclable materials from our vinyl, textile and linoleum catalogues and demonstrates the possibilities of reusing materials.

Focus: ESG disclosures – responding to the growing attention and interest from our investors, shareholders and creditors

Tarkett regularly responds to investors and analysts' questions on ESG matters. It discloses annually to the multi-investor backed CDP Climate Change questionnaire as well as engaging directly with investors, asset managers and proxy advisors during roadshows and other exchanges. In 2021, the Deconinck family, the controlling shareholder, reinforced its control with the support of Wendel as a long-term partner with the aim of supporting Tarkett's future growth. Wendel brings its culture of excellence, engagement, and entrepreneurship, committed to supporting talented management teams across the world in building the sustainable leading companies of tomorrow. The Deconinck family already supported Tarkett's Change to Win strategic plan presented in 2019 which included new commitments on climate and the circular economy. One of the first decisions of Supervisory Board, following these changes, was to establish a new special CSR committee to review Tarkett's main CSR risks and opportunities, its CSR commitments, and its CSR reporting. The new committee met twice in 2021 providing a new opportunity for discussion on Tarkett's actions and ambitions.

3.6 Meeting customer and societal expectations through eco-design, transparency, and circular solutions

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	Objective 2030	CSR Report section	Contributing towards UN SDGs
Raw material price volatility (fluctuations in prices and availability of raw materials and energy) **Supplier dependency** (risk where supplier choice is limited for certain raw materials)	> Materials selection as part of New Product Development Process (NPDP) > Maximize recycled content in our products: post-installation / end-of-use flooring; secondary raw materials from other industries > Diversification of supplier's portfolio and use of local suppliers	Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled)	70%	68%	67%	85%	3.6.1	15 LIFE ON LAND
Product quality and safety (evolving health and environmental regulations, standards and/or customer's expectations) **Flooring market changes** (expectations for greater transparency; new products and services and increased stakeholder involvement; suppliers not compliant with our CSR standards; expectations and requirements from civil society and local communities)	> Systematic materials assessment based on C2C criteria > Transparent product information, e.g. Material Health Statements, Environmental Product Declarations > C2C certifications of our products	Percentage of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria	97%	98%	98%	-	3.6.1.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

3.6.1 Choosing materials consciously and transparently

Tarkett is committed to putting people and the planet first, by applying the Tarkett Human-Conscious Design® approach to its product eco-design, development, and manufacturing to create floors that help make spaces healthier, more comfortable, and more beautiful, while striving to lessen the Group's environmental impact. This approach also allows Tarkett to disclose in complete transparency to its customers the environmental and health impacts throughout its supply chain.

3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources

Choosing quality materials is one of the pillars of our eco-design approach according to Cradle to Cradle® principles, with the objectives to respect people's health, preserve resources and protect the environment.

From an environmental point of view, Tarkett strives to conserve natural resources, prioritizing healthy materials that can be recycled and that are sourced from abundant sources (for example calcium carbonate), renewable (such as cork, pine, spruce, oak, ash, walnut, maple, beech and birch) and recycled (including waste from other industries), so that the materials used for our products do not contribute to resource scarcity.

Using an ever-greater share of recycled materials, is central to Tarkett's climate and circular economy objectives. We are taking a holistic approach focusing on **closed loop recycling** (collecting and recycling Tarkett post-industrial and post-use materials), **open loop recycling** (sourcing post-industrial and post-use materials from other industries as well as procuring raw materials with recycled content) and the circular design of products (how to re-design products and processes to ensure recyclability and to increase the uptake of recycled material). This applies to both flooring and sports surfaces, with for example, over 20% recycled content in certain homogeneous and heterogeneous flooring, over 30% in linoleum, and over 60% in certain carpet flooring solutions. Tarkett Sports' FieldTurf in Europe proposes turf and infills composed of recycled materials such as ProMax HydroFlex infill which incorporates 30% recycled polyethylene sourced from end-of-life artificial turf fields and other various infill solutions made from recycled rubber granules from tires which would otherwise have been landfilled. Worldwide, Tarkett estimates that some 15 million tires have been diverted from landfill and recycled to provide rubber crumb infill (based on the use of 20 000 tires per field). Tarkett Sports' indoor flooring with the new Omnisport X3LT 3 layer technology incorporates a calendared layer with up to 60% recycled content.

Concerning renewable origin materials, wood is the main renewable material procured by Tarkett for parquet, laminate and linoleum flooring as well as for certain indoor sports surfaces. For example, Tarkett has produced wooden floors since 1886, sourcing wood, close to our plant at Hanaskog in Sweden, from sustainable forests in Sweden and Finland, where sparse planting and slow growth in the northern hemisphere led to strong and stable trees. Tarkett uses the whole log to benefit from its grain and pattern for the design of beautiful, distinctive floors. Linoleum also uses other renewable materials such as linseed oil, pine resin, jute and cork. Tarkett uses bio-based plastics combined with recycled and abundant raw materials in iD Revolution its Gold level Cradle to Cradle Certified® modular resilient tiles made with non-PVC materials. Another example is the Eco Shell rubber flooring developed in North America, which includes as a component, leftover walnut shells from local walnut tree culture. For outdoor sports surfaces, Tarkett's FieldTurf offers a growing range of alternative renewable material performance infill layers such as PureFill which uses natural cork granules and sand, PureSelect which uses locally sourced olive cores in the United States along with imported European olive cores and PureGeo which uses coconut peat and cork. In Europe, FieldTurf also propose PureSelect with a European sourced olive core-based infill.

Example

Tarkett's Fieldturf launches a program to progress towards the development of circular artificial turf solutions.

SURETEC™ is our concept to participate and apply plastic recycling technologies internally and externally, with the goal of creating a circular turf. FieldTurf achieves this goal with the support of several technical solutions:

- Chemical recycling with the use of mass balance pyrolysis oil from end-of-life plastics.
- Mechanical recycling with the conversion of plastic waste into new secondary raw materials.
- Post-use recycling with the reprocessing of end-of-life turf for use in new turf system components.
- Eco-design with mono-polymer turf to facilitate recycling.

This new program joins existing solutions such as renewable infill layers for artificial turf. Recent examples include the refurbishment of the artificial turf at the Red Star football school training ground in St Ouen, Île-de-France (France) where recycled and renewable materials were used. An infill comprised of sand recovered from old artificial turf was used along with PureSelect crushed olive cores which is a first in the Paris area. In the Netherlands FieldTurf implemented PureMix infill, mixing crushed olive cores with existing cork infill at The Hague municipality football pitch. The olive cores are a secondary material from olive processing, are biodegradable and durable. A total of 15 tons were applied to add a 3 mm layer that was mixed with the existing cork infill. It is expected that this solution will also limit maintenance and improve the durability of the system.

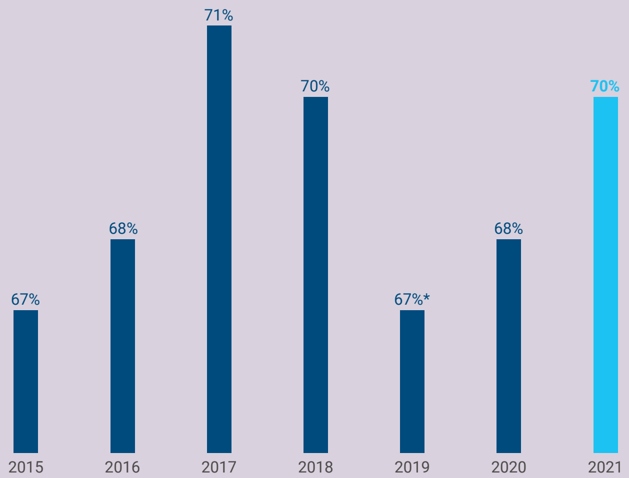
Zoom on key indicators

Raw material selection to preserve natural resources

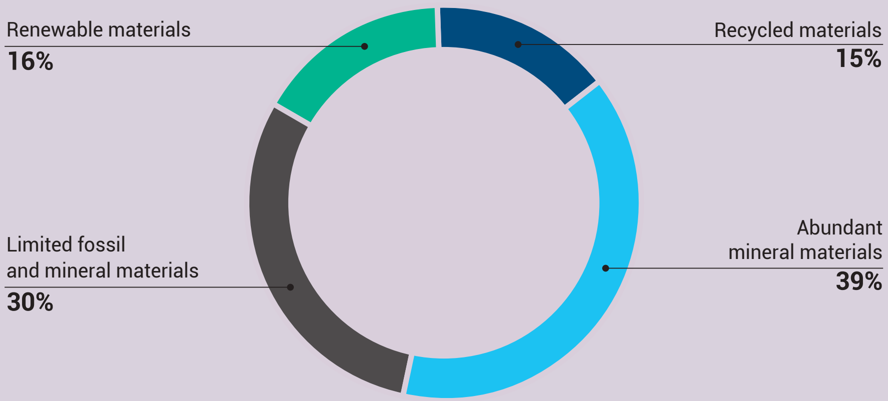
Despite market and sanitary conditions Tarkett continued to focus on sourcing secondary raw materials in 2021, increasing the share of recycled raw materials to 15% compared to 13% in 2020, 12% in 2019 and 10% in 2018.

In 2021, Tarkett recorded a positive progression in the share of our raw materials which did not contribute to resource scarcity (being abundant, rapidly renewable or recycled). This is mainly due to the continued progression in employing proportionally more recycled materials in 2021. Examples of actions contributing to this trend include, the development of a new recycling center at our plant in Jaslo (Poland), the successfully implementation of a closed-loop project at our plant in Bačka Palanka (Serbia) enabling the recycling of post manufacturing vinyl waste and the transition of our Verso carpet tile range to PA6 yarn with 75% recycled content from yarn with no recycled content.

Share of raw materials not contributing to resource scarcity (%)



Breakdown of raw materials used in 2021 (%)



** 2% decrease in 2019 vs 2018 due to closure of laminate production in Germany*

3

Limiting risks of supplier dependency

Identifying and developing new sources of renewable and secondary raw materials contributes to mitigating risks associated to raw material sourcing, notably to dependencies on certain suppliers. In recent years, Tarkett has taken other additional actions to improve its flexibility with its suppliers and has developed alternative sources in order to reduce its reliance on major players. In certain countries in particular (Russia, China, Brazil), the Group has identified new local suppliers of raw materials, further reducing its dependency on specific suppliers.

Responsible use of PVC (polyvinylchloride)

PVC is a plastic resin widely used in the building and construction industry. PVC is made of 57% of salt and is therefore less energy intensive to produce than other comparable plastic polymers which are 100% fossil based. Furthermore, it is versatile, durable, and recyclable. Tarkett proposes PVC solutions in a number of segments such as workplace, hospitality, stores, healthcare, and education where the superior user properties such as extended life cycles (up to 30 years), high wear resistance, low maintenance costs, attractive designs, good hygiene and ease of installation are key. Tarkett is committed to the responsible use of PVC (polyvinylchloride) and has maintained transparent dialogue since 2010 with various stakeholders on the topic, defining conditions for sustainable design and production, usage, and recycling of PVC for long-term applications such as flooring.

Our current approach is to develop the use of phthalate-free plasticizers, to favor suppliers using newer manufacturing technologies with lower environmental impacts, to use raw materials and additives that meet high standards on sustainability, design and technical performance, in line with the Cradle to Cradle® principles and to promote the recycling of PVC-containing flooring notably through our ReStart® program.

For example, Tarkett's Clervaux plant in Luxembourg, is certified EuCertPlast for recycling post-consumer vinyl flooring. It recycles post-installation and post-use vinyl flooring collected from various European countries through Tarkett's ReStart® collection and recycling program as well as post-manufacturing waste.

Through this and other actions, Tarkett supports Recovinyl and VinylPlus which participate to the EU Circular Plastic Alliance promotion of voluntary actions and commitments for more recycled plastics with a target to ensure that 10 million tons of recycled plastics are used to make products in Europe in 2025. Recovinyl monitors and verifies the recycling of PVC waste and the uptake of PVC recyclate, recording how much PVC is being recycled in Europe. Recovinyl is the biggest contributor to the VinylPlus® recycling target which aims for one million tons of PVC to be recycled annually by 2030.

Tarkett contributed to work conducted by the OECD on the design of sustainable plastics. The OECD report, "A Chemicals Perspective on Designing with Sustainable Plastics - Goals, Considerations and Trade-offs"[1], which includes a case study from Tarkett on vinyl flooring was presented in December 2021 during a webinar. Tarkett shared through the project and the webinar its experience and practice in applying eco-design and implementing circular solutions. Tarkett highlighted its careful material selection with third-party raw material assessment following Cradle to Cradle® principles as well as its approach to developing post-use recycling with the Tarkett ReStart® take-back and recycling program.

1 *https://www.oecd.org/chemicalsafety/a-chemicals-perspective-on-designing-with-sustainable-plastics-f2ba8ff3-en.htm*

3.6.1.2 Assessing materials for their impact on health and the environment

As part of Tarkett's Change to Win strategy we are committed to driving change to develop a circular economy. Innovating with good materials and exceeding indoor air quality standards through Tarkett Human-Conscious Design® is central to this objective which puts people first, to create floors that help make spaces healthier, more comfortable, and more beautiful, while striving to lessen the Group's environmental impact so that people flourish now, and in the future. The Tarkett Human-Conscious Design® approach starts with selecting good materials by applying the Cradle to Cradle® principles.

Tarkett works closely with the EPEA (Environmental Protection Encouragement Agency part of Drees & Sommer), a research institute founded in 1987 **which promotes the Cradle to Cradle® design methodology**. Using this methodology since 2010 for all its activities, Tarkett not only guarantees compliance, with EU regulatory requirements for chemical substances according to REACH[1], but goes further by enabling product optimization, substituting materials with alternative ones that can be recycled, improving products' health and environment credentials. The results of these material assessments enable us to better understand the impact of our products and to select more carefully our raw materials by sharing our specifications with our suppliers. Furthermore, this allows the Group to have a clear view on the health and environmental impacts of its products, and to share these with total transparency, disclosing to customers the environmental and health impacts throughout its supply chain.

With 34 plants worldwide and an active pipeline of new and improved products, there are always new materials that we need to evaluate. In 2021, in the face of raw material supply constraints, Tarkett focused on assessing a new panel of plasticizers and PVC resins as well as assessing fillers, glass veils and polyester carriers.

Zoom on key indicators

Material health and environmental assessments

To achieve our objective of using good materials for the benefit of our customers and for the planet we conduct third-party material assessments. In 2021, Tarkett successfully assessed a large number of new supplier raw materials following the need to adapt to the constrained market. In total 97% of our raw materials (representing more than 5,000 materials) are third-party assessed (by EPEA) for their impact on people's health and the environment based on Cradle to Cradle® criteria. The final less than 3% of materials for which the assessment has not yet been completed correspond to various raw materials where Tarkett is procuring relatively low volumes, creating a challenge to obtain the necessary information. Similarly, Tarkett faces a challenge, when the required information is at tier 2 or tier 3 of the supply chain (tier 1 = direct supplier, tier 2 = suppliers of supplier, etc.).

Radical transparency with Material Health Statements (MHS®)

Tarkett developed, together with the EPEA, the Material Health Statement to help meet the building industry's need for more granular information, drive collaboration on sustainability and move ahead of regulation to go beyond compliance, providing clear, transparent information on the health and environmental profile of the materials in our products, including any potential risks. The MHS® tool responds to the building industry growing requests for more detailed product content information which they need to respond effectively to evolving regulations and sustainable building schemes, and to stakeholders' growing interest in the built environment's health and environmental impacts.

1 *REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals*

The development of the MHS® followed Tarkett's collaboration with the EPEA on materials assessment work. It was first launched in 2016 in North America and then expanded to Europe in 2018. More than a simple list of ingredients, an MHS® accurately describes the composition of a product and provides information related to ingredient concentration (chemical molecules), their role in the product, and any health or environmental risks in case of exposure to these substances, notably for the user of the flooring and for those who install the floors. The MHS® process encompasses several steps:

- **Material inventory**: in collaboration with our suppliers, we compile an inventory of the raw materials used in our products, down to 100ppm (parts per million/0.01%).
- **Material Screening**: the hazard rating of individual chemicals is analyzed according to European REACH and CLP[1] regulations, the Green Screen List Translator (GSLT), and based on more than 100 other chemical hazard lists and scientific sources of toxicological information used by EPEA.
- **Material assessment**: materials are assessed over their lifecycle including sourcing, production, use and post-use handling. The safety of every chemical ingredient is assessed using eco-toxicological information, scientific literature, supplier data and analytical testing. The chemical role in the finished product and its effect on occupant exposure is also evaluated.
- **Verification**: MHS® are verified by an independent third-party organization.
- **Optimization**: we then strive to reformulate our products using Cradle to Cradle® principles, by selecting materials that are safer and healthier for people and the environment and can be recycled.

The MHS® tool was developed to promote total product transparency, by providing our customers with information tools that are easy to read and understand. In Europe, the MHS® goes further than EU REACH requirements, in proactively providing information on all substances present in the product. MHS® documents have a validity period of 2 years which allows for the consideration of any new knowledge on chemicals used as well as providing an opportunity to increase the health performance of the product through changes in recipes.

1 *REACH: Registration, Evaluation, Authorization and Restriction of Chemicals; CLP: Classification, Labelling and Packaging of substances and mixtures*

How to understand and use the Material Health Statement

Formula of the product

Unique numerical identifier assigned by the Chemical Abstracts Service (CAS) to every chemical substance described in the open scientific literature

Rate of the component in the formula

Colour-coded rating given by the EPEA

- No concern
- Moderate concern
- High concern – Task for material optimization
- Unknown concern - Task for knowledge development

Comment of the EPEA on the use or the exposure to this component

GreenScreen List Translator Score and GreenScreen Benchmark Score according to Toxnot classification, an American classification of chemicals (https://toxnot.com/) More information in the legend

REACH is the European Community Regulation on chemicals and their safe use.

✓ Non hazardous substance or <0,1%

Function	Component	CAS	Content	Rating	Comment	GS-LT GS-BM	REACH
Filler	Calcium carbonate	1317-65-3	< 50%			LT-UNK	✓
Polymers	Polyvinyl butyral	27360-07-2	< 40%		Polymers contributing to the build-up of the different layers, partially with a prehistory of use in former applications	LT-UNK	✓
	Polylactic acid	9051-89-2				N.I.	✓
	Additional polymers with minor contributions	Proprietary 2				N.I.	✓
						LT-UNK	✓
Plasticizers	2-Ethylhexanoic acid diester with triethylene glycol	94-28-0	< 10%		Plasticizers and additives with an annex role as plasticizers have for a part an agricultural origin and for another part a prehistory of use in former applications	LT-UNK	✓
	Glycerides, castor-oil mono-, hydrogenated, acetates	736150-63-3				N.I.	✓
	Soybean oil, epoxidized	8013-07-8				LT-UNK	✓

Abstract of the MHS of iD Revolution

Since the launch Tarkett has published MHS® for a range of products, including vinyl flooring, vinyl tiles and planks, carpet, linoleum, and rubber. At the end of 2021, Tarkett had 28 active or undergoing renewal MHS®.

We also use other product information and transparency tools, depending on the regions and countries where we operate:

> **Environmental Product Declarations (EPDs**) are developed in Europe and share detailed and vital information (e.g. greenhouse gas emissions) to understand the environmental impact of a given product throughout its lifecycle, according to a standardized framework and process for development, verification and communication. There is a strong demand for EPDs in Europe, in particular because it enables clients to earn credits for sustainable building labels (such as BREEAM®, LEED, DGNB, HQE). Generic EPDs have been issued by professional associations based on consolidated information from manufacturers since 2013. In 2018 Tarkett started developing specific EPDs for some of its products so as to provide more specific and transparent information. In 2021, new specific EPD were published for Tarkett's iQ Natural homogeneous vinyl flooring with bio-attributed PVC produced at Ronneby (Sweden) and for the Iconik and TX Habitat heterogeneous vinyl floorings produced at Konz (Germany) and Clervaux (Luxembourg). Some other specific EPDs, such as Tarkett's Omnisport EPD, were also revised taking into account the latest data. Overall, Tarkett has published specific EPDs for its vinyl, linoleum, laminate, wood, and carpet flooring products.

> In **France**, upon request the EPDs are made available as Health and Environmental Product Declaration (*Fiches de Déclaration Environnementale et Sanitaire - FDES*), adding health information to the environmental ones.

> In **Russia**, Tarkett uses the Vitality Leaf ecolabelling program, an ecolabel (type I) in accordance with international standard ISO 14024, which is a member of the Global Ecolabelling Network. Tarkett joined the program in 2009, completing the voluntary certification procedure which included a full life-cycle analysis of products. Tarkett received the ecolabel for all its branded vinyl and laminate collections.

> In **Serbia** Tarkett was awarded, in 2019, an eco-label (type I) for parquet flooring as the product and company met criteria on reducing resource consumption, reducing energy consumption, reducing emissions of pollutants into the environment, reducing waste generation, and ensuring product recyclability.

> In **Australia**, Tarkett utilizes the Global GreenTag certification tools such as LCARate which scores products against six main Sustainability Assessment Criteria and more than twenty other life cycle and social criteria and the EPD program which is compliant with ISO 14025 as well as the green building programs LEEDv4® and BREEAM®.

> In **North America**, Tarkett launched Tarkett Floorprint℠ with a set of 11 documents, one for each major product category, detailing all pertinent data and certification information in one convenient location. In addition to sharing third-party certifications, the Tarkett Floorprint documents include carbon emission data for each stage of the product lifecycle, how the product supports human health and well-being, and how it reduces climate impact by contributing to a circular economy.

> Tarkett's flooring products in North America were also added in 2021 to the Design for Health™ platform by MindClick. The platform provides architects and designers with access to the MindClick Sustainability Assessment Program (MSAP) which rates social and environmental impacts throughout the product lifecycle. All evaluated Tarkett flooring products have earned a "Leader" status.

> Tarkett Sports' Fieldturf publishes its artificial turf systems in the Mindful MATERIALS library. This platform aggregates information on human health and environmental impacts for products giving practitioners the capacity to find products that best meet individual project or client requirements.

> Since 2011, most of our products in Europe moreover have an environmental labeling system, which specifies the percentage of recycled content, the absence of plasticizers containing phthalates, as well as the total VOC emissions. The label also helps identify products eligible to our ReStart® collection and recycling program. This has also been extended to China since 2016.

RECYCLABLE | 25.5% RECYCLED CONTENT | PHTHALATE FREE | VOC ≤ 10 μg/m³ OPTIMAL INDOOR AIR QUALITY | ReStart by Tarkett

3.6.1.3 Obtaining product certifications

Within the scope of product assessments carried out by EPEA, an accredited assessment body for the Cradle to Cradle Certified® certification standard, Tarkett has obtained several Cradle to Cradle® certifications. The C2C – Cradle to Cradle Certified® validates the eco-design approach based on five criteria: material health, product circularity, clean air and climate protection, water and soil stewardship, and social fairness. Each criterion is given a score from Basic to Platinum (from the lowest to the highest: Basic, Bronze, Silver, Gold and Platinum) and the lowest ranked criterion defines the global score.

Tarkett was notably one of the first flooring manufacturers to obtain C2C Gold level certifications for certain product categories. In 2019, three new carpet tile AirMaster® products were certified C2C Gold. With AirMaster®, the concentration of fine dust particles in the air is as much as eight times lower than with hard floors and four times lower than with standard carpet. The fine dust particles are trapped by the unique threads in the carpet until it is time to vacuum clean again, contributing positively to indoor air quality. The AirMaster Nazca, AirMaster Salina and AirMaster Tierra are all made with good materials, 100% Econyl® yarn (100% recycled content) and have EcoBase® carpet tile backing specifically designed with disassembly and recycling in mind.

In 2021, Tarkett had 22 C2C certifications covering a wide range of product categories, including carpet, linoleum, rubber, wood, and artificial turfs. 5 of these C2C certifications achieved Gold level, the most in the flooring sector. The detailed list of products covered by C2C certifications is provided in appendix to the CSR report.

Some of our products also hold other certifications, such as **FloorScore®** for indoor air quality or **Living Product Challenge Imperative** in North America. For example, Tarkett's ethos® Modular with Omnicoat Technology™ carpet backing, has the International Living Future Institute (ILFI) Living Product Challenge Imperative certification as well Cradle to Cradle Certified® Silver. The Living Product Challenge (LPC) is a rigorous certification encouraging manufacturers to use healthy materials, optimize the chemistries of products, create environments that promote well-being, drive circular economy, and support a just and sustainable world. The LPC is organized into seven performance areas called Petals: Place, Water, Energy, Health & Happiness, Materials, Equity, and Beauty. Each Petal subsequently has more detailed requirements, called Imperatives. Imperative certification requires the achievement of at least seven of the twenty imperatives. As well as the ethos® Modular carpet backing, our rubber tile collection also has the ILFI LPC Imperative certification, both collections being able to achieve twelve of the twenty imperatives. In North America, Tarkett is thus the first flooring manufacturer to achieve an LPC Imperative certification for both resilient and soft surface flooring products.

By ensuring that Tarkett obtains a range of third-party certifications, it assists architects , designers, and project developers reach the highest standards in green building – whether LEED (international), BREEAM® (UK), HQE (France) or DGNB (Germany).

For example, in 2021 the Atlanta (US) Falcons Mercedes Benz Stadium, with a FieldTurf playing surface, was the first professional sports stadium to achieve LEED Platinum in the US.

Example

Tarkett North America qualifies as an Environmentally Preferred Sourcing supplier to health care sector

In addition to product certifications, Tarkett is also recognized through preferred sourcing programs. For example, Tarkett North America was recently recognized by Vizient, Inc, a leader in the group purchasing industry, as an Environmentally Preferred Sourcing Designated Supplier. This distinction shows that Tarkett is an advocate for safer chemical management, conservation of natural resources, and responsible waste management. Vizient is a member-owned healthcare company in the US delivering industry-leading supply chain management services and clinical improvement services to its members. Vizient provides services to 5,000 not-for-profit health system members and their affiliates, including 1,360 acute care hospitals. This includes efforts to promote environmentally preferable purchasing and sustainable health care.

3.6.2 Developing a circular economy through an engaged and collaborative approach

Tarkett is committed to the principles of the circular economy, a regenerative system in which resources used are continuously reused and recycled, carbon emissions and waste are minimized, thus limiting the use of virgin raw materials and the impact on our planet. As such Tarkett fully supports the European Commission's "European Green Deal", in which the circular economy is considered one of the main building blocks, reducing pressure on natural resources and acting as a prerequisite to achieving the EU's 2050 climate strategy and to halting biodiversity loss by promoting recycling and encouraging the efficient use of sustainable materials.

In 2021, the Technical Working Group of the European Platform on Sustainable Finance published proposals for the European Commission for the further development of the EU Taxonomy, notably including technical screening criteria for the environmental objective related to the transition to a circular economy. This proposal outlined the four main pathways to achieve this transition, namely: (i) circular design and production; (ii) circular use; (iii) circular value recovery; and (iv) circular support. Tarkett is actively developing and contributing to all of these pathways with design and manufacturing already embracing a circular approach; with products being designed for durability in use; with post-use flooring collection and recycling services through Tarkett's ReStart® program; and with transparent product information, active collaboration and awareness raising initiatives.

Our long-term vision is for all flooring to be recyclable and recycled. To do so and to become a truly circular company, we have to design and manufacture products with more and more recycled materials and we also have to build circular solutions in partnerships with our customers and suppliers. We set an ambitious goal in 2019 to drive this approach – for our products to contain on average 30% of recycled materials in 2030, compared to 10% in 2018. There are two main routes to reach this objective:

1. **Increase the use of secondary raw materials**, either with recycled post-manufacturing waste, which cannot be avoided, from within our industrial process or more importantly by sourcing recycled materials from other industries. Secondary raw materials are recycled materials that can be used in manufacturing processes instead of or alongside virgin raw materials. The use of secondary raw materials presents a number of advantages, including increased security of supply, reduced material and energy use, reduced impacts on the climate and the environment, and reduced manufacturing costs[1].

2. **Grow our ReStart® program to take-back and effectively recycle flooring**, not only off-cuts from installation, but also after use.

1

13 Source: EU Strategy for secondary raw materials 2016

3.6.2.1 Working collectively towards a circular economy

Our **R&D teams** are rethinking the design and formulation of our products, looking to use more recycled materials without compromising technical and visual performance. Our Global Innovation program, launched in 2019, is contributing to this effort as it includes a focus on climate and circular economy. Together, they are reflecting on ways to design products that will be easy to disassemble and on the development of new technologies to recycle post-use products.

- For example, we established in Sweden an in-house solution to **recycle all Tarkett homogeneous vinyl flooring** produced at Ronneby (Sweden) from 2011 onwards, expanding the recycling options we offer to customers. Tarkett teams at our plant in Ronneby (Sweden), where our homogeneous vinyl flooring such as iQ Surface is produced, developed techniques to recycle post-use homogeneous vinyl flooring as part of our strive to develop circular solutions. The teams created a customized process using low-risk chemicals to remove glue and other residues from the used flooring to get clean vinyl granules that can be integrated into new homogeneous flooring. Key to the research, the granules offer the same properties and deliver the same performance as virgin raw materials, conserving natural resources and creating a lower impact on the environment with lower life cycle greenhouse gas emissions, compared to using virgin raw materials. The challenge today is to find enough post-consumer material of the right kind to fill the capacity of the process. However, active marketing and public relations are showing results and the awareness among property owners and other stakeholders about Tarkett's circular concept for homogeneous vinyl flooring is constantly increasing.

Our **Purchasing teams** are looking to extend their supply sources of secondary or innovative raw materials working with multiple industries, thus reducing the use of virgin or fossil-based materials, and the exposure to the price volatility of fossil-based materials.

- In 2021 Tarkett and the Swedish environmental company Ragn-Sells, announced an innovative partnership aiming at developing **carbon negative mineral fillers** for vinyl flooring by 2025. The primary role of a mineral filler is to bring weight and volume to the flooring. It also plays an important role in the mechanical properties such as the product stiffness. Tarkett uses several hundred thousand tons of mineral fillers, most of them calcium carbonate, for vinyl flooring solutions every year. The calcium carbonate currently used by Tarkett is already net-zero carbon[1]. With the calcium carbonate produced by Ragn-Sells, it is expected to generate a carbon negative[2] footprint as the calcium is extracted from ash piles in Estonia and the calcium carbonate is produced using carbon capture technology. Production is scheduled to be launched in 2025 following the design and construction of a future site in Estonia by Ragn-Sells. Both companies share a long-term commitment to be a driving force in the transition to a business and society built on circular economy by developing and implementing sustainable solutions that reduce carbon emissions, as well as support a healthy environment. For Tarkett, this project has the potential to produce flooring with raw materials that contribute to the clean-up of the environment in Estonia while capturing carbon dioxide. As a result, Tarkett vinyl flooring will have a lower carbon footprint and an increased amount of recycled content.
- Other examples include **sourcing upcycled waste chalk, recycled PVB** (Polyvinyl butyral) and recycled post-industrial diapers (for more detail see Section 3.7.2.3 Using secondary raw materials from other industries).

Our **Manufacturing teams** are adapting to create and use various types of secondary raw materials (recycled waste) while delivering efficiency and quality performance.

- For example, our **vinyl flooring recycling center** at our Clervaux site (Luxembourg) which recycles post-installation flooring along with post-manufacturing waste to produce secondary raw materials which are used on-site to produce underlayers. These underlayers are then incorporated in the production of finished flooring products at Sedan (France), Jaslo (Poland) and Lenham (UK) as well as at Clervaux (see also Section 3.7.2.1 Managing production waste – reduce, reuse, recycle, recover).

1 Net-zero carbon (also known as carbon neutral) means that a product stores as much greenhouse gas as it releases during its life cycle
2 Carbon negative means that a product stores more greenhouse gas than it emits during its life cycle

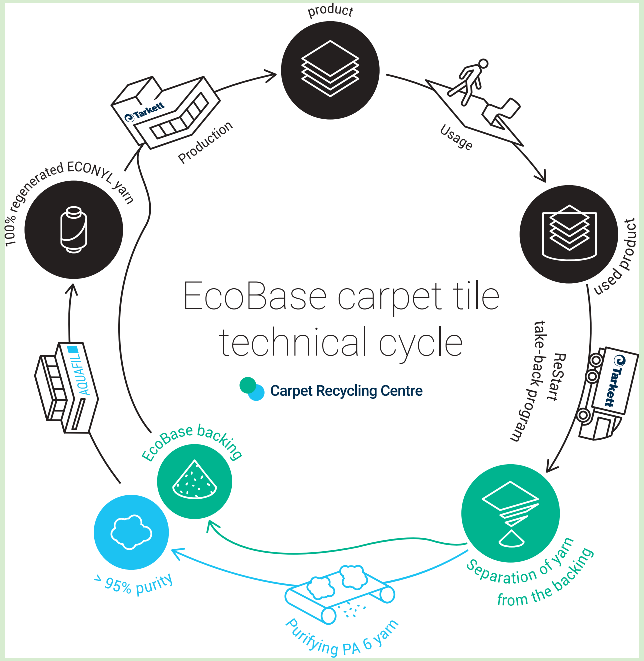
Example

Creating in-house capacity to produce secondary raw materials in partnership with yarn producer

Tarkett's carpet recycling facility in Waalwijk (the Netherlands) enables Tarkett to fully close the loop on the life cycle of commercial carpet tiles in Europe in partnership with Aquafil. To our knowledge, Tarkett is the only carpet manufacturer in Europe to achieve this. The recycling center is able to generate two material streams (yarn and carpet tile backing), which can then be recycled and transformed into high quality secondary raw materials for the production of new carpet tiles.

Tarkett developed innovative technology to separate the two main components of carpet tiles - the carpet backing and the yarn - while maintaining more than 95% yarn purity. This level of purity is vital to ensure that the polyamide 6 (PA6) yarn can be recycled by Aquafil and later transformed into regenerated Econyl® nylon yarn. The carpet tile consisting of an EcoBase® backing and PA6 nylon yarn is 100% recyclable. Furthermore, recycling carpet tiles made of EcoBase® backing and Econyl® yarn reduces CO2 emissions by 84% compared to incineration[1] Tarkett has sourced PA6 and Econyl® nylon yarn from Aquafil for more than a decade and uses Econyl® in its Desso AirMaster carpet tiles, for example. Tarkett is thus the only carpet manufacturer in Europe to have verified evidence of circular economy production of carpet tiles, as documented by the Environmental Product Declarations (EPDs) for carpet tiles with EcoBase® backing. In 2021, Tarkett refreshed its Desso Verso carpet tile collection with a contemporary new colourway using the PA6 yarn with 75% recycled content instead of zero recycled content as well as switching to the EcoBase® backing. Tarkett also lauched the Serene, Serene Colour, AirMaster Savera and AirMaster Savera Shade collections with the 100% regenerated Econyl® yarn. All of these products are certified Cradle to Cradle® Silver level.

[1] Based on end-of-life stage only at Tarkett's Carpet Recycling Center, for the same product, externally verified by Bureau Veritas.



Our **Marketing and Sales teams** are working together with the supply chain to develop and implement cost-efficient take-back and recycling services for our customers through our ReStart® program.

> For example, in 2021 we collaborated with IKEA to collect and recycle used flooring from their stores in Stockholm (Sweden) and Arlon (Belgium). Over 14,500 sqm of material was collected and then processed at our on-site recycling facility in Ronneby (Sweden) (see for more details Section 3.7.2.2 Collecting and recycling post-installation and end-of-use flooring and sports surface waste).

Our **experts are also engaging with our customers**, with architects and designers, with our suppliers, our business partners, with public authorities and NGOs, to advocate for greater collaboration in identifying and trialling solutions and in the necessity to develop a political and economic framework in favor of a circular economy.

> For example, our teams in Europe and North America are sharing knowledge and building collaborative approaches with the Ellen MacArthur Foundation Circular Economy program (for more details see Section 3.6.2.3 Building a circular economy together).

3.6.2.2 Applying principles, methods, and tools to design for a circular economy

Tarkett applies Cradle to Cradle® (C2C) principles for the design of its products, from material selection and product manufacturing, to installation, use, maintenance, end-of-use and product recovery. Tarkett's Human-Conscious Design® philosophy and eco-design methodology strives, right from the upstream phase of a design process, to integrate various aspects – economical, performance, respect for the health and the environment – throughout different stages of the product's life cycle[1]. All impacts on health and the environment are studied and assessed and the approach requires the engagement of many functions within the company: research & development, marketing, procurement, production, and quality, among others.

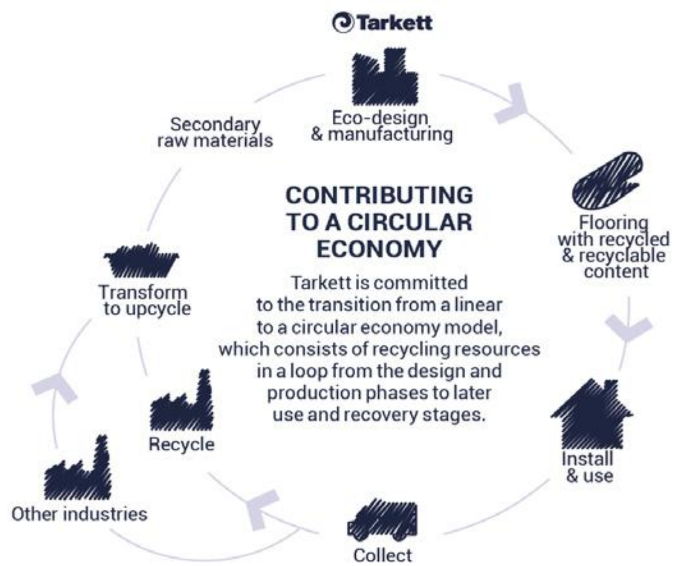
Our New Product Development Process (NPDP), which has been in place for several years, includes sustainability and circular economy questions right from the initial design phase. These criteria, in line with the Cradle to Cradle® methodology, have been integrated from the design and development phase of a new flooring product. This process encourages on the one hand the selection of "good" raw materials (i.e. positively defined according to C2C assessment) for the product composition, and on the other hand the product design to ensure it is recyclable (i.e. eligible to post-installation and end-of-use collection as part of our ReStart® program, to be later recycled in one of Tarkett's recycling centers). Following these NPDP requirements allows us to target potential C2C certification right from the outset.

We also **use life cycle analysis (LCA), one of the methodologies to assess the environmental impact of a product**. This standardized method (ISO 14040 and ISO 14044) identifies and compares the environmental impacts of a system throughout its lifecycle, from extraction of raw materials through its fabrication and processing up to its end-of-life or end-of-use (landfill, recycling…) including use phases, maintenance, and transportation. Our EMEA division is equipped with dedicated software to systematically perform LCA and develop specific environmental product declarations.

All these principles, methods and tools applied by Tarkett are part of the same concept and are based on the following pillars:

- **Good materials:** selecting materials that respect health and the environment (e.g. recycled, renewable, not contributing to resource depletion, and with lower life cycle greenhouse gas emissions);
- **Resource stewardship:** promoting optimized, sustainable use of resources in all phases of production, while protecting the environment (minimization of use of water and energy, and of generation of waste during manufacturing; reduction of Scope 1 to Scope 3 greenhouse gas emissions);
- **Indoor air quality and healthy spaces:** contributing to the health and well-being of people during the product use and maintenance phase (e.g. products with low VOC emissions, phthalate-free);
- **Recycling:** recycling no longer used products (e.g. post-installation / post-consumer flooring wastes, wastes from other industries) to eliminate waste, while helping to design new products with quality recycled materials which limit life cycle greenhouse gas emissions.

The ultimate purpose of this approach is to design products which contribute to the health, comfort, well-being, and safety of people while also preserving the natural capital of the planet.



1 Standard NF X 30- 264 Environmental management – Assistance to the implementation of an eco-design approach, 2013.

3.6.2.3 Building a circular economy together

The drive towards a circular economy involves many technical, logistical, and economic challenges. Tarkett is convinced that the best way to achieve our circular economy ambitions, and to overcome the complexity of these challenges is to work together with other organizations in a collaborative approach.

We work closely with institutions, such as the EPEA (Environmental Protection Encouragement Agency) scientific institute, companies and organizations specialized in the field such as Veolia in France for our ReStart® program, Carpet Recycling UK, the AGPR in Germany, a recycling site for used vinyl flooring, or Carpet America Recovery Effort (CARE) in the United States, a non-profit trade organization that fosters recycling of carpets and rugs, and of which Tarkett is a founding member.

Tarkett France joined other building material manufacturers to create Valobat in July 2021. Valobat will contribute to the development of the circular economy with the collection and recycling of building materials in France. The not-for-profit eco-organization will provide its members with a solution to meet the new extended producer responsibility (EPR) obligations in France. The French 2020 law on tackling waste and developing a circular economy will require manufacturers of building products and materials to organize or delegate the management of end-of-life waste collection and recycling.

In September 2021, Tarkett's Chief Sustainability Officer shared practical experience and perspective on the transition to a circular economy during the live LinkedIn & Youtube conference "Exponential Climate Action Summit III" on Circularity and the Race to Zero. The event - which reached 8.3 million global viewers - focused on the challenges, opportunities, and creative solutions regarding circularity and resource efficiency, exploring the role that circularity can play across production chains in the Race to Zero. The Race To Zero is a UN-backed global campaign rallying non-state actors – including companies, cities, regions, financial and educational institutions – to take rigorous and immediate action to halve global emissions by 2030 and deliver a healthier, fairer zero carbon world in time.

Tarkett contributed with other French organizations to the promotion of circular economy at the Dubai 2020 Expo being held between October 2021 and March 2022 in Dubai. The report published for the occasion "Les Carnets de Dubaï: The Circular Economy working group", explains the concept of the circular economy, the catalysts for transition and showcased concrete examples of action.

In 2021, Tarkett took part in Circulytics 2.0 for the second year running. This initiative led by the Ellen MacArthur Foundation scores companies' engagement and action to transition to a circular economy. Tarkett's overall score improved from C to B- confirming Tarkett's adoption of business practices suitable for the circular economy. Tarkett notably scored A in the "Enablers" section, confirming that its strategy, innovation and external engagement are aligned with the transition to a circular economy. Tarkett has actively contributed over the last years to the Foundation's work on promoting the transition to a circular economy, having joined the Ellen MacArthur Foundation Network, in 2013 following the publication in 2012 and 2013 of two reports on the circular economy by the Foundation, the second of which identified possible savings of 700 billion US dollars from the circular economy of raw materials[1].

In 2021 as COVID-19 sanitary restrictions eased there were some renewed opportunities to meet physically to share and engage on the challenges and opportunities for a circular economy. Our teams were thus present either physically or virtually, depending on the local situation, continuing to share experience, exploring new solutions and advocating for a circular approach as part of Tarkett's strategy Change to Win, and its focus on "changing the game", with the circular economy:

At the **European level**, we are actively involved in several different fora to share our expertise, experience and also our acute understanding of the challenges, with the aim of promoting solutions and frameworks that will aid a quicker transition to a circular economy. For example:

- Tarkett featured in a panel of experts examining extended producer responsibility (EPR) in the textile sector as part of an EU Circular Talk in 2021 as the European Commission considers EPR as a regulatory measure to promote sustainable textiles and treatment of textile waste in accordance with the waste hierarchy.
- Tarkett spoke about its efforts towards a circular economy alongside European Members of Parliament at two Globe EU events, firstly in May on the topic of "Recovering resources from end-of-life products in a circular economy" and then in September on the topic of Whole Life Carbon alongside the World Green Building Council (WGBC) who spoke about their Building Life Project. In the run-up to COP26 the World Green Building Council has convened the #BuildingLife project to galvanize climate action in the built environment through private and public initiatives. The #BuildingLife project focuses not only on operational emissions of buildings, but also on embodied CO_2 which results from the manufacturing, transportation, construction, and end-of-life phases of built assets.

1 Source: *Ellen MacArthur Foundation "Towards the Circular Economy Vol. 2: opportunities for the consumer goods sector", January 2013*

- Support to the Product Circularity Datasheet (PCDS) initiative launched by the Ministry of the Economy of Luxembourg in 2019. An initiative which aims at developing an industry standard template for circular data on products in order to provide reliable data on circular product properties throughout the whole value chain, from raw materials to finished products, from the use phase to recycling. It is expected that PCDS will support a common language on how to describe the circularity features; allow machine readable and inexpensive scalable IT solutions promoting open data and open-source solutions; promote the design of circular and healthy products; facilitate the implementation of cost-effective circular business models; and provide information on how to reuse products at the end of a use cycle. In 2021, this work was shared with ISO in order to develop an international standard.
- Tarkett shared its progress on working towards a circular economy at the annual conference of Ecopreneur.eu, the European Sustainable Business Federation based in Brussels which encourages a circular economy in Europe.
- Involvement in the EU Circular Plastics Alliance through Tarkett's membership of VinylPlus, European Carpet and Rug Association and European Resilient Flooring Manufacturers' Institute. The Circular Plastics Alliance gathers public and private stakeholders in the plastics value chains to promote voluntary actions and commitments for more recycled plastics with a target to ensure that 10 million tons of recycled plastics are used to make products in Europe in 2025, which represents an increase of more than 150% compared to 2016.
- Participation to the European Resilient Flooring Manufacturers' Institute (ERFMI) Circular Economy Platform. The aim of the platform is to develop the collection, identification, and traceability of used flooring materials.
- Tarkett partnered with Dezeen in December 2021 for a live online talk exploring sustainability and circularity in design. Alongside Tarkett, panellists from Ikea and Wald discussed topics such as how designers can design sustainable products at a large scale. Tarkett emphasized the need for action and shared its solutions, such as Tarkett Circular Selection, that can help designers and customers transition to a circular economy. The talk hosted by Deezen, a popular and influential architecture, interiors and design magazine, with over three million monthly readers and six million social media followers, was titled "Sustainable meets style: how design advocates can guide consumers through their circular journey".

In **Poland**, Tarkett contributed to the 2021 Circular week at Swedish embassy, discussing, along with Ikea and Electrolux, on how to accelerate the circular economy in Poland.

In the **UK,** Tarkett promoted Tarkett's Circular Selection, which brings together all of the products for which Tarkett currently has a functioning local collection system, and where the collected material is recycled into new raw material for future Tarkett flooring. This provided a new opportunity to develop dialogue on Tarkett's actions in favor of a circular economy, with Tarkett's ReStart® program and its products which are recyclable and contain recycled material.

In the US, Tarkett participates to Vinyl Sustainability Council (VSC) work to promote post-consumer recycling. Tarkett chairs the V-Cycle Task force which in 2021 set a new industry goal to increase recycling by 10% over 2016 amounts by 2025. The task force is now working on developing a roadmap to achieve the long-term recycling goal, including in addressing some of the challenges. The Vinyl Sustainability Council was created to further advance the efforts of the vinyl industry as it addresses sustainability and related advocacy, communication, and technical issues in North America. Members of the VSC work together to develop and implement best practices and innovation leading to continuous improvement throughout the industry, while promoting these achievements to key stakeholders.

Tarkett also participated in 2021 to US Green Building Council (USGBC) leadership session on circular economy and how to create a closed loop system that develops products using recycled materials to eventually be disassembled and reused.

Example

Tarkett chairs the AFNOR (France) Commission on Circular Economy since 2019

In 2019 **the International Organization for Standardization (ISO) launched a new committee (ISO/TC323) to work on developing a circular economy standard**. Tarkett contributed as part of the French national organization for standardization (AFNOR) delegation as the Technical committee convened in Paris with 47 countries and 120 experts. The original idea for the committee came from AFNOR, ISO's member for France, where business leaders from many sectors including Tarkett, have developed the AFNOR standard on circular economy project management XP-X30-901 to support and provide guidance to shape projects ensuring a move from a linear to a circular economy model while addressing the effects of resource and biodiversity depletion, climate change and the social aspects of consumption patterns. Since 2019, an expert from Tarkett chairs AFNOR's standardization committee on the circular economy. The ISO Technical Committee 323 covers standardization in the area of the circular economy with a view to developing requirements, frameworks, guidelines and support tools for the implementation of circular economy projects. In 2021 the ISO Technical Committee began work on a Product Circularity Data Sheet following a proposal from Luxembourg. It capitalizes on the research work launched by the Ministry of the Economy of Luxembourg, to which Tarkett has actively contributed, and will set the basis of the product and material passport concept, for which a standardized approach is needed to ease the development of transparent communication about circularity of products.

3.7 Responding to the climate emergency with good environmental management and a circular economy approach

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	Objective 2030	CSR Report section	Contributing towards N SDGs
Climate change and damage to environment (more stringent GHG regulations, including Scope 3 and carbon pricing; compliance with environmental regulations at production sites)	> Combined Scope 1+2+3 GHG emissions reduction	Percentage reduction of combined Scope 1+2+3 GHG emissions	-	-	-	-30% vs 2019	3.7.1	13 CLIMATE ACTION
	> Scope 1 & 2 GHG: energy efficiency projects, development of renewable energies > Scope 3 GHG: increasing the share of pre- and post-consumer recycled raw materials, developing post-installation and end-of-use flooring take-back and recycling (ReStart® program) > Annual audits and follow-up of industrial sites by third party (ERM)	Percentage reduction of Scope 1 & 2 GHG emissions	-27% vs 2019	-18% vs 2019	-	-50% vs 2019		
Raw material price volatility (fluctuations in prices and availability of raw materials and energy)	> Energy reduction and efficiency projects at production sites	Energy intensity (kWh/m²)	4.19 kWh/m²	4.00 kWh/m²	4.09 kWh/m²	-	3.7.1.1.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	> Development of renewable energy sources at production sites and sourcing of renewable electricity	Percentage of energy consumption coming from renewable energies	38%	27%	28%	-	3.7.1.2	
	> Maximize recycled content in our products: post-installation / end-of-use flooring; secondary raw materials from other industries	Percentage of recycled content of raw materials[1]	15%	13%	12%	30% in 2030	3.7.2.3	13 CLIMATE ACTION

1 *Recycled materials: Materials that would otherwise have been sent for waste disposal; internal post-manufacturing recycled volumes are included.*

Responding to the climate emergency with good environmental management and a circular economy approach

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	Objective 2030	CSR Report section	Contributing towards N SDGs
								15 LIFE ON LAND
Deployment of the transition to a circular economy (effective recyclability and recycling of end-of-use flooring and sports surfaces)	> New Product Development Process (NPDP) to ensure recyclability of new flooring products > Post-installation and end-of-use flooring take-back and recycling (ReStart® program) > Maximize recycled content in our products: post-installation / end-of-use flooring; secondary raw materials from other industries	Quantity of post-installation and end-of-use flooring collected through the ReStart® program	3,200 tons	3,000 tons	3,300 tons	-	3.7.2.2	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS
Climate change and damage to environment (more stringent GHG regulations, including Scope 3 and carbon pricing; compliance with environmental regulations at production sites) **Downtime, disruption and damage on site** (industrial accidents, e.g. fire, pollution; impacts of natural disasters, e.g. flooding)	> World Class Manufacturing (WCM) program > ISO 14001 certified Environmental Management System > Emergency response plans implemented at production sites > Environmental yearly audits and follow-up of industrial sites by third party (ERM)	Percentage of production sites certified to ISO 14001	82%	81%	85%	-	3.4 3.7 Appendix	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responding to the climate emergency

195 countries signed up to the Paris Agreement at the UN Climate Conference COP 21 in 2015, committing to keep global temperatures "well below" 2°C above pre-industrial times and "endeavor to limit" them to 1.5 degrees Celsius. Since then, discussions and work continue at the global and local level to implement the necessary policies, strategies, and actions to meet this objective. In August 2021 the IPCC published the first part of its Sixth Assessment Report (AR6) on the physical science basis of climate change indicating that global surface temperature will continue to increase until at least the mid-century under all emissions scenarios and that global warming of 1.5°C and 2°C will be exceeded during the 21st century unless deep reductions in carbon dioxide (CO_2) and other greenhouse gas emissions occur in the coming decades. This focused the attention of the UN Climate Conference COP26 in Glasgow (UK) in November 2021 where countries gathered with the goal of securing global net zero emissions by mid-century and commitment to keeping the 1.5°C limit within reach.

Tarkett fully recognizes the urgency and in 2021 revised its objective to reduce the Group's GHG emissions by 30% on the whole value chain (by 2030 vs 2019). This is an important change as not only does Tarkett commit to an absolute reduction in greenhouse gas emissions, but the goal now includes upstream and downstream Scope 3 emissions[1], which are 10 times greater than Tarkett's combined scope 1 and 2 emissions (the previous target was to reduce scope 1 and 2 GHG emissions intensity).

This new climate objective is in addition to the existing goal, set in 2019, of reducing value chain emissions by tripling the share of the recycled content of Tarkett's raw materials by 2030 compared to 2018 (30% vs 10%). These new targets build on Tarkett's first commitment in 2013 to reduce its GHG emissions intensity (Scope 1 & 2 $kgCO_2e/m^2$) by 20% by 2020 compared to 2010, something that Tarkett achieved having reduced its GHG emissions intensity by 26.8% at the end of 2020.

We know that these climate objectives are challenging, requiring important innovations to lower the carbon footprint of each product, needing collaboration with suppliers to find new solutions, as well as partnerships with customers to ensure the take back and recycling of our floors and sport surfaces at the end of their life.

But these objectives present an opportunity to lead in the transition to a net zero circular economy future.

This transition is also being encouraged and driven by the European Union which continues at the forefront of public action as it continues to implement the EU's Green Deal. In 2021, the European Climate Law was adopted setting a legally binding target of net zero greenhouse gas emissions by 2050 and the EU Platform on Sustainable Finance set out proposals for the EU Taxonomy on the transition to a circular economy as well as the other EU environmental objectives.

In 2021 Tarkett continued to take concrete action to addressing the climate emergency:

- by setting a new target for a 30% reduction of our combined Scope 1, Scope 2 and Scope 3 GHG emissions by 2030 compared to 2019. This includes a specific target to reduce Scope 1 and Scope 2 GHG emissions by 50% by 2030 compared to 2019, which is in line with Paris Agreement objective of limiting the global temperature rise to 1.5°C. The new targets were established following the GHG Protocol standard and the methodology and criteria of the Science-Based Target Initiative (SBTi)[2] with assistance from Carbone 4, a leading independent consulting firm specialized in low carbon strategy and climate change adaptation;
- by assessing the impact of investments on energy consumption and carbon footprint with the implementational of a new investment approval process which applies a shadow carbon price of 250 euros/ton CO_2;
- by reducing Scope 1 and Scope 2 greenhouse gas emissions resulting from our production activities through the procurement of renewable electricity, the use of other renewable energies such as biomass and the application of other environmental management techniques facilitated by our WCM program and
- by reducing Scope 3 greenhouse gas emissions notably through product eco-design to reduce embodied carbon, to increase recycled content, and to anticipate end-of-life recycling; but also through engagement with our suppliers, to reduce GHG emissions associated with raw material production, and with our customers to build a circular economy with post-use collection and recycling.

Tarkett believes, it is also a responsibility for our governments to accelerate the development of ambitious and incentive-based regulations to achieve the transition to a circular economy by all economic actors, not only by manufacturers, consumers, but also public authorities through the promotion of public procurement incorporating circular economy criteria.

1 Scope 3 GHG emissions from purchased goods and services and end-of-life treatment of sold products, categories which represent more than two thrids of total scope 3 emissions
2 Tarkett submitted its target to the Science-Based Target Initiative (SBTi) for validation in Feburary 2022

3.7.1 Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

Tarkett promotes environmental management techniques at its plants across the world through the environmental guidance of its World Class Manufacturing (WCM) program and through ISO 14001 certification. This continuous improvement program, led by local WCM division coordinators, plant WCM leaders, and plant environmental managers, ensures appropriate actions are taken, along with the monitoring of key performance indicators, to manage identified environmental risks and opportunities. The WCM environmental network share progress on key performance indicators, the analysis of environmental incidents (e.g. local pollution accidents or near-misses), and the sharing and replication of good practices.

Example

Global Sustainability Day – mobilizing teams on climate and circular economy

Tarkett held its first global sustainability day on World Climate Day, December 8, 2021. It provided the occasion to reiterate Tarkett's climate and circular economy objectives, its achievements to date, and its key actions going forward.

An extensive video message from Tarkett's Chief Sustainability Officer - answering as well questions asked by Tarkett employees - explained the challenges which include continued energy efficiency in plants, transitioning to renewable energies, and engaging with the value chain to build a circular economy with more recycled materials and more ReStart® take-back and recycling of post-use flooring and sports surfaces.

The WCM environmental guidance, procedures and methods cover: environmental compliance; environmental hazards and risks assessment and mitigation (all forms of potential pollution - air, water, ground, noise …); environmental incident (with root cause analysis) and emergency management; chemicals handling and management; energy, water and waste management (with consumption analysis), environmental monitoring and reporting; and environmental training.

At the end of 2021, 93% of flooring plants, have an ISO 14001 certified environmental management system. Tarkett's sports surface FieldTurf plants in Calhoun (US) and Botany (Australia) also have ISO14001 certification.

A central and longstanding aim of Tarkett's environmental management has been and remains to limit energy consumption and reduce associated greenhouse gas emissions. Tarkett achieved its first target set in 2013 to reduce its greenhouse gas (GHG) emissions intensity (Scope 1 & 2 $kgCO_2e/m^2$) by 20% by 2020 compared to 2010, reporting a 26.8% reduction in 2020. In 2019, within the framework of its Change to Win strategy, Tarkett announced a new objective of reducing its GHG emissions intensity by a further 30% by 2030 compared to 2020. In 2021, Tarkett revised this objective to reducing absolute Scope 1 and Scope 2 GHG emissions by 50% by 2030 compared to 2019, thus aligning with the Paris Agreement goal of limiting global temperature rise to 1.5°C.

Tarkett applies the following solutions to achieve these goals:

- Improving energy efficiency through changes and optimization of our manufacturing processes;
- Developing on-site renewable energy production (e.g. biomass, geothermal, solar);
- Purchasing 100% low carbon electricity (renewable or nuclear).

Zoom on key indicators

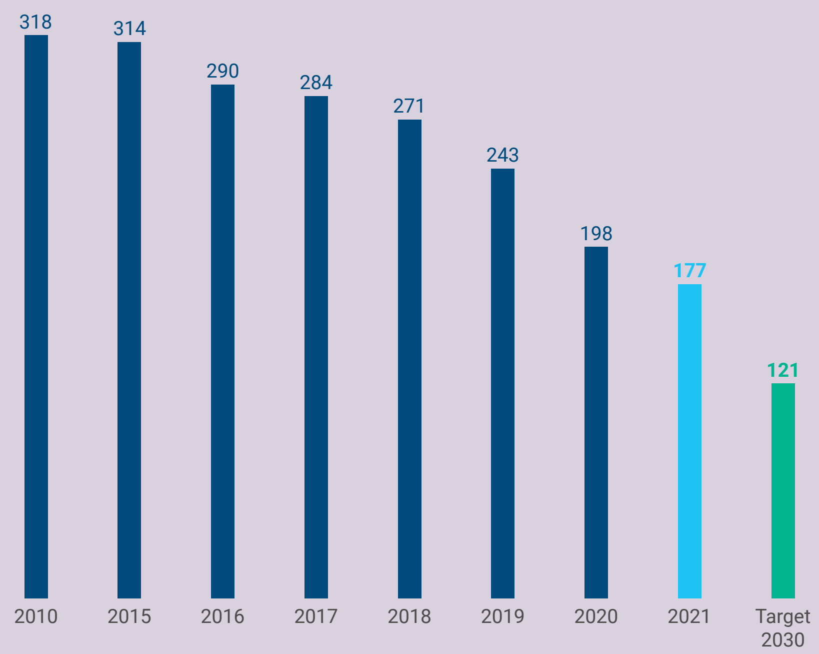
Climate Change

In 2021, Tarkett continued to make good progress towards its new target of reducing its Scope 1 and Scope 2 GHG emissions by 50% by 2030 compared to 2019 with these absolute emissions now down 27%. Compared to 2020 Scope 1 and Scope 2 emissions were down 11%, despite a context of increased production. This is mainly due to increased purchase of renewable electricity and improved energy efficiency.

Scope 1 and 2 GHG emissions intensity (GHG emissions, associated to production energy consumption, per square meter of manufactured product) in 2021 reached 0.67 $kgCO_2e/m^2$, which represents a 11% reduction over 2020.

Absolute Scope 1 and 2 GHG emissions from fuel combustion and purchased electricity and steam consumption at our production sites in 2021 are down 44% compared to 2010 at 177,466 tons CO_2e which corresponds to a reduction of more than 140k tons CO_2e. This corresponds to the annual GHG emissions of 21,000 Europeans (EuroStat reported in 2021 that the total carbon footprint of EU-27 was equal to 6.7 tonnes of CO_2 per person in 2019).

Total Scope 1 & 2 (market-based) GHG emissions (tCO_2e)



3.7.1.1 Improving energy efficiency

Tarkett is committed to constantly improving energy efficiency in its operations to limit its impact on the climate and to reduce costs. All plants track and report their energy usage every month, they map and analyze consumption and implement energy saving measures which include energy efficiency in production processes (heat recovery, equipment replacement, process optimization, cooling …) and energy efficiency in buildings (heating, lighting, insulation…).

The WCM program, builds plant capacity to avoid all sources of waste, including achieving greater energy efficiency. WCM division coordinators and plant WCM leaders share good practice and encourage the implementation of action plans to reduce energy consumption and achieve greater energy efficiency. Since 2011, the ISO 50001 standard recognizes companies' commitment to better energy management. In 2021, all Tarkett European sites that employ more than 250 people are ISO 50001 certified. Independent from certification systems, some of our production sites already engage in practices that meet standards similar to ISO standards. This provides us with our own feedback and enables us to identify best practices to implement.

In 2021, the majority of our production sites saw production activity increase following the downturn observed in 2020 due to the COVID-19 pandemic. In this context local teams were mobilized to optimize their manufacturing processes and improve energy efficiency, in order to reduce their energy consumption per square meter of manufactured product. For example:

- At our **Kalush site (Ukraine)**, teams implemented various solutions to reduce energy consumption, including the installation of motion sensors, LED lighting and other more energy efficient equipment.
- At our **Otradny site (Russia),** teams launched more than 20 new energy saving solutions, as well as following up on actions implemented in 2020 (e.g. improving insulation, replacing old heat exchangers) that were identified in 2019 during an energy workshop was organized by WCM to identify energy losses with some of the best experts in the group from Clervaux (Luxembourg), Narni (Italy) and Bačka Palanka (Serbia). The workshop applied a WCM methodology, successfully identifying and documenting solutions for heat recovery.
- **In the US Tarkett** is working with the US Department of Energy "Better Plants" program. This program works with leading manufacturers to boost their efficiency, resilience, and economic competitiveness through making improvements in energy efficiency. Manufacturing companies and wastewater treatment organizations partner with Better Plants, to set specific energy, water, and waste reduction goals, and commit to reducing energy intensity by 25% over a 10-year period across all their U.S. operations. Better Plants provides support in the form of technical assistance, tools, resources, and national recognition to help partners achieve their goals. In June Tarkett reviewed with the Better Plants program the results of previous assessments and discussed next steps to establishing a roadmap of action to improve energy efficiency.
- At our **Jacareí site (Brazil)** our teams inaugurated a new Luxury Vinyl Tile (LVT) line with new technology improving energy efficiency. The new LVT line also uses more recycled secondary raw materials so contributing to Tarkett's other climate goal of achieving 30% recycled content by 2030.

Zoom on key indicators

Energy efficiency

Energy intensity (energy consumption per m² of manufactured product) increased by 5% in 2021 to 4.19 kWh/m² (compared to 4.00 kWh/m² in 2020, 4.09 kWh/m² in 2019, and 4.05 kWh/m² in 2018). This is the result of the general market trend for more modular products which require more energy to produce compared to rolls products. The continued deployment of energy savings initiatives has helped limit this increase. Local teams with the support of Tarkett's World Class Manufacturing Program continue to identify and implement solutions to achieve energy savings. In 2021 12 plants saw their energy intensity improve, such as the vinyl production at Jacareí in Brazil (-29%), Florence East in the US (-29%) and Jaslo in Poland (-5%).

3.7.1.2 Developing renewable energy

Developing the use of renewable energy sources on our sites represents one solution to reduce Tarkett's greenhouse gas emissions our impact on the climate. In this area, different initiatives are deployed to produce and use renewable energy:

- Wood waste from our production is used as biomass for energy production at seven of our plants: Hanaskog and Ronneby (Sweden); Narni (Italy); Orzechowo (Poland); Kalush (Ukraine); Bačka Palanka (Serbia) and Mytishchi (Russia). The same energy consumption using natural gas would emit 14.7 kt CO_2e more Scope 1 GHG emissions equivalent to 8.3% of total 2021 Scope 1 & 2 GHG emissions.
- Solar energy is used at our carpet sites in Dendermonde (Belgium) and in Waalwijk (The Netherlands), as well as at the linoleum site in Narni (Italy) which also uses geothermal energy.

In addition to on-site actions, Tarkett also encourages the use of green energy sources produced by third parties, such as hydraulic, wind or solar power, or for example, by purchasing certified renewable electricity.

In 2021, four additional plants, in Sweden (Ronneby and Hanaskog), Poland (Orzechowo) and Germany (Abtsteinach) began sourcing renewable electricity, bringing the total to 12 plants that source 100% renewable electricity. The other plants are Chagrin Falls and Middlefield (United States), Clervaux (Luxemburg), Narni (Italy), Dendermonde (Belgium), Waalwijk (The Netherlands), Bačka Palanka (Serbia) and Jacareí (Brazil). Collectively this prevents some 63.1 kt CO_2e per year of greenhouse gas emissions (base 2021 for these plants), the equivalent of 35.5% of total 2021 Scope 1 and 2 GHG emissions.

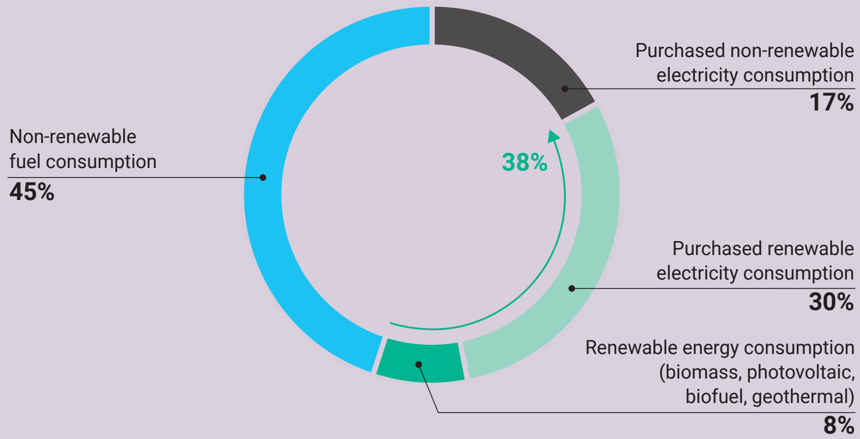
As well as developing the use of renewable energy, Tarkett looks for other solutions to reduce energy related greenhouse gas emissions. One such example is by replacing fossil fuel heating systems with electric or biomass powered systems. In 2021, Tarkett's plant in Jacareí (Brazil) changed the energy source of its hot press from natural gas to electricity thus reducing the associated GHG emissions. The plant sources 100% renewable electricity from hydroelectric, solar and wind sources. Tarkett's Ronneby (Sweden) plant changed fuel heated boilers to electric boilers saving 2,320 tons of annual fuel consumption and the associated 6,194 tons CO_2 emissions (based on 2.67 tCO_2/t fuel). Other benefits include eliminating the risk of fuel oil leaks, no longer requiring the transport and delivery of the fuel oil and the decommissioning of the noise generating flue-gas stacks.

Zoom on key indicators

Renewable energies

The share of renewable electricity increased to 65% (vs 41% in 2020 and 42% in 2019), notably thanks to the four additional plants which are now sourcing uniquely renewable electricity. The share of other renewable energies, such as biomass, in Tarkett's energy mix remained stable bringing the overall share of renewable energies to 38% in 2021. Overall, the use of biomass, biofuel and the purchase of renewable electricity avoids the equivalent of some 77.7 kt CO_2e of GHG emissions, which corresponds to 44% of Tarkett's 2021 total Scope 1 & 2 GHG emissions. Tarkett continued to decrease the share of fossil-based energy, with the share of low carbon energy (renewable energy and electricity from nuclear power) progressing by 4% to 43% in 2021.

Share of renewable energies in energy consumption (%)



3.7.1.3 Reducing water consumption

Aware of the critical importance of preserving this vital resource, Tarkett has been managing water responsibly on its production sites for many years as part of its environmental strategy, even though there is no apparent risk of water scarcity at our locations. Tarkett has achieved significant water savings through the implementation of closed-loop water reuse systems, process changes, optimization, and general good management. Water consumption is monitored and reported every month with water intensity calculated and discussed as part of environmental dashboards. As with energy management and efficiency, Tarkett's local WCM division coordinators and WCM plant leaders help to build plant capacity to manage water responsibly through guidance, training, good practice sharing and regular reporting. Tarkett plants also ensure the appropriate treatment of wastewater, especially where the wastewater may contain hazardous compounds, either through on-site wastewater treatment or via external treatment by specialized service providers. Wastewater discharged at Tarkett facilities are regularly controlled to ensure compliance with local requirements.

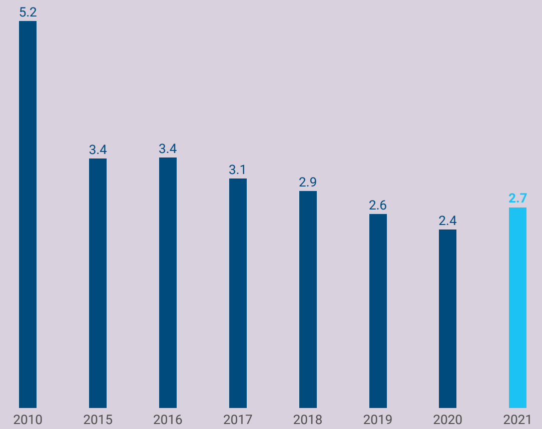
In 2021, we kept working on improving water management at our production sites, for example:

- At our vinyl flooring plant in Otradny (Russia) a new system for regulating water in production lines was installed.
- At our Farnham (Canada) plant a new process water treatment system was implemented.

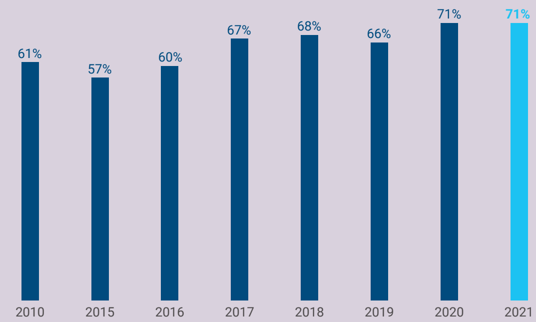
Zoom on water consumption

In 2021, total water consumption increased compared to 2020, however is 2.7% lower than 2019 pre-COVID-19 levels (0.71 million m³ in 2021, against 0.63 million m³ in 2020, and 0.73 million m³ in 2019). Water intensity, measured as water consumption per m² of manufactured product, increased slightly compared to 2019 (2.7 l/m² in 2021, 2.4 l/m² in 2020, and 2.6 l/m² in 2019). One of the main solutions to reducing water intensity and water consumption is equipping our industrial sites which use water in their industrial process with a closed loop water system, in other words reusing a minimum of 98% of the water used. To date, the implementation of closed loop water systems and other water efficiency solutions has enabled 56% water savings (vs 2010) and significantly improved water intensity (-51% l/m² vs 2010). The proportion of sites using closed loop water systems or not consuming any water in their manufacturing remained constant in 2021 at 71%.

Water intensity (l/m²)



Share of sites which have implemented a closed loop water system, or which do not use water in their manufacturing process (%)



Some of our flooring and sports surface solutions moreover contribute to reduce water and chemicals consumption **during the use phase of our products**.

For example, our iQ vinyl flooring range benefits from a unique surface restoration technology with dry buffing cleaning, where small scratches and surface wear traces are removed without using any chemicals or water, thus contributing to an improved indoor air quality and significant savings.

The use of our artificial turfs instead of natural grass for sports grounds eliminates the need for watering and for applying chemical fertilizers. Based on an average irrigation of 1.5 million gallons per season and some 6,000 Fieldturf fields currently in use, this equates to 9 trillion gallons of water (34 million m^3) saved annually.

Also, our Omnisports surfaces TopClean xp™ polyurethane treatment reduces cleaning and maintenance by simplifying the process and even eliminating the need to apply waxes or other surface treatments. This limits water and detergent consumption and reduces maintenance and cleaning budgets.

3.7.2 Limiting upstream and downstream greenhouse gas emissions (Scope 3)

Tarkett is accelerating its efforts in the areas where it can have the greatest impact to reduce the carbon footprint of its products. The assessment of Tarkett's Scope 3 - value chain greenhouse gas emissions found the greatest opportunity to lie in product eco-design, with efforts to increase recycled content and other low-carbon materials along with designing for recyclability and in the development of collection and recycling of post-installation and end-of-use flooring.

Assessing Scope 3 value chain GHG emissions

Tarkett updated in 2020 its assessment of Scope 3 greenhouse gas (GHG) emissions with the assistance of Carbone 4, a leading independent consulting firm specialized in low carbon strategy and climate change adaptation. The assessment, based on the methodology of the "GHG Protocol - Corporate Value Chain (Scope 3) Accounting and Reporting Standard", used 2015, 2017, 2018, 2019 and 2020 activity data to estimate GHG value chain emissions for 10 out of the 15 Scope 3 categories. Emissions were not calculated for five categories which are not considered relevant to Tarkett's activity according to the GHG Protocol criteria for identifying relevant Scope 3 activities.

This updated assessment, confirms the main sources, previously identified by Tarkett, of its Scope 3 GHG value chain emissions (emissions originating from the production of raw materials, the end-of-life disposal and the transportation of products as well as potential emissions associated to floor cleaning).

In 2021, we assessed the potential avoided GHG emissions[1] that would be achieved by recycling our products. This approach considers that the waste material is used as raw material replacing virgin/fossil raw material instead of being incinerated, thus avoiding the emissions related to both the production of virgin raw materials and the incineration of the waste flooring.

Homogeneous vinyl flooring

Tarkett has overcome the challenge of recycling post-use homogeneous vinyl flooring through the inhouse development of innovative technology. The flooring is granulated, washed several times to remove residues and glue, dried and safely reintroduced into our supply chain. The raw material is used in the production of new Tarkett homogeneous flooring at our recycling and production center in Ronneby (Sweden). For example, recycling 1 m² of post-use iQ homogenous vinyl flooring waste saves 11.8 $kgCO_2e$.

1 Climate benefits from recycling flooring waste - Tarkett 22th September 2021 v2.0

Heterogeneous vinyl flooring

Tarkett collect clean post-installation off-cuts or used flooring, sending them to one of our dedicated sorting partners before shredding and granulating them into high quality raw materials. These materials are used in the production of new heterogeneous flooring at our production center in Sedan (France). For example, recycling 1 m² of post-use loose-lay vinyl Acczent Excellence Genius flooring waste saves 12.4 kgCO_2e.

Carpet tiles

Tarkett processes collected post-use carpet tiles at its recycling center at Waalwijk (the Netherlands) producing two material streams: the yarn and the backing. The yarn is recycled by its partner Aquafil into regenerated Econyl® nylon yarn to be used in the production of new EcoBase® carpet tiles along with the EcoBase® backing. Recycling 1 m² of post-use EcoBase® carpet tiles flooring waste saves 10.0 kgCO_2e.

Linoleum flooring

We collect clean post-installation off-cuts or post-use linoleum flooring, sending them back to our plant in Narni (Italy) for recycling. The jute backing is easily separated and used on site as thermal fuel, while linoleum paste from installation off-cuts, is micronized into high quality raw materials and used to produce new Tarkett Linoleum. Linoleum paste from post-use is micronized to become a filler for new Tarkett Linoleum or other products. Recycling 1m² of post-use Linoleum flooring waste saves 7.4 kgCO_2e.

This new work builds on previous studies to better evaluate the contribution of our circular economy commitment to Scope 3 emissions reductions arising from the use of secondary raw materials instead of virgin raw materials. Using data from Tarkett LCAs via SimaPro Software and our GHG emissions reporting we estimate that in 2020 the use of approximately 120,000 tons of recycled material avoids approximately 250,000 tons CO_2e emissions compared to the use of virgin primary raw materials. This corresponds to the annual GHG emissions of more than 27,000 Europeans[1]. The scale of these GHG emissions savings further underlines the importance of increasing our efforts on our circular economy initiatives:

- Product eco-design to increase recycled content, low-carbon materials and recyclability;
- Collection and recycling of post-installation and end-of-use flooring.

3

1 EuroStat reported in 2021 that the total carbon footprint of EU-27 was equal to 6.7 tonnes of CO_2 per person in 2019.

Overview of estimated annual Scope 3 emissions[1]

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO_2e)	Relevance and actions	Methodology	CSR Report section
Upstream Scope 3 emissions				
3-1 Purchased goods and services	1,344	*Relevant, calculated* Tarkett can have an impact on GHG emissions resulting from raw materials by increasing recycled content in our products, as recycled materials contribute less to GHG emissions compared to extraction and transformation of virgin materials.	Scope 3 greenhouse gas emissions were calculated based on 2020 raw material purchases. 164 categories of raw materials were identified in Tarkett's purchase data warehouse (SAP). Total volumes per category were converted to kilograms and then emission factors applied to obtain greenhouse gas emissions. CO_2 emission factors from suppliers' EPDs were used when available. Alternatively, we used generic emission factors from recognized LCI datasets (Ecoinvent, European Life Cycle database, etc.) or generic certified EPDs.	3.6.1 3.7.2
3-2 Capital goods	-	*Not relevant* Tarkett does not have significant capital goods except those in our manufacturing sites. The energy consumption from our manufacturing sites are included in our reporting of energy consumption and Scope 1 & Scope 2 GHG emissions.	-	3.7.1
3-3 Fuel and energy related activities (not included in Scope 1 or 2)	68	*Not relevant, calculated* Tarkett considers the Scope 3 emissions associated with (i) upstream emissions of purchased fuel, (ii) upstream emissions of purchased electricity and (iii) T&D losses to be not material compared to other categories of Scope 3 emissions which are themselves much greater than Tarkett's combined Scope 1 and Scope 2 emissions for fuel combustion and purchased electricity and heat. Furthermore, Tarkett's efforts and objectives to reduce these Scope 1 and Scope 2 emissions will reduce and limit the Scope 3 emissions for this category.	Scope 3 greenhouse gas emissions were calculated based on 2019 energy consumption multiplied by upstream energy emission factors from ADEME and Internal Energy Agency.	3.7.1
3-4 Upstream transportation and distribution	75	*Not relevant, calculated*	Scope 3 greenhouse gas emissions were calculated based on in bound transport (# t.km) multiplied by emission factors (source depending on transport mode: ADEME, France or EPA, US) for 12 plants representing 80% of produced volumes; and based on selected materials covering 75% of inbound volumes for each plant. Total emissions were extrapolated from this base.	

1 Based on 2020 activity data, except 3.3, 3.4 based on 2019 activity data; 3.5, 3.6, 3.10 & 3.11 based on 2015 activity data; 3.9 based on 2017 activity data; and 3.7 based on 2020 average number of employees

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO_2e)	Relevance and actions	Methodology	CSR Report section
3-5 Waste generated in operations	49	*Not relevant, calculated* Although not relevant to overall Scope 3 emissions, waste is a material topic for Tarkett as it aims to eliminate industrial waste sent to landfill and it continues to work towards a circular economy, recovering and reusing more post-industrial and post-consumer waste in its production.	Scope 3 greenhouse gas emissions were calculated based on 2015 data. Emission factors from Ecoinvent and European Life Cycle Database used based on incineration as end-of-life treatment.	3.7.2.1 3.7.2.2
3-6 Business travel	8	*Not relevant, calculated* Given the small contribution to overall calculated Scope 3 emissions, Tarkett considers this category to not be material and does not calculate it every year.	Scope 3 greenhouse gas emissions were calculated based on 2015 data. Tarkett collected data from business travel agencies which covered flights, car hire, train and car leasing. In the absence of data from agencies the emissions were estimated based on employee numbers (roughly 20% of total calculated emissions). GHG emissions were calculated using the GHG Protocol transportation tool.	
3-7 Employee commuting	6	*Not relevant, calculated*	The average number of full time equivalent employees for 2020 was multiplied by an average commuting CO_2 emission factor representative of France (source Carbone 4). The emission factor used assumes that commuting is similar in all geographies to average commuting in France. The emission factor does not take into account actual Tarkett employee commuting habits, nor the increased remote working that occurred in 2020 due to the COVID-19 pandemic.	
3-8 Upstream leased assets	-	*Not relevant* Tarkett calculated Scope 3 emissions for its leased offices at its Paris headquarters based on 2015 data. This site represents one of the biggest non-manufacturing sites. Emissions were estimated to be 22 tCO_2e for this one site. When scaled up to include other similar commercial and administrative sites the total corresponding Scope 3 emissions remain negligible. As such Tarkett considers this category to be not material and does not calculate it every year.	-	
Downstream Scope 3 emissions				
3-9 Downstream transportation and distribution	250	*Relevant, calculated* Tarkett limits downstream transportation in part through its local market presence. In 2020 work began on mapping opportunities to optimize transportation and limit associated emissions. Already, in some situations Tarkett's plants have access to rail transportation (e.g.: Otradny in Russia).	Scope 3 greenhouse gas emissions were calculated based on 2017 activity data. Out bound transport (# t.km) multiplied by emission factors (source depending on transport mode: ADEME, France or EPA, US). Missing data for certain divisions has been completed and extrapolated based on activity.	

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO_2e)	Relevance and actions	Methodology	CSR Report section
3-10 Processing of sold products	167	Not *relevant, calculated* For this category, Tarkett has considered the greenhouse gas emissions associated with the installation of its flooring products.	Scope 3 greenhouse gas emissions were calculated based on 2015 data. It was assumed that all flooring products are installed using glue. In order to calculate the GHG impact, the sales volumes have been used together with conversions factors from Ecoinvent and SimaPro. The carbon footprint of the installation phase has been determined as following: Σ [CO_2 emission adhesive production x amount of adhesives x sales volume] product category. Tarkett's sport surfaces are not included.	
3-11 Use of sold products	2,878	*Not relevant, calculated* Tarkett recognizes the importance of potential GHG emissions arising from the cleaning of its flooring products during their life. However, given the absence of formal standards it is currently very difficult to calculate accurately or to monitor associated emissions. Furthermore, Tarkett has no control and limited influence on the type of equipment and type of cleaning protocol used by its diverse customers. As such Tarkett considers these Scope 3 emissions to be not relevant compared to other emissions where Tarkett has greater leverage. Nevertheless, Tarkett will continue to develop surface treatments that reduce water and energy consumption during the use phase of our products.	Scope 3 greenhouse gas emissions were calculated based on 2015 data. The GHG emissions during the use phase included the emissions related to the hypothetical use of water, detergent and electricity to power cleaning equipment. The use phase was considered to be 10 years. 2015 sales volumes were considered and then values from Tarkett's Life Cycle Cost tool used to calculate electricity, detergent and water consumption. Emission factors from Ecoinvent 3.3 were used to convert to tons CO_2e. A number of limitations were identified, notably: - the variability of LCA / EPD data - the variability on the assumptions of the lifetime of the flooring - the lack of conventional cleaning procedures - the flooring application (hospitality, school, office, home) - the geographical location. Tarkett's sport surfaces are not included.	3.7.2 3.7.1.3
3-12 End-of-life treatment of sold products	1,000	*Relevant, calculated* Tarkett contributes to reducing GHG emissions resulting from the end-of-use of its products through: - design to ensure recyclability of flooring products; - flooring take-back and recycling ReStart® program; - recycling of post-installation and end-of-use flooring (in our manufacturing process or by other industries). These actions are a key part of Tarkett's Change to Win strategy and Circular Economy Program launched in 2019.	Scope 3 greenhouse gas emissions were calculated based on 2020 raw material purchases. 164 categories of raw materials were identified in Tarkett's purchase data warehouse (SAP). Total volumes per category were converted to kilograms and then emission factors applied to obtain greenhouse gas emissions for the incineration of each raw material. CO_2 emission factors from recognized LCI datasets (Ecoinvent, European Life Cycle database, etc.) or generic certified EPDs were used.	3.7.2.2
3-13 Downstream leased assets	-	*Not relevant* Tarkett does not lease any significant assets	-	

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO_2e)	Relevance and actions	Methodology	CSR Report section
3-14 Franchises	-	*Not relevant* Tarkett does not have any significant franchise activity.	-	
3-15 Investments	-	*Not relevant* Tarkett does not have significant investments outside its manufacturing operations and as such considers this category to be not relevant	-	

Limiting the impact during the use phase

Some of our flooring solutions contribute to reduce energy consumption during the use phase of our products. For example, the Tapiflex, Acczent Excellence Premium and iQ collections, and the Linoleum xf xf² collections, contribute to reducing energy consumption during the use phase of our products thanks to surface treatments which limit scratches and the appearance of wear, thus delaying deep cleaning operations which are very energy demanding.

Given that Tarkett flooring and sports surfaces are built to last, they also contribute to limiting GHG emissions from product replacement. For example, Tarkett's Starfloor Click Ultimate 55 collection is backed with Rigid-Core Construction technology, providing greater resistance and durability. Tarkett Linoleum features a special surface finish reducing the maintenance effort and also increasing the life cycle, which if properly maintained can last longer than 20 years. Omnisports floorings are highly resistant, designed to provide durable surfaces and to reduce maintenance costs. The unique product construction is made with solid, heavy, and dense calendared sheets that make the surface resistant to indentation and impact.

Managing waste and increasing the use of secondary raw materials

One of Tarkett's key strategies to reducing its impact on the climate is to use more secondary raw materials, i.e. increase the recycled content of its products, since secondary raw materials engender fewer greenhouse gas emissions compared to primary or virgin raw materials.

As part of Tarkett's strategic plan Change to Win and its ambition to change the game with the circular economy, Tarkett set the objective of tripling the share of recycled raw materials to 30% by 2030 compared to 2018 (10%). Tarkett identifies three pathways to achieving this objective: (i) optimizing internal recycling of post-manufacturing Tarkett flooring and sports surface waste; (ii) collecting and internally recycling post-installation and end-of-use flooring and sports surface waste and (iii) procuring more secondary raw materials from other industries.

3.7.2.2 Managing production waste – reduce, reuse, recycle, recover

Recycling waste into valuable new materials emits less carbon than using energy-intensive processes to extract and transform virgin materials. It also places less of a burden on the world's natural resources and, avoids valuable waste heading to landfill or generating carbon emissions through incineration.

In our operations, we are firstly committed to avoiding the production of hazardous and non-hazardous waste. Secondly, where waste is generated Tarkett is committed to managing it responsibly, with in order of preference, its reuse, internal or external recycling or external incineration with energy recovery. Sending waste to landfill is always the last option when no other viable alternative is available. In all cases Tarkett ensures the respect of local waste management and disposal requirements and especially the proper handling and disposal of any hazardous waste. Tarkett's World Class Manufacturing (WCM) network assists plants in developing the capacity to achieve these objectives, to analyze their waste streams, to understand the causes of generated waste, to identify and implement appropriate action plans to reduce waste from operations, to apply the reduce – reuse – recycle – recover hierarchy and to track and report on hazardous and non-hazardous waste volumes.

Recycling initiatives at Tarkett started as early as 1957, with vinyl production recycling at the Ronneby plant (Sweden). Currently 16 plants reprocess and internally recycle their post-manufacturing waste using various techniques such as regrinding and reformulation to produce a secondary raw material. These processes avoid having to send the waste for external recycling, recovery or disposal and enable the material to be used in production in the place of virgin raw material.

Where post-manufacturing waste cannot be recycled and used on-site then it may be sent to another Tarkett site where the facilities and capacity exist to process and reincorporate it into production. For example, our recycling center at Clervaux (Luxembourg) received more than 8,000 tons of post-manufacturing waste and semi-finished products for recycling in 2021 from other Tarkett plants at Sedan (France), Konz (Germany), Lenham (UK) and Jaslo (Poland).

At our parquet manufacturing facilities, sawdust waste is recovered and used as a biomass fuel for heating avoiding fossil fuels or externally sourced biomass. With the opening, in 2019, of a parquet flooring line at Mytishchi (Russia), the site quickly implemented a solution to recover the sawdust and produce pellets for use as a biomass fuel for heating saving approximately 6 MWh of energy a year. It even sells surplus pellets externally. The recovery and use of sawdust waste as a renewable energy source is also implemented at Hanaskog (Sweden), Orzechowo (Poland), Kalush (Ukraine) and Bačka Palanka (Serbia).

In Sports, Tarkett has found a use for post-manufactured turf waste from its Calhoun (US) facility, recycling it into VersaTile a drainage and shock underlayer product.

Where production waste cannot be recycled on-site or at other Tarkett sites or recovered internally, then Tarkett sends it for external recycling and use, or for recovery in other industries. This includes other industrial waste (such as metal, paper, cardboard, electronic waste, used oils, etc.) which are sorted and sent preferably for external recycling or recovery, with disposal to landfill being the last resort.

Zoom on industrial waste

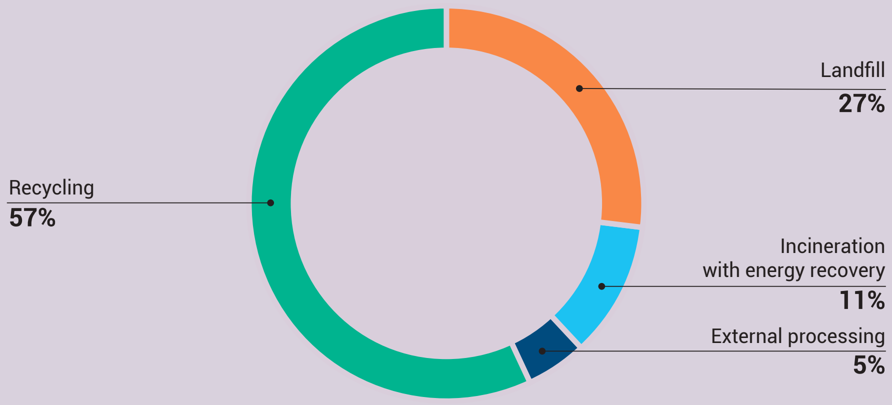
Waste

57% of the total waste from our plants (including both production related waste as well as office and canteen waste) is effectively recycled, with 14 plants not disposing of any waste to landfill in 2021. A further 8 other plants do not dispose any industrial waste to landfill, with only office and canteen waste being sent to landfill.

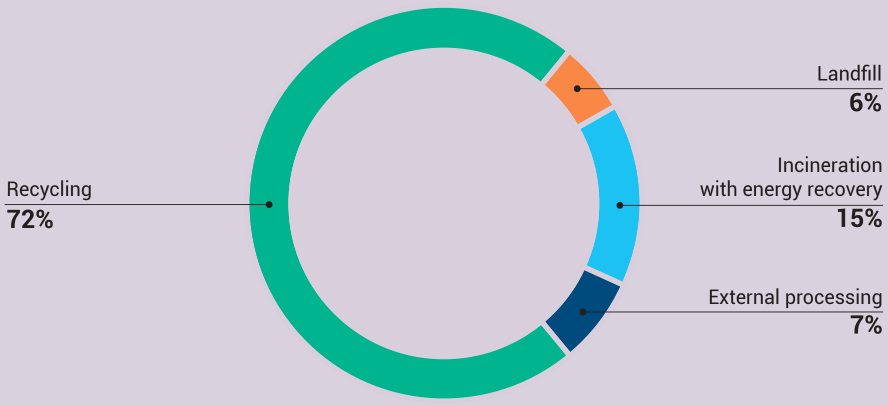
Despite our continual efforts, we have still work to do in some of our plants to achieve our 2025 target of zero industrial waste to landfill, especially in one of our plants in North America which alone accounts for 85% of the Group's waste disposed to landfill (primarily non-hazardous flooring waste). If we exclude this plant, we recycled 72% of our waste in 2021.

Compared to 2020, the quantity of industrial waste (including hazardous waste) disposed to landfill decreased 12% in 2021 at around 24 k tons, mainly due to non-hazardous flooring waste at one of our sites in North America. If we exclude this particular site, the total volume of industrial waste disposed to landfill by all the other production sites of the Group in 2021 amounts to 3,739 tons.

Share of industrial waste (hazardous and non-hazardous) by destination (%)



Share of industrial waste (hazardous and non-hazardous) by destination (%) – excluding one of our sites in North America



3.7.2.3 Collecting and recycling post-installation and end-of-use flooring and sports surface waste

In addition to recycling our post-manufacturing flooring and sports surface waste Tarkett is investing in a second pathway, to increasing the use of secondary raw materials, with the longer-term goal of scaling up closed-loop post-installation and end-of-use flooring and sports surface collection and recycling. This pathway is more challenging, given the logistics, the technical hurdles of recycling post-use product and the need to engage with multiple stakeholders. However, Tarkett remains convinced that this is a key solution to achieving Tarkett's vision where in the future, all flooring will be recycled enabling Tarkett to become a truly circular company.

Developing capacity and solutions for recycling flooring and sports surface waste

Over the years, we have invested and developed our capacity to recycle post-installation flooring scrap and post-used flooring materials in our own manufacturing processes, which required developing on-site recycling units.

In 2021, Tarkett's plant in Jaslo (Poland) was the latest site to develop in-house recycling capacity, recycling vinyl flooring waste collected via ReStart® into secondary raw materials which can be used in production.

Tarkett Sports' Morton Extrusionstechnik artificial turf fiber and infill facility in Abtsteinach (Germany) and Tarkett FieldTurf's artificial turf production plant in Auchel (France) both obtained ISCC Plus certification in 2021 along with the ISCC Plus Sustainability Declaration for the FieldTurf artificial turf. This certification, states both the origin and the proportion of recycled material, providing a guarantee that the plastic is actually made from recycled material. This follows on from the EuCertPlast certification which Morton Extrusionstechnik obtained in 2020 for recycling post-consumer artificial turf. The EUCertPlast certification scheme, which is co-financed by the European Commission under the Eco-innovation program, focuses on the traceability of plastic materials (throughout the entire recycling process and supply chain), and on the quality of recycled content in the end-product. The certification, based on European Standard EN 15343:2007 for plastics recycling and traceability, confirms the plant's use of at least 15% post-consumer artificial turf in the production of FieldTurf's ProMax HydroFlex infill.

These actions are at the heart of FieldTurf's new SURETEC™ program (Sustainable Recycling Technology) which is part of FieldTurf's Sustain the Game sustainability strategy. SURETEC™ is FieldTurf's program to apply plastic recycling technologies internally and externally, with the ultimate goal of creating a circular turf. SURETEC™ relies on chemical recycling using mass balance pyrolysis oil from post-use end-of-life plastics and mechanical recycling converting plastic waste into new secondary raw materials to reduce the amount of virgin plastics used to make artificial turf and infill. The program will also support end-of-life treatment, recycling end-of-life turf to use as new components in new turf systems along with the development of artificial turf from a single polymer to facilitate recycling.

In total, Tarkett counts **eight recycling centers** on its production sites all over the world: Ronneby (Sweden), Clervaux (Luxembourg), Waalwijk (the Netherlands), Narni (Italy), Abtsteinach (Germany), Jaslo (Poland), Otradny (Russia) and Jacareí (Brazil). The recycling center located in Luxembourg, on the Clervaux site also has the EuCertPlast certification for recycling post-consumer vinyl flooring. It treats both post-manufacturing waste from other Tarkett European sites, and ReStart® collected post-installation and post-use flooring material. The backing produced using this recycled material is used at several vinyl flooring manufacturing sites in Europe and on the vinyl production line in Clervaux.

Tarkett Sports is also collecting and recovering used artificial turf and infill. In Oregon, US, Tarkett has a small facility which recovers infill from retired fields. The recovered turf goes to the facility where the rubber crumb and sand infill materials are separated from the artificial turf. They are then washed and bagged ready for reuse. The artificial turf part is often reused in community or residential applications.

In the US, post-consumer turf is used to make Greenboard, an innovative technology which combines mixed polymer recycled plastics from recycled postconsumer turf to make a durable and 100% recycled fiber-reinforced composite board for use in the installation of artificial field turf.

As well as developing the capacity to handle and recycle increasing volumes of flooring and sports surface material, we also continue to conduct research and to trial new recycling techniques with the quest to develop technically and economically feasible solutions to recycle more end-of-life products.

> For example we are operating in Sweden an in-house developed solution to **recycle Tarkett homogeneous vinyl flooring** produced from 2011 onwards (for more details see Section 3.6.2.1 Working collectively towards a circular economy).

Example

Finding technical solutions to build a circular economy – recycling old end-of-life PVC (Polyvinyl chloride) flooring

Tarkett is an active member and promoter of the EU project "Circular Flooring", aimed at developing environmentally friendly recycling of post-consumer PVC floor coverings. The project is managed by the Circular Flooring consortium consisting of eleven companies and research institutions from Austria, Belgium, France, Germany and Greece and led by the Fraunhofer Institute for Process Engineering and Packaging IVV in Freising (Germany). The project is focused on the recovery of a PVC compound from post-consumer PVC floor coverings and the separation of legacy plasticizers in order to create a recycled material for the manufacturing of new PVC floor coverings. End-of-life flexible PVC floor coverings potentially contain 'legacy plasticizers' which may no longer be used today for reasons of consumer protection (EU REACH requirements) and which in the meantime have been replaced in the EU by safer alternatives. A solvent based technology called CreaSolv® was developed to separate the legacy plasticizers, thus making it possible to retain valuable resources in the circular economy.

The CreaSolv® Recycling Process also converts the legacy plasticizers into REACH-compliant plasticizers. To date, the first four milestones of Circular Flooring have been reached:
> Pilot scale for the recycling of PVC flooring waste justified
> CreaSolv® Process for Circular Flooring customized
> Hydrogenation route for legacy plasticizers developed
> Possible PVC formulations developed

In 2021,, the work focused on the construction of a CreaSolv® PVC prototype recycling plant at the Fraunhofer Institute in Freising (Germany), which is due to be operational in 2022. The aim of the EU project Circular Flooring, which is due for completion in 2023, is to elaborate on the technical and commercial feasibility of this recycling process for PVC floor coverings at an industrial scale, thus preventing usable resources (PVC, plasticizers) from being landfilled or incinerated, reducing CO2 emissions, and contributing to European circular economy and climate neutrality objectives.

Collecting and recycling post-installation and end-of-use flooring: the ReStart® program

ReStart® a flagship Tarkett program for flooring waste collection and recycling, meets a double goal:

- Increasing the collection of post-installation and end-of-use Tarkett flooring (or in some cases from other flooring manufacturers), to obtain a growing volume of secondary raw materials and limit the need for virgin resources, thus developing a circular model with quality and economically viable products; and
- Offer our customers a responsible, cost-effective, circular solution to contribute to safeguarding the world's natural resources, protecting the environment, and avoiding incineration or landfilling.

Flooring taken-back via ReStart® is primarily meant to be reinjected into our manufacturing cycle, but we also evaluate other "open-loop" recycling opportunities when relevant.

At the end of 2021 the ReStart® program is proposed in several formats in different countries in Europe (Sweden, Norway, Finland, Denmark, France, United Kingdom, Belgium, Netherlands, Luxembourg, Germany, Austria, Switzerland, Poland, Italy, Spain, and Portugal), Brazil and North America:

In Europe we are mainly collecting vinyl installation off-cuts and post-use carpet tiles. Since 2019 we are proposing the ReStart® take-back and recycling service for vinyl at no cost to our customers in an effort to encourage them to join and participate to the transition to a circular economy. For vinyl flooring, Tarkett provides big-bags and organizes the collection of post-installation or end-of-use (currently for post-consumer homogeneous flooring installed since 2011) materials which are sent to our recycling centers either at Clervaux (Luxembourg) or Ronneby (Sweden). In France we also use PVC Next network operated by Kalei for the recycling of other types of post-use vinyl flooring materials. They are sent to Germany to the AGPR (Association for the Recycling of PVC Floor-Coverings). We are developing local partnerships with logistical operators, such as Veolia (France) and Krujs (the Netherlands), to carry out the waste collection and in some cases preliminary sorting. Once at our recycling centers the waste is sorted then assessed before processing and reintegration into our production process. For carpet flooring, Tarkett provides a support to facilitate the on-site collection, then the waste flooring is sent to our carpet recycling center in Waalwijk (the Netherlands) for recycling. We are also taking back linoleum for recycling at our Narni site (Italy). In 2021, Tarkett started the collection of vinyl installation off-cuts in Poland and Baltic countries (Estonia, Latvia and Lithuania).

In France, Tarkett joined other building material manufacturers in July 2021 to create Valobat a not-for-profit eco-organization dedicated to developing the collection and recycling of post-use building products and materials in France. Valobat will provide its members with a solution to meet the new extended producer responsibility (EPR) obligations in France. The French 2020 law on tackling waste and developing a circular economy will require manufacturers of building products and materials to organize or delegate the management of end-of-life waste collection and recycling.

In Brazil, Tarkett's local teams launched ReStart® in 2019 following a pilot phase in 2018. Tarkett takes back post-installation material for vinyl composite tiles, luxury vinyl tiles, as well as homogeneous and heterogeneous resilient flooring from clients close to our site at Jacareí for recycling.

In Australia, Tarkett continued to work in 2021 with local stakeholders to develop a functional ReStart® take-back and recycling solution for the Australian market. In one trial in Perth, Western Australia, Tarkett successfully diverted over 20 tons of carpet tile from landfill. Here, Tarkett partnered with contractor Malco flooring who uplifted and stacked carpet tiles, sorting waste from useful product, successfully finding a second life for the recovered carpet tile. In New Zealand Tarkett continued to work with leading commercial and residential flooring distributors to support their local sustainability initiatives in collecting offcut flooring waste for our ReStart® program. To further succeed in developing our local ReStart® program, as well as meet with Australian plastics export requirements, Tarkett has placed an order for a granulator to be commissioned in 2022. This machine will allow collected heterogeneous and homogeneous vinyl flooring, linoleum, and select Luxury vinyl Tiles products to be granulated into production-ready size material. This process will also increase our shipping efficiency when sending the product back to our recycling facilities.

In North America, the program has existed since the end of the nineties for collection and recycling of carpet tiles and was expanded to vinyl flooring in 2010. ReStart® collection and recycling has been and remains predominately post-use rather than post-installation. The challenge is to develop logistics solutions, notably finding the right logistical partners, to collect and recycle larger volumes of post-use products and the small quantities of post-installation flooring waste as well as re-introducing materials into existing products.

Recycling, re-covering and reusing artificial turf and reusing infill – FieldTurf's "Goal zero"

In North America as part of its Goal Zero program to divert job-site and manufacturing waste from landfill, Tarkett FieldTurf is expanding its partnerships with recycling facilities to be able to recycle artificial turf once it's reached the end of its life. FieldTurf also encourage extending the life of its clients pitches by re-covering the existing surface with a new artificial turf on top. The process repurposes the existing field to help provide added safety and performance to the new field. When renewing artificial turf, FieldTurf propose to collect the old surface and divert it from landfill by giving it new life through a reuse program. FieldTurf is also working with customers to extend the life of their fields by reusing their infill, reducing their costs and their carbon footprints.

Example

Contributing to IKEA's goal to become circular by 2030 with Tarkett's ReStart® collection and recycling program

Tarkett collaborated with IKEA in Sweden to transform used Tarkett flooring from one store into new flooring for another store. Tarkett recovered 10,000 square meters of old flooring from an IKEA store in Stockholm (Sweden) as part of its ReStart® take-back and recycling program. The recovered post-use homogeneous vinyl flooring, which was processed at Tarkett's on-site recycling facility in Ronneby (Sweden), was ground and cleaned of glue and concrete residue using an in-house developed process. The recycled materials were then used to produce new flooring for another IKEA store. In total the project is estimated to have saved close to 100 tons of CO_2 emissions. A further 40 tons of CO2 were saved during a similar renovation project for an IKEA store in Arlon (Belgium). Tarkett collected more than 4,500 square meters of used old flooring. The granulate obtained formed the basis for new homogeneous vinyl flooring.

Example

Tarkett provides ReStart® take-back and recycling service to major insurance company in Canada

Tarkett provided a major insurance company in Canada with its ReStart® take-back and recycling services in 2020-2021 as part of a large workplace renovation project. Sustainability criteria were a key part of the tender, which notably required the recycling of the old flooring. Through effective collaboration between the different parties 43,224 pounds (19.6 metric tons) of old carpet flooring was removed, palleted and transported for recycling. Furthermore, some of the existing Tarkett carpet tiles that still looked great were able to be relocated and re-purposed. For the new surfaces, the client chose from a range of flooring solutions from Tarkett Solution SPECTrum™'s portfolio, including both soft and resilient surfaces and accessories.

Zoom on key indicators

Flooring collection and recycling program ReStart®

From 2010 to 2021, Tarkett has collected close to 111,800 tons of flooring (post-installation and end-of-use flooring: vinyl, linoleum, carpet). In 2021 3,200 tons of installation scrap and used flooring were collected through the ReStart® program, up on 2020 (3,000 tons) though still slightly under the pre-COVID-19 level (3,300 tons in 2019).

Encouraging progress was made in Europe thanks notably to our unique carpet recycling center in the Netherlands, our vinyl recycling center in Sweden and our linoleum recycling center in Italy. Together these three recycling centers have increased their ReStart® collection by 69% compared to 2019. In North America, the launch of our newer products designed for recycling will allow us to significantly increase the recycling of post-consumer carpet in the coming years. See below for more explanations and details on the challenges of flooring collection and recycling.

1. **Developing practical solutions and finding the right partners for collection and sorting in each market to facilitate the recovery of recyclable materials**. For example, Veolia in France, Kuijs transport in the Netherlands and Verhoek in Germany.

2. **Onboarding customers, with a simple, cost-effective ReStart® take-back and recycling service**. We are actively inviting our customers to join our ReStart® take-back program which help them manage their flooring waste while contributing to the implementation of a circular economy. As project owners are increasingly including site waste management in their calls for tender, ReStart® allows Tarkett's customers to sign up simply to our local take-back and recycling program for flooring. For example, Tarkett now proposes in Europe the ReStart® service for vinyl flooring at no extra cost.

3. **Collaborating, sharing experiences and contributing to the push for a circular economy friendly framework**. Tarkett contributes and participates in various platforms to share experience, learn from others and promote a framework that facilitates the transition to a circular economy (for more details see below Tarkett feedback and Section 3.6.2.3 Building a circular economy together).

Our commitment and our actions over the past several years have enabled us to understand and better grasp the challenges and opportunities for developing the circular economy on the ground. The volumes collected in 2021 and 2020 were lower than 2019 due to the impact of the COVID-19 pandemic. A number of other factors can also explain the longer term trends:

- First of all, the principle decrease in volume concerns **North America**, where collected volumes of post-use flooring have declined over the past few years. The main reasons being commercial (end of key client contracts), technical (difficulties for separating the different layers to be recycled, materials traceability and compatibility with the composition of new eco-designed products) as well as structural (reverse logistics, regulations lacking incentives, lack of client demand).
- In **Eastern European** we are mainly supplying the residential market. It is therefore very difficult to collect floor coverings that have been dismantled during installations, which are often carried out by private individuals. Furthermore, as opposed to Western Europe, there is very limited stimulus for recycling by local authorities.
- In **Europe**, before the development of our carpet recycling center in the Netherlands, we had limited capacity to disassemble and recycle post-installation and end-of-use carpet tiles. Post-consumer vinyl flooring collection and treatment have also been very limited or even non-existent. This has been partly compounded by the current lack of viable technologies to remove glue and separate legacy chemicals that are no longer authorized.
- Finally, concerning **sports surfaces**, in most markets there are no tried and tested solutions for recycling the old product and generating a useful secondary raw material. For example, in North America the cheapest solution often remains landfill, making it hard to onboard cost-conscious local public authorities when proposing more costly alternative solutions to recover and recycle used artificial turf. This is however changing as Tarkett develops and trials field turf recycling in North America and Europe.

In summary, Tarkett is taking action to identify, develop and implement solutions in response to these current challenges and to contribute to the implementation of a circular economy.

Challenges	Potential solutions / Tarkett initiatives
1. Old post-use flooring not compatible as a secondary raw material for new generation flooring products	> Looking for other uses for recycled flooring and sports surface materials > Developing technologies and industrial processes to make vinyl flooring and carpets easier to recycle after use > The majority of Tarkett's current generation of product are better designed and more adapted to recycling in the future > Tarkett's New Product Development Process includes steps to check to ensure design for recycling of future products
2. Technical and capacity difficulties to recycle old product	> Tarkett's carpet recycling center in the Netherlands > Homogeneous vinyl flooring recycling in Sweden > Trials with solid wood parquet recycling in Sweden > Supporting the European project Circular Flooring to scale up old PVC flooring recycling > Field turf recycling in Germany at Tarkett's third-party certified recycling center > Development of products, such as Greenboard and Versatile, made from recycled turf
3. Lack of structure and incentives to promote recycling and barriers related to the use of secondary raw materials	> Tarkett engaging in dialogue to share experiences and challenges with public authorities to promote a regulatory framework more favorable for recycling > Tarkett encouraging customers to join its ReStart® take-back and recycling program

Eco-designing the flooring installation system for easy removal and effective recycling

Tarkett endeavors to integrate easy removal right from the design stage, ultimately allowing more efficient collection, sorting and recycling. Beyond the flooring product itself, the challenge is to design flooring systems including products, installation, and removal methods, which facilitate the collection of flooring at end-of-use while allowing the separation of different layers and materials.

For example, the modular vinyl ranges, such as iD Click Luxury Vinyl Tile ranges, with their unique click system which makes for a floating installation, without the need of adhesives enabling the flooring to be very quickly laid and easily removed. In North America, Tarkett has the modular range of flooring, ProGen™, which is waterproof, and resistant to shocks, traffic, and heavy use, while being easy to install and remove thanks to a fast lock mechanism. Quick-Fix carpet tiles (produced in partnership with Velcro®) and the Tape+ / Tape products offer solutions so that carpets can be installed, re-installed, and recycled easily, without damaging the flooring surface. Our modular resilient flooring iD Revolution can also be installed with a tackifier, enabling quick installation and removal. For indoor sports Tarkett proposes Greenlay™ a loose-lay installation method for Omnisports surfaces. With only 2% of surfaces glued the end-of-life recovery is facilitated enabling the surface to be easily removed, taken back through Tarkett's ReStart® program and recycled.

3.7.2.4 Using secondary raw materials from other industries

The third pathway to increasing the recycled content of Tarkett products comes through open-loop recycling, obtaining recycled materials from other industries as an alternative to virgin raw materials.

More and more, our teams are looking to procure secondary raw materials to reduce our exposure to the price volatility of fossil-based materials and to meet our climate and circular economy objectives. We are sourcing recycled materials from several different partners in different industries. These include Econyl® fibers from Aquafil, an Italian company, which are composed of 100% regenerated nylon threads from pre and post-consumer nylon waste, such as discarded fishing nets, textile scraps and used fiber waste from our Desso® carpets; upcycled chalk from a drinking water distribution company in the Netherlands, which is used in our EcoBase® carpet backings; post-industrial glass or marble powder waste material recycled for use in our Ecobond carpet backings; post-industrial diaper film waste material recycled for use in sports ProMax infill; post-industrial automobile shock absorbing waste material recycled in sports field underlay and recycled PVB from safety glass used in resilient flooring in Europe and in carpet backing in North America.

One of the main challenges of initiatives to promote the use of recycled materials is to trace the precise composition of materials that we incorporate into our manufacturing processes, and to guarantee their health and environmental quality. In addition to recycling our own products, we only work with partners able to provide this traceability, and which can guarantee a consistent level of quality in line with our specifications.

At our sport facility in Toronto, Canada, Tarkett's subsidiary ThermaGreen makes shock and drainage pad sports field underlay from 99% post-industrial waste sourced from the automotive industry. The shock absorbing material found in automobile parts such as the dashboards and panels are recycled and used to make SportLite a nonwoven geotextile shock & drainage pad.

At our Suzhou plant in China, we locally source recycled marble for use in our EcoBond carpet backing. The marble, which comes from home interior decoration post-industrial waste, is ground to a powder for use as a secondary raw material filler for the carpet backing.

At our yarn and infill production site in Abtsteinach, Germany, Tarkett uses recycled post-industrial diaper film in the production of FieldTurf ProMax products. The diaper film, which is designed to make diapers breathable, is composed of two ingredients, linear low-density polyethylene and calcium carbonate, which are both used to make Promax products.

At our carpet plant in Waalwijk, the Netherlands, Tarkett has invested over the last years in expanding our EcoBase® production facility to increase production and replace traditional bitumen-based carpet backing in all our carpet tile ranges. As detailed in our 2020 CSR Report, the Gold level Cradle to Cradle Certified® Desso EcoBase® carpet backing contains at least 75% chalks, derived from upcycled waste chalk. To date we have used more than 100,000 tons of recycled chalk for our carpet tiles.

Example

Using recycled post-use polyvinyl butyral (PVB) from safety glass in our floorings

Polyvinyl butyral (PVB) resin is a tough, clear, adhesive, and water-resistant plastic film. PVB is primarily used as a raw material for laminated safety glass in car windscreens, buildings, and solar panels.

Tarkett has worked closely with two innovative companies to incorporate post-use recycled PVB instead of virgin material in its product formulation. These European companies both developed a treatment process to clean and recycle post-use PVB, transforming this once unrecyclable material into a high-quality secondary raw material that can be used by the automotive, construction and plastics industries. Tarkett employs the post-use recycled material in our iD Revolution resilient modular tiles.

Importantly, recycled PVB has a carbon footprint that is 25 times lower than virgin PVB, so it helps us to reduce our Scope 3 greenhouse gas emissions. iD Revolution, a Gold level Cradle to Cradle Certified® resilient modular flooring, achieves Cradle to Cradle® Platinum level for material health. More than 83% of the materials used to make iD Revolution are either recycled, mineral or bio-sourced, helping to conserve natural resources. This includes 24% recycled PVB, 11% bio-plastic (PLA) and 49% chalk, a mineral found abundantly in nature.

In the US, through a similar long-lasting cooperation with another company, we incorporate recycled post-use PVB in our ethos® Modular with Omnicoat Technology™, a high-quality soft surface floor solution made from healthy, safe materials, including 33% post-consumer recycled PVB. From 2004 to 2021, we reused around 37,000 tons of PVB films from 36 million windshields.

Zoom on key indicators

Recycled Materials

In 2021, we used a little more than 146,500 tons of recycled materials[1] as an alternative to virgin materials, which represents close to 15% of our raw materials used. Our target, set as part of our Change to Win strategy, is to triple the 10% share we had in 2018 to 30% by 2030.

[1] Recycled materials: Materials that would otherwise have been sent for waste disposal (incineration or landfill); internal post-manufacturing recycled volumes are included.

3.7.2.5 Sourcing renewable, low carbon, raw materials

Renewable raw materials, like recycled secondary raw materials, represent a low carbon solution and a way to limit the life cycle greenhouse gas emissions of flooring. Tarkett uses various renewable raw materials, such as wood in parquet and laminate flooring, jute in linoleum flooring and bio-based plastics in modular resilient flooring such as iD Revolution (see Section 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources).

Tarkett launched in 2020 the **world's first floor to use bio-attributed PVC** certified through the Roundtable on Sustainable Biomaterials (RSB). The iQ Natural homogeneous vinyl flooring collection with Tarkett's ReStart® collection and recycling post-use provides architects, designers and property owners with a flooring solution offering more than 60% less embodied carbon[1] (i.e. less greenhouse gas emissions for the life cycle stages from cradle to gate and end-of-life), when compared to average homogeneous vinyl floors[2] which are incinerated with energy recovery, making it one of the lowest carbon footprint resilient floorings solutions on the market. Our vinyl homogeneous flooring iQ Natural which already used bio-based plasticizer was the first product to be launched using a bio-attributed vinyl – BIOVYN™ - substituting 100% of fossil feedstock by renewable biomass. See our 2020 CSR report for more details.

In 2021 Tarkett's Brazilian plant in Jacareí implemented a new Luxury Vinyl Tile (LVT) line which uses a new bio-plasticizer technology along with more than 60% recycled PVC in the core layer.

1 The emissions caused in the materials production and construction phases (A1-5) as well as the carbon emissions associated with post-use phases (C1-4), where iQ Natural is collected and recycled through Tarkett's ReStart® program and the average industry flooring is incinerated with energy recovery. Embodied carbon: total greenhouse gas (GHG) emissions (often simplified to "carbon") associated with materials throughout the whole lifecycle of a building (including upfront emissions, use stage emissions and end-of-life emissions). Source: "Bringing embodied carbon upfront" World Green Building Council 2019

2 ERFMI 2019 EPD for Homogeneous polyvinyl chloride floor coverings

3.7.3 Balancing remaining greenhouse gas emissions and offering net-zero carbon products

While focusing on reducing the Tarkett's Scope 1, 2 and 3 greenhouse gas emissions through environmental management, eco-design, supplier engagement and circular economy solutions Tarkett is also responding to customer demand for products which contribute to green building certification standards with Cradle to Cradle Certified® products and net-zero carbon products where partial or total remaining greenhouse gas emissions are offset.

In our North American market, Tarkett announced, at the occasion of the US 2020 GreenBuild expo, an expanded number of net-zero carbon flooring products. This initiative builds on existing steps to reduce the embodied carbon of Tarkett products by designing for a circular economy, increasing the use of healthy, recycled materials, and by lowering the impact of manufacturing through improvements in energy efficiency and the increased share of renewable energy.

As part of the Carbonfund.org's Carbonfree® Product Certification program, Tarkett has measured the greenhouse gases emitted when manufacturing, delivering and installing products for its customers. These emissions are then balanced through the purchase of third-party verified carbon offsets. The Carbonfree® product certification offsets life cycle greenhouse gas emissions, based on the products' annual sales and carbon footprint established through life cycle assessments.

In 2021 the Carbonfree® product certification program supported a project in India on wind power. The project involves the implementation of 136 Wind Turbine Generators in the Tamil Nadu and Karnataka states of India which will provide a 159.75 MW capacity. This follows from a Verified Carbon Standard project for waste energy recovery co-generation in South Korea which was supported in 2020.

In our European market, Tarkett launched in 2021 its Carbon Conscious Program giving the possibility for customers to balance cradle to gate and end-of-life related greenhouse gas emissions for products through the REDD+ Business Initiative Tambopata-Bahuaja Biodiversity Reserve Verified Carbon Standard (VCS) project. Tarkett firstly reduces carbon emissions through rigorous product design and manufacturing processes, then Tarkett offers to balance the remaining emissions through the Carbon Conscious Program, with externally verified carbon credits. This is in addition to proposing Tarkett's ReStart® take-back and recycling program to recycle post-installation and end-of-use flooring waste into new secondary raw materials, which also contributes to reducing greenhouse gas emissions.

Tarkett is already offsetting greenhouse gas emissions for certain other products to obtain a given level of certification under the Cradle to Cradle Certified® product standard. For example, Tarkett's 5 Gold level Cradle to Cradle Certified® products (Desso Ecobase® PA6 solution dyed carpet tiles and Desso EcoBase® Carpet Tile Backing; iQ One and iD Revolution resilient flooring; Linoleum flooring) are required to offset 50% of the final manufacturing stage GHG emissions. Tarkett obtains the required number of carbon credits through the REDD+ Business Initiative Tambopata-Bahuaja Biodiversity Reserve project. The project is validated by the Verified Carbon Standard (VCS) and the Climate, Community, and Biodiversity Standard (CCB) (see for more details Section 3.9.2.4 Supporting development projects worldwide).

Tarkett's carpet manufacturing plant and recycling center in Waalwijk, the Netherlands, is the first Tarkett plant to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions. This was achieved in 2021 by purchasing carbon credits equivalement to its natural gas consumption. The plant has already been purchasing renewable electricity for over five years. The CO_2 emissions from the consumption of natural gas for heating and production are compensated with Verified Emission Reduction (VER) certificates that are linked to a specific investment in sustainable energy projects in developing countries.

3

3.8 Creating solutions for greater indoor air quality and safe, healthy spaces for our customers

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	CSR Report section	Contributing towards UN SDGs
Product safety and quality (evolving health and environmental regulations, standards and/or customer's expectations)	> Materials selection and assessment as part of NPDP to develop products with low levels of VOC emissions	Percentage of flooring with low VOC emission levels	99%	98%	98%	3.8.1	3 GOOD HEALTH AND WELL-BEING
	> Use of phthalate-free plasticizer technology for our vinyl flooring	Percentage of phthalate-free flooring[1]	95%[2]	97%	74%	3.8.1	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

1 Except recycled content for certain products
2 At the end of 2020, 100% of our vinyl production sites in Europe, North America, Serbia and China use phthalate-free plasticizer technologye

Product safety

Tarkett is committed to ensuring and enhancing product safety through its Tarkett Human-Conscious Design® approach. This approach applies Cradle to Cradle® principles and methodology, with the design and careful choice of materials contributing to healthy spaces and indoor air quality. For our sports surfaces, keeping athletes safe has and will always be the first priority for Tarkett. FieldTurf and Beynon Sports, our field and track companies, are committed to improving performance and safety through research and innovation, continually looking to find new ways to reduce the risk and severity of sports injuries. This focus on safety has led to a number of injury-reducing innovations and improvements both on field and on track. Additionally, Tarkett's group-wide quality management system, with 85% of plants certified ISO 9001, ensures the strict application of procedures to ensure product quality and safety, both during installation and use. From design to installation at the customer's site, Tarkett's quality management guarantees the conformity of the products to all applicable standards and regulations regardless of the country where the product will be used. To carry out these controls, Tarkett relies on the competence of its internal laboratories as well as certified independent laboratories. The quality management system is under the responsibility of the Group Quality Director, reporting to the Executive Vice President of R&D and Operations, a member of Tarkett's Executive Management Committee. This system incorporates relevant product safety risk assessments, monitoring, incident investigation and end-user feedback. Over and above ensuring the general safety of its flooring and sports surfaces, Tarkett also provides safety enhanced flooring solutions for specific applications (e.g. slip resistant flooring for trains, buses, planes, wet rooms, schools, health care facilities, …). For these specific applications all products are validated and controlled according to specific standards and regulations where they exist (for example the IMO standard for reaction to fire, applicable in the maritime sector or the vertical flammability test FAR 25.853 for aviation). Tarkett provides details on all relevant standards and specifications for each product through the product "technical data sheet".

In Australia, where confusion often exists in relation to sustainable slip resistance in settings where flooring surfaces get wet or contaminated during normal use, Tarkett has taken further actions to educate and reassure clients. For example, Tarkett updated Continuing Professional Development (CPD) presentations for architects on Slip & Wellbeing to align to the revised AIA (Architects Institute of Australia) requirements. Tarkett Australia also published in 2020 a specific white paper “Raising the Safety Floor: A Guide to Slip Resistance in Flooring Specification” providing a concise guide to safety flooring, sustainable slip resistance requirements and testing, and design considerations relevant to flooring specification.

3.8.1 Contributing to healthy spaces and indoor air quality

Flooring with low VOC emissions

Tarkett is committed to designing products which help create healthy indoor spaces and preserve indoor air quality in accordance with our Tarkett Human-Conscious Design® approach. This challenge is especially critical for the most sensitive populations such as the elderly, young children, or people with allergies or asthma. One international study found 14% of children to suffer from asthma[1] and it is widely reported it is a major cause of school absenteeism. It has also been found that productivity can increase when indoor air quality improves[2]. All in all, today, people spend 90% of their time indoors, and in the wake of the global COVID-19 pandemic, doing so has become even more central to our daily lives. Among the contributors to indoor air pollution are volatile organic compounds (VOCs) – gases emitted at room temperature by chemicals found in everything from paints, varnishes and glue to everyday cleaning products. Since 2011, Tarkett has been a pioneer in developing flooring with low or ultra-low levels of Volatile Organic Compounds (VOC) emissions in nearly all of its product ranges. Tarkett offers products with total VOC emissions that are 10 to 100 times lower than the most stringent world standards, at levels that are so reduced they are non-quantifiable[3]. This effort had been recognized by several certifications:

- The modular vinyl Starfloor Click was recommended by the Swedish association against asthma and allergies in 2015.
- The Asthma and Allergy Foundation of America (AAFA) awarded the **asthma and allergy friendly®** certification to all FiberFloor® vinyl ranges as well as to other products (iD Inspiration®, Acczent, and several laminated ranges).
- In 2020 Tarkett obtained the **seal of approval from Allergy UK** for two new product ranges, Tarkett's Omnisport flooring ranges for leisure and sports areas, which join the linoleum ranges which received the label in 2018 from the British association Allergy UK, which is valid in 135 countries.
- Several vinyl and linoleum ranges manufactured in Europe are subject to regular plant audits by **Eurofins (an international laboratory network conducting consumer product testing)** to ensure that our products have low or very low levels of VOC emissions (Tarkett labels « Indoor Air Quality Gold » and « Indoor Air Quality Platinum »).

In the US, Tarkett brought together experts from the architecture and design community in October 2021 for a series of free webinars during the National Indoor Air Quality Month. Given that the US Environmental Protection Agency (EPA) estimates Americans spend roughly 90 percent of their time indoors, where the concentration of some pollutants can be more than double what one would experience outdoors, the discussions highlighted the importance of healthy indoor spaces for their inhabitants. The webinars looked at how building professionals can prioritize health and wellness, as well as building design and construction, notably through using industry resources, standards, and certifications to achieve maximum impact on healthy spaces through product transparency. The discussions also gave an understanding of the impact building materials and indoor air quality (IAQ) can have on human health.

Tarkett North America offers both residential and commercial flooring solutions that have been certified asthma & allergy friendly® by AAFA. This certification program helps people make informed purchases for healthier homes, schools and workplaces. Only those products that pass stringent tests are awarded the designation. For flooring to be certified asthma & allergy friendly®, AAFA's independent third-party testing must show that the floor is easily cleaned and has a low capacity for retaining allergens. The certification process involves testing not only the product itself, but also the installation method and recommended cleaning process as a complete system to ensure no harmful materials are introduced while installing or cleaning the floor. In 2020, Tarkett donated more than 2,000 square meters of asthma & allergy friendly® certified flooring through a partnership with Breathe EASY project in Washington D.C. (US) (see 2020 CSR report for more details).

Phthalate-free flooring

Phthalates are mainly used in the plastics industry, to give the plastic a certain flexibility. The potential impact on human health of certain phthalates in this group of chemical products is the subject of scientific debate and is regularly featured in regulatory news and general public news stories, notably through work carried out by health agencies that assess the impact of substances on health and the environment (ANSES in France and EFSA at the European level); at the level of ECHA (European Chemicals Agency), within the framework of evolutions in REACH and CLP regulations[4]; or in information campaigns run by health and environmental protection non-profit organizations.

1 International Study of Asthma and Allergies in Childhood (ISAAC), 2007
2 Estimates of Improved Productivity and Health from Better Indoor Environments, 1997 William J. Fisk and Arthur H. Rosenfeld
3 Total VOC at 28 days < 100 µg/m³ or even < 10 µg/m³
4 REACH: Registration, Evaluation, Authorization and Restriction of Chemicals; CLP: Classification, Labelling and Packaging of substances and mixtures

Since 2010, Tarkett has been proactively seeking alternatives to phthalate plasticizers in collaboration with its suppliers. We have considerably invested in research and development and consequently have been able to modify our formulas and our processes to manufacture vinyl flooring with phthalate-free plasticizer technology. These alternative plasticizers can be used for young children's toys and food containers, which have the strictest health standards. Phthalate-free plasticizer technology was first introduced by Tarkett in North America in 2010 and in Europe in 2011, then gradually deployed in Ukraine and Serbia since 2016, and finally at the Otradny site in Russia in 2019 and 2020.

At the end 2021, 90% of our global vinyl production use phthalate-free plasticizer technology (except recycled content for certain products). The remaining 10% relates to vinyl production at our plants in Brazil and Russia.

At some sites, we also use recycled contents in addition to virgin raw materials for some products which may then contain traces of phthalate plasticizers. Since the end of 2019, our European sites produce 100% phthalate-free vinyl flooring, recycled content included.

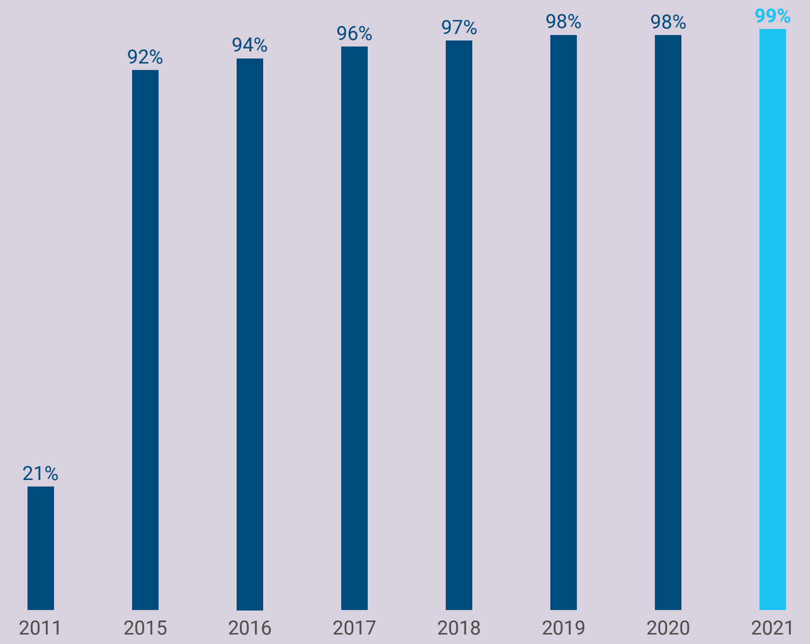
The entire flooring industry gradually follows our example in the interest of flooring customers and users: for example, in North America, certain DIY, home improvement and decoration retailers, such as Lowe's, Menards and Home Depot, have changed their supplier specifications to exclude phthalate products.

Zoom on key indicators

Indoor air quality

Tarkett contributes to customer health and well-being with flooring products that contribute to indoor air quality. In 2021 99% of our flooring have low total VOC emissions (<100 µg/m³). The remaining percentage is explained by a small volume of carpet and rubber flooring.

Percentage of flooring with low VOC emission levels

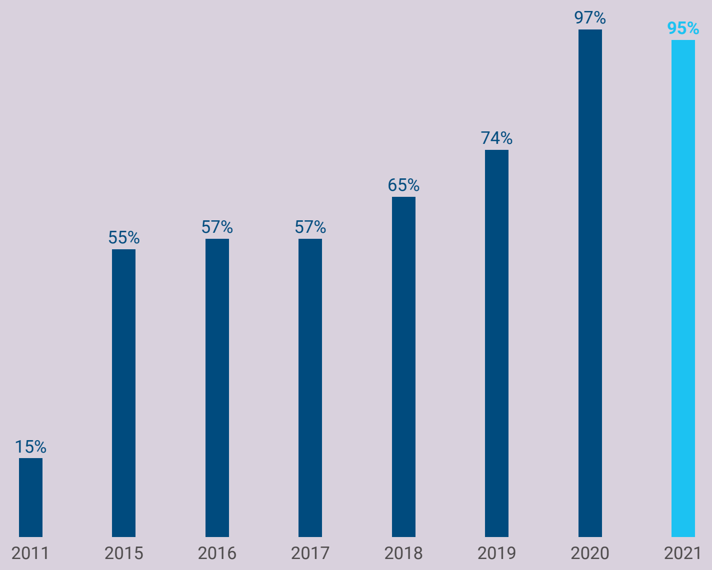


Zoom on key indicators

Phthalate-free flooring

All plants, except our vinyl flooring plant in Brazil and a small volume of the vinyl flooring produced at our plant in Russia produce 100% of phthalate-free vinyl flooring. Furthermore, our carpet flooring was also 100% phthalate-free (excluding recycled content) in 2021, and 98% phthalate-free when including recycled content. At the end of 2021, 100% of our vinyl production sites in Europe, North America, Ukraine, Serbia, and China use phthalate-free plasticizer technology. For the full year 2021, at a global level, this translates to 95% of volumes being phthalate-free compared to 97% in 2020, 74% in 2019, 65% in 2018 and 57% in 2017. This exceptional progress reflects the significant efforts to deploy the phthalate-free plasticizer technology in Russia (hampered in 2021 by raw material shortages), Ukraine and Serbia taking into consideration that deployment also depends on availability of plasticizers alternatives (in volumes and in quality).

Percentage of phthalate-free flooring



Dust retaining flooring

Tarkett has developed carpet tiles which retain dust particles: the AirMaster® carpet tile combined with the EcoBase® backing range is designed using a patented technology which retains four times more fine dust particles than traditional carpets. Since 2015, this product is the first worldwide to be certified with a GUI Gold Plus Label, the highest possible accreditation awarded by GUI (Gesellschaft für Umwelt- und Innenraumanalytik), Germany's leading independent air quality testing organization. The Gold Plus label was awarded for high performance on three further test criteria: suitability for allergy sufferers, high fine dust binding capacity and low volatile organic compound (VOC) emission properties.

3.8.2 Participating to people's well-being

The last two years were characterized by the global COVID-19 pandemic which stretched the limits the health care sector which was on the front line of the crisis. Tarkett's teams responded with urgency and dedication, demonstrating our putting people first mindset to meet the needs of the local health authorities and other organizations as they scrambled to increase capacity to treat patients.

In 2021, Tarkett took stock with the help of experts to examine the future of hospitals, publishing the findings in a white paper titled "The Hospital of the Future: Challenges and Stakes"[1]. This white paper highlights the importance of hospitals becoming spaces that empower patients. The study conducted in response to the Covid-19 pandemic noted an increasing demand for healthcare due to a growing population of older people, a threat of future pandemics and climate change, and a shortage of medical staff. The study was based on an extensive review of the existing literature on the subject, followed by in-depth qualitative interviews with respected professionals from across the globe with a wide range of healthcare and hospital expertise. An ensuing roundtable discussion brought these experienced minds together and helped to crystallize a vision for the future of hospitals. The white paper, which is a synthesis of all we learned during this process, concluded that supporting patients and medical staff as well as designing for quality life within medical facilities is the best way to drive sustainability and tackle these contemporary challenges.

This new work builds on Tarkett's over 70 years of experience in providing flooring solutions to the sector which contribute to improve hospital hygiene. For decades, Tarkett has been committed to developing innovative flooring solutions with people in mind: patients, medical staff, and cleaners. In 2013, Tarkett took the decision to move away from using antimicrobials on its floors and instead to promote high standards of cleaning and infection control procedures with an appropriate use of disinfectants. This pioneering move was based on the risk inherent with the overuse of antimicrobials, potentially leading to antimicrobial resistance. Tarkett continues, through its Tarkett Human-Conscious Design® approach, to support the healthcare community in developing and deploying the best cleaning and disinfection protocols with the minimum impact on human health, the environment and biodiversity, limiting the overuse of biocides and disinfectants.

Furthermore, Tarkett continued in 2021 to develop and offer solutions and guidance to improve people's well-being with its Tarkett Human-Conscious Design® approach, including solutions for elderly care, color perception, diversity, lighting and acoustics, and health and safety.

Assisting the health care sector respond to the COVID-19 pandemic

Tarkett's teams were mobilized in many countries to assist health care organizations respond to the COVID-19 pandemic. See our 2020 CSR report for examples.

Exemple

Easy to clean Cradle to Cradle® Gold certified iQ One vinyl flooring contributes to Green Building Council of Australia certified university redevelopment

Tarkett's iQ One vinyl flooring was chosen in 2020 by Melbourne's (Australia) university veterinary hospital and teaching buildings for its major redevelopment. The Cradle to Cradle® Gold and Gold Plus GreenRate level A certified flooring, contributed to the building redevelopment achieving 6 Star Green Star-certification by the Green Building Council of Australia. Key characteristics for this vinyl flooring included the absence of phthalates; the easy-to-clean dry-buffing protocols which offers significant savings in terms of energy, labor and the quantities of water and cleaning agents required; the self-healing properties of the homogenous surface that allow scratches to be buffed out – an important criteria for hygiene; flooring colours and patterns that promote wellbeing and calmness; the products durability and its long lifecycle.

1 *The Hospital of the Future: Challenges and Stakes - https://media.tarkett-image.com/docs/WP_WHITEPAPER_HEALTHCARE_INT.pdf*

Designing for elderly care

Through in-depth field research, interviews with the senior care community, and years of expertise in flooring solutions we have developed clear recommendations on what the right choice of flooring in care homes can contribute to residents' well-being. Our aim is to support those who design and manage elderly care facilities, to ensure the well-being of all involved. This means helping residents feel comfortable and at home, preserving their autonomy and independence and limiting factors that can lead to anxiety or confusion. It also means helping carers do their jobs more easily and effectively and helping facility owners and managers keep a handle on their budgets so their facilities can continue to offer the best service possible.

In 2019, Tarkett published a white paper (Designing for Dementia) following a study to explore and better understand the impact of design on the well-being of elderly people and on the importance of understanding the problems posed by ageing, both with and without dementia. Furthermore, Tarkett in the UK adopted the Virtual Reality Empathy Platform (VR-EP), a tool endorsed by the leading experts in dementia design, which provides an evidence-based dementia filter enabling architects, building or interior designers to create homely and familiar environments that could reduce accidents, lessen anxiety and help those living with dementia live more independent lives by better understanding how color, contrast, texture and material play a key role. Already in 2012, Tarkett carried out a scientific study involving doctors and Alzheimer's specialists, to analyze the sensory and psychological impact of flooring on patient quality of life. In addition to hygiene, safety and other regulatory aspects, the patterns and colors of flooring provoked emotions that can stimulate or calm patients with Alzheimer's disease, thereby helping to better manage the effects of the disease. Flooring also influences the biological rhythms and acoustic comfort of patients[1].

In 2021, Tarkett participated to the renovation of an inclusive housing solution in France for Alzheimer patients. It is estimated that approximately 1.2 million people in France suffer from Alzheimer's disease, the 4th leading cause of death in the country. In response to this, L'Immobilier Solidaire & Associatif (a housing center managed by a solidarity association) and La Maison des Sages initiative came together to provide an innovative and alternative solution – inclusive housing. This is a form of shared housing that offers residents support services and helps them integrate into community life. This solution provides multiple benefits, such as allowing them to live in a friendly environment and feel at home, to live in a small community and feel included in society, to live near their home and remain close to family, to benefit from a 24-hour support team of city health professionals and to have secure spaces that take into account loss of autonomy, while preserving a home-like atmosphere. La Maison des Sages in Les Loges-en-Josas (France) was renovated to adapt to the cognitive and motor difficulties of its residents with the Tarkett Tapiflex Excellence heterogeneous vinyl flooring chosen for its good acoustic qualities, high durability, and easy maintenance.

Color perception

Tarkett products created for educational organizations (schools, day-care centers, etc.) and nursing or retirement homes are specifically designed with colors and patterns that stimulate mobility and cognitive capacities.

A 2017 study (Colour study: Influence of colour and materials in learning environments), carried out by Tarkett in collaboration with color specialists, designers, and educational specialists, focused on the impact of colors on the development and well-being of children, in educational environments. The results of the study show that children and adolescents develop their learning capacities differently depending on their ages but always with a strong interaction with the world surrounding them, and with the colors of which it is composed. Hence, for example, memory capacities are 55 to 78% greater when the child is in an environment where he or she likes the colors.

Design for diversity

Tarkett encouraged design for diversity in North America with a number of initiatives in 2021. Tarkett's teams in North America collaborated with HOK, a global design, architecture, engineering, and planning firm, to help clients and designers better understand neurodiverse employees and their unique needs for work environments. Neurodiversity refers to variations in the human brain regarding sociability, learning, attention, mood, and other mental functions—all of which can have a significant impact on how one might interact with their physical surroundings. The collaboration resulted in a new online tool that supports the material selection and placement process. While one in eight people is considered neurodivergent, fewer than 50% are aware of it. Neurodivergent thinkers bring a broad set of valuable skills to any organization, including analytics and critical thinking, creativity, and innovation. In the correct setting, these strengths can be heightened with supportive environments and purposeful design. The new online tool from Tarkett and HOK provides a resource that helps clients and designers understand the spectrum of sensitivity (hyposensitive to hypersensitive) and guides them through important material and layout decisions that support each employee. The goal is to provide a greater variety of spaces, so employees are able to find a workspace that suits them and their workstyle preferences. This initiative is another result of the Tarkett Human-Conscious Design® approach which drives us to continually develop our understanding of people's diverse needs and preferences. It follows our commitment to designing healthy flooring products around the practical, everyday needs of the people who use, install, and maintain them.

1 *https://professionals.tarkett.com/en_EU/node/designing-facilities-for-alzheimer-s-and-dementia-patients-830.*

In addition to the online platform, Tarkett hosted a webinar on "Neurodiversity & Workplace Inclusivity" in February 2021 and developed a CEU (continual education unit) exploring Equity, Diversity and Inclusion within the architecture and design (A&D) industry. The webinar provided insights on the multi-faceted challenges faced by neurodiverse employees, the extraordinary strengths these individuals can bring to the workplace, on how to navigate conflicting needs such as hypo- and hyper-sensory requirements and practical advice on how to design for inclusivity. The continual education unit entitled "Making our circle bigger" promotes dialogue among the A&D industry on the issue of equity, diversity, and inclusion and how to incorporate these principles into the spaces they design, and the teams they lead. Going beyond race and ethnicity, the course discusses a holistic view of diversity to include age, ability, religion, motherhood, and country of origin and also includes an exploration of neurodiversity.

Example

Accompanying architects, designers and specifiers with guidance on considerations for indoor health and well-being, Australia

Tarkett Australia continued in 2021 its thought leadership and education on health, wellbeing and infection control in the workplace segment. With Australia in lockdown for a large portion of the year, Tarkett Australia digitalized their delivery of training and customer presentations. Tarkett Australia shared local workplace research insights to the Architectural & Design community as well as educating on the importance of indoor air quality and noise control. Continuing Professional Development (CPD) presentations were provided to architects in all Australian states on the topics of noise control, wellbeing and slip prevention. Utilizing insights and content from Europe, Tarkett Australia added an Infection control CPD to its training offer. This presentation was adapted according to Australian Healthcare standards to drive awareness of best practice and flooring solutions in a post-Covid environment. This work built on previous initiatives covering topics such as the impact of flooring on acoustics and the importance of color and material in education design across the different age groups (for more details see Tarkett 2020 CSR report).

Lighting and Acoustics

Tarkett has developed carpet products which help improve the lighting and acoustic environment of buildings: the Desso Light Reflection Master® carpet has the ability to enhance brightness on interior walls and ceilings by up to 14%, leading to reductions of as much as 10% in artificial lighting; while the Desso SoundMaster® carpet can improve impact sound insulation by up to +10 dB[1] compared to standard carpets.

Health and Safety

In areas with a high risk of hospital-acquired infections - such as operating theatres, medical laboratories, and cleanrooms - floors must meet the highest hygiene standards to ensure infection control and air cleanliness. To this end, our floors provide sealed surfaces and fewer joints, and are resistant to stains and chemicals. They also prevent electrostatic discharges, so that the risk of equipment malfunction or discomfort during surgeries is drastically reduced. Our solutions, including several homogeneous vinyl products from our iQ range and our static control linoleum products, thus offer durable and easy-to-maintain flooring options that meet the health and safety requirements of the healthcare sector.

Tarkett has also developed seamless, anti-slip vinyl flooring solutions specially designed to reinforce health and safety conditions in bathrooms ("Wet room System").

1 *A 10 dB decrease in the sound pressure level will be perceived by human's hearing as a halving of the loudness..*

3.9 Driving collaboration in the value chain and in communities

> We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities & Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	CSR Report section	Contributing towards UN SDGs
Flooring market changes (expectations for greater transparency; new products and services and increased stakeholder involvement; suppliers not compliant with our CSR standards; expectations and requirements from civil society and local communities)	> Responsible sourcing program > Suppliers involved in materials selection, materials assessment and C2C approach	Percentage (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent	49%	44%	41%	3.9.1	
	> Tarkett Academy > Tarkett Cares > Support to worldwide development projects	Total value of contributions to Tarkett Cares community initiatives (financial, product and employee hours donations)	103 k€	445 k€	710 k€	3.9.2	

3.9.1 Engaging with suppliers to promote social responsibility and a circular economy

The commitment of Tarkett to shifting to a circular economy model, founded on the Cradle to Cradle® principles, necessarily depends on the engagement and cooperation of the different stakeholders throughout the entire value chain. To this end, we engage with suppliers with whom we can develop genuine partnerships and we also seek to develop long-term sales relationships with companies that share our ethical values.

3.9.1.1 Deploying our responsible sourcing program

Since 2011, we have committed our main raw material suppliers to respecting the principles of the United Nations Global Compact (UNGC), which cover the themes of human rights, working conditions, the fight against corruption and respect for the environment.

Building on this action, we developed and launched in 2018 a wider responsible sourcing program to further engage with our suppliers and to ensure and promote good and positive practices along the supply chain, focusing on three main pillars:

- Sourcing healthy and sustainable materials;
- Ensuring suppliers conduct their business ethically, with respect for human rights and fair treatment of a safe and healthy workforce;
- Ensuring suppliers manage their operations with environmental responsibility.

With this program Tarkett aims to get its raw material and semi-finished goods suppliers aligned with its own sustainability ambitions and objectives, to ensure sustainability supply chain risks are adequately assessed and to progressively advance its suppliers' sustainability performance through agreed action plans.

In certain specific areas, Tarkett promotes sustainable sourcing through third party programs, such as wood sourcing where we have established partnerships with wood suppliers that are either FSC® (Forest Stewardship Council®) and/or PEFC (Programme for the Endorsement of Forest Certification) certified, which enhances the sustainable management of forests and respect for human rights throughout the value chain. Since the late 1990s in EMEA we have annually maintained our Chain of Custody certification that today covers 2 production sites and a number of sales subsidiaries and for which more than 60% of our wood is FSC® (FSC® C008972) or PEFC (PEFC/05-35-125) certified. In North America, on the maple wood ClutchCourt range, used for production of basketball courts, we offer an FSC® certified product.

In Italy, our linoleum manufacturing plant at Narni obtained the social responsibility SA 8000 certification in 2016 which was renewed for a second time in 2019.

Responsible sourcing

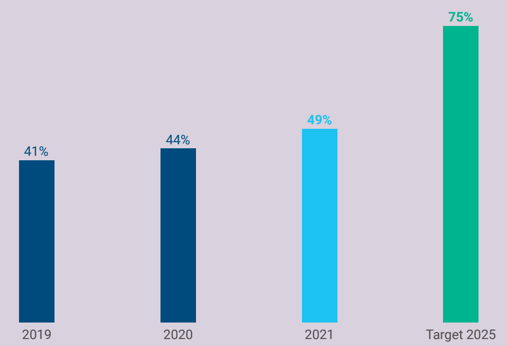
Following the launch of our Responsible Sourcing Supplier Code of Conduct in 2019, 49% of our suppliers[1] (in spend) have adhered to our Code of conduct or equivalent. This is 5 percentage points more than 2020 (44%). In the context of a challenging market for raw materials, with the ongoing impacts of the COVID-19 pandemic, Tarkett is observing a slower than anticipated adhesion to its Code of Conduct. Going forward, Tarkett now recognises that given the current market constraints on raw materials it will be very challenging to get all suppliers onboard in the short-term. For this reason Tarkett has revised its objective and now aims to onboard 75% of suppliers (in spend) by the end of 2025. Tarkett's Responsible sourcing Code of Conduct for Suppliers underlines the importance of collaboration to build a circular economy with good quality materials, creating healthier and beautiful spaces. It sets out Tarkett's requirements for suppliers to respect, notably the fundamental international labor standards as defined by the ILO Declaration of Fundamental Principles and Rights at Work; the 10 principles of the United Nations Global Compact and all applicable national and/or local laws.

In addition to onboarding suppliers to Tarkett's Responsible Sourcing Code of Conduct, we also request those suppliers identified as presenting the greatest risk to complete a third-party CSR assessment. To date, at the end of 2021, Tarkett has requested to suppliers representing 47% of spend, to complete the third-party CSR assessment, of which 84% have completed the assessment.

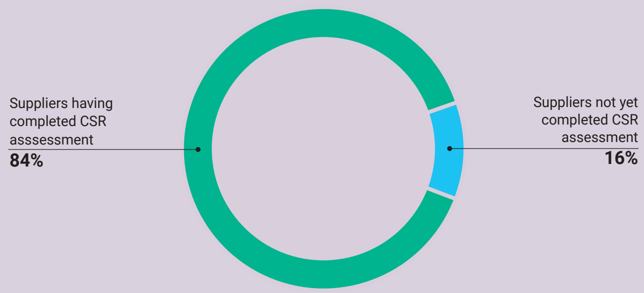
1. All direct purchases (raw materials and finished goods suppliers) and indirect purchases (local suppliers and service providers for production operations) from manufacturing sites (with the exception of purchases for Lexmark), excluding inter-company spends of semi-finished goods and indirect head office purchases

Tarkett's Responsible Sourcing Program: onboarding suppliers to Tarkett's Supplier Code of Conduct and conducting third-party CSR assessments for suppliers presenting potentially the greatest CSR risks for Tarkett

Share (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent



Share (in spend) of suppliers (requested, considered at greatest risk), who have completed the third-party CSR assessment



In 2021, we continued the implementation of our **responsible sourcing program**, which includes the following components:

- **A procurement CSR risk mapping covering the majority of our suppliers** (purchasing spend equivalent to 87% of our total purchase value) was performed in 2018 in partnership with a company specialized in sustainability ratings and supply chain intelligence. This allowed us to identify the main environmental, social and ethical risks along our supply chain, based on procurement categories, countries of operation, flexibility of our supplier panel and on our purchase volume. This risk mapping set the starting point for our responsible sourcing program, which aims to limit the CSR risks in the supply chain and to encourage and accompany suppliers in adopting more responsible practices.
- **The Responsible Sourcing Code of Conduct for Tarkett Suppliers** provides a clear and common set of requirements relating to the three pillars of the Tarkett Responsible Sourcing Program and aims to promote continuous improvement. It is consistent with the UNGC principles and International Labor Standards as defined by the International Labor Organization (ILO) and includes social responsibility expectations on modern slavery, child labor, freedom of association, discrimination, health and safety, working conditions, business ethics, and environmental compliance. The Code of Conduct has been published on Tarkett's internet site and translated to 11 languages. We are progressively requesting our suppliers to sign our Code of Conduct or to demonstrate adherence to equivalent standards. As part of this process, we focused our first efforts in 2019 and 2020 on onboarding suppliers in product categories with highest risk, based on Tarkett spend. At the end of 2021, 73% of these priority suppliers have adhered to Tarkett's Code of Conduct or equivalent. Tarkett now aims to onboard 75% of all suppliers by the end of 2025.
- **Further integration of social and environmental requirements in supplier contracts**, through compliance with Tarkett's expectations as defined in the Responsible Sourcing Code of Conduct for Tarkett suppliers and the respect of the ten principles of the United Nations Global Compact.
- **Supplier evaluation and control** through detailed supplier CSR assessment. Based on the findings of procurement CSR risk mapping, we initiated in 2019 a more detailed third-party CSR assessment of suppliers considered to present the most risk in terms of social responsibility. In 2021, Tarkett requested some additional new suppliers to complete the assessment, bringing the total number of ongoing supplier assessments to 273. The aim of the supplier social responsibility assessment, managed by EcoVadis, is to measure the level of management (policy, action and results) in four areas: environment, labor and human rights, ethics and sustainable procurement. Suppliers are scored out of 100, based on their responses to a questionnaire and based on the supporting documentation they provide. Their score reflects the company's sustainability maturity level and the corresponding risk to Tarkett. Suppliers who have already completed the questionnaire for other clients are able to share their evaluation directly with Tarkett, avoiding them having to complete a separate process. Depending on the supplier assessment result, the supplier will be considered as either meeting Tarkett's sustainability performance requirements, requiring improvement or non-compliant. Tarkett appreciates that compliance with its Code of Conduct may require a process of gap analysis, corrective action planning, training for management and workers, capacity building and other measures. For this reason non-compliant suppliers will be given one year to demonstrate they have made sufficient progress before Tarkett decides to discontinue sourcing. These suppliers, along with suppliers requiring improvement will be re-assessed to measure progress. Suppliers considered compliant will be re-assessed every 3 years. At the end of 2021, 84% of suppliers (in terms of purchasing spend, out of those requested) had completed the CSR assessment. Tarkett was pleased to observe the first positive impacts of its responsible sourcing program in 2021 as it noted the improvement of certain suppliers following their CSR re-assessment.
- **Supplier capacity building on environmental or social issues** is provided through the supplier CSR assessment platform as this allows suppliers to identify the key social and environmental issues for their activity, to measure their degree of maturity in terms of their policies, actions, and performance, notably in comparison with their peers, as well providing them with a practical gap analysis to facilitate the development of action plans to improve.
- **Alert mechanisms** are in place via our Compliance Hotline and our Ethics Hotline (see Section 3.2.4.1 Ensuring business ethics and integrity).

Ensuring a successful deployment of Tarkett's responsible sourcing program

To accompany and promote the swift deployment of this program Tarkett detailed a responsible sourcing procedure, provided various communication tools and implemented dedicated training towards its buyers and purchasing managers. For example, in 2021 specific training was provided to its purchasing team in the wood category. These tools help set the context, explain the aims and objectives for Tarkett and outline the procedures to follow. The individual actions and progress related to the deployment of the program are reviewed with purchasers as part of their annual performance and development dialogue (PDD), with group category managers having incentives linked to their personal bonuses.

Example

Assessing supplier CSR risks

An initial CSR supplier risk assessment was performed in 2018. The assessment considers the supplier activity (based on UN International Standard Industrial Classification - ISIC), the country where the product is manufactured (or service provided) and Tarkett' spend and inter-dependency with the supplier. An overall sourcing risk is defined for each supplier with the following weighting:

> 70 % global CSR risk with: 50% based on the activity category and 50% based on the country risk
> 30% procurement risk (linked to Tarkett's spend with the supplier and its inter-dependency)

The resulting risk is then rated across 6 levels from very low (level 1) to severe (level 6).

Tarkett has currently retained EcoVadis, a company specialized in sustainability ratings and supply chain intelligence, to perform the procurement CSR risk mapping. Their methodology covers 21 criteria across four themes: environment, fair labor & human rights, ethics (including corruption), and sustainable procurement. It is built on international CSR standards including the Global Reporting Initiative, the UNGC, and the ISO 26000, and uses a comprehensive database covering over 50,000 companies, 190 spend categories and 150 countries.

3.9.1.2 Collaborating with suppliers to achieve our eco-design objectives

To achieve the first pillar of our responsible sourcing program, sourcing healthy and sustainable materials, we actively engage and collaborate with our raw material suppliers in the development and assessment of new materials, in line with the Cradle to Cradle® (C2C) principles or when we need data for the lifecycle analysis of our products (see for more details Section 3.6.1.2 Assessing materials for their impact on health and the environment).

As described in Section 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources, Tarkett is developing its sourcing of secondary raw materials, renewable based materials, and other resource abundant materials. For example, in 2021 Tarkett developed a new partnership with Ragn-Sells, a Swedish enterprise involved in waste management, environmental services and recycling, aimed at developing carbon negative mineral fillers for vinyl flooring (see for more details Section 3.6.2.1 Working collectively towards a circular economy).

Collaboration continued in 2021 with two suppliers following Tarkett's Innovation Challenge which was organized in 2020. The **Tarkett Innovation Challenge** was designed to accelerate collaboration with key suppliers on co-innovation, notably on the circular economy and health & well-being (See 2020 CSR report for more details).

From flooring product design to installation and maintenance, Tarkett does not limit its research to its products. Using a holistic approach, we also are interested in the entire system, in other words the impact of our products on health and the environment during the installation, use and maintenance phase. Within the scope of our C2C commitment, we strive to develop partnerships with other industrial firms engaged in the same approach so as to be able to recommend complete C2C product solutions, installation and maintenance.

In North America, for example, Tarkett has worked closely with supply chain actors to ensure that the adhesives we provide are assessed and have a C2C material health certificate.

3.9.2 Engaging in local communities

3.9.2.1 Contributing to the local economy

The nature of Tarkett activities, its development through acquisition of local companies and the Group's decentralized structure contribute to the development of local economic activity. Tarkett sells its products in over 100 countries and has a worldwide presence through its 34 industrial sites, its commercial networks, and local branches, as well as its research and design centers. Products are manufactured in 19 countries (Sweden, France, Italy, Belgium, the Netherlands, Luxemburg, United Kingdom, Germany, Poland, Russia, Serbia, Ukraine, Turkey, US, Canada, Mexico, Brazil, China, and Australia), located in the heart of commercialization areas to serve our highly fragmented and diverse customer base.

Tarkett develops relationships with local stakeholders including installers, sub-contractors, and distributors, while respecting local cultures: in its way, Tarkett is Russian in Russia, American in the United States and Chinese in China. While benefiting from a global presence, the Group has always striven to anchor its activities locally, favoring the quality and long-term nature of its customer relationships, in order to offer a local service. We adapt our products as well as their technical characteristics, in particular their designs (colors, patterns, formats, materials) to the tastes and local habits of our customers and to local regulations. In addition to our production sites, we have a solid distribution network to guarantee fast, efficient delivery and sufficient volumes to our local customers. From local manufacturing sites in China and in Brazil, to customer service and distribution centers in Russia, as well as a strong presence in North America and Europe, the Tarkett network is the right choice for many flooring installation projects in the world, both for local customers and for key international accounts.

3.9.2.2 Sharing expertise through the Tarkett Academy

The *Tarkett Academy* trains professionals and future flooring installers in techniques for installing and laying floor coverings. The training programs are delivered at eleven Tarkett Academy centers in eight countries: Australia, Brazil, China, France, Poland, Sweden, Russia and Serbia. The training is designed for both young professionals and experienced installers. Sessions last a few hours to a week and focus on among other topics, flooring installation and maintenance.

In North America, Tarkett experts directly train architects and designers, via their trade organizations, allowing them to earn a certain number of continuous education credits. In France, Tarkett Academy, created as early as 1993 in the Sedan factory, trains professionals or future professionals in vinyl, linoleum, wood, and carpet flooring installation techniques. The training is validated by a degree (CAP flooring-carpet installer) recognized by the Ministry of National Education or a professional degree (flooring-carpet installer) recognized by the Ministry of Employment or an attestation of competence.

In the continued context of the COVID-19 pandemic, Tarkett Academy maintained its flexible approach, adapting to the local context and client needs. In Poland the Tarkett Academy adapted the organization to limit the direct contact for example by holding one-day instead of two-day sessions, notably to limit the "social" gatherings (e.g. evening meals), and by having smaller groups. Another solution that was developed was to hold short live video demonstrations to explain practical technical installation aspects. In several countries, such as Poland and China, the local Tarkett Academies met increased demand for guidance on infection prevention and control (IPC), providing technical training on flooring cleaning, hygiene protocols and maintenance. In Russia, one of the Tarkett Academy students won a gold medal for floor laying at the vocational education and skills competition - Euroskills 2021 - in Graz (Austria). The 4 Tarkett Academies focus training on product information, preparation of the subfloor, laying of different floor coverings, cleaning, and care. In 2021, they deployed a new learning management system functioning on mobile phones and PCs to facilitate remote training. Lastly, in Sweden the local Tarkett Academy developed a new training on electrostatic discharge (ESD).

Zoom on key indicators

Tarkett Academy

From 2012 to 2021, Tarkett trained over 44,000 professionals and students in the flooring profession and in installation techniques at Tarkett Academy centers all over the world, including 8,148 people in 2021.

3.9.2.3 Giving time, assistance, and other contributions to local communities: Tarkett Cares

Tarkett Cares is Tarkett's volunteering and community support program, which embodies Tarkett's approach to putting people first. Launched in 2016, the Tarkett Cares program promotes the participation of Tarkett employees and Tarkett entities in local community initiatives which help the community for better living and contributes to local community's needs. Tarkett Cares is a flexible program that provides support in different ways, corresponding to our corporate values and our sustainability commitments:

- **Volunteer work:** Tarkett encourages each employee to spend up to two days a year of his or her work time on a charitable initiative and to share his time and expertise on a volunteer basis. This can be done individually or as part of a team.
- **Donations:** Tarkett entities can also support local initiatives through making financial, material or product donations and involving employees in these projects.

Over the last five years Tarkett has contributed to more than 700 community initiatives with Tarkett employees volunteering over 3,300 days of community service while Tarkett has donated over 1 million euros worth of flooring and sports surfaces to local community projects. Each year there are many, diverse local initiatives: helping to build or enhance living areas, improving the quality of life and health of local populations, sharing expertise, and developing talents, encouraging entrepreneurship, or protecting the environment. For Tarkett teams, these voluntary initiatives offer invaluable opportunities to share common values, in particular generosity, solidarity, and team spirit.

Zoom on key indicators

Tarkett Cares

Tarkett Cares in 2021 :

- 2 days of volunteer activity for charity initiatives possible for all employees.
- More than 80 initiatives worldwide, which is fewer than in previous years due to the COVID-19 pandemic and the associated social distancing measures.
- More than 1 100 employees, corresponding to 10% of Tarkett staff, participated in 2021
- 91 workdays, the equivalent of 637 hours of work
- 5,669 m² of flooring donated
- A total value of more than €100k (values of financial and product donations and employee hours donated)

In 2021, Tarkett Cares supported many communities, notably responding to help during the ongoing COVID-19 pandemic as well as contributing through other initiatives, a few examples of which are provided below:

- In Tarkett UK's Ashford office, teams organized a coffee morning with baking competition, raising in the process money for Cancer Macmillan Support.
- In Serbia, various donations were made, including the donation of office equipment to Centre of National Culture and Art, the donation of floorings to Novak Djokovic Foundation and a donation to the local Red Cross.
- In Russia, 13 employees were involved in a local tree planting initiative and employees organized a collection of bottle caps for recycling to help orphans and children with health problems, including a cash donation to purchase a special wheelchair. A donation was also made to a local cultural and sports organization "Break dance society of Moscow region" to support them in arranging a dance festival.
- In Poland Tarkett teams supported different projects, including the renovation of a Children's health center and the construction of a Ronald McDonald House. The Ronald McDonald House is a place where parents of young patients of the University Children's Hospital in Krakow can be closer to their children. Tarkett Poland also contributed to the Habitat for Humanity Poland Foundation's Empty Spaces project. The project, by renovating vacant buildings, aims to support people who have nowhere to live or live in inadequate conditions - people in a homeless crisis, refugees or single mothers.
- Tarkett North America funded the Global Wellness Institute to provide 15 schools with the program "Children's Wellness". This program aims to create awareness and tools on education about long-term health and wellness.
- In North America, Tarkett continued its partnership with Fill it Forward, an organization dedicated to eliminating single use waste and encouraging reusable habits by funding clean water projects. Projects are funded through reusable trackers. Individuals place a tracker on a reusable item (water bottle, travel mug, etc) and record the refills with a dedicated mobile phone app. Each refill contributes to the completion of a charitable clean water project. Tarkett once again provided Fill it Forward trackers to its North American sales team and customers as a way to demonstrate our commitment to sustainability and support of Fill it Forward. Through the initiative Tarkett supported Fill it Forward partners, DIGDEEP and Water First. DIGDEEP is an organization focused on ensuring every American has clean, running water forever. Their Navajo Water Project provides hot and cold running water to homes without access to water or sewer lines across New Mexico, Arizona, and Utah. With our contribution, the Navajo Water Project can provide running water to three houses across their project locations. Water First is an organization that works in primarily indigenous communities in Canada to address water challenges through education, training, and meaningful collaboration. They focus on drinking water and environmental water concerns, as well as water science education for youth - and have collaborated with more than 35 First Nations indigenous communities. Tarkett has committed to supporting their First Nations Training and Water Restoration project, an internship for water quality testing. In total in 2021 Tarkett helped to divert some 5,635 single-use bottles, avoiding at the same time 1 ton CO2 emissions associated to single-use bottles.
- In the US, Tarkett North America raised awareness amongst employees on Earth Day - 22 April 2021, donating a tree planting for each employee and thus contributing to Earth Day theme of the "Restore our Earth". Tarkett partnered with the One Tree Planted organization to support their efforts to combat global deforestation. One Tree Planted is a non-profit environmental charity which partners with carefully selected reforestation organizations in 4 regions: North America, Latin America, Africa, and Asia. One Tree Planted pools the donations for each project and sends the funds to their reforestation partner, enabling them to cover the costs required to get these trees in the ground. Tarkett also planted trees for each person joining its webinars organized during the National Indoor Air Quality month, and again committed to plant trees for participants to its IGNITE 2021 and the NEOCON 2021 trade show events.
- Tarkett teams across the US in Boston, Charlotte, Orlando, Seattle and San Francisco made donations to local food banks to a value of 1000 USD.

3.9.2.4 Supporting sustainable development projects

The Group also supports certain sustainable development projects.

Example

Carbon offsetting with a sustainable agro-forestry project in the Peruvian Amazon

Tarkett is supporting a sustainable agro-forestry project in the Peruvian Amazon as part of the REDD+ Business Initiative. By helping local farmers transition to sustainable cacao production in the margins of the protected area, degraded land is being restored to relieve deforestation pressures and provide local communities with forest-friendly and sustainable livelihoods. The Tambopata-Bahuaja Biodiversity Reserve project aims to protect local biodiversity (including over 30 high conservation value species such as giant armadillo, blue-headed macaw, jaguars and giant river otters), by conserving 591,851 ha of threatened forests – an area which represents the size of Los Angeles – and restore 4,000 ha of damaged land, while supporting local communities and livelihoods with 632 cacao production jobs supported and returning €4.8m to the local economy, notably by developing a cacao cooperative and cacao processing facility. Tarkett and more than 30 other companies are supporting this project which has contributed to avoiding 3.9 million tons of carbon emissions to date. This is equivalent to 453,000 homes' energy use for a year. Tarkett uses its quota of avoided carbon emissions, in the framework of its product carbon offsetting approach, where we periodically offset greenhouse gas emissions for certain products to obtain a given level of certification under the Cradle to Cradle Certified® product standard. For example, Tarkett's Desso Ecobase® PA6 solution dyed carpet tiles have achieved C2C gold level which required 50% of the final manufacturing stage GHG emissions to be offset.

The project is part of the Althelia Climate Fund and implemented in partnership with AIDER, a local Peruvian NGO. It is validated by the Verified Carbon Standard (VCS project ID 1067) and the Climate, Community, and Biodiversity Standard (CCB) to the gold level for both biodiversity and for climate change adaptation.

The Tambopata-Bahuaja project advances many of the UN Sustainable Development Goals:

3.10 Nurturing our human capital

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	Objective 2025	CSR Report section	Contributing towards UN SDGs
Worker health, safety and security (safety at production sites, exposure of staff to hazardous substances; health of our employees)	> World Class Manufacturing (WCM) program	Percentage of production sites certified to ISO 45001	68%	69%	67%	-	3.10.1	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
	> SO 45001 certified Health and Safety Management System	Recordable Lost Time Accident Frequency Rate (FR1t)[1] for all employees	2.56	2.62	2.19	1,0	3.10.2	
Talent retention and recruitment of key employees (loss of talent / competence; discrimination; lack of equal opportunities)	> Non-discrimination policies > Promotion of gender equality > Employment of people in difficulty (e.g. with disabilities, long-term unemployment, immigrants) > Whistleblowing procedures	Percentage of women in management	26%	26%	27%	30%	3.10.3	5 GENDER EQUALITY
	> Recognized employer brand > Global Talent Management Guiding Principles > Performance and Development Review > Learning and development programs, e.g. Manager@Tarkett > Internal mobility > Global employee feedback survey	Percentage of employees trained at least 1 day during the year	44%	34%	58%	-	3.10.4 3.10.5	8 DECENT WORK AND ECONOMIC GROWTH
		Percentage of permanent employees who had a Performance & Development Review (or equivalent) during the year	56%	50%	55%	-		
		Percentage of open management positions filled by an internal candidate	63%	56%	65%	70%		
		Absentee rate (employees)	4.4%	3.9%	2.6%	-		
		Permanent employee turnover rate	19%	13%	17%	-		

1 Number of accidents with lost time < & > 24 hours per million worked hours

One Tarkett, Agile and Performance-driven

One Tarkett for Customers is one of the four pillars of Tarkett's Change to Win strategy announced in 2019. Tarkett's Human Resources teams are playing a key role in assisting the organization in developing the capacity to become One Tarkett, more agile and performance driven.

In 2019, Tarkett decided to invest in the acquisition and the deployment of a Global Human Resources Information System (HRIS) platform to simplify and align HR processes. Workday's Human Capital Management and Talent Management solutions were retained to digitize and modernize Tarkett's HR management and development processes. Tarkett also wishes to simplify and give more autonomy to managers and employees, thereby increasing speed, improving efficiency, and enhancing employee and manager experiences. This common HR & IT project is an initiative aligned with the "One Tarkett" and "People & Planet" strategic pillars of Tarkett's Change to Win strategy. Workday became operational at the end of 2020 following 12 months of preparation, implementation, and training. In 2021 Tarkett continued its digital transformation focusing on improving the working environment by rolling out new collaborative digital tools. The "Modern Workplace" project provides the latest digital tools to facilitate and promote collaboration, efficiency, agility, and productivity. The project focused not only on providing modern digital tools, but also on evolving the mind-set and changing the way we work to promote innovative and collaborative practices in line with our OneTarkett spirit.

Our People strategy is based on four strategic priorities: Foster team commitment and performance; Proactively develop our Talents; Gain flexibility and simplicity to gain agility; Promote the culture of Sustainability and Customer centricity. Our objectives are to increase our ability to accelerate our development and to strengthen our customer centric capability by being "One Tarkett, Agile and Performance-driven", with four priority actions:

- Apply our global Talent Management Guiding principles;
- Promote and develop Tarkett's seven entrepreneurial leadership traits: Think business, Accountable, Risk for results, Kind to customers, Empowers collaboration, Talent developer and Thorough;
- Have the best talents in critical positions; and
- Implement a compelling employee value proposition, based on three promises: "Expand your horizons, Change the game, Design the future of society. Together."

Our People strategy is translated into concrete Global HR objectives and a Group roadmap with a detailed action plan, while a dashboard of Tarkett HR indicators has been developed to monitor progress and measure performance.

3.10.1 Developing a safety culture

Beyond regulatory compliance, the Tarkett Group considers safety as its number one commitment, constantly working to ensure that all employees, contractors, and visitors are committed to safe work practices and procedure, every day and everywhere. These principles are displayed throughout the business and form the basis of Tarkett's commitment to safety culture.

Tarkett presented its Change to Win strategy in 2019 with 4 strategic pillars, one on people and the planet with a focus on safety. A Global Safety Director was nominated in 2020 to accelerate the implementation of our Change to Win safety ambition and to establish Tarkett as a reference regarding health and safety. In 2021, this new function continued to develop new globally applicable rules to strengthen Tarkett safety standards and reinforce their daily application and ensure the sharing of good practices across the group. Tarkett's WCM program also continues to play an active role in providing support, training, and coaching as well as continuing to include safety in the regular WCM audits.

Tarkett's safety procedures and standards notably include:

- Health and safety risk assessments at each plant, anticipating risks related to changes in operations,
- Provision and use of personal protective equipment (PPE) as appropriate,
- Procedures for handling chemicals and hazardous substances,
- Measures to limit noise and other factors of stress,
- Systematic reporting and root cause analysis of incidents,
- Regular inspections to ensure safety of equipment and application of safety procedures.

Safety procedures are translated into local languages, with shop-floor safety signs, warnings and symbols used to further enhance comprehension and awareness by all. Training on health and safety risks, Tarkett rules and good practices are regularly provided to both Tarkett employees and to subcontractors working at Tarkett sites with visitors also briefed on key safety rules and behaviors.

Employees receive as per local legal requirements regular health-checks and where required a joint labor management health and safety committee is in place.

Progress in terms of safety has been made over the last ten years, reducing the number of accidents (49 recordable lost time accidents in 2021 vs 148 in 2010).

This progress is encouraging but Tarkett is committed to doing more to attain a stronger safety culture.

Tarkett's Executive Management Committee remains firmly committed to safety, supporting and closely monitoring actions to strengthen safety measures and mobilize all employees around safety. Key actions ongoing include:

- **Safety Pledge:** The top 100 leaders of the Group signed a Safety Pledge in December 2018: "Safety is our #1 commitment. Every day. Everywhere". From December 2018 all Tarkett employees are signing a Safety pledge every year during the global Safety day.
- **Global Safety Day:** An annual Global Safety Day is organized at all Tarkett plants, warehouses and offices worldwide each year following the first such day in December 2018. In 2021 the Global Safety Day took place in the first week of November with a video message, translated into 18 languages, from the Executive Vice President for Operations and R&D and the Group Safety Director where they reiterated the importance of safety as our number one commitment at Tarkett. The objective of the Global Safety Day is to strengthen safety culture, awareness of risks, abidance to safety procedures and rules and to empower employees to identify and report risk areas for themselves and for their colleagues. The focus of the 2021 edition in plants was the completion of the implementation of actions on pedestrian safety and the launch of a new standard on safe maintenance intervention. In offices the focus was on the 5S system and on tripping hazards. The 5S system (where the 5S stand for Sort, Set in order, Shine, Standardize & Sustain) is a system for organizing spaces so work can be performed efficiently, effectively, and safely putting everything where it belongs and keeping the workplace clean, which makes it easier for people to do their jobs without wasting time or risking injury.

- **Safety action plan:** A strict action plan in each plant, notably concerning the assessment of risks specific to Tarkett production lines. This plan is monitored at Executive Management Committee level. In 2021 the focus of the action plan was the implementation of the pedestrian safety standard that was shared at the end of 2020. In parallel emphasis was made on the importance of applying the "lessons learned" preventative approach following all accidents, with Tarkett entities required to analyze the presence of the same risk in their plants and to plan adequate countermeasures. Another area of the action plan concerns the development of a safety culture, where Tarkett started work on deploying locally the "Golden Triangle" principle: defining good standards, making them easy to follow and auditing them regularly to improve them.
- **Safety procedures and rules:** In 2020 Tarkett created a new global safety function to set rules, strategy, and objectives on safety. The WCM organization continues to support the implementation and application of the safety procedures and standards. In 2021 the global safety team continued overseeing the deployment of the second Group safety standard concerning the interaction between pedestrians and vehicles, while preparing a new Group safety standard on safe maintenance intervention. The first new Group safety standard launched in 2020 on "loading bays" is now fully deployed. This standard set out the minimum requirements that shall be implemented at all plants to limit risks of accidents at loading bays. Previously in 2019 a focus was made on deploying the "lock-out tag-out" (LOTO) procedure designed to ensure safe maintenance of equipment, as well as the action plan on nip points. In 2018 particular attention was given to personal protective equipment, clothing rules, hazardous installations and machine guarding.
- **Safety training:** Continuous organizational learning at all levels, with a focus in 2021 on the quality of the root cause analysis and countermeasures after any safety event; on fire and ergonomic risk assessments; and on the workplace 5S system. Previously in 2020 over 60 senior managers followed 4 training sessions focusing on how to demonstrate leadership on safety after a dedicated training session organized in 2019 for Tarkett's Executive Management Committee held at its Dendermonde site in Belgium which applied the frequently used Gemba Walk approach. Gemba Walk, coming from the Japanese term meaning actual place, in other words referring to 'where it actually happens', with the purpose being to observe the actual work situation, engage with employees, gain knowledge about the work process and the opportunities for improvement.
- **Safety incentives:** All managers in operations concerned by the annual performance and development dialogue (PDD) have safety criteria included in their bonus. This concerns managers, department managers and in some cases line managers.
- **Safety audits:** Safety is part of the annual WCM plant audit and plants are also audited regularly as part of their ISO 45001 certification. Tarkett's global insurers also conduct periodic audits which include safety aspects as a part of their focus on fire risks.
- **Safety reporting and good practice sharing:** Each month a safety call is held, with latest global safety figures shared, previous month incidents discussed and actions and good practices to work on. The call is aimed at safety managers, and to plant managers, but also open to warehouse managers and any people interested from the plant. In 2021, a focus was made to improve reporting of near misses to be able to increase the countermeasures in a preventive way before any accident happens.

The challenge to reinforce the safety culture and to train and empower each employee to have safe behavior at any time, in every situation is not limited to the plants, but applicable for all Group employees (sales force, offices, headquarters). In addition to the above initiatives, Tarkett continues with the measures already implemented at different levels of the organization, including:

- **Top management are notified immediately following each accident**, as plant managers inform directly Tarkett's CEO, Executive Vice President for Human Resources & Communications, Executive Vice President of Operations and R&D, Group Safety Director and the corresponding Division President.
- **Safety results (including fire risks) are monitored and analyzed during the Group's Executive Management Committee meetings**, as well as Tarkett's **Supervisory Board**.
- They are also **presented and discussed with senior executives** as an introduction to each Quarterly Information Session, as well as at the annual senior management seminar (Top 100).
- **The safety topic is evaluated by all employees** during the biennial internal employee feedback survey and included in managers 360° feedback. In 2021, 83% of employees indicated that health and safety is a priority in their department, higher than the benchmark and greater than in the previous survey.

- **The development of safety skills** at production sites is a major focus of the WCM support on safety, through complementary measures: regular training, frequent audits of our sites' practices (via our Safety Management Audit Training – SMAT process), open and continuous dialogue between managers and employees on risks and safety behaviors at workstations, testing and implementation of best practices shared after annual site audits.
- **An active global network of safety experts** facilitates knowledge sharing among sites and encourages dialogue on risk identification and reduction, audit conclusions and outcomes of measures tested and implemented in the field. This network also relays safety news and information to all plants. In addition to monthly conference calls, the extended safety network meets annually at the occasion of a global safety forum.
- After each incident or accident, a **rigorous assessment of causes** ("root cause analysis") is carried out. Action plans are then developed and deployed, within the scope of our WCM continual improvement approach. Safety alerts summarizing the incident's causes, its outcomes and the corrective actions implemented to prevent re-occurrence are systematically prepared and shared with all sites. In 2021, an effort was made on improving the quality of the analysis and the countermeasures after any accident within the group, with a specific focus on installation crews for sport projects.

By the end of 2021, 68% of the Group's manufacturing sites had obtained certification for the ISO 45001 health and safety standards. The ISO 45001 certification definitively replaced OHSAS 18001 from March 2021 and in 2021 all remaining plants who had their new ISO 45001 certification successfully achieved the switch. These international standards are benchmarks in managing workplace health and safety.

Example

Sharing best practices on safety through WCM Forums and safety calls

WCM Forums provide unique opportunities for Tarkett professionals to share good practices and discuss practical solutions, while observing one plant's concrete action on key WCM topics such as safety. Tarkett did not organize a Forum in 2021 given the ongoing COVID-19 pandemic and the associated sanitary measures. In 2020, Tarkett held its annual Forum in February before the widespread outbreak of the pandemic (see 2020 CSR report for more details).

On a more regular basis, the Group Safety Director holds a monthly call with plant safety managers. In 2020, Tarkett's EMEA & LATAM division sales network and offices safety network instigated similar monthly calls with its 15 correspondents. Latest safety incident figures are communicated along with feedback on latest incidents and the associated follow-up actions to be taken. The network is reminded about safety reporting and root cause analysis which are to be made and communicated following any incident. Local safety activities and good practices are shared with a brief presentation made each month by two different correspondents. In the context of the COVID-19 pandemic, good practices are also shared on sanitary measures taken locally.

Zoom on key indicators

Safety

The Recordable Lost Time Accident Frequency Rate (FR1t) for all Tarkett employees is stable at 2.56 (compared to 2.62 in 2020 and 2.19 in 2019). Tarkett's goal, fixed in 2019 as part of its Change to Win strategy, is to reduce this frequency rate to 1.0 by 2025.

This indicator (FR1t) measures the number of accidents with or without time lost, per million hours worked.

The number of accidents implicating one or more days lost time decreased for the second year running, with fewer such accidents in all divisions except Sport. Tarkett also noted fewer accidents in offices as home-office working remained prelevant through 2021.

We also monitor accidents concerning our teams outside of factories (in warehouses, administrative buildings and for the sales network). Safety rules for sales networks and offices, drawn up in 2019, are regularly communicated. These set out mandatory and recommended behaviors for employees in sales networks and offices, covering visits to industrial sites, handling samples, driving, working in warehouses and offices. Since the end of 2020 Tarkett's new highly automized carpet warehouse in the Netherlands improves worker safety as the use of automated guided vehicles (AGVs) and clear segregation between automated and manual areas ensures all interaction between AGVs and the warehouse operators is avoided. More generally in 2021 all warehouses were integrated into the group's safety communication network, ensuring they receive the same information and alerts as the plants. And accident root cause analysis was deployed in offices and for sports installation crews.

3.10.2 Caring for the health and well-being of our workforce

Tarkett knows the successful execution of its Change to Win strategic plan depends on its teams, their talent, and their commitment. Tarkett values its employees and respects their needs for good, safe working conditions and fair compensation. Tarkett is committed to upholding local regulations on working conditions and meeting market practices on pay and benefits. Most critically, Tarkett puts employees' health and safety first and has continued in 2021 to demonstrate this through the company's response to the pandemic and Tarkett's continued focus on safety, every day, everywhere.

Putting people first: responding to the unprecedented COVID-19 pandemic

As the coronavirus began to spread in 2020, Tarkett's CEO quickly reiterated Tarkett's care, and commitment for its employees' health and well-being. In 2021, as the successive waves of the pandemic continued, Tarkett's local management and human resource teams continued to relay and regularly update information from official sources on the pandemic, the key sanitary measures, information on the vaccination, along with online company guidelines, and various other resources to help support our employees manage the stress and adapt to the new working conditions:

- In those locations where Tarkett needed the presence of team members, such as in plants and distribution centers Tarkett ensured continuous rigorous cleaning, enforcement of social distancing and requiring masks as part of our PPE (protective personal equipment). Where positive tests were reported, Tarkett ensured contact tracing of the infected individual and notified anyone who may have come into close contact so they could be tested and if necessary, shut down production lines to complete thorough cleaning.
- In other locations Tarkett gradually re-opened its offices following the local situation and local official guidance, facilitating as much as possible continued remote working.
- Tarkett **North America**, for example, provided regular communication and guidance on the evolving COVID-19 situation, encouraging vaccination with information on vaccine availability. A structured return to office protocol was established, with a gradual return to office locations for most employees who had worked remotely through the pandemic. Offices were reopened on a voluntary basis with continued policies regarding wearing masks, social distancing, maximum room capacity in meeting spaces, etc.
- In **Europe**, local HR teams organized workshops with managers on remote management, well-being during COVID-19, and on reengaging with teams after the COVID-19 work from home period.
- In **France**, Tarkett communicated, as soon as the vaccination became available, information to teams on how to get vaccinated. Webinars were organised and information was relayed from the occupational health services who participated in the governmental screening and vaccination programs.

Overall 73% of employees felt that management provided adequate support during the pandemic (see Section 3.10.5.1. Listening to employee feedback).

Assisting employees in their time of need

In July 2021, Tarkett provided support to employees whose homes were damaged by severe flooding in Germany, Belgium, and Luxembourg. The catastrophic floods came following exceptional rainfall in the region, leading multiple rivers to burst their banks. Although Tarkett premises were not impacted, several employees faced damage to their homes. Local Tarkett teams reached out to employees affected by the storms and the flooding, providing immediate support to restore acceptable living conditions in their houses and to make the most urgent repairs.

Deploying Tarkett's Safety Net

Following a worldwide review of employee benefits in 2018, Tarkett decided to implement a global program to ensure minimum benefits globally on hospital costs and life insurance. The review confirmed that there were no breaches of local regulations, however identified an opportunity in certain countries to improve minimum benefits for employees related to hospital costs and compensation in case of death. This program, known as "**Tarkett's Safety Net**", began in 2019 and has been progressively implemented. The requested minimum level of one year of base salary in case of death was effective for 53% of total employees at the end of 2018. At the end of 2021, more than 90% of employees worldwide are now covered by this minimum, including countries with an important number of employees such as Serbia or Russia. The deployment for hospitalization coverage is also progressing well. Tarkett has presented and discussed the program with worker representatives, where relevant, in each country.

For example, our **Mytischi plant (Russia)** is mapping, benchmarking and progressively completing its employee assistance program. It includes medical and accident insurance, periodical medical check-ups, annual vaccinations along with coaching and initiatives on health and well-being, such as ergonomic audits for new workplaces, a weekly health day raising awareness on specific topics, shift-worker health management, subsidized fitness center, stress management and work-life balance training.

In **Germany at our Konz plant** actions included a health day focused on back health and first aid courses. In **France our Sedan plant** participated to the national stop smoking campaign in November organizing consultations with a nurse specialized in tobacco addictions and in December a campaign with the local national health insurance administration (CPAM) to raise awareness on alcohol and health as part of the European cross-border project SATRAQ between France and Belgium.

Working time

Tarkett complies with laws and local regulations concerning working hours, compensation for extra hours or atypical working hours and for leave. Tarkett develops frameworks in each country to adapt to local requirements and market practices for working hours and leave and where relevant negotiates them with worker representatives.

In the **US**, where paid holidays are not imposed by federal or state authorities Tarkett provides 10 days of paid holiday for national holiday dates as well as a flexible system of paid time off. The paid time-off (PTO) combines vacation, sick time, and personal time into a single bank of days for use when employees take paid time off from work. This gives employees the opportunity to enjoy time away from work to help balance their lives. It recognizes that employees have diverse needs for time off from work and provides for a flexible approach to time off. Employees are accountable and responsible for managing their own PTO hours, allowing for adequate reserves if there is a need to cover illness, appointments, emergencies, or other situations that require time off from work.

In **the Netherlands**, having observed a higher than average absenteeism rate at its plant, Tarkett undertook actions to address the issue. HR teams worked with the plant medical service to conduct an in-depth analysis and establish an action plan. Following various initiatives, orientated mostly on preventative measures, such as training, support to team leaders, review of workplace ergonomics, and a better communication of the absenteeism rate, a significant improvement was achieved.

Occupational health and well-being

Professional health risks, such as exposure to hazardous materials, musculoskeletal disorders, etc. are identified and mitigated by plants following the WCM procedures and guidelines and the ISO 45001 certified health and safety management system implemented at our manufacturing sites. The occupational illness frequency rate for Tarkett employees is 0.26 in 2021 with 5 cases (compared to 0.10 with 2 cases in 2020, 0.27 with 6 cases in 2019 and 0.13 with 3 cases in 2018).

The way that work is organized on the Group's sites varies depending on the regulatory framework of the country and the specific needs of each production site. A large part of work organization is established through collective bargaining and agreements have been signed in areas such as working hours, part-time work, and remote working. Beyond collective agreements, Tarkett is also concerned about psycho-social risks, and pays attention to sources of stress and issues related to work life balance.

Promoting health and improving wellbeing at work comes in addition to the measures related to occupational health and work-life balance. The initiatives are engaged locally and focus on raising the awareness of all employees through prevention and assistance programs in the areas of work-related stress, diet, physical activity, and tobacco use, among others.

For example, **Tarkett North America** continued in 2021 to communicate and raise awareness of its employee assistance program. This program provides support services to employees through the Carebridge Corporation. Following the long period of remote working Tarkett highlighted the program as a tool to help against languishing and in May, as part of the Mental Health Awareness month, Tarkett shared the National Alliance on Mental Illness (NAMI) message: "you are not alone". During the month Tarkett shared resources and information so that no one feels they are alone or without the support and help they need.

Tarkett North America also organized a webinar on the workplace in January 2021, sharing results of a global survey of 169,000 people conducted by WKspace, a workplace, interior design and change management consultancy. WKspace has been tracking employees' and employers' attitudes regularly since the beginning of the pandemic to understand how the way we work has been impacted by recent events and how the workplace might change as a result. The survey provided insights on where we're most productive, employees and employers shifting thoughts on working from home/from the office, how they would like to split their time between the home and the office, the changing role of the office and how employees' attitudes towards the environment have shifted. Tarkett understands that after the year 2020, the average workplace will probably never look the same again. Tarkett's main goal when it comes to the workplace is to make sure our employees are comfortable and are able to feel motivated.

In **France** Tarkett organised a workshop with the Ligue contre le cancer, an NGO raising awareness and funds for cancer research, as part of "Pink October" *the* Breast Cancer Awareness Month which is an annual communication campaign to raise awareness of breast cancer screening. Tarkett's plant in Sedan (France) and head office in Paris-La-Défense also participated locally to the national event raising money for the cancer research, as well as raising awareness about the importance of early detection. Local actions were also organised by Tarkett in the UK.

In **Poland** Tarkett promoted safety and well-being each month focussing on different topics such as COVID-19 sanitary measures, work ergonomics, and car safety. Occupational health and safety trainings were also improved and as employees returned to the office the distribution of fruit was resumed.

Example

Embracing Tarkett Human-Conscious Design® with the refurbishment of Tarkett's Paris – La Défense headquarters

Tarkett welcomed its employees back in September to a redesigned, contemporary, creative, and collaborative workplace at its Group and EMEA head office in the Tour Initiale at La Défense (France). Following the COVID-19 pandemic and enforced remote working companies have been thinking about new ways of organizing their work and, in particular, the layout of their offices to meet the new needs of their employees. Tarkett carried out this reflection with its employees to better understand their expectations, their daily routines, and their way of working. The result, a workplace designed to be more welcoming, inspiring, and collaborative, with multi-purpose rooms, flexible workspaces, rooms for creativity and concentration as well as areas designed for standing meetings and small enclosed spaces to isolate for telephone calls.

The creative potential of Tarkett's flooring collections were leveraged to bring the tranquillity of nature and the energy of the city together to enhance the difference spaces, using for example Tarkett Human Fascination carpet tiles and the iQ Natural vinyl flooring with natural colors, soft and subtle hues for peace and concentration. Tarkett also partnered with local artisans to create tailor-made furniture with Tarkett materials – from meeting room tables to large desks.

Tarkett also sought to limit the environmental impact, ensuring the reuse and recycling of the replaced flooring and furniture. Over the course of the renovation nearly 9,000 m² of vinyl and linoleum flooring, and carpet tiles were collected with Tarkett's ReStart® take-back and recycling program. They were sent to Tarkett's recycling centers to be recycled into secondary raw materials or used as part of Tarkett's recycling research and innovation program. Around half the furniture was reused in the new setting, with the rest being given to employees, other Tarkett sites and charities. The renovation also provided the occasion to build a state-of-the-art showroom to bring our products to life for our customers and visitors.

Flexible working

As the sanitary measures and response to the COVID-19 pandemic continued Tarkett adapted to the new context, maintaining flexible working arrangements where practical. Preference was given to locally developed solutions, building where relevant on existing frameworks, and taking into full consideration local authority guidance and rules. For example:

- In **France,** Tarkett signed a new collective agreement with worker representatives on remote working for employees at its Paris - La Défense global headquarters. The new agreement, effective from March 2021, now allows for two days per week remote working (See also Section 3.10.5.3).
- At **Tarkett's Sedan plant (France),** a remote working collective agreement allowing up to 4 days of remote work per week or 1 to 2 weeks per month was signed in 2018. This enables all permanent employees to work remotely, where compatible with the nature of their work and with their manager's approval. This arrangement contributes to a better work life balance and less stress for employees as they manage their professional responsibilities and their domestic needs.
- In **the Netherlands** Tarkett held webinars for all managers and all office and sales network employees on remote working. The webinars were focused on physical well-being, with ergonomic tips for the home office, and mental well-being, with tips on managing stress. The objective was to create awareness and dialogue, as well as sharing solutions to avoid any physical and mental issues during the COVID-19 period.
- In **Poland** Tarkett implemented a hybrid model working option and helped provide employees with equipment, such as monitors and keyboards, to make home-office working more comfortable. Safety tips were also developed for remote working.

3.10.3 Encouraging diversity and inclusion

We believe that building diverse teams allows us to be more creative and comprehensive in the solutions we offer to our customers and partners around the world, more attractive to new generations who aspire to enrich themselves from this diversity, more open and inclusive in the way we work together for Tarkett's success. Our ambition is to create a more inclusive culture and build teams that reflect the diversity of our society and our customers all over the world (nationalities, origins, background, gender, generations), with everyone feeling empowered to bring a broad range of views and talents to work every day.

Diversity and Inclusion is one of the five pillars of Tarkett's global Talent Management Guiding principles. Defined as creating a diverse and inclusive environment where all perspectives are heard, respected, and valued. In the 2021 employee feedback survey 72% of employees indicated that everyone is treated fairly regardless of personal background or characteristics. This score is higher than the benchmark and in progression compared to the previous survey in 2018.

The fundamental principles of non-discrimination and equality are an integral component of our Code of Ethics and our Human Resources policies, for daily use by all employees. These principles cover issues including equality between men and women, respect for the rights of disabled people, age diversity, maternity rights, and benefits, as well as non-discrimination on the basis of sexual orientation, ethnical background, nationality or religion.

Tarkett cares deeply about the principle of diversity and inclusion, and defends equal treatment for men and women. In 2020, in line with the revised Afep-Medef Corporate Governance Code, Tarkett proposed to the Supervisory Board a new **target of 30% of managers and executives to be women by 2025**. The Appointments, Compensation and Governance Committee of the Supervisory Board approved the proposed objective which applies to a population of more than 1,700 managers, including Tarkett's executives.

Tarkett aims to achieve this objective by strengthening its action plan on gender diversity, which includes benchmarking, setting local objectives, developing the female talent pool, increasing our attractiveness to female candidates, and raising awareness amongst our teams. We track our progress by monitoring the share of women among different categories of managers and the share of open management positions filled by a female candidate.

Across Tarkett, our HR teams are deploying this objective locally in each country as well as setting complementary diversity objectives that respond to local priorities. In 2021 Tarkett's divisions worked on identifying the most relevant local complementary diversity objectives as well as drawing up their diversity and inclusion action plans and roadmaps.

- For example, **Tarkett's EMEA–LATAM–ANZ division** (EMEA, Latin America, Australia & New Zealand) met a number of times in 2021 with the country diversity and inclusion leaders, to share expectations, provide guidance, share good practices, and review each countries proposed diversity and inclusion goals and action plans.
- **Tarkett's diversity and inclusion team in Latin America** worked with a local diversity and inclusion specialist to help them identify local priorities in addition to gender diversity. Integrating young talents and valuing cultural diversity were selected as two important additional topics to focus on. For each topic, including gender diversity, a detailed action plan with specific goals and indicators was developed. An initial survey was also conducted to measure employees' perception about diversity and inclusion with the results shared with employees. Actions on gender diversity include raising awareness, adapting the recruitment process to ensure the presence of a female candidate, leadership training for women and the deployment of the Manager@Tarkett training to all female supervisors and managers. Actions on integrating young talents, include organizing exchanges with members of the division management team. Valuing cultural diversity is being promoted by communicating on employees' different origins, showcasing local regional food and notable curiosities. The local diversity and inclusion team regularly monitor the progress and report to the group.
- In Italy Tarkett started by analyzing the local status in terms of diversity to provide a starting point to identifying priorities. Generational diversity along with background diversity were selected as additional opportunities to progress locally on diversity. Goals and indicators were established for each topic along with multiple actions, such as internal coaching and training to facilitate female leadership, further improvements to the family policy to help the work/life balance, maintaining the equity in the annual gender salary review conducted in the framework of the SA8000 certification, mentoring to facilitate the transfer of knowledge and experience between generations, and the reinforcement of the multidisciplinary approach in project management.

Zoom on key indicators

Parity between men and women

Several indicators allow us to monitor the share of women managers in the company.

Firstly, in the general population of managers, the share of women at the end of 2021 remained stable at 26%, with 447 women among 1,729 managers (compared to 26% in 2020 and 27% in 2019, 2018 & 2017). Tarkett aims to increase the share to 30% by 2025 with a greater focus on the deployment of specific actions and monitoring new metrics, such as tracking the share of open management positions filled by a female candidates (30% in 2021 and31% in 2020).

In 2021 Tarkett adopted a slightly different approach to monitoring the share of more senior female mangers, based on the grade of the position occupied by the person. This was possible thanks to the global implementation of the grading approach, together with the Global Job Catalog in 2020 and the deployment of Workday.

As such Tarkett distinguishes two other managerial populations:

- The share of women among the **top executive positions of CEO and Executive Management Committee** (EMC): In 2021 there were no changes so the share remained at 30%.
- The share of women among **top executives, executives, and the next 2 management levels (senior directors and directors)**: In 2021, this population is smaller than the previous comparable group with 187 individuals of which 26% are women (the same share as 2020 in the larger group of 372 individuals for EMC to EMC-2).

Lastly, the share of women in the Supervisory Board is stable with 44% (in compliance with French regulations and Afep-Medef Corporate Governance Code).

In France, Tarkett calculates and publishes each year, in accordance with the legislation on gender equality (French "Act for the freedom to choose one's future career"), the "**Gender Equality Index**" for its three legal entities. The index is comprised of five indicators covering gender pay gaps, differences in individual salary rises, promotion differences, the percentage of female employees with salary rise following maternity leave and female representation in the top 10 salaries. In 2021, Tarkett (corporate teams in France) scored 96/100 (vs 92 in 2020 and 90 in 2019), Tarkett France (teams from flooring activities in France) scored 90/100 (vs 87 in 2020 and 82 in 2019) and FieldTurf France scored 91/100 (vs 92/100 in 2020 and 2019). These results demonstrate Tarkett's commitment and continuing efforts on gender equality and notably gender pay equality in France. For several years, part of the pay rise budget in France has been allocated to reducing the pay gap between men and women.

Over and above gender diversity Tarkett is also attentive to other aspects of diversity and inclusion. For example, in some locations Tarkett has an aging workforce and so is locally focused on recruiting young candidates. In that respect, in **France, our Sedan plant** has developed partnerships with local universities to help increase the visibility and awareness of opportunities at Tarkett for internships and apprentices as the plant looks to increase the generational diversity with young employees. In 2021, the plant welcomed 12 apprentices organizing a special integration day for them with their mentors.

Tarkett's division in North America continued to develop its Equity, Diversity, and Inclusion (EDI) program in 2021. Training on EDI was provided through two specific modules. "Unconscious Bias Training" helps individuals learn to notice and adjust for bias; more fully respect, include, and value the people around them, and release everyone's potential to contribute their best. This was followed by 25 leaders with plans to roll-out to all HR, Operations and Sales. "Meaningful Conversations" provides a framework and language for employees to speak up and turn uncomfortable bias and negative diversity related situations into a relational dialogue. This training was provided to approximately 75 members of our Employee Resource Groups and their managers. More employees joined the two Employee Resource Groups (ERGs) which were created in 2020. These groups are voluntary, employee-led groups which aim to foster a diverse, inclusive workplace by bringing together individuals based on common interests, backgrounds, or demographic factors such as gender, race, or ethnicity. The Equity, Pride, Inclusive, Celebrate (EPIC) ERG is a group that includes people of color working across multiple Tarkett North America locations. The mission of EPIC is to provide an equitable work environment where employees of color can be supported and actively shape Tarkett's inclusive culture. The ERG created an inclusion calendar, highlighting the wide variety of celebrations and events each month and providing information and resource to all employees so they can further their learning and understanding. For example, in February, the division highlighted Black History Month, in March, International Women's Day, Autism awareness month in April, Pride month in June, Hispanic Heritage month in September, etc. The other ERG is CONNECT, a professional women's group with a mission to tackle gender gaps with the participation of now over 100 females across all Tarkett North America locations. CONNECT's purpose as a group is to provide a trusting and safe community for women where they can be their authentic selves without fear of criticism or judgement.

In **Australia**, Tarkett developed and published to all employees an anti-violence, anti-harassment and anti-bullying policy.

Depending on the country, the local regulations permit or not the identification and tracking of **people with disabilities** within the company. For this reason, it is difficult to determine a unique global indicator to track progress in this area. In 2021, the share of Tarkett's disabled employees identified as such was 1%.

Tarkett is working to facilitate the integration of disabled employees in the work environment, through the implementation of concrete measures at the local level. For example, at **Clervaux (Luxembourg)**, we work with a state agency to help adapt the workstations for disabled employees. At **Sedan (France)**, we have a partnership with CapEmploi, an unemployment agency specialized around the employment of disabled professionals. Each November, the Sedan plant participates in the European Disability Employment week with a Duo Day. The Duo day, an event promoted by French government, provides an opportunity for a person with a disability to discover a company by spending time with an employee, learning about their role and the company. Both the employee and the disabled person come away richer, the employee with a different perspective on inclusion and the disabled person a step further in their professional project. In 2021, the plant welcomed 4 workers with disabilities on Duo Day.

At our **Hanaskog plant in Sweden** we have cooperated with government initiatives to facilitate the integration of long-term unemployed people, notably immigrants (see for more details in our 2020 CSR report).

In 2020, Tarkett completed a **global job grading project** with the support of a leading consulting firm. By establishing broad equivalences in roles and contributions across organizational and geographic boundaries we aim to promote internal consistency aligning pay to performance and market practices in a consistent, fair, and competitive way. Together with the new Tarkett Global Job Catalog, backbone of Workday, developed and fed with the global grading project outputs, this will contribute to our company's goals on internal mobility and diversity.

3.10.4 Applying our Talent Management Guiding Principles

3.10.4.1 Identifying and promoting talents

Tarkett's almost 12,000 employees are an essential asset and the leading actors in achieving our goals, making the Human Resources function highly strategic. While Tarkett has grown as a result of many acquisitions, the sense of belonging to the Group is very strong. This is the result of a Human Resources policy that has both preserved entrepreneurial spirit in the field, and the advantages of an international group.

To further support Tarkett's growth and talent development, our Human Resources management and talent development established, in 2020, global **Talent Management Guiding Principles**, based on five main pillars:

1. **Diversity and inclusion**: Create a diverse and inclusive environment where all perspectives are heard, respected, and valued
2. **Empowerment**: Drive ownership and deliver results
3. **Engagement**: Create a positive Employee experience that exemplifies Tarkett values
4. **Excellence**: Expect and enable sustainable high performance
5. **Growth mindset**: Focus on continuous learning and growth

These principles, focus on how to nurture talent, for example by, systematically promoting internal mobility, recruiting outside high potential candidates, always fostering talent diversity; developing our people, expecting and enabling high performance with ambitious goals and regular feedback; promoting continuous learning and anticipating developmental career moves.

The global talent team, created in 2019 by the Group with talent directors in our **EMEA, Eastern Europe and North American divisions**, continued to exchange regularly in 2021 with bi-weekly meetings and additional meetings on specific topics when needed. The team discussed and aligned on Talent Management processes, tools, and principles; shared divisions' initiatives and reviewed internal mobility desires and openings with the aim of generating more opportunities and more cross-division and cross-function movements. As one of its outputs, this team co-built, developed, and proposed to the Group HR Core Team the Talent Management ambition and detailed guidelines for each area of Talent Management function. These Talent Management Guiding Principles were declined into new rules and processes and implemented into our Workday information system. The presence of the team has reinforced the One-Tarkett approach, the identification of synergies between Divisions and with the Group and generated savings.

In order to leverage the One-Tarkett approach in Talent Management, each Division Talent Director (together with Group HR Development team) took a Global Functional lead, in addition to their Division Talent Management responsibilities. These cover Operations, Supply Chain and R&D; Sales, Marketing, Innovation and Digital; Finance, IT, Legal and HR. The Global functional lead's missions are to support the development of career opportunities within the function at international level, and to capitalize on division good practices to build global development initiatives for their respective function, in partnership with the Group and Division leaders, and the HR community.

Another priority action of our "One Tarkett, Agile and Performance-driven" strategy is to promote and develop **Tarkett's seven entrepreneurial leadership traits:** Think business, Accountable, Risk for results, Kind to customers, Empowers collaboration, Talent developer and Thorough. These seven traits are included in the annual performance appraisal tool (for all non-blue-collar employees), with examples provided of the corresponding behaviors expected at each level in the organization. In addition a guide for the human resources network is available to help the understanding and the application of the traits along with another specific guide to help managers and HR professionals better identify the seven traits in the recruitment process.

The **360°-feedback survey,** launched in 2019, provides another opportunity to analyze the way managers embody the leadership traits and to accompany them to identify areas for development and to initiate action plans with the support of a neutral HR Coach. The feedback process includes feedback from colleagues, team members, managers, and other relevant people. In 2021 additional questions on diversity, inclusion and sustainability were added to the feedback questionnaire. To date 189 managers have benefited from this process collectively receiving feedback from over 2 500 people. Each manager is debriefed by an HR coach to help identify the main areas for development and draft the first action plans. Based on the 360°-feedback to date, the importance of diversity and safety at work have come out as the highest rated qualities of these managers.

Example

Our compelling employee value proposition

To promote the expertise of its teams, the career development opportunities, and the work experience within the Group, Tarkett decided to update in 2021 its tools and its positioning to promote its employer brand, both internally and externally, aligned with its Tarkett Human-Conscious Design® approach. The objective is to attract the best talents and to value the teams within the Group. A dedicated career section on Tarkett's new corporate website has been created with employee testimony videos (https://www.tarkett-group.com/en/careers/meet-our-people/) to inform about the company's jobs and culture.

Tarkett Human-Conscious Design® / Employer brand:

Living our commitments with associates and candidates: Anchored in strong values, we are committed to developing engaged and successful teams that place customers at the heart of their priorities and positively impact local communities.

> **Deep human understanding**: We understand that people want to make an impact and be successful. At Tarkett, the playing field is international with opportunities to engage in wide variety of jobs within diverse teams. Forging relationships based on trust, genuine understanding of human motivators and respect for diversity of thinking are key drivers of our success.

> **Conscious choices for people and planet**: With a 140 year track record, we believe that what we do matters. We encourage our teams to make conscious and purpose-led choices about our products and activities, to continuously enhance people's quality of life while contributing to a more sustainable world.

> **With you. Every step of the way**: We believe that our Human-Conscious Design® approach inspires great achievements and lets people flourish in a healthy and fulfilling work environment.

Tarkett has developed several successful internship and recruitment programs with top engineering schools such as its partnership with the 'Ecole des Mines de Nancy' in Clervaux (Luxembourg) which includes Tarkett's participation to job days and conferences organized by the school as well hosting plant visits for the students. Narni (Italy) has also established partnerships in recent years with 4 universities, a specialized academy and 5 secondary schools, offering regular work experience placements. Local managers give lessons on quality, safety, environment and human resources strategy at the schools and students have the opportunity to visit the plant (due to the COVID-19 situation, the training was provided remotely and plant visits were not possible, however 60 students joined a virtual video about Narni linoleum production and sustainability initiatives in 2021). Wiltz (Luxembourg) has a program for taking Ph.D students on specific research topics such as the resistance of different surface treatments to use or the interaction of flooring and light. Other Tarkett plants have developed similar programs such as Sedan (France), Konz (Germany) and Lenham (UK) in EMEA and Bačka Palanka (Serbia) in Eastern Europe. In the United States, Tarkett's national internship program which works with a number of universities and schools in different states, was paused due to the COVID-19 pandemic. However, in 2021 Tarkett supported an initiative which encourages future designers to consider sustainability as it participated on the jury of the Wanted Design Online Schools 2021 Workshop entitled "Neo-nature: Rethinking our relationship with nature in the urban context". WantedDesign is a platform, created by two French design entrepreneurs, dedicated to promoting design and fostering an international creative community at large throughout the year.

Tarkett organizes ongoing talent review and development with the following key processes:

- **The Performance and Development Review:** this annual interview is the foundation of our performance management system. It is an opportunity for managers and their teams to spend valuable time together to engage in a constructive, attentive dialogue. From the company's perspective, this allows us to understand the career goals of our employees and to assess their progress. In 2021 the annual review and goal setting process for white collar workers was conducted using the Workday platform for the first time. Development plans could also be established using Workday. Following this first campaign the Tarkett Workday support team obtained feedback from managers to see how to optimise and improve the process.
- **The Talent Review** is a structured process which aims to assess career opportunities against the company's long-term needs and the mobility options for our employees. It involves people from the management and Human Resources team during regular meetings where anticipated organizational changes are examined in accordance with the needs and business environment of the company and considering the skills, potential and career development goals of employees. The Talent Review, which mainly concerns managers, experts, and critical positions essential for the Group's operations and expertise, makes it possible to define succession planning and internal mobility. In 2021, the focus has been to support managers in having more qualitative career discussions with their subordinates after the talent reviews. A tailor-made e-learning has been developed and pushed to all Tarkett people managers through Workday Learning and is now part of the global training offer.
- **The WCM program development plan** has the objective to identify key skills for implementation of the WCM program and achievement of industrial objectives. Structured WCM training programs are implemented in factories in the light of the priorities there, with the aim of developing the growth potential of all employees, whether they are senior executives or workers. In 2021 Tarkett added an innovative solution to its WCM training with two new training modules available through a mobile phone app.

Zoom on key indicators

Performance and Development Review

99.9% of white-collar employees had a Performance and Development Review in 2021 and 86% of them also had their goals set. Overall, 56% of all Tarkett permanent employees had a Performance and Development Review (or equivalent) in 2021, compared to 50% in 2020, 55% in 2019 and 53% in 2018.

3.10.4.2 Facilitating learning & development programs

In 2021, Tarkett encouraged each employee to define a personal Development Plan: a roadmap to guide individual career development with near- and long-term goals. Employees develop their plan considering feedback from colleagues, teammates, and HR, using the annual performance and development dialogue process to complete their plan. The approach applies the 70:20:10 model to developing the action plan, which recognizes and favors the importance of on-the-job experience (70%) and interactions with others (20%), in addition to formal training (10%). We also want to address our global population by using more modern features especially videos. It is well-proven that videos create a more engaging experience for the learner, and that the brain processes video information in a faster and more efficient way than written information. In 2021 the Group in collaboration with Divisions' Talent Directors, started developing a series of content in English on talent management using a cartoon format called "One Minute Series".

- First **"One Minute Series" videos** delivered on feedback, 70-20-10 development model and potential. They have been pushed globally through the internal website, Workday in news section and on Workday Learning.
- Support was also provided through a **global course on employee engagement on career development**. The "Discussing Career Development" training module was developed and pushed through Workday to all managers and HR. It aims to guide managers on discussing career development and how to carry out the process effectively.
- In North America, Tarkett organized **coaching workshops** aimed at helping managers to become better coaches. The new three-part program "InsideOut" covered aspects such as simple workplace coaching tools; conversations focused on key priorities, including difficult topics; enhancing decision making amongst team members; and helping others to take action and own outcomes.

Formal training programs remain a key element to helping our employees develop and deliver on our ability to accelerate our development and to strengthen our customer centric capability. Tarkett continued to provide a wide range of training content, ensuring training on essential topics such as product knowledge, sustainability, health and safety, remote working and compliance, as well as leadership development:

- In the continuity of the Business Leadership Program which ran until 2019 in partnership with the London Business School, we kicked-off a new **Leadership Program** in December 2021. Tarkett's senior management have been strongly involved in the design of this new program, ensuring that the program provides answers to the business and people leadership challenges. Our new partner Turningpoint, specialized in international leadership development, has also provided expert assistance in designing the program. The program, sponsored by Tarkett's CEO, will provide new development opportunities for two cohorts of Tarkett leaders each year focusing on new tools and new ways of leading teams. The program will be conducted over 8 months with remote on-line activities and an off-site residential seminar. Leaders in the program will be supported along the way by external executive coaches.
- Various **trainings on health, safety and environmental topics** are delivered on the plants as part of the WCM program.
- We have **targeted training programs on sustainability**, mainly for our sales force and marketing teams, to leverage our approach and the sustainability features of our products.
  - In the **EMEA division**, Tarkett provides support and training to marketing and sales teams to help them communicate on Tarkett's commitment to transparency and sustainability, and to value it as a key differentiator. Training modules and webinars exist on specific topics such as Cradle to Cradle® principles, circular economy, product transparency and Tarkett products' sustainability benefits. In 2021, Tarkett tested a new approach pushing live webinar content on sustainability through Workday Learning to specific populations in an optimized and automated way.
  - **Tarkett North America** continued its training program for its regional sales organization. Over the last three years, this program has included training for 10 regional Sustainability Leaders to become LEED associates (LEED credentials are delivered by the US Green Building Council – USGBC and denote proficiency in sustainable design, construction, and operations standards), training for our North American showroom managers and in 2021 training of sales teams across 8 US markets (Washington DC, NYC, Nashville, San Francisco, Ohio, Dallas, Charlotte and Boston). The training, which was delivered through Workday, will continue in 2022 in the remaining US regions and in Canada. This latest sustainability training program covered topics including Tarkett's history of action and commitment to sustainability, Cradle to Cradle® principles, Indoor Air Quality, Material Health Statements, EPDs, Carbon footprint and Floorprint. The training is broken into 4 segments with a quiz after each segment.

- In **Australia,** in addition to sustainability and well-being presentations for new employees, Tarkett partnered with a certified consultant for the WELL™ standard, to deliver a training program for the senior sales team to understand how our products comply with the WELL™ standard for healthier buildings.

> Tarkett is engaged in raising awareness and sharing knowledge with employees on sustainability topics notably through regular newsletters, webinars, and events. For example, Tarkett North America raised awareness in April 2021, highlighting the 8 UN Sustainable Development Goals to which Tarkett actively contributes with tips on simple ways to have a positive impact. It also continued its partnership with the clean water program Fill it Forward' (for more details see Section 3.9.2.3 Giving time, assistance, and other contributions to local communities: Tarkett Cares). Tarkett's Nordic sales region (**Sweden, Finland, Norway, and Denmark**) organized internal sustainability webinars for Tarkett employees covering topics on recycling, circular economy, sustainability characteristics of modern vinyl flooring and Environmental Product Declarations (EPDs). The sales teams in **Germany, Austria, Switzerland, and Spain** also received training on product certification and transparency tools (C2C & MHS®) and on indoor air quality. In **Russia,** Tarkett communicated to employees on Tarkett's employee value proposition and the importance of safety, diversity, dialogue, and engagement in local communities, and provided an organized internal webinars for regional sales teams and management on Tarkett's sustainability actions.

Example

Embedding sustainability in learning and development in EMEA

In 2021 Tarkett EMEA teams continued to further embed sustainability into learning and development. For example, communication on sustainability topics is a permanent feature of the division monthly newsletter. The Tarkett leadership model has also been adapted to embed sustainability and highlight the importance of the way we lead our people. Progress on sustainability is promoted through individual objective setting and through a structured learning path on sustainability topics with different levels depending on the function. Lastly these initiatives were completed with a questionnaire (in 16 languages) deployed throughout division to evaluate knowledge and understanding of sustainability topics amongst sales and marketing teams.

Example

Employee mobilization on climate in North America.

Tarkett's North American division organized a week of education and activities around Tarkett's global Sustainability Day in December. The intent of this global day is to engage employees in our sustainability initiatives and help our teams learn more about the work we're doing as a company to support people and planet. Tarkett North America animated a "Tarkett Take Action Week" to engage and empower our employees to take personal action to reduce their carbon footprints. To achieve this, Tarkett partnered with BetterClimate, a platform that provides an easy way for employees to better understand where their carbon impact is highest across consumption, transportation, and household emissions. The tool enables participants to develop personal action plans with simple steps they can each take every day to have a positive impact on the environment. To encourage participation Tarkett organized a daily prize draw with prizes aligned to each day's climate impact focus. Over 400 employees engaged in the initiative during the week, setting over 750 commitments to adopt greener habits at home and at work. BetterClimate calculated that these employee actions equated to avoiding some 100 tons CO_2 (231,000 lbs).

> Continued **compliance training** focusing on fair competition and anti-corruption, consisting of customized e-learning modules (see Section 3.2.4 Our commitment to high ethical standards) as well as in-person training for staff most exposed to corruption and competition risks.

> We moreover train our employees and **develop their competences through experience**, by having them participate in cross-functional initiatives and multidisciplinary projects, and by encouraging best practice sharing and knowledge transfer (for more details see Section 3.10.4.4 Sharing expertise and recognizing achievements).

Facilitating online training in the new context of greater remote working

With increased remote-working, following the COVID-19 pandemic, Tarkett continued to adapt its training tools and programs, notably with a view to facilitating online training.

In March 2021, we launched a **LinkedIn Learning** pilot covering approximately 900 people from all Divisions and regions. Linkedin Learning provides a comprehensive library of courses covering a wide range of technical, business, software, soft skills and creative topics. The first step of this project was to test a global approach on the use of off-the-shelf digital content, while succeeding in getting strong engagement key for wider deployment. Tarkett worked closely with the provider to analyze results, to benchmark against other companies, and to benefit from the providers experience and advice on best practices. Tarkett achieved 78% of account activation in the first 9 months of project, with 1,084 hours of videos watched globally.

Following the deployment of Workday as Tarkett's group-wide HR information system in 2020, the Group HR team began, in 2021, developing the **learning center inside the Workday platform**. Tarkett's North American division was the first to deploy this new functionality. The first Group contents made available on this platform were compliance training and the Pilot LinkedIn Learning content. The aim being to make training possibilities more visible, with Workday providing a single point of access to our training contents, and make training management more efficient, with automated processes so people can focus on more value-added activities. Different pilots were initiated during 2021 by the Group to leverage Workday Learning usage in Eastern-Europe, EMEA and central functions. To date over 500 training modules have been accessed through Workday Learning.

As the Group HR team worked on setting up the Workday Learning platform the global COVID-19 learning hub created in 2020 continued to provide a rich catalogue of content on topics such as remote working, leadership, business ethics, safety, compliance and sustainability. This provided employees, remotely or in the office, with the opportunity to invest their available time in selected developmental activities.

In **Europe**, our training teams continued to share new content developed in 2020, providing online training for our Marketing / Communications teams and Sales Networks. Sustainability topics, such as indoor air quality, circular economy, Cradle to Cradle® eco-design and ReStart® collection and recycling are covered as well as detailed content on product portfolios. Since March 2021, 150 employees from Tarkett's EMEA - LATAM - ANZ division have started testing LinkedIn Learning which enables employees to better choose what to learn and at what pace, with content available in 6 languages. Furthermore, a **new coaching program** was trailed in 2021 in partnership with CoachHub, a leader in digital coaching. The CoachHub leverages the advantages of face-to-face coaching, providing an objectives-based, personalized approach, respecting confidentiality, and neutrality, with no given answer from the certified experienced coach. After an initial employee onboarding phase with the selection of a coach and objective setting, the coaching phase rolls out over 6 months with 2 sessions of 45 minutes per month. Feedback from the employee is subsequently organized with the manager to measure the outcomes of the coaching.

In **North America**, Tarkett offered virtual training opportunities in 2021 to our employees as flexible/remote working measures continued to apply. For example, "Foundations", the new hire orientation program invited new hires to participate in a fully virtual orientation that consisted of a combination of on demand learning and interactive webinars with various business leaders to learn about Tarkett's products and functional areas. A new fully virtual leadership program was also deployed for 100 leaders across all plant locations. The 11-month program provided leaders with training on new concepts one month, followed by action planning, application, and discussion with local plant leadership the following month.

In Tarkett's **Eastern European & Asia division** our HR teams developed internal online training courses with internal experts on various topics including circular economy, macroeconomics, finance for non-finance people and situational leadership. At Tarkett's plant in Bačka Palanka (Serbia), a pilot project was conducted to deliver training content through Workday. Firstly, training needs were assessed, then corresponding training content prepared and integrated into Workday, followed by the deployment of the training courses. Feedback was gathered and used to improve the process before launching a second phase of training sessions. In total over 100 employees participated to the first phase which concerned two leadership courses. At our Otradny (Russia) plant a coaching program aimed at improving management skills for all managerial levels was carried out through training, practice, and demonstration, using the principle of 70-20-10 (70% on the job experiences, 20% from feedback and observing / working with role models and 10% from formal training). 32 managers participated to the 12-week program. Retail training was organized for Galerija Podova in Serbia aimed at developing product knowledge and selling skills with 95% of sales employees trained during 37 training sessions.

Zoom on key indicators

Training

44% of Tarkett employees were trained (at least 1 day) in 2021, compared to 34% in 2020, 58% in 2019, 60% in 2018 and 56% in 2017. Training was again heavily impacted by the COVID-19 pandemic in 2021 with continued remote working and social distancing measures limiting formal classroom type training. Tarkett focussed on deploying new digital solutions, such as LinkedIn learning and other digital content via Tarkett's Workday Learning platform. Through these efforts, overall training hours increased by 49% compared to 2020, and were only 4% lower than 2019.

3.10.4.3 Fostering career mobility

The growing international dimension of the Group makes career mobility of great importance and offers employees motivating career perspectives. To foster career mobility opportunities, Tarkett has set up appropriate processes and tools:

- An **international platform for internal mobility powered by Workday**: all non-confidential open positions are progressively being made accessible worldwide to every employee through the Workday interface. With all Tarkett HR processes now being centralized in one place it is easier for employees to consult Tarkett open positions anywhere in the world, at any time and more often. The Workday recruitment module also allows employees to share their background and career interests by updating their talent profiles, and by subscribing to receive recommended job opportunities based on preferences and profiles. In 2021, in the first year of deployment, over 2,000 talent profiles have been updated by employees. Managers and Human Resources teams are also able to exploit Workday to identify profiles and to manage and follow-up associated recruitment processes.
- **The Talent Review process** focuses on internal career mobility, taking into account international mobility opportunities (see for more details Section 3.10.4.1 Identifying and promoting talents).
- **Orientation documents** are available, such as the Internal Mobility Charter available to all employees via intranet, and the Mobility Guide, a reference document used by the Human Resources network.

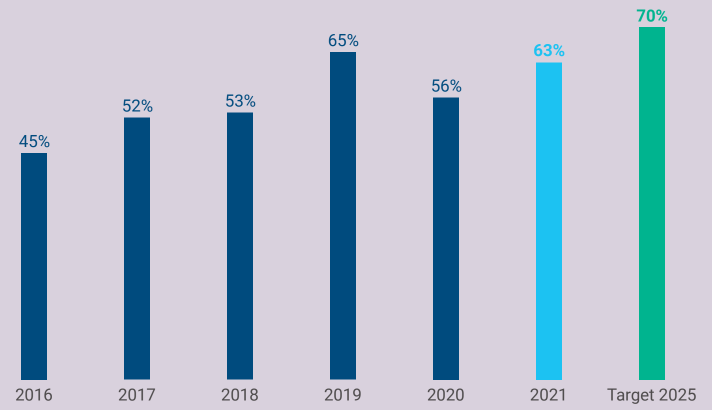
All international mobility packages are aligned with Tarkett's international mobility policy, which includes preparation on new assignment, support on immigration, relocation, compensation, social benefits (medical and life insurance), tax advice, language lessons, cultural orientation, and facilitating return to home country. In addition to group action, local teams also facilitate and organize international moves.

Zoom on key indicators

Internal mobility

Tarkett set a target of 70% internal mobility by 2025 which represents more than 2 out of 3 open management positions filled by an internal candidate. In 2021, 63% of open management positions were filled by an internal candidate, an increase of 7 points versus 2020 (56% in 2020, 65% in 2019, 53% in 2018, 52% in 2017 and 45% in 2016). It can be noted that the drop in 2020 reflected the specific context where overall the number of open management positions filled was down 19%, no doubt impacted by the sanitary crisis, where lockdowns implemented worldwide limited opportunities for international mobility. In 2021 the number of open management positions filled increased but remained lower than 2019.

Share of open management positions filled by an internal candidate



3.10.4.4 Sharing expertise and recognizing achievements

The development of "collective expertise" is a key element to anticipate the changes needed in order to fulfil the company strategy. It involves sharing of expertise which also allows employees to improve their know-how, their employability, and their mobility. The company can thus value its talent pool and improve results.

Many initiatives and networks promote **expertise sharing and competency development**, for example:

- We strongly encourage **multidisciplinary teamwork**, by bringing together employees from diverse backgrounds on projects taking place at the Group or division scale.
- We also encourage **networking**, best practice sharing, internal benchmark forums (comparative analysis), as well as knowledge transfer.
- Within the scope of the WCM program, we organize every year a series of specific meetings on one of the Tarkett manufacturing sites. The objective is to develop the skills of our experts in manufacturing processes and share knowledge in terms of operational excellence. These **benchmark initiatives** have been organized within the Group's plants since 2012.
- The WCM program also encourages plant operators to get involved and propose ideas for improvement, hence becoming actors in the development and improvement of their working environment.
- The **Tarkett Technical Expert Program**, launched in 2015, capitalizes on the technical expertise of our Research & Development and Operations teams. Our objective is to use the know-how of our technical experts, and to help them develop their long-term career development, via tutoring, training and knowledge sharing. This network is supported by a dedicated IT platform where each Tarkett Technical Expert is present with a clear mention of their expertise, thus facilitating their identification by other technical experts and the connection between them, as well the use of their expertise by other "Technical Expertise consumers". Additionally, they can identify and contact, through the platform, some external key Technical Experts, if expertise is not present at Tarkett. In order to boost the Tarkett Expert Program, an audit was made at the end of 2019. It has led to a new review of critical expertise with a gap analysis, the strengthening of industry 4.0[1] aspects, the review and update of participants to the program, and to the building and deployment of new action plans with greater emphasis on the animation and development of the Expert networks. In 2020 further attention has been given to fostering the development of internal technical experts, defining their roles and responsibilities, and developing dedicated career paths. In 2021, the individual follow-up of technical experts has been reinforced with a focus on developing actions toward the most critical expertise.
- Tarkett encourages innovation and invention with a **global policy to reward inventors**. The policy which was updated in 2021 and now applicable globally, rewards patented inventions with a financial bonus linked to the business performance of the patented invention.
- Regular internal communication, through emails, podcasts, newsletters, and events to share local and group news and information.

In 2021, **Tarkett North America** launched a new recognition initiative. Acting on employee feedback which highlighted the opportunity to provide more employee appreciation, Tarkett partnered with Awardco to host a recognition platform. The platform enables Tarkett to facilitate employee recognition based on Tarkett's values: caring, committed, creative and collaborative. The online and easily accessible external site supports multiple languages and is based on flexibility and choice in how to reward and recognize team members through a point system that allows the recipient to accumulate points, with the option of selecting a variety of awards.

1 Also known as 4th industrial revolution, related to the ongoing automation and use of smart technology in manufacturing

3.10.5 Promoting social dialogue

3.10.5.1 Listening to employee feedback

Tarkett organizes every two years, since 2008, company-wide feedback providing an opportunity for all employees to share their experience and to participate in the continuous improvement of the workplace. The anonymous survey, overseen by an independent third-party, helps to reinforce employees' sense of belonging by giving them the opportunity to be heard through a formal structured engagement process. It also provides a rich insight for management on how employees feel and where to improve.

In 2021, the survey, which was conducted in May and June on a new online platform, was reviewed and simplified. 48 questions assessed employee perspectives on four main aspects closely related to Tarkett's Change to Win strategic plan: (i) the vision and confidence in the future, (ii) the building of an agile working environment, (iii) the development of a sustainable, people-orientated company, and (iv) how engaged people are.

The participation rate remained high at above 80% (81% vs 88% in 2018) with 9,351 people responding to the survey, providing a reliable picture of current employee sentiment. The results, which were detailed per division, country and activity, were shared internally through a collaborative platform enabling managers to build action plans to act on the findings. Training was also provided to accompany managers following up on the results and in using the new interactive platform.

Overall, 79% of employees are confident in the future (+8% vs 2018) demonstrating high trust in Tarkett's ability to deliver on its objectives. 83% of employees found their work-life balance to be acceptable (66% strongly agree and agree + 17% neither agree nor disagree), which represents an increase of 10% compared to the previous survey (2018). Progress was also registered on internal communication (+7% vs 2018) and on the care and concern demonstrated by managers for their teams (76%, +4% vs 2018). Another positive note concerned talent development as Tarkett scored 9% above the benchmark with 80% of employees having the opinion that they have improved their skills and abilities over the past year. On environment, health and safety topics, 77% of employees felt that locally Tarkett is focused on improving its environmental impact and 83% agreed that health and safety is a priority in their department. The survey which took place on the back of the year long COVID-19 pandemic also questioned employees on the how the company accompanied them. Here too the feedback was positive with the large majority (73%) indicating that management provided enough support during the health crisis.

At both the scale of the Group and locally, the Tarkett employee satisfaction survey is an invaluable and used management tool. Based on the analysis of the survey results, each site / entity develops a customized action plan to be implemented at the local level. These local plans are reinforced by action plans determined at the Group and division levels, and consistently implemented.

A specific short additional survey was also conducted on senior leaders on the performance of the organization and on Tarkett's managerial culture. 84% of the over 200 senior leaders at Tarkett took part, indicating that Tarkett's managerial culture is customer and results orientated.

3.10.5.2 Maintaining social dialogue

The regulatory scope of dialogue between employers and employee representatives varies from one country to another. However, in addition to respecting local labor legislation, Tarkett applies in all the countries in which it operates the same respect for its fundamental values and principles of freedom of association, and in particular respect for trade unions.

The Tarkett Forum, the Group's European works council, provides a platform for social dialogue in Europe. Several times per year, this council brings together trade union representatives of our main European sites to dialogue with Group Management, including our CEO. This council strengthens cooperation and social dialogue and focusses on issues pertaining to the general functioning of the company and discusses HR issues common to different sites and countries in Europe. In 2021, the Tarkett Forum held four meetings virtually, to discuss among the other topics, the COVID-19 pandemic, its repercussions on the business and financial situation as well as Tarkett's response to safeguard employee health. Other topics discussed include safety, raw material inflation and the consequences for the business, the results of the 2021 employee feedback survey, and Division strategic projects such as ongoing restructurings.

During the COVID-19 crisis Tarkett increased dialogue and consultation with worker representatives to co-elaborate and define measures adapted to the local context. For example, in France the sanitary crisis and related adaptations towards working arrangements were fully discussed with worker representatives.

At Tarkett's 2020 annual general meeting in April, shareholders voted to amend Tarkett's articles of association to comply with the French PACTE law (Action Plan for Business Growth and Transformation) regarding employee representation in its governing body. Subsequently, Tarkett's Social and Economic Committee engaged procedures to identify a female candidate to ensure gender parity amongst the two members of Tarkett's Supervisory Board representing employees. This new female employee representative started her mandate with the Supervisory Board in December 2020. In December 2021, two new employee representatives among them one female employee - have been elected, following the departure of the two former representatives.

3.10.5.3 Establishing collective agreements

Tarkett is committed to respecting, in addition to the legal obligations specific to each country, employee freedom of association, collective bargaining and representation. We apply these principles without exception and in the same way in all countries where the Group operates.

In line with this policy, 177 collective agreements are in place at Tarkett, and 14% of which cover issues related to occupational health or safety. The agreements cover a wide range of topics such as compensation and benefits, overall work time, work organization, remote working, and employment classification. They apply in 16 countries where Tarkett engages in sales and / or industrial activity. In March 2021 Tarkett reviewed with worker representatives the remote-working arrangements adopted in 2019 for its global headquarters Paris-La Défense site for corporate and EMEA division teams. Based on the positive feedback received from managers and employees, it was decided to revise the arrangements to allow for up to two days remote working per week. All employees, where their job allows, are able to choose to work remotely one or two days per week and can opt for either fixed or variable days. The new agreement was signed in March 2021 and came into effect in September following the end of the COVID-19 remote-working period. This new collective agreement, which is based on voluntary application and suitable remote working conditions, maintains the double objective of company performance and enabling a better work-life balance. In 2020, a new profit-sharing agreement was signed for the period 2020-2022 covering the employees at Tarkett's Paris-La Défense site. This agreement carries on from the previous one, which already granted profit sharing allowances to employees.

3.10.5.4 Accompanying the changes and adjustments of the workforce

Tarkett has a mid and long-term vision of its development plan and strives to ensure profitable, sustainable growth. The Group is committed to growing the skills and employability of its employees, not only to allow each individual to contribute and to grow within the company, but also to anticipate and support the evolution of the organization. Whenever possible, the Group strives to anticipate the consequences of variations in activity. In case of reduction in activity, the Group may be called to occasionally or structurally downsize. Adapting work organization to the activity level, downsizing or restructuring plans are carried out in compliance with local regulations and the principles of the Tarkett Code of Ethics, in consultation with employee representatives. Within the scope of measures to adjust to reduced activity, Tarkett seeks above all to adapt work organization (taking paid vacation, reorganization of work time, partial unemployment, etc.), reduce temporary employees (interim and fixed term contracts), favor internal re-employment solutions, and include social criteria for people leaving the company (retirement, age, career, or personal projects).

Tarkett's plant in Konz (Germany) was restructured during 2021, in order to ensure the competitive viability of the production site and the resilient flooring business in the long term. A social plan was agreed with the local works council which included severance pay and internal mobility. Several employees accepted the mobility proposal and moved to our Clervaux plant (Luxembourg) at the beginning of 2021. In the second half of the year, a total of 23 employees left the Konz plant, 14 with severance pay and the others either with early retirement or accepting a part-time contract.

Tarkett announced in October 2021, following its acquisition of Vinylasa, a vinyl composition tile (VCT) manufacturer based in Mexico City (Mexico), the aim of transitioning production of VCT from Florence West (US) to this new location (Tarkett Manufacturing Mexico). From 2022, all VCT product for Tarkett North America will be manufactured at Tarkett Manufacturing Mexico with Florence West focusing on Luxury Vinyl Tile (LVT) production. Tarkett has been working with those directly impacted by this change, offering job placement, career search and employee assistance program (EAP) support.This change enhances Tarkett's competitive position with VCT in North America, improving profitability while also facilitating greater focus on domestic LVT production.

Globally, involuntary departures remained stable in 2021, representing 5% of permanent turnover, while voluntary departures increased 6 points to 14%. As a result, permanent turnover increased to 19% in 2021 compared to 13% in 2020, 17% in 2019, 16% in 2018 and 13% in 2017.

3.11 Social and Environmental Report

3.11.1 CSR indicators dashboard

Social Indicators

GRI	Indicator	Variation 2021 vs. 2020	Variation 2021 vs. base year	2021	2020	2019
	Workforce					
102-7a	Total number of employees (as of 31/12)	-2.4%	-	11,872	12,160	12,592
102-8a	Total number of permanent contract female employees	-4.5%	-	3,100	3,245	3,385
102-8a	Total number of permanent contract male employees	-1.8%	-	7,975	8,123	8,338
102-8a	Share of permanent employees	=	-	93%	93%	93 %
102-8a	Total number of fixed-term contract female employees	2.6%	-	239	233	235
102-8a	Total number of fixed-term contract male employees	-0.2%	-	558	559	634
102-8a	Share of fixed-term employees	=	-	7%	7%	7%
102-8b	Total number of permanent contract employees	-2.6%	-	11,075	11,368	11,723
102-8b	Total number of fixed-term contract employees	0.6%	-	797	792	869
102-8d	Number of external workers (FTE)	18.2%	-	505	427	488
102-8d	Share of external workers (% of total FTE)	0.7%	-	4.2%	3.5%	3.8%
-	Total wages and salaries (€m)	2.3%	-	684	669	718
	New Employee Hires and Employee Turnover					
401-1a	Number of employee hires	42%	-	2,599	1,834	2,454
401-1a	Rate of employee hires	7%	-	22%	15%	19%
-	Number of permanent contracts ended by employee (e.g. resignation, retirement)	69%	-	1,520	900	1,136
-	Number of permanent contracts ended by employer (e.g. lay-off)	-0.2%	-	600	601	886
-	Permanent employee turnover rate	6%	-	19%	13%	17%
401-1b	Total number of employee departures	35%	-	2,911	2,155	2,910

GRI	Indicator	Variation 2021 vs. 2020	Variation 2021 vs. base year	2021	2020	2019
401-1b	Total employee turnover rate	7%	-	25%	18%	23%
	Diversity					
405-1a	Percentage of female administrators in Tarkett Supervisory Board	=	-	44%	44%	44%
405-1a	Percentage of administrators in Tarkett Supervisory Board below 30 years	=	-	0%	0%	0%
405-1a	Percentage of administrators in Tarkett Supervisory Board between 30 to 50 years	11%	-	33%	22%	22%
405-1a	Percentage of administrators in Tarkett Supervisory Board above 50 years	-11%	-	67%	78%	78%
405-1b	Percentage of females in Executive Management Committee (CEO & EMC Senior Executives)	=	-	30%	30%	18%
405-1b	Percentage of female Top Executives (CEO, EMC Senior Executives & Executives)	-	-	20%	25%[1]	25%[1]
405-1b	Percentage of female Directors and above (Top Executives, Senior Directors & Directors)	-	-	26%	26%[2]	24%[1]
405-1b	Percentage of women in management	=	-	26%	26%	27%
405-1b	Percentage of female other employees	=	-	29%	29%	29%
405-1b	Percentage of female employees	-0.5%	-	28%	29%	29%
405-1b	Percentage of employees below 30 years	1.3%	-	13%	12%	13%
405-1b	Percentage of employees between 30 to 49 years	-0.8%	-	56%	57%	57%
405-1b	Percentage of employees above 50 years	-0.5%	-	30%	31%	30%
405-1b	Percentage of employees with disabilities	0.1%	-	1.2%	1.1%	0.9%
	Training and Development					
-	Percentage of employees trained at least 1 day during the year [base year 2011]	9%	7%	44%	34%	58%
-	Training hours (thousand hours) [base year 2013]	49%	23%	246	165	256
412-2b	Percentage of employees who have participated to e-learning training on Business Ethics	-	-	97.6%	-	-
404-1	Average number of training hours per employee	53%	-	21	14	20
404-3	Percentage of employees who had a PDR, Polyvalence Matrix or equivalent appraisal	15%	-	63%	48%	53%
-	Percentage of permanent contract employees who had a PDR, Polyvalence Matrix or equivalent appraisal	6%	-	56%	50%	55%

1 In previous years this refered to a slightly larger population for EMC to EMC-1
2 In previous years this refered to a slightly larger population for EMC to EMC-2

GRI	Indicator	Variation 2021 vs. 2020	Variation 2021 vs. base year	2021	2020	2019
-	Percentage of open management positions filled by an internal candidate	7%	-	63%	56%	65%
203-2	Number of external people who received Tarkett Academy training	57%	-	8,148	5,176	8,229
	Proactive Internal Communication and Social Dialogue					
-	Progress on "Listen to employees and engage in social dialogue" in employee feedback survey [base year 2010] (*2018)	-1%	-4%	53%	-	54%*
-	Progress on "Communicate proactively towards all employees" in employee feedback survey [base year 2010] (*2018)	5%	15%	71%	-	66%*
	Occupational Safety & Health					
403-9a	Injury frequency rate – LTA only [FR0t] for all employees	-31%	-	0.89	1.28	1.64
403-9a	Recordable Lost Time Accident (LTA) Frequency Rate [FR1t] for all employees	-2%	-	2.56	2.62	2.19
403-9a	Lost day rate due to LTA – accident severity rate [TG0t] for all employees	-41%	-	0.059	0.100	0.077
403-10a	Occupational illnesses (OI) frequency rate for all employees	155%	-	0.26	0.10	0.27
403-9a	Absentee rate (employees)	0.5%	-	4.4%	3.9%	2.6%
403-9a	Number of fatal accidents	-	-	0	0	0
403-9b	Injury frequency rate – LTA only [FR0t] – external workers	-44%	-	4.85	8.73	8.28
-	Percentage of formal agreements covering health & safety topics	-4%	-	14%	18%	-
-	Progress on "Ensure respect and integrity through adhesion to Tarkett values" in employee feedback survey [base year 2010] (*2018)	17%	29%	85%		68.0*
	Tarkett Cares					
203-1	Number of community initiatives supported through time, flooring, other material or funding contributions	-35%	-	88	135	182
203-1	Number of employees involved in community initiatives	60%	-	1,168	730	1,401
203-1	Number of days of donated time through volunteering (based on 7 hours per day)	-87%	-	91	692	921
203-1	Quantity of flooring products donated to community initiatives (m²)	-72%	-	5,669	20,187	19,864
203-1	Total value of contributions to community initiatives (in k€)	-77%	-	103	445	710

Environmental Indicators

GRI	Indicator	Variation 2021 vs. 2020	Variation 2021 vs. base year	2021	2020	2019
	Good Materials					
416-1	Percentage of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria (% of purchase volume) [base year 2011]	-0.5%	90%	97%	98%	98%
-	Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled) [base year 2011]	-1%	2%	70%	68%	67%
301-1	Percentage of renewable or recycled raw materials	1%	-	31%	30%	30%
301-2	Percentage of recycled content of raw materials	1.5%	-	15%	13%	12%
	Resource Stewardship					
303-5	Water intensity (liters/m²) [base year 2010]	10.7%	-49%	2.7	2.4	2.9
303-5	Water consumption (million cubic meters)	11.8%	-	0.71	0,63	0.73
-	Percentage of manufacturing sites that have implemented closed- loop water circuits (or do not use water in their process) [base year 2010]	=	10%	71%	71%	66%
302-3	Energy intensity (kWh/m²) [base year 2010]	4.7%	2.5%	4.19	4.00	4.09
302-1a	Non-renewable fuel energy consumption (GWh)	6.0%	-	500	472	514
302-1b	Renewable fuel energy consumption (GWh)	10.1%	-	88	80	95
302-1c	Purchased electricity and steam consumption (GWh)	4.8%	-	524	500	527
302-1d	Generated electricity sold (GWh)	-	-	-	-	-
302-1e	Total energy consumption (GWh)	5.7%	-	1,112	1,052	1,136
	Percentage of energy consumption coming from renewable energies	11.5%		38%	27%	28%
305-4a	GHG market-based emissions intensity (Scope 1 & Scope 2) ($kgCO_2e/m^2$) [base year 2010]	-11.4%	-35.2%	0.67	0.76	0.87
305-1a	Gross direct (Scope 1) GHG emissions (tCO_2equivalent)	5.8%	-	94,368	89,196	97,805
305-1c	Biogenic CO_2 emissions (tCO_2)	10.4%	-	30,519	27,655	32,982
305-2a	Gross location-based indirect (Scope 2) GHG emissions (tCO_2equivalent)	1.3%	-	172,718	170,512	190,387
305-2b	Gross market- based indirect (Scope 2) GHG emissions (tCO_2equivalent)	-24.0%	-	83,099	109,293	144,873

GRI	Indicator	Variation 2021 vs. 2020	Variation 2021 vs. base year	2021	2020	2019
	Total Scope 1 & 2 (market-based) GHG emissions (tCO_2e) [base year 2019]	-10.6%	-26.9%	177,466	198,488	242,677
	Percentage reduction of Scope 1 & 2 GHG emissions vs 2019	-8.7%	-	-26.9%	-18.2%	-
	Percentage of production sites certified to ISO 14001	1%		82%	81%	85%
	People-friendly Spaces					
416-1	Percentage of phthalate-free flooring [base year 2010]	-2%	95%	95%	97%	74%
416-1	Percentage of flooring with low Volatile Organic Compound (VOC) emissions levels [base year 2010]	1%	78%	99%	98%	98%
	Recycling and Reuse					
-	Non-recycled waste intensity (g/m^2) [base year 2015]	-3%	22%	149	154	143
306-2a	Hazardous waste (thousand metric tons)	32%	-	6.6	5.0	4.2
306-2b	Non-hazardous waste (thousand metric tons)	-7%	-	33.0	35.4	35.5
306-2	Total waste to landfill (thousand metric tons) [base year 2015]	-12%	23%	24.2	27.6	27.3
306-2	Percentage of total waste sent to landfill	-1%	-	27%	28%	28%
306-2	Percentage of total waste sent to external recycling	-2%	-	57%	59%	59%
306-2	Percentage of total waste sent for energy recovery	2%	-	11%	9%	9%
306-2	Percentage of non-recycled waste sent to landfill [base year 2015]	-7%	7%	61%	68%	69%
301-3	Quantity of post-installation and end-of-use flooring collected through the ReStart® program (metric tons) [base year 2010]	7%	-83%	3,200	3,000	3,300
	Responsible sourcing Indicators					
	Percentage (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent	5%	-	49%	44%	41%
	Percentage (in number) of targeted suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent	16%	-	36%	20%[1]	80%

1 As a result of the roll-out of Tarkett's responsible sourcing programme, the targeted supplier base has increased, resulting in a lower proportion of suppliers adhering

Social Indicators by Region

GRI	Indicator	2021	Europe (1)	North America(2)	Rest of World(3)
	Workforce				
102-7a	Total number of employees (as of 31/12)	11,872	36.5%	31.2%	32.4%
102-8b	Total number of permanent contract employees	11,075	4,096	3,493	3,486
102-8b	Total number of fixed-term contract employees	797	232	206	359
	New Employee Hires and Employee Turnover				
401-1a	Number of employee hires	2,599	533	1,635	431
401-1a	Rate of employee hires	22%	12%	43%	11%
401-1b	Total number of employee departures	2,911	724	1,728	459
401-1b	Total employee turnover rate	25%	17%	47%	12%
	Occupational Safety & Health				
403-2a	Recordable Lost Time Accident (LTA) Frequency Rate [FR1t] for all employees	2.56	2.97	5.24	0.14
403-2a	Lost day rate due to LTA – accident severity rate [TG0t] for all employees	0.059	0.067	0.033	0.072
403-2a	Occupational illnesses (OI) frequency rate for all employees	0.26	0.44	0.00	0.00
403-2a	Absentee rate (employees)	4.4%	4.5%	5.4%	3.6%
403-2b	Injury frequency rate – LTA only [FR0t] – external workers	4.85	4.08	0.00	15.22

(1) Europe: Corporate, EMEA & Tarkett Sports EMEA
(2) North America: Tarkett North America & Tarkett Sports North America
(3) Rest of World: Tarkett Eastern Europe, LATAM, Asia, Australia & New Zealand, & Tarkett Sports Australia

3.11.2 CSR methodological note

Since becoming a listed company in 2013 Tarkett publishes, as required by French regulatory requirements, information on the social, environmental, and societal aspects of its activities in its annual management report (Universal Registration Document). This information includes Tarkett's Corporate Social Responsibility (CSR) Key Performance Indicators (KPIs) taken from Tarkett's Sustainability Dashboard. The Dashboard is an essential tool for monitoring and guiding performance. Its principal objective is to provide the Group with relevant indicators to evaluate the deployment of its strategy and fulfil its regulatory obligations. Progress is measured against a base year set for certain key performance indicators.

In accordance with French regulatory requirements, the corporate environmental and social information has been verified by an independent third-party organization (the report on corporate, environmental, and social information by one of the statutory auditors, appointed as an independent third-party organization).

Guiding frameworks

Tarkett's CSR reporting and sustainability dashboard have been developed based on the following frameworks:

- The Group's Change to Win strategy and its historical commitment to CSR, where each strategic initiative relies on one or more quantified indicators, certain of which are the subject of long-term objectives (2020 objectives set in 2011 and 2025 / 2030 objectives set in 2019, 2020 and 2021).
- The European Union Non-Financial Reporting Directive 2014/95/EC and the French regulations on non-financial statement, known as the extra-financial performance declaration: the social, environmental, and societal information required by Article L.225-102-1 of the French Commercial Code is included in the form of indicators or quantified statistics in the dashboard (the qualitative information is presented in other sections of the management report).
- The UN Global Compact: in connection with the Group's voluntary commitment, the dashboard is a tool for managing performance in every dimension of the Global Compact.
- The Global Reporting Initiative (GRI) Standards 2016: this report discloses as far is currently possible the GRI Standards: Core option. A GRI content table (see Section 3.11.3 GRI and DPEF concordance table) indicates where the relevant standard disclosures can be found in this report.
- The recommendations of the Task force on Climate-related Financial Disclosures (TCFD).
- The Greenhouse Gas Protocol: Greenhouse emissions are quantified and reported according to the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) GHG Protocol.
- Cradle to Cradle® (C2C) principles for the design of our products, from material selection and product manufacturing, to installation, use, maintenance, end-of-use and product recovery.

The sustainability dashboard is built around three dimensions: social responsibility, environmental responsibility, and corporate governance.

Methodological procedures

Tarkett's CSR reporting procedures are documented in a comprehensive CSR Reporting Handbook which was established, in consultation with the different internal CSR topic owners, in 2017. These procedures further aligned Tarkett's reporting with the 2016 GRI Standards: core option. The Handbook was presented to and approved by the Executive Management Committee and is reviewed and updated each year taking into account feedback and any changes in reporting requirements or objectives. The CSR Reporting Handbook sets out:

- the aims of Tarkett's CSR reporting and the Change to Win strategy "People and Planet" pillar objectives for 2025 and 2030 ;
- the reporting principles, reporting scope, reporting tools, internal controls and consolidation rules;
- the reporting organization, responsibilities, and planning; and
- the detailed definitions, specific guidelines, and control points of all reported indicators.

The following is a summary from the CSR Reporting Handbook:

Reporting principles

Stakeholder Inclusiveness

Tarkett is committed to meeting the expectations of its stakeholders by investing in long-term relations. Tarkett engages with stakeholders through diverse means to ensure that its strategies and reporting account for their expectations.

Sustainability Context

Tarkett is determined to contribute, wherever its business activities allow, to addressing several of the most important and pressing challenges that face society in the 21st century (combating climate change, managing scarce natural resources sustainably and promoting people's well-being and the development of healthy living spaces)

Materiality

Tarkett conducted a stakeholder survey in 2016 to identify Tarkett material topics and ensure that its Sustainability policies are aligned with stakeholder expectations

Completeness

Tarkett's CSR report covers the same scope as the consolidated financial report. Topics covered in the report reflect the organization's significant economic, environmental, and social impacts. Material CSR topics are not omitted. Furthermore, Tarkett strives to explore new and upcoming topics in appropriate detail.

Accuracy

Tarkett strives to ensure the accuracy of reported data, with clearly documented definitions and procedures in its CSR Reporting Handbook and with multiple controls.

Balance

Tarkett tracks its performance in order to report on progress as well as challenges, thus reflecting in a transparent manner both positive and negative aspects of its CSR performance.

Clarity

CSR information is presented by Tarkett in a clear, detailed manner, in order to be easily understood by stakeholders.

Comparability

Tarkett promotes consistent reporting through well documented procedures and presents indicators with comparisons to previous periods and base years with the exception of certain newly deployed indicators where data for previous periods is not yet available and for indicators which are not reported annually (e.g. indicators related to Tarkett's employee feedback survey conducted every two years).

Reliability

Reported data is documented and verified during internal and third-party external audits in order to provide additional confidence in the veracity of published content.

Timeliness

Tarkett publishes CSR information annually with financial reports in March / April.

Reporting period

The annual reporting period is aligned with the financial year which is the calendar year from January 1 to December 31. This report concerns the period January 1, 2021 to 31st December 31, 2021.

Reporting frequency

CSR reporting for external publication needs is conducted annually. Intermediary reporting for internal purposes is conducted for certain topics (e.g. monthly reporting of WCM industrial KPI).

Scope of reporting

The scope of reporting is Group-wide, covering all activities over which the Group has operational control, as follows:

Social reporting covers:

> The workers (employees and external workers, depending on the indicators) at all entities in the consolidated financial scope excluding plants in the process of closing where production ceased in prior years. Other specific limitations for certain indicators are detailed under the paragraph "Specific limits to scope of reporting" in this methodological note.
> This scope includes all manufacturing plants, sales network, and administrative offices for Tarkett payroll employees (except where specific limits to scope of reporting are given) and external workers for certain indicators.

Environmental reporting covers:

- The manufacturing activities at all plants in the consolidated financial scope, except for our Tuzla plant in Turkey which is not yet fully operational and our new plant in Mexico acquired late in 2021. Other specific limitations for certain indicators are detailed under the paragraph "Specific limits to scope of reporting" in this methodological note.
- The flooring and sports surface finished goods produced at all plants in the consolidated financial scope.

Reporting organization

The reporting process of CSR / sustainability indicators is managed and consolidated since 2018 by the Financial department with the support from the different concerned functions (including R&D and Operations/WCM, HR, Legal, …), divisions and sites. Each CSR topic and its relevant indicators are owned by a member of the Tarkett Executive Management Committee (EMC). The clear ownership and responsibility ensure accurate, reliable, and timely reporting of CSR data and indicators.

Reporting tools

HR CSR scorecard: data on workforce, headcount, diversity, etc. topics collected in a specific reporting Excel scorecard and consolidated by the Group. In 2021, TNA will generate part of these HR indicators from Workday to fulfill Excel Scorecard.

Tarkett Cares scorecard: data compiled in a specific reporting Excel scorecard and consolidated by the Group.

Employee satisfaction: measured every two years through the internal employee satisfaction survey.

Academy: data on Tarkett Academy training collected in a specific reporting Excel scorecard and consolidated by the Group.

WCM environmental, safety and absence indicators: data reported in a dedicated scorecard for each manufacturing plant with data uploaded monthly to a Group data repository.

Indoor air quality and safe, healthy spaces: phthalate-free, low VOC emission and production volume data collected from plants in a specific reporting Excel scorecard and consolidated by the Group.

Good materials: indicators on resource scarcity and Cradle to Cradle® assessment compiled from raw material purchase data and material assessment database and consolidated by Group in a specific reporting Excel scorecard.

ReStart®: data on post-installation and end-of-use flooring waste collection collected in a specific reporting Excel scorecard and consolidated by the Group.

Supplier commitment to Tarkett supplier Code of conduct: data compiled from purchasing databases. The purchase amounts are based on the previous year (01/01/Y-1 to 31/12/Y-1).

Specific limits to scope of reporting

Safety: the following entities are excluded from safety indicators since hours worked are not reported: FieldTurf North America & Sales Network (1 injury with lost time <24h and 3 first aids in 2021), FieldTurf USA Sales Network (2 LTAs with 2 lost days in total, 11 injuries with lost time <24h and 6 first aids in 2021), Beynon Sales Network and Tarkett USA Sales Network (these entities represent approximately 8% of Tarkett's headcount).

Absence: excluding the following entities in the US, where hours lost for unplanned absence are not tracked according to Group rules: FieldTurf North America & Sales Network, FieldTurf USA Sales Network, Beynon Sales Network and Tarkett USA Sales Network (these entities represent approximately 8% of Tarkett's headcount). Hours of absence reported in Tarkett North America include COVID-19 related furlough. In 2021, Tarkett North America did not report scheduled hours and the hours of absence for "salaried employees" (representing approximately 40% of the division's workforce - defined as employees paid at flat rate, regardless of specific hours worked, unlike hourly employees who are paid a wage for each hour worked). As this data was reported for some entities in Tarkett North America in 2020 the difference in scope implies the data is not comparable.

Raw material assessment & resource scarcity: All raw materials for the production of finished and semi-finished flooring and sports surface products, excluding the three entities acquired in 2018 (Lexmark in Dalton, US; Thermagreen in Toronto, Canada and Grassman in Botany, Australia representing together 2% of all finished goods production) for which reporting is still being established; outsourced finished goods; process chemicals (except for carpet) and packaging. Any post-installation or post-use materials collected and effectively recycled by FieldTurf or Beynon Sports Surfaces are not included, with the exception of recycled post-use artificial turf recycled at Abtsteinach, Germany.

ReStart®: Any post-installation or post-use materials collected and effectively recycled by FieldTurf or Beynon Sports Surfaces are not included.

Environmental manufacturing indicators: Water, energy, greenhouse gas emissions and waste indicators are reported for all industrial sites excluding the plants which closed during 2021 (None for the reporting year).

Indoor air quality and safe, healthy spaces indicators: Share of phthalate-free, share of low VOC emission and share of non-quantifiable VOC emission products exclude all semi-finished production volume, the production volume for automotive industry at Clervaux (Luxembourg) and other non-relevant production volumes (e.g. outdoor sports surfaces). Production volume at plants which closed in 2020 (Goirle in the Netherlands) was excluded. The production volume for Lexmark in Dalton (US), which was acquired in 2018 and for which reporting is still being established, was also excluded.

Supplier commitment to Tarkett supplier Code of conduct: All direct purchases (raw materials and finished goods suppliers) and indirect purchases (local suppliers and service providers for production operations, excluding energy) from manufacturing sites (with the exception of purchases for Lexmark), excluding inter-company spends of semi-finished goods and indirect head office purchases.

CSR indicator definitions (extract from Tarkett CSR Reporting Handbook)

Social

Full time equivalent (FTE): used to measure the effective workforce during the reporting period as opposed to the headcount which is the number of employees present at the end of the reporting period. Reported for both Tarkett payroll employees and external workers.

Headcount: number of Tarkett payroll employees at the last day of the month of reporting period.

Tarkett payroll employees: All workers who are engaged by Tarkett and are on the Tarkett payroll, including interns / trainees and apprentices if on payroll. Excluding non-active staff (employees on leave greater than 6 months).

Permanent contract: Employee engaged by Tarkett for no specified duration (i.e. indefinite contract for an indeterminate period). Exception for China where employees on 2 or more years fixed-term contract are considered as permanent.

Fixed-term contract: Employee on Tarkett payroll engaged for a specified limited duration (i.e. employee temporary contract), including Tarkett Sports seasonal workers.

Geographical zones: EMEA comprises Tarkett EMEA, Tarkett Sports EMEA & corporate; North America comprises Tarkett North America & Tarkett Sports North America; Rest of World comprises Tarkett Eastern Europe, Asia, Australia & New Zealand, Latin America and Tarkett Sports Australia.

External workers: Any worker who does not have an employment contract with Tarkett / is not on Tarkett payroll (e.g. external workers on contract with a temporary staff employment or leasing agency hired to support regular operations). Not including "subcontractors working for specific projects (as exemple SAP implementation).

Manager: A manager is an employee with at least one direct report at the date of reporting (e.g. 31.12), including blue collar workers (e.g. shift leaders, group leaders, extension supervisors and team managers are considered as managers). An employee who is considered a manager (e.g. manager in job title) but who does not have direct team management responsibility or the managed team is composed only of Contingent Workers and/or Interns is not considered a manager for the CSR reporting.

Other employees: All employees other than managers at the date of reporting.

Disabled employees: Reported according to local labor laws where permitted.

Top executives (CEO, EMC - Senior Executives and Executives): covering the 3 management Levels CEO, EMC - Senior Executives and Executives.

Senior executives (Senior Directors and Directors): covering Top Executives and the following 2 management levels Senior Directors and Directors.

Employees hired: Number of employees (with permanent or fixed-term contracts) added to the payroll including employees hired on the final day of reporting period.

Rate of employee hires: employees hired / headcount

Total number of employee departures: Number of employees (with permanent or fixed-term contracts) removed from the payroll.

Total employee turnover rate: employee departures / headcount.

Permanent employee turnover rate: permanent contract employee departures / permanent employee headcount.

% of employees trained at least 1 day during the year: Share of employees in headcount at end of year, where an employee is considered as “having received training” if the cumulative number of training hours received over the full year exceeds 1 full day (8 hours).

Training hours: Training in Tarkett is considered as development activity, with specific support, and confirmation of attendance. For e-learning, the training hours reported correspond, where possible, to the real time spent by employees following online e-learning courses as recorded by the e-learning systems (for both “in progress” and “completed” courses). If real time is not available, the theoretical duration of the online training is taken into account.

PDD, Polyvalence Matrix or equivalent appraisal: The annual appraisal ("Performance and Development Dialogue" and "Polyvalence Matrix") is an annual exchange between the employee and his/her manager to discuss achievements, skills, opportunity for improvement and development program.

Open management positions filled by an internal candidate: A management position is a position (manager) with at least one direct report. An open position is a vacancy for which a person has been hired or transferred. An internal candidate is a candidate already a Tarkett employee.

Open management positions filled by a female candidate: A management position filled with an internal or an external female candidate.

Number of external people who received Tarkett Academy training: Number of people (excluding employees and external workers) having completed a Tarkett Academy technical training session / program in the Tarkett Academy network.

Tarkett Academy network: The Tarkett Academy organizes and provides specific technical training programs (amongst others, in flooring installation and maintenance) at dedicated training centers and at other locations.

Dedicated Tarkett Academy technical training center: A Tarkett facility that is dedicated to giving technical training (including training to external people).

Number of injuries - employees: Includes work-related accidents according to the local legal definition for all employees (according to Tarkett’s definition of employee). It therefore does not include commuting accidents or accidents of visitors or external workers, which are tracked separately.

LTA: A Lost Time Accident (including fatality) where the individual is more seriously injured and as a result, they are unavailable to attend work for a period greater than 24 hours.

Injuries with lost time <24hours: A workplace injury which is sufficiently serious to mean that the injured person is unable to attend work for the remainder of the day, however are available to return to work the next day.

Injuries with first aid: A workplace minor injury where the injured party is able to return to work following a brief period of minor treatment from an occupational nurse or trained staff member.

Injury frequency rate - LTA only [FR0t]: # LTA x 1 000 000 / worked hours, where the number of LTA include fatal accidents.

Recordable Lost Time Accident (LTA) Frequency Rate [FR1t]: Injury frequency rate = # LTA + # Injuries with lost time <24 hours x 1 000 000 / worked hours, where the number of LTA include fatal accidents.

Lost day rate due to LTA – accident severity rate [TG0t]: # of working days lost for LTA x 1000 / worked hours.

Occupational illnesses: An occupational illness (or disease) is defined as, "any abnormal condition or disorder, other than one resulting from an occupational injury, caused by exposure to factors associated with employment."

Occupational illnesses frequency rate: # Occupational illnesses / worked hours x 1 000 000.

Hours lost for absence: Worked hours lost for unplanned absence (i.e. illness, worked-related accidents, strikes or other unexcused absence) of all employees during the reporting period up to 30 days. Excluding "planned sick leave" absence (e.g. in North America where certain categories of workers, such as office workers, have pre-determined quota of "paid sick days" that they can take without justification and where actual sick days are not tracked) and excluding COVID-19 furlough. Where an employee returns to work, but only part-time (e.g. therapeutic phased return to work), after an absence, then the employee is no longer considered absent.

Absentee rate %: # hours lost for absence / # total scheduled hours.

Progress on "Ensure respect and integrity through adhesion to Tarkett values": Score to the following question in the biennial (every two years) employee feedback survey: "In my unit, compliance with applicable laws, regulations and Tarkett policies is taken seriously". This replaces the previous indicator based on the average of 2 questions.

Progress on "Listen to employees": Score to the following question in the biennial employee feedback survey: "Sufficient effort is made to get the opinions and thinking of people who work in Tarkett". This replaces the previous indicator based on the average of 2 questions.

Progress on "Communicate proactively towards all employees": Average score to 2 questions in the biennial employee feedback survey: "Tarkett's strategic priorities and goals have been clearly communicated to me" and "I am kept informed about matters that affect me".

Total compensation and benefits: Total of short-term employee benefits (as per Group Accounting Manual): wages, salaries and social security contributions; paid annual leave and paid sick leave; profit-sharing and bonuses payable within twelve months of the end of the period; non-monetary benefits, such as medical care, housing, cars and free or subsidized goods or services.

Tarkett Cares

Community initiatives: The Tarkett Cares program promotes the participation of Tarkett employees and Tarkett entities in local community initiatives which help the community for better living and contributes to local community's needs. As per Tarkett Cares guidelines the initiative should be connected to Tarkett's values, core business or sustainability commitment and carried out with an officially recognized non-profit organization (including public services such as schools).

Employees involved: The total number of employees who have volunteered 1 or more hours to community initiatives.

Hours volunteered: The total number of hours volunteered during working hours. As per Tarkett Cares rules, each employee can volunteer (share time and talent) between 1 hour and 2 days per year during working hours. Hours volunteered outside of working hours (e.g. evenings, weekends, holidays) are not included.

Flooring products donated: Total square meters of flooring products donated to community initiatives.

Total value of contributions to community initiatives: Value of flooring products donated based on standard factory price (cost of production) + value of other in-kind contributions (cost of purchased materials) + cash donations + value of volunteered hours (calculated using total employee wages and salaries and FTE).

Business Ethics

% of employees who have participated to e-learning training on Business Ethics: share of employees targeted who have completed the Tarkett online e-learning.

Total number of employees targeted for e-learning training on Business Ethics: based on the invitations for online e-learning.

Employees targeted for training: Employees, who by their job profile are particularly exposed to corruption, competition or data privacy risks as defined in the legal risk assessments, areexpected to complete one of dedicated training as defined by Tarkett Legal Department.

Environmental

Indicators on raw materials: purchases of raw materials only (excluding indirect purchases and finished products). Most raw material purchase data comes from Tarkett's global SAP data warehouse. The remaining (5%) is reported by plants.

Percentage of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria (% of purchase volume): Share of materials purchased (in metric tons), for which an impact study was carried out pursuant to Cradle-to-Cradle principles "Product Standard Material Health Methodology Nov. 2013" available at www.c2certified.com. Tarkett uses ABC-X classification, which evaluates risks related to the impact of chemical substances on the environment and human health. For raw materials in SAP the ratings A, B, C, [], X and [X] are considered as assessed at a SKU level. For other raw materials the ratings A, B, C, [], X, [X] and Grey are considered as assessed by raw materials family. For PVC materials, an evaluation has been performed among the supply chain to verify use of BAT (Best Available Techniques) technology on chloralkali process as well as additives involved. PVC has been rated according to specific EPEA criteria. For those PVC suppliers that have not yet provided information or have provided incomplete information a precautionary approach is taken and pre-assessed [X] until information will be provided.

Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled) (% of raw materials in mass): Materials characterized based on resources used in their production process (fossil, limited minerals, abundant minerals, renewable, recycled). The 3 categories not contributing to resource scarcity are: mineral abundant, renewable and recycled. This includes purchased raw materials as well as recycled materials used in production.

Fossil origin: Every resource synthetized from fossil fuel, especially oil, but also sulphates. The category excludes fossil minerals like Calcium carbonate. Polyvinyl Chloride (PVC) is considered as 43% fossil (petrol) and 57% mineral abundant (sea salt).

Mineral origin: A chemical element or inorganic combination of chemical elements occurring naturally, extracted from the ground or water and used in economic activities. The category includes fossil-formed minerals like charcoal or limestone. Mineral abundant resource - that is not threatened by scarcity. It can have important reserve (sea salt – sodium chloride, limestone – calcium carbonate…), very good recycling process (like Aluminium) or be virtually inexhaustible (chlorine in sea water). Mineral limited resource - that is threatened by exhaustion in a short term (as defined by selected models) and that is to be substituted in priority.

Renewable origin: A resource of which reserves can be replenished in the same or less time than the one needed for its consumption.

Recycled origin: Materials that would otherwise have been sent for waste disposal, used in lieu of primary raw materials, including post-consumer and post-installation flooring waste collected by Tarkett (e.g. ReStart®) and effectively recycled and used in Tarkett products; post-manufacturing waste from Tarkett that is reprocessed into secondary raw material and recycled in Tarkett production; recycled (post-consumer and/or post-manufacturing) waste procured by Tarkett from other organizations for Tarkett production and recycled content of other procured raw materials.

Manufacturing environmental intensity indicators: Tarkett tracks and reports its environmental performance per square meter of floor covering and sports surface. These intensity ratios are calculated by dividing the (numerator) environmental manufacturing indicators (water, energy, greenhouse gas emissions and non-recycled waste) by the (denominator) volume of finished goods – floor covering and sports surfaces in square meters. The volume of semi-finished goods is not included.

Water consumption: All water consumed in the production / technical process, including for cooling as well as water not consumed in the production process, but consumed on site (e.g. in sanitary, in canteens). Water sources are groundwater, surface water and municipal water. Excluding rainwater consumption, which is not tracked. Reported groundwater consumption at Bačka Palanka corresponds to the water consumed as measured by on-site meters rather than water pumped from ground.

Share of manufacturing plants that have implemented closed-loop water circuits (or do not use water in their process): Closed-loop water circuit considered as when water is recycled and reused in a closed loop. The only make-up normally required is that needed to replace small water losses. Each plant calculates % of reused water using flow data and formula A / A+B+C where A = volume of water re-used or recycled; B = volume of water consumed and discharged directly and C = volume of water consumed to refill the loop. Plants considered as having closed-loop water circuit when results >= 98%.

Non-renewable fuel consumption: Includes the consumption of fuel oil, natural gas, liquefied petroleum gas, propane and/or butane, other petroleum gas (e.g. ethane).

Renewable fuel consumption: Includes the consumption of biomass, biofuel, geothermal, solar thermal and solar photovoltaic energy. Excluding the purchase of renewable electricity reported separately as part of purchased electricity.

Purchased electricity consumption: Renewable and non-renewable purchased electricity and steam consumption.

- Non-renewable electricity: share of electricity purchased from a supplier using a non-renewable energy source to generate the electricity supplied during the reporting period. Including purchased steam for one plant and a small amount (<1%) of purchased heat from a district heating network for another plant.
- Renewable electricity: share of electricity purchased from a supplier using a renewable energy source to generate the electricity supplied during the reporting period.

Generated electricity sold: renewable electricity generated and sold to the grid (a negligible quantity in 2018 and so not reported in 2019, 2020 and 2021).

Total energy consumption: renewable fuel + non-renewable fuel + purchased electricity consumption + purchased steam consumption. NB. Purchased steam consumption is included in consolidated total energy consumption since 2020 (3.9 GWh). 2019 and 2018 figures have not been restated, and as such do not include the purchased steam corresponding to those years: 2019: 12.6 GWh and 2018: 15.0 GWh.

Greenhouse gas (GHG) emissions reporting: Since 2017, Tarkett aligned its inventory of GHG emissions with the GHG Protocol and GRI 2016 standards. As such it includes the CH_4 and N_20 biomass Scope 1 emissions) as well as reporting separately the outside of scope biogenic CO_2 emissions. Furthermore, it reports both market-based and location-based Scope 2 GHG emissions (which also include CH_4 and N_20 as well as CO_2 emissions). Sales Network entities are not included in the reporting of GHG emissions.

Gross direct (Scope 1) GHG emissions: Natural gas, fuel oil, LPG, propane, butane, other petroleum gas (e.g. ethane), biomass and biofuel consumption multiplied by their respective emission factors (for biomass consumption this relates only to Scope 1 CH_4 and N_20 emissions, out of scope biogenic CO_2 emissions are reported separately).

Biogenic CO_2 emissions (out of scope): CO_2 emissions arising from the combustion of biomass or biofuel are reported outside of Scope 1, Scope 2 and Scope 3 GHG emissions. These emissions are reported outside of the scope because the Scope 1 impact of these fuels has been determined to be a net '0' (since the fuel source itself absorbs an equivalent amount of CO_2 during the growth phase as the amount of CO_2 released through combustion).

Gross location-based indirect (Scope 2) (GHG) emissions: Total electricity consumption multiplied by the location-based emission factors, where the location-based method reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data. GHG emissions related to purchased steam consumption is calculated by multiplying this consumption by an emission factor related to the consumption of electricity produced by coal combustion.

Gross market-based indirect (Scope 2) (GHG) emissions: Electricity consumption multiplied by a market-based emission factor which corresponds to the characteristics of the electricity purchased. For purchased renewable electricity the factor is 0 $kgCO_2e/kWh$. In other cases, the supplier specific emission factor communicated by the electricity provider or in the absence of a specific supplier factor the emission factor based on the regional electricity generation mix or finally the default location-based emission factor. For purchased steam consumption a supplier specific emission factor is used.

Source of emission factors: Scope 1 and out of scope biogenic emission factors ($kgCO_2e$ per kWh) are taken from Defra's 2021 - UK Government GHG Conversion Factors for Company Reporting. Scope 2 location-based emission factors ($kgCO_2e$ per kWh) are taken from 3 sources: (i) Defra 2021 for UK purchased electricity and for Scope 2 emissions associated to purchased steam consumption (electricity generation based on coal combustion); (ii) US EPA: eGRID 2019v2 - Subregion Emissions – Greenhouse Gases for US regional purchased electricity and (iii) IEA "Emissions Factors (2021 edition considering 2019 results)" for all other countries' purchased electricity.

Phthalate-free products: Products "without added phthalates" mean that no phthalate plasticizers (DOP or DINP) are contained in virgin raw material (not greater than 0.1% in mass) in the product composition, but recycled material content could contain some residual phthalates.

Percentage of phthalate-free flooring: Share of finished goods production volume (m²) potentially containing phthalates, i.e. all vinyl products (including LVT outsourced) and all other products containing PVC parts (e.g. certain carpets produced in North America) which are phthalate-free.

VOC: volatile organic compounds.

Low VOC emission products: Products with TVOC emissions ≤ 100 µg/m³ according to ISO 16000-9 guidelines (emission chamber) and local test methods (wood floorings: excluding natural emissions coming from wood itself).

Non-quantifiable VOC emissions products: Products with TVOC, SVOC and formaldehyde emissions ≤ 10 µg/m³ according to ISO 16000-9 guidelines (emission chamber) and local test methods.

Percentage of flooring with low VOC emission levels: Share of finished goods production volume (m²) of indoor flooring and indoor sports surface products potentially releasing VOCs, i.e.: all products excluding outdoor grass and outdoor track surfaces which have low VOC emission levels.

Waste: All waste removed from the manufacturing plants, (e.g. industrial waste, office waste, waste from canteens, …) removed by a contracted service provider (this may exclude certain non-industrial waste removed by municipal authorities who do not provide any tracking information such as quantity and type of waste removed). Tarkett splits waste by hazardous and non-hazardous and by destination: landfill, incineration with energy recovery, incineration without energy recovery, other treatment and recycling. Non-hazardous waste-water is excluded.

Hazardous waste: Hazardous waste as defined by national legislation at the point of generation.

Non-hazardous waste: Waste not classified as hazardous as defined by national legislation at the point of generation.

Non-recycled waste: All waste excluding waste sent for external recycling or / and sent to other Tarkett plants for internal recycling.

Waste to landfill: All waste sent to landfill.

Waste sent for external recycling: Waste sent for external recycling. Also including carpet waste sent to cement industry as a source of calcium carbonate as well as a replacement to fossil fuel.

Quantity of post-installation and end-of-use flooring collected through the ReStart® program: End-of-use (post-consumer or post-utilisation) flooring and sports surface products that have been used and are removed for disposal (e.g. old products retrieved from the floor during a renovation project, potentially with remaining concrete and/or glue). Post-installation flooring waste incurred during the installation of flooring and sports surface products (e.g. not used pieces of clean flooring, reclaimed from installers during installation). Collected through Tarkett organized collection of end-of-use or post-installation waste (i.e. through ReStart® program) in order to be recycled and reintegrated into production whenever possible.

Other CSR indicators:

Percentage (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent: Following the launch of our Supplier Code of conduct in 2019, we monitor the share of suppliers (in spend including trading goods, direct purchases, indirect purchases, group IT, others) who have adhered to Tarkett's Responsible sourcing Code of Conduct for Suppliers or equivalent. The indicator is calculated based on suppliers who have adhered in the current year (including Tarkett Sport Division since 2021), using purchasing data from the previous year. Accepted equivalents include: a supplier's Code of conduct if validated by Tarkett as being equivalent to Tarkett's Code of Conduct; SA8000 and ISO 14001 certification; B Corp certification and Cradle to Cradle® certification of products with all pillars in at least silver level.

3.11.3 GRI and DPEF concordance table

Tarkett has developed a reporting system that follows and goes beyond the French extra-financial performance declaration (DPEF), based on challenging frameworks and guidelines published by international bodies such as the Global Reporting Initiative (GRI).

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
102	**General Disclosures**		
	Organisational Profile		
102-1	Name of the organization	3.1.2	
102-2	Activities, brands, products, and services	1.4, 1.6, 3.1.2	
102-3	Location of headquarters	7.1.1	
102-4	Location of operations	1.5, 1.6, 3.1.2	
102-5	Ownership and legal form	7	
102-6	Markets served	1.5, 3.1.2	
102-7	Scale of the organization	1, 3.1.2	
102-8	Information on employees and other workers	3.11.1	Art. R225-105 II. A. 1° a)
102-9	Supply chain	3.9.1	Art. R225-105 II. A. 3° b)
102-10	Significant changes to the organization and its supply chain	1	
102-12	External initiatives	3.2.3, 3.5	
102-13	Membership of associations	3.5	
	Strategy		
102-14	Statement from senior decision-maker	3.1.1	
102-15	Key impacts, risks, and opportunities	3.3, 6.1	Art. R225-105 I. 1°
	Ethics and Intégrity		
102-16	Values, principles, standards, and norms of behavior	3.2.4	
102-17	Mechanisms for advice and concerns about ethics	3.2.4	
	Governance		
102-18	Governance structure	2.1, 2.2, 3.2.1	
102-19	Delegating authority	2.1, 2.2, 3.2.1	
102-20	Executive-level responsibility for economic, environmental, and social topics	3.2.1	
102-21	Consulting stakeholders on economic, environmental, and social topics	3.5	
102-22	Composition of the highest governance body and its committees	2.1	
102-23	Chairman of the highest governance body	2.1	
102-24	Nominating and selecting the highest governance body	2.2	
102-25	Conflicts of interest	2.1.2.1	
102-26	Role of highest governance body in setting purpose, values, and strategy	2.2	
102-27	Collective knowledge of highest governance body	2.1	

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
102-28	Evaluating the highest governance body's performance	2.2	
102-29	Identifying and managing economic, environmental, and social impacts	3.3, 6.1	
102-30	Effectiveness of risk management processes	3.3, 6.2	
102-31	Review of economic, environmental, and social topics	3.2.1	
102-32	Highest governance body's role in sustainability reporting	3.2.2	
102-35	Remuneration policies	2.3, 2.6	
102-36	Process for determining remuneration	2.2, 2.6	
102-37	Stakeholders' involvement in remuneration	2.6	
	Stakeholder Engagement		**Art. R225-105 II. A. 3° a)**
102-40	List of stakeholder groups	3.5	
102-41	Collective bargaining agreements	3.10.5.3, 3.11.1	Art. L225-102-1 III.
102-42	Identifying and selecting stakeholders	3.5	
102-43	Approach to stakeholder engagement	3.5	
102-44	Key topics and concerns raised	3.5	
	Reporting Practice		
102-45	Entities included in the Consolidated Financial Statements	3.11.2, 5	Art. L225-102-1 III.
102-46	Defining report content and topic boundaries	3.11.2	
102-47	List of material topics	3.3.4	
102-48	Restatements of information	3.11.1, 3.11.2	
102-49	Changes in reporting	3.2.2, 3.11.2	
102-50	Reporting period	3.11.2	
102-51	Date of most recent report	3.11.2	
102-52	Reporting cycle	3.11.2	
102-53	Contact point for questions regarding the report	3.11.2	
102-55	GRI content index	3.11.3	
102-56	External assurance	3.11.4	Art. L225-102-1 V.
103	**Management Approach**	**3.1, 3.2, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10**	**Art. R225-105 I. 2° & 3°**
200	**Economic**		
201	**Economic Performance**		
201-1	Direct economic value generated and distributed	3.1.2, 4, 5	
201-2	Financial implications and other risks and opportunities due to climate change	3.3, 6.1	Art. L225-102-1 III.
203	Indirect Economic Impact		
203-1	Infrastructure investments and services supported	3.9.2	
203-2	Significant indirect economic impacts	3.9.2	Art. R225-105 II. A. 3° a)
205	Anti-Corruption	3.2.4	Art. L225-102-1 III. Art. R225-105 II. B. 1°

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
205-1	Operations assessed for risks related to corruption	3.2.4.2, 3.3	
205-2	Communication and training about anti-corruption policies and procedures	3.2.4.2	
300	**Environmental**		**Art. L225-102-1 III. Art. R225-105 II. A. 2° a)**
301	**Materials**		**Art. R225-105 II. A. 2° c) ii)**
301-1	Materials used by weight or volume	3.6.1.1, 3.11.1	
301-2	Recycled input materials used	3.7.2.3, 3.11.1	
301-3	Reclaimed products and their packaging material	3.7.2.2, 3.11.1	
302	**Energy**		**Art. R225-105 II. A. 2° c) ii)**
302-1	Energy consumption within the organization	3.7.1.1, 3.11.1	
302-3	Energy intensity	3.7.1.1, 3.11.1	
302-4	Reduction of energy consumption	3.7.1.1	
302-5	Reductions in energy requirements of products and services	3.7.1.1	
303	**Water and Effluents**		
303-5	Water Consumption	3.7.1.3, 3.11.1.	Art. R225-105 II. A. 2° c) ii)
305	**Emissions**		**Art. R225-105 II. A. 2° b) & d)**
305-1	Direct (Scope 1) GHG emissions)	3.7.1, 3.11.1	
305-2	Energy indirect (Scope 2) GHG emissions	3.7.1, 3.11.1	
305-3	Other indirect (Scope 3) GHG emissions	3.7.2, 3.11.1	
305-4	GHG emissions intensity	3.7.1, 3.11.1	
305-5	Reduction of GHG emissions	3.7	
306	**Waste**		**Art. R225-105 II. A. 2° c) i)**
306-2	Waste by type and disposal method	3.7.2.1	
308	Supplier Environmental Assessment	3.6.1, 3.9.1	Art. R225-105 II. A. 3° b)
308-1	New suppliers that were screened using environmental criteria	3.9.1	
308-2	Negative environmental impacts in the supply chain and actions taken	3.9.1	
400	**Social**		**Art. L225-102-1 III.**
401	Employment		
401-1	New employee hires and employee turnover	3.10.5.4, 3.11.1	Art. R225-105 II. A. 1° a)
402	Labor / Management Relations		
402-1	Minimum notice periods regarding operational changes	3.10.5.4	
403	Occupational Health & Safety	3.10.1, 3.10.2	Art. R225-105 II. A. 1° c)
403-1	Occupational health and safety management system	3.10.1, 3.10.2	
403-2	Hazard identification, risk assessment, and incident investigation	3.3, 3.10.1	
403-3	Occupational health services	3.10.2	
403-5	Worker training on occupational health and safety	3.10.1, 3.10.4.2	

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
403-6	Promotion of worker health	3.10.2	
403-8	Workers covered by an occupational health and safety management system	3.10.1	
403-9	Work-related injuries	3.10.1, 3.11.1	Art. R225-105 II. A. 1° c)
403-10	Work-related ill health	3.10.2, 3.11.1	Art. R225-105 II. A. 1° c)
404	Training and Education	3.10.4.2	Art. R225-105 II. A. 1° e)
404-1	Average hours of training per year per employee	3.11.1	
404-2	Programs for upgrading employee skills and transition assistance programs	3.10.4.2	
404-3	Percentage of employees receiving regular performance and career development reviews	3.10.4.1, 3.11.1	
405	Diversity and Equal Opportunity	3.10.3	Art. L225-102-1 III. Art. R225-105 II. A. 1° f)
405-1	Diversity of governance bodies and employees	3.10.3, 3.11.1	
407	Freedom of Association and collective bargaining		Art. R225-105 II. A. 1° d)
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.10.5.3	
412	Human Rights Assessment		Art. L225-102-1 III. Art. R225-105 II. B. 2°
412-2	Employee training on human rights policies or procedures	3.2.4, 3.11.1	
413	Local Communities	3.9.2	Art. R225-105 II. A. 3° a)
413-1	Operations with local community engagement, impact assessments, and development programs	3.9.2, 3.11.1	Art. L225-102-1 III.
414	Supplier Social Assessment	3.9.1.1	Art. R225-105 II. A. 3° b)
414-1	New suppliers that were screened using social criteria	3.9.1.1	
414-2	Negative social impacts in the supply chain and actions takens	3.9.1.1	
416	Customer Health and Safety		Art. R225-105 II. A. 3° c)
416-1	Assessment of the health and safety impacts of product and service categories	3.6.1, 3.8, 3.11.1	
417	Marketing and Labeling		
417-1	Requirements for product and service information and labeling	3.6.1.2	

3.11.4 Report of Independent Third-Party Organization

Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement in the Management Report

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditor of your company (hereinafter the "entity"), appointed as independent third party and accredited by COFRAC under number 3-1049[1], we have undertaken a limited assurance engagement on the historical financial information (actual or extrapolated) of the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2021 (hereinafter, respectively, the "Information" and the "Statement"), included in the Group's management report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures performed, as set out in the "Nature and scope of our work" section of this report, and the information collected, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the main elements of which are presented in the Statement or on request from the entity's registered office.

Inherent limitations in preparing the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for their preparation and presentation in the Statement.

Responsibility of the entity

The Board of Directors is responsible for:

- Selecting or establishing suitable criteria for preparing the Information;
- Preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main extra-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators, and the information provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- Implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by applying the entity's Guidelines as mentioned previously.

Responsibility of the Statutory Auditor, appointed as independent third party

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

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical financial information (actual or extrapolated) provided in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning action plans and policy outcomes, including the key performance indicators on the main risks.

As it is our responsibility to provide an independent conclusion on the Information as prepared by Management, we are not authorised to help prepare said Information, as that could compromise our independence.

However, it is not our responsibility to comment on:

> The entity's compliance with other applicable legal and regulatory requirements (in particular, the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation), the French duty of care law and anti-corruption and tax avoidance legislation);
> The fairness of the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
> the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional guidance

We performed our work described below in accordance with the provisions of Articles A. 225 1 and following of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and International Standard on Assurance Engagements 3000 (Revised)[2].

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) for statutory auditors. Our firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with applicable legal, regulatory and ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors relating to this engagement.

Means and resources

Our work was carried out by a team of eight people between September 2021 and February 2022 and took a total of ten weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around twenty interviews with people responsible for preparing the Statement.

Nature and scope of our work

We planned and performed our work to address the areas where we identified that a material misstatement of the Information was likely to arise.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

> We obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
> We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
> We have verified that the Declaration covers each category of information provided for in III of Article L. 225-102-1 concerning social and environmental matters, as well as the information provided for in the second paragraph of Article L. 22-10-36 concerning respect for human rights and the fight against corruption and tax evasion;
> We verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
> We verified that the Statement presents the business model and a description of the principal risks associated with all the consolidated entities' activities], including where relevant and proportionate, the risks associated with [their] business relationships, [their] products or services, as well as [their] policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
> We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendices. Concerning certain risks[3], our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities[4].

- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with Article L. 233-16, within the limitations set out in the Statement;
- We obtained an understanding of the internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, as presented in the appendices, we implemented:
  - Analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - Tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 18% and 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

[1] Cofrac Accreditation Inspection, no. 3-1049, available at www.cofrac.fr

[2] ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

[3] Unavailability, disruptions, site damage; Ethics and integrity in conducting business; Evolution of the flooring market; Evolution, complexity and interpretation of tax regulations; Information system and cybersecurity; Supplier dependency.

[4] Tarkett North America; TSP FieldTurf USA; Sedan – France; Dendermonde – Belgium; Otradny – Russia.

Paris-La Défense, on February 18, 2022, KPMG S.A.

Fanny Houlliot, Partner, Sustainability Services

Renaud Laggiard, Partner

Appendix

Qualitative information (actions and results) considered most important
Measures taken to promote employee well-being
Group commitments and solidarity actions
Measures taken for the safety of employees
Talent and Competency Management Programs
Actions in favor of transparency on the composition of products
Objectives and commitments to reduce the environmental impact of the activity
Measures taken to promote the circular economy
Principles and procedures for ensuring business ethics and integrity
Corruption prevention measures
Promotion of good practices throughout the supply chain
Measures taken to limit the risk of dependence on suppliers
Actions on cybersecurity

Key performance indicators and other quantitative outcomes considered to be the most important
Total number of employees (as of 31/12)
Total number of permanent contract female employees
Total number of permanent contract male employees
Share of permanent employees
Percentage of employees trained at least 1 day during the year
Absentee rate (employees)
Percentage of open management positions filled by an internal candidate
Recordable lost-time accident frequency rate for all employees
Lost day rate due to Lost Time Accident - accident severity rate for all employees
Percentage of women in management
Water consumption intensity
Percentage of production sites certified ISO 14001
Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled)
Percentage of renewable or recycled raw materials
Energy intensity
Percentage of energy consumption coming from renewable energies
GHG market-based emissions intensity (Scope 1 & Scope 2)
Percentage reduction of Scope 1 & 2 GHG emissions vs 2019
Quantity of post-installation and end-of-use flooring collected through the ReStart® program
Percentage of flooring with low Volatile Organic Compound (VOC) emissions levels
Percentage of phthalate-free flooring
Percentage of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria
Percentage (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent
Percentage (in number) of targeted suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent

Appendix

List of *Cradle to Cradle*® (C2C) certifications

Product Categories	Product References	Certification Level
Carpet	Desso EcoBase® PA6 Solution Dyed Carpet Tiles Gold	Gold V3.1
	Desso EcoBase® Carpet Tile Backing	Gold V3.1
	Desso EcoBase® PA 6 Continuous Dyed Carpet Tiles	Silver V3.1
	Desso EcoBase® PA 6 Solution Dyed Carpet Tiles	Silver V3.1
	Desso One	Silver V3.1
	EcoBase PA Solution Dyed Carpet Tiles Suzhou	Silver V3.1
	ethos® Modular Tile with Omnicoat Technology	Silver V3.1
	Solution Dyed Broadloom	Bronze V3.1
	Continuous Dyed Broadloom	Bronze V3.1
	Desso EcoBase® PA 6.6 Continuous Dyed Carpet Tiles	Silver V3.1
	Desso® PA 6 Solution Dyed Carpet Tiles	Bronze V3.1
	Desso® PA 6 Continuous Dyed Carpet Tiles	Bronze V3.1
	Desso® PA 6.6 Continuous Dyed Carpet Tiles	Bronze V3.1
Resilient flooring	iQOne	Gold V3.1
	iD Revolution	Gold V3.1
Linoleum	Tarkett Linoleum Flooring	Gold V3.1
	Tarkett Linoleum Flooring and Wall Covering Silver	Silver V3.1
	Tarkett Linoleum Flooring and Wall Covering Bronze	Bronze V3.1
Rubber	BaseWorks® Thermoset Rubber Wall Base	Silver V3.1
	Tarkett Rubber Tile Collection	Bronze V3.1
Artificial turf	FieldTurf, EasyTurf and Desso product ranges	Bronze V3.1
Wood	Parquet	Silver V3.1

C2C Material Health Certificates

Product Categories	Product References	Certification Level
Anti-soil	Eco-Ensure	Platinum
Adhesifs	Tandus B-19 Adhesive	Platinum
	Tandus C-56 Floor Primer	Platinum
	Tarkett 959 Vinyl Tile and Plank Adhesive	Platinum
	Tarkett 901 Resilient Flooring Spray Adhesive and Sports HS Spray Adhesive	Silver
	Tarkett Resilient Flooring Adhesives	Platinum
	Tandus Centiva C-12e Pressure Sensitive Adhesive	Silver
	Tandus Centiva C-14e Pressure Sensitive Adhesive	Silver
	Tandus Centiva C-TR Adhesive	Silver
	Tarkett C-EX Pressure Sensitive Adhesive	Silver
	Tarkett RollSmart Adhesive	Bronze
Resilient flooring	iQOne	Platinum
Rubber	BaseWorks® Thermoset Rubber Wall Base	Silver
	Tarkett Rubber Tile Collection	Bronze

List of plant ISO certifications

Site	Products	ISO 9001	ISO 45001	ISO 14001	ISO 50001
Clervaux, Luxembourg	Resilient flooring	x	x	x	x
Konz, Germany	Resilient flooring	x	x	x	x
Ronneby, Sweden	Resilient flooring	x	x	x	x
Sedan, France	Resilient flooring	x	x	x	x
Jaslo, Poland	Resilient flooring	x		x	x
Lenham, UK	Resilient flooring	x	x	x	
Tuzla, Turkey	Resilient flooring	x	x	x	
Narni[1], Italy	Resilient flooring (linoleum)	x	x	x	x
Orzechowo, Poland	Wood flooring	x	x	x	x
Hanaskog, Sweden	Wood flooring	x	x	x	
Waalwijk, Netherlands	Carpet	x		x	
Dendermonde, Belgium	Carpet	x	x	x	x
Otradny, Russia	Resilient flooring	x	x	x	
Mytishchi, Russia	Laminate flooring	x	x	x	
Kalush, Ukraine	Resilient & wood flooring	x	x	x	
Bačka Palanka, Serbia	Resilient & wood flooring, carpet and rugs	x	x	x	x
Farnham, Canada	Resilient flooring	x	x	x	
Florence West, USA	Resilient flooring		x	x	
Florence East, USA	Premium vinyl tiles (LVT)	x	x	x	
Middlefield, USA	Resilient flooring	x	x	x	
Chagrin Falls, USA	Resilient flooring	x	x	x	
Dalton (Smith), USA	Carpet			x	
Dalton (Kraft), USA	Carpet				
Calhoun, USA	Carpet			x	
Mexico City[2], Mexico	Resilient flooring				
Jacareí, Brazil	Resilient flooring	x	x	x	
Suzhou, China	Carpet	x	x	x	
Beijing, China	Resilient flooring	x		x	
Calhoun (FieldTurf), USA	Artificial turf	x	x	x	
Auchel, France	Artificial turf	x			
Toronto, Canada	Shockpads				
Botany, Australia	Artificial turf	x	x	x	
Abtsteinach, Germany	Fibres for artificial turf	x			x
Hunt Valley, USA	Athletic tracks	x			

1 *The site at Narni (Italy) also has ISO 37001 certification (Anti-Bribery Management Systems) and a Social Responsibility SA 8000 certification.*
2 *The site at Mexico City (Mexico) was acquired in 2021*

ICPE Production Sites in France (Classified Installations for Environmental Protection) – Sedan and Auchel sites

In France, ICPE refers to '*Installations Classées pour la Protection de l'Environnement*' – Classified Installations for Environmental Protection.

The vinyl production facility in Sedan, France is ranked as an Authorization-level Classified Installation by a Prefectural Decree of July 2008 in particular for sections with regard to the processing and storage of plastic materials. Hence the site is subject to "Authorization" for sections:

- 2450-A-a – Rotogravure printing

The Sedan site has entrusted its regulatory surveillance to a specialized firm which enables it to identify evolutions in ICPE regulations. In particular, the site communicated all elements to the authorities concerning the new 3000 and 4000 ICPE sections. The site is organized in case of a major fire or pollution disaster thanks to an Internal Operation Plan (POI) and an internal team of firemen capable of intervening 24 hours a day and 7 days a week.

The site organization complies with the highest standards. Hence, the site is certified for the following standards: ISO 9001 (Quality), ISO 14001 (Environment), ISO 50001 (Energy) and ISO 45001 (Health & Safety).

Thanks to a proactive policy, the site has reduced its environmental impact. In 2021 the site recycled 99,7% of its waste, with no waste sent to landfill. In 2019 and 2020, the plant recorded less than 4 tons of industrial VOC (Volatile Organic Compounds) emissions (against a prefectural decree authorizing up to 30 tons, 2021 results not available at time of publication). Water consumption has been reduced by 40% in 2021 compared to 2015 and a study is underway to eliminate non-domestic discharges from 2023.

To achieve this, the site uses a defined method of analysis and reduction of environmental impacts.

Finally, to protect the environment from accidental pollution, the site has set up oil separators on rainwater discharges and a system for continuously analyzing the level of pollutionof industrial water discharges.

Artificial turf production facility in Auchel : The authorization request to operate the Auchel site (France) was validated by the Préfecture (territorial authorities) on 17/03/2017. The Auchel site factory installations are subject to the registration scheme. The nomenclature version considered to carry out this classification is version 27.01 (October 2015). Accordingly, the site is now subject to registration for sections 2661.1.b and 2661.2.a – Transformation of polymers. The following sections were moreover classified as being subject to declaration (the regulatory level below Registration):

- 2662.3 – Storage of polymers;
- 2663.2.b – Storage of tires and products of which a minimum of 50% of the total unit weight is composed of polymers;
- 4719.2 – Acetylene storage;
- 4719.2 - Stockage d'Acétylène.

List and justification of non-material CSR topics

The CSR topics listed in the below table are not highly material for Tarkett and were therefore not developed in the CSR report.

CSR Topic	Justification of low materiality for Tarkett
Biodiversity	Tarkett does not operate in areas of high biodiversity value such as natural protected areas and does not develop new activities in pristine areas. As such, our activities do not have a direct impact on sensitive biodiversity features. We can however have an indirect impact on biodiversity, e.g. through natural resources consumption, air emissions or waste generation – topics which are duly addressed in the CSR report.
Air emissions (other than greenhouse gases)	Our main focus concerning air emissions is on greenhouse gases (GHG) due to their global impact on climate change. Some actions implemented to reduce GHG emissions (such as improvement of energy efficiency, development of renewable energies, etc.) in turn reduce emissions of other air pollutants such as nitrogen oxides (NO_x), sulphur oxides (SO_x) or particulate matters (PM). Most of our direct emission sources (e.g. boilers) at our manufacturing sites use natural gas as fuel, thus leading to minimal SO_x and PM emissions. We monitor our air emissions as per regulatory requirements to confirm compliance with applicable emissions standards for other pollutants such as NO_x.
Wastewater discharges	Our main focus is to reduce water consumption, by implementing closed-loop water systems or manufacturing processes which do not consume any water (topic addressed in the CSR report). This in turn minimizes the volume of wastewater discharges at our manufacturing sites. Concerning pollutants, we monitor our wastewater discharges as per regulatory requirements to confirm compliance with applicable standards.
Noise and other nuisances	At our manufacturing sites, we measure boundary noise as per regulatory requirements to confirm compliance with applicable standards and to ensure that we minimize the nuisances for our neighbors. Complaints regarding noise or other nuisances (e.g. odors, lighting, smoke), which very rarely occur, are discussed with the complainant, investigated and subject to appropriate corrective actions as relevant.
Food wastage	Food waste is limited to restaurant services and is managed by external suppliers with their own action plan.
Environmental incidents	Our activities are not likely to generate catastrophic environmental incidents such as a significant oil or chemical spill. We however have emergency response plans in place at our manufacturing sites, which include environmental emergencies. We systematically report and investigate environmental incidents.ence, qui incluent les urgences environnementales, en place sur nos sites de production. Tout incident environnemental est systématiquement reporté et analysé.
Child labor	Tarkett does not operate in countries with a high risk of child labor. Our internal policies and our Code of Ethics completely prohibit child labor.
Rights of indigenous people	Tarkett activities do not involve direct impact or relationship with indigenous people (such as resettlement, land acquisition, etc.).
Combat against food insecurity, respect of animal welfare, responsible, fair and sustainable food supply	These topics are not applicable to Tarkett activities (topics included in the French regulations on non-financial statement – DPEF further to the publication in October 2018 of law n° 2018-938 on balanced trade relations in the agricultural and food sectors and on healthy and sustainable food supply accessible to all).

4 ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

4.1 Key figures

The following information concerning the Group's financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements as of and for Fiscal 2021, and the notes thereto, free English language translations of which are included in Sections 5.1 and 5.2.

The Consolidated Financial Statements were prepared in accordance with IFRS as adopted by the European Union for the fiscal years in question. The Consolidated Financial Statements as of and for Fiscal 2021, have been audited by the Company's Statutory Auditors. The related report of the Company's Statutory Auditors is included in Section 5.9 "Statutory Auditors' Report on the Consolidated Financial Statements".

The Group is a global leader in flooring and sports surfaces offering the most extensive geographical base and one of the most comprehensive product lines in the industry. The Group's business is organized into four segments: three geographical segments for flooring (EMEA, North America and CIS, APAC and Latin America) and one global segment for sports surfaces.

Key Figures - Tarkett Groupe

(in millions of euros)	Fiscal 2021	Fiscal 2020
Consolidated results of operations		
Net revenue	**2,792.1**	**2,632.9**
Organic growth [1]	+6.4%	-9.5 %
Adjusted EBITDA before IFRS 16 [1]	**197.7**	**247.0**
% of net revenue	7.1 %	9.4 %
Adjusted EBITDA [1]	**229.0**	**277.9**
% of net revenue	8.2 %	10.6 %
Adjusted EBIT before IFRS 16 [1]	**77.8**	**118.0**
% of net revenue	2.7 %	4.5 %
Adjusted EBIT [1]	**80.2**	**119.4**
% of net revenue	2.9 %	4.5 %
Result from operating activities (EBIT)	**59.6**	**47.4**
% of net revenue	2.1 %	1.8 %
Net result for the period - Group Share	**15.1**	**(19.1)**
Dividends per share (in euros) [3]	0.23	-
Consolidated financial position		
Shareholders' Equity	840.2	770.3
Net debt before IFRS 16 [2]	367.6	364.9
Net debt [2]	475.6	473.8
Total Balance Sheet	**2,418.3**	**2,337.0**
Consolidated cash flows		
Cash generated from operations	191.6	313.1
Investments	(72.8)	(74.1)
Free cash flow [1]	19.5	163.5
Market capitalization	**1,278**	**944**
Headcount at December 31	**12,008**	**12,106**

[1]Cf. Section 4.7.
[2]Cf. Section 4.3.3 in Note 7 in Section 5.2.
[3]It will be proposed at the Shareholders' Meeting on April 29, 2022 to allocate the 2021 results to te "Retained Earnings" account and therefore, to not distribute dividends.

Key figures

The tables below show the breakdown of the Group's principal performance indicators by segment. Changes in these indicators as compared with the previous year are discussed in Section 4.1.2:

2021 (in millions of euros)	Flooring			Sports Surfaces	Central	Group
	EMEA	North America	CIS, APAC and Latin America			
Net revenue	**888.5**	**727.2**	**588.6**	**587.7**	**-**	**2,792.1**
Gross profit	**211.0**	**137.1**	**110.8**	**90.7**	**1.0**	**550.6**
% of net revenue	*23,7 %*	*18,9 %*	*18,8 %*	*15.4 %*	*0,0%*	*19,7 %*
Adjusted EBITDA	**102.0**	**43.4**	**88.7**	**46.0**	**(51.0)**	**229.0**
% of net revenue	*11.5 %*	*6.0 %*	*15.1 %*	*7.8 %*	*0.0%*	*8.2 %*
Ajustements	**(7.9)**	**(6.5)**	**(0.3)**	**(0.5)**	**(5.2)**	**(20.4)**
EBITDA	**94.1**	**36.9**	**88.4**	**45.5**	**(56.2)**	**208.6**
% of net revenue	*10.6 %*	*5.1 %*	*15.0 %*	*7.7 %*	*0.0%*	*7.5 %*
Result from operating activities (EBIT)	**41.1**	**(35.4)**	**45.6**	**21.9**	**(13.6)**	**63.9**
% of net revenue	*4.6 %*	*-4.9 %*	*7.8 %*	*3.7 %*	*0.0 %*	*2.3 %*
Capital expenditures	**27.8**	**13.1**	**14.3**	**11.3**	**6.3**	**72.8**

2020 (in millions of euros)	Flooring			Sports Surfaces	Central	Group
	EMEA	North America	CIS, APAC and Latin America			
Net revenue	**823.6**	**694.5**	**527.9**	**586.9**	**-**	**2,632.9**
Gross profit	**213.3**	**137.1**	**120.5**	**107.9**	**(0.0)**	**578.8**
% of net revenue	25.9 %	19.7 %	22.8 %	18.4 %	0.0%	22.0 %
Adjusted EBITDA	**108.9**	**58.9**	**97.4**	**60.5**	**(47.8)**	**277.9**
% of net revenue	13.2 %	8.5 %	18.4 %	10.3 %	0.0%	10.6 %
Ajustements	**(7.2)**	**(2.3)**	**(0.5)**	**(2.3)**	**(5.3)**	**(17.6)**
EBITDA	**101,7**	**56,5**	**96,8**	**58,1**	**(53,0)**	**260,2**
% of net revenue	12.4 %	8.1 %	18.3 %	9.9 %	0.0%	9.9 %
Result from operating activities (EBIT)	**48.2**	**(66.1)**	**52.2**	**34.9**	**(21.8)**	**47.4**
% of net revenue	5.8 %	-9.5 %	9.9 %	5.9 %	0.0 %	1.8 %
Capital expenditures	**30.4**	**10.4**	**14.5**	**11.0**	**7.8**	**74.1**

4

4.1.1 Key indicators and segment information

4.1.1.1 Key indicators

Revenue

Consolidated net revenues are equal to revenues, excluding taxes on sales, of the Group's products and services, as well as transportation costs and customs duties that are invoiced to customers, net of rebates, discounts, returns and intragroup sales. They depend primarily on the growth factors described in Section 1.5.

The countries and regions where the Group operates have different demand trends, primarily as a result of local economic conditions, which affect the renovation and construction markets. The choice of flooring solutions in each market is influenced by local lifestyles, end-user tastes, climate and the condition of existing flooring, among other factors.

The Group estimates that the large majority of its revenues for the financial years under review were generated by renovation projects. The construction of new housing and commercial buildings represented a small percentage of revenues during this period.

The Group's organic revenue growth (see Section 4.7) (*i.e.*, the positive and negative variation of sales due to changes in sales volumes and prices, excluding the effects of changes in scope of consolidation and exchange rates) depends mainly on the following factors, the details of which per segment are described in Section 1.5:

- Competitive advantage;
- The growth potential and structure of each of the Group's markets;
- The Group's product-promotion strategy; and
- The economic climate.

Cost of sales

The Group's cost of sales is composed primarily of variable costs, due to the large effect of the cost of raw materials, and, to a lesser extent, transportation and logistics costs. The primary components of cost of sales include the following:

- Raw materials used in the Group's manufacturing processes. The Group primarily uses PVC and plasticizers, the cost of which is related in part to the price of crude oil. Wood is another raw material that the Group uses. In 2021, the Group's raw materials costs consisted mostly of PVC and plasticizers (approximately 42%), wood (approximately 11%), fiberglass (approximately 3%) and packaging (approximately 5%). For developments about recent trends in the prices of raw materials used by the Group, see Section 1.6.2.1, "Raw Materials and Suppliers";
- Labor costs, consisting principally of salaries and benefits of production personnel. These costs vary depending on the number of employees and average level of salaries and benefits. In order to control labor costs, the Group uses temporary workers in certain factories to handle the seasonality of some of its activities. Labor costs were stable;
- Transportation and logistics costs, which depend on fuel prices and the Group's operational efficiency (including, for example, its ability to ship products in fully loaded trucks, the location of production sites and the distance from the points of delivery to final customers);
- Other costs, including energy costs such as electricity and gas, maintenance costs associated with the Group's various factories and depreciation and amortization of production and logistics assets.

Purchases of raw materials and similar products, labor costs and transportation and logistics costs represented 55%, 16% and 10%, respectively, of the Group's 2021 cost of sales.

As described in Section 1.6.2.2, over the past several years the Group has implemented a WCM (World Class Manufacturing) program. The Group believes that this program has enabled it to realize savings of more than 2% of cost of sales each year.

Selling, general and administrative expenses

Selling expenses include compensation of the Group's sales force, advertising and marketing costs and the cost of providing samples to customers and decision-makers such as architects and installation companies. The level of selling expenses is tied in part to the number of product or collection launches, which require specific sales efforts.

General and administrative expenses include administrative personnel costs at the central and division levels, which are managed through a decentralized model. Expenses relating to the management of information systems as well as amortization and depreciation of related investments are also included in administrative expenses.

Research and development

Innovation is critical to the Group's success, ensuring product quality, compliance with regulatory standards and reduced environmental impact. The Group seeks to maintain the highest level of excellence while controlling Research and Development costs, which are small as compared with other operational expenses. These costs include compensation of Research and Development personnel as well as amortization and depreciation of patent-related expenses. Research and development costs represented 1% of the Group's consolidated net revenue in 2021.

SG&A

SG&A includes sales and administrative expenses, as well as the research and development costs described above.

Adjusted EBITDA

To evaluate its business performance, the Group uses an indicator that it calls "adjusted EBITDA" (see Section 4.7), which is equal to operating income before depreciation, amortization and before certain revenues or expenses considered as unusual or non-recurring, such as:

- Restructuring costs intended to grow the Group's future profits;
- Gains or losses on significant asset sales;
- Costs relating to corporate and legal restructuring, including legal fees and acquisition costs, and other post-acquisition adjustments;
- Management fees invoiced by the shareholders of the Company; and
- Expenses relating to share-based payments without any related cash payment.

Management believes that adjusted EBITDA is a useful indicator because it measures the performance of the Group's activities without taking into effect past expenditures (depreciation and amortization) or unusual costs that are not representative of trends in the Group's results of operations. EBITDA and adjusted EBITDA are not standardized accounting terms with generally accepted definitions. They should not be taken as a substitute for operating income, net income or cash flows, nor should they be treated as a measure of liquidity. Other issuers may calculate EBITDA and adjusted EBITDA differently.

Financial income and expense

Net financial costs include interest expense incurred on borrowings and their transactional costs, interest income on investments of cash balances, discounting charges relating to retirement commitments, and gains and losses on net monetary balance and financial and hedging instruments, to the extent recognized in the Group's income statement.

Total income tax

Income tax expense includes corporate income taxes payable by the Group's entities, as well as withholding taxes on dividends paid (in particular, dividends paid by the Group's Russian and Serbian entities), as well as changes in the deferred tax assets on the Group's balance sheet.

4.1.1.2 Segment information

The Group monitors and analyzes its performance by product type (flooring and sports surfaces) and by geographic region. The Group's four segments are as follows:

- EMEA, a market that is described in Section 1.5.1.1;
- North America, a market that is described in Section 1.5.1.2;
- CIS, APAC, and Latin America, markets that are described in Sections 1.5.1.3 and 1.5.1.4; and
- Sports Surfaces, described in Section 1.5.2.

4.1.1.3 Foreign exchange differences

- Exchange rate fluctuations have a direct impact on the Group's Consolidated Financial Statements, due to the conversion into euros of income statement and balance sheet items of the Group's foreign subsidiaries located outside the euro zone. The principal currencies for which the Group bears this risk are the U.S. dollar (47.7% of consolidated net revenues in 2021), the Swedish krona (8.7%), the pound sterling (2.6%), the Canadian dollar (2.2%), the Brazilian real (1.7%) and the Australian dollar (1.7%).

The Group seeks to develop production capacity in the geographic regions where it distributes its products, thereby creating a natural hedge for a significant portion (although not all) of its gross margin and operating income against exchange rate fluctuations. It enters into derivative contracts to manage the remaining exchange rate risk (especially the risk related to the lag between the time customers are invoiced and the time the Group is paid) with respect to certain currencies (see Note 7.6, "Financial Risks and Financial Instruments," in Section 5.2).

The functional currency of the Group's entities in Serbia is the euro, and the other CIS countries it is the local currency. In Russia, products are sold in rubles, but the Group's policy is to reflect exchange rate fluctuations between the ruble and the euro in its product prices. Only the impact of the lag between the exchange rate fluctuation and the price increase is treated as an exchange rate effect in the analysis below. Although a significant portion of the Group's Russian operating expenses are in euros (since PVC and plasticizers are for the most part imported from the European Union), labor, logistics and transportation costs, as well as other production costs such as energy and maintenance, are almost entirely in rubles.

4

4.1.1.4 Seasonality

The Group's activities are to some extent seasonal, with an increase in sales generally occurring in the second and third quarters of the year, whereas its working capital requirements are generally higher in the first two quarters of the year. Sales of sports surfaces are particularly influenced by seasonality, as installation work is mainly done between May and October, with a peak in activity during the summer.

Moreover, in certain geographic regions, winter climate conditions can affect work sites and, therefore, flooring installation. In the educational sector, demand is generally higher during school vacation.

In 2021, 55% of the Group's consolidated net revenues were generated in the second and third quarters, as compared with 45% in the first and fourth quarters.

4.1.1.5 Acquisitions

The Group has completed 28 acquisitions since 2007 in connection with its growth strategy. Most of the companies the Group acquired were of moderate-size or mid-size and had product lines or activities in markets that complement those of the Group. For more information, see Section 4.2.1 "Principal investments in 2021 and 2020."

In September 2021, the Group, through its subsidiary Tarkett Manufacturing Mexico, acquired Vinylasa, a Mexican manufacturer of vinyl composite tiles.

4.1.1.6 Presentation of accounting and financial data

The following table reconciles the Group's adjusted EBITDA to operating income for Fiscal 2020 and 2021.

Adjusted EBITDA *(in millions of euros)*	**Fiscal 2021**	**2020**	**Change**
Result from operating activities (EBIT)	**59.6**	**47.4**	**+ 25.7 %**
Depreciation and amortization	149.0	212.9	
EBITDA	**208.6**	**260.2**	**- 19.8 %**
Adjustments			
Restructuring costs [(1)]	11.4	13.3	
Costs related to acquisitions and business combinations	0.6	2.4	
Costs related to share-based payments	3.1	2.9	
Other	1.1	(0.9)	
Adjusted EBITDA	**229.0**	**277.9**	**- 17.6 %**

[(1)] In 2020 and 2019 restructuring costs are related to the optimization of production as well as savings initiatives with respect to general costs

The adjustments used in determining adjusted EBITDA for each fiscal year are described in the comparative analyses of the Group's results of operations presented below.

Estimates and assumptions used in preparing financial statements

The preparation of the Group's Consolidated Financial Statements in accordance with IFRS requires it to make a number of estimates and assumptions that have an effect on the amounts of its assets and liabilities, as well as on its income and expenses. Management reviews these estimates and assumptions on an ongoing basis, by reference to past experience and other reasonable factors used in valuing assets and liabilities/Actual results may differ significantly from these estimates.

These estimates and assumptions relate primarily to the following:

> Impairment of goodwill;
> Provisions for retirement and other employee benefit obligations;
> Other provisions for litigation, warranties and potential liabilities;
> Deferred tax assets (tax loss carryforwards, in particular);
> The fair value of consideration paid, acquisitions of minority interests, and acquired assets and liabilities; and
> Accounting treatment of financial instruments.

The management estimates used in connection with the preparation of the Group's financial statements, particularly those relating to the application of accounting techniques and the inclusion of uncertainties, are described in more detail in Note 1.2, "Significant Accounting Principles" to the Group's Consolidated Financial Statements included in Section 5.2.

Goodwill

Goodwill represents the difference between the cost of a business combination and the Group's share of the fair value of the identifiable assets acquired and liabilities assumed on the date control is transferred, corresponding, for example, to the value that the Group assigns to expected synergies and profits. Therefore, evaluation of goodwill may rely on assumptions relating to future cash flows (see Notes 5.1 and 5.2 to the Group's Consolidated Financial Statements included in Section 5.2).

Goodwill is allocated to cash-generating units ("CGUs"), whose accounting value is tested for impairment annually or whenever there is any indication of an impairment loss. Impairment tests seek to determine whether the net recoverable value of an asset or CGU is less than its net book value. If the net recoverable value is lower than the net book value, an impairment charge is recorded in the income statement in the amount of the difference, allocated first to reduce goodwill of such CGU.

The recoverable value of an asset or a CGU is equal to the higher of the market value minus cost to sell, or the value in use. Value in use is determined by discounting estimated future cash flows for each CGU using certain assumptions and estimates of management. Market value is the price that could be obtained under normal competitive conditions from an informed buyer minus the cost to sell.

The calculations used to determine value in use are subject to management's judgment. Cash flows used to calculate value in use are derived from the Group's budgets and business plans, which are in turn based on assumptions relating to revenues, adjusted EBITDA, working capital requirement, and investments. If other assumptions or projections were to be used, impairment testing would produce different values in use.

Management conducts impairment testing using its best estimate of the future activity of the CGU in question over the next four years, discounted to present value. After-tax discount rates vary depending on the risk premium used for each geographic market, which were 9.9% for EMEA, 9.9% for North America, 10.2% for APAC, 11.6% for Latin America and 11.5% for the CIS. The primary assumptions for sales growth through 2025 range from 3% (for certain CGUs in North America) to 25% (relating to the increase in raw materials costs and therefore in sale prices). The value in use calculation also includes the CGU's end value, which projects standard cash flows to infinity with an annual growth rate of between 2% and 4%, depending on the geographic market.

For more information, see Note 5.3 "Impairment of assets" to the Group's Consolidated Financial Statements, included in Section 5.2.

Provisions for retirement and similar obligations

In accordance with the laws and practices of each country where the Group operates, it maintains retirement, health and disability plans and retirement packages for eligible employees and former employees, as well as for their beneficiaries who meet required conditions. As of December 31, 2021, the Group had such retirement commitments in the United States, Canada, the United Kingdom and Germany, as well as in France, Italy, Sweden, Belgium, Serbia and Russia.

In accordance with IAS 19R, these commitments are valued or updated every six months by independent actuaries. Accounting for actuarial values is based on predicted changes in salaries, medical costs, long-term interest rates, average seniority and life expectancy. An expected rate of return on funds invested is calculated for each plan in accordance with its composition and the projected return of comparable markets. Actuarial values and rates of return are sensitive to changes in predictions and estimates, which are based on assumptions. As of December 31, 2021, the Group had €217.6 million in liabilities relating to employee benefit commitments, of which €101.7 million are covered by funds invested pursuant to the Group' various plans, and the remaining €115.9 million relate to unfunded or partially funded plans for which provisions have been recorded. The most significant of these liabilities are in the United States, Germany, Sweden, Canada, the United Kingdom, and Russia; the entities in these countries maintain sufficient externally-managed investments to cover more than 50% of their liabilities.

For more information on provisions for retirement and similar obligations, see Note 4.1 "Retirement benefits" to the Group's Consolidated Financial Statements included in Section 5.2.

Provisions for litigation, product warranties and restructuring costs

In accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), provisions for litigation, warranties and other potential liabilities are recorded when, at the close of the fiscal year, there exists a legal or implicit obligation resulting from a past event that is more likely than not to result in a cash outflow to a third party, and whose amount can be reliably estimated. The amount recorded as a provision is management's best estimate of the expenditure required to settle the current obligation as of the closing date. Where the time value of money has a significant effect, future outflows are discounted to present value. These provisions relate to environmental, legal, tax and other risks.

The probability of an outflow is calculated based on management's analysis and assumptions and estimates that depend, in turn, on the nature of the risk. For example, in determining the amount of provisions for litigation, the Group's management must evaluate the probability of an unfavorable decision, as well as the amount of potential damages. These items are by their nature uncertain. On the other hand, a warranty provision is recorded at the time a given product is sold, with the amount based on historical data on warranty payments. An additional provision is recorded when an event occurs that may give rise to warranty claims for greater amounts than the hypothetical provision. A restructuring provision is recorded when management approves a detailed restructuring plan and the restructuring is announced publicly or implemented. The provision may prove higher or lower than the amount actually incurred. Provisions may also be reversed, if necessary.

As of December 31, 2021, the Group had €44.6 million in provisions for warranties, restructurings, claims and litigation. For more information on estimation of and accounting for provisions or their impact on the Group's results of operations, see Note 6.1 to the Group's Consolidated Financial Statements, included in Section 5.2.

Deferred tax assets

In accordance with IAS 12 "Income Taxes", the Group recognizes deferred tax assets and liabilities on its balance sheet. A deferred tax asset must be recognized for all temporary differences deductible in the future, unused tax loss carryforwards or income tax credits if it is probable that the Group will have future taxable profits that will allow these future tax savings to be utilized.

A deferred tax asset is recognized when it is probable that the Group will use it in the future. Management must use its judgment in determining the amount of the net tax asset to recognize. Projected net taxable profits are estimated on the basis of Management's budget and assumptions, as well as models relating to market conditions. These assumptions and models may have a significant impact on the amounts of deferred tax assets recognized on the Group's balance sheet.

The Group had €163.9 million in deferred tax assets relating to tax loss carryforwards and unused tax credits, of which €131.9 million related to Luxembourg and €26.8 million related to the Group's North American (United States) tax consolidation group. The recognition of deferred tax in Luxembourg was partially offset by deferred tax liabilities, without impact on results.

For more information, see Note 8.2 to the Group's Consolidated Financial Statements, included in Section 5.2.

4.1.2 Comparison of results of operations for Fiscal 2021 and 2020

The analysis below discusses the Group's results of operations for Fiscal 2021.

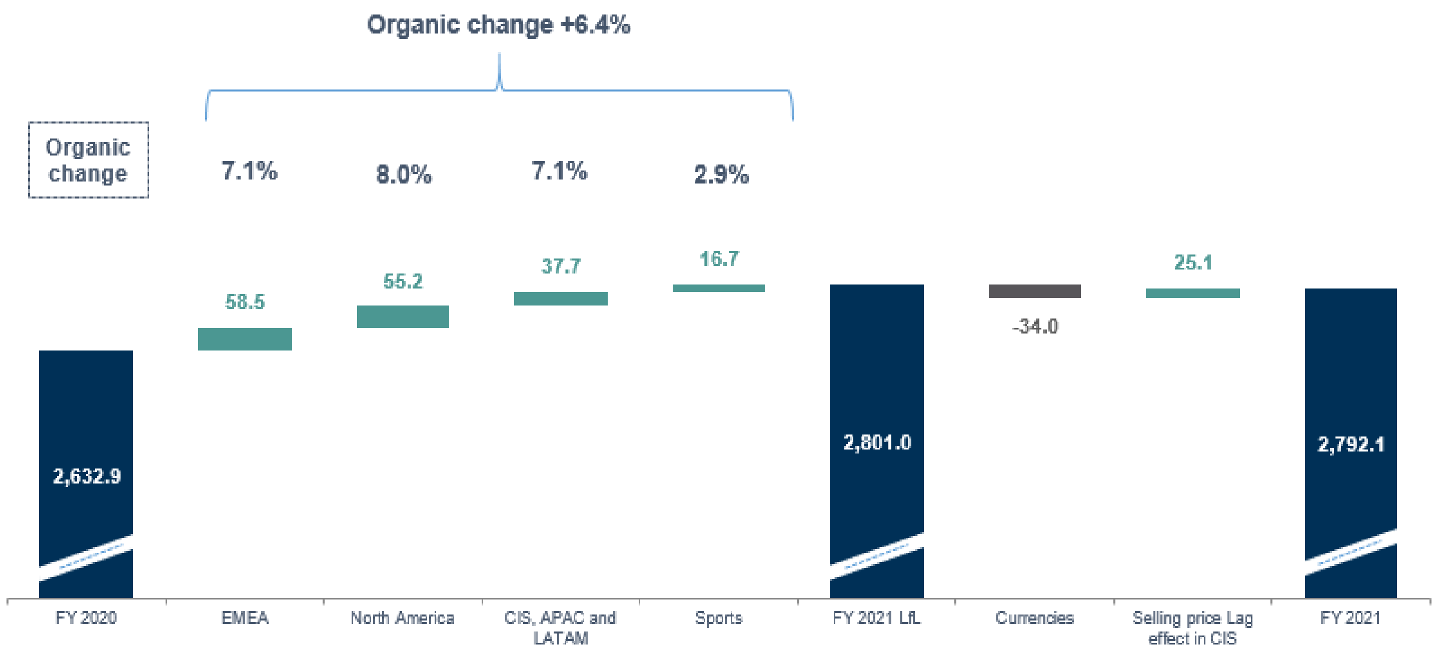
4.1.2.1 Overview

The key figures from the income statement are presented in Section 4.1.1.

4.1.2.2 Net revenue

In 2021, the **Group's net revenue** was **€2,792.1 million**, as compared with €2,632.9 million in 2019, an increase of + 6.0%.

The Group recorded **organic growth of + 6.4%**, excluding the €(8.9) million of fluctuations in exchange rates, of which €25.1 million resulted from the lag between changes in exchange rates and the corresponding price increases in Russia. The effect of the increases in sale prices implemented in all segments was an average of +3.5% in 2021 as compared with the prior year.



EMEA

The EMEA segment reported net revenues of €888.5 million, an increase of +7.9% compared to 2020, thanks to the combined effect of the growth in volumes and the increase in sale prices. The Residential business grew despite supply chain difficulties encountered throughout the year. The Commercial business recovered, in particular due to momentum in the Health and Education sectors. Sales of commercial carpet began to grow again in the fourth quarter.

North America

The North American segment reported net revenues of €727.2 million, an increase of +4.7% compared to 2020, reflecting an sold growth of +8.0% at constant scope and exchange rates and a negative forex impact related to the depreciation of the dollar versus the euro over the period. Volumes and sale prices contributed to organic growth, which was particularly strong in the Health and Education sectors using accessories and vinyl or rubber flooring. The Residential business also grew strongly, due to continued sustained demand and despite supply chain difficulties. Commercial and Hospitality were less buoyant but saw more sustained activity at the end of the year.

CIS, APAC and Latin America

Net revenues in the CIS, APAC and Latin America segment amounted to €588.6 million, up +11.5% in 2021, despite a negative foreign exchange effect of -3.5% relating to the ruble. Sales increased by +7.1% at constant scope and exchange rates, or +15.0% including the price increases in the CIS countries implemented to offset inflation. The three geographic zones grew in volume and increased their sale prices.

Sports Surfaces

Net revenues of the Sports segment amounted to €587.7 million, an increase of +0.1% as compared with 2020, mostly reflecting an organic increase of +2.9%, partially offset by an unfavorable foreign exchange effect relating to the U.S. dollar. The Sports segment saw significant growth in the second half of the year, increasing +12.6% in the second half, and +21.6% in the fourth quarter. North America and Europe both saw growth, and the backlog at year end was at a high level overall.

4.1.2.3 Gross profit

The Group's gross profit decreased from €578.8 million in 2020 to €550.6 million in 2021, a decrease of €28.2 million. It represented 19.7% of revenue in 2021, a 2.3 point decrease as compared with 2020.

This decrease was primarily due to the increase in raw materials cost over the whole year, partially offset by the price increases implemented in all segments and savings on production costs achieved through industrial productivity actions taken as part of the WCM program and the restructuring of the industrial plant.

4.1.2.4 Adjusted EBITDA

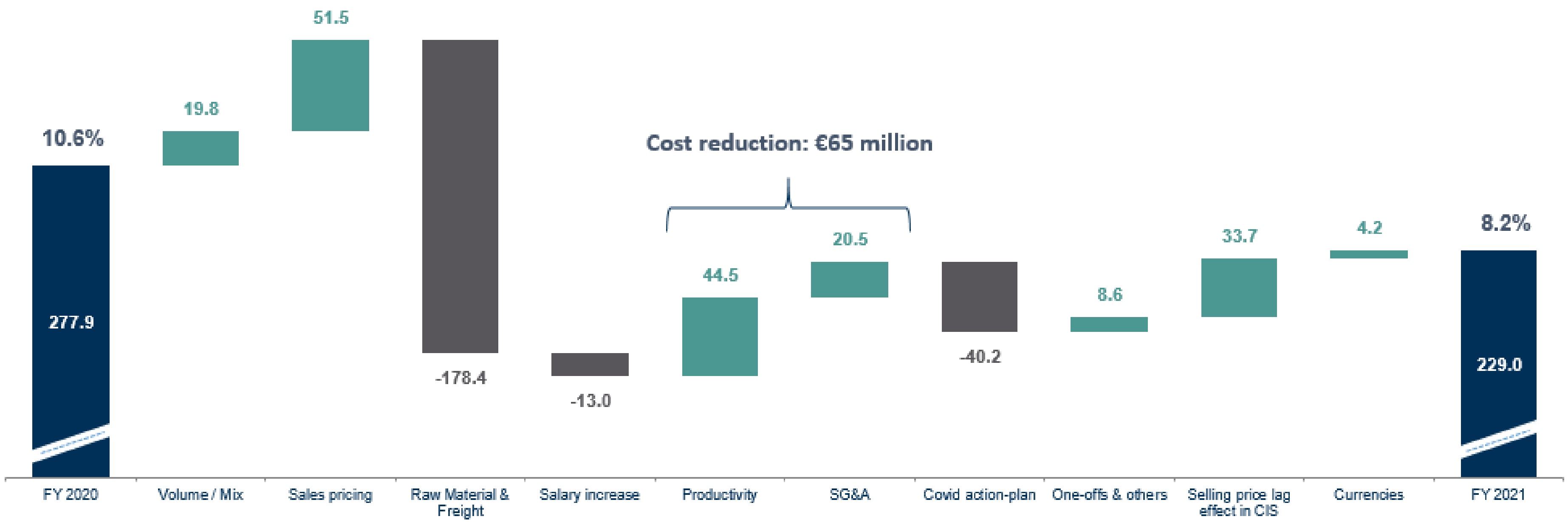
Adjusted EBITDA was €229.0 million in 2021, as compared with €277.9 million in 2020, and represented 8.2% of revenue in 2021 as compared with 10.6% in 2020.

Growth in sales volumes contributed favorably, adding €20 million in EBITDA. However, the effect of inflation on raw materials, energy, and transport costs accelerated in the second half and led to an unprecedented increase in procurement costs. The raw materials used by the Group saw quite significant price increases, in particular due to the particularly unfavorable combination of restricted supply and strong demand, in addition to the increase in oil and other energy prices.

Tarkett increased prices beginning at the end of the second half, by €24 million in H1 and €69 million in H2, as compared with the corresponding six-month periods of 2020, for a total positive effect over the entire year of €+93 million as compared with 2020. This enabled the Group to offset slightly more than half of the effect of inflation, as announced.

The Group also continued to achieve particularly large cost savings ahead of schedule. In 2021, cost reductions had a net effect of €+65 million as compared with 2020, despite disruptions caused by supply chain shortages and hiring difficulties at certain plants. The plan announced in 2019 aimed at a cost reduction of €120 million over four years. Tarkett has exceeded that objective: the structural decrease in costs over the last three years totals €143 million.

The main factors explaining the change in the Group's adjusted EBITDA are the same factors described with respect to gross profit and operating income. These factors are shown in the graph below.



The main factors in the per-segment changes in adjusted EBITDA margin are as follows:

- **EMEA** : the EMEA segment recorded an adjusted EBITDA margin of 11.5%, down 170 basis points from 2020. The effect of inflation on raw materials costs was partially offset by the increase in sales volumes and prices. EMEA achieved substantial savings in selling, general and administrative costs and implemented significant productivity gains.
- **North America**: the adjusted EBITDA margin amounted to 6.0% in 2021 compared to 8.5% in 2020. The profitability of this segment was strongly impacted by inflation affecting raw materials, partially offset by an increase in sale prices. Volumes remained at the same level as 2020. The strategic actions deployed to improve productivity bore fruit in 2021, with resulting productivity gains;
- **CIS, APAC, and Latin America**: the segment recorded an adjusted EBITDA margin of 15.1%, a decrease of 340 basis points as compared with 2020. Despite higher volumes and significant price increases, profitability was strongly affected by the significant rise in raw materials costs. Productivity gains remained good as compared with 2020;
- **Sports Surfaces**: Sports Surfaces recorded an adjusted EBITDA margin of 7.8%, down 250 basis point compared to the prior year. 2021 margins were strongly affected by the rise in raw materials costs and strong pressure on sale prices. Volumes were stable compared with 2020;
- **Centralized costs not allocated by segment** were €51.0 million in 2021, a moderate increase as compared with 2020 (+6.8%), reflecting the usual salary increases, investments in IT products, and a return to more normal activity levels than in 2020.

4.1.2.5 Result from operating activities (EBIT)

The Group's 2021 result from operating activities totaled €59.6 million, or 2.1% of revenue. Result from operating activities increased by 25.7% in 2020 as compared with 2020. In addition to the items described in the change in gross profit, the increase in result from operating activities is mainly explained by €53.1 million of non-cash asset impairment booked in 2020, mostly related to the impact of the pandemic on the Hospitality business (see Note 5.3 in Section 5.2).

4.1.2.6 Financial income and expense

Financial income and expense was €(38.8) million in 2021, as compared with €(33.7) million in 2020, an increase due to the costs of refinancing the Group's debt in 2021.

4.1.2.7 Income tax expense

Income tax expense for 2021 was €(11.0) million, a decrease from an expense of €(31.5) million in 2020. This decrease is primarily explained by the refund of overpaid BEAT tax in the United States and the large decrease in withholding on intragroup dividends.

4.1.2.8 Net profit

The Group's net profit was €15.1 million in 2021, as compared with €(19.1) million in 2020.

As a result, net profit attributable to owners of the Company was €15.1 million in 2021 and €(19.1) million in 2020.

4.2 Investments

4.2.1 Principal investments in 2021 and 2020

Cash used in the Group's investment activities was €(68.4) million in 2021 and €(68.9) million in 2020.

Investments in property, plant and equipment and intangible property include acquiring and constructing new factories and purchasing new equipment following the acquisition or creation of new entities, as well as "ongoing investments," which consist of all investments in property, plant and equipment other than those relating to new factories and acquisitions. They do not include the increase in assets relating to the application of IFRS 16.

Investment in property, plant and equipment and intangible property represented slightly under 3% of revenue in 2021, as in 2020, in order to conserve cash in light of the exceptional health crisis situation.

To illustrate the Group's commitment to its long-term growth strategy and the continual optimization of its activities, investment expense is expected to amount to between 4% and 5% of revenues in the next two to three years.

The table below shows the Group's main investments in 2021 and 2020.

(in millions of euros)	For Fiscal	
	2021	2020
Acquisition of subsidiaries net of cash acquired	(2.6)	-
Acquisitions of intangible assets and property, plant and equipment	(72.8)	(74.1)
Proceeds of disposals and dividends received	6.9	5.2
Effect of changes in the scope of consolidation	-	-
Net cash from (used in) investment activities	**(68.4)**	**(68.9)**

4.2.1.1 Principal investments in 2020

In addition to the acquisitions of subsidiaries described in Section 4.1.1.5 "Acquisitions" the principal investments carried out in 2020 include:

- **EMEA**: Strengthening capacity to produce LVT (Luxury Vinyl Tiles) in Luxembourg and Poland, and finalizing of the construction of a new factory in Turkey;
- **North America**: Continued actions to improve productivity and finalizing deployment of the Group's ERP;
- **CIS and LATAM**: Finalizing the strengthening of capacity for wood products in Russia and actions to improve productivity;
- **Group**: Finalizing deployment of the Group's ERP and IT investments in particular on the Web platform.

4.2.1.2 Principal investments in 2021

In addition to the acquisitions of subsidiaries described in Section 4.1.1.5 "Acquisitions" the principal investments carried out in 2021 include:

- **EMEA**: Strengthening production capacity in France, Sweden, and Germany, and improving productivity in Poland;
- **North America**: Continued actions to improve productivity;
- **CIS**: Strengthening production capacity for LVT (Luxury Vinyl Tiles) in Russia and in Brazil;
- **Group**: IT investments, in particular on the Web platform and the dematerialization of the IT plant.

4.2.2 Principal investments underway

Principal investments underway in 2021 included continuing projects from the previous year, in particular projects aimed at strengthening production of luxury vinyl tiles (LVT), while at the same time improving the Group's efficiency and ecological footprint in flooring and sports surfaces.

4.2.3 Principal future investments

The Group continually seeks new investment opportunities, rigorously analyzing the potential for a attractive return on its investment. With respect to investments, the Group's main objectives are to continually improve competitiveness, reinforce operational excellence, and acquire and modernize equipment in order to support the Group's expected growth. The Group is planning an internal investment strategy to achieve those goals.

The Group's planned external growth strategy is based on three main objectives: geographical development, the expansion of its product lines, and industry consolidation. For more information, see Section 1.3 "Strategy".

4.3 Liquidity and Capital Resources

For a description of the Company's share capital and financial structure, see Notes 7.3 "Net Debt", 7.4.2 "Other Financial Liabilities" and 9.1 "Share Capital" to the Group's Consolidated Financial Statements included in Section 5.2.

4.3.1 Overview

The Group's objective is for ongoing investments to total approximately 3% of net consolidated revenue in 2021. "Ongoing investments" consist of all investments in property, plant and equipment and intangible assets other than those relating to new factories and acquisitions.

Investments in the Group's growth (primarily factory construction and acquisitions) are financed through debt and the Group's own financial resources, in line with its policy of maintaining a sound financial structure.

As of December 31, 2021, the Group's net debt before application of IFRS 16 was €367.7 million, an increase of €2.7 million from net debt of €365.0 million as of December 31, 2020. The ration of net debt to adjusted EBITDA was 1.9x before application of IFRS 16 and 2.1x after its application, as compared with 1.5x and 1.7x, respectively, as of December 31, 2020.

As of December 31, 2021 and December 31, 2020, cash and cash equivalents totaled €205.4 million and €328.6 million, respectively. In addition, the total amount available under the Group's credit facilities as of December 31, 2021, was €350 million.

In light of the most recent developments in the COVID-19 pandemic, the level of short-term uncertainty remains high, and the Group will continue its efforts to conserve cashflow in 2022. The Group decided not to distribute a dividend to its shareholders in respect of Fiscal 2021.

4.3.2 Cash flows

(in millions of euros)	Fiscal 2021	Fiscal 2020
Cash flows from operating activities		
Net profit before tax	26.1	12.4
Adjustments for:		
Impairment, depreciation and amortization	149.1	211.1
(Gain) loss on sale of fixed assets	1.3	(4.2)
Net finance costs	39.1	33.7
Change in provisions and other non-cash items	(7.6)	(5.7)
Share of profit of equity accounted investees (net of tax)	(5.3)	1.2
Operating cash flow before working capital changes	**202.8**	**248.6**
Changes in working capital	(11.2)	64.5
Cash generated from operations	**191.6**	**313.1**
Other operating items (tax and financial items)	**(73.9)**	**(49.0)**
Net cash from (used in) operating activities	**117.6**	**264.1**
Net cash from (used in) investment activities	**(68.4)**	**(68.9)**
Net cash from (used in) financing activities	**(178.4)**	**(1.2)**
Net increase (decrease) in cash and cash equivalents	**(129.2)**	**194.0**
Cash and cash equivalents, beginning of period	328.6	137.7
Effect of exchange rate fluctuations on cash held	6.0	(3.1)
Cash and cash equivalents, end of period	**205.4**	**328.6**

4.3.2.1 Cash flows from operating activities

Net cash from operating activities before changes in working capital was €202.8 million in 2021, a decrease of €45.8 million as compared with 2020. This change is primarily explained by asset impairments of €53.1 million in 2020.

In an environment of increasing volumes and inflation, Tarkett recorded an increase in working capital requirement of €11.2 million as of the end of December. The Group's factoring programs represented net financing of €179 million as of the end of December 2021, an increase from the end of December 2020. The Group recorded no significant payment delays or lags from its customers, and the number of defaults remained quite low. As compared with the historically low levels at the end of 2020, inventory volumes increased due to growing business and in value, due to inflation.

4.3.2.2 Cash flows from (used in) investment activities

Cash used in investment activities went from €(68.9) million in 2020 to €(68.4) million in 2021.

4.3.2.3 Cash from (used in) financing activities

Net cash relating to financing activities were negative, going from €(1.2) million in 2020 to €(178.4) million in 2021. This change is explained primarily by capital and debt restructuring in 2021.

4.3.3 Financial debt

4.3.3.1 Summary of net financial debt

As of December 31, 2021, the Group's net financial debt was €475.7 million, or €367.7 million before application of IFRS 16. The Group's gross debt on the same date totaled €681.1 million, or €573.1 million before application of IFRS 16.

4.3.3.2 Cash and cash equivalents

As of December 31, 2021 and December 31, 2020, cash and cash equivalents totaled €205.4 million and €328.6 million, respectively. As of December 31, 2021, available cash was located primarily in the North America (€75.8 million), in the Group's holding company (€31.2 million), and in Serbia (€18.7 million). As of December 31, 2020, available cash was located primarily in the Group's holding company (€256.0 million) and in Serbia (€16.5 million).

4.3.3.3 Gross financial debt

As of December 31, 2021, the Group's gross financial debt was composed principally of a shareholder loan of €509.8 million, as well as several tranches of German private placements (known as "Schuldscheins"), with a total balance of €43.0 million. The table below presents the Group's gross financial debt as of the dates indicated.

(in millions of euros)	Fiscal 2021		Fiscal 2020	
	Long-term	Short-term	Long-term	Short-term
Bank loans	0.8	4.9	2.3	73.6
Shareholder loan	509.8	-	-	-
Private placements	20.0	23.0	549.8	56.5
Other loans	1.0	0.8	1.3	-
Bank overdrafts	-	12.8	-	6.8
Lease agreements [(1)]	-	-	2.5	0.8
Interest bearing loans and borrowings	**531.5**	**41.5**	**555.9**	**137.7**
Total interest bearing loans and borrowings	**573.0**		**693.6**	
Leases [(2)]	82.9	25.1	85.8	23.0
Total interest bearing loans and borrowings	**681.1**		**802.4**	

(1) Leases recorded in accordance with former IAS 17 - Finance leases.
(2) Leases recorded in accordance with IFRS 16 (excluding leases previously recorded in accordance with IAS 17).

As of December 31, 2021, the Group's principal sources of financing were the following:

- **Shareholder loan**: this is a loan with a 7-year term entered into between Tarkett, as borrower, and Tarkett Participation, as lender, used in the amount of €446.2 million and USD 72.0 million as of the close of the fiscal year (see Section 4.3.4 "Terms of New Credit Lines");
- **Revolving credit line**: this is a revolving credit line with a maturity of 6.5 years, for a total maximum amount of €350 million, to which Tarkett acceded on July 19, 2021, to supplement the shareholder loan entered into with Tarkett Participation. This revolving credit line had not been used as of December 31, 2021 (see Section 4.3.4 "Terms of New Credit Lines");
- **"Schuldschein"**: In connection with the refinancing transactions relating to the simplified tender offer, Tarkett carried out the early repayment of €444.5 million and USD 76.5 million of "Schuldschein" tranches. An additional tranche of €56.5 million which had reached its maturity date was also repaid. The remaining "Schuldscheins" represented, as of the balance sheet date, a total of €43.0 million, divided into five tranches detailed in Section 4.3.5 "German law private placements (Schuldscheins)";
- **Factoring agreements**: In 2019, Tarkett implemented non-recourse factoring lines of credit for certain European, U.S., and Asia-Pacific subsidiaries. These lines of credit were entered into for deconsolidation purposes and had been used in the amount of €161.5 million (or the equivalent in foreign currency) as of December 31, 2021. The impact on trade receivables, excluding commissions and other fees, was €165.7 million as of December 31, 2021.

During the fiscal year, Tarkett terminated:

- Its existing revolving syndicated credit facility with a maximum total of €700 million, which had been entered into in May 2019 for an initial term of five years, with an extension for one additional year;
- The two short-term lines of credit entered into in May 2020 to prepare for the potential negative effects of the health and economic crisis on its liquidity:
  - a revolving syndicated credit facility in the amount of €175 million, entered into for a term of one year, for which the option to extend was not exercised and which was terminated in April 2021 without having been used;
  - a loan guaranteed by the French government (*prêt garanti par l'Etat*, or "PGE") in the amount of €70 million, for a term of one year, for which the option to extend was not exercised and which was repaid in full in May 2021.

The following table provides a summary of the maturities and interest rates applicable to the Group's debt as of December 31, 2021.

December 31, 2021 *(in millions of euros)*	Currency of draw-down	Interest rate	TOTAL	12 months or less until 12/31/22	2 years until 12/31/23	3 to 5 years until 12/31/26	More than 5 years
Bank loans							
Other bank loans	RMB	5,22%-5,70%	5.6	4.9	0.6	0.2	-
Other bank loans	EUR		-	-	-	-	-
Subtotal bank loans			**5.6**	**4.9**	**0.6**	**0.2**	**-**
Private placements (Europe)	EUR	1,20 %-1,40 %	43.0	23.0	-	20.0	-
Private placements (Europe)	EUR	3,50%	446.2	-	-	-	446.2
Other loans	USD	4,22%	63.6	-	-	-	63.6
Bank overdrafts	EUR	1,43%	1.9	0.8	0.8	0.2	-
Leases (1)			12.8	12.8	-	-	-
Interest bearing loans and borrowings			-	-	-	-	-
Leases (2)			**573.0**	**41.5**	**1.4**	**20.3**	**509.8**
Interest bearing loans and borrowings			108.0	25.1	20.3	38.3	24.3
Emprunts et dettes portant intérêts			**681.1**	**66.7**	**21.8**	**58.7**	**534.0**

(1) Leases recorded in accordance with former IAS 17 - Finance leases.
(2) Leases recorded in accordance with IFRS 16 (excluding leases previously recorded in accordance with IAS 17).

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4.3.4 Terms of New Lines of Credit

As of December 31, 2021, the Group's principal financing capacity consists of a revolving credit facility entered into on April 23, 2021, by Tarkett Participation, to which Tarkett SA acceded on July 19, 2021. This credit line supplements the shareholder loan entered into with Tarkett Participation on July 20, 2021.

The shareholder loan

The purpose of this shareholder loan was to refinance the Group's existing debt in connection with the simplified tender offer. Its maturity date and applicable margin are aligned with those of the term loan, with a maturity of 7 years, repayable at maturity and secured by certain assets; it is known as the "Term Loan B," entered into on April 23, 2021, by Tarkett Participation.

The margin on the loan depends on the Group's leverage ratio and an adjustment measurement based on the achievement of certain environmental, social, and governance ("ESG") criteria defined in the agreement.

The revolving credit facility

This revolving credit line with a 6.5-year term, is intended to finance the Group's general and operational needs in terms of development and investment, and has a maximum amount of €350.0 million. The lenders under this credit facility benefit from the same guarantees as the lenders under the Term Loan B. Thus, Tarkett SA acceded to the Revolving Facility as a borrower, but also as a guarantor.

The margin on the loan depends on the same criteria as the margin on the Term Loan B.

Leverage ratio	Term Loan B - EUR marge (p.a)	Term loan B - USD marge (p.a.)	Revolving Facility marge (p.a.)
≤ 2,5x	3.00 %	3.25%	1.75%
2,5x ≤ 3,0x	3.25%	3.75%	2.00%
3,0x ≤ 3,5x	3.50%	4.00%	2.25%
> 3,5x	3.75%	4.25%	2.50%

Note that the initial margins applied to these three lines of credit were 3.50%, 4.00%, and 2.25%, respectively. The first reassessment of the applicable margin based on the leverage ration will occur at the end of the first half of 2022.

The margin adjustment based on the ESG criteria is spread over several levels, between -0.10% and +0.10% per annum.

Pledges given

The following assets have been pledged as security interests for the new financing put in place:

- All present and future shares of Tarkett SA held by Tarkett Participation;
- All present and future shares of the following subsidiaries held directly or indirectly by Tarkett SA: Tarkett GDL SA, Tarkett AB, Tarkett BV, Tarkett Holding GmbH, Tarkett Finance Inc., Tarkett USA Inc., Fieldturf Tarkett USA Holdings Inc., Fieldturf USA Inc., AO Tarkett, and AO Tarkett Rus;
- Certain financial receivables entered into between two of the above companies.

Restrictive financial covenants

The new financing facilities are subject to conditional financial covenants, which will be calculated only in the event that the revolving credit facility is used for more than 40% of its maximum amount as of June 30 or December 31 of each year. If that were to occur, the "Net debt to adjusted EBITDA" financial ratio, adjusted after application of IFRS 16 and calculated over the scope of Tarkett Participation's consolidated accounts, would not be permitted to exceed 5.8x.

As of December 31, 2021, the leverage ratio as so calculated over the scope of the consolidated accounts of Tarkett Participation, is 3.6x adjusted EBITDA for the period.

Change of Control Provisions

The new credit facilities contain a change of control clause in the event that the Deconinck family ceases to control Tarkett Participation. For this purpose, the Deconinck family is defined as Catherine la Bonnardière (borned Deconinck), Bernard-André Deconinck, Didier Deconinck,Eric Deconinck, and their children and spouses, acting individually or collectively and directly or indirectly through a company held exclusively by them."

The clause permits renegotiation of the terms of the credit facility, and if the borrower were to fail to reach an agreement with its banks in such case, each lender would have the right to demand immediate repayment of its portion of the loan. The word "control" as used in this clause is defined by the French Commercial Code and includes actions "in concert", as defined in such Code.

4.3.5 German law private placements (Schuldscheins)

As of December 31, 2021, the remaining German law private placements (Schuldscheins) are divided into five tranches, all at fixed rates:

- Two tranches totaling €23.0 million entered upon the issuance of April 19, 2017, and maturing in April 2022, one of which is in the process of being extended;
- Three tranches totaling €20.0 million entered upon the issuance of June 18, 2019, and maturing in June 2026 for €6.0 million, in June 2025 for €10.0 million, and in June 2024 for €4.0 million.

These Schuldscheins contain restrictive financial covenants to be complied with, including the leverage ratio (net debt to EBITDA).

This leverage ratio is measured at the end of each fiscal year, before application of IFRS 16, on the basis of adjusted EBITDA calculated over the scope of Tarkett SA's consolidated accounts.

In that regard, net debt may not exceed three times (3.0x) adjusted EBITDA as of December 31 of each year, with additional leeway of 0.5x in the event of a significant acquisition.

As of December 31, 2021 and December 31, 2020, the Group was in compliance with this ratio, having an average leverage ratio of 1.9x and 1.5x of adjusted EBITDA for the period, respectively.

4.3.6 Shareholders' Equity

The Group's shareholders' equity was €840.2 million as of December 31, 2021, and €770.3 million as of December 31, 2020. Changes in shareholders' equity in 2021 resulted primarily from the positive change in translation reserves and in the Group's net profit, as described in Section 4.1.2.8 "Net profit."

4.3.7 Off-balance sheet commitments

Lease commitments

Off-balance sheet lease commitments are described in Section 5.2 "Notes to the Consolidated Financial Statements".

Guarantees and Off-Balance Sheet Commitments

The following table presents guarantees given by the Company as of December 31, 2021 (including those relating to debt already included on the balance sheet), as well as guarantees received from customers:

Group Off-Balance Sheet Commitments *(in millions of euros)*	**Fiscal 2021**	**Fiscal 2020**
Federal Insurance Company	(66.2)	(61.1)
Ester Finance Titrisation	(49.1)	(34.6)
Swedish retirement insurance company (Pri-Pensionsgaranti)	(20.1)	(20.6)
Other	(27.1)	(21.4)
Tarkett parent company guarantees	**(162.5)**	**(137.7)**
Other commitments given to subsidiaries	(26.1)	(77.4)
Commitments given	**(188.6)**	**(215.1)**
Corporate or personal guarantees from clients or other debtors	1.7	5.0
Commitments received	**1.7**	**5.0**

The principal commitments include the following:

- A counter guarantee provided to Federal Insurance Company ("FIC") pursuant to a general indemnity agreement for a maximum amount of USD 75.0 million to permit FIC to issue security bonds to FieldTurf Inc., which has been fully used as of year-end;
- A Joint and Several Guarantee for a maximum amount of USD 75.0 million for the benefit of Ester Finance Technologies, relating to the collections on its behalf in connection with the securitization line of credit set up with the U.S. subsidiary Tarkett Finance Inc.;
- A guarantee given to the retirement insurance company Pri-Pensions to insure Tarkett AB's employee benefit commitments in the amount of SEK 206.2 million;
- A guarantee covering 50% of a credit line for a maximum amount of €10.0 million granted to the Group's Laminate Park GmbH & Co KG joint venture, which had been used in the amount of €9.5 million as of December 31, 2021;
- A guarantee for raw materials deliveries to a supplier of the Group's subsidiary Morton Extrusionstechnik (MET) of up to €7.0 million, of which €4.6 million was used as of December 31, 2021;
- Guarantees provided by Tarkett S.A. to the banks of certain subsidiaries, including Tarkett Limited (United Kingdom), Tarkett Limited (United Kingdom), Tarkett BV (Netherlands), Tarkett Asia Pacific (Shanghai) Management Co Ltd, and Tarkett Industrial (Beijing) Co Ltd (China), Tarkett SpA (Italy), and Tarkett USA Inc. (United States) in order to enable them to obtain short-term financing, bank loans, or letters of credit for a total amount €41.8 million, of which €13.0 million had been used as of the balance sheet date.

Other

One of the Group's subsidiaries is a co-defendant in a group of cases in the United States relating to injuries allegedly caused by asbestos. In addition to provisions recorded, the Group maintains three funds (for a total amount of USD 13.0 million as of December 31, 2021) as well as insurance policies in respect of this litigation and the possibility of additional cases being brought. For more information, see Section 4.5 "Legal and Administrative Proceedings."

4.4 Material contracts

See Section 4.3.4 "Revolving Syndicated Multi-Currency Credit Facility".

4.5 Legal and administrative proceedings

The Group may be involved in legal, administrative or regulatory proceedings in the ordinary course of its business. The Group sets aside a provision for the cases that it considers likely to result in financial loss for Tarkett or one of its subsidiaries.

The aggregate amount of provisions relating to legal proceedings was €20.4 million as of December 31, 2021.

As of the date of this Universal Registration Document, apart from the matters described below, the Group is not aware of any governmental, legal or arbitration proceedings (including any threatened or suspended proceedings) that could have or have had in the past twelve months a material effect on the Group's financial condition or the profitability of Tarkett or the Group.

France

Action filed by a group of installers

In November 2018, a group of installers filed a claim for damages in the Commercial Court of Paris relating to the potential harm caused by the anticompetitive practice sanctioned by the French Competition Authority's decision No. 17-D-20 of October 18, 2017. Oral arguments were heard on November 19, 2021. As of December 31, 2021, the Commercial Court of Paris had not yet rendered a decision.

United States

Asbestos litigation

Domco Products Texas, Inc. ("Domco"), a subsidiary that Tarkett acquired in 1991 (then known as Azrock Industries Inc. ("Azrock")), is subject to several lawsuits related to its production of asphalt and vinyl floor tiles containing asbestos between 1932 and 1982. As of December 31, 2020, there were 693 pending lawsuits filed against Domco in multiple U.S. jurisdictions. Of the 694 lawsuits pending, 44 are cases involving both an identification of Azrock products and a diagnosis of mesothelioma. Of all of the claims filed against Domco over the last 17 years, three reached the verdict stage - two of which were granted in favor of Domco, and one of which was granted to a plaintiff in the State of Washington, requiring Domco to pay an amount of USD 1,071,705 (USD 371,705 after offsets).

As of December 31, 2021, Domco had succeeded in obtaining dismissal of 1,666 cases since 2015, and entered into 30 settlement agreements in 2021, for an amount of USD 1.6 million. Approximately 40 disputes have been settled per year since 2015, for an average annual amount of USD 2.6 million. Domco maintains cost-sharing policies with its insurance companies to cover the liabilities associated with these claims. Domco also covers a portion of these various expenses itself. For further information on the Group's management of these cases, see Section 4.3.7, "Off-Balance Sheet Commitments".

Action filed by New Jersey customers relating to Duraspine fiber

In December 2016, two customers filed lawsuits against FieldTurf in federal court in New Jersey concerning the quality of their sports fields made with Duraspine fiber. They sought to certify the class of all FieldTurf customers who had purchased Duraspine fields.

These lawsuits alleged that FieldTurf misled customers about the durability of their Duraspine fields, breached their warranties, and violated various consumer protection laws.

Since then, 15 other customers have asserted similar claims. The claims of all of these customers have been consolidated in the federal court in New Jersey before the same judge.

As of December 31, 2021, the parties have filed their respective briefs.

In addition to this multi-jurisdiction litigation, to the Group's knowledge there are two other cases commenced by individual customers in the Texas courts relating to Duraspine products. In each case the jury found that FieldTurf was liable for damages to the plaintiffs for breach of warranty. In the first case, the jury awarded USD 275,000 in damages to the plaintiff for breach of warranty. The plaintiff appealed against this decision. The appeals court held in favor of FieldTurf, overturning the award of damages. The plaintiffs then filed a petition in the Supreme Court of the United States, seeking to reverse this decision. As of December 31, 2021, the Supreme Court had not yet rendered a decision.

In the second case, the jury awarded USD 175,00 in damages. FieldTurf filed an interlocutory appeal following the plaintiff's appeal. The appeals court remanded the case to the trial court. FieldTurf filed a petition to reverse this decision with the Supreme Court of the United States. As of December 31, 2021, the Supreme Court had not yet rendered a decision.

4.6 Future prospects

For purposes of preparing its internal budgets and planning its operations and investments, the Group makes estimations regarding outlook and sets certain objectives relating to its results of operations. These estimations and the Group's goals, summarized below, are based on information, assumptions and estimates that the Group's management considers to be reasonable as of the filing date of this Universal Registration Document. These estimations and objectives are not projections or profit forecasts, but result from the Group's strategic orientation and action plan.

4.6.1 Evolution of recent results

For a detailed analysis of the Group's results of operations in 2020 and 2021, see Section 4.1.2, "Comparison of results of operations for the years ended December 31, 2020 and December 31, 2021."

4.6.2 Medium-term outlook

4.6.2.1 Macro-economic climate

The Group expects its growth to depend to a certain extent on increases in gross domestic product ("GDP") in the main geographic regions in which it operates.

The Group uses the most recently released GDP growth forecasts by the International Monetary Fund (the "IMF") as a reference, currently those issued in January 2022. The IMF's forecasts have improved significantly since 2020 and the start of the pandemic.

For the main geographic markets in which the Group does business, the January 2022 publication shows:

- In the United States, growth of +4.0% in 2022;
- In the euro zone, growth of +3.9% in 2022; and
- Growth of +2.8% in 2022 for Russia and +0.3% in Brazil.

GDP growth forecasts [1]	2021	2022	2023
United States	+5.6 %	+4.0 %	+2.6 %
Euro Zone	+5.2 %	+3.9 %	+2.5 %
Germany	+2.7 %	+3.8 %	+2.5 %
France	+6.7 %	+3.5 %	+1.8 %
UK	+7.2 %	+4.7 %	+2.3 %
Russia	+4.5 %	+2.8 %	+2.1 %
Brazil	+4.7 %	+0.3 %	+1.6 %
China	+8.1 %	+4.8 %	+5.2 %
World	+5.9 %	+4.4 %	+3.8 %

(1) Source: IMF - World Economic Outlook - January 2021

4.6.2.2 Outlook for the Group

Thanks to the quality of the Group's products, its broad geographic footprint and its exposure to diversified markets, the Group believes that it is well positioned to continue to grow over the coming years.

In June 2019, the Group presented a strategic plan covering the period 2019-2022, based on four pillars that are described in detail in Section 1.3 :

1. **Sustainable growth,** led by a stronger focus on **selecting promising commercial market segments**, develop a worldwide offer in Hospitality, and continuing to expand the Sports Surfaces business. The Group also plans to invest in digital distribution channels in order to capture future growth;
2. **An even more customer-centric approach** and a simpler, more agile, more reactive organizational structure;
3. **Ambitious plan towards a circular economy**, including specific efforts to develop recycling solutions for our customers;
4. **A rigorous cost-reduction program**, seeking to achieve at least **€120 million in savings** between 2019 and 2022, and a **selective capital allocation policy** aligned with our strategic sustainable development initiatives.

Based on this new plan, Tarkett has announced new medium-term financial objectives, the achievement of which will depend on the successful execution of the plan:

- **Pursuit of organic growth**: in each of the principal regions (North America, Europe, and CIS), the Group's objective is **organic growth greater than Gross Domestic Product (GDP)** on average over the 2019-2022 period.
- **Improved profitability**: the objective is to achieve **adjusted EBITDA margin** after application of IFRS 16 of greater than **greater than 12%** in 2022.
- **Managing leverage**, as measured by the ratio of net debt to adjusted EBITDA: **leverage of between 1.6x and 2.6x of adjusted EBITDA** after application of IFRS 16 at the end of each year throughout the plan.

Tarkett began rolling out this plan in June 2019 and has made significant progress in cost reduction and deleveraging, the target of 120 million euros over four years has even been exceeded as early as 2021 with the achievement of €143 million of savings over 3 years.

In most geographies, Tarkett anticipates a continued gradual recovery in volumes in 2022, although the health and macroeconomic context continues to create uncertainty about the level of demand. Supply difficulties persist and continue to limit the ability to serve all demand in some businesses.

The geopolitical situation in Russia and Ukraine, where Tarkett achieved approximately 10% of its sales in 2021 (based on the average exchange rate of the Russian Ruble in 2021), has significant consequences on the value of the Russian Ruble, on the price of the barrel of oil and on the supply chain between Europe and Russia. These factors will have an impact on Group's operations in the CIS region and on its performance. A description of the Group's exposure to this region is provided in Section 6.1.2 "Geopolitical risk". Given the still evolving nature of the situation, it is not possible to assess the consequences precisely at the date of publication of this document.

In 2021, the Group was faced, as was the rest of the industry, with unprecedented inflation affecting procurement, transport, and energy costs, which strongly affected adjusted EBITDA for the fiscal year. In this inflationary environment combined with multiple supply-chain disruptions, the Group implemented price increases to offset up to one-half of the effects of inflation.

In 2022, Tarkett anticipates raw material price inflation from the first half of 2022 due to higher oil prices, recovering global demand and capacity constraints at certain suppliers. The Group will continue to proactively manage its sales prices to aim for a neutral impactof inflation (differential between the prices selling effect and the prices purchase effect) in 2022.

In light of this inflationary environment and the consequences of the geopolitical situation in Russia and Ukraine, Tarkett confirms that the adjusted EBITDA margin target of at least 12% in 2022 will be achieved later than initially planned, although it is not currently possible to specify when this will be achieved. Similarly, the leverage target (leverage between 1.6x and 2.6x at the end of each year) is not maintained for 2022.

The Group will continue to accelerate the initiatives of its strategic plan in order to grow its sales and increase its profitability in the medium term. Tarkett has identified several actions to reduce costs, including further optimization of the manufacturing base, rationalization of transport and logistics costs, implementation of shared support services and actions to reduce general and administrative costs. Tarkett will also pursue a selective investment policy and its efforts to optimize its working capital requirements.

4.7 Non-IFRS Financial Indicators

The Tarkett Group uses the following non-IFRS financial indicators:

- Organic growth;
- Adjusted EBITDA;
- Cash flow from operations; and
- Free cash flow (annual results only).

These indicators are calculated as follows:

4.7.1 Organic growth

- This indicator measures the evolution of net revenue as compared with the same period in the previous year, excluding foreign exchange effects and changes in the scope of consolidation;
- lThe foreign exchange effect is obtained by applying the previous year's exchange rates to the current year's sales and calculating the difference from the current year's sales. It also includes the effect of price adjustments in the CIS countries intended to offset fluctuations in local currencies against the euro;
- The consolidation effect consists of:
  - The current year's sales by entities that were not consolidated during the same period of the previous year, until the anniversary of their consolidation,
  - The reduction in sales relating to activities that have been sold, which are not consolidated in the current year but were included in sales for the same period during the previous year, until the anniversary of their disposal;
- The change in net sales for the year is broken down as follows:

(in millions of euros)	2021	2020	Change *(as a %)*	Of which exchange rate effect	Of which consolidati on effect	Of which organic growth
Group Total	2,792.1	2,632.9	+6.0 %	-0.4 %	-	+6.4 %

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4.7.2 Adjusted EBITDA

Operating income before depreciation, amortization and the following adjustments:

- Restructuring costs to improve the future profitability of the Group,
- Gains or losses on disposals of significant assets,
- Provisions and reversals of provisions for impairment,
- Costs related to business combinations and legal reorganizations,
- Expenses relating to share-based payments, and
- Other one-off expenses considered non-recurring by their nature.

The adjustments made in going from operating income (EBIT) to Adjusted EBITDA, and the distribution of adjustments by type, are as follows:

(in millions of euros)	2021 (A)	Adjustments (1) (B)					2021 adjusted (A+B)
		Restructuring	Gains/losses on asset sales/impairment	Acquisitions and business combinations	Share-based payments	Other	
Net revenue	**2,792.1**	**-**	**-**	**-**	**-**	**-**	**2,792.1**
Cost of sales	(2,241.5)	6.5	-	-	-	-	(2,235.1)
Gross profit	**550.6**	**6.5**	**-**	**-**	**-**	**-**	**557.0**
Selling and distribution expenses	(296.0)	0.9	-	-	-	-	(295.1)
Research and development	(23.1)	-	-	-	-	-	(23.0)
General and administrative expenses	(172.9)	1.1	-	0.6	3.1	2.9	(165.2)
Other operating income and expense	1.0	3.0	(1.9)	-	-	4.4	6.5
Result from operating activities (EBIT)	**59.6**	**11.5**	**(1.9)**	**0.6**	**3.1**	**7.3**	**80.2**
Depreciation and amortization	149.2	(0.1)	-	-	-	-	149.0
Other	(.1)	-	-	-	-	-	(0.1)
EBITDA	**208.6**	**11.4**	**(1.9)**	**0.6**	**3.1**	**7.3**	**229.0**

(1) Adjustments are reported as follows:
- cancellation of an expense is presented with a positive sign;
- cancellation of income is presented with a negative sign

(in millions of euros)	2020 (A)	Adjustments [1] (B)					2020 adjusted (A+B)
		Restructuring	Gains/losses on asset sales/impairment	Acquisitions and business combinations	Share-based payments	Other	
Net revenue	**2,632.9**	**-**	**-**	**-**	**-**	**-**	**2,632.9**
Cost of sales	(2,054.1)	4.3	17.0	-	-	(0.2)	(2,033.0)
Gross profit	**578.8**	**4.3**	**17.0**	**-**	**-**	**(0.2)**	**599.9**
Selling and distribution expenses	(325.2)	2.4	36.1	-	-	0.3	(286.5)
Research and development	(25.0)	0.1	-	-	-	-	(24.9)
General and administrative expenses	(176.9)	8.2	-	2.4	2.9	1.7	(161.7)
Other operating income and expense	(4.3)	(0.5)	(3.5)	-	-	0.9	(7.3)
Result from operating activities (EBIT)	**47.4**	**14.5**	**49.6**	**2.4**	**2.9**	**2.7**	**119.4**
Depreciation and amortization	211.2	(1.2)	(53.1)	-	-	(0.2)	156.8
EBITDA	**260.2**	**13.3**	**(3.5)**	**2.4**	**2.9**	**2.6**	**277.9**

(1) Adjustments are reported as follows:
- cancellation of an expense is presented with a positive sign;
- cancellation of income is presented with a negative sign

4.7.3 Free cash flow

Free cash flow is presented only in the Company's annual results of operations.

Free cash flow is calculated based on the items presented in the consolidated cash flow statement, and consists of the following items:

- Operating cash flow before working capital changes,
- Changes in working capital requirement,
- Net interest received (paid),
- Net income taxes collected (paid),
- Miscellaneous operating items received (paid),
- Proceeds (losses) from disposals of property, plant and equipment, and
- Repayment of lease liabilities;

> Free cash flow is broken down as follows:

(in millions of euros)	2021	2020
Operating cash flow before working capital changes (A)	202.8	248.6
Repayment of lease liabilities (B)	(32.2)	(31.7)
Total (A+B)	**170.5**	**216.9**
Changes in working capital requirement	(11.2)	64.5
Net interest paid	(21.5)	(17.4)
Net income taxes paid	(26.3)	(25.1)
Miscellaneous operating items	(26.1)	(6.4)
Acquisitions of intangible assets and property, plant and equipment	(72.8)	(74.1)
Proceeds from sale of property, plant and equipment	6.9	5.2
Free cash flow	**19.5**	**163.5**

5 FINANCIAL STATEMENTS

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5.1 Consolidated Financial Statements as of December 31, 2021

Consolidated income statement

(in millions of euros)	Note	2021	2020
Net Revenue		**2,792.1**	**2,632.9**
Cost of sales [1]		(2,241.5)	(2,054.1)
Gross profit		**550.6**	**578.8**
Other operating income		12.2	14.5
Selling and distribution expenses [1]		(296.0)	(325.2)
Research and development		(23.1)	(25.0)
General and administrative expenses		(172.9)	(176.9)
Other operating expenses		(11.2)	(18.8)
Result from operating activities	**(3)**	**59.6**	**47.4**
Financial income		1.0	0.6
Financial expenses		(39.7)	(34.2)
Financial income and expenses	**(7)**	**(38.8)**	**(33.7)**
Share of profit of equity accounted investees (net of income tax)		5.3	(1.2)
Profit before income tax		**26.1**	**12.4**
Total income tax	(8)	(11.0)	(31.5)
Profit from continuing operations		**15.1**	**(19.1)**
Net profit for the period		**15.1**	**(19.1)**
Attributable to:			
Owners of Tarkett		15.1	(19.1)
Non-controlling interests		0.0	-
Net profit for the period		**15.1**	**(19.1)**
Earnings per share:			
Basic earnings per share *(in euros)*	(9)	0.23	(0.29)
Diluted earnings per share *(in euros)*	(9)	0.23	(0.29)

(1) These items included asset impairment on 2020

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Consolidated statement of comprehensive income

(in millions of euros)	Note	2021	2020
Net profit for the period		**15.1**	**(19.1)**
Other comprehensive income (OCI)			
Foreign currency translation differences for foreign operations		34.1	(47.8)
Changes in fair value of cash flow hedge instruments	(7)	3.5	2.7
Income tax		(0.9)	(0.6)
OCI to be reclassified to profit and loss in subsequent periods		**36.7**	**(45.7)**
Defined benefit plan actuarial gain (losses)	(4)	18.9	(1.8)
Income tax		(4.5)	1.0
OCI not to be reclassified to profit and loss in subsequent periods		**14.5**	**(0.7)**
Other comprehensive income, net of tax		**51.1**	**(46.4)**
Total comprehensive income for the period		**66.2**	**(65.5)**
Attributable to:			
Owners of Tarkett		66.2	(65.5)
Non-controlling interests		-	-
Total comprehensive income for the period		**66.2**	**(65.5)**

Consolidated statement of financial position

Assets

(in millions of euros)	Note	Dec. 31, 2021	Dec. 31, 2020
Goodwill	(5)	647.9	613.2
Intangible assets	(5)	77.6	91.9
Property, plant and equipment	(5)	530.9	554.9
Other financial assets	(7)	19.3	17.6
Deferred tax assets	(8)	83.1	74.1
Other intangible assets		-	0.1
Total non-current assets		**1,358.8**	**1,351.9**
Inventories	(3)	471.7	354.9
Trade receivables	(3)	244.8	214.6
Other receivables	(3)	137.6	87.0
Cash and cash equivalents	(7)	205.4	328.6
Total current assets		**1,059.5**	**985.1**
Total assets		**2,418.3**	**2,337.0**

Equity and liabilities

(in millions of euros)	Note	Dec. 31, 2021	Dec. 31, 2020
Share capital	(9)	327.8	327.8
Share premium and reserves		167.4	167.4
Retained earnings		330.0	294.3
Net profit for the period attributable to equity holders of the parents		15.1	(19.1)
Equity attributable to equity holders of the parent		**840.2**	**770.3**
Non-controlling interests		-	-
Total equity		**840.2**	**770.3**
Other non-current liabilities		9.7	5.4
Financial liabilities	(7)	614.4	641.4
Other financial liabilities	(7)	0.2	0.2
Deferred tax liabilities	(8)	13.2	8.7
Employee benefits	(4)	117.3	135.1
Provisions and other non-current liabilities	(6)	35.0	40.1
Total non-current liabilities		**789.8**	**830.9**
Trade payables	(3)	403.8	277.4
Other operating liabilities	(3)	270.2	243.8
Financial liabilities and bank overdrafts	(7)	66.7	160.9
Other financial liabilities	(7)	6.1	10.6
Provisions and other current liabilities	(6)	41.5	43.1
Total current liabilities		**788.4**	**735.8**
Total equity and liabilities		**2,418.3**	**2,337.0**

Consolidated statement of cash flows

(in millions of euros)	Note	2021	2020
Cash flows from operating activities			
Profit for the period before income tax		26.1	12.4
Adjustments for:			
Depreciation, amortization and impairment		149.1	211.1
(Gain) loss on sale of fixed assets	(3)	1.3	(4.2)
Net finance costs	(7)	39.1	33.7
Change in provisions and other non-cash items		(7.6)	(5.7)
Share of profit of equity accounted investees (net of tax)		(5,3)	1,2
Operating cash flow before working capital changes		**202.8**	**248.6**
(Increase) / Decrease in trade receivables		(18.4)	27.2
(Increase) / Decrease in other receivables		(21.4)	(4.6)
(Increase) / Decrease in inventories		(99.5)	46.5
Increase / (Decrease) in trade payables		117.7	(30.8)
Increase / (Decrease) in other payables		10.3	26.2
Changes in working capital		**(11.2)**	**64.5**
Net interest paid		(21.5)	(17.4)
Net income taxes paid		(26.3)	(25.1)
Other operating items		(26.1)	(6.4)
Net cash flows from operating activities		**117.6**	**264.1**
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired	(2)	(2.6)	0.0
Acquisitions of intangible assets and property, plant and equipment	(5)	(72.8)	(74.1)
Proceeds from sale of property, plant and equipment	(5)	6.9	5.2
Effect of changes in the scope of consolidation		-	-

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(in millions of euros)	Note	2021	2020
Cash flows from operating activities			
Net cash flows from investing activities		**(68.4)**	**(68.9)**
Cash flows from financing activities			
Acquisition of NCI without a change in control	(2)	-	-
Proceeds from loans and borrowings		518.3	76.1
Repayment of loans and borrowings		(664.6)	(45.9)
Repayment of lease liabilities		(32.2)	(31.7)
Acquisitions/disposals of treasury shares		0.2	0.4
Dividends	(9)	-	-
Net cash flows from financing activities		**(178.4)**	**(1.2)**
Net increase / (decrease) in cash and cash equivalents		**(129.2)**	**194.0**
Cash and cash equivalents, beginning of period		328.6	137.7
Effect of exchange rate fluctuations on cash held		6.0	(3.1)
Cash and cash equivalents, end of period	**(7)**	**205.4**	**328.6**

Consolidated statement of changes in equity

(in millions of euros)	Share Capital	Share premium and reserves	Translation reserves	Reserves	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
As of January 1, 2020	**327.8**	**167.4**	**(29.8)**	**368.9**	**834.2**	**-**	**834.2**
Capital increase	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-
Net profit for the period	-	-	-	(19.1)	(19.1)	-	(19.1)
Other comprehensive income, net of tax	-	-	(47.8)	1.4	(46.4)	-	(46.4)
Total comprehensive income for the period	**-**	**-**	**(47.8)**	**(17.7)**	**(65.5)**	**-**	**(65.5)**
Dividends	-	-	-	-	-	-	-
Own shares (acquired) / sold	-	-	-	3.0	3.0	-	3.0
Share-based payments	-	-	-	0.1	0.1	-	0.1
Acquisition of NCI without a change in control	-	-	-	-	-	-	-
Other	-	-	4.1	(5.7)	(1.7)	-	(1.7)
Total transactions with shareholders	**-**	**-**	**4.1**	**(2.6)**	**1.5**	**-**	**1.5**
As of December 31, 2020	**327.8**	**167.4**	**(73.5)**	**348.6**	**770.3**	**-**	**770.3**
As of January 1, 2021	**327.8**	**167.4**	**(73.5)**	**348.6**	**770.3**	**-**	**770.3**
Capital increase	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-
Net profit for the period	-	-	-	15.1	15.1	-	15.1
Other comprehensive income, net of tax	-	-	34.1	17.0	51.1	-	51.1
Total comprehensive income for the period	**-**	**-**	**34.1**	**32.1**	**66.2**	**-**	**66.2**
Dividends	-	-	-	-	-	-	-
Own shares (acquired) / sold	-	-	-	2.1	2.1	-	2.1
Share-based payments	-	-	-	1.4	1.4	-	1.4
Acquisition of NCI without a change in control	-	-	-	-	-	-	-
Other	-	-	-	0.3	0.3	-	0.3
Total transactions with shareholders	**-**	**-**	**-**	**3.7**	**3.7**	**-**	**3.7**
As of December 31, 2021	**327.8**	**167.4**	**(39.4)**	**384.4**	**840.2**	**-**	**840.2**

5.2 Notes to the Consolidated Financial Statements

Note 1 > Basis of preparation

1.1 General information

Tarkett SA's Consolidated Financial Statements as of and for the year ended December 31, 2021, include the Company and its subsidiaries (the "Group"), as well as its interests in associates and joint ventures.

The Group is a leading global flooring company, providing a large range of flooring and sports surface solutions to business and residential end-users.

The Group completed its initial public offering on November 21, 2013, and is listed on Compartment B (Compartment A until January 31, 2020 and Compartment B since February 1, 2020) of Euronext Paris, ISIN code: FR0004188670 - Ticker Symbol: TKTT.

The Group's registered office is located at 1 Terrasse Bellini - Tour Initiale - 92919 Paris La Défense, France.

The Group's Consolidated Financial Statements as of and for Fiscal 2021, were finalized by the Management Board on February 14, 2022, and reviewed by the Supervisory Board on February 16, 2022. They will be submitted for shareholder approval on April 29, 2022.

The Group's Consolidated Financial Statements are presented in millions of euros, to one decimal place. The sum of the rounded amounts may differ, albeit to an insignificant extent, from the reported total and subtotals in the tables.

1.2 Significant accounting principles

1.2.1 Statement of compliance and applicable standard

The Group's Consolidated Financial Statements as of and for Fiscal 2021 have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union as of such date, which are available at https://ec.europa.eu/info/index_en. These standards have been applied consistently for the fiscal years presented.

a) Amendments, new standards, or revisions to existing standards and interpretations applied during the period

The following published standards have been applied by the Group for the fiscal year:

> **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - Phase 2 of the interest rate benchmark reform**

The second phase of the interest rate benchmark reform is mandatory beginning with the Fiscal 2021. The goal of Phase 2 is to address the accounting impacts of the effective replacement of interest rate benchmarks.

As previously disclosed, Tarkett had opted for the early adoption of the Phase 1 amendments beginning in 2019, permitting the Group to disregard uncertainties regarding interest rate benchmark reform in evaluating the effectiveness of its hedging relationships and/or in its assessment as to whether the hedged risk is highly probable, thus enabling it to secure its existing or future hedging relationships until those uncertainties are resolved.

Tarkett has completed the process of identifying affected agreements in order to ensure a smooth transition to the new benchmarks. The entry of Phase 2 into force has no impact on the Group's financial statements as of December 31, 2021.

The impact of the amendment on IFRS 4, "Insurance Contracts," and IFRS 16, "Leases," is not significant on the Group level.

> **IFRS IC Decision published May 24, 2021, on attributing benefit to periods of service for a defined benefit plan**

This decision makes changes to the application of IAS 19 regarding the date on which the benefit arises, within the meaning of IAS 19, for retirement plans having all of the following three characteristics:

- Employees are entitled to the benefit only if they remain employed by the entity on their retirement date;
- The amount of the benefit is dependent on length of employment; and
- The amount of the benefit is capped at a certain number of years of consecutive employment with the entity (for example, 16 years).

The Tarkett Group applied the decision of the relevant retirement plans, primarily end-of-career retirement payments in France.

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The decision led to a change in accounting methods. The Tarkett Group decided not to restate its financial statements for 2020, given that the impact on the financial statements resulting from the application of the decision was not material. Impacts on fiscal years prior to 2021 were recorded in shareholders' equity as actuarial differences from experience adjustments. The impacts on Fiscal 2021 were recorded in the income statement for the fiscal year.

- **IFRS IC Decision published on April 27, 2021, on accounting for the costs of configuring and customizing software used in a Software as a Service (SaaS) arrangement**

This decision makes changes to the application of IAS 38 and is intended to clarify the accounting classification of the costs of configuring and customizing SaaS software incurred in advance of the software's entry into use. Such costs, depending on their nature, may be either recognized as an intangible asset or recorded in operating expenses at the time when they are incurred.

The decision led to a change in accounting methods. The Tarkett Group decided not to restate its financial statements for 2020, given that the impact on the financial statements resulting from the application of the decision was not material.

For Fiscal 2021, application of the interpretation led to recording an impact of €2.5 million in EBITDA, corresponding to the best estimate to date of the impact of the most significant contracts (Workday, Microsoft Office 365, and Dynamics 365 - see Note 5.2.1). Due to the continued discussion regarding the application of this interpretation, an additional analysis will be conducted in 2022, which the Group does not expect to have a significant impact on the Group's financial statements.

In addition, the Group has applied the following amendments since January 1, 2021:

- **Amendment to IFRS 4** - Extension of the temporary exemption from the application of IFRS 9;
- **Amendment to IFRS 16** - Rent reductions relating to Covid-19 beyond June 30, 2021;
- **IFRS IC Decision concerning IAS 1 and 7, and IFRS 7 and 9** - Reverse factoring supply chain financing agreements;
- **IFRS IC Decision concerning IFRS 9:** Hedging of cash flow fluctuations due to the real interest rate;
- **IFRS IC Decision concerning IAS 2:** Inventory marketing costs;
- **IFRS IC Decision concerning IFRS 16:** Non-recoverable VAT on rent;
- **IFRS IC Decision concerning IAS 32:** Accounting for subscription warrants classified as debt when initially recorded.

None of these amendments applicable as of January 1, 2021, had a material impact as of December 31, 2021.

b) Early adoption of new standards or interpretations during the period

Since January 1, 2021, the Group has adopted the following amendments:

- **Amendment to IFRS 3** - Reference to the Conceptual Framework
- **Amendment to IAS 37** - Onerous contracts - cost of fulfillment of a contract
- **Amendment to IAS 16** - Proceeds before intended use of property, plant and equipment;
- **Amendment to IAS 12** - Deferred tax related to assets and liabilities arising from a single transaction.

None of these amendments applicable as of January 1, 2021, had a material impact as of December 31, 2021.

c) New standards and interpretations not adopted

The following new published standards have not been adopted:

- **IFRS 17: Insurance contracts - first application**
  On May 18, 2017, the IASB published IFRS 17, "Insurance Contracts," relating to the recognition and valuation of insurance contracts, which will replace IFRS 4. As it has not been adopted to date by the European Union, and in light of the IASB's decision to delay by one year, the first application is expected to be as of January 1, 2023.
- **Amendment to IAS 1:** classification of liabilities as current or non-current.
- **Amendments to IAS 1 and Practice Statement 2:** Disclosure of accounting policies.
- **Amendment to IAS 8:** Definition of accounting estimates.

1.2.2 Accounting estimates and judgments

The preparation of the Group's Consolidated Financial Statements requires it to make a number of estimates and assumptions that have an effect on the amounts recorded on its balance sheet and income statement.

These estimates and assumptions relate primarily to the following notes:

	Note
Measurement of the fair value of the consideration transferred, NCI and assets acquired and liabilities assumed	2
Impairment testing of assets	5.3
Accounting treatment of Financial Instruments	7.6
Provisions for employee benefits	4.1
Valuation of deferred tax assets	8.2
Determination of other provisions (warranties and disputes)	6

Management reviews these estimates and assumptions on an ongoing basis, by reference to past experience and information deemed significant given the current environment. Actual results may differ significantly from these estimates.

The Group's Consolidated Financial Statements have been prepared on the basis of historical cost with the exception of the following assets and liabilities, which have been measured at fair value: derivatives, investments held for trading, available-for-sale financial assets, pension plan assets and other assets when required. The carrying amount of assets and liabilities subject to fair value hedging has been adjusted in line with the changes in fair value attributable to the hedged risks.

1.3 Significant developments

> **Simplified tender offer**

The Deconinck family, Tarkett's majority shareholder, decided to strengthen its control by means of a simplified tender offer (*offre publique d'achat simplifiée*, or "OPAS") for Tarkett's shares, with the support of Wendel, a long-term investor with strong industry expertise, in order to transform and grow Tarkett and to support its strategy.

The offer was initiated by Tarkett Participation, a company controlled by the Deconinck family, to which

Société Investissement Deconinck, the family holding company, contributed all of its shares (representing 50.8% of Tarkett's share capital) and in which Wendel invested as a minority shareholder.

On April 26, 2021, Tarkett Participation filed a simplified tender offer (the "Offer") at a price of €20 per share.

Tarkett's Supervisory Board met on May 20, 2021, and unanimously approved a reasoned opinion on the Offer, declaring it to be in the interests of the Company, its shareholders, and its employees. This opinion was rendered on the basis of the recommendations of the ad hoc committee composed of independent members of the Board as well as on a report by Finexsi, an independent expert retained to issue an opinion on the financial terms of the Offer.

The Autorité des Marchés Financiers (the "AMF") approved the Offer on June 8, 2021, and published notice of the Offer's launch on June 9, with the Offer period to open on June 10, 2021, and close on July 9, 2021.

Following the close of the Offer launched by Tarkett Participation, acting together with Société Investissement Deconinck and Wendel Luxembourg S.A. (through its subsidiaries Expansion 17 S.C.A. and Global Performance 17 S.C.A.), for all of the Tarkett shares not held by the Offeror, the Offeror directly held 56,300,463 shares, representing 85.89% of Tarkett's share capital and 84.98% of its voting rights.

Following additional buybacks carried out between the close of the Offer and December 31, 2021, Tarkett Participation, together with the Deconinck Family Group, directly holds 59,263,296 shares, representing 90.41% of Tarkett's share capital and 90.08% of its voting rights, including the 247,555 treasury shares held by Tarkett and thus indirectly held by Tarkett Participation.

As of December 31, 2021, Tarkett Participation has not carried out a squeeze-out.

> **Early repayments of existing debt, access to new financing**

In connection with refinancing transactions relating to the simplified tender offer referred to above, Tarkett carried out the early repayment of most of the existing post-transaction debt. (see Note 7.2).

> **Liquidity Agreement**

Following the close of the Offer, the Exane liquidity agreement was terminated as of July 19, 2021.

> **Vinylasa Acquisition**

In July 2021, the Tarkett Group, through its subsidiary Tarkett Manufacturing Mexico, acquired Vinylasa, a Mexican manufacturer of vinyl composite tiles.

> **Change in functional currency**

The euro was the functional currency of entities in the Commonwealth of Independent States ("CIS") until December 31, 2020. After analyzing the primary and secondary indicators set forth in IAS 21.9, the Group changed the functional currency in the following countries, as of January 1, 2021: Russia, Ukraine, Kazakhstan, and Belarus.Thus, only the Serbian entities continue to use the euro as their functional currency.

1.4 Accounting for climate risk

The Tarkett group has set environmental objectives to achieve by 2030. These objectives are as follows:

- To expand the scope of its commitment (Scope 1 and Scope 2 operational greenhouse gas emissions) to include emissions by its value chain (Scope 3) relating to the production of raw materials and the end-of-life processing of its products;
- To reduce emissions from its entire value chain (Scope 1, Scope 2, and Scope 3) by 30% by 2030 as compared with 2019 (the objective will be submitted to the Science-Based Target Initiative for approval); and
- To triple the share of recyclable raw materials used from 10% to 30% by 2030.

Tarkett has integrated the identification of its principal climate risks into the process of closing its accounts, in order to evaluate their potential impacts on its financial statements, namely:

- Reviewing the useful life of certain assets;
- Integrating expected impacts on future cash flows into impairment testing of non-current assets; and
- Measurement of risks to determine the amount of the provisions for risks.

The Finance Department interacts regularly with the Environmental Department to ensure consistency between the commitments made by the Group and their reflection in the financial statements. New dedicated resources have been allocated to the Environmental Department.

In 2021, the new CSR committee examined the double materiality of the risks and opportunities relating to sustainable development, analysing both the potential impacts of Tarkett's activity on the environment and the risks and opportunities relating to sustainable development confronted by Tarkett's value chain.

The risks to the climate posed by Tarkett include excessive growth in greenhouse gases from operations (from the use of fossil fuels) and/or upstream and/or downstream activities related to its products. The principal identified risks with which Tarkett will be confronted include, first, to changes in current and emerging regulation, technologies (responding to the growing market demand for circular-economy flooring products with low carbon footprints) and, second, market changes (volatility in the prices of raw materials, increased demand for low-carbon products).

The principal transition risks relating to expected changes in regulations have also been reviewed to the best of our ability. The Group's capacity to adapt rapidly enough may be a condition for obtaining new contracts.

Short-term regulatory changes are included in cash flows, while medium- and long-term changes are managed using sensitivity testing.

Regulatory changes should not have a material effect on the life cycle of our assets.

With respect to technological developments and market changes, circular solutions are available to increase income arising out of the growing demand for low carbon-intensity, recyclable products. Tarkett believes that adopting an economic approach will enable it to limit the costs of its raw materials, to secure their supply, to limit greenhouse gas emissions, and to respond to the growing customer demand for products with low environmental impact.

Tarkett believes that it has correctly accounted for the measurement of climate risks, consistent with its commitments in this area. The inclusion of these items did not have a material impact on the Group's financial statements.

Note 2 > Changes in the scope of consolidation

2.1 Consolidation methods

2.1.1 Full consolidation

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Losses applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interests to have a deficit balance.

2.1.2 Equity method accounting for joint ventures and associates

A joint venture, for purposes of IFRS 11, is an arrangement in which the Group has joint control, whereby the Group has right to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group's interests in equity-accounted joint ventures comprise principally the joint venture Laminate Park GmbH & Co.

They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

The accounting policies described hereafter have been applied to all the periods presented in the Consolidated Financial Statements and have been uniformly applied by all Group entities acquired prior to December 31, 2021 (see Note 2.4).

2.2 Business combinations

Business combinations are accounted for using the acquisition method on the acquisition date - *i.e.* when control is transferred to the Group. The Group measures goodwill at the acquisition date as:

> the fair value of the consideration transferred; plus
> the recognized amount of any non-controlling interests in the acquiree; plus
> if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
> the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.
> when the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. However, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Acquisition of Non-Controlling Interests (NCI) without a change in control

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

Share put options granted by the Group

The Group may write a put option or enter into a forward purchase agreement with the non-controlling shareholders in an existing subsidiary on their equity interests in that subsidiary. The Group consolidates the entity as though the non-controlling interests had already been acquired. This position leads to recognizing a liability, recorded in "other liabilities," for the present value of the estimated exercise price of the put option, with any subsequent valuation changes being recorded in shareholders' equity.

As of December 31, 2021, all buyback options have been exercised.

2.3 Foreign currency translation

The functional currency of Tarkett and its subsidiaries located in the euro zone is the euro. Group entities operate on an autonomous basis and therefore the functional currency of entities operating outside the euro zone is generally their local currency.

The euro was the functional currency of entities in the Commonwealth of Independent States ("CIS") until December 31, 2020. Those entities have returned to using local currencies (see Note 1.3). Only the Serbian entities continue to use the euro as their functional currency.

The Group presents its financial statements in euros.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities at the foreign exchange rate as of the date of the transaction. Foreign exchange rate differences arising on these transactions are recognized either in the operating profit for operational transactions or in the financial result for financing transactions.

Some items are covered by hedging transactions; the accounting treatment for those transactions is described in Note 7.6.

Non-monetary items are translated using the historical exchange rates, while monetary items are translated using the foreign exchange rates in effect on the balance sheet date.

Financial statements of foreign operations

On the balance sheet date, assets and liabilities of foreign operations are translated at the closing rate, and income and expenses are translated at the average exchange rate for the period.

Foreign currency differences are recognized in other comprehensive income (OCI), and presented in the translation reserve in equity.

Net investments in foreign operations

When a long-term loan in foreign currency is granted to a subsidiary, it may be deemed a net investment in a foreign company. Foreign exchange gains and losses relating to these long-term loans are then recognized in translation reserves in other comprehensive income.

2.4 Changes in the scope of consolidation

The Tarkett Group's scope of consolidation is as follows (see Note 13, which contains a list of consolidated companies):

Number of companies	Dec. 31, 2020	Mergers	Acquisitions and creations	Liquidations	Dec. 31, 2021
Fully consolidated companies	73	-	1	(1)	73
Equity-accounted consolidated companies	3	-	1	-	4
Total	**76**	**-**	**2**	**(1)**	**77**

2.4.1 Transactions completed in 2021

The year's main transactions are as follows:

a) Acquisitions and creations

In April 2021, Tarkett GDL acquired 33.33% of Virtual Reality Empathy Platform Ltd., a British company consolidated through the equity method.

Tarkett Manufacturing Mexico, formed in July 2021, acquired Vinylasa from Losetas and is wholly owned by Tarkett USA.

b) Mergers

None.

c) Liquidations

Desso Texture Tex BV was liquidated in January 2021.

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2.4.2 Transactions completed in 2020

The year's main transactions are as follows:

a) Acquisitions

Tarkett Carpet Canada Inc. was formed in the second half of 2020 and is wholly owned by Tarkett Inc.

b) Mergers

None.

c) Liquidations

Desso Ambiente Textil Handelsgesellschaft GmbH, Tarkett CZ Sro and Desso Australia Pty were liquidated in January 2020, February 2020, and October 2020, respectively.

2.5 Joint ventures

The Group holds interests in the following companies:

- AllSports Constructions & Maintenance, a Scottish company.
- FED Inc., a U.S. company.
- Laminate Park GmbH & Co KG, jointly held with the Sonae Arauco Group.
- Virtual Reality Empathy Platform Ltd., a UK company acquired by the Group in April 2021.

Note 3 > Operating Data

3.1 Components of the income statement

3.1.1 Net revenue

As from January 1, 2018, IFRS 15, “Revenue from Contracts with Customers,” replaces IAS 18, “Revenue,” and IAS 11, “Construction Contracts,” and their related interpretations.

The standard includes new rules for recording revenue and segmenting contracts into performance obligations.

In accordance with the standard, revenue from the sale of goods is recognized in profit or loss when the control inherent to service obligations has been transferred to the buyer, payment is likely, the associated costs and potential return of the merchandise can be reliably assessed, the Group is no longer involved in managing the merchandise, and the revenue from the merchandise can be reliably assessed. Revenue is recognized net of returns, rebates, commercial discounts, and bulk discounts.

The Group recognizes revenue using the five-step model set forth in the standard as a function of its two business sectors: flooring and sports surfaces.

Flooring:

The contracts that the Group enters into relate to the supply of identifiable and distinct products constituting the principal performance obligation. No significant long-term contracts were identified. The Group acts in its own name and not as an intermediary. The general terms and conditions of sale provide for payment in under one year, and the Group does not offer variable financing that would necessitate segmented recording pursuant to IFRS 15. Tarkett does not sell extended warranties on its products; therefore, its warranty is not considered as a separate service and is recorded in accordance with IAS 37, “Provisions, contingent liabilities and contingent assets.”

For this business sector, in general, revenue is recorded at the time of delivery of the performance obligation. Taking into consideration the nature of the products and the general terms and conditions of sale, sales are usually recorded on the date on which the products leave the Group's warehouses, or upon delivery if Tarkett is responsible for transport.

Sports Surfaces:

The sports surfaces activity is composed of sales of products directly to distributors and the sale of installation contracts (including provision of the sports surfaces). The direct sale of products to distributors follows the same Group rules for recording revenue as those described for the flooring activity. With respect to installation contracts, the Group does not perform installations without also providing the sports surfaces; it therefore considers the supply of the products and the installation to be part of the same performance obligation. The general terms and conditions of sale do not offer variable financing or specific components of financing. Tarkett does not sell extended warranties on its installations; therefore, its warranty is not considered a separate service and is recorded in accordance with IAS 37, “Provisions, contingent liabilities and contingent assets.”

In this business segment, revenue from services rendered or from construction contracts is recognized in profit or loss in proportion to the stage of completion of the transaction at the balance sheet date. Revenue is recorded as the performance obligation are completed. The stage of completion is assessed by reference to surveys of work performed. The use of the percentage-of-completion method requires satisfaction of one of the three prior conditions provided for in IFRS 15 paragraph 35.

Pursuant to that paragraph of the standard, the Group recognizes revenue over time to the extent that it complies with two of the three following conditions referred to in the standard:

- the asset created by the Tarkett Group's performance does not have an alternative use to that provided for in the contract; and
- the Group has an enforceable right to payment for performance completed to date.

Net sales comprise revenue from the sale of goods and services net of price reductions and taxes, and after elimination of intragroup sales.

3.1.2 Operating result

a) Grants

Grants relating to assets are deducted from the carrying amount of the property, plant and equipment that they financed. The grants are thus recognized as income over the lives of the assets by way of a reduced depreciation charge.

Grants are recognized when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Other grants are recognized as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate.

b) Expenses

Cost of sales

Cost of sales comprises the cost of manufactured products, the acquisition cost of purchased goods which have been sold, and the supply chain, logistic and freight costs.

Selling and distribution expenses

Selling and distribution expenses comprise the expenses of the marketing department and the sales force, as well as advertising expenses, distribution expenses, sales commissions and bad debts.

Research and development

Research and development costs are recognized as expenses when incurred, unless the criteria are met for them to be capitalized, as per Note 5.2.1.

General and administrative expenses

General and administrative expenses comprise the remuneration and overhead expenses associated with management and administrative personnel with the exception of amounts charged to other cost centers.

c) Other operating income and expenses

This category includes all operating income and expenses that cannot be directly attributed to business functions, including operating expense related to retirement commitments and costs with respect to certain disputes.

3.1.3 Adjusted EBITDA

Adjusted EBITDA is a key indicator permitting the Group to measure its operating and recurring performance.

It is calculated by taking operating income before depreciation and amortization and removing the following revenues and expenses:

- restructuring costs to improve the future profitability of the Group;
- gains or losses on disposals of significant assets;
- impairment and reversal of impairment based on Group impairment testing only;
- costs related to business combinations and legal reorganizations, including legal fees, transactions costs, advisory fees and other adjustments;
- expenses related to share-based payments due to their non-cash nature; and
- other one-off expenses considered exceptional by their nature.

In 2021, the application of IFRS 16 increased EBITDA by €31.4 million, as compared with €30.9 million in 2020.

(in millions of euros)		Of which adjustments:					
	Dec. 31, 2021	Restructuring	Gains/Losses on asset sales/ impairment	Business Combinations	Share-based payments	Other	Dec. 31, 2021 adjusted
Net revenue	**2,792.1**	**-**	**-**	**-**	**-**	**-**	**2,792.1**
Cost of sales	(2,241.5)	6.5	(0.0)	-	-	-	(2,235.1)
Gross profit	**550.6**	**6.5**	**(0.0)**	**-**	**-**	**-**	**557.0**
Selling and distribution expenses	(296.0)	0.9	-	-	-	-	(295.1)
Research and development	(23.1)	0.0	0.0	-	-	-	(23.0)
General and administrative expenses	(172.9)	1.1	-	0.6	3.1	2.9	(165.2)
Other operating income and expenses	1.0	3.0	(1.9)	-	-	4.4	6.4
Result from operating activities (EBIT)	**59.6**	**11.5**	**(1.9)**	**0.6**	**3.1**	**7.3**	**80.2**
Depreciation and amortization	149.2	(0.1)	(0.0)	-	-	-	149.0
Other	(0.1)	-	-	-	-	-	(0.1)
EBITDA	**208.6**	**11.4**	**(1.9)**	**0.6**	**3.1**	**7.3**	**229.0**

(in millions of euros)	Dec. 31, 2020	Of which adjustments					Dec. 31, 2020 adjusted
		Restructuring	Gains/Losses on asset sales/ impairment	Business Combinations	Share-based payments	Other	
Net revenue	**2,632.9**	**-**	**-**	**-**	**-**	**-**	**2,632.9**
Cost of sales	(2,054.1)	4.3	17.0	-	-	(0.2)	(2,033.0)
Gross profit	**578.8**	**4.3**	**17.0**	**-**	**-**	**(0.2)**	**599.9**
Selling and distribution expenses	(325.2)	2.4	36.1	-	-	0.3	(286.5)
Research and development	(25.0)	0.1	-	-	-	-	(24.9)
General and administrative expenses	(176.9)	8.2	-	2.4	2.9	1.7	(161.7)
Other operating income and expenses	(4.3)	(0.5)	(3.5)	-	-	0.9	(7.3)
Result from operating activities (EBIT)	**47.4**	**14.5**	**49.6**	**2.4**	**2.9**	**2.7**	**119.4**
Depreciation and amortization	211.2	(1.2)	(53.1)	-	-	(0.2)	156.8
Other	1.7	-	-	-	-	-	1.7
EBITDA	**260.2**	**13.3**	**(3.5)**	**2.4**	**2.9**	**2.6**	**277.9**

3.2 Segment information

In accordance with IFRS 8, "Operating Segments," the Group's activities have been segmented based on the organization of its internal management structure and of its products.

As in 2020, the Group is organized in four segments:

- Europe, Middle East and Africa ("**EMEA**");
- North America;
- Commonwealth of Independent States ("**CIS**"), Asia Pacific ("**APAC**") and Latin America; and
- Sports surfaces.

Certain expenses are not allocated, including the expenses of headquarters and of the R&D Group.

Reminder on the organization of the CIS and Asia Pacific (APAC)/Latin America divisions

Reporting reviewed by the chief operating decision maker is organized by division, of which there are currently six: EMEA, North America, CIS, APAC, Latin America, and Sports Sufaces.

The CIS and APAC/Latin America Divisions have been combined to form the "CIS, APAC and Latin America" segment, for the following reasons:

- The markets of the divisions had similar economic characteristics (similar growth trends in the relevant markets).
- The products sold, manufacturing methods, types of clients, and distribution modes of the zones are similar.

In addition, the relatively small contribution of revenue and operating income from Asia-Pacific/Latin America (less than 10% of the Group's net revenue and adjusted EBITDA) highlighted that there was no need to present the division in a separate segment.

By operating segment

(in millions of euros)	Flooring			Sports Surfaces	Central	Group
Dec. 31, 2021	EMEA	North America	CIS, APAC and Latin America			
Net revenue	**888.5**	**727.2**	**588.6**	**587.7**	**-**	**2,792.1**
Gross profit	**211.0**	**137.1**	**110.8**	**90.7**	**1.0**	**550.6**
% of net revenue	23.7%	18.9%	18.8%	15.4%	-	19.7%
Adjusted EBITDA	**102.0**	**43.4**	**88.7**	**46.0**	**(51.0)**	**229.0**
% of net revenue	11.5%	6.0%	15.1%	7.8%	-	8.2%
Of which adjustments	**(7.9)**	**(6.5)**	**(0.3)**	**(0.5)**	**(5.2)**	**(20.4)**
EBITDA	**94.1**	**36.9**	**88.4**	**45.5**	**(56.2)**	**208.6**
% of net revenue	10.6%	5.1%	15.0%	7.7%	-	7.5%
Result from operating activities (EBIT)	**41.1**	**(35.4)**	**45.6**	**21.9**	**(13.6)**	**59.6**
% of net revenue	4.6%	-4.9%	7.8%	3.7%	-	2.1%
Ongoing capital expenditures	**27.8**	**13.1**	**14.3**	**11.3**	**6.3**	**72.8**

(in millions of euros)	Flooring					
Dec. 31, 2020	**EMEA**	**North America**	**CIS, APAC and Latin America**	**Sports Surfaces**	**Central**	**Group**
Net revenue	**823.6**	**694.5**	**527.9**	**586.9**	**-**	**2,632.9**
Gross profit	**213.3**	**137.1**	**120.5**	**107.9**	**(0.0)**	**578.8**
% of net revenue	25.9%	19.7%	22.8%	18.4%	-	22.0%
Adjusted EBITDA	**108.9**	**58.9**	**97.4**	**60.5**	**(47.8)**	**277.9**
% of net revenue	13.2%	8.5%	18.4%	10.3%	-	10.6%
Of which adjustments	**(7.2)**	**(2.3)**	**(0.5)**	**(2.3)**	**(5.3)**	**(17.6)**
EBITDA	**101.7**	**56.5**	**96.8**	**58.1**	**(53.0)**	**260.2**
% of net revenue	12.4%	8.1%	18.3%	9.9%	-	9.9%
Result from operating activities (EBIT)	**48.2**	**(66.1)**	**52.2**	**34.9**	**(21.8)**	**47.4**
% of net revenue	5.8%	-9.5%	9.9%	5.9%	-	1.8%
Ongoing capital expenditures	**30.4**	**10.4**	**14.5**	**11.0**	**7.8**	**74.1**

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Information on activity in France and in other significant countries

The Group's activity in France represented less than 10% of revenue in 2021 and in 2020.

Non-current assets in France, excluding the non-affected goodwill arising out of the merger between Tarkett and Sommer in the early 2000's, also represent less than 10% of the Group's total non-current assets in 2021 and in 2020.

Tarkett considers the threshold of 25% of revenues to be significant. Only the United States is above that threshold, with 43% of the Group's consolidated revenue in 2021 (43% in 2020).

The United States represents 47% of the Group's total non-current assets as of December 31, 2021 (45% as of December 31, 2020).

No single customer represents more than 10% of the Group's revenues. In 2021, the largest customer represented 3% of consolidated revenues (3% in 2020).

By product category

(in millions of euros)	Dec. 31, 2021		Dec. 31, 2020	
	Revenue	**%**	**Revenue**	**%**
Vinyl & Linoleum	1,338.5	47.9%	1,217.4	46.2%
Commercial carpet	441.1	15.8%	445.7	16.9%
Parquet & Laminate	215.5	7.7%	189.3	7.2%
Rubber & Accessories	209.3	7.5%	193.5	7.3%
Sport	587.7	21.0%	586.9	22.3%
Total	**2,792.1**	**100%**	**2,632.9**	**100%**

3.3 Other operating income and expenses

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Gains on disposal of fixed assets	-	4.2
Other operating income	12.2	10.3
Other operating income	**12.2**	**14.5**
Losses on disposal of fixed assets	(1.3)	-
Other operating expenses	(9.9)	(18.8)
Other operating expenses	**(11.2)**	**(18.8)**
Total other operating income and expenses	**1.0**	**(4.3)**

3.4 Impact of the increase in raw materials prices

Oil-based raw material prices and transportation costs rose sharply during the year. These increases combined with production disruptions and supply difficulties at several major suppliers resulted in significant additional costs compared to the year 2020.

The Group has implemented sales price increases to offset half of these increases.

3.5 Changes in working capital requirement

3.5.1 Inventories

Inventories are stated on a FIFO (first in, first out) basis, at the lower of manufacturing/acquisition costs and net realizable value. Manufacturing costs of self-produced inventories comprise all costs that are directly attributable and a systematic allocation of production overhead and depreciation of production facilities based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Raw materials and supplies	179.4	120.4
Work in progress	74.2	69.6
Finished goods	258.5	212.7
Samples	1.7	1.2
Displays		
Consumables and spare parts	27.1	22.6
Total gross Value	**540.9**	**426.3**
Provision for inventory depreciation	(69.2)	(71.4)
Total net inventory	**471.7**	**354.9**

Detail of the provision for inventory depreciation

(in millions of euros)	Dec. 31, 2020	Allowance	Decrease	Foreign exchange gain & loss	Other	Dec. 31, 2021
Raw materials and supplies	(11.6)	(4.1)	2.9	(0.5)	(0.0)	(13.3)
Work in progress	(12.1)	(6.9)	8.2	(0.4)	0.0	(11.2)
Finished goods	(40.2)	(12.5)	17.6	(1.8)	0.0	(36.9)
Samples	(0.5)	(0.1)	0.1	(0.0)	-	(0.6)
Displays	-	-	-	-	-	-
Consumables and spare parts	(6.9)	(1.0)	0.8	(0.1)	0.0	(7.2)
Total provision for inventory depreciation	**(71.4)**	**(24.6)**	**29.7**	**(2.9)**	**0.0**	**(69.2)**

The rate of inventory provisions is applied in a similar way for the different periods.

Cost of raw materials was €1,220 million in 2021, as compared with €1,053 million in 2020.

3.5.2 Trade receivables

Trade receivables are stated at their invoiced value converted at the closing rate, less any allowance for doubtful accounts.

The Group conducts a review of each of its customer receivables individually, taking into account the probability of default by the counterparty as well as the extent to which the receivables were hedged, and uses the simplified method provided for by IFRS 9 to provision the expected losses over the remaining maturity of the receivables.

Assignment of trade receivables

Certain of the Tarkett Group's subsidiaries have transferred trade receivables to specialized credit institutions without recourse, transferring nearly all of the risks and benefits attached to the transferred receivables.

Receivables transferred and having payment dates later than December 31, 2021, totaled €179.0 million and are no longer recorded on the Group's balance sheet. Receivables transferred as of December 31, 2020, totaled €146.1 million.

Provision for doubtful receivables

Where trade receivables are not covered by credit insurance, provisions to cover the risk of failing to collect trade receivables either in full or in part are recorded using the expected loss method (see Note 7.1).

Doubtful receivables are identified and provisioned as follows:

- a statistical provision, based on the age of the outstanding receivables, is defined as follows:

Receivables, trade overdue *(percentage of gross amount)*	**Impairment excluding Sport Division**	**Impairment for Sport Division**
From 61 to 180 days	25%	0%
From 181 to 270 days	50%	0%
From 271 to 360 days	75%	0%
From 361 to 540 days	100%	40%
From 541 to 720 days	100%	75%
More than 720 days	100%	100%

- an additional provision on a case-by-case basis based on an application of professional judgment. In light of the pandemic, the Group has had to review the status of trade receivables in greater detail.

(in millions of euros)	**Dec. 31, 2021**	**Dec. 31, 2020**
Trade receivables	265.5	234.4
Total gross value	**265.5**	**234.4**
Provisions for doubtful receivables	(20.7)	(19.8)
Total net receivables	**244.8**	**214.6**

The change in the provision for doubtful receivables amounts to €(0.9) million and is mainly explained as follows:

- €(4.3) million of allowance;
- €6.4 million of reversals;
- €(2.5) million in transfers;
- €(0.5) million of foreign exchange effects.

Breakdown of unimpaired overdue receivables

(in millions of euros)	**Dec. 31, 2021**	**Dec. 31, 2020**
Receivables, trade overdue 0-180 days	28.4	25.3
Receivables, trade overdue 181-270 days	0.5	1.1
Receivables, trade overdue 271-360 days	0.4	0.6
Receivables, trade overdue > 360 days	0.1	3.0
Receivables, bankruptcy procedure/legal cases	0.6	0.6
Total unimpaired overdue Receivables	**30.0**	**30.7**

3.5.3 Other receivables

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Other receivables non-current	**0.0**	**0.1**
Prepaid expenses current	30.8	14.7
Income tax receivable current	25.7	17.6
VAT and other taxes	30.6	15.7
Other accounts receivable and other assets current	50.5	39.0
Other receivables current	**137.6**	**87.0**

3.5.4 Trade payables

Payables due more than a year in the future are discounted to net present value. Payables due more than a year in the future, including €8.1 million in deferred income are discounted to net present value.

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Trade payables	403.8	277.4
Trade notes payable	0.0	0.0
Trade payables	**403.8**	**277.4**

3.5.5 Other liabilities

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Liabilities related to employees	105.9	107.0
Current tax	23.5	22.7
VAT and other taxes	19.1	15.2
Sales rebates	46.3	40.0
Other liabilities	75.5	58.9
Other current liabilities	**270.2**	**243.8**

3.6 Free cash-flow

Free cash flow is defined as the liquidity generated by operating activities after deducting investments other than acquisitions of subsidiaries and other changes in the scope of consolidation.

Free cash flow is calculated based on the items presented in the consolidated cash flow statement, and consists of the following items:

- operating cash flow before working capital changes;
- changes in working capital requirement
- net interest paid;
- net income taxes paid;
- miscellaneous operational items paid;
- acquisitions of intangible assets and property, plant and equipment;
- proceeds from sales of property, plant and equipment;
- repayment of lease liabilities.

Free cash-flow

(in millions of euros)	2021	2020
Operating cash flow before working capital changes (A)	202.8	248.6
Repayment of principal (lease payments) (B)	(32.2)	(31.7)
Total (A+B)	**170.5**	**216.9**
Changes in working capital requirement	(11.2)	64.5
Net interest paid	(21.5)	(17.4)
Net income taxes paid	(26.3)	(25.1)
Miscellaneous operating items paid	(26.1)	(6.4)
Acquisitions of intangible assets and property, plant and equipment	(72.8)	(74.1)
Proceeds from sale of property, plant and equipment	6.9	5.2
Free cash flow	**19.5**	**163.5**

Following Fiscal 2020, when changes in working capital requirement were favorably affected by the COVID-19 pandemic, 2021 was marked by changes in receivables assigned in connection with the assignment of receivables program, for €30.5 million, and by the effect of inflation on raw materials costs. As compared with the historically low levels at the end of 2020, inventory volumes increased due to growing business and in value, due to inflation.

The line "Miscellaneous operating items paid" mainly consists of costs relating to the Offer and to the refinancing transactions referred to in Note 1.3.

Note 4 > Employee benefits

4.1 Retirement benefits

Within the Tarkett Group, various systems for providing for retirement benefits depending on the legal, economic and tax environment of each country exist. In accordance with the laws and uses applied in each country, the Group participates in pension, welfare, health and retirement benefit plans whose benefits are dependent on various factors such as length of service, salary and the contributions paid to institutions.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

These contributions, based on services rendered by employees, are recognized as an expense in profit or loss as incurred.

Defined benefit plans

Defined benefit plans are post-employment benefit plans under which the Group assumes the obligation of providing employees with future benefits and thus also assumes the related actuarial and investment risks. The defined benefit liability is calculated using the projected unit credit method and is discounted to its present value from which the amount of past service cost for the period may also be deduced.

The detailed actuarial calculation requires the use of actuarial hypotheses for demographic variables (mortality, employee turnover) and economic variables (future increases in salaries and medical costs, discount rate).

When defined benefit plans are totally or partially funded by contributions paid to a separate fund or insurance company, those entities' assets are measured at their fair value. Their amount is then deducted from the obligation to define net liability disclosed in the Group's balance sheet.

The Group's obligation in respect of such arrangements is calculated by independent actuaries, in accordance with revised IAS 19, "Employee Benefits".

Description of plans

As of December 31, 2021, the Group's largest retirement plans were in the United States, Germany, Sweden, Canada, the United Kingdom, Belgium, and Russia. Those seven countries represent close to 95.7% of total commitments under the defined benefit plans.

In the United States and the United Kingdom, the Group's retirement plans have been closed to new participants and to the accrual of rights for several years. The Group's plans in Canada are now closed. These plans are pre-financed in accordance with local legislation. Additionally, the Group operates medical and life-insurance benefit plans for certain employees in the United States. These plans are not covered by financing assets and are now closed.

In Sweden, defined benefit retirement plans are mandatory for employees born prior to 1979 under the applicable collective bargaining agreement. Employees born after that date participate in the mandatory defined contribution plan.

In Germany, the Group offers a pension plan, service awards and early retirement.

The Group also offers lump-sum retirement payments as provided for by applicable legislation or collective bargaining agreements in certain countries, including Russia, France, and Italy.

The weighted average duration of the defined benefit obligation is 13.4 years.

Material Events

- The IFRS IC Decision published on May 24, 2021, made changes to the application of IAS 19. The reform revised the date triggering the provision within the meaning of IAS 19. Instead of recording a provision upon an employee's arrival at the company, the provision may be required to be recorded later (based on seniority and the ceilings included in applicable collective bargaining and other agreements). Lump-sum retirement payments in France were affected. The impact was recognized as an actuarial difference for €1.5 million and a positive impact on the 2021 income statement in the amount of €0.1 million.
- Belgium: a new pension plan was consolidated for the first time in 2021.
- Germany: a redundancy plan was announced affecting 34 employees. This event generated a curtailment gain in 2021 expenses of €0.07 million.
- Serbia: redundancy plans were announced affecting 21 employees. These events generated a curtailment gain in 2021 expenses of €0.06 million.
- France: redundancy plans were announced in 2020 affecting a few employees. These events generated a curtailment gain in 2021 expenses of €0.05 million.

Assumptions

Accounting for actuarial values relies on long-term interest rates, predicted future increases in salaries and inflation rates. The main assumptions are presented below:

	Dec. 31, 2021		Dec. 31, 2020	
	Pensions	Other benefit obligations	Pensions	Other benefit obligations
Discount rate	2.18%		1.69%	
Including:				
United States	2.80%	2.80%	2.70%	2.70%
Germany [1]	1.00%		-0,10% / 0,20% / 0,30%	
Sweden	1.90%		1.50%	
United Kingdom	1.70%		1.30%	
Canada	3.15%		2.70%	
Belgium	0.70%		0.30%	
Russia	8.40%		6.70%	
Salary increases	2.71%		2.70%	
Inflation	2.23%		2.11%	

(1) On 2021, is presented the discount rate that applies to 99.4% of the commitment in Germany

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Discount rates are determined by reference to the yield on high-quality bonds. They are calculated on the basis of external indices commonly used as references:

- United States: iBoxx $ Corporate AA 15+;
- Euro zone: iBoxx € Corporate AA 10+;
- Sweden: bonds of Swedish companies;
- United Kingdom: iBoxx £ Corporate AA 15+;
- Canada: Canadian AA "Mercer Yield Curve Canada" bonds;
- Russia: Russian government bonds.

Amounts recognized in the statement of financial position	**Dec. 31, 2021**			**Dec. 31, 2020**		
(in millions of euros)	**Pensions**	**Other benefit obligations**	**Total**	**Pensions**	**Other benefit obligations**	**Total**
Defined Benefit Obligations	217.6	1.3	219.0	227.3	1.4	228.7
Fair value on plan assets	(101.7)	-	(101.7)	(93.6)	-	(93.6)
Net liability booked in the statement of financial position	**115.9**	**1.3**	**117.3**	**133.7**	**1.4**	**135.1**

Pension obligations	Dec. 31, 2021			Dec. 31, 2020		
(in millions of euros)	Defined benefit obligations	Fair value of plan assets	Net liabilities recorded in the balance sheet	Defined benefit obligations	Fair value of plan assets	Net liabilities recorded in the balance sheet
As of January 1	**227.3**	**(93.6)**	**133.7**	**227.9**	**(92.9)**	**135.0**
Current service cost	2.9	-	2.9	3.9	-	3.9
Past service cost	(0.0)	-	(0.0)	(0.7)	-	(0.7)
(Gain)/loss on new retirement plans	-	-	-	-	-	-
Financial cost (effect of discount)	3.8	(2.0)	1.9	4.7	(2.3)	2.4
Update to other post-employment commitments	-	-	-	-	-	-
Administrative expenses and taxes (expenses paid)	(0.1)	0.9	0.8	(0.1)	1.2	1.1
Expense (income) for the period	**6.6**	**(1.1)**	**5.5**	**7.8**	**(1.1)**	**6.7**
Benefit payments from employer	**(5.3)**	**-**	**(5.3)**	**(4.5)**	**-**	**(4.5)**
Benefit payments from plan	**(6.1)**	**6.1**	**-**	**(9.0)**	**9.0**	**-**
Plan participants' contributions	**0.1**	**(0.1)**	**-**	**0.1**	**(0.1)**	**-**
Employer contributions	**-**	**(3.7)**	**(3.7)**	**-**	**(5.1)**	**(5.1)**
Changes in demographic assumptions	0.1	-	0.1	1.5	-	1.5
Changes in financial assumptions	(10.9)	-	(10.9)	11.5	-	11.5
Effect of experience adjustments [(1)]	(2.1)	-	(2.1)	(1.6)	-	(1.6)
(Return) on plan assets (excluding interest income)	-	(6.0)	(6.0)	-	(10.0)	(10.0)
Total pension cost/(income) recognized in the OCI	**(12.8)**	**(6.0)**	**(18.8)**	**11.5**	**(10.0)**	**1.5**
Transfer [(2)]	-	3.4	3.4	(0.5)	-	(0.5)
Changes in scope	**0.5**	**-**	**0.5**	**-**	**-**	**-**
Foreign exchange differences	**7.3**	**(6.7)**	**0.6**	**(6.2)**	**6.6**	**0.4**
As of December 31	**217.6**	**(101.7)**	**115.9**	**227.3**	**(93.6)**	**133.7**

(1) Mainly concerns the IFRS IC decision of May 2021 (see note 1.2.1.a.)

(2) As of December 31, 2021, Tarkett Ltd recorded a funding surplus on its pensions plan

Other benefit obligations *(in millions of euros)*	Dec. 31, 2021			Dec. 31, 2020		
	Defined benefit obligations	Fair value of plan assets	Net liabilities recorded on in the balance sheet	Defined benefit obligations	Fair value of plan assets	Net liabilities recorded on in the balance sheet
As of January 1	**1.4**	**-**	**1.4**	**1.8**	**-**	**1.8**
Current service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
(Gain)/loss on new retirement plans	-	-	-	-	-	-
Financial cost (effect of discount)	0.0	-	0.0	0.0	-	0.0
Update to other post- employment commitments	-	-	-	-	-	-
Administrative expenses and taxes (expenses paid)	-	-	-	-	-	-
Expense (income) for the period	**0.0**	**-**	**0.0**	**0.0**	**-**	**0.0**
Benefit payments from plan	**-**	**-**	**-**	**-**	**-**	**-**
Benefit payments from employer	**(0.1)**	**-**	**(0.1)**	**(0.3)**	**-**	**(0.3)**
Plan participants' contributions	**-**	**-**	**-**	**-**	**-**	**-**
Employer contributions	**-**	**-**	**-**	**-**	**-**	**-**
Changes in demographic assumptions	0.0	-	0.0	(0.0)	-	(0.0)
Changes in financial assumptions	(0.0)	-	(0.0)	0.0	-	0.0
Effect of experience adjustments	(0.1)	-	(0.1)	0.1	-	0.1
(Return) on plan assets (excluding interest income)	-	-	-	-	-	-
Total pension cost/(income) recognized in the OCI	**(0.1)**	**-**	**(0.1)**	**0.2**	**-**	**0.2**
Changes in scope	**-**	**-**	**-**	**-**	**-**	**-**
Foreign exchange differences	**0.1**	**-**	**0.1**	**(0.3)**	**-**	**(0.3)**
As of December 31	**1.3**	**-**	**1.3**	**1.4**	**-**	**1.4**

Allocation of plan assets by type of investment

	Dec. 31, 2021	Dec. 31, 2020
Shares	27.3%	37.2%
Bonds	57.4%	46.7%
Insurance contracts	12.2%	13.4%
Cash & cash equivalent (liquidity)	0.4%	0.1%
Real Estate	2.8%	2.6%

Sensitivity to discount rate assumptions

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Increase of 50 points		
Increase (Decrease) in defined benefit obligations	(13.8)	(15.0)
Decrease of 50 points		
Increase (Decrease) in defined benefit obligations	15.3	16.7

Sensitivity to inflation rate assumptions

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Increase of 50 points		
Increase (Decrease) in defined benefit obligations	5.1	6.4
Decrease of 50 points		
Increase (Decrease) in defined benefit obligations	(5.0)	(5.8)

Benefits to be paid in the next five years

Benefits to be paid in the next five years under retirement and similar plans are estimated as follows:

	Dec. 31, 2021	Dec. 31, 2020
2020	-	11.6
2021	11.9	11.4
2022	11.1	10.6
2023	10.7	10.3
2024	11.1	10.6
2025	11.0	-
TOTAL	**55.8**	**54.5**

4.2 Personnel costs and compensation of senior management

Personnel costs and headcount

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Wages and salaries	(684.2)	(668.8)
Pension costs	(2.7)	(2.8)
Total Personnel costs	**(686.9)**	**(671.6)**
Employees (average number)	12,008	12,384

Key management personnel compensation

The key management personnel includes the members of the Executive Management Committee and the members of the Supervisory Board.

Key management personnel received the following compensation:

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Short-term employee benefits	8.3	7.0
Retirement benefits	-	-
Other long-term benefits	-	-
Lump-sum retirement payments	0.3	0.2
Share-based payments	0.9	0.4
Total	**9.5**	**7.6**

Compensation of the Group's key management personnel includes salaries, attendance fees and non-cash benefits. In 2020, in connection with the COVID-19 specific measures, the compensation of key members of management was temporarily decreased in the second quarter of 2020.

4.3 Share based payment transactions

The Group regularly implements share grant plans and other long-term benefits.

> Free share grants (IFRS 2)

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the shares awarded. At the end of each fiscal year, the amount recognized as an expense is adjusted such that amount ultimately recognized is based on the number of shares awarded that meet the related service and non-market performance conditions at the vesting date.

For the 2019 and 2020 LTIPs, ordinary shares will be granted to the beneficiaries at the end of a three-year vesting period. The grant will be subject to satisfying an economic performance condition (based on the Group's 3-year plan), the beneficiaries' continuous employment through the end of the vesting period, and a market performance condition. The 2020 LTIP is conditional on two CSR performance conditions.

In 2021, the 2018 LTIP resulted in a payment of 125,447 shares.

	LTIP 2019	LTIP 2020
Grant date	June 24, 2019	July 30, 2020
End of the vesting period	June 30, 2022	August 1, 2023
Number of shares	311,649	379,288
Estimated value as of the plan's start date (in euros)	19.74	9.40
Estimate of number of shares to be delivered as of December 31, 2021	155,825	379,288
Form of settlement	Distribution of shares	
2021 expenses (in millions of euros)	(1.4)	(1.4)
2020 expenses (in millions of euros)	(1.3)	(0.6)
2019 expenses (in millions of euros)	(1.3)	-

> **Cash grants (IAS 19)**

A new plan was implemented in 2021, for which the grants are in cash. In accordance with IAS 19, the Group spreads the expense over the vesting period and records a liability such that the amount ultimately recorded corresponds to the amount to be paid to the beneficiaries. The grant is subject to continued employment and three performance conditions (value creation and two CSR criteria).

Members of the Management Board are not eligible for participation in this plan.

	LTIP 2021
Grant date	October 29, 2021
End of vesting period	June 30, 2024
Cash amount at grant date (in millions of euros)	2.7
Form of settlement	Cash settled
2021 expenses (in millions of euros)	(0.2)

Note 5 > Intangible assets and property, plant and equipment

5.1 Goodwill

For the measurement of goodwill at initial recognition, Tarkett applies IFRS 3 Revised (see Note 2.2), except for acquisitions accounted for before December 31, 2009, for which IFRS 3 (2004) was applied.

Negative goodwill (badwill) is recognized directly in profit or loss.

Goodwill is allocated to cash-generating units and is not amortized, but instead is tested at least annually for impairment on the basis described in Note 5.3, or following any event that could lead to a loss of value.

Subsequently, goodwill is measured at cost less accumulated impairment losses.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

Changes in goodwill

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Opening carrying amount	613.2	650.6
Goodwill on acquisitions during the period	1.4	-
Adjustment to initial purchase price allocation	0.3	-
Foreign exchange gain & loss	33.0	(37.4)
Closing carrying amount	**647.9**	**613.2**

The change over the period is primarily due to the acquisition of Vinylasa (see Note 2.4), which resulted in the recognition of goodwill of €1.4 million, and to the impact of foreign exchange gains and losses on goodwill recorded in U.S. dollars.

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5.1.1 Allocation of goodwill between the various CGUs

The 2021 CGUs are identical to the 2020 CGUs.

Impairment tests were performed on each CGU individually before the combinations.

Allocation of goodwill between the various CGUs is as follows:

	Dec. 31, 2021		Dec. 31, 2020	
(in millions of euros)	**Gross value**	**Net value**	**Gross value**	**Net value**
Resilient and miscellaneous	69.7	69.1	69.7	69.1
Carpet	33.5	33.5	33.5	33.5
Wood	-	-	-	-
EMEA	**103.2**	**102.6**	**103.2**	**102.6**
Commercial and hospitality	373.2	356.2	344.7	327.7
Residential	-	-	-	-
North America	**373.2**	**356.2**	**344.7**	**327.7**
CIS	96.5	95.5	96.5	95.5
APAC	-	-	-	-
Latin America	0.0	0.0	0.0	0.0
CIS, APAC and Latin America	**96.5**	**95.5**	**96.5**	**95.5**
Athletic tracks	39.8	34.1	37.2	31.5
Synthetic grass & other	60.0	59.3	56.7	56.0
Sports Surfaces	**99.8**	**93.4**	**93.8**	**87.5**
Total goodwill	**672.7**	**647.9**	**638.2**	**613.2**

5.2 Intangible assets and property, plant and equipment

5.2.1 Intangible assets

Research and development

In accordance with IAS 38, expenditures on research and development are expensed as incurred except when the criteria for capitalization are met.

Patents

Patents obtained by the Group are stated at cost less accumulated amortization and impairment losses.

Capitalized costs for internally generated patents principally relate to the costs of legal counsel. Patents capitalized are amortized on a straight-line basis over the shorter of the length of the patent or estimated length of use.

Software licenses

Software is stated at cost less accumulated amortization and impairment losses.

IFRS IC Decision concerning the costs of configuring and customizing software used in Software as a Service (SaaS) mode

An SaaS agreement gives the lessee access to software features hosted by the SaaS supplier through an Internet connection and for a specified term.

This type of agreement generally offers only a right of access to the software for the term of the agreement, and does not grant the lessee control over the software or the right to direct use of the software. As a result, these agreements are not considered intangible assets but rather services.

Configuration and customization costs may be incurred during the implementation phase, prior to the software's entry into service, and the IFRS IC decision (see Note 1.2.1) specified the accounting treatment of such costs.

The Tarkett Group identified and reviewed its most significant SaaS agreements, breaking down the costs incurred by type. These costs are either recognized in intangible assets (if they constitute a resource controlled by the Group, are identifiable, and generate future economic benefits), or recorded in operating expense (if they do not meet the definition of an intangible asset).

Tarkett applied IAS 38 which resulted in an impact of €2.5 million in EBITDA in 2021, and will continue to pay attention to ongoing interpretations of the standards in order to specify the final impact of the IFRIC's interpretations.

Amortization

Amortization of intangible assets is recorded on a straight-line basis from the date of their availability:

- patents and trademarks: the shorter of the length of the patent or its length of use;
- development costs: 3 - $6^{2/3}$ years;
- computer software: 3-5 years.

5.2.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Acquisition cost

Acquisition cost includes purchase cost or production cost plus the other costs incurred for bringing the items to their operating location and condition. The cost of a self-constructed asset includes the costs of raw materials and direct labor, the initially estimated cost of any obligation for dismantling, removing and restoring the site on which the asset is located, and an appropriate allocation for directly attributable production overhead.

When an item of property, plant and equipment includes material components with different useful lives, each major component is accounted for separately.

Subsequent costs

Replacements and improvements are capitalized and recorded as a separate asset if it is probable that the Group will derive economic advantages from the item, while general repairs, day to day servicing and maintenance are charged to expenses as incurred.

Depreciation

Depending on the economic use of the asset, straight-line depreciation is recorded over the following periods:
- Buildings: 20-30 years;
- Equipment and machinery: $6^{2/3}$ - 10 years;
- Printing cylinders: 2 years;
- Other equipment and furnishings: 3-5 years.

IFRS 16: Leases

The Group classifies a contract as a lease within the meaning of IFRS 16 if it gives the lessee the right to control the use of a given asset.

Measured by value, the Group's lease agreements primarily concern real property (offices, plants, and warehouses). In number, they principally concern cars and forklifts.

Among the key assumptions, the discount rate is determined for each asset based on the incremental borrowing rate on the effective date of the contract and corresponds to the interest rate that each entity of the Group would pay to borrow the amount necessary to acquire a similar asset, for a duration and in an economic environment similar to those of the lease, as well as the Group's external financing conditions.

The initial term of the lease corresponds to the period during which it cannot be terminated, plus, where applicable, renewal or termination options that the Group is reasonably certain it will exercise.

With respect to the depreciation of non-removable leasehold improvements, the Group decided to use the shorter of the following periods:
- the useful life of the leasehold improvement, as defined in "IAS 16 - Property, Plant and Equipment"; and
- the lease term of the related leased asset, in light of the legal limit on the use of the asset imposed by the lease agreement.

Improvements associated with leased real property are recorded outside the scope of application of IFRS 16.

- **Types of lease agreements**

  - **Goods and real property**

The Group restates all leased land and buildings, whatever the term of the lease. Land and buildings leased for less than 12 months are thus also restated under IFRS 16 due to their material nature. This method is applied in the same manner throughout the Group for these two categories of assets.

The Group's principal commercial lease is the lease of premises for the Group's registered office, which was renewed in the second half of 2020 for a nine-year term that, under the contractual terms, is the most reasonably certain duration.

  - **Equipment and Machinery**

The Group's leases of equipment and machines within the scope of IFRS 16 primarily include company cars and forklifts used in the Group's plants and warehouses. All company cars with lease terms of greater than 12 months are treated in accordance with IFRS 16.

  - **Non-capitalized lease agreements**
    - Short-term leases

Short-term leases have terms of one year or less. The Group's short-term leases consist primarily of short-term car leases.

    - Low-value leases

Low value leases are those for which the value of the asset, if new, would be less than or equal to €5,000 or $5,000. The Group's low value leases consist primarily of leases of small machines and office equipment.

Lease agreements recorded in right to use are depreciated over the terms of the lease in accordance with the method described above.

The allocation of net values of intangible assets and property, plant and equipment is as follows:

(in millions of euros)	**Dec. 31, 2021**	**Dec. 31, 2020**
Research and development	4.1	3.5
Patents	8.2	8.2
Trademarks	20.0	22.9
Software licenses	17.4	27.9
Other intangible assets	23.5	23.9
Advance payments and fixed assets in progress	4.5	5.5
Intangible assets	**77.6**	**91.9**
Goods and real property	245.6	258.4
of which right to use goods and real property	*75.2*	*81.1*
Technical equipment and machinery	241.2	242.6
of which right to use technical equipment and machinery	*23.1*	*22.1*
Advance payments and fixed assets in progress	44.1	53.8
Property, plant and equipment	**530.9**	**554.9**

The variations in gross value, depreciation and amortization break down as follows:

Acquisition costs *(in millions of euros)*	**Dec. 31, 2020**	**Acquisition**	**Disposal**	**Change in scope**	**Transfer**	**Foreign Exchange differences**	**Dec. 31, 2021**
Research and development	18.1	1.1	-	-	0.9	0.9	21.0
Patents	131.8	-	-	-	0.0	10.8	142.6
Trademarks	54.5	-	-	-	0.0	2.5	57.8
Software licenses	168.7	1.4	(0.5)	-	5.8	5.6	181.0
Other intangible assets	78.0	0.1	-	-	0.4	6.0	84.4
Advance payments and fixed assets in progress	5.5	4.4	(0.0)	-	(5.4)	0.0	4.5
Intangible assets	**456.6**	**7.1**	**(0.5)**	**-**	**1.7**	**25.7**	**491.4**
Goods and real property	653.7	16.7	(33.3)	(0.0)	8.8	27.2	673.1
of which right to use goods and real property	*118.9*	*14.0*	*(12.0)*	-	*(1.3)*	*5.0*	*124.7*
Technical equipment and machinery	1,478.6	24.2	(40.3)	(0.1)	48.6	49.0	1,560.2
of which right to use technical equipment and machinery	*41.0*	*10.0*	*(6.2)*	-	*(1.0)*	*0.7*	*44.5*
Advance payments and fixed assets in progress	53.8	53.6	(0.8)	-	(63.9)	1.4	44.1
Property, plant and equipment	**2,186.2**	**94.5**	**(74.4)**	**(0.1)**	**(6.5)**	**77.6**	**2,277.4**

Cumulative depreciation, amortization, and impairment *(in millions of euros)*	**Dec. 31, 2020**	**Acquisition**	**Disposal**	**Change in scope**	**Transfer**	**Foreign Exchange differences**	**Dec. 31, 2021**
Research and development	(14.7)	(1.4)	-	-	(0.2)	(0.7)	(16.9)
Patents	(123.6)	(0.7)	-	-	-	(10.1)	(134.5)
Trademarks	(31.6)	(4.9)	-	-	-	(1.4)	(37.9)
Software licenses	(140.8)	(18.6)	0.5	-	0.0	(4.8)	(163.7)
Other intangible assets	(54.0)	(2.5)	-	-	(0.0)	(4.3)	(60.9)
Intangible assets	**(364.7)**	**(28.1)**	**0.5**	**-**	**(0.2)**	**(21.3)**	**(413.8)**
Goods and real property	(395.3)	(41.5)	24.8	-	1.2	(16.6)	(427.5)
of which right to use goods and real property	*(37.8)*	*(20.2)*	*9.4*	-	*1.2*	*(2.1)*	*(49.5)*
Technical equipment and machinery	(1,236.0)	(79.7)	36.9	-	2.8	(43.0)	(1,319.0)
of which right to use technical equipment and machinery	*(18.9)*	*(8.9)*	*5.6*	-	*1.1*	*(0.3)*	*(21.4)*
Property, plant and equipment	**(1,631.3)**	**(121.2)**	**61.7**	**-**	**4.0**	**(59.6)**	**(1,746.5)**

5.3 Impairment

5.3.1 Non-financial assets

Annual impairment testing

Goodwill and other intangible assets with indefinite useful lives are systematically tested for impairment once a year.

The carrying amounts of the Group's assets, other than financial and deferred tax assets and liabilities, are reviewed to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of assets is the greater of their fair value less costs of disposal and value in use.

Value in use is calculated by discounting estimated future cash flows for each cash-generating unit, excluding borrowing costs and tax.

Impact of IFRS 16 on annual impairment testing:

The Group is applying the following approach proposed by IFRS 16 standard:

- rights of use are included in the basis of tested assets;
- rental payments are taken into account in future cash flows;
- the book value of the lease liability is deducted from that basis of assets and value in use.

Cash generating units

In carrying out impairment testing, assets are tested at the level of cash-generating units ("CGU") that reflect the segment organization of the Group and its products. For this purpose, goodwill was allocated over the cash-generating units.

Impairment process

The Group analyzes future cash flows over a period of three years based on the most recent forecasts, corresponding to the best estimate of a full business cycle. The forecasts have been established taking into account variations affecting selling prices, volumes and raw material costs. Beyond four years, the Group determines a standard year calculated by extending the fourth year on the assumption of a stable revenue and margin, a need for working capital and investments determined on normative renewal based on historical observations. This standard year is then projected to infinity according to the Gordon Shapiro method.

Future cash flows are discounted to present value at a weighted average cost of capital (WACC) discount rate that reflects current market assessments of the time value of money and the risks specific to each financing means.

The discount rate is an after-tax rate applied to after-tax cash flows. The following assumptions were used for 2021. The perpetual growth rate is different for the three regions in the CIS, APAC and Latin America segment:

	Discount rate after tax	Perpetual growth rate
EMEA	9.90%	2.0%
North America	9.90%	2.0%
CIS	11.49%	3.0%
APAC	10.21%	2.0%
Latin America	11.65%	4.0%
Sports Surfaces	9.90%	2.0%

Operating assumptions

For each CGU, operational assumptions that were considered key by the Group are as follows:

- evolution of the markets in which these CGU are involved on the basis of internal estimates, supported if possible by external forecasts on the concerned segments or products;
- evolution of the Group in its various markets;
- general hypothesis of stability of inflation balance (purchase prices stable, or if changes are considered, full offset by changes in selling prices to balance the impact on value);
- continual implementation of productivity plans for factories working on these CGU to Improve profitability; and
- EBITDA, resulting from the combination of factors listed above.

Sensitivity analysis

The sensitivity analysis was carried out on three assumptions:

- the discount rate (WACC);
- the perpetual growth rate; and
- EBITDA.

Changes of 50 basis points in the discount rate and growth rate are reasonably possible variations for the Group. Tarkett operates in a large number of countries, with a balance between three main areas (EMEA; North America; and CIS, APAC and Latin America). The Group believes that economic developments in these geographic areas can offset each other, as has been demonstrated in the past.

In 2021, the combination of an increase in the discount rate of 50 basis points and a decrease in the growth rate of 50 basis points would not result in recording any additional impairment losses.

In addition, a decrease of 100 basis points in EBITDA would not result in any additional impairment over the Group's CGUs.

Impairment losses

An impairment loss is recognized whenever the carrying amount of a cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then, to reduce the carrying amount of the other assets in the unit.

An impairment loss recorded in respect of goodwill cannot be reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Impairment

In 2021, no impairment losses were recorded.

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
North America	-	(6.5)
EMEA	-	(9.9)
Total	**-**	**(16.4)**

In 2020, impairment totaled €(16.4) million, including €(6.5) million for the "Residential" CGU in North America and €(9.9) million for the "Wood" CGU in the EMEA zone. Due to the COVID-19 health crisis and the indication of impairment losses noted in the North American hospitality market, the Group recorded an impairment of €(36.1) million on dedicated intangible assets.

5.3.2 Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

For financial assets held for sale, a significant or prolonged decline in fair value as compared with cost is results in recognition of impairment on the income statement. Impairment loss on an available-for-sale financial asset is measured as the difference between its carrying amount and its fair value, less any impairment loss previously recognized in profit or loss.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

5.4 Lease commitments

Lease commitments concern contracts that were not restated following the application of IFRS 16, namely, primarily:

- contracts considered to be of low value pursuant to paragraph 5 of IFRS 16;
- service agreements that do not meet the definition of a lease within the meaning of IFRS 16.

Minimum lease payments under operating leases are recorded as expenses on a straight-line basis over the term of the lease.

Future minimum rental commitments under operating leases with initial or remaining non-cancellable terms in excess of one year, are summarized below:

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Less than 1 year	1.5	2.8
1 to 5 years	2.8	4.4
More than 5 years	0.0	0.4
Total future minimum lease payments	**4.3**	**7.5**

5.5 Impact of exemptions to IFRS 16

The Group applies the exemptions provided for under IFRS 16, Leases, keeping rental operating charges where the lease term as of the effective date is less than or equal to 12 months and rental charges where the value of the underlying asset is less than €5,000 or $5,000.

Such rental charges totaled €(1.9) million and €(0.5) million, respectively, as of December 31, 2021.

(in millions of euros)	< or equal to 5 K€ / K$	< or equal to 12 months	Total
Cost of sales	(0.3)	(1.5)	(1.8)
Selling and distribution expenses	(0.2)	(0.2)	(0.3)
Research and development expenses	-	(0.0)	(0.0)
General and administrative expenses	(0.1)	(0.2)	(0.3)
Other operating expenses	-	-	-
Impact on operating profit	**(0.5)**	**(1.9)**	**(2.4)**

Note 6 > Provisions

6.1 Provisions

Provisions come primarily from environmental risks, legal and tax risks, litigation and other risks.

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are reversed when they are no longer required.

A provision for warranties is recognized when the underlying products are sold. The provision is based on historical warranty data. In the event of risks relating to specific products, an additional provision may be recorded.

A provision for restructuring is recorded when the Group has approved a detailed and formal restructuring plan, and the restructuring has been either implemented or publicly announced. Future operating losses are not provisioned.

Change of provisions

(in millions of euros)	Dec. 31, 2020	Allowance	Decrease	Transfer	Foreign exchange gain & loss	Dec. 31, 2021
Product warranty provision	4.6	0.5	(1.7)	(0.0)	0.1	3.5
Restructuring provisions	1.6	-	(0.2)	-	0.0	1.4
Claims & litigation provisions	2.3	0.2	(2.2)	1.9	0.1	2.2
Other provisions	3.3	0.1	(0.2)	(2.7)	-	0.4
Provision for additional tax assessments	0.1	0.0	-	-	0.0	0.1
Financial provisions (1)	28.2	(0.5)	(2.4)	-	2.2	27.5
Total Provisions – long-term	**40.1**	**0.3**	**(6.9)**	**(0.9)**	**2.4**	**35.0**
Product warranty provision	9.7	3.9	(2.6)	0.0	0.8	11.7
Restructuring provisions	14.9	6.0	(9.4)	(6.2)	0.1	5.4
Claims & litigation provisions	17.6	18.5	(16.4)	(0.1)	0.8	20.4
Other provisions	0.8	0.5	(0.0)	2.7	0.0	3.9
Total Provisions – short-term	**43.1**	**28.8**	**(28.5)**	**(3.6)**	**1.7**	**41.5**
Total Provisions	**83.1**	**29.1**	**(35.4)**	**(4.5)**	**4.0**	**76.5**

(1) Variations in provisions for financial liabilities relate to the provision for asbestos litigation recorded by Domco Products Texas Inc.

(in millions of euros)	Dec. 31, 2019	Allowance	Decrease	Transfer	Foreign exchange gain & loss	Dec. 31, 2020
Product warranty provision	3.8	0.7	(0.0)	0.4	(0.2)	4.6
Restructuring provisions	(0.0)	1.1	-	0.5	(0.0)	1.6
Claims & litigation provisions	2.9	0.1	(0.8)	0.2	(0.2)	2.3
Other provisions	3.4	(0.0)	(0.1)	-	-	3.3
Provision for additional tax assessments	0.1	0.0	-	-	(0.0)	0.1
Financial provisions [(1)]	30.3	2.9	(2.6)	0.2	(2.6)	28.2
Total Provisions – long-term	**40.5**	**4.7**	**(3.4)**	**1.3**	**(3.0)**	**40.1**
Product warranty provision	14.1	1.1	(1.4)	(3.2)	(0.8)	9.7
Restructuring provisions	19.5	5.6	(8.8)	(1.1)	(0.4)	14.9
Claims & litigation provisions	14.1	4.1	(7.2)	7.6	(1.1)	17.6
Other provisions	0.2	0.6	(0.1)	-	(0.0)	0.8
Total Provisions – short-term	**48.0**	**11.5**	**(17.5)**	**3.3**	**(2.3)**	**43.1**
Total Provisions	**88.4**	**16.2**	**(20.9)**	**4.6**	**(5.2)**	**83.1**

(1) Variations in provisions for financial liabilities relate to the provision for asbestos litigation recorded by Domco Products Texas Inc.

6.2 Contingent liabilities

There were no significant changes in the guarantees granted by Tarkett to third parties in 2021.

Asbestos

In the United States, the Group has been a defendant in lawsuits by third parties relating to personal injury from asbestos. Expected costs of the current or future cases are covered by Group's insurances, sellers' guarantees granted by third-parties and by provisions that management, based on the advice and information provided by its legal counsel, considers to be sufficient.

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Note 7 > Financing and Financial Instruments

7.1 Significant accounting principles

Non-derivative financial assets

Financial assets are initially recognized at their fair value plus any applicable transaction costs except for financial assets at fair value through profit or loss for which transactions costs are recognized in profit or loss as incurred.

Under IFRS 9, all financial assets for which the cash flows do not represent solely payment of principal and interest (SPPI) must be recorded at fair value through profit and loss. However, IFRS 9 introduces an option that may be irrevocably elected at the time of initial recognition, investment by investment, permitting equity investments to be recorded at fair value through other comprehensive income, without later being moved to profit and loss, even in the event of a disposal. Only the dividends are recognized in profit or loss.

Financial assets for which the cash flows do represent solely payment of principal and interest (SPPI) are recognized at amortized cost using the effective interest rate method.

For non-current assets valued at amortized cost, impairment is assessed individually, taking into account the risk profile of the counterparty and the warranties obtained. At the time of the initial recording of such non-current financial assets, impairment is systematically recorded in the amount of the credit losses expected to result from events that may occur in the next twelve months. In the event of a significant deterioration in the counterparty's credit quality, the initial impairment is supplemented to cover all of the expected losses over the remaining maturity of the receivable.

For commercial receivables, the Group conducts a review of each of its customer receivables individually, taking into account the probability of default by the counterparty as well as the extent to which the receivables were hedged, and uses the simplified method provided for by IFRS 9 to provision the expected losses over the remaining maturity of the receivables.

Non-derivative financial liabilities

Financial liabilities comprise financial debt and trade and other operating payables. They are accounted for at amortized cost using the effective interest rate method.

Derivative instruments

Derivatives are recognized in the balance sheet at their fair value (whether positive or negative) with changes in fair value immediately recognized in profit or loss.

However, derivative instruments that qualify for hedge accounting are classified either as fair value hedges (FVH) (when their purpose is to hedge an existing asset or liability's exposure to the risk of changes in its fair value) or cash flow hedges (CFH) (when their purpose is to hedge the exposure to changes in the cash flows associated with highly probable future transactions).

Derivative instruments that are part of a hedge are documented on the basis of intrinsic value for exchange rate and interest rate options, and on the basis of the spot price component for forward contracts.

Changes in fair value relating to the effective portion of derivative exchange rate and interest rate instruments qualified as fair value of hedges (FVH) are recognized as part of financial income or expense. The value of the hedged items is adjusted to their fair value and the changes in fair value attributable to the hedged risk(s) are equally recognized as part of income or expense.

Changes in the fair value of the effective portion of cash flow hedges (CFH) of exposure to foreign currency and interest rate risk are recognized within other comprehensive income, and the result of such hedges is recorded in profit and loss, symmetrically to the risk being hedged.

The time value of exchange rate and interest rate options is recorded as a cost of hedging. Changes in time value recorded over the life of the option are recorded as a counterpart to other comprehensive income. The initial option premium is either (i) moved into profit or loss when the hedged transaction impacts profit or loss, where the hedged item is related to a transaction; or (ii) amortized in profit or loss over the duration of the hedge, where the hedged item is related to a period of time.

Changes in value of the swap point for forward contracts classified as hedges are recorded in profit and loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, term deposits, monetary UCITs, and other monetary investments with initial maturities not exceeding three months and subject to an insignificant risk of changes in value.

7.2 Financial income and expenses

Financial expense includes, in particular, interest payable on borrowings accounted for at amortized cost using the effective interest method, and the effects of the related hedges.

Other financial income and expense includes the income and expenses associated with loans and receivables accounted for at amortized cost, the gains recognized in respect of investment of cash and cash equivalents, financial charges relating to the discounting of post-employment expenses, exchange rate gains and losses, impairment losses relating to financial assets, and dividends, which are recorded in net income when the right to payment vests.

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Interest income on loan assets & cash equivalents	0.4	0.4
Other financial income	0.5	0.2
Total financial income	**1.0**	**0.6**
Interest on financial liabilities	(13.5)	(12.4)
Financial expense relating to leases	(3.4)	(3.9)
Commission expenses on financial liabilities	(5.5)	(5.4)
Cost of loans and debt renegotiation	(9.2)	(1.8)
Interest on provisions for pensions	(2.7)	(3.6)
Foreign exchange gains or losses	(1.2)	(2.9)
Impairment of financial assets	-	0.0
Premiums and interest rates differentials on derivatives	(3.7)	(4.2)
Other financial expenses	(0.4)	(0.0)
Total financial expenses	**(39.7)**	**(34.2)**
Financial income and expenses	**(38.8)**	**(33.7)**

In connection with the refinancing transactions relating to the tender offer referred to in Note 1.3, Tarkett restructured its debt, generating costs of €(5.4) million, including negotiations relating to the early repayment of the "Schuldschein" tranches. In addition, the costs of setting up new financing are spread over a period of five years and affect financial results for the period in the amount of €(2.0) million.

7.3 Net debt – interest-bearing loans and borrowings

7.3.1 Net Debt

Net debt is defined as the sum of interest bearing loans and borrowings minus cash and cash equivalents. Interest-bearing loans and borrowings refer to any obligation for the repayment of funds received or raised that are subject to repayment terms and interest charges. They also include liabilities on finance leases.

(in millions of euros)	Dec. 31, 2021		Dec. 31, 2020	
	Long-term	Short-term	Long-term	Short-term
Bank loans	**0.8**	**4.9**	**2.3**	**73.6**
Shareholder loan	509.8	-	-	-
Private placements	20.0	23.0	549.8	56.5
Other loans	1.0	0.8	1.3	-
Bank overdrafts	-	12.8	-	6.8
Leases (1)	-	-	2.5	0.8
Interest bearing loans and borrowings	**531.5**	**41.5**	**555.9**	**137.7**
Total interest bearing loans and borrowings	**573.0**		**693.6**	
Cash and cash equivalents	(205.4)		(328.6)	
Net debt before application of IFRS 16	**367.6**		**365.0**	
Leases (2)	82.9	25.1	85.8	23.0
Net debt	**475.7**		**473.8**	

(1) Leases recorded in accordance with former IAS 17 – finance leases

(2) Leases recorded in accordance with IFRS 16 (excluding leases previously recorded in accordance with IAS 17)

Tarkett terminated two short-term credit lines entered into in May 2020 to mitigate the potential negative effects of the health and economic crisis on its liquidity:

- A €175 million revolving credit facility with a one-year maturity, for which the option to extend was not exercised, and which was terminated in April 2021 without having been used;
- A loan guaranteed by the French government (*prêt garanti par l'état* - PGE) for €70 million with a one-year maturity, for which the option to extend was not exercises, and which was repaid in full in May 2021.

In June 2021, Tarkett repaid a €56.5 million "Schuldschein" tranche which had reached its maturity date.

Between June and July 2021, in connection with the refinancing transactions relating to the tender offer referred to in Note 1.3, Tarkett carried out the early repayment of €444.5 million and $76.5 million of "Schuldschein" tranches and repaid the existing syndicated credit facility.

On July 19, 2021, Tarkett obtained new financing in the form of a shareholder loan from Tarkett Participation with a 7-year term, as well as a revolving credit line with a 6.5-year term.

As of December 31, 2021, Tarkett is using its no-recourse factoring lines in a net financed amount of €161.5 million, or the equivalent.

As of December 31, 2021, interest-bearing loans and borrowings primarily comprise:

- Two "Schuldschein" tranches totaling €23.0 million entered into in April 2017 and maturing in April 2022, one of which is in the process of being extended;
- Three "Schuldschein" tranches totaling €20.0 million entered into in June 2019 and maturing in June 2026 for €6.0 million, in June 2025 for €10.0 million, and in June 2024 for the remainder;
- The Tarkett Participation shareholder loan entered into in July 2021 and used in the amount of €446.2 million and $72.0 million.

7.3.2 Details of loans and borrowings

Dec. 31, 2021 *(in millions of euros)*	Currency of draw-down	Interest rate	Total	12 months or less until 12/31/2022	2 years until 12/31/2023	3 to 5 years until 12/31/2026	More than 5 years
Bank loans							
Other bank loans	RMB	5,22%-5,70%	5.6	4.9	0.6	0.2	-
Other bank loans	EUR		-	-	-	-	-
Subtotal Bank loans			**5.6**	**4.9**	**0.6**	**0.2**	**-**
Private placements Europe	EUR	1,20%-1,40%	43.0	23.0	-	20.0	-
Shareholder loan	EUR	3.50%	446.2	-	-	-	446.2
Shareholder loan	USD	4.22%	63.6	-	-	-	63.6
Other loans	EUR	1.43%	1.9	0.8	0.8	0.2	-
Bank overdrafts			12.8	12.8	-	-	-
Leases (1)			-	-	-	-	-
Interest bearing loans and borrowings			**573.0**	**41.5**	**1.4**	**20.3**	**509.8**
Leases (2)			108.0	25.1	20.3	38.3	24.3
Gross debt			**681.1**	**66.7**	**21.8**	**58.7**	**534.0**

(1) Leases recorded in accordance with former IAS 17 – finance leases

(2) Leases recorded in accordance with IFRS 16 (excluding leases previously recorded in accordance with IAS 17).

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Dec. 31, 2020 *(in millions of euros)*	Currency of draw-down	Interest rate	Total	12 months or less until 12/31/2021	2 years until 12/31/2022	3 to 5 years until 12/31/2025	More than 5 years
Bank loans							
Other bank loans	RMB	5,22%-5,70%	5.9	3.6	1.6	0.7	-
Other bank loans	EUR	0,00%	70.0	70.0	-	-	-
Subtotal Bank loans			**75.9**	**73.6**	**1.6**	**0.7**	**-**
Private placements Europe	EUR	1,15%-1,72%	544.0	56.5	102.0	334.5	51.0
Private placements Europe	USD	1,79%-1,82%	62.3	-	40.7	21.6	-
Other loans	EUR	1,17%	1.3	-	1.3	-	-
Bank overdrafts			6.8	6.8	-	-	-
Leases (1)			3.3	0.8	0.8	1.6	0.1
Interest bearing loans and borrowings			**693.6**	**137.7**	**146.4**	**358.4**	**51.1**
Leases (2)			108.8	23.0	18.3	39.9	27.6
Gross debt			**802.4**	**160.7**	**164.8**	**398.3**	**78.7**

(1) Leases recorded in accordance with former IAS 17 – finance leases

(2) Leases recorded in accordance with IFRS 16 (excluding leases previously recorded in accordance with IAS 17).

7.3.3 Financial ratio covenants

The “Schuldscheins” mentioned above contain covenants binding on the borrower, including financial ratio covenants: the ratio of net debt to adjusted EBITDA may not exceed 3.0 as of December 31, of each year, with additional leeway of 0.5 in the event of a significant acquisition.

The Group is in compliance with all of its banking commitments as of December 31, 2021, including the ratio covenant "Net Debt / Adjusted EBITDA", as detailed below.

Net debt / Adjusted EBITDA *(excluding IFRS 16)* *(in millions of euros)*	**Dec. 31, 2021**	**Dec. 31, 2020**
Net debt	367.6	365.0
Adjusted EBITDA	197.7	247.0
Ratio	**1.9**	**1.5**

The financial leverage ratio presented below is the ratio of net debt, including leases recognized under IFRS 16, to adjusted EBITDA for the last 12 months (including IFRS 16).

Net debt / Adjusted EBITDA *(including IFRS 16)* *(in millions of euros)*	**Dec. 31, 2021**	**Dec. 31, 2020**
Net debt	475.7	473.8
Adjusted EBITDA	229.0	277.9
Ratio	**2.1**	**1.7**

7.3.4 Cash and cash equivalents

(in millions of euros)	**Dec. 31, 2021**	**Dec. 31, 2020**
Current cash	114.6	295.5
Remunerated cash balances	85.8	28.0
Short term treasury notes and Money Market funds	5.1	5.1
Cash and cash equivalents	**205.4**	**328.6**

7.3.5 Changes in financial liabilities

The following table reconciles changes in financial liabilities shown on the balance sheet and the cash flow statement:

(in millions of euros)	Dec. 31, 2020	Cash-flows	Reclassification	Non-cash change				Dec. 31, 2021
				Other	Acquisition [3]	Foreign exchange differences	Fair value change	
Long-term financial liabilities	641.4	(31.0)	(52.1)	-	24.2	31.9	-	614.4
Short-term financial liabilities	160.9	(145.9)	52.1	(0.2)	-	(0.3)	-	66.7
Long-term financial assets [1]	(20.9)	(0.4)	-	1.9	-	(1.2)	2.4	(18.1)
Short-term financial assets	(3.9)	(1.2)	2.0	-	-	(0.3)	-	(3.2)
Other	-	0.1	-	-	-	-	-	-
Total changes in financing activities [2]		**(178.4)**						
Cash-flows from financing activities [2]		**(178.4)**						

(1) Excluding shares accounted for by the equity method.

(2) Excluding dividends, acquisition of treasury shares and acquisition of non-controlling interests.

(3) including € 24.2 million for new leases for Fiscal 2021

7.4 Other financial assets and liabilities

7.4.1 Other financial assets

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Long-term investments	-	-
Financial investments and receivables – long-term [1]	19.3	17.6
Other financial assets	**19.3**	**17.6**

(1) Financial investments and receivables – long-term include shares of companies accounted for by the equity method.

The variations in gross value, depreciation and amortization break down as follows:

Acquisition costs *(in millions of euros)*	**Dec. 31, 2020**	**Increases**	**Decreases**	**Transfer**	**Foreign exchange differences**	**Dec. 31, 2021**
Long-term investments	-	-	-	-	-	-
Financial investments and receivables – long-term	21.4	6.5	(3.0)	(3.9)	1.1	22.2
Other financial assets	**21.4**	**6.5**	**(3.0)**	**(3.9)**	**1.1**	**22.2**

Accumulated depreciation and amortization *(in millions of euros)*	**Dec. 31, 2020**	**Allowance**	**Disposal**	**Decrease**	**Impairment losses**	**Transfer**	**Foreign exchange differences**	**Dec. 31, 2021**
Security deposit – long-term	-	-	-	-	-	-	-	-
Long-term financial assets and receivables	(3.8)	-	-	-	-	0.9	0.0	(2.9)
Other financial assets	**(3.8)**	**-**	**-**	**-**	**-**	**0.9**	**0.0**	**(2.9)**

7.4.2 Other financial liabilities

(in millions of euros)	**Dec. 31, 2021**	**Dec. 31, 2020**
Fair value of derivatives non-current	-	-
Other financial liabilities non-current	0.2	0.2
Other financial liabilities non-current	**0.2**	**0.2**
Accrued interest expenses current	-	3.3
Fair value of derivatives current	5.1	1.3
Other financial liabilities current	1.0	6.0
Other financial liabilities current	**6.1**	**10.6**

7.5 Fair value of financial assets and liabilities

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

Fair values are categorized into three levels based on the inputs used in the valuation techniques, as follows:

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: prices determined using valuation techniques based on observable market data;
- Level 3: inputs relating to the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of interest rate swaps and of interest rate and foreign currency options is the estimated amount that the Group would expect to receive or have to pay in order to cancel each derivative instrument at the balance sheet date, taking into account the current level of interest rates and the credit risk associated with these instruments' counterparties.

The derivative financial instruments (swaps, caps, floors etc.) entered into by the Group are traded on over-the-counter markets on which there are no quoted prices. They are therefore measured using the valuation models commonly employed by operators in the market (Level 2).

Derivative instruments are entered into exclusively with first class banks or other financial institutions, and with the sole purpose of providing security for the Group's current operations and for the financing thereof.

In the case of receivables and payables with maturities of less than a year and certain floating rate receivables and payables, historical cost is considered as a reasonable approximation of their fair value.

Dec. 31, 2021 *(in millions of euros)*	Fair Value Category	Assets at amortized cost	Liabilities at amortized cost	Fair value through profit and loss	Fair value of interest rate hedge instruments	Carrying amount	Fair value
Financial assets, non-current	Level 2	6.3	-	13.0	-	19.3	19.3
Other current financial assets	Level 2	-	-	-	9.2	9.2	9.2
Trade receivables	Level 2	244.8	-	-	-	244.8	244.8
Cash and cash equivalents	Level 2	-	-	205.4	-	205.4	205.4
Interest-bearing loans and borrowings	Level 2	-	681.1	-	-	681.1	681.1
Other non-current financial liabilities	Level 2	-	0.2	-	-	0.2	0.2
Other current financial liabilities	Level 2	-	1.0	-	5.1	6.1	6.1
Trade payables	Level 2	-	403.8	-	-	403.8	403.8

Dec. 31, 2020 *(in millions of euros)*	Fair Value Category	Assets at amortized cost	Liabilities at amortized cost	Fair value through profit and loss	Fair value of interest rate hedge instruments	Carrying amount	Fair value
Financial assets, non-current	Level 2	2.1	-	15.5	-	17.6	17.6
Other current financial assets	Level 2	-	-	-	2.7	2.7	2.7
Trade receivables	Level 2	214.6	-	-	-	214.6	214.6
Cash and cash equivalents	Level 2	-	-	328.6	-	328.6	328.6
Interest-bearing loans and borrowings	Level 2	-	802.4	-	-	802.4	802.4
Other non-current financial liabilities	Level 2	-	0.2	-	-	0.2	0.2
Other current financial liabilities	Level 2	-	9.3	-	1.3	10.6	10.6
Trade payables	Level 2	-	277.4	-	-	277.4	277.4

7.6 Financial risks and Financial Instruments

7.6.1 Financial risk management

The Group's financial risk (market risk, credit risk and liquidity risk) management objectives and policies are consistent with those disclosed in the Consolidated Financial Statements as at and for the year ended December 31, 2020.

7.6.2 Derivative instruments

The Group uses derivative financial instruments to hedge some of its exposure to foreign currency risk and interest rate risk associated with its purchases and sales denominated in foreign currencies and with its financing and investment transactions, as well as to hedge certain components of its raw materials costs.

The derivatives employed include interest rate options, other forward contracts and foreign currency options.

In accordance with its policy in respect of financial instruments, the Group neither uses nor issues derivative financial instruments for trading purposes.

7.6.3 Market risks

Exposure to interest rate, currency, raw material prices, liquidity and credit risk arises in the normal course of Tarkett's activities. Derivative financial instruments are used to reduce the exposure to fluctuations in both foreign exchange and interest rates; changes in the value of these instruments offset all or part of the changes in the value of the items being hedged. Liquidity and credit risk are managed following risk management policies approved by the Group's management bodies.

The portfolio of derivative instruments is broken down as follows:

Dec. 31, 2021 *(in millions of euros)*	Accounting classification	Maturity	Fair value	Counterpart in OCI [1]
Currency swaps	FVH	< June 2022	(0.6)	-
Exchange rate derivatives related to financing			**(0.6)**	**-**
Forward exchange contracts	CFH	< Aug 2022	(0.3)	(0.2)
Options	CFH	< Apr 2023	0.4	0.4
Commodity swaps	CFH	< Jan 2022	0.6	0.6
Exchange rate derivatives related to commercial transactions			**0.7**	**0.8**
Caps	CFH	< June 2026	4.0	4.0
Interest rate derivatives			**4.0**	**4.0**
Total			**4.1**	**4.8**

(1) Corresponds to the balance of the counterpart in OCI as of December 31, 2021.

Dec. 31, 2020 *(in millions of euros)*	Accounting classification	Maturity	Fair value	Counterpart in OCI [1]
Currency swaps	FVH	< June 2021	1.2	-
Exchange rate derivatives related to financing			**1.2**	**-**
Forward exchange contracts	CFH	< May 2022	0.6	0.6
Options	CFH	< Feb 2021	-	-
Commodity swaps	CFH	< Jan 2022	0.5	0.5
Exchange rate derivatives related to commercial transactions			**1.1**	**1.1**
Caps	CFH	< June 2025	(0.9)	(0.9)
Interest rate derivatives			**(0.9)**	**(0.9)**
Total			**1.4**	**0.2**

(1) Corresponds to the balance of the counterpart in OCI as of December 31, 2020.

The acronyms “FVH” (Fair Value Hedge) and “CFH” (Cash Flow Hedge) are defined in Note. 7.1.

The face value of derivative instruments covering the primary exposures are presented below, expressed in euros:

(in millions of euros)	Dec. 31, 2021					Dec. 31, 2020				
Currency of exposure	**USD**	**SEK**	**GBP**	**PLN**	**NOK**	**USD**	**SEK**	**GBP**	**CAD**	**NOK**
Exchange rate derivative instruments	346.1	25.4	10.7	11.4	-	260.7	37.2	10.0	44.3	-
Exchange rate derivatives related to commercial transactions	15.7	-	29.2	-	19.5	-	-	37.3	-	11.3
Total	**361.8**	**25.4**	**39.9**	**11.4**	**19.5**	**260.7**	**37.2**	**47.3**	**44.3**	**11.3**

a) Interest rate risk

The Group manages its exposure to interest rate risk centrally. The Group's general debt strategy is to give preference to floating interest rate debt over fixed interest rate debt, but also to use interest rate derivatives to protect a part of the floating rate debt over a period of three to five years against a rate increase that could result in extensive damage. The hedging tools used are mainly cap or tunnel type derivatives. The cost of the cap may be offset in part or in full by a tunnel.

Following is the interest rate structure of the Group's net debt (excluding lease liabilities) before and after application of interest rate hedges.

(in millions of euros)	Fixed rate	Floating rate	Dec. 31, 2021
Interest-bearing loans and borrowings	50.5	522.5	573.0
Cash and cash equivalents	(5.2)	(200.2)	(205.4)
Net debt before hedging	**45.3**	**322.3**	**367.6**
Effect of hedging	499.1	(499.1)	-
Net debt after hedging	**544.4**	**(176.8)**	**367.6**

(in millions of euros)	Fixed rate	Floating rate	Dec. 31, 2020
Interest-bearing loans and borrowings	441.0	252.6	693.6
Cash and cash equivalents	(5.2)	(323.4)	(328.6)
Net debt before hedging	**435.8**	**(70.8)**	**365.0**
Effect of hedging	129.8	(129.8)	-
Net debt after hedging	**565.6**	**(200.6)**	**365.0**

Sensitivity analysis

Sensitivity to interest-rate fluctuations is calculated on the basis of interest-bearing non-derivatives and derivative Financial Instruments, as well as interest-bearing loans granted to joint ventures or third parties. The analysis is based on the market index in effect at the balance sheet date and on assumptions of constant debt and constant debt management policy over one year.

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Increase of 100 basis points		
Increase / (Decrease) in financial expenses	0.5	1.9
Increase of 100 basis points (1)		
Increase / (Decrease) in financial expenses	(0.1)	(0.1)

(1) With a floor of 0%

b) Exchange rate risk

Transaction risk

Exchange rate fluctuations have a direct impact on the Group's Consolidated Financial Statements, derived from transactions regarding the Group entities that incur revenues and expenses in currencies other than their functional currency.

Exchange rate derivatives related to commercial transactions

The Group reduces its exposure by developing its production capacities in the same geographic and monetary areas where it distributes its products. Moreover, through the choice of the invoicing currency for certain intra-Group transactions, the Group aims to offset revenues with costs in the same currency. In certain unstable currency countries, the Group may also offset the local currencies fluctuations with price indexations. Therefore the remaining exposure on cross-border transactions is moderate. The currencies to which the Group is most exposed are the British pound, the Norwegian crown, the U.S. dollar, the Polish zloty, the Australian dollar, the Canadian dollar, the Russian ruble and the euro as a foreign currency for certain subsidiaries.

The Group has attempted to reduce the impact of short-term fluctuations of currencies on its revenue through centralized management of exchange risks and the use of derivatives. Nevertheless, in the long-term, significant and long lasting variations in exchange rates could affect the Group's competitive position in foreign markets, as well as its results of operations.

The Group's policy is to hedge certain significant residual exposure, decided upon periodically by the finance department based on monitoring Value at Risk. This exposure includes exposure recorded on the balance sheet, namely all recognized trade receivables, trade payables and borrowings denominated in a foreign currency, and unrecorded exposure, which consists of forecast sales and purchases over a six- to eighteen-month period.

Exchange rate derivative instruments relating to financing

The Group may be exposed to transactional exchange-rate risk on certain intragroup loans and borrowings resulting from the financing of its foreign subsidiaries. The Group minimizes this risk either (i) by borrowing in the same currency or (ii) by entering into currency swaps or forwards reflecting the maturity of the hedged item.

7.6.4 Liquidity risks

a) Future cash flows on Financial Instruments

The following figures show the estimated future cash flows on interest-bearing loans and borrowings recorded as liabilities on the balance sheet.

The estimate of future cash flows on interest is based on the debt amortization table and on the assumption of a crystallization of the interest rates outstanding as of the closing date, unless a better estimate is available.

Financial liabilities (in millions of euros)	Dec. 31, 2021		Less than 12 months		1 to 2 years		3 to 5 years		More than 5 years	
	Carrying amount	Total future cash flows	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Gross debt										
Bank loans	5.6	5.9	4.9	0.2	0.6	0.0	0.2	0.0	-	-
Private placements	43.0	44.2	23.0	0.4	-	0.3	20.0	0.5	-	-
Other loans	511.6	645.7	0.8	21.8	0.8	21.8	0.2	64.3	509.8	26.2
Bank overdrafts	12.8	12.8	12.8	-	-	-	-	-	-	-
Finance leases	-	-	-	-	-	-	-	-	-	-
Leases	108.0	117.5	25.1	2.8	20.3	2.0	38.3	3.1	24.3	1.6
Total	**681.1**	**826.1**	**66.7**	**25.2**	**21.8**	**24.1**	**58.7**	**67.9**	**534.0**	**27.8**
Other financial liabilities										
Trade payables	403.8	403.8	403.8	-	-	-	-	-	-	-
Other non-current financial liabilities	0.2	0.2	-	-	0.2	-	-	-	-	-
Other current financial liabilities	6.1	6.1	6.1	-	-	-	-	-	-	-
Total	**410.1**	**410.1**	**409.9**	**-**	**0.2**	**-**	**-**	**-**	**-**	**-**
Total financial liabilities	**1,091.1**	**1,236.2**	**476.6**	**25.2**	**22.0**	**24.1**	**58.7**	**67.9**	**534.0**	**27.8**

Financial liabilities (in millions of euros)	Dec. 31, 2020		Less than 12 months		1 to 2 years		3 to 5 years		More than 5 years	
	Carrying amount	Total future cash flows	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Gross debt										
Bank loans	75.9	83.4	73.6	2.3	1.6	1.6	0.7	3.6	-	-
Private placements	606.3	632.3	56.5	9.0	142.7	7.2	356.1	9.5	51.0	0.3
Other loans	1.3	1.6	-	0.1	1.3	0.1	-	0.1	-	-
Bank overdrafts	6.8	6.8	6.8	-	-	-	-	-	-	-
Finance leases	3.3	3.3	0.8	-	0.8	-	1.6	-	0.1	-
Leases	108.8	119.7	23.0	3.1	18.3	2.3	39.9	3.5	27.6	2.0
Total	**802.4**	**847.1**	**160.7**	**14.5**	**164.8**	**11.2**	**398.3**	**16.7**	**78.7**	**2.3**
Other financial liabilities										
Trade payables	277.2	277.2	277.2	-	-	-	-	-	-	-
Other non-current financial liabilities	0.3	0.3	-	-	0.3	-	-	-	-	-
Other current financial liabilities	10.6	10.6	10.6	-	-	-	-	-	-	-
Total	**288.1**	**288.1**	**287.8**	**-**	**0.3**	**-**	**-**	**-**	**-**	**-**
Total financial liabilities	**1,090.5**	**1,135.2**	**448.5**	**14.5**	**165.1**	**11.2**	**398.3**	**16.7**	**78.7**	**2.3**

b) Liquidity position

The Group's debt capacity is €1,104.3 million, of which €108.8 million relates to lease liabilities (IFRS 16), and has been drawn down in the amount of €681.0 million (see Note 7.3.1). Including cash and cash equivalents, the liquidity position of the Group amounts to €628.7 million.

(in millions of euros)	**Dec. 31, 2021**	**Dec. 31, 2020**
Amount available on credit facilities	423.3	954.9
Cash and cash equivalents	205.4	328.6
Total	**628.7**	**1,283.5**

7.6.5 Credit risk

Credit risk represents the risk of financial loss for the Group in the event that a counterparty to a financial instrument defaults on its contractual obligations.

The financial assets potentially bearing this risk are mainly:

- cash deposits;
- derivative instruments;
- trade receivables;
- loans granted.

The maximum potential credit risk on the financial assets is equal to their net accounting value less the indemnification receivable from credit insurance.

a) Customer credit risk

The Group believes that its exposure to customer credit risk is limited, because of its large number of customers, its dispersion in many geographical areas, and its follow-up policy. The Group has established a credit policy which includes, among other things, a credit limit for each customer, collections processes, and a computer-aided credit scoring and customer payment behavior follow-up.

The total of receivables overdue over 60 days amounts to approximately 11% of total accounts receivable as of December 31, 2021 (13% of total accounts receivable as of December 31, 2020).

The Group believes that there is no need to assume that there is risk on outstanding receivables less than 60 days overdue.

With respect to outstanding receivables that are more than 60 days overdue, the Group believes that risks are limited given existing procedures for customer risk management (as detailed above).

b) Credit risk management on equities and derivatives

The counterparties to the Group's financial derivatives are leading banks, all of which have business relationships with the Group for debt or cash management. The Group's policy with regard to investments and cash deposits is to only invest in liquid securities and only with the leading credit institutions in the countries where the investments are made.

The Group is not exposed to a material risk due to any significant concentration and does not anticipate any counterparty default.

The effect of Credit and Debit Valuation Adjustments (CVA/DVA) on the measurement of the fair value of the derivative financial instruments was not material as at the closing date and was therefore not booked.

7.7 Guarantees

The principal guarantees given by Tarkett are as follows:

- a General Indemnity Agreement of a maximum amount of USD 75.0 million in favor of Federal Insurance Company in consideration of an agreement to execute security bonds in favor of FieldTurf Inc, fully used as of year-end;
- a Joint and Several Guarantee for a maximum amount of USD 75.0 million for the benefit of Ester Finance Technologies, relating to the collections on its behalf in connection with the factoring line of credit set up with the subsidiary Tarkett Finance Inc. in the United States;
- a guarantee given to the retirement insurance company Pri-Pensions to insure Tarkett AB's employee benefit commitments in the amount of SEK 206.2 million;
- a guarantee covering 50% of a line of credit for a maximum amount of €10.0 million, granted to its joint venture Laminate Park GmbH & Co KG, of which €9.5 million has been used as of the balance sheet date;
- a payment guarantee granted to a supplier of its subsidiary Morton Extrusiontechnik (M.E.T GmbH) for deliveries of raw materials, up to a maximum amount of €7.0 million, which had been used in the amount of €4.6 million as of the balance sheet date;
- guarantees given by Tarkett to the banks of certain subsidiaries, including Tarkett Limited (United Kingdom), Tarkett BV (Netherlands), Tarkett Asia Pacific (Shanghai) Management Co Ltd, and Tarkett Industrial (Beijing) Co Ltd (China), Tarkett SpA (Italy), and Tarkett USA Inc. (United States) in order to enable them to obtain short-term financing, bank loans, or letters of credit for a total amount €41.8 million, of which €13.0 million had been used as of the balance sheet date.

Furthermore, in the ordinary course of business, Tarkett and several of the Group's subsidiaries have given payment or construction guarantees to various suppliers, customers, government offices, lessors, and cash pooling or trade finance operators, either directly or through bank guarantees, for an amount equivalent to €26.1 million as of the closing date.

Finally, the following assets have been pledged as security interests for the new financing put in place:

- all present and future shares of Tarkett SA held by Tarkett Participation;
- all present and future shares of the following subsidiaries held directly or indirectly by Tarkett SA: Tarkett GDL SA, Tarkett AB, Tarkett BV, Tarkett Holding GmbH, Tarkett Finance Inc., Tarkett USA Inc., Fieldturf Tarkett USA Holdings Inc., Fieldturf USA Inc., AO Tarkett, and AO Tarkett Rus;
- certain financial receivables entered into between two of the above companies.

Note 8 > Income tax

8.1 Income tax expense

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items in equity or in other comprehensive income, in which case it is recognized in those items.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable with respect to previous years. Income tax expense/income are defined in Note 8.2, Deferred Taxes.

Income tax is calculated based on the rules applicable in each country where the Group operates.

The "Cotisation sur la Valeur Ajoutée des Entreprises (C.V.A.E.)" tax contribution due in France on the basis of the value added as determined based on the statutory accounts of French entities the statutory accounts meets the definition of income tax under IAS 12, "Income Taxes" and is classified on the current income tax line. Similar treatment has been adopted for similar other taxes (State Tax and BEAT Tax in the United States, in particular) based on a net of products and costs, even though that amount may differ from accounting net income.

Income tax (current and deferred) is detailed as follows:

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Current tax	(19.0)	(34.6)
Deferred tax	8.0	3.1
Total income tax	**(11.0)**	**(31.5)**

Theoretical income taxes determined using the French corporate income tax rate of 28.40% for 2021 and 32.02% for 2020 can be reconciled as follows to the actual income tax charge:

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Pre-tax profit from continuing operations (a)	25.9	12.4
Profit from equity-accounted subsidiaries (b)	5.3	(1.2)
Pre-tax profit from fully consolidated activities (a- b)	20.6	13.7
Income tax at nominal French income tax rate	**(5.9)**	**(4.4)**
Effect of:		
- Taxation of foreign companies at different rates	1.9	0.6
- Exchange rate effects on non-monetary assets	0.1	(6.8)
- Changes in unrecognized deferred tax assets	(2.6)	(5.7)
- Permanent differences	0.3	1.6
- Taxes on dividends (Withholding at the source)	(0.1)	(3.9)
Other items	(4.7)	(12.9)
Income tax expenses	**(11.0)**	**(31.5)**
Effective rate	**53.3%**	**N/A**

Taxation of foreign companies at different rates:

The main contributing countries are the United States, with a local tax rate of 21.00%, Russia, with a local tax rate of 20.00%, Sweden, with a local tax rate of 20.60%, and Serbia, with a rate of 15.00%.

Exchange rate effects on non-monetary assets

In 2020, the deferred tax expense of €(6.8) million is due to the effect of changes in the exchange rate on non-monetary assets and liabilities of entities whose functional currency is different from the local currency. Recognition of this expense is required by IFRS, even if the revalued tax basis does not generate any tax obligation in the future.

The principal entities that generated exchange rate effects on non-monetary assets (Russia, Ukraine, Kazakhstan, and Belarus), changed their functional currency as of January 1, 2021 (see Note 1.3). Thus, their functional currency is now the same as the local currency. As a result, there is no longer an impact on income tax expense in 2021.

Changes in unrecognized deferred tax assets

Recognition of deferred tax assets is explained primarily by the positive effect of the recognition of deferred tax assets over deficits in Luxembourg (in light of future positive taxable income), offset by deferred tax assets on losses carried forward and temporary differences recognized in Germany and in France to take into account diminished future tax prospects.

Other items

In 2021, this item includes:

- charges for tax adjustments totaling €(2.7) million, principally in Luxembourg (for €(3.7) million), and income in the United States (for €1.6 million);
- taxes recorded as corporate income tax for €(2.0) million, including the United States for €(0.8) million (of which the BEAT Tax represents €(0.2) million and State Tax represents €(0.6) million) and France for €(1.1) million (CVAE).

In 2020, this item also included taxes recorded as corporate income tax for €(8.2) million, including the United States for €(6.5) million (of which the BEAT Tax represents €(4.8) million and State Tax represents €(1.7) million) and France for €(1.7) million (CVAE).

8.2 Deferred tax

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

The following temporary differences are not provided for:

- goodwill not deducted for tax purposes;
- the initial recognition of assets or liabilities, other than in the context of transactions involving business combinations, that affect neither accounting nor taxable profit;
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

A deferred income tax asset is capitalized only to the extent that it is probable that there will be future taxable profits over the next five years against which this asset can be utilized.

In accordance with IAS 12, where an entity's tax return is prepared in a currency other than its functional currency, changes in the exchange rate between the two currencies generate temporary differences with respect to the valuation of non-monetary assets and liabilities. As a result, deferred tax is recognized in profit or loss.

Deferred taxation is shown on the balance sheet separately from current tax assets and liabilities and is categorized in non-current items.

(in millions of euros)	2021	2020
Valuation of deferred tax assets	163.9	27.6
DTA for pensions and healthcare benefits	40.7	43.7
Other items temporarily non deductible	61.0	57.5
Provision for other deferred tax liabilities	(16.4)	(2.3)
Internal profit eliminations	1.1	3.3
Netted against deferred tax assets	(167.2)	(55.6)
Deferred tax assets	**83.1**	**74.1**
Fixed assets revaluation	46.9	38.9
Other deferred tax liabilities	133.4	25.4
Netted against deferred tax assets	(167.2)	(55.6)
Deferred tax liabilities	**13.2**	**8.7**

The recoverability of deferred tax assets was analyzed with cash flow projections used for impairment testing. The testing accounted for the impact of the health crisis.

The Group had €163.9 million in deferred tax assets related to tax loss carryforwards and unused tax credits, of which €131.9 million related to Luxembourg, and €26.8 million related to the Group's North American (United States) tax consolidation group. The recognition of deferred tax in Luxembourg was partially offset by deferred tax liabilities, without impact on results.

This amount of €163.9 million is allocated as follows: €154.0 million of deferred tax assets relating to loss carryforwards, and €9.9 million in unused tax credits.

The deferred taxes on carryforwards and unused tax credits totaled €66.3 million as of December 31, 2021 (€171.2 million as of December 31, 2020).

Note 9 > Equity and liabilities

9.1 Share capital

Share capital comprises the par value of the ordinary shares minus incremental costs directly attributable to the issue of ordinary shares and share options, net of any tax effects. When the Group buys back its own shares, the amount of consideration paid, which includes directly attributable costs, is net of any tax effects, and is recognized as a deduction from shareholders' equity. When treasury shares are subsequently sold or reissued, the amount received is recognized as an increase in shareholders' equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

	Dec. 31, 2021	Dec. 31, 2020
Share capital *(in euros)*	327,751,405	327,751,405
Number of shares	65,550,281	65,550,281
Par value *(in euros)*	5.0	5.0

9.2 Earnings per share and dividends

	Dec. 31, 2021			Dec. 31, 2020		
	Average number of shares	Profit for the period attributable to Tarkett shareholders	Basic earnings per share	Average number of shares	Profit for the period attributable to Tarkett shareholders	Basic earnings per share
	(in millions of shares)	*(in millions of euros)*	*(in euros)*	*(in millions of shares)*	*(in millions of euros)*	*(in euros)*
Total Shares	65,550			65,550		
Treasury shares held by Tarkett	(322)			(474)		
Total excluding treasury shares	**65,228**	**15.1**	**0.23**	**65,076**	**(19.1)**	**(0.29)**
Potential performance shares to be distributed	289			387		
Restatement of actions with anti-dilution effect [(1)]	-			(387)		
Total after allocation of performance shares	**65,517**	**15.1**	**0.23**	**65,076**	**(19.1)**	**(0.29)**

Basic earnings per share (excl. treasury shares)

Basic earnings per share (excluding treasury shares) are calculated on the basis of the Group's share of net profit attributable to the Group and on the weighted average number of shares outstanding during the period (and after deduction of the weighted average number of treasury shares).

Earnings per share after grants of performance shares

Attributable net profit per share (after grants of performance shares), are calculated on the basis of the Group's share of net profit attributable to the Group and on the weighted average number of shares outstanding during the period (and after deduction of the weighted average number of treasury shares) and the number of potential shares to distribute, if dilutive.

(1) Pursuant to IAS 33, "Earnings per Share," and given the negative attributable net profit as of December 31, 2020, the potential performance shares for distribution have not been taken into account in calculating the weighted average number of shares outstanding (anti-dilutive effect).

Dividends

The Shareholders' Meeting held on April 30, 2021, decided, in light of the health and economic situation relating to the COVID-19 virus, not to pay a dividend in 2021 in respect of 2020.

Note 10 > Related parties

In accordance with IAS 24, "Related Party Disclosures" the Group has identified the following related parties: > joint ventures;

- The Group's principal shareholder through April 29, 2021, **Société Investissement Deconinck** ("SID");
- The Group's new principal shareholder as from April 29, 2021 (see Note 1.3), **Tarkett Participation**, of which a majority is also held by SID;
- The new shareholder **Wendel Luxembourg S.A**., through two companies referred to below (see Note 10.2);
- The members of Tarkett's Management Board and Supervisory Board.

Transactions entered into during the period with the Group's joint ventures and principal shareholders are detailed below.

10.1 Joint ventures

All transactions between fully consolidated entities are eliminated in consolidation.

Transactions with related entities and jointly held entities are entered into on arm's length terms.

The Group has four joint ventures, including Laminate Park GmbH & Co KG in Germany, jointly controlled with the Sonae group.

The Group's transactions with its joint venture may be summarized as follows:

(in millions of euros)	Dec. 31, 2021	Dec. 31, 2020
Joint ventures		
Sale of goods to Tarkett	-	-
Purchase of services from Tarkett	-	-
Loans from Tarkett (gross value)	4.4	3.6

10.2 Principal shareholders

Prior to the Offer initiated in April 2021 (see Note 1.3), Société d'Investissement Deconinck held 50.68% of Tarkett's share capital.

As of December 31, 2021, following the contribution of Tarkett shares by SID to Tarkett Participation and the acquisitions of shares by Tarkett Participation, the latter holds 90.4% of Tarkett's share capital and, as such, controls and coordinates the Group's activities.

As of December 31, 2021, Tarkett Participation is held by:

- Société Investissement Deconinck, for 73.85%;
- Expansion 17 S.C.A., FIAR, for 12.615%;
- Global Performance 17 S.C.A., FIAR, for 12.615%;
- Individual members of management, for 0.92%.

As of December 31, 2021, SID had invoiced a total of €300,000 in fees under the Assistance Agreement (€300,000 as of December 31, 2020).

As of December 31, 2021, Tarkett had invoiced a total of €55,000 to SID for services (€55,000 as of December 31, 2020).

10.3 Members of the Management Board and Supervisory Board

None.

Note 11 > Subsequent events

> **Sale of the real estate assets of Laminate-Park**

Through its subsidiary, Laminate-Park, of which it holds 50% and which is consolidated through the equity method, the Group sold almost all of its real estate assets in Germany on January 5, 2022. The impairment recorded in previous fiscal years were reversed in 2021, restoring the net book value of these assets to their sale price. The impact was recorded in results of equity accounted companies on the consolidated income statement.

> **Acquisition of Dynamic Base Construction LLC**

On February 1, 2022, the Group acquired 49% of the U.S. company Dynamic Base Construction LC (Dybaco) for USD 3.5 million.

> **Acquisition of Zaino**

On January 1, 2022, through its subsidiary Beynon, the Group acquired 100% of the California company Zaino, which does business in the Athletic Tracks segment, for USD 0.8 million.

Note 12 > Statutory auditor fees

Amount *(excluding taxes) (in thousands of euros)*	KPMG S.A.	KPMG S.A.	MAZARS	MAZARS
	Auditor	Network	Auditor	Network
Statutory audit, certification, audit of the individual company and Consolidated Financial Statements				
Tarkett	309	-	286	-
Controlled entities	120	834	54	796
Subtotal (A)	**429**	**834**	**341**	**796**
Services other than certification of the financial statements required by laws and regulations				
Tarkett	-	-	-	-
Controlled entities	-	-	-	-
Subtotal (B)	**-**	**-**	**-**	**-**
Services other than certification of the financial statements at the entity's request				
Tarkett	133	-	-	-
Controlled entities	**25**	**12**	**-**	**-**
Subtotal (C)	**158**	**12**	**-**	**-**
Services other than certification of the financial statements [(1)]	**-**	**-**	**-**	**-**
Subtotal D = B + C	**158**	**12**	**-**	**-**
Subtotal E = A + D	**587**	**846**	**341**	**796**
Total	1,433		1,137	

(1) Nature of services other than certification of the financial statements provided by the statutory auditors to the consolidating entity and its controlled subsidiaries: review of CSR information by an independent third-party, a compliance assignment

Note 13 > Principal consolidated entities

Companies	Country	Consolidation method	Pourcentage of interest as of December 31, 2021	Pourcentage of interest as of December 31, 2020
G: Full consolidation				
E: Equity method				
NC: Not consolidated				
EMEA				
Tarkett AB	Sweden	G	100%	100%
Tarkett AS	Norway	G	100%	100%
Tarkett OY	Finland	G	100%	100%
Tarkett A/S	Danemark	G	100%	100%
Tarkett Polska Sp.z.o.o.	Polska	G	100%	100%
Tarkett Aspen Zemin AS	Turkey	G	100%	100%
Laminate Park GmbH & Co KG	Germany	E	50%	50%
Virtual Empathy Platform Ltd (1)	United Kingdom	E	33%	0%
Tarkett Holding GmbH	Germany	G	100%	100%
Tarkett SA	France	Parent company	100%	100%
Tarkett Services	France	G	100%	100%
Tarkett GDL SA	Luxembourg	G	100%	100%
Tarkett Capital SA	Luxembourg	G	100%	100%
Tarkett SpA	Italy	G	100%	100%
Tarkett - Produtos Internacionias, SA	Portugal	G	100%	100%
Tarkett Monoprosopi Ltd.	Greece	G	100%	100%
Tarkett Floors S.A. Spain	Spain	G	100%	100%
Tarkett France	France	G	100%	100%
Tarkett Bois SAS	France	G	100%	100%
Fieldturf Tarkett SAS	France	G	100%	100%
Tarkett Sports GmbH	Germany	G	100%	100%
Fieldturf Poligras SA	Spain	G	100%	100%
Morton Extrusiontechnik GmbH	Germany	G	100%	100%
Allsports construction and maintenance Ltd.	United Kingdom	E	30%	30%
Desso Holding BV	Netherlands	G	100%	100%
Desso BV	Netherlands	G	100%	100%
Desso Refinity BV	Netherlands	G	100%	100%
Tarkett Sports BV	Netherlands	G	100%	100%
Desso Texture Tex BV (1)	Netherlands	G	0%	100%

Companies	Country	Consolidation method	Pourcentage of interest as of December 31, 2021	Pourcentage of interest as of December 31, 2020
Tarkett NV	Belgium	G	100%	100%
Tarkett AG Switzerland	Switzerland	G	100%	100%
Desso Sports System BV	Netherlands	G	100%	100%
Desso Sport Systems NV	Belgium	G	100%	100%
Desso Sport Systems Scandinavia A.S.	Norway	G	100%	100%
Tarkett Ltd.	United Kingdom	G	100%	100%
Somalré	Luxembourg	G	100%	100%
F.E.D. Inc.	United States of America	E	40%	40%
North America				
Tarkett, Inc. (Delaware)	United States of America	G	100%	100%
Tarkett Inc.	Canada	G	100%	100%
Desso Inc.	United States of America	G	100%	100%
Tandus Centiva Limited	Canada	G	100%	100%
Lexmark Carpet Mills	United States of America	G	100%	100%
Tarkett Manufacturing Mexico [1]	Mexico	G	100%	0%
Domco Products Texas Inc	United States of America	G	100%	100%
Tarkett Alabama Inc.	United States of America	G	100%	100%
Tarkett Finance Inc.	United States of America	G	100%	100%
Tarkett USA Inc.	United States of America	G	100%	100%
Fieldturf Inc.	Canada	G	100%	100%
L.E.R. Inc.	United States of America	G	100%	100%
EasyTurf Inc.	United States of America	G	100%	100%
Beynon Sport Surfaces Inc.	United States of America	G	100%	100%
FieldTurf Tarkett USA Holdings, Inc.	United States of America	G	100%	100%
Fieldturf USA Inc.	United States of America	G	100%	100%
Johnsonite Canada Inc.	Canada	G	100%	100%
Diamond W Supply Co.	United States of America	G	100%	100%
Tarkett Carpet Canada Inc.	Canada	G	100%	100%
CEI, APAC and Latin America				
Tarkett Australia Pty.Ltd.	Australia	G	100%	100%
Tarkett Brasil Revestimentos LTDA	Brazil	G	100%	100%
Tarkett Flooring Mexico S.R.L.	Mexico	G	100%	100%
Tarkett Argentina	Argentina	G	100%	100%
Tarkett Hong Kong Ltd.	Hong Kong	G	100%	100%
Tarkett Asia Pacific (Shanghai) Management Co Ltd.	China	G	100%	100%

Companies	Country	Consolidation method	Pourcentage of interest as of December 31, 2021	Pourcentage of interest as of December 31, 2020
Tarkett Industrial (Beijing) Co, Ltd	China	G	100%	100%
AO Tarkett	Russia	G	100%	100%
AO Tarkett Rus	Russia	G	100%	100%
Tarkett Sommer OOO	Russia	G	100%	100%
Tarkett d.o.o.	Serbia	G	100%	100%
Tarkett SEE d.o.o.	Serbia	G	100%	100%
Tarkett UA DP	Ukraine	G	100%	100%
Tarkett KAZ TOO	Kazakhstan	G	100%	100%
Tarkett Bel UE	Belarus	G	100%	100%
Galerija Podova d.o.o.	Serbia	G	100%	100%
Tarkett Vinisin TOV	Ukraine	G	100%	100%
Tarkett Flooring Singapore Pte. Ltd	Singapour	G	100%	100%
Tandus Flooring (Suzhou) Co. Ltd	China	G	100%	100%
Tarkett Flooring India Private Ltd	India	G	100%	100%
Fieldturf Tarkett Australia	Australia	G	100%	100%

(1) cf. note 2.4.

The percentages of equity and voting rights held for each entity of the Group are identical.

5.3 Company financial statements as of December 31, 2021

Income statement

	Fiscal year ended 12/31/2021			12/31/2020
	France	Exportations	Total	Total
Sales of merchandise	-	-	-	-
Produced goods sold	-	-	-	-
Produced services sold	10,786	46,449	57,235	49,395
Net revenue	**-**	**-**	**57,235**	**49,395**
Inventory	-	-	-	-
Capitalized production	-	-	-	-
Operating subsidies received	-	-	-	-
Reversal of depreciation and provision, transfer of expenses	-	-	2,250	6,208
Other income	-	-	0	1
Total operating income	**-**	**-**	**59,485**	**55,604**
Purchases of merchandise for resale (including customs duties paid)	-	-	-	-
Change in inventories (merchandise)	-	-	-	-
Purchases of raw materials and other supplies	-	-	-	-
Changes in inventory of raw materials and other supplies	-	-	-	-
Other purchases and external expenses	-	-	35,685	28,941
Taxes and similar payments	-	-	1,118	1,332
Salaries and wages	-	-	13,277	15,111
Social security contributions	-	-	6,898	7,514
Allocations to depreciation on fixed assets	-	-	10,624	10,197
Allocations to provisions on fixed assets	-	-	-	-
Allocations to provisions on current assets	-	-	-	-

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	Fiscal year ended 12/31/2021			12/31/2020
	France	Exportations	Total	Total
Allocation to provisions for risks and expenses	-	-	2,982	6,534
Other expenses	-	-	1,777	2,515
Total operating expenses	**-**	**-**	**72,361**	**72,144**
Result from operating activities	**-**	**-**	**(12,876)**	**(16,540)**
Allocated gain or transferred loss	-	-	-	-
Loss borne or gain transferred	-	-	-	-
Financial income from equity investments	-	-	21,015	73,043
Income from other securities	-	-	577	552
Other interest and similar income	-	-	359	548
Reversal of provisions and transfer of expenses	-	-	-	-
Foreign exchange gains	-	-	43	92
Net income from disposals of marketable securities	-	-	-	-
Total financial income	**-**	**-**	**21,994**	**74,235**
Financial allocations to depreciation and provisions	-	-	35,641	70
Interest and similar expense	-	-	28,152	17,609
Foreign exchange losses	-	-	-	-
Net expense on disposals of marketable securities	-	-	-	-
Total financial expense	**-**	**-**	**63,793**	**17,679**
Financial income and expense	**-**	**-**	**(41,799)**	**56,556**
Current result before income tax	**-**	**-**	**(54,675)**	**40,016**

Income statement (continued)

	Fiscal year ended 12/31/2021	12/31/2020
	Total	Total
Exceptional operating income	-	-
Exceptional income on capital transactions	-	-
Reversal of provisions and transfer of expenses	679	566
Income from disposals of assets	4	-
Other exceptional income	-	-
Total exceptional income	**682**	**566**
Exceptional operating expense	-	-
Exceptional expense on capital transactions	9	133
Exceptional allocations to depreciation and provisions	181	554
Other exceptional expense	-	3
Total exceptional expense	**190**	**690**
Exceptional result	**492**	**(124)**
Employee profit-sharing	-	-
Income tax	1,424	(384)
Total income	**82,161**	**130,405**
Total expense	**134,921**	**90,897**
Net profit	**(52,760)**	**39,508**
Of which Equipment leasing	-	-
Of which Property leasing	-	-

Balance sheet assets

	Fiscal year ended 12/31/2021			12/31/2020
	Gross	Provisional depreciation	Net	Net
Start-up costs	-	-	-	-
Research and development	-	-	-	-
Concessions, patents and similar rights	67,088	58,311	8,776	10,827
Goodwill	3,940	-	3,940	3,940
Other intangible assets	-	-	-	-
Intangible assets	3,854	-	3,854	4,712
Advances and deposits on intangible assets	-	-	-	-
Land	-	-	-	-
Buildings	106	106	-	-
Technical facilities, equipment and machinery	-	-	-	-
Other tangible assets	11,817	9,260	2,557	713
Property, plant and equipment	123	-	123	511
Advances and deposits	-	-	-	-
Investments accounted for by the equity method	-	-	-	-
Other equity investments	1,405,097	60,338	1,344,759	1,380,107
Receivables relating to equity investments	-	-	-	-
Other intangible assets	-	-	-	-
Loans	374,045	-	374,045	288,820
Other financial assets	1,248	377	871	1,331
Total (I)	**1,867,318**	**128,393**	**1,738,925**	**1,690,961**

	Fiscal year ended 12/31/2021			12/31/2020
	Gross	Provisional depreciation	Net	Net
Raw materials, supplies	-	-	-	-
Work-in-progress, goods	-	-	-	-
Work-in-progress, services	-	-	-	-
Intermediate and finished products	-	-	-	-
Merchandise	-	-	-	-
				-
Advances and deposits on orders	17	-	17	20
Trade receivables	20,482	-	20,482	20,431
Other receivables	-	-	-	-
- Trade payable accounts with a receivable balance	158	-	158	283
- Personnel	6	-	6	-
- Social welfare agencies	86	-	86	-
- Government, income taxes	1,121	-	1,121	1,293
- Government, revenue taxes	1,856	-	1,856	705
- Other	169,349	-	169,349	197,029
Share capital subscribed and called but not paid	-	-	-	-
Marketable securities	1,598	-	1,598	3,241
Available funds	31,672	-	31,672	255,960
Cash instruments	-	-	-	-
Prepaid expenses current	19 ,134	-	19,134	4,403
Total (II)	**245,480**	**-**	**245,480**	**483,365**

		Fiscal year ended 12/31/2021			12/31/2020
		Gross	Provisional depreciation	Net	Net
Charges allocated among several fiscal years (III)	(III)	-	-	-	-
Bond redemption premiums (IV)	(IV)	-	-	-	-
Unrealized foreign exchange losses (V)	(V)	1,137	-	1,137	9,066
Total assets (I to V)		**2,113,935**	**128,393**	**1,985,542**	**2,183,392**

Balance sheet liabilities

	Fiscal year ended 12/31/2021	12/31/2020
Share capital, company or individual (of which paid up: 327 751)	327,751	327,751
Share, merger, and contribution premiums	135,493	135,493
Revaluation differences	-	-
Legal reserve	31,861	31,861
Statutory or contractual reserves	-	-
Regulated reserves	-	-
Other reserves	-	-
Retained earnings	795,644	755,753
Results of the fiscal year	(52,760)	39,508
Investment grants	-	-
Regulated provisions	366	639
TOTAL (I)	**1,238,356**	**1,291,005**

	Fiscal year ended 12/31/2021	12/31/2020
Proceeds from issuance of equity securities	-	-
Conditional advances	-	-
Total (II)	**-**	**-**
Provisions for risks	-	-
Provisions for charges	10,676	10,542
Total (III)	**10,676**	**10,542**
Convertible bonds	-	-
Other bonds	-	-
Borrowings and debts from credit institutions	-	-
- Borrowings	49,136	678,821
- Bank overdrafts	-	-
Other borrowings and financial debt	-	-
- Other	-	-
- Shareholders	662,507	161,067
Advances and deposits received on orders in progress	-	-
Trade payables	13,525	9,045
Tax and social security liabilities	-	-
- Personnel	2,831	4,697
- Social welfare agencies	2,360	3,112
- Government, income taxes	-	-
- Government, revenue taxes	888	494
- Government, guaranteed bonds	-	-
- Other taxes and related	539	314

		Fiscal year ended 12/31/2021	12/31/2020
Payables on fixed assets		1,298	705
Other payables		1,443	14,457
Cash instruments		-	-
Prepaid income		771	47
Total (IV)		**735,299**	**872,759**
Unrealized foreign exchange gains (V)	(V)	1,211	9,086
Total liabilities (I to V)		**1,985,542**	**2,183,392**

5.4 Notes to the statutory financial statements

Note 1 > Accouting principles

1.1 Accounting principles

The annual financial statements were prepared in accordance with Regulations 2014-3, 2015-06, and 2016-07 of the Autorité des Normes Comptables (French accounting standards authority) with respect to the Plan Général Comptable (General Accounting Code) and Regulation 2016-7, approved by ministerial decree dated December 28, 2016, as well as the later notices and recommendations of the Autorité des Normes Comptables.

The main methods used are detailed below.

The annual financial statements incorporate the provisions of 2015-05 of the Autorité des Normes Comptables (ANC) with respect to forward contracts and hedging transactions, application of which is mandatory beginning with fiscal year 2017. This regulation, the objective of which is to specify the procedures for accounting for forward contracts and hedging transactions, has no significant impact on the Company's annual financial statements.

General accounting conventions were applied in compliance with the principle of prudence and in accordance with the following assumptions, the purpose of which is to provide a fair view of the company :

- continuity of operations;
- consistency of accounting principles from one fiscal year to the next;
- independence of fiscal years;
- relative importance;
- non-compensation;
- accurate information;

and in accordance with the general rules concerning preparation and presentation of annual accounts.

Depending on the situation, the primary methods used to value recorded items are historical cost, contribution value, or revalued value.

1.2 Intangible assets and property, plant and equipment

1.2.1 Intangible assets

Intangible assets primarily comprise licenses, software and capitalization of external costs for implementing software within the Group's subsidiaries, grouped together under the item "concessions and patents".

Software and software licenses are depreciated on a straight-line basis over a period of 1 to 5 years.

Goodwill :

Pursuant to ANC regulation n°2014-03, the company accounts for all the technical losses on the assets side of its balance sheet for an amount of €3,940,000 within the "goodwill" item.

The Company considers the goodwill that it controls has a useful life that is not limited in time. Indeed, there is no legal, economic or technical limitation to the exercise of the Company's activity with its recurring customers.

At each balance sheet date, the Company performs an impairment test to ensure that the recoverable amount of these goodwill is always greater than their carrying amount. If not, an impairment loss is recognized in the income statement of the period.

mpairment tests are performed by comparing the net carrying amount with the recoverable amount (discounted future cash flows or market value). Discounted cash flows are assessed on the basis of budgets and forecasts over a period of 5 years, taking into account a terminal value.

As of December 31, 2021, the value in use of goodwill is higher than its carrying amount, including the related technical losses.

1.2.2 Property, plant and equipment

Property, plant and equipment primarily comprises office equipment, computer equipment, fixtures and facilities.

The gross value of these items corresponds to their acquisition cost: purchase price and accessory costs required to make them usable.

Depreciation is calculated on a straight-line basis over the expected useful life of the items :

- Office and IT equipment and furniture: 3 years;
- Fixtures and facilities: 3 years.

If the value in use is lower than the net book value, impairment is recorded for the difference.

For fixed asset relating to the arrangements of the headquarter in La Défense, the depreciation duration applied is 8 years, i.e. over the duration of the lease.

1.3 Financial assets and marketable securities

ial assets primarily comprise equity securities and guarantees paid.

Gross value consists of acquisition cost, excluding fees.

If the value in use is lower than the net book value, a provision for impairment is recorded for the difference.

Value in use is determined on the basis of a multicriteria approach, including the percentage of shareholders' equity represented by such securities, changes in the subsidiary's profitability, and others approaches, including the multiples method and expert valuations.

1.4 Receivables and liabilities

Receivables and liabilities are valued at their nominal value.

If their asset value is less than their net book value, receivables are impaired by provision for the difference, to take into account likely difficulties in recovery.

1.5 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate as of the date of the transaction.

Assets and liabilities denominated in foreign currency as of the balance sheet date are converted into euros using the exchange rate on such date. Exchange differences resulting form the conversion are recorded in conversion rate adjustments. Unrealized exchange losses that are not offset and not covered by hedging instruments are the subject of provisions for risk.

1.6 Provisions

1.6.1 Provisions for pensions and similar obligations

The company applies the option provided for by Recommendation No. 2013-02 of November 7, 2013, relating to the rules on the valuation and recording of retirement commitments and similar benefits, to record all retirement commitments and similar benefits on the balance sheet.

Tarkett SA's commitments include the following:

- long-term benefits, post-employment, granted to employees (retirement indemnification payment, medical costs, etc.); and
- long-term benefits, during employment, granted to employees.

The calculation involves taking economic assumptions into account, such as the inflation rate and the discount rate, as well as assumptions about the Company's personnel, such as average raises, turnover rate, and life expectancy.

Provisions have been calculated by an outside actuary on the basis of data as of December 31, 2021 , in accordance with the main assumptions described below:

- inflation rate: 1.50%
- discount rate : 0.70 % on pension plans and 0.10% on jubilee ;
- salary indexation rate: 2.00%
- retirement age: 65.

The liability relating to the company's net employee benefits commitment is recorded in provisions for risks and charges on the balance sheet.

The current value of commitments to employees is calculated on the balance sheet date each year, and the employee data are reviewed at least every three years..

Following the decision of the IFRS IC published on May 24, 2021 relating to the allocation of the cost of services associated with a defined benefit plan, the ANC issued the following opinion:

- Companies that publish their accounts according to French standards can, if they wish, adopt the new valuation method recommended by the IFRIC;
- They may adopt this method from financial years ending on or after June 30, 2021;
- If they do not adopt it immediately, they may adopt it in future exercises, without time limit;
- Once adopted, the method is definitive; going back is not possible;
- The modification constitutes a change of method within the meaning of article 122-2 of the PCG of ANC regulation n°2014-03.

Tarkett has applied for the first time the ANC 2013-02 recommendation on retirement commitments, mainly to retirement benefit plans in France. Tarkett has decided not to restate its financial statements for the 2020 financial year, given the non-materiality of the impacts on the accounts resulting from the application of the decision. The impacts on the financial years prior to the 2021 financial year were recognized in equity for an amount of €383,000. The impacts on the 2021 financial year have been recognized in the income statement for the financial year.

1.6.2 Other provisions for risks and charges

Provisions are recorded at the end of the fiscal year to cover risks and expenses relating to the following:

- unrealized exchange rate losses, after taking into account any offsetting exchange rate hedges;
- any obligations of the company to a third party where it is probable or certain that an outflow of economic benefits to the third party will be required to settle the obligation, without at least equivalent consideration expected from the third party, and where the amount can reasonably be assessed.

1.7 Provision for long-term employee incentive plans (LTIP)

The Tarkett Group, of which Tarkett SA is the holding company, regularly implements share grant plans.

Concerning the 2 current plans, the ordinary shares will be allocated to the beneficiaries at the end of a three-year vesting period. The allocation is subject to compliance with an economic performance condition (based on the Group's 3-year plan), as well as a condition of presence of the beneficiaries until the end of the allocation period. The allocation of the LTIs will be carried out as a distribution of shares.

In accordance with CNC (the French accounting regulation agency) Notice No. 2008-17 dated November 6, 2008 on the accounting treatment of free share grant plans for employees, a provision of €9,371 thousands was recorded as of December 31, 2021 (€9,071 thousands as of December 31, 2020) to cover Tarkett SA's obligation to deliver shares to the beneficiaries at the time of the definitive share grant.

The provision relating to shares not distributed at the balance sheet date is valued at the average of the purchase price and the closing price. Of note in 2021 are the vesting of the 2018 LTIP (125,447 shares). The 2020 LTIP is subject to satisfying two CSR performance conditions.

	LTIP 2019	LTIP 2020
Grant date	June 24, 2019	July 30, 2020
End of the vesting period	June 30, 2022	August 1, 2023
Number of remaining shares	311,649	439,433
Share price used	12.12	19.80
Provision recorded as of December 31, 2021	(1,919)	(7,452)
Form of settlement	Distribution of shares	
Income and expenses 2021	178	(2,214)
Income and expenses 2020	2,001	(5,238)
Expenses 2019	(4,098)	

A new plan was implemented in 2021, for which the grants are in cash. The expense is spread over the vesting period and records a liability such that the amount ultimately recorded corresponds to the amount to be paid to the beneficiaries. The grant is subject to continued employment and three performance conditions (value creation and two CSR criteria). The plan is assessed with a turnover rate and was updated at the end of December 2021.

1.8 Significant developments

1.8.1 Liquidity agreement 2019

On September 17, 2019, Tarkett signed a liquidity agreement with Exane. With the shares having been admitted to trading on Euronext Paris, Tarkett wishes to perform buy and sell transactions to promote the liquidity of its shares, stabilize its share price, or to prevent unusual movements in its share price that are not aligned with market trends. To that effect, Tarkett is authorized, in accordance with applicable laws and regulations, to buy and sell its shares under its share buyback plan authorized by its general shareholders' meeting. The agreement was entered into for an initial term beginning on September 23, 2019 and ending on December 31, 2019. It is then renewed automatically for successive terms of 12 months. Tarkett terminated this contract on July 19, 2021.

1.8.2 Interest-bearing loans and borrowings

Tarkett terminated two short-term credit lines entered into May 2020 to mitigate the potential negative effects of the health and economic crisis on its liquidity:

- A €175 million revolving credit facility with a one-year maturity, for which the option to extend was not exercised, and which was terminated in April 2021 without having been used;
- A loan guaranteed by the French government (prêt garanti par l'Etat - PGE) for €70 million with one-year maturity, for which the option to extend was not exercises, and which was repaid in full in May 2021.

In June 2021, Tarkett repaid a €56.5 million "Schuldschein" tranche which had reached its maturity date.

Between June and July 2021, in connection with the refinancing transactions relating to the tender offer referred to in Note 1.3, Tarkett carried out the early repayment of €444.5 million and $76.5 million of "Schuldschein" tranches and repaid the existing syndicated credit facility.

On July 19, 2021, Tarkett obtained new financing in the form of a shareholder loan from Tarkett Participation with a 7-year term, as well as a revolving credit line with a 6.5-year term.

As of December 31, 2021, Tarkett is using its no-recourse factoring lines in a net financed amount of €161.5 million, or the equivalent.

As of December 31, 2021, interest-bearing loans and borrowings primarily comprise:

- Two "Schuldschein" tranches totaling €23.0 million entered into in April 2017 and maturing in April 2022, one of which is in the process of being extended;
- Three "Schuldschein" tranches totaling €20.0 million entered into in June 2019 and maturing in June 2026 for €6.0 million, in June 2025 for €10.0 million, and in June 2024 for the remainder;
- The Tarkett Participation shareholder loan entered into in July 2021 and used in the amount of €446.2 million and $72.0 million.

1.8.3 Change of ownership

The Deconinck family, Tarkett's majority shareholder, decided to strengthen its control by means of a simplified tender offer (offre publique d'achat simplifiée, or "OPAS") for Tarkett's shares, with the support of Wendel, a long-term investor with strong industry expertise, in order to transform and grow Tarkett and to support its strategy. The offer was initiated by Tarkett Participation, a company controlled by the Deconinck family, to which Société Investissement Deconinck, the family holding company, contributed all of its shares (representing 50.8% of Tarkett's share capital) and in which Wendel invested as a minority shareholder. On April 26, 2021, Tarkett Participation filed a simplified tender offer (the "Offer") at a price of €20 per share.

Following the close of the Offer launched by Tarkett Participation, acting together with Société Investissement Deconinck and Wendel Luxembourg S.A. (through its subsidiaries Expansion 17 S.C.A. and Global Performance 17 S.C.A.), for all of the Tarkett shares not held by the Offeror, the Offeror directly held 56,300,463 shares, representing 85.89% of Tarkett's share capital and 84.98% of its voting rights. Following additional buybacks carried out between the close of the Offer and December 31, 2021, Tarkett Participation, together with the Deconinck Family Group, directly holds 59,263,296 shares, representing 90.41% of Tarkett's share capital and 90.08% of its voting rights, including the 247,555 treasury shares held by Tarkett and thus indirectly held by Tarkett Participation. As of December 31, 2021, Tarkett Participation

1.9 Subsequent events

None.

Note 2 > Financial statements

2.1 Statement of fixed assets

(in thousands of euros)	Gross value of fixed assets at the beginning of the year	Increases	
		Revaluations during the fiscal year	Acquisitions, creations, inter-item transfers
Start-up costs, research and development	-	-	-
Intangible assets	63,296	-	7,957
Intangible assets in progress	4,712	-	3,845
Land	-	-	-
Construction on own land	-	-	-
Construction on third-party land	-	-	-
General facilities, fixtures, constructions	106	-	-
Technical facilities, equipment and machinery	-	-	-
Other facilities, fixtures, improvments	-	-	-
Transportation equipment	-	-	-
Office equipment, IT equipment, furniture	9,347	-	2,470
Recoverable packaging and other	-	-	-
Property, plant and equipment	511	-	123
Advances and deposits	-	-	-
TOTAL	**77,972**	**-**	**14,395**
Investments accounted for by the equity method	-	-	-
Other equity investments	1,405,097	-	-
Other intangible assets	507	-	-
Loans and other financial assets	289,737	-	133,069
TOTAL	**1,695,341**	**-**	**133,069**
TOTAL GENERAL	**1,773,313**	**-**	**147,464**

	Decreases			Gross value of fixed assets at the end of the year	Legal revaluation of original value at the end of the fiscal year
	By inter-item transfers		By disposal or discontinuation		
Start-up costs, research and development	-	-	-	-	
Intangible assets	-	-	225	71,028	-
Intangible assets in progress	4,703	-	-	3,854	-
Intangible assets	**4,703**	**-**	**225**	**74,882**	**-**
Land	-	-	-	-	-
Construction on own land	-	-	-	-	-
Construction on third-party land	-	-	-	-	-
General facilities, fixtures, constructions	-	-	-	106	-
Technical facilities, equipment and machinery	-	-	-	-	-
Other facilities, fixtures, improvments	-	-	-	-	-
Transportation equipment	-	-	-	-	-
Office equipment, IT equipment, furniture	-	-	-	11,817	-
Recoverable packaging and other	-	-	-	-	-
Property, plant and equipment	512	-	-	122	-
Advances and deposits	-	-	-	-	-
TOTAL	**5,215**	**-**	**225**	**86,927**	**-**
Investments accounted for by the equity method	-	-	-	-	-
Other equity investments	-	-	-	1,405,097	-
Other intangible assets	-	-	155	352	-
Loans and other financial assets	-	-	47,864	374,942	-
TOTAL	**-**	**-**	**48,019**	**1,780,391**	**-**
TOTAL GENERAL	**5,215**	**-**	**48,244**	**1,867,318**	

2.2 Statement of depreciation

(in thousands of euros)	Positions and movements during the year			
	Beginning of the fiscal year	Allocations during the fiscal year	Reversals during the fiscal year	End of fiscal year
TOTAL intangible assets	**48,529**	**9,997**	**215**	**58,311**
Land	-	-	-	-
Construction on own land	-	-	-	-
Construction on third-party land	-	-	-	-
General facilities, fixtures, constructions	106	-	-	106
Technical facilities, equipment and machinery	-	-	-	-
General facilities, other fixtures	-	-	-	-
Transportation equipment	-	-	-	-
Office equipment, IT equipment, furniture	8,634	626	-	9,260
Recoverable packaging and other	-	-	-	-
TOTAL property, plant and equipment	**8,740**	**626**	**-**	**9,366**
TOTAL GENERAL	**57,269**	**10,623**	**215**	**67,677**

	Allocations			Reversals	
	Time differential	Accelerated	Exceptional	Accelerated	Exceptional
TOTAL intangible assets	**-**	**181**	**-**	**(454)**	**-**
Land	-	-	-	-	-
Construction on own land	-	-	-	-	-
Construction on third-party land	-	-	-	-	-
General facilities, fixtures, constructions	-	-	-	-	-
Technical facilities, equipment and machinery	-	-	-	-	-
General facilities, other fixtures	-	-	-	-	-
Transportation equipment	-	-	-	-	-
Office equipment, IT equipment, furniture	-	-	-	-	-
Recoverable packaging and other	-	-	-	-	-
TOTAL property, plant and equipment	**-**	**-**	**-**	**-**	**-**
TOTAL GENERAL	**-**	**181**	**-**	**(454)**	**-**

2.3 Statement of provisions

PROVISIONS	Beginning of the fiscal year	Increases/allocations	Decreases/reversals	End of fiscal year
For reconstruction of deposits	-	-	-	-
For investments	-	-	-	-
For price increases	-	-	-	-
Special depreciation	639	181	454	366
Exceptional 30% increases	-	-	-	-
For setting up abroad prior to Jan. 1, 1992	-	-	-	-
For start-up loans	-	-	-	-
Other regulated provisions	-	-	-	-
TOTAL REGULATED PROVISIONS	**639**	**181**	**454**	**366**
For litigation	-	-	-	-
For customer warranties	-	-	-	-
For losses on futures contracts	-	-	-	-
For fines and penalties	-	-	-	-
For foreign exchange losses	-	-	-	-
For pensions and obligations	1,243	202	-	1,445
For taxes	-	-	-	-
For replacement of fixed assets	-	-	-	-
For major repairs	-	-	-	-
For paid vacation expenses	-	-	-	-
Other provisions	9,299	2,789	2,474	9,614
TOTAL PROVISIONS FOR RISKS AND EXPENSES	**10,542**	**2,991**	**2,474**	**11,059**
On intangible assets	-	-	-	-
On tangible assets	-	-	-	-

PROVISIONS	Beginning of the fiscal year	Increases/allocations	Decreases/reversals	End of fiscal year
On share accounted for by the equity method	-	-	-	-
On equity securities	24,989	35,349	-	60,338
On other financial assets	-	-	-	-
On inventories and work in progress	-	-	-	-
On customer accounts	-	-	-	-
Other impairment	93	284	-	377
Total impairment	**25,082**	**35,633**	**-**	**60,715**
Total general	**36,264**	**38,805**	**2,928**	**72,140**
Additions and reversals:				
- operating activities	-	2 982	2,474	-
- financial	-	35,641	-	-
- exceptional	-	181	454	-

A discepancy exists between the balance sheet position and the P&L movements following the passage for pensions of an entry directly in equity for €383,000.

2.4 Statement of maturities of receivables and debts

STATEMENT OF RECEIVABLES	Gross amount	Up to one year	More than one year
Receivables relating to equity investments	-	-	-
Loans	374,045	-	374,045
Other financial assets	1,248	-	1,248
Doubtful or disputed customers	-	-	-
Advances and deposits on orders	17	17	-
Other trade receivables	20,482	20,482	-
Receivables on securities lent	-	-	-
Trade payable accounts with a receivable balance	158	158	-
Personnel and related receivables	6	6	-
Social Security and other social welfare agencies	-	-	-
State and other public authorities	-	-	-
• Income tax	1,121	926	195
• VAT	1,856	1,856	-
• Other taxes, duties, and related payments	-	-	-
• Other	-	-	-
Group and shareholders	169,306	169,306	-
Other debtors	42	42	-
Prepaid expenses current	19,134	4,170	14,964
TOTAL GENERAL	**587,416**	**196,963**	**390,452**

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STATEMENT OF LIABILITIES	Gross amount	Up to one year	More than one year and up to five	More than 5 year
Convertible bonds	-	-	-	-
Other bonds	-	-	-	-
Borrowings and debts from credit institutions:	-	-	-	-
- Up to one year	29,136	29,136	-	-
- More than one year	20,000	-	14,000	6,000
Other borrowings and financial debt	-	-	-	-
Trade payables	13,525	10,906	2,619	-
Personnel and related receivables	2,831	2,831	-	-
Social Security and other social welfare agencies	2,360	2,360	-	-
State and other public authorities:	-	-	-	-
• Income tax	-	-	-	-
• VAT	888	888	-	-
• Guaranteed bonds	-	-	-	-
• Other taxes and duties	539	539	-	-
Payables on fixed assets	1,298	1,298	-	-
Group and shareholders	662,507	96,907	56,044	509,556
Other liabilities	1,443	1,443	-	-
Debt representing borrowed securities	-	-	-	-
Prepaid income	771	771	-	-
TOTAL GENERAL	**735,299**	**147,080**	**72,663**	**515,556**

2.5 Table of supplier & customer payment terms

In accordance with the French law of August 4, 2008 on the modernization of the economy and the resulting Articles L441-6-1 and D441-4 of the French Commercial Code, the breakdown of Tarkett SA's receivables and liabilities with respect to customers and suppliers as of the balance sheet date is as follows:

Trade receivables

12/31/2021	Article D.441: invoices issued and due but not paid as of the balance sheet date				
	1 to 30 d	31 to 60 d	61 to 90 d	91 d and more	Total (1 days and +)
(A) Category of late payment					
No. of invoices					285
Amount inc. tax (€K)	346	23	21	10,422	10,812
As a percentage of total revenue during the fiscal year (inc. tax)	0.58%	0.04%	0.04%	17,55%	59,392
B) Invoices excluded from (A) relating to disputed receivables					
No. of invoices excluded	-				
Amount inf €K of invoices excluded (inc. tax)	-				
(C) Payment reference period used (contractual or legal period - Art. L441-6 or Art. L443-1 of the French Commercial Code)					
Payment reference period used to calculate payment delays	30 Days, date of invoice				

Trade payables

12/31/2021	Article D.441: invoices received and due but not paid as of the balance sheet date				
	1 to 30 d	31 to 60 d	61 to 90 d	91 d and more	Total (1 days and +)
(A) Category of late payment					
No. of invoices					202
Amount inc. tax (€K)	394	29	11	862	1,296
As a percentage of total revenue during the fiscal year (inc. tax)	0.92%	0.07%	0.03%	2.02%	42,634
(B) Invoices excluded from (A) relating to disputed receivables					
No. of invoices excluded	-				
Amount inf €K of invoices excluded (inc. tax)	-				
(C) Payment reference period used (contractual or legal period - Art. L441-6 or Art. L443-1 of the French Commercial Code)					
Payment reference period used to calculate payment delays	60 Days, date of invoice				

2.6 Goodwill

Description	Purchased	Revalued	Received in contribution	Amount
Merger loss - Partholdi	-	-	3,940	3,940

2.7 Proceeds and credit notes to be received

Amount of proceeds and credit notes to be received included in the following balance sheet items	Amount inc. tax
Financial assets	
- *Receivables relating to equity investments*	-
- *Other financial assets*	-
Receivables	
- *Customer receivables*	52
- *Other receivable (including assets to receive)*	1,012
Marketable securities	-
Available funds	-
TOTAL	**1,064**

2.8 Expenses to be paid and credit notes to be issued

Amount of proceeds and credit notes to be received included in the following balance sheet items	Amount inc. tax
Convertible bonds	-
Other bonds	-
Borrowing and debts from credit institutions	346
Other borrowing and financial debt	-
Trade payables	8,424
Tax and social security liabilities	4,087
Payables on fixed assets	628
Other liabilities (including credit notes to be issued)	406
TOTAL	**13,891**

2.9 Income and expenses recorded in advance

	Expenses	Income
Operating Expenses/Income	1,172	771
Financial Expenses/Income	17,962	-
Exceptional Expenses/Income	-	-
TOTAL	**19,134**	**771**

2.10 Breakdown of net revenue

Tarkett SA, the Group's parent company, coordinates projects in the Group's general interest in the areas of strategy, financial control of the subsidiaries, external growth, marketing, development, human resources, and communication. Tarkett SA's revenues mainly comprise re-invoicing of general expenses and IT costs.

Breakdown by type of activity	Amount
Sales of merchandise	-
Sales of finished goods	-
Services	57,235
TOTAL	**57,235**

Breakdown by geographic market	Amount
France	10,786
Abroad	46,449
TOTAL	**57,235**

2.11 Financial commitments

2.11.1 Discounted bills pending maturity

None.

2.11.2 Guarantees

Beneficiary	Commitments given		Maximum commitments			
	Currency	Amount	Currency	Amount	Purpose	For
HSBC Bank plc	GBP	-	GBP	1,000	Credit line	Tarkett Ltd
Petrofina	EUR	4,593	EUR	7,000	B&S Orders	Morton Extrusion Technik
Bank of America N.A.	INR	-	INR	20,000	Credit lines	Tarket Flooring India Private Ltd
Banco Bilbao Vizcaya Argenteria	EUR	-	EUR	2,000	Credit lines	Poligras
Commerzbank	EUR	-	EUR	5,000	Credit line	Desso Holding
Banque Général du Lux	EUR	9,451	EUR	10,000	Credit lines	Laminate Park GmbH
HSBC Bank Australia Ltd	AUD	-	AUD	845	Credit line	Tarkett et Fieldturf Australia
Cassa Depositi e Prestiti	EUR	-	EUR	4,075	Credit line	Tarkett SpA
Bank of America -Merril Lynch	USD	-	USD	50	Credit line	Tarkett Flooring Mexico
HSBC Bank (China) Company Ltd	RMB	40,624	RMB	83,600	Credit lines	Tarkett Industrial (Beijing) Co., Ltd.
HSBC Bank (China) Company Ltd	RMB	37,513	RMB	44,000	Credit lines	Tarkett Asia Pacific (Shanghai) Mgt Co., Ltd.

2.11.3 Other commitments given

	Commitments given		Maximum commitments			
Beneficiary	Currency	Amount	Currency	Amount	Purpose	For
Federal Insurance Company	USD	75,000	USD	75,000	Completion guarantees	Fieldturf Inc.
Ester Finance Technologies	USD	55,657	USD	75,000	Act of joint and several surety	Tarkett USA Inc., Fieldturf USA Inc.
Crédit Agricole CIB	EUR	1,297	EUR	5,000	Completion guarantees	Fieldturf Tarkett SAS
Indian Harbor Insurance Cie	USD	1,000	USD	1,000	Reinsurance	Somalré
Pri-Pensionsgaranti	SEK	201,752	SEK	206,170	Retirement benefits	Tarkett AB
Peoria Freen Owner, LLC	USD	-	USD	5,724	Lease guarantee	Tarkett USA Inc.

2.11.4 Derivative exchange rate Financial Instruments

Counterparty	Currency	Amount	Type	Expiration date
Bank	GBP	(9,000)	Currency swaps	March-22
Bank	AUD	(2,600)	Currency swaps	March-22
Bank	USD	333,850	Currency swaps	Jan-22
Bank	USD	136	Currency swaps	June-22
Bank	PLN	52,500	Currency swaps	March-22
Bank	SEK	(260,500)	Currency swaps	March-22
Bank	CHF	(600)	Currency swaps	March-22
Bank	CNY	19,000	Currency swaps	March-22

These Financial Instruments were entered into for hedging purposes.

2.11.5 Exchange rate derivative financial instruments

Counterparty	Currency	Amount	Type	Expiration date
Bank	EUR	318,000	Guar. int. rate. opt.	June-26
Bank	EUR	50,000	Guar. int. rate. opt.	Dec-24
Bank	EUR	32,500	Guar. int. rate. opt.	Apr-24
Bank	EUR	35,000	Guar. int. rate. opt.	June-23
Bank	USD	50,000	Guar. int. rate. opt.	June-25
Bank	USD	22,000	Guar. int. rate. opt.	June-24

2.11.6 Raw material derivative financial instruments

During the year, Tarket entered into derivative instruments on behalf of some of its subsidiaries to hedge certain components of their raw material prices. As of December 31, 2021 they amount €836,407 with maturity dates extending to January 2022.

2.12 Breakdown of income tax

2.12.1 Breakdown of income tax

Type of income tax	2021 Tax	2020 Tax
3% contribution on dividends	-	-
Tax consolidation income	-	-
Tax charge on tax consolidation	1,424	(384)
Tax credits	-	-
Provision for tax audit	-	-
Other	-	-
TOTAL	**1,424**	**(384)**

2.13 Tax consolidation

Tarkett opted for the tax consolidation regime as from January 1, 2009 for calculation of the corporate income tax as well as for the additional contribution on this tax.

In 2009, Tarkett put in place a tax consolidation group with its French subsidiaries: FieldTurf Tarkett S.A.S. and Tarkett France S.A.S. In 2012, Tarkett Bois S.A.S. entered the tax consolidation group. In 2015, Desso S.A.S. also entered the tax consolidation group; it merged with Tarkett France S.A.S on July 1, 2017.

Under the principle of neutrality, income tax expense is borne by each of the consolidated companies as it would be in the absence of a tax consolidation option.

Any tax savings resulting from the consolidation are recorded on Tarkett's accounts.

2.14 Deferred and unrealized tax position

(in thousands euros)	31/12/2021		31/12/2020	
	Basis	Corresponding tax	Basis	Corresponding tax
Time lag between tax regime and accounting treatment	**28,225**	**7,291**	**27,718**	**7,161**
Deficit in own funds	37,890	9,787	20,567	5,311
Deficit related to tax consolidation	(57,465)	(14,843)	(52,179)	(13,477)
Total deficit that may be carried over for tax purposes	**(19,575)**	**(5,056)**	**(31,612)**	**(8,166)**

2.15 Compensation of senior executives

	Amount
COMPENSATION ALLOCATED TO MEMBERS:	
- of management bodies	4,153
- of supervisory bodies	319

2.16 Average headcount

	Salaried employees	Personnel made available to the company
Executives	114	-
Supervisors and technicians	7	-
Employees	7	-
Workers	-	-
TOTAL	**128**	**-**

2.17 Related parties

Transactions carried out by the company with related parties are entered into under ordinary market conditions.

Tarkett Participation holds 90.40% of Tarkett's capital and, as such, controls and coordinates the Group's activities.

The nature of the relationship between the two companies is financial. Tarkett Participation granted a loan of 447 million euros and a loan of 72 million USD to Tarkett SA.

As of December 31, 2021, SID had invoiced a total of €300 thousand in fees under the Assistance Agreement.

As of December 31, 2021, Tarkett had invoiced a total of €55 thousand to SID for services.

2.18 Identity of parent companies consolidating the Company's accounts

As indicated in the significant developments, Tarkett is more than 90.40% owned by Tarkett Participation and is therefore fully consolidated.

2.19 Shareholders' Equity

Breakdown of equity	Amount at start of fiscal year	Results of the fiscal year	Capital transactions	Change of accounting method	Allocation of result	Dividends	Amount at end of fiscal year
Share capital, company or individual	327,751	-	-	-	-	-	327,751
Share, merger, and contribution premiums	135,493	-	-	-	-	-	135,493
Revaluation surplus	-	-	-	-	-	-	-
Legal reserve	31,861	-	-	-	-	-	31,861
Statutory or contractual reserves	-	-	-	-	-	-	-
Regulated reserves	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-
Retained earnings	755,753	-	-	383	39,508	-	795,644
Results of the fiscal year	**39,508**	**(52,760)**	**-**	**-**	**(39,508)**	**-**	**(52,760)**
Total net position	**1,290,366**	**(52,760)**	**-**	**383**	**-**	**-**	**1,237,989**
Investment grants	-	-	-	-	-	-	-
Regulated provisions	639	(273)	-	-	-	-	366
Shareholders' Equity	**1,291,005**	**(53,033)**	**-**	**383** (1)	**(39,508)**	**-**	**1,238,356**

(1) refer to the note 1.6.1 for the change in accounting method

2.20 Composition of share capital

As of December 31, 2021, the share capital comprises 65,550,281 shares with a value of €5.00 per share, for a total of €327,751,405.

	Number	Per value *(in euros)*
Shares comprising the share capital at the beginning of the fiscal year	65,550,281	5.00
Shares issued during the fiscal year	-	-
Shares redeemed during the fiscal year	-	-
Shares comprising the share capital at the end of the fiscal year	65,550,281	5.00

As of December 31, 2020, Tarkett held 163,344 of its own shares, for a total of €1,950 thousand.

As of December 31, 2020, Tarkett held 296,951 of its own shares, for a total of €3,748 thousand, including 51,188 shares for a value of €507 thousand in connection with its 2020 liquidity agreement.

2.21 Table of subsidiaries and equity investments

Subsidiaries and equity investments	Share capital	Reserves and retained earnings	Result the most recently ended fiscal year	Percentage of share capital held	Gross value of shares held	Net value of shares held	Loans and advances granted by the Company	Guarantees given by the Company	Revenue, excl. tax, for the most recently ended fiscal year	Dividends received by the Company during the year
A- Detailed information on subsidiaries and equity investments										
- Subsidiaries (more than 50% of share capital held)										
Tarkett GDL	385,009	212,107	51,409	100	538,050	538,050	101,500	-	258,015	-
Fieldturf Tarkett	24,639	9,339	(5,853)	100	68,268	43,279	-	-	72,964	-
Tarkett Inc.	74,422	(19,319)	4,350	100	7,592	7,592	-	-	80,264	-
Tarkett Finance Inc.	507,560	(147,732)	29,975	100	404,502	404,502	316,383	-	-	-
Tarkett DOO	64,264	25,73	6,209	100	252,605	252,605	-	-	101,399	-
Tarkett Services	50	-	-	100	50	50	-	-	-	-
- Equity investments (10 to 50% of share capital held)										
AO Tarkett	15,254	71,749	14,429	50	134,030	134,030	-	-	218,618	-
B - Overall information concerning other subsidiaries and equity investments										
None										

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5.5 Results over the course of the last five years

Company results over the last five years (and other relevant information)

Nature of information (in euros)	Fiscal year ended 12.31.2021	Fiscal year ended 12.31.2020	Fiscal year ended 12.31.2019	Fiscal year ended 12.31.2018	Fiscal year ended 12.31.2017
Capital at end of fiscal year :					
Share capital	327,751	327,751	327,751	318,613	318,613
Number of existing ordinary shares	65,550	65,550	65,550	63,723	63,723
Number of existing shares with preferred dividend rights (non voting)	-	-	-	-	-
Maximum number of future shares to be created	-	-	-	-	-
- by conversion of bonds	-	-	-	-	-
- by exercise of subscription rights	-	-	-	-	-
Operations and results of the fiscal year :	-	-	-	-	-
Revenue, excl. tax	57,235	49,395	52,465	53,590	51,569
Result before taxes, employee participation and allocation to depreciation and provisions	(7,684)	51,223	50,884	10,302	55,379
Income tax	1,424	(384)	1,033	(326)	6,193
Allocations to depreciation and provisions	(46,499)	(11,331)	(5,464)	7,430	(9,651)
Result after taxes, employeeparticipation and allocation to depreciation and provisions	(52,758)	39,508	46,450	17,406	51,921
Result distributed	-	-	**38,098**	**37,915**	**38,034**
Earning per share :	-	-	-	-	-
Result after taxes and employee participation but before allocation to depreciation and provisions	(0.10)	0.78	0.79	0.16	0.97
Result after taxes, employee participation and allocation to depreciation and provisions	(0.80)	0.60	0.71	0.27	0.81
Dividend allocated to each share, net, excl. tax credit [1]	-	-	-	0.60	0.60
Workforce :	-	-	-	-	-
Average workforce employed during the year	-	134	136	101	76
Amount to payroll for the year	13,510	15,111	13,228	13,090	10,200
Amount paid in employee benefits for the year (social security service projects)	6,898	7,514	7,643	4,560	4,310

5.6 Table of subsidiaries and equity investments

5.6.1 Principal subsidiaries

The Group consists of Tarkett and its subsidiaries (See Section 1.7, "Simplified Organizational Chart").

Tarkett is the Group's parent company and the head of the French tax consolidation group that has been in place since January 1, 2009.

The Company's principal direct and indirect subsidiaries as of December 31, 2021 are described below. None of these subsidiaries is a listed company.

Tarkett GDL S.A. is a Luxembourg limited liability corporation (société anonyme) with share capital of €274,123,080, the registered office of which is located at 2, Op der Sang, L-9779, Lentzweiler, Luxembourg. It is registered with the Trade and Companies Register of Luxembourg under number B 92165. Tarkett holds all of the share capital and voting rights of Tarkett GDL S.A., the principal activity of which is the manufacture of resilient flooring, primarily for the residential market. Tarkett GDL S.A. is the head of the Group of subsidiaries making up the EMEA segment, and also houses the Group's research and development activities.

Tarkett USA Inc. is a company incorporated under American law with a capital of 10 US dollars whose head office is located at 30000 Aurora Road, Solon Ohio 44139, in the United States. The company took over the activity of Tandus Centiva Inc., i.e. the creation, manufacture and sale of carpet and the sale of LVT manufactured by another subsidiary of the Group, mainly in the United States.

AO Tarkett is a Russian a company with share capital of RUB 376,000,000, the registered office of which is located at 1, Promishlenaya zona, City of Otradny, Samara Oblast 446300, Russia. It is registered under number 1026303207226. The Company directly and indirectly holds all of the share capital and voting rights of AO Tarkett, the principal activity of which is the manufacture of vinyl flooring, primarily for residential customers in the CIS region.

AO Tarkett Rus is a Russian a company with share capital of RUB 10,000, the registered office of which is located at Prospekt Andropova, d. 18 korp. 7, 115432, Moscow, Russia. It is registered under number 1027739892730. Tarkett indirectly holds all of the share capital and voting rights of AO Tarkett RUS, the principal activity of which is the distribution of flooring (primarily vinyl, wood and laminate) throughout Russia.

Tarkett AB is a Swedish limited liability company with share capital of SEK 43,000,000, the registered office of which is located at 10 Blekingelän 372 81 Ronneby, Sweden. It is registered with the Ronneby Trade Register under number 556003-9967. The Company indirectly holds all of the share capital and voting rights of Tarkett AB, the principal activity of which is the production of commercial resilient flooring and wood floors. This company also carries out the distribution in Sweden of flooring products manufactured at the EMEA segment's other sites.

Tarkett France is a French simplified stock company with sole shareholder (société par actions simplifiée à associé unique) with share capital of €10,156,006, the registered office of which is located at 1 Terrasse Bellini - Tour Initiale - 92919 Paris-La Défense, France. It is registered with the Nanterre Trade and Companies Register under number 410 081 640. Tarkett indirectly holds all of the share capital and voting rights of Tarkett France, the principal activity of which is the manufacture and marketing of vinyl flooring for the commercial market and the marketing of flooring products manufactured by other EMEA segment sites in France.

FieldTurf Tarkett is a French simplified stock company with sole shareholder (société par actions simplifiée à associé unique) with share capital of €24,639,050, the registered office of which is located at 1 Terrasse Bellini - Tour Initiale - 92919 Paris-La Défense, France. It is registered with the Nanterre Trade and Companies Register under number 452 835 242. The Company indirectly holds all of the share capital and voting rights of FieldTurf Tarkett, the principal activity of which is the manufacture, marketing and installation of sports surfaces.

See Note 13 in Section 5.2 "Notes to the Consolidated Financial Statements" for a list of the consolidated companies. A breakdown of the Group's 2019 consolidated net revenues by geographic zone is set forth in Section 4.1.2 "Comparison of Results of Operations for the Years Ended December 31, 2021 and December 31, 2020".

5.6.2 Recent acquisitions and disposals

Acquisitions

The Group's 2020 acquisitions are described in Section 4.1.1.5 "Acquisitions".

Simplification Transactions

The simplification transactions carried out by the Group are described in Section 5.2, Note 2.4.1 "Transactions Completed in 2021".

5.7 Dividend distribution policy

The following table presents total dividends and net dividends per share distributed by the Company during the last three fiscal years :

	Year distributed		
	2021 (2)	2020	2019
Total dividends *(in millions of euros)* (1)	-	-	38.1
Net dividend per share *(in euros)*	-	-	0.60

(1) The amounts presented in the table represent total dividends after deduction of the dividend on treasury shares held by the Company.

(2) On April 30, 2021 the General Shareholders' Meeting decided not to pay a dividend in respect of the results of 2020.

In accordance with French law and the Company's Bylaws, the General Shareholders' Meeting may decide to distribute a dividend upon a proposal of the Management Board and in view of the Supervisory Board's report.

The Company's dividend distribution policy reflects the Company's results of operations and financial condition, the realization of its objectives and the dividend distribution policies of its principal subsidiaries. Assuming no major acquisitions, the Company's goal is to distribute annual dividends representing approximately 40% of the Group's consolidated net profit attributable to owners of the Company. The Company can give no assurance, however, that this objective will be met. Future dividends will depend on the general condition of the Group's business and other factors deemed relevant by the Management Board.

Given the unprecedented health and economic situation related to the COVID-19 pandemic, the Management Board will submit to the approval of the Shareholders' Meeting to exceptionally modify the dividend distribution policy and not to pay a dividend in 2021.

5.8 Statutory auditor fees

See Note 12 in Section 5.2 "Notes to the Consolidated Financial Statements".

5.9 Statutory Auditors' Report on the Consolidated Financial Statements

For the year ended 31 December 2021

To the Shareholders' Meeting of Tarkett S.A.,

Opinion

In compliance with the engagement entrusted to us by your your annual general meeting, we have audited the accompanying consolidated financial statements of Tarkett S.A. for the year ended 31 December 2021. In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union. The audit opinion expressed above is consistent with our report to the Audit, Risks and Compliance Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1st January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Long term assets valuation

> Key audit matter

Goodwill, intangible assets and property, plant and equipment have net book values at 31 December 2021 of 647.9M€, 77.6M€ and 530.9M€, respectively, and represent a significant amount of the consolidated balance sheet. These assets are accounted in accordance with the principles described in notes “2.2 - Business Combinations”, “5.1 – Goodwill” and “5.2 - Tangible and intangible assets” to the consolidated financial statements.

These assets may present a risk of impairment caused by internal or external factors, such as the deterioration of the Group's performance, changes in the competitive environment, unfavorable market conditions and changes in legislation or regulations, including those inherent to climate change considerations. These changes can have an impact on the Group's cash flow forecasts and consequently on the determination of the recoverable amounts of these assets.

Management performs impairment tests if there is an impairment trigger event and at least once a year for goodwill and other non-amortizable intangible assets or for other non-financial assets as described in note “5.3.1 - Non-Financial Assets” to the consolidated financial statements. Assets are tested at the level of the cash-generating units (“CGUs”) defined by the Group. An impairment loss is recognized if the net booked value of an asset or cash-generating unit is higher than its recoverable value. The recoverable value is the higher amount between the fair value less the transfer costs and the value in use. Value in use is determined according to the discounted future cash flow projections method (excluding interest on borrowings and taxes) for each cash generating unit. 4 Tarkett S.A. Statutory auditors' report on the consolidated financial statements for the year ended 31 December 2021 18 February 2022 The assessment of the recoverable value of these assets is a key audit matter, given the significant potential of impairment and the high degree of estimation and judgment required by management for this assessment. The judgments include, in particular, assumptions regarding the future evolution of selling prices, volumes and costs of raw materials, renewal investments and changes in working capital requirements related to the operation of these assets, and the determination of infinite growth rates and discount rates applied to the appropriate future cash flows.

> Audit approach

We reviewed the impairment testing process implemented by Group management, in order to identify trigger events and conduct to impairment testing, on the base of cash-flow forecasts from the budget and business plan established by the Board of Management and presented to the Supervisory Board, and assessed the permanence of the method used.

We also assessed appropriateness and relevance of Group management's approach to determine the cash-generating units and units mergers for long-term assets' testing.

We adapted our audit approach when impairment triggers events occur on such cash-generating units. Concerning value in use, we verified the consistency of cash flow projections with comparison to the latest management assumptions as they were presented to the Supervisory Board as part of the budget process.

With the help of our valuation experts, we reviewed Group management's key assumptions related to the discount and growth rates, comparing them with external market data and other comparable sectors' companies.

For a selection of CGUs, we assessed the reasonableness of future cash flow projections, including the infinity normative terminal cash flow amount, with respect to the economic and financial context in which these units operate, and past achievements, our knowledge of business activity supported by interviews with Group or division managers and, according to their availability, external data of other comparable sectors' companies.We analyzed the sensitivity of the impairment test to assess the materiality of the potential impacts on the recoverable value of the assets bearing the highest risk.

Finally, we verified that the notes "2.2 - Business combinations", "5.1 - Goodwill", "5.2 - Intangible and tangible fixed assets" and "5.3.1 - Non-financial assets" to the consolidated financial statements provide an appropriate information.

Litigations and provisions

> Key audit matter

The Group is exposed to a variety of legal and tax risks, as well as cases of litigation, including asbestos claims in the United States.

As indicated in note "6.1 – Provisions" to the consolidated financial statements, these risks and litigations are covered by provisions established in accordance with the applicable accounting standard (IAS 37 "Provisions") and amount to 76,4M€ at 31 December 2021 including essentially asbestos litigations.

Significant contingent liabilities for these risks and litigations, the amount and timing of which can not be reliably estimated, are described in note "6.2 - Contingent liabilities" to the consolidated financial statements.

The identification of risks and litigations, the valuation of provisions for such risks and litigations constitute a key audit matter given the amounts involved and the high degree estimate and judgment required from management.

> Audit approach

In order to obtain an understanding of litigations, contingent liabilities and related valuations, we reviewed the process of identification, qualification and valuation implemented by Group management for such provisions through various interviews with Group's legal and finance departments, divisions and main subsidiaries.

We conducted a critical review of the internal analysis notes for the likelihood and potential impact of each risk, examining the available procedural elements (letters, claims, judgments, notifications, etc.).

We obtained direct confirmations from the main lawyers involved to confirm our understanding of risks and litigations and assessed the relevance of the amount of provisions accrued.

Based on historical data used by the Group to estimate its provisions for asbestos claims:

- We assessed the permanence of methods used, the relevance and reliability of underlying data and calculations applied;
- We compared amounts paid to previously recognized provisions to assess the quality of the management estimates.

We exercised our professional judgment to assess, in particular, wether the positions held by Management are in the acceptable range ok risk assessment and the validity of the evolution over time of such positions.

Finally, we verified that the notes "6.1 - Provisions" and "6.2 – Contingent liabilities" to the consolidated financial statements provide an appropriate information.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (Code de commerce), is included in the Group's management report [or in the Group's information given in the management report], it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared unde the responsibility of the President of the Board of Directors, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 Decembre 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were renewed as statutory auditors of Tarkett S.A. by the combined annual general meeting held on 30 April 2020 for KPMG and Mazars.

As at 31 December 2021, KPMG and Mazars were in the 8th year of uninterrupted engagement since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Risks and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit, Risks and Compliance Committee

We submit to the Audit, Risks and Compliance Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Risks and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit, Risks and Compliance Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit, Risks and Compliance Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, on the February 18, 2022

The statutory auditors

French original signed by

KPMG Audit
A department of KPMG S.A.

Renaud Laggiard
Partners

Romain Mercier
Partners

Mazars

Anne-Laure Rousselou
Partners

5.10 Statutory Auditors' report on the financial statements

For the year ended 31 December 2021

To Shareholders' Meeting of Tarkett S.A.,

Opinion

In compliance with the engagement entrusted to us by annual general meeting, we have audited the accompanying financial statements of Tarkett S.A. for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit, Risks and Compliance Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1st January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Emphasis of Matter

We draw attention to the following matter described in Note "1.6.1 Provisions for pensions and similar obligations" to the financial statements relating to the application of ANC 2013-02 recommandation relating to pensions. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Equity securities valuation

Key audit matter

Equity securities as at 31 December 2021 amount to 1 344,8M€ and represent one of the most significant items of the balance sheet. They are recognized at the purchase price excluding costs and depreciated when the value in use is less than the net book value.

As indicated in note "1.3 - Financial fixed assets and marketable securities" to the financial statements, the value in use is assessed by taking into account items such as share in equity these securities represent, changes in the profitability of the subsidiary and other approaches, in particular the multiples or experts methods.

We considered the equity securities valuation to be a key audit matter, given the amounts involved and assumptions on which the estimates are based.

Audit approach

Our work consisted mainly in verifying Management's data and assumptions to determine the equity or value in use of the equity securities:

- For valuations based on historical items, verify that the equity value is consistent with the statutory accounts of the entities,
- For valuations based on multiples method :
  - Corroborate the consistency of the aggregates used with the entities' accounts;
  - Assess Management's assumptions, in particular concerning the multiple used and its consistency with recent transactions in the company's business sector.
- Assess the permanence of the methods used.
- Test the arithmetical accuracy of the value in use calculations.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders of Tarkett S.A..

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (*Code de commerce*).

We attest that the non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein.

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by Articles L.225-37-4, L22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified the consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the President of the Board of Directors, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Tarkett S.A. by the combined annual general meeting held on 30 April 2020 for KPMG and Mazars.

As at 31 December 2021, KPMG and Mazars were in the 8th year of uninterrupted engagement since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Risks and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit, Risks and Compliance Committee

The Audit, Risks and Compliance Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the The Audit, Risks and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the The Audit, Risks and Compliance Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the The Audit, Risks and Compliance Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, on the February 18, 2022

The statutory auditors,

French original signed by

KPMG Audit
A department of KPMG S.A.

Renaud Laggiard
Partner

Romain Mercier
Partner

Mazars

Anne-Laure Rousselou
Partner

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6 RISK FACTORS AND INTERNAL CONTROL

6.1 Risk factors

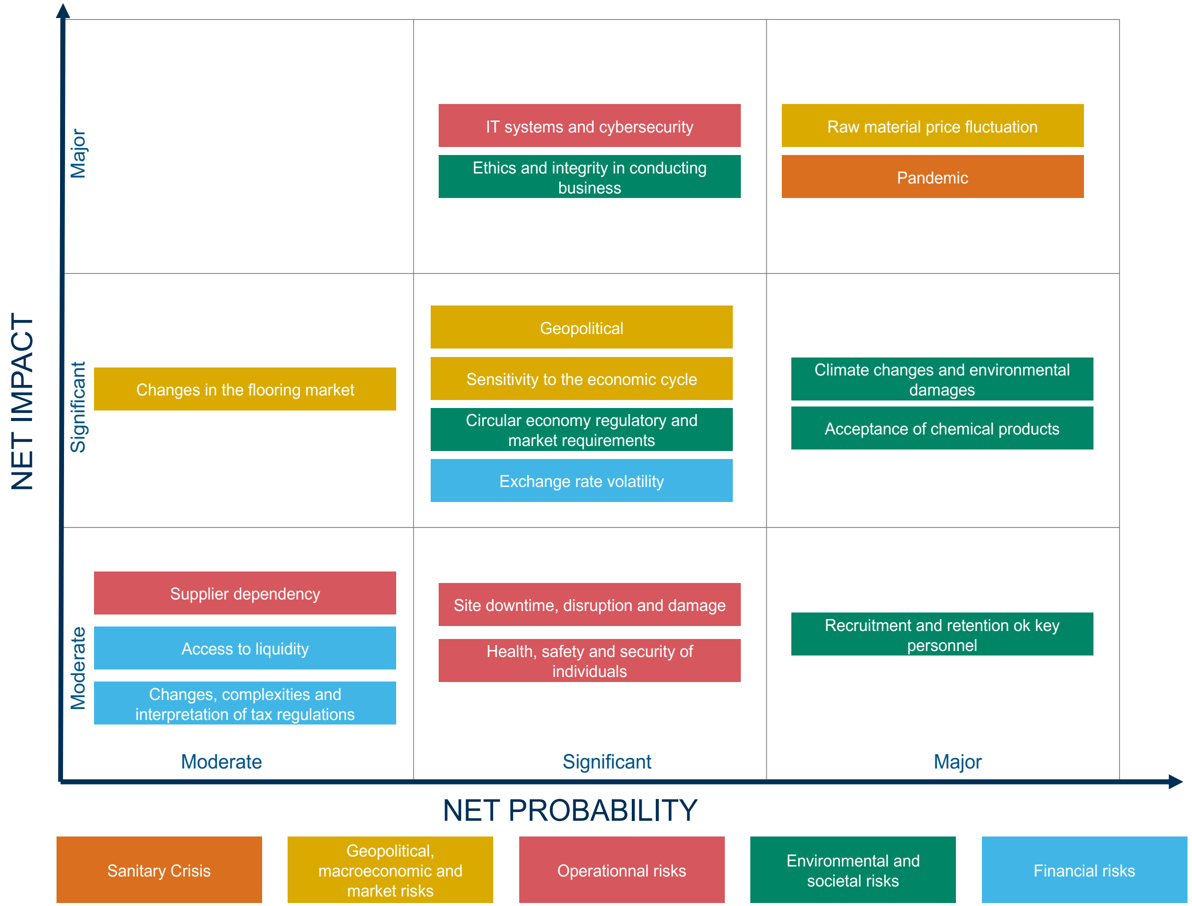
In accordance with the provisions set out in Article 16 of the Prospectus Regulation (EU) 2017 /1129 and the European Securities and Markets Authority (ESMA) report of March 2019 titled "Guidelines on Risk Factors under the Prospectus Regulation", in this Chapter the Company has identified and described the most important risk factors in a limited number of risk categories reflecting the nature of the risks, for each risk factor, considering the likelihood of occurrence, the expected magnitude of the net negative impact of the action of the risk management policies.

These are the main risks the Company has identified and considers to be the most significant, since if they were to happen despite risk management and mitigation, they could have a significant adverse effect on the Group, its business and financial situation, its profits and prospects, its reputation and ultimately affect share value.

However, other risks may exist or arise which could have a similar adverse impact but which are not known to the Company at the date of this Registration Document, or which are currently considered unlikely to have a significant adverse impact on the Group, should they occur.

In order to understand the overall impact of the 17 main risk factors the Group identified, Tarkett produces a risk matrix that summarises the level of criticality of each risk by graphically representing its probability of occurrence and its level of impact. The impact level takes into account risk management and mitigation measures.

Risk assessment matrix:



Tarkett risk factors

Risk categories	Risk factors	More details in Section:
Health Crisis	Pandemic	6.1.1
Geopolitical, macroeconomic and market risks	Development of the flooring market	1.5, 3.5 & 6.1.2
	Sensitivity to the economic cycle	1.1, 1.3, 1.4, 1.5, 1.6 & 6.1.2
	Volatility of commodity prices	1.6, 3.6 & 6.1.2
Country risks	Geopolitics	6.1.2
	Information systems and cyber security	6.1.3, 3.2.4
	Unavailability, disruption and damage to sites	6.1.3
	Health, safety and security of people	3.10 & 6.1.3
	Reliance on suppliers	1.6, 3.6, 3.9.1.1 & 6.1.3
Environmental and societal risks	Business ethics and integrity	3.2 & 6.1.4
	Climate change and environmental damage	3.6, 3.7 & 6.1.4
	Circular economy regulation and market requirements	3.6 & 6.1.4
	Acceptance of chemicals	3.8 & 6.1.4
	Retention and recruitment of key personnel	3.10 & 6.1.4
Financial risks	Exchange rate volatility	7.6 & 6.1.5
	Access to liquidity	7.6 & 6.1.5
	Changes, complexity and interpretation of tax regulations	6.1.5

In the following pages, each risk factor is described, illustrating the specific risks to Tarkett with the potential net negative impact of the main measures to mitigate the risk. Reference is also made to specific chapters or sections of this document where risks and mitigation measures are discussed in more detail.

6.1.1 Health crisis

Pandemic

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
The COVID-19 pandemic that spread globally during 2020 continued to have a significant impact in 2021 in most countries of the world. Confinement measures, although less strict than in 2020, had to be introduced again during 2021 by most of the governments of the countries where Tarkett operates. The impacts of this crisis have been numerous and can be mainly summarised as follows: > Risk to human capital: The health situation highlighted the risk of contamination of the Group's employees, particularly in the absence of dedicated sanitary facilities on Tarkett sites; > Risk of a drop in revenue: Confinement or similar measures in many countries may result in a decline in Tarkett's revenues in affected territories; > Risk of deteriorating profitability: the slowdown of business can lead to a significant drop in profitability, especially if the cost structure is not adapted quickly enough; > Liquidity risk: The above two risks, together with the risk of non-payment by customers in financial difficulty, may lead to a decrease in Tarkett's level of indebtedness and the attainment of contractual limits on access to liquidity ("financial covenants"); > Risk of supply shortages: the shutdown of certain economies, China in particular, could represent a significant risk of supply disruption for certain ranges (especially LVT) distributed by Tarkett.	> At Tarkett sites, inadequate or non-compliant sanitation facilities could lead to local contamination, resulting in the absence and/or death of employees, and potentially the temporary closure of a site. Damage to our reputation related to unsatisfactory management of working conditions is also to be taken into account. > Long-term confinement can impact local economies and lead to reduced revenue for Tarkett. > Insufficient cost reduction plans deployed to mitigate the decline in activity could lead to a significant decrease in the Group's profitability. > A sustained and long-lasting decline in the level of sales leads to a decrease in cash flow and may worsen the Group's situation, especially if the measures to reduce costs and decrease the level of investments are insufficient.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- The Group has introduced reinforced sanitary measures on its sites (availability of masks and hydroalcoholic gels, reduced physical presence on tertiary sites with the introduction of teleworking, reinforced sanitary protocol on production sites, etc.). As a result, while the Group had COVID-19 positive employees, none of the Tarkett sites became a cluster and did not have to be closed. The Group's production capacities were not significantly affected by COVID-19 during the elapsed period.
- The Group benefited from its global presence and exposure to different market sectors. This presence and exposure partially compensated for the more significant decline in certain regions or sectors due to a more stable or growing situation in other countries or markets.
- Furthermore, the Group made significant cost reductions over the period, primarily by limiting the level of indirect expenses. Labour costs have also been reduced, in particular with the help of reduced working measures implemented in many countries.
- To address the potential impact of this crisis on cash flow, in May 2020 Tarkett obtained €245 million in additional lines of credit from its main credit institutions to strengthen an already strong liquidity position. These lines of credit were repaid or cancelled in 2021 and have been substituted as part of the new financing put in place in 2021.

6.1.2 Geopolitical, macroeconomic and market risks

Development of the flooring market

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
The flooring industry has always been characterised as a high pressure sector, requiring its players to be particularly competitive. The Group operates in this environment among a dozen major international competitors, numerous local manufacturers and independent distributors. The emergence of a stronger competitor in certain regions or the increase in a competitor's production capacity in a particular product sector poses significant risks. A significant delay in innovation, concerning both its products and its industrial process, would also represent a significant risk for Tarkett. The same applies to a competitor or new entrant who introduced a highly innovative technology to the market. The significant and rapid changes in distribution channels also present a significant risk to Tarkett, as the route to market access with an increasing share of DIY compared to wholesalers and retailers. In addition, the development of digital distribution channels may represent a significant risk.	> The appearance of new suppliers, new products or new technologies developed by competitors could affect the Group's market position and have a negative effect on financial results and prospects. > Increased production capacity due to the growth and development of competitors could lead to lower prices, lower margins and lower profits. > A rapid shift in the industry to other markets where Tarkett does not have a sufficient presence could result in missed sales and a loss of market share.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- Constant and regular dialogue with market operators (architects, property developers, public sector consultants, retailers, DIY stores - see also Section 3.5 "Dialogue with stakeholders").
- Research and development programme to maintain competitive advantage.
- A marketing organisation focused on anticipating new customer requirements, innovation and market trends, major technological developments or changes in commercial channels.
- Increased investment in new products, development of the distribution network, including B-to-B digital sales platforms, and in the Group's marketing and sales activities.
- If necessary, external growth operations to strengthen market share or develop in new sectors.

Sensitivity to economic cycles

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
The flooring industry is heavily dependent on the commercial and residential renovation market (about 80% of the business) and, to a lesser extent, the new construction market (about 20% of the business). Generally, these markets may be affected by the movement of macro-economic indicators. The renovation sector has a tendency to be influenced by changes in consumer confidence and disposable income, retail and office occupancy rates, interest rates and credit availability. In addition, a significant part of the Group's business consists of sales to the public sector, particularly to educational and health institutions and sports facilities. The level of public spending, which in recent years has been subject to budgetary pressures, significantly affects the Group's activities in these sectors.	> Global and regional economic cycles can have a negative impact on the demand for flooring and sports surfaces and therefore on the Group's business, financial results and prospects. > In the context of severe budgetary constraints, some expenditure may not be considered a priority. For example, the construction and renovation of sports facilities has been affected by the reduction of government budgets in Europe in recent years. In addition, public institutions may decide to postpone certain renovation projects to focus on other budgetary priorities. A reduction in government spending could have a negative effect on the demand for the Group's products and therefore have a significant negative effect on its business, financial situation, financial results and prospects.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- The Group closely monitors the performance of its Operational Divisions and Units, including quarterly business reviews where activity, action plans, results to date and forecasts are reviewed. This allows the quick reinforcement of action plans in geographical areas that may be challenged by the macro-economic environment.
- The Group's policy to reduce these risks is to diversify (for more information see Sections 1.1, 1.3, 1.4, 1.5 and 1.6) achieving a balance between the different markets it operates in. As a result, the Group is active in:
  - several geographical areas;
  - several product categories;
  - several markets: the commercial and residential markets; and mainly the renovation sector, which is less affected by economic cycles than the new construction sector.

Raw material price volatility

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
Raw materials account for around 50% of the cost of sales, and around half of these costs are indirectly linked to oil prices and are affected by the volatility of these prices, in particular polyvinyl chloride (PVC) and plasticisers. The Group is exposed to price fluctuations for these raw materials essential to its business, such as various polymers and wood. 2021 was marked by a very significant increase in the cost of raw materials, only partially offset by increases in sales prices.	> Future increases in raw material prices could have a significant negative effect on the Group's results if it is unable to fully pass on these additional costs quickly and completely through increases in sales prices, particularly due to the extent of the increase in material costs, competitive pressure or market conditions.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

In order to manage these risks, the Group implements various actions, including:

- In the area of sales price management:
  - proactive management of sales prices;
  - passing on the raw material cost increases through the product prices within a reasonable timeframe.
- Regarding the purchasing policy:
  - the development of privileged and long-term relationships with its supplier base;
  - the search for production processes that allow it to be more flexible and reduce dependence on certain types of raw material suppliers;
  - the increasing use of secondary - recycled - raw materials (for more details see Section 3.6 "Meeting customer and societal expectations through eco-design, transparency and circular solutions");
  - the search for new suppliers or alternative raw material solutions that are less sensitive to the price of oil.

Geopolitics

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
Tarkett is exposed to geopolitical risks due to its international production and sales activities. Tarkett has manufacturing operations in emerging markets such as China, Brazil and Russia as well as throughout Europe and North America. The Group's commercial and financial results may be directly or indirectly affected by any negative change in the economic, political or regulatory environment of the countries in which it produces or sells its products. Therefore, the direct and indirect consequences of social unrest, civil conflict, terrorist activity, political instability or instability of the economic and regulatory framework in the countries where the Group operates could have a significant negative effect on the level of investment in renovation and new construction in these countries and, consequently, on the Group's business, financial situation, financial results and prospects. In the last two years, the increase in protectionist measures affecting free trade adopted by, for example, the United States or China, as well as the United Kingdom's departure from the European Union (Brexit), are likely to have an adverse impact on Tarkett's business environment. Conflict between Ukraine and Russia which started on February 24, 2022, has significant consequences on the value of the Russian Ruble, on the price of the barrel of oil and on the supply chain between Europe and Russia. These factors will have an impact on Group's operations in the CIS region and the its performance. The Group is present in Russia with a sales network and two factories, which are continuing their activities on the date of publication of this document. The Group employs around 1,500 people in Russia. Sales made in this country represent approximately 10% of the Group's total sales (based on the average exchange rate of the Russian Ruble in 2021), and the net value of assets represents approximately 7% of the Group's total assets (based on closing rate of the Russian Ruble in 2021). In addition, the Group complies with applicable international sanctions.	> These geopolitical risks could result, for example, in delays or losses in the delivery of the Group's products or in the supply of raw materials, a significant decline in sales, or an increase in security costs, insurance premiums or other costs necessary to ensure continuity of operations. > The consequences of the conflict between Ukraine and Russia will impact the level of activity of those two countries and the results of the Group. Given the continuous evolution of the situation, it's not yet possible to assess precisely the impact at the date of the release of this document.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- Firstly, Tarkett's sales and EBITDA are better balanced across regions and markets than before, reducing Tarkett's exposure to geopolitical instability. This is mainly due to Tarkett's acquisitions in North America and Europe.
- Secondly, the Group tries to anticipate and prepare for the emergence of geopolitical risks, particular through:
  - a monthly review of actual and forecast sales, raw material prices and industrial costs in each region to monitor risks and adapt or implement a contingency plan if necessary;

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION

- an analysis of crisis scenarios and the preparation of appropriate plans;
- accelerated local sourcing of key raw materials to avoid possible import restrictions or bans.

> Finally, with regard to the risks related to international sanctions, the Group has implemented a compliance programme to ensure that sanction regulations are identified and duly respected by all Group entities.

6.1.3 Operational risks

Information systems and cyber security

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
The Group uses complex information systems for various activities, directly and indirectly through service providers, including production management, sales, logistics, accounting and reporting, which are essential for the conduct of its commercial and industrial activities. Data protection, whether of a highly sensitive nature (for example: strategic information, financial data) or personnel, is also a priority for the Group. As a result, increasing cyber security threats (ransomware, malware, *phishing*, supply chain attacks, disinformation, etc.) especially when directed at companies, pose a significant risk to Tarkett's business activities.	> An undetected cyber attack, disrupting IT resources and/or resulting in a data breach, could significantly disrupt the Group's processes and operations, which could lead to reductions in production capacity and consequently a decline in business and profitability. There would also be costs for repair and systems recovery. > Data breaches could also lead to legal action under the various regulations applicable in this area. > The Group's reputation could also be damaged.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- Recognising that a failure of one of the systems could have a significant negative effect on its business, financial situation, results or future prospects, the Group continues to strengthen the security of its information systems in five main areas:
  - awareness and training of employees in cyber security best practices;
  - restrictions and controls on access to the Group's IT resources;
  - regular updates of IT systems;
  - deployment of proven threat detection and recovery solutions;
  - the implementation of disaster recovery processes.
- Considering the growing cyber security risk, since 2017 the Group has taken out a specific insurance policy covering cyber security and digital data protection (see Section 6.5);
- Additionally, following the cyber attack against the Group at the end of April 2020, a programme to strengthen all measures aimed at protecting the Group's information systems was deployed.

Unavailability, disruptions, damage to sites

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
The Group's production facilities are exposed to the risk of industrial accidents, fire, explosion or machine failure. The fire risk mainly comes from the flammability of some of the raw materials used (e.g. polymers and wood). Some sites are also susceptible to major disruptions caused by natural disasters such as floods, submersions, earthquakes.	> The occurrence of a major industrial accident or natural disaster at one of our production sites could result in injury, loss of life, significant damage to property or the environment, business interruptions and operational losses. the Group could be subject to legal proceedings and penalties if they become legally responsible for any damage caused. > These risks are mostly covered by insurance policies. In the event of a major disaster, these insurances may not be sufficient.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- In terms of fire risk prevention and management, the Group has a process called: "Fire risk assessment plan":
  - Each plant carries out an assessment of its protection against the significant fire risks identified within the Group and according to a methodology that combines the skills of the Group's internal technicians and those of its insurer FM Global, recognised for its expertise in engineering and fire prevention;
  - Following this assessment, a corrective action plan is implemented to mitigate the criticality of the risks;
  - the assessments are regularly updated by each factory;
  - residual risks are assessed by the Group's insurer during annual site audits.
- The Group has also prepared contingency plans to deal with the temporary unavailability of some of its production sites that could be flooded.
- Finally, as the Group's production sites are not (or only minimally for some of them) interdependent with each other, this represents a "natural" mitigation of the impacts of this risk.

Health, safety and security of people

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
With 34 production plants, the Group is exposed to the risk of incidents involving the safety of workers on a daily basis. Over the years, the Group has worked constantly to improve procedures to limit the frequency and severity of accidents. Substantial progress has been made over the course of the last ten years to significantly reduce the number of accidents. However, 17 lost time accidents did occur in 2021. This compares to 148 in 2010.	> In addition to the potential tragic human impact in the event of injury or death, an accident at one of our sites could result in the payment of damages, fines or other civil, administrative or criminal penalties, with temporary interruption of production, possible withdrawal of permits and licenses necessary to continue operations. These accidents could have an adverse impact on the business and financial results and may eventually lead to a loss of employee confidence. The reputation of the Group, or of a particular production site, can also be damaged if there are a large number of accidents.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- The Group regards safety as its number one commitment, constantly working to ensure that all employees, contractors and visitors are committed to safe working practices and procedures at all Group sites on a daily basis. The Group has renewed this commitment in 2021, including an annual safety day to raise awareness of safety culture and practices.
- In particular, safety is one of the key pillars of the WCM (World Class Manufacturing) continuous improvement programme. As part of this programme, production sites are provided with methods, tools and training to improve safety in the production environment. The sites are regularly audited by the Group's WCM team.
- For more details, see Section 3.10.1. "Developing a Safety Culture" and Section 3.10.2. "Looking After Employee Safety and Well-being".

Reliance on suppliers

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
The Group relies on a limited number of suppliers for certain key raw materials, such as PVC. This is especially the case for the production of resilient flooring, which the Group mainly uses for petroleum-based raw materials, such as PVC and plasticisers, which account for almost 50% of raw material purchases and whose suppliers are large chemical companies, in limited numbers. They are produced by companies such as BASF, Vinnolit, Vestolit, and Total. Continued consolidation in the sector could compound the situation. In addition, many equipment manufacturers specialise in machinery or parts for the production of flooring and may be difficult to replace. The Group purchases some of the LVT tiles it sells in North America and Europe from Chinese suppliers. These operations represent less than 5% of the Group's turnover, but may be subject to the implementation of additional tariffs, such as in North America in 2018 and 2019, or may be affected by the COVID-19 crisis.	> An adverse change in the Group's relationship with any of its strategic suppliers, a failure to meet contractual commitments, the insolvency of a supplier or any increased concentration of suppliers could have a significant negative effect on the Group's business, financial situation, financial results and outlook. > Further consolidation in the chemicals sector could reduce Tarkett's negotiating capacity and result in higher raw material prices. > The dependence on PVC and plasticiser suppliers can potentially lead to a risk of shortages in the supply of raw materials if a supplier defaults (due to insolvency, force majeure, etc.) and significantly affect production conditions. > Regarding machinery and equipment necessary to the Group's business, if one of the Group's suppliers breaches or terminates a supply agreement, the Group may not be able to quickly find a replacement supplier with satisfactory terms, which could have a negative effect on operations.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION
> In recent years, the Group has significantly improved its flexibility with suppliers and has developed alternative sources to reduce dependence on large players. In some countries in particular (Russia, China, Brazil), the Group has identified new local suppliers of raw materials. > The Group is gradually increasing the use of secondary raw materials (recycled materials) to replace virgin raw materials, which also means diversifying supply sources and reducing dependence on suppliers. Since 2019, the Group transitioned to a circular economy, a key component of the Change to Win strategic plan which contributes to the mitigation of this risk. > For more details, see Section 3.6 "Meeting customer and societal expectations through eco-design, transparency and circular solutions" and 3.9.1.1. "Rolling out our programme of sustainable procurement".

6.1.4 Environmental and societal risks

The most important environmental, social and governance (ESG) risks, also known as non-financial risks, are described below. Policies, programmes and initiatives designed to manage and mitigate these risks are described in more detail in Chapter 3 "Social and Environmental Responsibility" of this Universal Registration Document.

Business ethics and integrity

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
Inappropriate or illegal behaviour by Group employees, managers of Group companies and/or external third parties on behalf of or for the Group presents a legal and reputational risk. The Group is well aware of corruption risks considering its geographical coverage (with operations in countries where, according to Transparency International's ranking, the risk of corruption is higher, such as Brazil, Mexico, Russia, Kazakhstan, Ukraine, Serbia, Lebanon and China). These risks are particularly significant as the Group's flooring and sports surfaces business involves numerous transactions with different parties (architects, agents, construction and installation contractors) and also contracts directly to the public sector (e.g. artificial grass surfaces for local sports facilities, flooring for public buildings such as schools and hospitals). Considering its global presence (sales in over 100 countries, purchasing and production in 19 countries), Tarkett is exposed to various risks related to competition obligations, such as non-compliance with antitrust and competition laws.	> Any suspected or confirmed cases of bribery and/or influence peddling, conduct that does not comply with applicable laws and regulations or, more generally, any act of impropriety by the Group's employees and/or business partners would expose the Group to prosecution and sanctions that could damage the Group's reputation, financial results and business outlook, and could result in a loss of investor and customer confidence, as well as employees. > Any failure to comply with competition laws and regulations or any other applicable competition rules and practices may result in investigations and potential lawsuits, which could have a significant negative effect on the Group's business, financial results, financial situation and outlook. > The Group may also be subject to various legal and administrative proceedings described in Section 4.5 "Legal and administrative proceedings" which could have a significant negative effect on the Group's financial situation.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION
In order to control the risks of non-compliance, the Group has established appropriate prevention programmes, including: > Competition law compliance - for more details see Section 3.2.4.1 "Ensuring business ethics and integrity"; > Preventing and combating corruption and influence peddling - For more details, see Section 3.2.4.2 "Prevention of corruption".

Climate change and environmental damage

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
The Group is exposed to physical and transitory risks (regulatory, legal, market, etc.) related to climate change: > Firstly, climate change is leading to an increase in the frequency of severe weather events. These events may present a risk of property damage or business interruption to Tarkett's manufacturing facilities with all associated costs and potential loss of revenue. > Secondly, increased awareness of the climate crisis, driven by civil society movements, is increasing pressure on governments and businesses to address climate change. The Group's lack of preparation, resilience and initiative in dealing with the effects of climate change, particularly in relation to competitors, may result in a reduction in market share. > Thirdly, other consequences of climate change efforts include an increased risk of carbon taxes, not only for scope 1 and 2 emissions (at Tarkett sites) but also for scope 3 emissions (from the supply chain and/or use and post-use). > Finally, flooring and sports surfaces are currently produced from mainly fossil fuel-based raw materials (plastics). The growing global response to the climate crisis is leading to greater market pressure to divest from fossil fuels, with the risk that companies primarily involved in the extraction and use of fossil fuels will become less attractive to investors depending on their degree of fossil fuel use.	> Extreme weather events, such as floods, water shortages and storms, resulting in damage to industrial infrastructure and potential disruption of manufacturing production at Tarkett's sites or at the sites of major suppliers, resulting in lost sales and penalties for non-compliance with commercial agreements. > Declining sales due to insufficient action on climate change. > Increasing costs (e.g. raw materials, fossil fuels, etc.) due to carbon taxes with the risk of reducing margins and/or sales. > Decreased investor interest in the Group due to the use of fossil fuel-based raw materials and the subsequent impact on the share price.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- The Group has mapped and assessed the risk of severe weather events for its production sites.
- The Group launched its "Change to Win" strategic plan in 2019, which builds on past actions, including moving to a circular economy and reducing greenhouse gas emissions. The move to a circular economy model will result in a greater use of recycled materials, which will reduce Tarkett's dependence on fossil-based raw materials. For more details, see section 3.6 "Meeting customer and societal expectations through eco-design, transparency and circular solutions" and 3.7 "Responding to the climate emergency with effective environmental management and a circular economy approach".
- For several years, the Group has been making an effort to conserve natural resources by prioritising materials that are consumer-friendly, recyclable and in abundant supply (e.g. calcium carbonate), or renewable (e.g. cork, pine, spruce, oak, ash, walnut, maple, beech and birch) or recycled (including waste products from other industries). This ensures the materials we use in our products do not contribute to the scarcity of resources. As a result, the proportion of raw materials of fossil origin is reduced. For more details, see Section 3.6.1 "Choosing materials with awareness and transparently".

Circular economy regulation and market requirements

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
In most countries where the Group operates, there is increasing political and regulatory pressure to move to a circular economy (e.g. the number one priority of the new EU Commission's Green Deal for Europe, which builds on the previous EU Commission's circular economy package) with increasing requirements (e.g. Extended Producer Responsibility) and expectations for recycling and use of recycled materials. Additionally, it is now widely recognised that the transition to a circular economy is part of the solution to combat climate change and preserve natural resources. In this context, inaction or insufficient action to develop and adopt circular solutions is both a risk and an opportunity (i.e. a risk of missed opportunity) regarding market access (e.g. eco-taxes, customer requirements for end-of-life waste management and recycled content) and material supply (increased costs for virgin raw materials). Additionally, civil society is expressing increased expectations of companies in terms of resource use and recycling. Tarkett operates in the construction sector, which inherently generates waste and whose management is structurally problematic. In this sector, circular economy principles, including recycling, are still poorly implemented. Therefore the Group is exposed to stricter regulations in the sector, particularly in Europe (30% of the business) and particularly in the Nordic countries.	> Potential loss of customers and associated sales due to insufficient supply of services and recycling solutions. > The increased cost of virgin raw materials compared to recycled secondary raw materials. > Introduction or increase of eco-taxes for collection and post-use recovery.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- The Group has made the circular economy a key element of the "Change to Win" strategic plan announced in 2019, building on past work in this area. The Group believes in the importance of moving towards a circular economy through the increased use of recycled materials and by developing solutions and capacities for the recovery and recycling of floor coverings post-installation and post-use.
- For more details, see Section 3.6 "Meeting customer and societal expectations through eco-design, transparency and circular solutions".

Acceptance of chemicals

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
Many countries have tightened the requirements on the use of resources and chemicals, both in manufacturing processes and in product classification. Regulations may ban specific resources or chemicals too quickly, when no suitable alternatives have been found before the ban. Changing health and environmental regulations and standards relating to the chemical composition and properties of flooring products (e.g. phthalate-free plasticisers, alternatives to PVC, emission levels of volatile organic compounds ("VOC")) and sports surfaces (e.g. alternatives to rubber bead filling) may result in a significant decrease in market size and/or profitability. In this respect, possible changes in the behaviour of clients and/or consultants may contribute significantly to the increase of this risk.	> Some of the Group's products contain chemicals that produce emissions for at least part of the product life cycle. Although these emissions are below the thresholds applicable under current regulations, the Group could be held liable if these emissions are shown to have harmful effects on human health at levels below those currently considered safe. The Group is not exempt from the rejection of one of its products or product range by consumers and/or consultants, based on proven facts or otherwise. This could have a significant negative effect on the Group's financial situation, outlook and reputation. > The Group has been sued by third parties in the United States alleging past exposure to asbestos contained in certain products manufactured at some of its sites up to 1982. In the event that ongoing or future litigation leads to the Group having to pay amounts in excess of those covered by the provisions recorded on the balance sheet, its insurance policies and the indemnity commitments made by third parties, these proceedings could have a significant negative impact on the Group's financial position and results (see Section 4.5 "Legal and administrative proceedings" for more details).

EXAMPLES OF RISK MANAGEMENT AND MITIGATION
> The Group's policy is to integrate health and safety issues into its products as a priority, while adapting to the geographical regions where the Group produces and sells its products. The Group relies on teams of scientists and experts to ensure product compliance and to anticipate regulatory changes. > Since 2011, the Group has been a pioneer in the development of flooring with low and very low VOC emissions in almost all product ranges. The Group offers products with total VOC emissions 10 to 100 times lower than the most demanding global standards. For more details, see Section 3.8.1 "Contributing to healthy living spaces and indoor air quality". > Phthalates are mainly used in the plastics industry to give plastics flexibility. The Group has been pro actively looking for alternatives in collaboration with its suppliers. The Group has invested significantly in research and development and has been able to change formulas and processes to manufacture vinyl flooring with phthalate-free plasticiser technology. For more details, see Section 3.8.1 "Contributing to healthy living spaces and indoor air quality".

Retention and recruitment of key staff

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
In the context of labour markets under increasing pressure in the vast majority of countries where Tarkett operates, the ability to attract and recruit key employees for the Group's development could represent a risk to the conduct of operations and the achievement of results.The same applies to the difficulty of retaining key employees, especially as the commitment factors and expectations of employees seem to be significantly changing and diversifying. The solution to these risks will depend on the Group's ability to promote an authentic brand as an employer in a labour market that is not well known to the general public, and also on the ability to implement good practices to identify and recruit candidates matching the Group's current and future requirements. The Group must also increase the commitment of its employees, through appropriate management, well-being at workplace, adaptation of their skills, as well as development and career opportunities that reflect both their expectations and the Group's current and future requirements.	> Difficulty in recruiting and retaining key personnel could limit the ability to offer, sell and deliver the innovative and high quality products and solutions expected by our customers. This could lead to penalties for delays, loss of customers and damage to reputation. > In general, strategic initiatives and key projects for the development and strengthening of the Group's performance may be delayed. > Staff turnover would also represent a potentially damaging loss of knowledge and expertise. > The difficulty in retaining employees would also have an impact on the brand image and the customer relationship developed over time. > There would also be an impact on other staff who would have to endure the disruption and overload generated by vacant positions. The working atmosphere and the motivation of the teams would deteriorate.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- Improvement of the recruitment process (employer brand, visibility on digital platforms, training, school/university partnerships);
- Strengthening talent reviews and succession planning;
- Focus on internal mobility with a Group target of 70%;
- Measures to retain and develop the necessary expertise, talent and skills;
- Monitoring and retention of key personnel;
- Implementation of individual development plans and training programmes;
- Regular employee feedback surveys and action plans at different levels of the organisation;
- Compensation policy combining external competitiveness & internal equity (salary studies, grading);
- Initiatives to enhance diversity and, in particular, gender balance in management and throughout the organisation;
- Implementation of the Workday solution to accelerate digitalisation (information on internal opportunities and profiles) and talent management (dashboard, access to information).

6.1.5 Financial risks

Exchange rate volatility

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
As a result of its international production and sales activities, the Group is exposed to the risk of currency fluctuations. With 45% of sales in 2021 in North America and 10% in Russia, the Group is mainly exposed to fluctuations in the US dollar (USD) and Russian ruble (RUB) exchange rates. The Group is also exposed to fluctuations in the pound sterling (GBP), the Swedish krone (SEK), Australian dollar (AUD) and the Brazilian real (BRL). In some markets, significant expenses may be involved in a currency other than the local currency used for sales because of imported raw materials or finished goods. Additionally, the preparation of the Group's Consolidated Financial Statements, in Euros, requires the conversion of foreign assets, liabilities, income and profits into Euros at the current exchange rate. As a result, fluctuations in the exchange rate of the Euro against foreign currencies may affect these items in the Consolidated Financial Statements.	> In the past, the effect of foreign currencies on the Group's Consolidated Financial Statements has resulted in significant changes to the Group's results, the value of its balance sheet assets and liabilities and its cash flows from period to period, and could potentially happen again in the future. > Additionally, the Group may incur expenses that are not in the same currency as the corresponding sales, exchange rate fluctuations could result in an increase in the Group's expenses as a percentage of sales, thereby affecting profitability and cash flows. For example, in Russia and the other countries of the Commonwealth of Independent States (CIS), although the Group locally produces almost all of the products it sells in the region, it imports some of the raw materials used in production from Western Europe. For these costs the Group is exposed to currency risks when suppliers invoice in Euros or dollars. In total, about 50% of the costs for CIS countries are in Euros or dollars.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION
> Where possible, the Group aims to limit exposure by balancing local costs with local revenues, including through local sourcing: - This is the case in Russia, where Tarkett has developed partnerships with the local supplier to contribute to reduce the exchange rate risks of the Russian ruble (RUB); - This approach is also effective in Sweden, where Tarkett's local costs, with two production plants, are balanced with local sales in Swedish krona (SEK); - This approach helps reduce risks in North America, where local costs in US dollars (USD) are close to local sales in the same currency. > In countries where costs are less well balanced, such as the UK and Sweden, Tarkett uses derivative financial instruments to cover part of its currency risk (for more details see Section 5.2 - Note 7.6). > In Russia, apart from local supply, Tarkett focuses on adjusting sales prices to cover most of the impact of the volatility of the Russian ruble (RUB) exchange rate. In this region, the Group's current policy is not to use financial hedging instruments, but instead integrating ruble and Euro exchange rate fluctuations into the price of products sold. The success of this strategy depends on the Group's ability to maintain its pricing policy, which it may not be able to do consistently in the future. This could have a significant negative effect on the Group's financial results, financial situation and outlook.

Access to liquidity

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
Liquidity risk refers to the inability to cover financing requirements with available financial resources at any given time.	This risk could materialise if: > An unforeseen financing need that exceeds the limits of the available credit lines; > Market conditions prevent the Group from raising funds when needed; > The early repayment of a significant amount of the existing credit lines is required following a default or non-fulfilment of contractual financial commitments ("covenants").

EXAMPLES OF RISK MANAGEMENT AND MITIGATION

The Group mainly manages this risk as follows:

- Centralised management of subsidiary finance and surplus funds by the Group's Financing and Treasury Department;
- Diversification of funding sources and their maturities;
- Market monitoring, prospective simulation of financing needs and financial ratios according to various scenarios;
- Managed over-collateralisation of credit lines;
- Measured use of debt leverage;
- Limiting and optimising contractual provisions that can result in early repayment;
- Management of liquidity according to the seasonality of the activity and market conditions.

More information on credit lines is available in Section 5.2 - note 7.

Changes, complexity and interpretation of tax regulations

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
As an international group operating in numerous countries, the Group is subject to many different tax laws and various regulatory tax requirements, which affect its business and financial results. Primarily, these risks originate from the following: > Increases in existing taxes; > The introduction of new taxes; > Errors in the completion of tax returns; > Significant changes in tax regulations or their definitions; > Challenges to the interpretation of tax laws and regulations by the Group or by local tax authorities.	> Any violation of tax laws and regulations in the countries where the Group has a presence or does business could result in tax adjustments or the payment of late fees, interest, fines and/or penalties; > The Group recognises deferred tax assets in its balance sheet to account for future tax savings resulting from differences between the tax and fiscal value of its assets and liabilities or from tax loss carry-forwards of Group entities. The actual use of these assets in future fiscal periods depends on tax laws and regulations, the outcome of pending or future audits and litigation and the expected future financial performance of the entities concerned. This could have a negative impact on the Group's effective tax rate, cash flows and financial results.

EXAMPLES OF RISK MANAGEMENT AND MITIGATION
> To comply with local tax laws and regulations, the Group relies on its Tax Department which constantly monitors, understands and coordinates tax issues at national and international levels. This department, with the assistance of the local finance departments, also ensures the Group's compliance with the rules and laws applicable in the main countries, particularly in relation to transfer pricing, and verifies overall compliance with the Group's policy defined in accordance with the OECD rules; > The Group's Tax Department and local professionals are committed to not using aggressive tax strategies unconnected to the operational reality or artificial tax arrangements. Additionally, Tarkett adopts responsible tax policies by not using complex financial arrangements to gain a tax advantage contrary to the object or purpose of the applicable tax law. (For more information, see section 3.2.4 "Maintaining a commitment to high business and ethical standards").

6.2 Organisation and governance of risk management

The company's risk management and internal control systems, under the responsibility of the Executive Management Committee and led by the Group's Audit and Internal Control Department, use various methods, procedures and actions to:

- identify, analyse and manage risks which could have a significant impact on the company's assets, results, operations or the achievement of objectives, whether they are operational, commercial, legal or financial in nature, or related to compliance with laws and regulations;
- ensure effective operations and efficient use of resources;
- ensure the reliability of financial information;
- ensure the established controls within the various compliance programmes are effective.

The Group is committed to complying with all laws and regulations of the countries where it is established and operates. This commitment is made by all Group employees, whose required behaviour is defined by a Code of Ethics and by various compliance procedures established by the Group, whose application is monitored by the Group's Legal Department, local legal departments and the Group's Audit and Internal Control Department.

Risk management and internal control is everyone's responsibility, from employees to the governance bodies. This system is led by the Executive Management Committee, which has overall responsibility for organising and monitoring risk management, including identifying and assessing risks, implementing measures to reduce their occurrence and mitigate their impact, and audit and internal control. Each member of the Executive Management Committee is responsible for the ongoing implementation of monitoring, controls and risk mitigation in their area of responsibility. It delegates the organisation and daily supervision of risk management procedures to the Audit and Internal Control Department, which is part of the Group Financial Department.

The Audit and Internal Control Department manages the internal control and risk management system. It organises and carries out the biennial update of the Group's risk identification and assessment. It also maintains and ensures compliance with the measures contained within our standard internal control framework, which is called "TRACE" (Tarkett Risks, Audit and Controls Evaluation) and is based on "COSO" (Committee of Sponsoring Organisations of the Treadway Commission) principles. The Audit and Internal Control Department, assisted by a network of internal auditors in certain Divisions, conducts audits to verify compliance, assesses risks and recommends improvements to internal control systems.

The Audit and Internal Control Department reports to the Audit, Risks and Compliance Committee of the Supervisory Board, which is responsible for monitoring the preparation and control of accounting, financial and non-financial information, as well as ensuring the effectiveness of risk monitoring and internal control procedures to facilitate the review and verification by the Supervisory Board.

6.3 Risk mapping and evaluation

Since 2010, the Group has created a risk map that is updated every two years, or more frequently in the event of a significant change in the environment, as was the case in 2020 with the COVID 19 pandemic. The risk identification process is mainly based on a three-step method:

> The Audit and Internal Control Department, sometimes in conjunction with external experts, questions members of the Executive Management Committee and key employees in strategic positions at Group and divisional level to identify risks in their sectors;
> the qualification and quantification of risks according to the following elements: precise definition, identification of origins, evaluation of impacts (financial, operational, strategic, legal or reputational) and the level of control by the Group;
> the review and validation of risk mapping by the Executive Management Committee and its presentation to the Audit, Risks and Compliance Committee and the Supervisory Board.

For each risk identified:

> recorded its occurrence in a recent period;
> identified the existence of mitigation methods and measured their effectiveness;
> assessed the level of inherent and residual impact.

The risk map and its updates are presented to the Audit, Risks and Compliance Committee and the Supervisory Board. This risk map has also been complemented by an assessment of the likelihood of each risk occurring over the next five years to better qualify the significance of the risks in accordance with the European Prospectus Regulation (EU 2017/1129) and the European Financial Markets Authority guidelines published in 2019.

Additionally, since 2017, a specific corruption risk map has been created, the first key step in the deployment of a global corruption prevention programme meeting the requirements of Law No. 2016-1691 from 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life. This map has been regularly updated since 2017.

Continuous monitoring of risks

Risk management is a continuous process, updated through monitoring procedures relating to competition, technology and compliance, as well as insight and feedback from functional departments (such as legal, finance, insurance, World Class Manufacturing and RH). Monthly business reviews, continuous monitoring of markets, internal control, audits and potential alerts enable the Group's operating entities and the Audit and Internal Control Department to quickly share information with Group Management and facilitate the identification of new risk factors or changes in risk levels of existing risk factors. Appropriate actions are then taken to adapt and manage these risks.

6.4 Internal control and internal audit

6.4.1 Internal control

The control activities are defined in the TRACE framework. For each of the main processes this framework presents the major risks, the objectives and the description of the associated controls, applicable to the entire Group. This system forms common ground within the Group, applied by local departments; The local departments are responsible for complementing it with additional local control activities to address their specific risks.

Self-assessments

The Group's subsidiaries carry out an annual internal control self-assessment process to assess their compliance with the TRACE framework. The self-assessment is validated by the management of the concerned subsidiaries, demonstrating their responsibility for the implementation of internal control and the effectiveness of their self-assessment. This self-assessment is carried out in a dedicated computer application (e-TRACE 2.0, developed by Devoteam). All Group subsidiaries are subject to the same system. The Group's Audit and Internal Control Department analyses and distributes the results to the various stakeholders. The results are initially reviewed at each division by the Presidents, Financial Directors and Internal Controllers of these divisions. They are then presented and analysed by the Chairman of the Management Board and the Chief Financial Officer. These results are then presented to the Audit, Risks and Compliance Committee. Action plans resulting from these reviews are implemented under the supervision of the local or functional departments concerned.

Internal control tests

The self-assessment method described above is complemented by testing key controls in the TRACE framework by the Divisions' internal controllers.

Internal control performance indicators

The Group's Audit and Internal Control Department has implemented a series of internal control performance indicators which are regularly monitored, specifically the compliance rate on 86 key controls of the framework, the risks of poor separation of tasks in information systems and the progress of action plans. They are generated on a monthly or quarterly basis, depending on the indicators in question.

6.4.2 Internal audit

The internal audit is conducted by a central team which carries out regular assignments on the basis of an audit plan which consists of recurrent assignments with a strong financial focus, performed in the subsidiaries, as well as "transversal" assignments, focusing on operational processes or a particular risk at divisional level. The annual audit plan is reviewed and approved by the Audit, Risks and Compliance Committee.

Each assignment is carried out on the basis of a work programme prepared from the documentation describing the internal control systems defined in the Trace framework. Each assignment systematically results in a report, describing the findings and provides an action plan containing all recommendations to be implemented by the audited entity. Audit reports are submitted to the Audit, Risks and Compliance Committee, as well as to Group Management, the Division affected by the audit and the audited subsidiary. These reports are also sent to the Group's Statutory Auditors. A process for monitoring action plans ensures that weaknesses are corrected and is based on:

> half-yearly reporting on the progress of action plans and the annual audit plan;
> the completion of follow-up assignments by the divisions' internal controllers within 18 months of the Group Audit and Internal Control Department's assignment;
> where appropriate, the completion of follow-up assignments by the Group's Audit and Internal Control Department on issues critical to the Group.

Additionally, 16 assignments were carried out in 2021 at selected entities to test the self-assessment using the Group's internal control questionnaire (based on the TRACE manual).

In 2021, given the restrictions on international travel caused by the health crisis, the Group's Audit and Internal Control Department had to carry out audit assignments either directly on site when the country's health conditions allowed it, or remotely. As a result, the Audit and Internal Control Department was able to implement the revised audit plan and carried out 11 audit assignments over the past year.

6.5 Insurance

The Group's insurance policy is coordinated by the Group's Legal Department who identifies the main insurable risks and quantifies their potential consequences with the aim of:

- reduce certain risks by recommending preventive measures in collaboration with other Group departments;
- transfer risks to insurance, for risks with a exceptional nature with a high magnitude and low frequency.

Each subsidiary of the Group is responsible for providing the Group's Legal Department with the information necessary to identify and quantify the insured or insurable risks relevant to the Group and for implementing the necessary means to ensure continuity of activities in the event of damage. Based on this, the Group's Legal Department negotiates with the major insurance and reinsurance companies to establish the most appropriate cover for these risks.

Local entities also take out local insurance policies to cover risks that are appropriate for local insurance, such as car insurance.

Setting up insurance policies based on the determination of the level of cover necessary to meet the reasonably estimated occurrence of liability, damage or other risks. This assessment takes into account the assessments made by the insurers as underwriters of the risks. Uninsured risks are for when there is no offer of cover in the insurance market or where the cost of offering insurance is disproportionate to the potential benefit of insurance or where the Group considers the risk does not require insurance cover.

The Group's insurance plans take the form of master policies supplemented by local policies in certain countries where master policies alone are not permitted, if necessary. The master insurance policies are intended to apply to the Group's operations on a global basis, in addition to the local policies ("difference in conditions/difference in limits (DIC/DIL)"), if the relevant cover ultimately proves to be insufficient or non-existent to cover the loss locally. Local policies are also taken out to cover the specificities or local legislative requirements of the country or countries concerned. The Group has also set up a captive insurance company to reduce the premium bases charged by insurers, reducing the Group's insurance costs.

The insurance policies taken out by the Group contain exclusions, coverage limits and deductibles that could expose it to significant adverse consequences in the event of a claim or legal action against the Group.

Furthermore, it cannot be excluded that in certain cases, the Group may be obliged to pay significant indemnities not covered by the insurance policies or to incur very significant expenses not reimbursed or insufficiently reimbursed by its insurance policies.

The Group's main policies, taken out with internationally recognised insurance companies, are as follows:

- general civil liability, including operational liability and product liability or "after delivery" liability: the global guarantee limit is €60 million; Professional liability is also included in this programme as additional cover to the contract and is subject to a specific limit. The general civil liability guarantee covers all kinds of damage caused to third parties, such as bodily injury, material and immaterial damage;
- property damage and business interruption: The overall combined limit for property damage and business interruption is €420 million; all sites are covered provided the on-site values exceed the specific deductibles of the contract;
- responsibility of directors and officers;
- civil responsibility for environmental damage;
- transport;
- product liability coverage for aviation risks; and
- cyber security and digital data protection.

7 INFORMATION ABOUT THE COMPANY, ITS SHAREHOLDER STRUCTURE AND ITS SHARE CAPITAL

7.1 Information about the Company

7.1.1 Company name, registration, legal form and company website

Tarkett is a French public limited company with a Management Board and Supervisory Board that is subject to French law and registered in the trade and companies register of Nanterre under the number 352 849 327.

Tarkett's Legal Entity Identifier (LEI) is: 9695002EVBYM5B2OIP31.

Registered office: 1 Terrasse Bellini - Tour Initiale - 92919 Paris - La Défense, France.

Phone number: + 33 (0)1 41 20 40 40.

Website: https://www.tarkett.com/fr/home (The information on the website does not form part of the prospectus)

7.1.2 Date of incorporation and duration

The Company was registered on December 29, 1989 for a duration of 99 years from its registration with the trade and companies register, i.e. until December 29, 2088, except in the event of earlier dissolution or extension.

7.2 Information on the share capital

7.2.1 Share capital and changes over the last three fiscal years

On December 31, 2021, the share capital amounts to three hundred and twenty seven million, seven hundred and fifty one thousand, four hundred and five (€327,751,405), divided into sixty five million, seven hundred and fifty one thousand, two hundred and eighty one (65,550,281) shares with a nominal value of five (5) Euros, of the same category and fully paid up.

On December 31, 2021, the Company had not issued any non-equity securities or securities conferring entitlement to the share capital, with the exception of the free allocation of shares referred to in Section 2.5 "Long-term Incentive Plans (LTIP)".

The table below shows the evolution of the Company's share capital over the last three years:

	Date of transaction	Type of transaction	Number of shares comprising the share capital after the transaction	Amount of share capital after the transaction (Euros)
Fiscal 2019	None	None	65,550,281	327,751,405
Fiscal 2020	None	None	65,550,281	327,751,405
Fiscal 2021	None	None	65,550,281	327,751,405

7.2.2 Treasury shares held by controlled companies, treasury shares held by the Company itself and purchase by the Company of its own shares

On December 31, 2021, the Company held 247,555 of its own shares (or 0.38% of the share capital). This holding includes the 163,344 shares held directly by the Company (representing 0.25% of the share capital) and the 84,211 shares held indirectly, through its 100% owned Luxembourg subsidiary Tarkett GDL SA (representing 0.13% of the share capital).

7.2.3 Share buyback program

7.2.3.1 Information on transactions carried out under the share buyback program during the Fiscal 2021 (excluding the liquidity contract)

Summary of the share buyback program authorized by the Shareholders' Meeting on April 30, 2021

The Shareholders' Meeting of April 30, 2021, in its fifteenth resolution, authorized the Management Board, for a period of 18 months expiring on October 30, 2022, to purchase the Company's own shares, or have them repurchased, up to a maximum of 10% of the total number of shares making up the share capital, at a maximum price of 30 Euros and up to a maximum overall limit of 50 million Euros.

This authorization enabled the Company to purchase its own shares for the following purposes:

- the free allocation of shares pursuant to the provisions of Articles L.22-10-59 et seq. of the French Commercial Code); or
- the free allocation of shares to the Company's employees and/or corporate officers or to an affiliated company (and in particular the Company's direct and indirect subsidiaries) under any plan that is not subject to the provisions of Articles L.22-10-59 et seq. of the French Commercial Code, and in particular under Long-Term Incentive Plans ("LTIPs); or
- cancellation of the shares bought back and not allocated; or
- maintaining the liquidity of the secondary market in Tarkett shares or the liquidity of Tarkett shares traded through an investment services provider under a liquidity contract in accordance with the Code of Conduct established by the French Financial Markets Association (Association Française des Marchés Financiers - AMAFI) and approved by the French regulator, the Autorité des Marchés Financiers (the "AMF") - AMF.

This authorization was terminated, for the unused portion and the unexpired period, and replaced the authorization previously granted by the Shareholders' Meeting of April 30, 2020, in its sixteenth resolution.

Purchase of its own shares during Fiscal 2021

In accordance with Article L.225-211 of the French Commercial Code, it should be noted that in July 2021 the Management Board allocated 125,447 treasury shares under the 2018-2021 LTIP as part of the share buyback program described above.

As a result, on December 31, 2021, the Company held 247,555 treasury shares (representing 0.38% of its share capital), with a market value of €4,827,322 at December 31, 2021. This holding includes the 163,344 shares held directly by the Company (representing 0.25% of the share capital) and the 84,211 shares held indirectly, through its 100% owned Luxembourg subsidiary Tarkett GDL SA (representing 0.13% of the share capital).

Since December 31, 2021, the Company has not purchased any shares.

7.2.3.2 Summary of the share buyback program to be submitted for approval to the Shareholders' Meeting on April 29, 2022 (19th resolution)

In accordance with Articles 241-1 et seq. of the Autorité des Marchés Financiers (the "AMF")'s General Regulations, this description of the share buyback program is intended to set out the terms and conditions of the Company's share buyback program to be submitted for approval to the Shareholders' Meeting on April 29, 2022.

Purpose of the share buyback program

The Company intends to purchase its own shares, or have them bought back, for the following purposes:

> the free allocation of shares pursuant to the provisions of Articles L.22-10-59 et seq. of the French Commercial Code;
> the delivery of shares for the exercise of rights attached to securities giving the right by redemption, conversion, exchange, presentation of a share warrant or in any other way to the allocation of ordinary shares of the Company;
> the free allocation of shares to the Company's employees and/or company officers or to an affiliated company (and in particular the Company's direct and indirect subsidiaries) under any plan that is not subject to the provisions of Articles L.22-10-59 et seq. of the French Commercial Code, and in particular under Long Term Incentive Plans (LTIP);
> cancellation of the shares bought back and not allocated;
> maintaining the liquidity of the secondary market in Tarkett shares or the liquidity of Tarkett shares traded through an investment services provider under a liquidity contract in accordance with the Code of Conduct approved by the Autorité des Marchés Financiers (the "AMF").

Maximum percentage of the Company's share capital that may be acquired and the maximum number and characteristics of the shares that may be acquired for the purposes of the share buyback program

The maximum percentage of the share capital for which the buyback is authorized for the purposes of the share buyback program is 10% of the total shares making up the Company's share capital, namely a maximum number of 6,555,028 shares at April 29, 2022, the date of the Shareholders' Meeting, it being specified that if the shares are bought back in order to maintain liquidity under the terms and conditions laid down in the Autorité des Marchés Financiers (the "AMF")'s General Regulations, the number of shares taken into account in calculating the 10% limit indicated above is the number of shares bought minus the number of shares resold during the authorization period. Moreover, the number of shares that the Company holds may not exceed 10% of the shares making up the Company's share capital at any given time.

Characteristics and maximum purchase price of shares likely to be acquired under the share buyback program

The shares that the Company would be authorized to acquire would be, exclusively, Company's ordinary shares listed for trading on Euronext Paris - Compartment B (ISIN code FR0004188670).

The maximum purchase price for the purposes of the share buyback program would be €30 per share. In the event of a change in the share par value, a capital increase by incorporation of reserves, a free allocation of shares, a stock split or a reverse stock split, a distribution of reserves or any other assets, a capital redemption, or any other transactions affecting the share capital, the maximum purchase price indicated above would be adjusted to take into account its impact on the share par value.

Maximum amount of funds available for the purposes of this program

The total amount allocated to the share buyback program may not exceed €50,000,000.

Buyback terms and conditions

Subject to the limits authorized under the prevailing statutory and regulatory provisions, shares may be bought, sold or transferred at any time (other than during a takeover bid for the Company's shares) and by any means, on regulated markets or multilateral trading facilities, through systematic internalisers or over the counter, including through block trades (without limiting the portion of the buyback programme that may be carried out by this means), under a public tender or exchange offer, or through the use of options or other forward financial instruments traded on regulated markets, multilateral trading facilities, through systematic internalisers or over the counter, or by delivery of shares following the issuing of securities conferring entitlement to the Company's share capital through conversion, exchange, redemption, exercise of a share warrant or in any other manner, either directly or indirectly through an investment services provider acting pursuant to the conditions of Article L.225-206 II of the French Commercial Code.

Duration of the program

Authorization will be granted for a period of 18 months from April 29, 2022, until October 29, 2023.

This description will be submitted to the Autorité des Marchés Financiers (the "AMF"). It will be made available free of charge at the Company's registered office and on its website (www.tarkett.com).

7.2.3.3 Liquidity contract

The Company has terminated the liquidity contract entered into on September 23, 2019 with Exane BNP Paribas with effect from July 16, 2021 after the close of trading.

As a reminder, when this contract was signed, the following resources were allocated to the liquidity account:

> €2,000,000.00.

At the date of termination of this contract, the following assets were included in the liquidity account:

> €1,647,533;
> 43,028 securities.

The amounts are those presented in the half-yearly balance sheet of June 30, 2021, as the contract had been suspended in the context of the simplified tender offer that took place during Fiscal 2021 and initiated by Tarkett Participation (for more information on the public tender offer, please refer to Section 7.3.2 of this document).

In the first half of Fiscal 2021:

> 194,558 shares were purchased for €2,824,620 (980 transactions);
> 207,219 shares were sold for €3,044,466 (1,326 transactions).

7.2.4 Financial authorizations

The following table shows the financial authorizations granted by the Shareholders' Meeting in force at the date of this Document.

Table of financial authorizations in force during Fiscal 2021

Nature of the authorizations	Shareholders' Meeting *(date and resolution)*	Expiry and duration of the authorization	Maximum nominal amount authorized	Use in Fiscal 2021
Authorization to be given to the Management Board to purchase shares of the Company	April 30, 2021 *(15th resolution)*	October 30, 2022 (18 months)	10% of existing shares(1)	See Section 7.2.3.1.
Delegation of authority to be given to the Management Board to allocate free shares to employees and/or certain corporate officers	April 30, 2021 *(17th resolution)*	Shareholders' Meeting held to approve the financial statements for Fiscal 2021	1% of existing shares	See Section 2.5
Delegation of authority to be given to the Management Board to increase the share capital by incorporation of premiums, reserves or otherwise	April 30, 2021 *(16th resolution)*	June 30, 2023 (26 months)	€50 million	None
Delegation of authority to be given to the Management Board to reduce the share capital through cancellation of treasury shares held by the Company itself	April 30, 2021 *(18th resolution)*	June 30, 2023 (26 months)	10% of existing shares	None

(1) The overall amount allocated may not exceed €50 million

It is specified that there are no other financial authorizations enabling increase(s) to be made to the share capital or, more generally, shareholding to be diluted.

7.2.5 Share capital of companies within the Group that is under option or is to be put under option under an agreement

Allsports Construction & Maintenance Limited

Gordon Thomson ("GT") and FieldTurf Tarkett entered into a shareholders' agreement on December 19, 2017, under which FieldTurf Tarkett is granted a put option to obtain a buyout from GT of its entire holding in the capital of Allsports Maintenance Construction & Maintenance Ltd ("Allsports"), for a period of five years from its conclusion, in the event of termination by Allsports, under certain limited conditions, the supply contract between Allsports et FieldTurf Tarkett.

7.2.6 Floating charges, guarantees and collateral

During Fiscal 2021, all present and future shares of the Company held by Tarkett Participation were pledged as security for the credit agreement to which the Company entered into on July 19, 2021.

For more information on the credit agreement, please refer to Section 4.3.4 "Terms of the new credit lines" of this document.

7.3 Information on the shareholder structure

7.3.1 Breakdown and changes to the share capital and voting rights in the last three years

The table below sets out the Company's shareholder structure at December 31, 2021 and changes thereto in the last three years:

At December 31, 2021	Number of employees	% of capital	Number of voting rights	% of theoretical voting rights	% of actual voting rights
Tarkett Participation[1]	58,982,530	89.98 %	58,982,530	89.64 %	89.75 %
Public	6,320,196	9.64 %	6,569,678	10.23 %	10.25 %
Treasury shares held by the Company and by controlled companies[2]	247,555	0.38 %	247,555	0.13 %	-
Total	**65,550,281**	**100 %**	**65,799,763**	**100 %**	**100 %**

[1]The table above shows only the shares held directly by Tarkett Participation at December 31, 2021. It is also specified that Tarkett Participation, Société Investissement Deconinck (SID), Expansion 17 S.C.A, Global Performance 17 S.C.A. and the members of the Supervisory Board of the Company related to the Deconinck family, acting in concert vis-à-vis the Company, declared to the Company on October 25, 2021 that they together held 59,263,596 shares and 59,272,507 voting rights in the Company, representing 90.41% of the share capital and 90.08% of the voting rights of the Company. This holding also includes the 247,555 treasury shares, comprising 163,344 shares held directly by the Company and 84,211 shares held indirectly, through its 100% owned Luxembourg subsidiary Tarkett GDL SA. For more information on the control of Tarkett Participation, see Section 7.3.2 of this document.
[2]The treasury shares held by the Company itself and by controlled companies are the only shares held directly or indirectly by the Company

To the Company's knowledge, at December31, 2021, there were no other shareholders holding, directly or indirectly, individually or jointly, more than 5% of the Company's share capital or voting rights.

A December 31, 2020	Number of employees	% of capital	Number of voting rights	% of theoretical voting rights	% of actual voting rights
Société Investissement Deconinck (SID)	33,222,659	50.68 %	65,297,730	66.39 %	66.65 %
Deconinck Family and related companies	379,734	0.58 %	390,904	0.40 %	0.40 %
Total for the Deconinck Family Group[1]	**33,602,393**	51.26 %	65,688,634	66.79 %	67.05 %
Public	25,721,662	39.24 %	26,717,680	27.17 %	27.27 %
Tweedy, Browne Company LLC.[2]	5,845,064	8.92 %	5,559,702 [3]	5.65 %	5.68 %
Treasury shares held by the Company and by controlled companies[4]	381,162	0.58 %	381,162	0.39 %	-
Total	**65,550,281**	**100 %**	**98,347,178**	**100 %**	**100 %**

[1] Consisting of the SID (1 Terrasse Bellini - Tour Initiale - 92919 Paris-La Défense Cedex), Deconinck family members and related companies, as described in the declaration of legal thresholds exceeded on November 7, 2018.
[2] The company Tweedy, Browne Company LLC has declared that none of the clients, on whose behalf it holds shares in the Company as part of its management activity, individually holds 5% or more of the Company's capital or voting rights.
[3] The Tweedy, Browne Company LLC stated that it holds on behalf of its clients 5,845,064 shares and 5,559,702 shares for which it exercises the voting rights of its clients.
[4] Treasury shares (in particular via the liquidity contract) and treasury shares are all shares held directly and indirectly by the Company.

At December 31, 2019	Number of employees	% of capital	Number of voting rights	% of theoretical voting rights	% of actual voting rights
Société Investissement Deconinck (SID)	33,222,659	50.68 %	65,197,730	66.46 %	66.80 %
Deconinck Family and related companies	379,734	0.58 %	390,904	0.40 %	0.40 %
Total for the Deconinck Family Group[(1)]	**33,602,393**	**51.26 %**	**65,588,634**	**66.85 %**	**67.20 %**
Public	25,388,856	38.73 %	26,221,090	26.73 %	26.87 %
Tweedy, Browne Company LLC.[(2)]	6,052,990	9.23 %	5,790,187[(3)]	5.90 %	5.93 %
Treasury shares held by the Company and by controlled companies[(4)]	506,042	0.77 %	506,042	0.52 %	-
Total	**65,550,281**	**100 %**	**98,105,953**	**100 %**	**100 %**

(1) Consisting of the SID (1 Terrasse Bellini - Tour Initiale - 92919 Paris-La Défense Cedex), Deconinck family members and related companies, as described in the declaration of legal thresholds exceeded on November 7, 2018.
(2) The company Tweedy, Browne Company LLC has declared that none of the clients, on whose behalf it holds shares in the Company as part of its management activity, individually holds 5% or more of the Company's capital or voting rights.
(3) The Tweedy, Browne Company LLC stated that it holds on behalf of its clients 6,052,990 shares and 5,790,187 shares for which it exercises the voting rights of its clients.
(4) Treasury shares (in particular via the liquidity contract) and treasury shares are all shares held directly and indirectly by the Company.

7.3.2 Control of the Company

Following a simplified tender offer filed with the Autorité des Marchés Financiers (the "AMF") on April 26, 2021, and acquisitions on and off the market, Tarkett Participation, a French simplified joint stock company with its registered office located at Tour Initiale - 1, Terrasse Bellini, 92919 Paris La Défense Cedex, registered with the trade and companies register of Nanterre under the number 898 347 877, acting in concert within the meaning of Article L. 233-10 of the Commercial Code with Société Investissement Deconinck (SID), Global Performance 17 S.C.A. FIAR, Expansion 17 S.C.A. FIAR and the members of the Supervisory Board of the Company related to the Deconinck family hold 59,263,596 shares and 59,272,507 voting rights in the Company, representing 90.41% of the share capital and 90.08% of the voting rights of the Company.

This holding takes into account the 247,555 treasury shares (comprising 163,344 shares held directly by the Company and 84,211 shares held indirectly, through its 100% owned Luxembourg subsidiary Tarkett GDL SA), of the 4,000 shares held by Deconinck family Supervisory Board members and shares of the company's corporate officers and employees of Tarkett Group having entered into liquidity contracts with Tarkett Participation for Tarkett shares, allowing Tarkett Participation to acquire these shares at its sole initiative provided that a liquidity shortage has occurred at the date of exercise of the call option (such a liquidity shortage having been noted).

For more information on the simplified tender offer please refer to the Company's website (www.tarkett.com).

7.3.3 Employee share ownership

Certain corporate officers and employees of the Group hold shares of the Company acquired under the profit-sharing incentive schemes put in place by the Company and the incentive schemes involving the free allocation of shares since 2011.

In the context of the simplified tender offer initiated by Tarkett Participation:

- Tarkett employees who had shares in the Company available during the simplified tender offer were able to tender their shares to the offer;
- it was proposed to all employees and corporate officers benefiting from the LTIP, whose free shares were in the process of being acquired (2019-2022 and 2020-2023 LTIP) or whose shares were not available (2017-2020 LTIP), to enter into liquidity agreements with Tarkett Participation. This agreement, signed with Tarkett Participation will allow them to make their actions liquid from the 2019-2022 and 2020-2023 LTIP at the time of their acquisition if the Company was no longer listed on the stock exchange at that time or if the average trading volume of Tarkett the last 20 days preceding the acquisition was equal to or less than 0.05% of the capital of Tarkett.

For a summary of the free share plans and grants made under these plans and further information on the liquidity mechanism, see Section 2.5 "Long-term Incentive Plans (LTIP)".

7.3.4 Shareholder voting rights

Article 8 of the Company's Articles of Association states that a double voting right attaches to all fully paid shares held continuously in registered form by the same holder for a minimum period of two (2) years. The duration of the shareholding prior to the date of the Company's initial public offering is not taken into account in determining whether the shares held by a shareholder carry double voting rights, or before November 22, 2013.

Therefore, since then, on November 22, 2015, the Company granted double voting rights to shares meeting the requisite conditions.

In accordance with Article L.22-10-46 of the French Commercial Code, in the event of an increase in the Company's share capital through incorporation of reserves, profits or share premiums, the newly issued shares will carry double voting rights if they are granted to a shareholder in relation to existing shares that already carry double voting rights.

Double voting rights may be exercised at any Shareholders' Meeting of the Company.

Double voting rights terminate if the shares are converted into bearer form or if their ownership is transferred.

Any merger or spin-off of the Company shall not affect double voting rights, which may be exercised within the surviving company, if permitted under the Articles of Association of that company.

7.3.5 Thresholds exceeded

In accordance with Article L. 233-7 of the French Commercial Code and Article 7 of the Company's Articles of Association, the following legal or statutory thresholds were crossed during Fiscal 2021:

Threshold date	Shareholder	Increase/decrease	Legal threshold exceeded	Statutory threshold exceeded	% of voting rights held	% of capital held
March 3, 2021	Blackrock Inc.	Increase	None	1% of capital	0.67%	1.00%
March 18, 2021	Tweedy, Browne Company LLC	Decrease	None	9% of capital	5.72%	8.96%
March 26, 2021	Tweedy, Browne Company LLC	Decrease	5% of voting rights	8% of capital	4.82%	7.61%
March 31, 2021	Tweedy, Browne Company LLC	Decrease	None	7% of capital	4.20%	6.69%
April 23, 2021	Société Investissement Deconinck SAS	Decrease	50%, 1/3, 30%, 25%, 20%, 15%, 10% and 5% of capital and voting rights	Any multiple of the 1% threshold of capital and voting rights from 50.68% to 0% of the capital and from 66.40% to 0% of the voting rights	0%	0%
April 23, 2021	Tarkett Participation	Increase	5%, 10%, 15%, 20%, 25%, 30%, 1/ 3 and 50% of capital and voting rights	Any multiple of the 1% threshold of capital and voting rights from 0% to 51.30% of the capital and from 0% to 50.76% of the voting rights	50.76%	51.30%
April 30, 2021	Tweedy, Browne Company LLC	Increase	5% of voting rights	None	6.21%	6.67%

Threshold date	Shareholder	Increase/decrease	Legal threshold exceeded	Statutory threshold exceeded	% of voting rights held	% of capital held
May 10, 2021	Blackrock Inc.	Increase	None	1% of voting rights	1.20%	1.21%
June 22, 2021	Millennium	Increase	None	1% of capital	1.070%	1.083%
July 9, 2021	Tarkett Participation	Increase	2/3 of the capital	Any multiple of the 1% threshold of capital and voting rights from 51.30% to 86.27% of the capital and from 50.76% to 85.37% of the voting rights	85.37%	86.27%
July 22, 2021	Tarkett Participation	Increase	None	Any multiple of the 1% threshold of capital and voting rights from 86.27% to 88.74% of the capital and from 85.37% to 87.81% of the voting rights	87.81%	88.74%
August 26, 2021	Tarkett Participation	Increase	None	Any multiple of the 1% threshold of capital and voting rights from 88.74% to 89.93% of the capital and from 87.81% to 89.54% of the voting rights	89.54%	89.93%
September 9, 2021	Tarkett Participation	Increase	90% of capital	Any multiple of the 1% threshold of capital and voting rights from 89.93% to 90.00% of the capital and from 89.54% to 89.64% of the voting rights	89.64%	90.00%
October 21, 2021	Tarkett Participation	Increase	90% of voting rights[1]	Any multiple of the 1% threshold of capital and voting rights from 90.00% to 90.41% of the capital and from 89.64% to 90.08% of the voting rights	90.08%	90.41%

[1] As for the other threshold crossings declared by Tarkett Participation, the total number of voting rights held by Tarkett Participation take into account the 247,555 own shares held by the Company, the 4,000 shares held by members of the Company's Supervisory Board who are related to the Deconinck family and shares of the corporate officers and employees of the Tarkett Group who have entered into liquidity agreements with Tarkett Participation.

As of the date of this document and to the best of the Company's knowledge, no legal or statutory threshold has been declared since December 31, 2021.

7.3.6 Shareholders' Agreement

In the context of the simplified tender offer described in Section 7.3.2 of this document, the Société Investissement Deconinck (SID) and Wendel Luxembourg S.A. (previously Trief Corporation SA) entered into a shareholders' agreement on April 23, 2021 which governs the relationship between the SID, on the one hand, and Wendel Luxembourg S.A., on the other, at the level of Tarkett Participation and its controlled subsidiaries (including the Company) for a period of 15 years.

This agreement provides that the governance of the Company will evolve after the closing of the public tender offer in order to reflect the new shareholding structure of the Company, it being specified that SID will remain the majority shareholder:

- *Governance in the event of a mandatory withdrawal:* in the event that the Company's shares are subject to a mandatory withdrawal from public tender offer, the Company would be transformed into a French simplified joint stock company managed by the Chief Executive Officer (*President*) of Tarkett Participation, in the form of Fabrice Barthélemy.
- *Governance if the Company's shares remain listed:* in the event that the Company's shares remain listed, the Company would retain a dual governance structure with a Management Board and a Supervisory Board, it should be noted that (i) a majority of the members of the Supervisory Board would be appointed on the proposal of the SID, (ii) if Wendel Luxembourg S.A. holds more than 10% of the voting rights of Tarkett Participation, a member of the Supervisory Board would be appointed on the proposal of Wendel Luxembourg S.A. And (iii) at least one third of the members of the Supervisory Board would be independent in accordance with the provisions of the Afep-Medef Corporate Governance Code applicable to controlled companies. The Management Board would remain unchanged. It is intended that the members of the Supervisory Board appointed on the proposal of the SID and Wendel Luxembourg S.A. undertake to vote in accordance with the decision, if any, taken at the level of the Supervisory Board of Tarkett Participation.

The main terms of the agreement, relating to the Company and Tarkett Participation, are summarized in the information memorandum relating to the public tender offer, filed with the Autorité des Marchés Financiers (the "AMF") on April 26, 2021, and available on the Company's website (www.tarkett.com).

7.4 Company Articles of Association and the Internal Regulations of the Supervisory Board

The Company's Articles of Association were drawn up in accordance with French legislation and regulations applicable to a public limited company with a Management Board and Supervisory Board. The principal provisions summarized below are taken from the Company's Articles of Association as adopted on November 21, 2013.

The Articles of Association were amended by resolution of the Supervisory Board on February 18, 2015 to reflect the transfer of the Company's registered office, which resolution was ratified by the Shareholders' Meeting on April 24, 2015, as well as by the Shareholders' Meeting of April 27, 2017, in order to determine the conditions under which Supervisory Board members representing employees are appointed. The Management Board, acting on delegation by the Shareholders' Meeting of April 26, 2019, also amended the Articles of Association to update the Company's share capital following the capital increase through the issuing of new shares for the purposes of paying the 2018 dividend in new shares. Similarly, following the entry into force of the PACTE law, the Shareholders' Meeting of April 30, 2020 amended the Articles of Association so that a second member of the Board is appointed by the Economic and Social Committee when the Supervisory Board contains more than eight members, to remove the term "attendance fees" and to allow the Board to adopt decisions in certain areas by written consultation.

The Supervisory Board also adopted Internal Regulations to set out the way in which it operates, the key provisions of which are summarised below.

All these documents are available on the Company's website (www.tarkett.com)

7.4.1.1 Company purposes (Article 3 of the Articles of Association)

The Company's purposes, in France and in any other country, are:

- to study, create, develop, operate, direct and manage all businesses or commercial, industrial, real estate or financial companies relating to activities in the flooring industry;
- to participate directly or indirectly in all transactions or undertakings through the creation of companies, establishments or groups of a real property, commercial, industrial or financial nature or to participate in their creation or in the capital increase of existing companies;
- to manage a portfolio of equity investments and securities and the transactions related thereto;
- to own and manage all real property;
- and generally, to carry out all industrial, commercial, financial, securities or real estate transactions whatsoever that may be directly or indirectly related to the objects set out above.

7.4.1.2 Rights and obligations attaching to shares (Articles 6 to 9 of the Articles of Association)

The Company's share capital is composed exclusively of ordinary shares.

The Company's ordinary shares are freely negotiable. The transfer of ordinary shares is carried out by transfer from account to account. Shares may be in registered or bearer form, at the option of the shareholder, under the terms and conditions laid down in the applicable legislation and regulations.

Whenever it is necessary to hold a specific number of shares to exercise any right, or in the event of an exchange or grant of securities giving the right to new shares in return for the return of a specific number of existing shares, any odd-lot shares or shares that fall short of the minimum number required will not provide shareholders with rights vis-à-vis the Company. It is the responsibility of shareholders to group their shares or to purchase or sell the necessary number of shares.

A double voting right is introduced in favour of fully paid-up shares that have been continuously held in registered form by the same holder for at least two years. For the calculation of this holding period, no account is taken of the holding period of the Company's shares prior to November 22, 2013.

In accordance with Article L.225-123, paragraph 2, of the French Commercial Code, in the event of an increase in the Company's share capital through incorporation of reserves, profits or share premiums, the newly issued shares will carry double voting rights if they are granted to a shareholder as a result of existing shares that already carry double voting rights.

Double voting rights may be exercised at any Shareholders' Meeting. Double voting rights terminate if the shares are converted into bearer form or if their ownership is transferred.

Each share gives ownership of the Company's assets and of the liquidation surplus in proportion to the share of the capital that it represents.

Shares are indivisible vis-à-vis the Company.

7.4.1.3 Management Board - Powers and duties (Articles 13 and 16 of the Articles of Association and Article 3 of the Internal Regulations)

Subject to Supervisory Board authorization, the members of the Management Board may allocate their management tasks among themselves. However, any such allocation shall not, under any circumstances, deprive the Management Board of its status as a collegiate body responsible for management of Tarkett.

The Management Board may entrust one or more of its members or any person chosen from outside the Management Board with special permanent or temporary assignments, which it shall determine, and delegate to them, for one or more specific purposes, with or without the option of sub-delegation, the powers it deems appropriate.

Within the limits of the Company purposes and subject to any powers expressly reserved by law to the Supervisory Board and Shareholders' Meeting and excluding Key Decisions requiring the prior authorisation of members of the Supervisory Board, the Management Board is vested with the broadest powers vis-à-vis third parties to act in all circumstances in the name and on behalf of the Company.

In its relationships with third parties, the Company is bound by the acts of the Management Board even where these do not fall within the Company purposes, unless the Company proves that the third party knew that the act went beyond those objects or that the third party could not have been unaware of that fact in light of the circumstances.

However, without prejudice to matters for which the prior authorization of the Supervisory Board is required by law, the Management Board must seek the prior authorization of the Supervisory Board before making any of the following decisions ("Key Decisions") within the Company and/or its controlled subsidiaries (together, "the Tarkett Group"), within the meaning of Article L.233-3 of the French Commercial Code"):

a) the grant of sureties, avals and guarantees by any company in the Tarkett Group that exceeds the cumulative amount set by the Supervisory Board; if sureties, avals and guarantees given for an amount exceeding the limit set for the period concerned, the overrun would not be enforceable against third parties that were unaware thereof;

b) operations resulting in a material change to industrial activities (floor coverings and sports surfaces) carried on as a principal activity by companies in the Tarkett Group; it is pointed out that any carrying on of new activities on a secondary basis by entities in the Tarkett Group does not require the prior authorisation of the Supervisory Board unless it should also constitute a Key Decision;

c) the acquisition or sale (and more generally any transfer of ownership or investment) or the collateralisation of any asset of the Tarkett Group as part of a project, all asset contributions, and in particular partial asset contribution submitted to the Shareholders' Meeting under the so-called demerger procedure, all mergers or reorganisations (with a third party or within the Tarkett Group) involving an amount exceeding the thresholds set (either globally or by type of operation) by the Supervisory Board or, failing that, by the Internal Regulations of the Supervisory Board (either globally or by type of operation);

d) an initial public offering of any Tarkett Group company (other than the Company);

e) entry by a company in the Tarkett Group into a loan for an amount in principal that (i) exceeds the threshold set by the Supervisory Board (or failing that, by the Internal Regulations of the Supervisory Board); or (ii) results in an increase of the aggregate amount of principal of the outstanding Tarkett Group loans above the maximum total commitment limit (in principal) authorised by the Supervisory Board for the period concerned (or failing that, by the Internal Regulations of the Supervisory Board), as well as any material change to the terms and conditions of those loans;

f) decisions pertaining to, or resulting in, amendments to the Company's Articles of Association, and amendments to the Articles of Association of any Tarkett Group company (i) with an asset value that exceeds an amount set in the Internal Regulations of the Supervisory Board, or (ii) that owns assets of strategic value for the Tarkett Group, if those amendments affect the rights of the Group company that controls that subsidiary;

g) approval of major joint venture agreements or partnership agreements i.e. those involving asset contributions by any Tarkett Group entity (including in cash contributions) that exceed a threshold set by the Internal Regulations of the Supervisory Board;

h) any material change to the accounting principles applied by the Company in preparing its Consolidated Financial Statements (annual or interim), apart from changes required under International Accounting Standards (IASs) or International Financial Reporting Standards (IFRS);

i) adoption of the Targett Group's annual budget and any material change thereto;

j) adoption of the medium or long-term strategic plan and the annual update thereof (together with the annual budget);

k) Any motion for a resolution by the Shareholders' Meeting and the exercise of delegations granted by the Shareholders' Meeting relating to the issuing of shares or transferable securities conferring entitlement, immediately or in due course, to the Company's share capital, as well as any issue of shares conferring entitlement, immediately or in due course, to the capital of a Tarkett Group company to a third party unrelated to the Tarkett Group;

l) any acquisition or sale (and more generally any transfer of ownership) of derivatives, foreign-exchange contracts, swaps, options or any other speculative financial instruments, except when made (i) to meet the hedging requirements of the Tarkett Group; or (ii) for a buyback programme relating to the Company's shares;

m) implementation of any collective insolvency proceedings, dissolution, liquidation or divestiture, moratorium on the payment of debts or suspension of payments (or any similar proceedings in each applicable jurisdiction) relating to a Targett Group company (i) whose number of employees exceeds a threshold set by the Internal Regulations of the Supervisory Board; or (ii) with assets of strategic value to the Tarkett Group (insofar as these changes affect the rights of the Targett Group company that controls that subsidiary;

n) any grant of a loan by the Tarkett Group other than customer advances, employee advances and any loan granted in the ordinary course of business;

o) (i) any hiring or dismissal (or redundancy) of the key executives of the Tarkett Group as defined in the internal regulations of the Supervisory Board and (ii) any significant change in their compensation (including pension plans or special departure conditions);

p) implementation or amendment of the management incentive plan (including any incentive in the form of shares or cash);

q) the creation of or change to any stock option plan or plan involving the free allocation of shares of the Company or of any Tarkett Group company (or any other instrument of a similar nature) for the benefit of Tarkett Group executives and/or employees or of certain categories thereof;

r) the conclusion of or a material change to collective labour agreement, pension plan or redundancy plan affecting a given number of employees set by the Internal Regulations of the Supervisory Board;

s) initiating, stopping or settling any dispute or litigation (including any tax-related dispute) or waiving of any claim where, in each of these cases, the amount involved exceeds the limits set by the Internal Regulations of the Supervisory Board;

t) the appointment, re-appointment or removal from office of the Statutory Auditors;

u) any grants, corporate sponsorships and, more generally, all forms of donation that exceed one hundred thousand (100,000) Euros.

At least once per quarter, the Management Board presents a report to the Supervisory Board. Within three months of the close of each fiscal year, the Management Board presents the annual financial statements to the Supervisory Board for their verification and review.

The Supervisory Board is regularly informed by the Management Board of the Group's management objectives and their achievement (in particular in relation to the annual budget and the strategic plan) as well as of the investment, risk management and human resources stewardship policies and their implementation within the Group; it is referred to by the Management Board, as necessary, in respect of any exceptional situation, and in particular in respect of Important Decisions.

In this respect, the Supervisory Board ensures that any strategic operation and any significant operation outside the Group's announced strategy is the subject of sufficient information for prior approval by the Supervisory Board.

7.4.1.4 Statutory provisions likely to have an influence the occurrence of a change of control

None

7.4.1.5 Shareholders' Meeting (Article 25 of the Articles of Association)

The Shareholder Meetings are convened and deliberated under the conditions laid down by law. Meetings shall be held at the registered office or at any other place specified in the notice of meeting.

If the Management Board decides at the time of convening the meeting, public transmission of the meeting by videoconference or by any means of telecommunication and remote transmission, including the Internet, shall be permitted. A shareholder may be represented by another shareholder or by any other natural or legal person of their choice.

The mandate and, where applicable, its revocation shall be in writing and communicated to the Company under the conditions prescribed by the regulations in force.

Any shareholder may participate, personally or by proxy, in the meetings upon proof of identity and ownership of shares, in the form of an accounting record of their shares under the conditions prescribed by law.

The co-owners of undivided shares shall be represented at Shareholders' Meetings by one of them or by a common proxy of their choice. In the absence of agreement between them on the choice of a proxy, the latter shall be appointed by order of the President of the Commercial Court ruling in summary proceedings at the request of the first co-owner to so request.

Any shareholder may also, if the Management Board permits at the time of convening the Shareholders' Meeting, participate in this meeting by videoconference or by means of telecommunication or teletransmission, including the Internet, under the conditions set by the laws and regulations. This shareholder is then deemed to be present for the quorum calculation and the majority.

Meetings are chaired by the Chairman of the Supervisory Board, in their absence by the Vice-Chairman or, in their absence, by a member of the Supervisory Board specially delegated for this purpose by the Supervisory Board. Failing that, the assembly shall elect its own President.

The duties of tellers shall be performed by the two members of the assembly with the highest number of votes who accept this function.

The officers shall appoint the secretary, who may be chosen from outside the shareholders.

An attendance sheet shall be kept in accordance with the law.

Copies or extracts of the minutes of the meeting shall be validly certified by the Chairman of the Supervisory Board, the Vice-Chairman, a member of the Management Board exercising the functions of Chief Executive Officer or by the secretary of the meeting.

Ordinary and extraordinary Shareholders' Meetings, acting under the conditions of quorum and majority prescribed by the provisions governing them respectively, shall exercise the powers granted to them by law.

7.5 Equity investments by the Company outside the Tarkett Group

Information about the companies in which the Company holds a fraction of the share capital likely to have a material impact on the valuation of its assets and liabilities, financial situation or its results is given in Section 4.1.1.5 “Acquisitions” and in Notes 2 “Scope of Consolidation” and 13 “Principal Consolidated Entities” as well as in Section 5.2 “Notes to the Consolidated Financial Statements”.

7.6 Elements likely to have an influence in the event of a public offering

To the best of the Company's knowledge, as of December 31, 2021, there are no agreements that could result in a change of control, other than those described in Section 7.3.6 of this document.

The applicable information required under Article L.22-10-11 (referring to Article L.22-10-20) of the French Commercial Code is included in the Universal Registration Document as follows:

- the capital structure and direct and indirect holdings in the Company's capital of which the Company is aware are set out in Section 7.2;
- the powers of the Management Board, particularly with regard to the issuing or redemption of shares, are described in Section 7.2.3;
- the agreements entered into by the Company which are likely to be affected by a renegotiation of their contractual terms, in the event of a change of control of the Company, include the main credit lines detailed in Sections 4.3.3 "Interest-bearing loans", 4.3.4 "Terms and conditions of the new credit lines" and 4.3.5 "Private placements under German law, known as Schuldschein";
- finally, it is specified that, to the Company's knowledge, there are no agreements, other than as set out in Sections 2.3 “Compensation” and 2.4 “Other iInformation relating to corporate officers”, that establish indemnities for members of the Management Board or employees who cease to be employed as a result of a public tender offer, nor has the Company entered into any agreement that may be changed or terminated in the event of a change of control of the Company.

7.7 Stock market information

Tarkett's shares are listed on the Paris stock market (Euronext Paris - Compartment A at January 31, 2020 and Compartment B since February 1, 2020 - ISIN Code: FR00004188670 - Mnemonic code: TKTT).

	2021	2020	2019
Closing price (in Euros)			
Highest	21.40	16.56	22.36
Lowest	12.09	7.53	11.25
At 31 December	19.50	14.40	14.40
Number of shares at December 31	65,550,281	65,550,281	65,550,281
Market capitalisation at December 31(in Euros millions)	1.279	944	944

Source: Euronext.

8 SHAREHOLDERS' MEETING OF APRIL 29, 2022

8.1 Agenda of the Combined Shareholders' Meeting of April 29, 2022

On an ordinary basis

1. Approval of the annual company financial statements for Fiscal 2021;
2. Approval of the annual Consolidated Financial Statements for Fiscal 2021;
3. Allocation of the result for Fiscal 2021;
4. Approval of the regulated agreement resulting from the conclusion of an intra-group loan agreement;
5. Approval of the regulated agreement resulting from the adhesion to the act of accession to a credit agreement under English law;
6. Approval of the regulated agreement resulting from the adhesion to the act of accession to a subordination agreement under English law;
7. Reappointment of Eric La Bonnardière as member of the Supervisory Board for a four-year term;
8. Reappointment of Didier Deconinck as member of the Supervisory Board for four-year term;
9. Reappointment of Julien Deconinck as member of the Supervisory Board for a four-year term;
10. Reappointment of Bernard-André Deconinck as observer of the Supervisory Board for a four-year term;
11. Approval of the information relating to the compensation of corporate officers for Fiscal 2021;
12. Approval of the compensation paid during or awarded to Fabrice Barthélemy, Chairman of the Management Board for Fiscal 2021;
13. Approval of the compensation paid during or awarded to Raphaël Bauer, member of the Management Board for Fiscal 2021;
14. Approval of the compensation paid during or awarded to Eric La Bonnardière, Chairman of the Supervisory Board for Fiscal 2021;
15. Approval of the compensation policy for the Chairman of the Management Board;
16. Approval of the compensation policy for the member of the Management Board;
17. Approval of the compensation policy for the Chairman of the Supervisory Board;
18. Approval of the compensation policy for the members of the Supervisory Board;
19. Authorization to be given to the Management Board to purchase Company shares;

On an extraordinary basis

20. Authorization to be given to the Management Board to award free shares to employees and/or certain corporate officers of the Company or related companies, specifying the duration of the authorization, the limits thereon and the duration of the vesting and retention periods;

On an ordinary basis

21. Powers to carry out formalities.

8.2 Presentation of the resolutions submitted to the Combined Shareholders' Meeting at April 29, 2022

On an ordinary basis

Resolutions 1 and 2: Approval of the financial statements for Fiscal 2021

The purpose of the first two resolutions is to submit for the approval of the Shareholders' Meeting the company and Consolidated Financial Statements of Tarkett for Fiscal 2021, showing a net loss of €52,760,098.37 and a consolidated net profit Group share of €15.1 million.

These accounts have been prepared in accordance with French legal and regulatory requirements for the company financial statements and in accordance with current regulations, in particular IFRS (International Financial Reporting Standards) as approved by the European Union, for the consolidated accounts.

Pursuant to Article 223 *quater* of the General Tax Code, it is stated that the total amount of expenses and charges referred to in Article 39-4 of the General Tax Code amounted to €30,288 during Fiscal 2021.

Details of the financial statements and the Statutory Auditors' Reports are provided in Chapters 4 "Analysis of financial condition and results of operation" and 5 "Financial statements" of the 2021 Universal Registration Document.

First resolution:

(Approval of the annual company financial statements for Fiscal 2021)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and after reviewing (i) the Management Board report, (ii) the observations of the Supervisory Board and (iii) the Statutory Auditors' report on the company financial statements for the year ended December 31, 2021, **approves** the financial statements for the fiscal year ended December 31, 2021 as presented to them and including the balance sheet, income statement and notes thereto, showing a net loss of €52,760,098.37, and the transactions reflected in such financial statements and summarized in such reports.

The Shareholders' Meeting also approves the transactions reflected in these accounts and/or summarized in these reports.

Pursuant to Article 223 *quater* of the French General Tax Code, the Shareholders' Meeting **takes note** that total expenses and charges as referred to in Article 39-4 of the French General Tax Code amounted to €30,288 for the previous fiscal year.

Second resolution:

(Approval of the annual Consolidated Financial Statements for Fiscal 2021)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meeting and after reviewing (i) the Management Board's report, (ii) the observations of the Supervisory Board and (iii) the Statutory Auditors' report on the Consolidated Financial Statements for the fiscal year ended December 31, 2021, **approves** the Consolidated Financial Statements for the fiscal year ended December 31, 2021 as presented to them and including the balance sheet, income statement and notes thereto, showing a net profit - Group share - of €15.1 million, and the transactions reflected in such financial statements and summarized in such reports.

The Shareholders' Meeting also approves the transactions reflected in these accounts and summarized in these reports.

Resolution 3: Allocation of the result for Fiscal 2021

The purpose of the 3rd resolution is to submit for the approval of the Shareholders' Meeting the allocation of the result for Fiscal 2021 entirely to the "Retained Earnings" account, which would now be adjusted from €795,644,411.66 to €742,884,313.29.

Third resolution:

(Allocation of the result for Fiscal 2021)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meeting and after reviewing (i) the Management Board's report, (ii) the observations of the Supervisory Board and (iii) the Statutory Auditors' report on the company annual financial statements, noting that the financial statements for the year ended December 31, 2021 show a net profit of €52,760,098.37, **decides**, upon the motion of the Management Board, to allocate the entire profit to the "Retained Earnings" account, increasing it to €742,884,313.29.

In accordance with legal provisions, the Shareholders' Meeting **notes that** the dividend for the past three (3) fiscal years has been set as follows:

Dividends paid over the past three fiscal years	Year of payment		
	2021	2020	2019
Total dividend (in millions of Euros)(1)	None	None	38.1
Dividend per share (in Euros)	None	None	0.60

(1)The amounts presented in this table represent total dividends after deduction of the treasury shares held by the Company. The dividend was fully eligible for the 40% deduction provided for by Article 158-3 2° of the French General Tax Code for individuals who are tax resident in France.

Resolutions 4 to 6: Approval of regulated agreements

The purpose of resolutions 4 to 6 is to submit for the approval of the Shareholders' Meeting the regulated agreements entered into during the Fiscal 2021 in connection with the proposed simplified tender offer to refinance existing debt. These agreements include the intra-group loan agreement, the deed of accession to an English law credit agreement and the deed of accession to an English law subordination agreement.

The purpose of the agreements, the financial terms and conditions and the interest for the Company and its stakeholders are described in detail in Section 2.9.2 and included in the Statutory Auditors' special report on regulated agreements available in Section 8.7 of the 2021 Universal Registration Document.

Fourth resolution:

(Approval of the regulated agreement resulting from the conclusion of the intra-group loan agreement)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meeting, after having reviewed the report of the Supervisory Board and the Statutory Auditors' special report on regulated agreements governed by Articles L. 225-86 et seq. of the French Commercial Code, approves the intra-group loan agreement authorized by the Supervisory Board on April 23, 2021.

Fifth resolution

(Approval of the regulated agreement resulting from the adhesion to the deed of accession to a credit agreement under English law)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meeting, after having reviewed the report of the Supervisory Board and the Statutory Auditors' special report on regulated agreements governed by Articles L. 225-86 et seq. of the French Commercial Code, approves the deed of accession to a credit agreement under English law authorized by the Supervisory Board on April 23, 2021.

Sixth resolution

(Approval of the regulated agreement resulting from the adhesion to the act of accession to a subordination agreement under English law)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meeting, after having reviewed the report of the Supervisory Board and the Statutory Auditors' special report on regulated agreements governed by Articles L. 225-86 et seq. of the French Commercial Code, approves the deed of accession to a subordination agreement under English law authorized by the Supervisory Board on April 23, 2021.

Resolutions 7 to 11: Composition of the Supervisory Board

The Supervisory Board is currently composed of 13 members, including two members representing the employees, three independent members, five women (including the member representing the employees) and two observers.

Reappointment of Eric La Bonnardière

The 7th resolution concerns the reappointment of Eric La Bonnardière as a member of the Supervisory Board, his term of office expiring at the close of the April 29, 2022 Shareholders' Meeting. It is therefore proposed that the Shareholders' Meeting reappointments him for a four-year term expiring at the close of the Shareholders' Meeting to be held to approve the financial statements for Fiscal 2025.

Non-independent member of the Company's Supervisory Board since 2015 and Chairman of the Supervisory Board since 2018, Eric La Bonnardière brings to the Board his in-depth knowledge of Tarkett and his strategic vision.

If the reappointment of Eric La Bonnardière is approved by the Shareholders' Meeting, he will continue to chair the Supervisory Board.

Reappointment of Didier Deconinck

The 8th resolution concerns the reappointment of Didier Deconinck as member of the Supervisory Board, his current term expires at the close of the April 29, 2022 Shareholders' Meeting. It is therefore proposed that the Shareholders' Meeting reappointments him for a four-year term expiring at the close of the Shareholders' Meeting to be held to approve the financial statements for Fiscal 2025.

Non-independent member of the Supervisory Board since 2001, Didier Deconinck served as Chairman from 2005 until April 2018, when he was appointed Vice-Chairman of the Supervisory Board. Didier Deconinck brings to the Supervisory Board his extensive knowledge of Tarkett and its operations as well as his experience and contribution in flooring products.

If Didier Deconinck's reappointment is approved by the Shareholders' Meeting, he will continue to act as Vice-Chairman of the Supervisory Board.

Reappointment of Julien Deconinck

The 9th resolution concerns the reappointment of Julien Deconinck as member of the Supervisory Board, his current term expires at the close of the April 29, 2022 Shareholders' Meeting. It is therefore proposed that the Shareholders' Meeting reappointments him for a four-year term expiring at the close of the Shareholders' Meeting to be held to approve the financial statements for Fiscal 2025.

Non-independent member of the Supervisory Board, he was first appointed as observer of the Supervisory Board in 2014, and has been a member of the Supervisory Board since 2018. Julien Deconinck brings to the Supervisory Board his in-depth knowledge of Tarkett, acquired during the business development and project management assignments he carried out for the Company from 2003 to 2006, as well as his skills in the financial field and in mergers and acquisitions.

If Julien Deconinck's reappointment is approved by the Shareholders' Meeting, he will continue to serve on the Audit, Risk and Compliance Committee.

Reappointment of Bernard-André Deconinck

The 10th resolution concerns the reappointment of Bernard-André Deconinck as observer of the Supervisory Board, his current term expires at the close of the April 29, 2022 Shareholders' Meeting. It is therefore proposed that the Shareholders' Meeting reappointments him for a four-year term expiring at the close of the Shareholders' Meeting to be held to approve the financial statements for Fiscal 2025.

Former member of the Supervisory Board, Bernard-André Deconinck has served as observer since 2018. An expert of Tarkett and their products, he represents the interests of the majority shareholder in his role as observer, ensures the good governance of Tarkett and provides advice to all members of the Supervisory Board.

At the close of the Shareholders' Meeting of April 29, 2022, and subject to the adoption by the Shareholders' Meeting of all the proposed reappointments, the Supervisory Board will continue to be composed of 13 members, including two members representing employees, three independent members, five women (including the member representing the employees) and two observers.

Seventh resolution:

(Reappointment of Eric La Bonnardière as member of the Supervisory Board for four-year term)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meeting, having reviewed the Supervisory and Management Board's reports, **decides** to reappoint Eric La Bonnardière as member of the Supervisory Board for a four-year term, i.e. until the close of the annual Shareholders' Meeting to be held in 2026 to approve the financial statements for the fiscal year ending December 31, 2025.

Eighth resolution:

(Reappointment of Didier Deconinck as member of the Supervisory Board for four-year term)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meeting, having reviewed the Supervisory and Management Board's reports, **decides** to reappoint Didier Deconinck as member of the Supervisory Board for a four-year term, i.e. until the close of the annual Shareholders' Meeting to be held in 2026 to approve the financial statements for the fiscal year ending December 31, 2025.

Ninth resolution:

(Reappointment of Julien Deconinck as member of the Supervisory Board for four-year term)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meeting, having reviewed the Supervisory and Management Board's reports, **decides** to reappoint Julien Deconinck as member of the Supervisory Board for a four-year term, i.e. until the close of the annual Shareholders' Meeting to be held in 2026 to approve the financial statements for the fiscal year ending December 31, 2025.

Tenth resolution:

(Reappointment of Bernard-André Deconinck as observer of the Supervisory Board for four-year term)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meeting, having reviewed the Supervisory and Management Board's reports, **decides** to reappoint Bernard-André Deconinck as observer of the Supervisory Board for a four-year term, i.e. until the close of the annual Shareholders' Meeting to be held in 2026 to approve the financial statements for the fiscal year ending December 31, 2025.

Resolutions 11 to 14: Approval of the compensation elements paid during or awarded in respect of Fiscal 2021 to the corporate officers

Pursuant to the provisions of Article L.22-10-34 of the French Commercial Code, the purpose of resolutions 11 to 14 is to submit for the approval of the Shareholders' Meeting the compensation package paid during or awarded in respect of Fiscal 2021 to the Company's corporate officers (commonly referred to as the "***ex-post vote***") and more specifically:

- information on the compensation of all corporate officers (11th resolution);
- the compensation package of Fabrice Barthélemy, Chairman of the Management Board (12th resolution);
- the compensation package of Raphaël Bauer, member of the Management Board (13th resolution);
- the compensation package of Eric La Bonnardière, Chairman of the Supervisory Board (14th resolution).

It should be noted that these elements were decided by the Supervisory Board following the recommendations of the Appointment, Compensation and Governance Committee and are described in detail in the Supervisory Board's Corporate Governance Report in Section 2.6 of the 2021 Universal Registration Document.

Eleventh Resolution:

(Approval of the information relating to the compensation of corporate officers for Fiscal 2021)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meeting, after having taken note of the Supervisory Board's Corporate Governance Report referred to in Articles L.225-68 and L.22-10-20 of the French Commercial Code, pursuant to Article L.22-10-34 I of the French Commercial Code, **approves** the information relating to the compensation of corporate officers for the fiscal year ended December 31, 2021 mentioned in Article L.22-10-9 of the French Commercial Code, as set out in Section 2.6.2 of the 2021 Universal Registration Document.

Twelfth resolution:

(Approval of the compensation paid during or awarded for Fiscal 2021 to Fabrice Barthélemy, Chairman of the Management Board)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Supervisory Board's Corporate Governance Report provided for by Article L.225-68 and L.22-10-20 of the French Commercial Code, pursuant to Article L.22-10-34 II of the French Commercial Code, **approves** the components and benefits of any kind paid during or awarded for the fiscal year ended December 31, 2021 to Fabrice Barthélemy, Chairman of the Management Board, as mentioned in Section 2.6.2.1 of the 2021 Universal Registration Document.

Thirteenth resolution:

(Approval of the compensation paid during or awarded for Fiscal 2021 to Raphaël Bauer, member of the Management Board)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Supervisory Board's Corporate Governance Report provided for by Articles L.225-68 and L.22-10-20 of the French Commercial Code, pursuant to Article L.22-10-34 II of the French Commercial Code, **approves** the components of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended December 31, 2021 to Raphaël Bauer, member of the Management Board, as set out in Section 2.6.2.1 of the 2021 Universal Registration Document.

Fourteenth resolution:

(Approval of the compensation paid during or awarded for Fiscal 2021 to Eric La Bonnardière, Chairman of the Supervisory Board)

The Shareholders' Meeting,acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Supervisory Board's Corporate Governance Report provided for by Article L.225-68 and L.22-10-20 of the French Commercial Code, pursuant to Article L.22-10 -34 II of the French Commercial Code, **approves** the components of the total compensation and benefits of any kind paid during or awarded in respect of the fiscal year ended December 31, 2021 to Eric La Bonnardière in his capacity as Chairman of the Supervisory Board, as set out in Sections 2.6.2.2 and 2.6.2.4 of the 2021 Universal Registration Document.

Resolutions 15 to 18: Approval of compensation policies for corporate officers

In accordance with Article L.22-10-26 of the French Commercial Code, the purpose of resolutions 15 to 18 is to submit for the approval of the Shareholders' Meeting, the compensation policies applicable to the Chairman of the Management Board (15th resolution), the member of the Management Board (16th resolution), the Chairman of the Supervisory Board (17th resolution) and the members of the Supervisory Board (18th resolution) (commonly referred to as "***ex ante voting***").

The compensation policies will apply from Fiscal 2022 and until the Shareholders' Meeting approves a new compensation policy.

It should be noted that these elements were decided by the Supervisory Board following the recommendations of the Appointment, Compensation and Governance Committee and are described in detail in the Supervisory Board's Corporate Governance Report in Section 2.6 of the 2021 Universal Registration Document.

Fifteenth resolution:

(Approval of the compensation policy for the Chairman of the Management Board)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Supervisory Board's Corporate Governance Report provided for by Articles L.225-68 and L.22-10-20 of the French Commercial Code describing the items of the corporate officers' compensation policy determined pursuant to Article L.22-10-26 of the French Commercial Code, **approves** the compensation policy for the Chairman of the Management Board for the fiscal year ending December 31, 2022, as set out in Sections 2.6.1.1 and 2.6.1.2 of the 2021 Universal Registration Document.

Sixteenth resolution:

(Approval of the compensation policy for the member of the Management Board)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Supervisory Board's Corporate Governance Report provided for by Articles L.225-68 and L.22-10-20 of the French Commercial Code describing the items of the corporate officers' compensation policy determined pursuant to Article L.22-10-26 of the French Commercial Code, **approves** the compensation policy for the member of the Management Board for the fiscal year ending December 31, 2022, as set out in Sections 2.6.1.1 and 2.6.1.3 of the 2021 Universal Registration Document.

Seventeenth resolution:

(Approval of the compensation policy for the Chairman of the Supervisory Board)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Supervisory Board's Corporate Governance Report provided for by Articles L.225-68 and L.22-10-20 of the French Commercial Code describing the items of the corporate officers' compensation policy determined pursuant to Article L.22-10-26 of the French Commercial Code, **approves** the compensation policy for the Chairman of the Management Board for the fiscal year ending December 31, 2022, as set out in Section 2.6.1.4 of the 2021 Universal Registration Document.

Eighteenth resolution:

(Approval of the compensation policy for Supervisory Board members)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Supervisory Board's Corporate Governance Report provided for by Articles L.225-68 and L.22-10-20 of the French Commercial Code describing the items of the corporate officers' compensation policy determined pursuant to Article L.22-10-26 of the French Commercial Code, **approves** the compensation policy for the members of the Supervisory Board for the fiscal year ending December 31, 2022, as set out in Section 2.6.1.4 of the 2021 Universal Registration Document.

Resolution 19: Authorization for the Company to purchase its own shares

As at December 31, 2021, the Company held 163,344 treasury shares, representing 0.25% of its share capital.

The purpose of the 19^{th} resolution is to submit for the approval of the Shareholders' Meeting the renewal for a period of 18 months of the authorization given to the Management Board to allow the Company to purchase its own shares within the limit of 10% of the share capital and for a maximum purchase price per share of €30. The total amount allocated to the share buyback programme could not exceed €50,000,000.

Without the prior authorization of the Shareholders' Meeting, the Management Board may not make use of this authorization from the time of the filing of a public offer by a third party for the Company's shares until the end of the offer period.

The purchase of its own shares is intended to cover free share allocation plans.

Information on the use that has been made of the previous share buyback authorization is contained in Section 7.2.3 of the 2021 Universal Registration Document.

Nineteenth resolution:

(Authorization given to the Management Board to purchase the Company's shares)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Management Board's report, **authorizes** the Management Board to purchase or arrange the purchase of the Company's shares, with the right to sub-delegate as permitted by law, in accordance with Articles L.22-10-62 et seq. of the French Commercial Code, for the purpose of:

> awarding free shares pursuant to Articles L.22-10-59 et seq. of the French Commercial Code; or

> the delivery of shares on the occasion of the exercise of rights attached to securities giving the right by redemption, conversion, exchange, presentation of a share warrant or in any other way to the allocation of ordinary shares of the Company; or

> awarding free shares to employees or corporate officers of the Company or an affiliate of the Company (in particular the Company's direct and indirect subsidiaries) under any plan that is not subject to Articles L.22-10-59 et seq. of the French Commercial Code, and in particular under Long Term Incentive Plans"; or

> the cancellation of the shares bought back and not allocated; or

> trading in the secondary market or maintaining the liquidity of Tarkett's shares through an investment services provider in the framework of a liquidity contract that complies with the market ethics charter recognized by the Autorité des Marchés Financiers (the "AMF").

The Company may buy back a number of shares such that:

> the number of shares that the Company buys during the term of the share buyback program does not exceed 10% of the shares comprising the Company's share capital at any time, this percentage applying to the capital as adjusted following any transaction affecting it subsequent to the Shareholders' Meeting (such number being 6,555,028 shares as of December 31, 2021), provided that where the shares are bought in order to maintain liquidity pursuant to the conditions defined by the Autorité des Marchés Financiers (the "AMF") General Regulation, the number of shares taken into account for purposes of calculating the 10% limit provided for above is the number of shares bought minus the number of shares resold during the period of the authorization;

> the number of shares that the Company holds may not at any time exceed 10% of the shares comprising the Company's share capital on the date in question.

Shares may be bought, sold or transferred at any time (other than during a tender offer on the Company's capital) up to the limits authorized by applicable laws and regulations, on regulated markets or multilateral trading facilities, through systematic internalisers or over the counter, including through block trades (without limiting the portion of the buyback program that may be carried out by this means), by tender or exchange offer, or through the use of options or other forward financial instruments traded on regulated markets, multilateral trading facilities, through systematic internalisers or over the counter, or by delivery of shares following the issuance of securities granting access to the Company's share capital by conversion, exchange, reimbursement, exercise of a share warrant or in any other manner, either directly or indirectly through an investment services provider acting pursuant to the conditions of Article L.225-206 II of the French Commercial Code.

The maximum share purchase price in the framework of this resolution is €30.

The Shareholders' Meeting **delegates** to the Management Board, in the event of a change in the share's nominal value, a capital increase by incorporation of reserves, an award of performance shares, a stock split or a reverse stock split, a distribution of reserves or of any other assets, a capital redemption, or any other transaction affecting shareholders' equity, the power to adjust the maximum purchase price stated above in order to account for the effect of such transactions on the share value.

The total amount allocated to the share buyback program authorized above may not be greater than €50,000,000.

The Shareholders' Meeting **grants** full powers to the Management Board, with the right to sub-delegate as permitted by law, to decide upon and implement this authorization, to specify, if necessary, its terms and conditions, to carry out the share buyback program, and in particular to place any stock market order, to enter into any agreement, to allocate or reallocate the acquired shares for their intended purposes in accordance with applicable laws and regulations, to define the terms and conditions governing the maintenance of shareholder or option holder rights in accordance with legal, regulatory or contractual provisions, to file any declarations to the Autorité des Marchés Financiers (the "AMF") or any other competent authority and to carry out all other formalities and, generally, to perform all necessary acts. As of the date hereof and up to the amount, if any, that has not yet been used, this authorization cancels any delegation previously given to the Management Board to trade in the Company's shares. It is given for a period of eighteen (18) months as of the date hereof.

On an extraordinary basis

Resolution 20: Delegation of authority to be given to the Management Board to award free shares to employees and/or certain company officers

The purpose of the 20th resolution is to submit to the approval of the Shareholders' Meeting the authorization to be granted to the Management Board for the purpose of granting free of charge, subject to the fulfilment of performance conditions set by the Management Board in agreement with the Supervisory Board and upon the recommendation of the Appointment, Compensation and Governance Committee, existing Company shares not representing more than 1% of the Company's share capital on the date of the Shareholders' Meeting, to employees or certain employees and/or certain corporate officers of the Company or its related companies. We note that the awards that would be made under this resolution to members of the Management Board would be approved in advance by the Supervisory Board, would be fully subject to performance conditions, and could not represent more than 30% of the shares covered by this resolution.

In connection with this authorization, we ask you to provide the Management Board with the authority, each time it makes decision to grant shares, to determine, on the basis of the recommendations of the Appointment, Compensation and Governance Committee and in accordance with to the law, the vesting period following which the shares will be definitively awarded, which period may not be less than two years from the share grant date.

We also ask you to approve that the Management Board will have the authority, each time it makes decision to grant shares, to determine, on the basis of the recommendations of the Appointment, Compensation and Governance Committee, where applicable, the retention period to which the beneficiaries will be bound, which period shall run from the vesting date of the shares and which may be eliminated, since the vesting period may not be less than two years.

We also ask you to provide that in the event that a recipient becomes disabled, as defined in the second or third category set forth in Article L.341-4 of the French Social Security Code, the shares shall be definitively granted before the end of the remaining vesting period, and shall be immediately transferable.

Under this authorization, it is intended that the existing shares that may be awarded pursuant to this authorization be acquired by the Company, either pursuant to Article L.225-208 of the French Commercial Code, or, where applicable, under the share buyback program authorized by the Shareholders' Meeting as proposed in the sixteenth resolution above, in accordance with Article L.22-10-62 of the French Commercial Code, or any other share buyback program that may apply at a later date.

We ask you to grant this authorization as of the date of the Shareholders' Meeting of April 29, 2022, for a period to expire at the close of the Shareholders' Meeting convened to approve the financial statements for Fiscal 2022.

In this framework, you will be asked to grant full powers to the Management Board, within the limits set forth above and subject to the prior authorization of the Supervisory Board, to implement this authorization, and, in particular, to:

- determine the beneficiaries, the award criteria (in particular with respect to continued employment and, where applicable, performance), the number of shares to be awarded to each of them, the terms and conditions of the award of shares and, in particular, the vesting period and retention period applicable to each award, subject to the minimum periods defined by this resolution;
- set, upon the proposal of the Appointment, Compensation and Governance Committee, in accordance with legal conditions and limits, the dates on which such free share awards shall be made;
- determine the dividend date for the newly issued shares;
- decide on the terms pursuant to which the number of performance shares awarded will be adjusted in order to preserve the beneficiaries' rights; and
- more generally, with the right to delegate and sub-delegate as permitted by law, enter into any agreements, prepare any documents, and carry out any formalities or filings with any bodies, and do all that may otherwise be necessary.

Twentieth resolution

(Authorization to be given to the Management Board to award free shares to employees and/or certain corporate officers of the Company or related companies, specifying the duration of the authorization, the limits thereon and the duration of the vesting and retention periods)

The Shareholders' Meeting, voting with the quorum and majority required for extraordinary shareholders' meetings and in accordance with applicable legal provisions, particularly Article L.22-10-59 and L.22-10-60 of the French Commercial Code, after reviewing the Management Board's report and the Statutory Auditors' special report:

Authorizes the Management Board, as from the date of this Shareholders' Meeting, and for a duration to expire at the close of the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2022, to carry out, with the prior authorization of the Supervisory Board, one or more awards of existing Company shares, subject to the performance conditions set by the Management Board and approved by the Supervisory Board and upon the proposal of the Appointment, Compensation and Governance Committee, pursuant to the terms set forth below.

The total number of existing Company shares to be awarded as free shares pursuant to this resolution may not represent more than 1% of the Company's share capital on the date of this Meeting, it being specified that the awards made pursuant to this resolution to each of the members of the Company's Management Board must be authorized in advance by the Supervisory Board, must be fully subject to performance conditions, and may not represent more than 30% of the number of shares authorized by this resolution.

The beneficiaries will be the members or certain members of the salaried staff or eligible company officers (within the meaning of Article L.225-197-1 II paragraph 1 of the French Commercial Code and subject to compliance with the provisions of Articles L.22-10-58 and L.22-10- 60 of the French Commercial Code) of the Company or companies or groups related to it within the meaning of Article L.225-197-2 of the French Commercial Code or certain categories of them.

At the time of each award decision, the Management Board shall determine, on the basis of the recommendations of the Appointment, Compensation and Governance Committee and as permitted by law, the vesting period following which the share award shall become final. The vesting period may not be less than two years from the date of the share award.

At the time of each award decision, the Management Board shall determine, on the basis of the recommendations of the Appointment, Compensation and Governance Committee, where applicable, the retention period to which the award recipients will be bound, which period shall run from the vesting date of the shares and which may be eliminated, since the vesting period may not be less than two years.

In the event that a recipient becomes disabled, as defined in the second or third category set forth in Article L.341-4 of the French Social Security Code, the shares shall be definitively awarded before the end of the remaining vesting period, and shall be immediately transferable.

The existing shares that may be granted under this resolution must be acquired by the Company within the framework of the share buyback program as proposed in the nineteenth resolution proposed above under Article L.22-10-62 of the French Commercial Code or any share buyback program applicable thereafter.

In this framework, the Shareholders' Meeting grants full powers to the Management Board, subject to the prior authorization of the Supervisory Board, to implement this authorization and, in particular, to:

- determine the beneficiaries, the award criteria (in particular with respect to continued employment and performance), the number of shares to be awarded to each of them, the terms and conditions of the share awards and, in particular, the vesting period and retention period applicable to each award, within the limit of the minimum periods defined by this resolution;
- set, upon the proposal of the Appointment, Compensation and Governance Committee, pursuant to legal conditions and limits, the dates on which such performance share awards shall be made;
- determine the dividend date for the newly issued shares, which date may be retroactive;
- decide on the terms pursuant to which the number of free shares awarded will be adjusted in order to preserve the beneficiaries' rights; and
- more generally, enter into any agreements, prepare any documents, and carry out any formalities or filings with any bodies, and do all that may otherwise be necessary.

Each year, the Management Board shall inform the Ordinary Shareholders' Meeting of the awards carried out pursuant to this resolution, in accordance with Article L.225-197-4 of the French Commercial Code.

On an ordinary basis

Resolution 21: Powers to carry out formalities

The purpose of the 21st resolution is to submit to the approval of the Shareholders' Meeting the granting of the necessary powers to carry out the advertisements and legal formalities.

Twentieth resolution:

(Powers to **carry out** formalities)

The Shareholders' Meeting **grants** full powers to the bearer of an original, a copy of or an extract from the minutes of this Shareholders' Meeting to carry out all filings, formalities and publications required by law.

8.3 Supervisory Board's observations on the Management Board report and the financial statements for the fiscal year ended December 31, 2021

Ladies and Gentlemen,

Our Company's Management Board has called you to the Shareholders' Meeting, in accordance with the law and the Articles of Association, in order to report to you on the activity and financial position of our Company and of our Group during the fiscal year ended December 31, 2021, and to submit the financial statements for such fiscal year and the appropriation of profit to you for approval.

We inform you that the Management Board has provided the annual company financial statements, the Consolidated Financial Statements and the management report to the Supervisory Board within the legal time limits.

In accordance with Article L.225-68 of the French Commercial Code, we have examined the company financial statements, theConsolidated Financial Statements, and the Management Board's report, and we believe that such documents do not call for any particular observations.

We hope that all of the recommendations that the Management Board has made to you in its report will meet with your approval, and that you will decide to adopt the resolutions submitted for your approval.

The Supervisory Board

8.4 Statutory Auditors' special report on the regulated agreements

General Meeting for Approval of Accounts for the Year Ended December 31, 2021

This is a free translation into English of the Statutory Auditors' Report on regulated agreements issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as your company's Statutory Auditors, we hereby report to you on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms, conditions and reasons underlying company's interest of agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-58 of the French Commercial Code, it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-58 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

1. Agreements submitted to the approval of the shareholder's meeting

In accordance with article L. 225-88 of the French Commercial Code, we have been informed of the following agreements approved during the years and which have been authorized by the Supervisory Board.

In the context of a simplified tender offer (« Offer ») for Tarkett's shares initiated on the current year, the Supervisory Board approved on April 23, 2021, the following agreements with Tarkett Participation in connection with the refinancing.

The following persons are declared an indirect interest in the following agreements, even though they are not direct parties to them:

- SID, as indirect majority shareholder of the Company;
- Eric La Bonnardière, as President of Supervisory Board;
- Didier Deconinck, as Vice President of Supervisory Board;
- Julien Deconinck, as member of Supervisory Board;
- Nicolas Deconinck, as member of Supervisory Board; and
- Bernard-André Deconinck, as observer of Supervisory Board.

1) Intra-group loan agreement:

Under this agreement between Tarkett SA as borrower and Tarkett Participation as lender, Tarkett Participation makes available to Tarkett SA, in one or more instalments, sums that would result from one or more drawings by Tarkett Participation on Tranche B (as this term is defined below), in the form of a term loan.

Purpose of the intra-group loan agreement: The purpose of the intra-group loan agreement is, in particular, to finance the refinancing of the Company's existing indebtedness.

Financial terms of the intra-group loan agreement : The main financial terms of the intra-group loan agreement are as follows:

- maximum principal amount of 528.000.000 € of which the principal amount as of December 31, 2021 is 446,192,246.68€, and 72,000,000 USD (i.e., a euro equivalent amount of 63,570,545.65€ as of December 31, 2021)
- maturity: 7 years ;
- margin: equal to that of Tranche B as mentioned the Act of accession to a loan agreement governed by English law (below).

2) Act of accession to a loan agreement governed by English:

Within the framework of this act of accession by the company to a loan agreement governed by English law concluded between:

- Tarkett Participation in its capacity as borrower;
- BNP Paribas, Crédit Agricole Corporate and Investment Bank et Société Générale in their capacity as underwriters and guarantors of the offer;
- the financial institutions listed in the document in their capacity as initial lenders;
- CACIB in its capacity as agent and security agent.

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The lenders are to provide (i) Tarkett Participation, with a term loan for a maximum principal amount of 889.173.870,24 €, with a principal amount on December 31, 2021 of 839.173.870,24 € (« Tranche B Euro ») and an amount of 72.000.000 USD (« Tranche B USD ») and (ii) Tarkett Participation and all members of the Group, subject to their involvement, with a revolving loan for a total principal amount of 350.000.000 € (« Revolving Tranche ») whose purpose is to finance the Group's general requirements.

Within the framework of this agreement, the Company is acting as borrower with regard to the Revolving Tranche as well as guarantor. In this context, the borrowers and guarantors, including the Company, guarantee the obligations of other debtors (including Tarkett Participation (via an upstream guarantee), with the Company and/or its subsidiaries having adhered to the credit agreement via the act of accession) within the limits at all times of the amounts that would have been received by the Company and its subsidiaries (via the intra-group loan), or by any other means.

Purpose of the credit agreement: The credit agreement, for an initial maximum amount of 1.239.173.870,24 €, , finally used on December 31, 2021 for an amount of 1.189.173.870,24 €, and an amount of 72.000.000 USD (equivalent to 63.570.545,65 € on December 31, 2021), was intended in particular:

- for Tranche B Euro and Tranche B USD : (a) for the partial funding of the acquisition price of target shares (including the refinancing of all drawdowns of the Revolving Tranche allocated to the acquisition of target shares) and associated expenses; and (b) for the funding of refinancing by the provision of the intra-group loan by Tarkett Participation to the Company, and
- for the Revolving Tranche: for the funding of general and operational requirements, Group development and investment and all acquisitions and the refinancing of certain term loans.

Financial terms of the credit agreement: The main financial terms of the credit agreement are outlined below:

- available principal amount of 1.189.173.870,24 € and 72.000.000 USD (equivalent to 63.570.545,65 € on December 31, 2021);
- maturity of Tranche B: 7 years;
- maturity of the Revolving Tranche: 6 years et 6 months;
- margin of Tranche B Euro: between 3,00% and 3,75% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria;
- margin of Tranche B USD : between 3,25% and 4,25% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria;
- margin of Tranche B USD: between 3.25% and 4.25% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria);
- margin of the Revolving Tranche: between 1.75% and 2.50% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria);
- underwriting fee equal to 1.25% of the principal amount; and
- commitment fee equal to 30% of the margin applied to the available commitment of the lender concerned for the Revolving Tranche for the availability period applying to the Revolving Tranche.

3) Act of accession to a subordination agreement governed by English law:

The Company's adhesion to a subordination agreement governed by English law by means of an act of accession is intended to govern creditors' rights in particular with respect to the credit agreement referred to above.

The Supervisory Board has concluded that the agreements referred to above present the following financial advantages for the Company:

- Market positioning: the possibility for the Company to gain access to a more liquid market than the bond market, the market associated with the two Tranche Bs, which is more likely to finance its external growth;
- Financing capacity: the possibility for the Company to cover its general financial requirements and its working capital requirement;
- Flexibility: easing of the credit repayment terms under the credit agreement (early repayment of the two Tranche Bs at any time without charge, with the exception of an initial six month period during which a penalty of 1% will be applied and early repayment of all or part of the Revolving Tranche);
- Financial ratios: the absence of any financial ratio to be respected by the Group within the framework of the refinancing of the existing debt by the Company, with the exception of compliance with a leverage ratio provided that the drawdowns associated with the Revolving Tranche are greater than 40% of the total amount of the Revolving Tranche. The financial covenant is also fixed at a significantly higher level (around 5.8x);
- Financial terms: the financial terms associated with the two Tranche Bs reflected in the intra-group loan seem to be competitive in the Term Loan B market, given that this financing benefits from extremely favorable market conditions, close to historical lows, and the competitive process introduced with the selected banks; and
- Maturity: An opportunity for the Company to anticipate the refinancing of its existing financing lines (the maturity of the two Tranche Bs (i.e. 7 years) and the Revolving Tranche (i.e. 6.5 years) being longer than the residual term of existing credits (i.e. 5 years for the existing revolving credit and between 2 and 5 years for Schuldschein credits).

2. Agreements previously approved by the shareholder' meeting

Agreements approved in prior years which remained during the year ended

In accordance with article R.225-57 of the French Commercial Code, we have been informed of the following agreements approved in prior years and which remained current during the last year.

With Deconinck Investment Company (« S.I.D. »)

Persons concerned: Mr. Julien, Mr. Didier, Mr. Eric and Mr. Bernard-André Deconinck and Mr. Eric La Bonnardière, members of Tarkett's Supervisory Board and shareholders, directly and indirectly, of S.I.D.

1) Services agreement

The agreement was authorized by your Supervisory Board on December 17, 2013, amended by your Supervisory Board from June 26, 2018, retroactive to January 1, 2018 continued into 2021. It states that Tarkett provides in favor of S.I.D. legal, social and fiscal services necessary for its business. Tarkett billed the S.I.D. for the 2021 financial year 55,000 euros (excluding taxes) under this agreement.

2) Assistance and guidance agreement

The agreement was authorized by your Supervisory Board on October 9, 2013, amended by your Supervisory Board from June 26, 2018, retroactive to January 1, 2018 continued into 2021. It states that S.I.D. assists Tarkett in defining its strategic objectives and major decision-making. The S.I.D. billed Tarkett for the 2021 financial year 300,000 euros (excluding taxes) under this agreement.

The Statutory Auditors
Paris La Défense
February 18, 2022

French original signed by

KPMG Audit		Mazars
A department of KPMG S.A.		
Renaud Laggiard	Romain Mercier	Anne-Laure Rousselou
Partner	*Partner*	*Partner*

8.5 Statutory Auditors' special report on the awarding of performance shares

General meeting of April 29th 2022 - Twentieth resolution

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

To the Shareholders,

In our capacity as your company's Statutory Auditors and in accordance with the terms of our engagement defined by article L.225-197-1 of the French Commercial Code, we hereby report to you on the project of authorization to allocate existing bonus shares to the members of salaried personnel and/or corporate officers of your company, or companies or groups related to it in the meaning of article L.225-197-2 of the French Commercial Code, an operation which is submitted to your approval.

The total number of shares that may be allocated for free under the twentieth resolution may not exceed 1% of your company's share capital at the date of the present Shareholders' Meeting, it being specified that the allocations decided under this resolution in favor of each of the members of the Company's Management Board will be authorized in advance by the Supervisory Board, will be fully subject to performance conditions and may not represent more than 30% of the number of shares authorized by this resolution.

Your Management Board proposes, on the basis of its report, to authorize it for a term expiring at the close of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022, to allocate existing bonus shares of your company.

It is the responsibility of your Management Board to prepare a report on this proposed operation. Our responsibility is to report on the information provided to you on the proposed operation.

We have performed the procedures that we have considered necessary regarding professional standards of the French Institute of Auditors (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted notably in verifying that the terms given in the Management Board report are in compliance with the provisions of French law.

We have no matters to report on the information given in the Management Board report in connection with the proposed operation to allocate existing bonus shares.

The Statutory Auditors,
Paris La Défense,
March 10, 2022

French original signed by

KPMG Audit

A department of KPMG S.A.

Renaud Laggiard
Partner

Romain Mercier
Partner

Mazars

Anne-Laure Rousselou
Partner

9 ADDITIONAL INFORMATION

9.1 Person responsible for the Universal Registration Document

Fabrice Barthélemy

Chairman of the Management Board.

9.2 Certification by the person responsible

"I attest, having taken every reasonable measure to this end, that, to the best of my knowledge, the information contained in the Universal Registration Document is in accordance with the facts and contains no omission likely to affect its import.

I attest that, to the best of my knowledge, the financial statements are drawn up in accordance with the applicable accounting standards and provide a true and fair view of the assets, financial situation and results of the Company and of all the companies falling within the scope of consolidation, and that the management report, the elements of which appear in the concordance table on section 9.7.3 presents a true and fair overview of the changes in the business, results and financial situation of the Company and of all the companies falling within the scope of consolidation, and that it sets out the main risks and uncertainties to which they are exposed.

I have obtained an audit completion letter from the Statutory Auditors, in which they indicate that they have verified the information relating to the financial position and the financial statements given in this document and that they have read the entire document."

March 28, 2022

Fabrice Barthélemy
Chairman of the Management Board

9.3 Person responsible for the financial information

Raphaël Bauer

Group Financial Officer

9.4 Indicative financial calendar

The financial information communicated to the public by the Company will be made available on its website.

Given this new capital structure following the simplified tender offer initiated during Fiscal 2021, the Group is adapting its financial communication and will now only publish turnover by segment in the first and third quarter. The first half and full year publications will continue to include the full financial statements.

As an indication, the calendar for Tarkett's financial communication until December 31, 2022 is expected to be as follows, knowing that the dates are subject to change without notice:

	2022 calendar
First quarter revenue	April 27, 2022
Shareholders' Meeting	April 29, 2022
First half-year results	July 26, 2022
Third quarter revenue	October 25, 2022
2022 Annual results	February 15, 2023

9.5 Statutory Auditors

	Last renewal date	Term end date[1]
KPMG Audit, a department of KPMG S.A. Represented by Mr. Renaud Laggiard and Mr. Romain Mercier Tour Eqho - 2 avenue Gambetta 92066 Paris-La Défense	2020 Shareholders' Meeting	2026 Shareholders' Meeting
Cabinet Mazars Represented by Mrs Anne-Laure Rousselou 61 rue Henri Regnault - Exaltis 92400 Courbevoie	2020 Shareholders' Meeting	2026 Shareholders' Meeting
Salustro Reydel Represented by Mrs Béatrice de Blauwe Tour Eqho - 2 avenue Gambetta 92066 Paris-La Défense	2020 Shareholders' Meeting	2026 Shareholders' Meeting
Mr. Jérôme de Pastors 61 rue Henri Regnault - Exaltis 92400 Courbevoie	2020 Shareholders' Meeting	2026 Shareholders' Meeting

(1) *Date of the Shareholders' Meeting convened to approve the financial statements for the financial year in which the mandate expires.*

9.6 Documents available to the public

This document may be consulted on the Company's website (www.tarkett.com) and on the Autorité des Marchés Financiers (the "AMF")'s website (www.amf-france.org).

During the period for which the Universal Registration Document is valid, the following documents (or a copy of these documents) may be consulted at the Company's registered office:

- the Company's Articles of Association;
- all reports, letters and other documents, historical financial information of the Company and consolidated financial information for at least the two financial years preceding the date of this document, valuations and statements prepared by an expert at the request of the Company, any part of which is included or referred to in this Universal Registration Document and,
- more generally, all legal and financial documents relating to the Company and which must be made available to the shareholders in accordance with the prevailing legislation and regulations may be consulted at the Company's registered office.

The regulated information, as defined by the provisions of the Autorité des Marchés Financiers (the "AMF")'s General Regulations, is available on the Company's website.

9.7 Concordance tables

9.7.1 Universal registration document

The concordance table below identifies the headings established in Annexes I and II of Commission Delegated Regulation (EU) no. 2019/980 of 14 March 2019 and reference is made to the sections of this Universal Registration Document where the information relating to each of those headings is given.

Headings		Sections
1.	Persons responsible, third party information, experts' reports and competent authority approval	9.1 to 9.3
2.	Statutory Auditors	9.5
3.	Risk factors	6.1
4.	Information about the issuer	1 and 7.1.1
5.	Investments	4.2
6.	Overview of the business	
6.1.	Principal activities	1.4
6.2.	Principal markets	1.5
6.3.	Important events in the development of the issuer's business	4.6
6.4.	Strategy and objectives	1.3 and 4.6
6.5.	Dependence of the Issuer	1.6.2.1
6.6.	Competitive position	1.5

Headings		Sections
7.	Organisation chart	
7.1.	Brief description of the Group	1.7
7.2.	Significant subsidiaries of the Group	5.6
8.	Real estate property, plant and equipment	
8.1.	Significant tangible fixed assets	1.6.2.2
8.2.	Environmental issues	3
9.	Examination of the financial situation and of the results	
9.1.	Financial situation	4.1
9.2.	Operating results	4.1
10.	Cash and capital resources	4.3
11.	Research and development, patents and licences	1.6.4
12.	Trend information	4.6
13.	Profit forecasts or estimates	N/A
14.	Administrative, management and supervisory bodies and senior management	
14.1.	Information about the issuer	2.2
14.2.	Conflicts of interest	2.9.1.1
15.	Compensation and benefits	2.3, 2.5 and 2.6
16.	Practices of the administrative and management bodies	
16.1.	Expiry dates of terms of office	2.2.2.2 and 2.2.3.2
16.2.	Contracts between members of the administrative, management or supervisory bodies	2.9
16.3.	Information on the Committees of the Supervisory Board	2.2.4
16.4.	Compliance with the corporate governance regime	2.1.1
17.	Employees	
17.1.	Number of employees	1.1.2
17.2.	Shareholdings and share subscription or purchase	2.4 and 2.7
18.	Major shareholders	7.3
19.	Related party transactions	2.9
20.	Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	
20.1.	Historical financial information	5.1 and 5.2
20.2.	Pro-forma financial information	N/A
20.3.	Financial statements	5
20.4.	Audited historical annual financial information	5.9 and 5.10
20.5.	Date of the latest financial information	5.1 to 5.5
20.6.	Interim and other financial information	N/A
20.7.	Dividend distribution policy	5.7
20.8.	Legal and arbitration proceedings	4.5

Headings		Sections
20.9.	Significant change in the financial or commercial position	4.1
21.	Additional information	
21.1.	Share capital	7.2
21.2.	Constitutive actions and Articles of Association	7.4
22.	Major contracts	4.4
23.	Information from third parties, expert declarations and declarations of interest	N/A
24.	Documents available to the public	9.6

9.7.2 Annual financial report

Information under Article L.451-1-2 of the French Monetary and Financial Code		Sections
1.	Management report	9.7.3
2.	Consolidated Financial Statements	5.1 and 5.2
3.	Company financial statements	5.3
4.	Statutory Auditors' report on the Consolidated and Company Financial Statements	5.9 and 5.10
5.	Declaration of the persons responsible for the annual financial report	9.1 to 9.3

9.7.3 Management Board Report

The table below identifies the sections of the Universal Registration Document containing all of the elements of the Management Board report required under the statutory and regulatory provisions.

Elements of the management report required under Article L.22-10-34 of the French Commercial Code		Sections
1.	Performance and activities of the Company during the past financial year	1.4
2.	Significant events during the 2021 financial year	1.1 and 5.4 (Note 1)
3.	Company profit in 2021	5.3 and 5.4
4.	Group indebtedness	4.3.3 to 4.3.7
5.	Group internal control, accounting, and financial risk management procedures	6.2
6.	Description of the principal risks and uncertainties to which the Company is exposed	6.1
7.	Research and development activities	1.6.4
8.	Significant events since the close	5.2 (Note 11)
9.	Foreseeable developments and future outlook	4.6
10.	Appropriation of results	8.3
11.	Table of results for the past five years	5.5
12.	Dividends	5.7
13.	Non-tax-deductible expenses	8.3
14.	Subsidiaries and equity investments	5.6
15.	Shareholders	7.3
16.	Stock option or stock purchase plans and free share allocation incentive plans	2.5
17.	Transactions on the Company's securities carried out by company officers and related parties (Article L.621-18-2 of the French Monetary and Financial Code)	2.8
18.	Share buybacks	7.2.3
19.	Information on supplier or client payment times	5.4 (Note 2.5)
20.	Human resource, environmental and social information (Articles L.22-10-36, R.225-104 and R.225-105-1 of the French Commercial Code, as amended by Decree no. 2012-557 of 24 April 2012 - article 1.)	3 (concordance table in section 3.9.3)
21.	Vigilance plan	3.4
22.	Supervisory Board report on corporate governance	2 and 9.7.4
23.	Group results in 2021	Consolidated Financial Statements

9.7.4 Supervisory Board report on corporate governance

Information required under Article L.22-10-20 of the French Commercial Code	Sections
Diversity policy applied to the members of the Supervisory Board	2.2.3.6
Preparation and organisation conditions	2.2.1, 2.2.2.1 and 2.2.3.1
Limitation of the Management Board's powers	7.4.1.3
Mandates and functions exercised by each company officer	2.2.2.4 and 2.2.3.5
Compensation and benefits of any kind for company officers	2.3
Consultation on the compensation of company officers	2.6
Provisions of the Afep-Medef Corporate Governance Code that were discounted	2.1.1
Where the Afep-Medef Corporate Governance Code can be consulted	2.1.1
Specific terms and conditions for attending Shareholders' Meetings	7.4.1.5
Delegations for capital increases	7.2.4
Elements likely to have an influence in the event of a public offering	7.6
Supervisory Board observations on the management report and the financial statements for the past financial year	8.4
Agreements concluded between a director or significant shareholder and a subsidiary	2.9.2 and 8.7

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