

# Annual report 2021



## Confirmations

July 2022

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# Editorial



**Godefroy Beauvallet**

## **Chair of the Afnic Board of Trustees**

The years go by and not much changes in that they are all, and have been for some time now, incomparable. That is the great paradox of our age, an almost permanence of the exceptional, which makes forecasting and backcasting difficult. How do you take away the lessons of a recent past that in 2020 we considered an atypical and exceptional present due to the pandemic? How do you look ahead using bases that have been so far removed from averages over the past two years? Should we be guilty of excessive optimism or excessive caution?

These questions, which apply to our activity as they do to so many others, can nevertheless be answered if we are able to evaluate our capacities collectively. Knowing what lies in our hands, in our power, to develop the .fr Top Level Domain, to undertake innovative policies, to combat online abuse, to promote an open Internet and to facilitate dialogue within the French Internet community. The term 'community', incidentally, likely deserves to be questioned in the coming years given the extent to which this community has changed over the years from a relatively small group of pioneering experts and users to a much larger set of stakeholders, now potentially encompassing all French Internet users as well as the organisations that maintain and operate the Internet in France. This means that facilitating dialogue today on the topics that Afnic addresses within such a community is no small task, and that it represents a priority for us, including in terms of resource allocation. The teams are working all out to accomplish these tasks and with the help of the Board of Trustees, its clients and members of the Association, we are assessing the limits of our commitment capability and the prioritisation needs.

Thus, despite the uncertain times, Afnic considers 2021 as a year of confirmations.

Confirmation, first and foremost, of its role as the .fr registry given that our Association was appointed by the French government for a new public service concession for the next five years.

Confirmation – and the link is plain to see – of its capacity for action and its priorities. These priorities for action – reasserted in our response to the call for tenders and set out in the new

Agreement between the French government and Afnic as of 1 July – and their scope are to some extent our roadmap. Discussed with the members of the Association within Consultative Committees and, of course, with the Board of Trustees, this roadmap comprises several major thrusts. I will mention a few here:

The operational excellence of the .fr TLD, CSR in action, the fight against abuse within the zone of confidence that the .fr domain represents, while maintaining its openness and its simplicity, the security of the French domain name registry, its human and financial capacity to invest in innovation, its skills transfer mission at national and international level, and its role as a liaison between the public authorities and the Internet back-end operators, notably within the scope of the DNS.

Confirmation of our ability to modernise, with the go-live of our new domain name registration system, the technical reactor core of Afnic and its client relations.

And lastly, confirmation of the momentum of the digital transformation of France, something that Afnic has been working towards for many years and the results of which – visible in the growing number of .fr registrations – are once again highly satisfactory this year.

2022 will see Afnic complete a rich three-year strategic cycle, and it is significant to note, through this 2021 report, all of these confirmations, which counterbalance the uncertain context.

One new innovation this year perhaps illustrates better than most the progress made – you'll find details in the CSR chapter. This chapter of the activity report is almost a separate CSR report in itself which demonstrates, for the first time, the scope of our actions and which will be further enriched in coming years as our approach is strengthened, in line with our commitment in this respect.

I hope it proves an interesting read.

Godefroy Beauvallet  
Chair of the Afnic Board of Trustees

# 1. 2021 highlights

## February

Afnic and **Réussir-en.fr** (“Succeed with .fr”) launch a self-assessment scheme to evaluate young people’s digital skills, in partnership with the public service Pix.

## March

Afnic joins the Think Tank **Renaissance Numérique**.

## March – April

As part of the France Relance recovery plan, the “**Tous en ligne maintenant**” (“All Online Now”) grouping, composed of Afnic, Cinov Numérique, Neocamino, La Mêlée and the CPME (Confederation of SMEs), is selected by Bpifrance to support 3,000 VSEs/SMEs, retailers and tradespersons in their digital transition.

## April

Afnic obtains the Qualiopi® national quality certification and henceforth offers **training courses on different themes connected with domain names** that are eligible for public funding.

## May

Afnic brings a new platform online dedicated to the **Syrel** dispute resolution procedure in order to improve the user experience for this service, the use of which has considerably increased in recent years.

## June

Following the success of the “**Connecte ta boîte**” (“Connect your Business”) programme by France Num, **Réussir en .fr** launches a podcast stemming from the TV show covering 6 testimonials from VSEs that have made the digital leap.

## August

**The 10<sup>th</sup> edition of the Afnic Scientific Council Open Day** brings together representatives of the academic world, the private sector and civil society around the notions of surveillance and encryption.

## September

Afnic is appointed by the French government as the **.fr registry** for the next five years following a call for tenders launched in spring 2021.

## November

**The Afnic Foundation for Digital Solidarity** selects 92 winners representing a total budget of 1.3 million euros. Health, disability and digital mediation are the main challenges of the projects supported.

## December

Afnic joins the organisation **ID4me** in order to contribute to the work on digital identity based on the domain name system and ultimately propose a simple and secure identification solution to users.

## 2. The Association

The Association continued to run meetings in hybrid format this year and has incorporated these arrangements for the General Meeting and the meetings of the International College as a permanent fixture, as has already been the case for the Consultative Committee meetings for a number of years now.

The **Board of Trustees** met six times in 2021, three times remotely and three times face-to-face, including for its annual strategic seminar.

The four meetings in the first half of the year focused largely on the preparation of the response to the call for tenders concerning the delegation of the public service for the management of the .fr TLD. Thanks to their diverse experiences, the trustees were able to accurately identify the expectations of the .fr stakeholders and approved the proposal which resulted in the renewal of Afnic's term for a further five years for the management and promotion of the .fr domain.

The meetings of the **"User" and "Registrar" Consultative Committees** continued to be held remotely this year.

In May, the members were consulted on the modifications to the .fr Naming Charter aimed at incorporating the European Consumer Protection Cooperation Regulation ("CPC") strengthening the powers of the DGCCRF (General Directorate for Competition Policy, Consumer Affairs and Fraud Control) with regard to the Registry by giving it the possibility to order it to block and subsequently delete certain domain names. Another important modification presented and discussed consisted in prohibiting the registration of domain names ending in -gouv.fr.

The "User" and "Registrar" Consultative Committees were also able to contribute to the preparation of Afnic's response to the call for tenders to appoint the .fr Registry.

In November, the Afnic teams sought the opinion of members on the switch-over of the .fr TLD to the new information system (already rolled out for the generic TLDs managed by Afnic) and on the problem of French citizens living outside of the European Union and their eligibility for the .fr domain. This meeting also provided an opportunity to launch an operational working group on "digital identity".

Lastly, as part of its role as facilitator for the French Internet community, Afnic organised an Extraordinary Consultative Committee meeting in mid-December during which, following a presentation of the framework of digital injunctions, the DGCCRF was able to respond directly to questions from the members, who are impacted differently by injunctions depending on their role.



The **International College** also had to meet remotely given that international travel was not possible in the 2021 health situation. The multitude of time zones of the members meant that some had to connect in difficult conditions. However, all of them responded to the call and in addition to the annual meeting in June, numerous meetings on the plans of the International College were held throughout the year.

The Association's **Ordinary General Meeting** was held in hybrid format on 11 June 2021. Members of the User and Registrar Consultative Committees, trustees and Afnic employees were delighted to meet again for this convivial event.

Following the departure of Frédéric Guillemaut, the Registrar Consultative Committee had to elect a new representative to the Board of Trustees to cover the end of his term of office, that is to say one year.

After a highly digital election campaign and a video conference meeting to enable the Committee members to exchange with the candidates, the members were able to appoint their representative by way of an online vote.

A new trustee was therefore elected on 11 June 2021:



**Nameshield, represented by Arnaud Wittersheim**

### 3. The .fr domain

The .fr renewal rate further improved to reach a historic level of **84.6%**, while create operations remained high at **776,514** domain names created in 2021.

The stock increase of the .fr domain resulting from these factors illustrates a net gain in terms of the digital transformation and not just a windfall effect solely linked to the 2020 health situation. It is possible that the catch-up in terms of the take-up of domain names by French businesses and private individuals will slow in the months and years to come, but a threshold does seem to have been crossed since more than one year after the sharp increase in the number of creations, we have not seen an increase in deletions.

At 31 December 2021, .fr had 3,882,488 domain names in stock, compared to 3,670,372 at 31 December 2020.

It thus grew by **5.8% in 2021**.

The growth of the .fr TLD (+5.8%) also remains well above the average growth of its European counterparts which stood at 2.9% in December 2021.

26 sales operations took place in 2021. Afnic and its Registrar partners have primarily pushed the .fr TLD to the forefront through the “**Je passe au numérique**” (“I’m going digital”) scheme.



#### **.fr: committed to the digital transformation of VSEs/SMEs**

Afnic has pursued and reinforced its mission to support French businesses to ensure an effective, controlled and independent Internet presence.

In 2021, it joined forces with numerous partners to propose new support formats and programmes in order to help businesses take the first concrete step in their digital transition.

Afnic has thus become the leader of the **“Tous en ligne maintenant”** (“All Online Now”) grouping alongside Neocamino, CINOV Numérique, the CPME and La Mêlée. Selected by means of calls for proposals by **Bpifrance** and **France Num**, this initiative offers coaching sessions to companies wanting to create a website, improve their local SEO or boost clientèle loyalty thanks to email campaigns.

Meanwhile, Afnic sponsored the first season of the TV show **“Connecte Ta Boite”** (“Connect your Business”) at the start of the year before becoming co-producer of season two. This original programme by **France Num**, devised by Le Studio Next, helps small companies looking to digitalise their business. Spurred by the success of the show, Afnic converted the concept into a **podcast** in which it invites business leaders from varied backgrounds to share their experience.

In addition, to help VSEs/SMEs get their bearings amid all the offerings to create a customised email address and websites, the **“Je passe au numérique”** scheme has been expanded. Sixty partners, the vast majority Registrars, now offer their services at affordable prices to guarantee turnkey solutions that meet the criteria set out by the .fr experts.

Finally, the **Réussir-en.fr** programme has continued its mission to raise the awareness of VSEs/SMEs and 12- to 25-year-olds via its dedicated advice platform as well as through actions on the ground: more than 20,000 entrepreneurs and 3,000 young people took part in a free workshop on best practices when it comes to their online presence.

## Combating abuse at the centre of concerns

Through its different procedures, Afnic is very active when it comes to checking holder data, holder eligibility, the fight against abuse, and resolving disputes between domain name holders and rights holders through the Syreli and PARL Expert procedures.

The following figure shows the scale-up of these different procedures in one year.

# TREND VOLUME OF ABUSE-RELATED PROCEDURES 2020-2021 IN ANNUAL TOTALS



## 4. Non-.fr activity

The situation of gTLDs remains stable, with economic trade-offs working to be benefit of less costly and less well-known domains, like .fr.

Nevertheless, it is worth noting that with the exception of .paris (-1.5% of stock), the other geoTLDs are holding up well as they are led by registries that implemented dynamic communication strategies during the crisis.

.museum, for its part, has had an excellent year with a +31% increase in stock representing 217 domain names.

Alongside the activity linked to the .fr domain, Afnic also initiates actions to promote the .museum and .paris TLDs as well as its registry, consulting, and more recently training solutions. Content is regularly produced to update the website [www.welcome.museum](http://www.welcome.museum) and help museums make the most of the opportunities offered by the Internet. For the past three years, 'Le Cercle des .marque' ['The BrandTLD Club'] has been uniting a community of over 60 members, brands and brand representatives that meet once a year to talk about custom TLDs. The training course catalogue has been structured and posted online, and is the focus of specific actions to recruit participants.

2021 was also marked by the switch-over of the open TLDs managed by Afnic to its new Information System. Entirely rewritten and re-engineered as part of the AVENIR project, the new Afnic domain name information, registration and management system is now operational. Its go-live, which began in 2020 with the brand TLDs managed by Afnic, thus continued in 2021 with the open generic TLDs. In addition to a complete overhaul of the system's lower layers, resulting in performance and profitability enhancements to the system, a new registry interface has been made available to clients allowing them in particular to manage the commercial development of their domain in a more integrated manner by notably improving the management of promotional operations and the performance overview of accredited registrars. As indicated above, the project was further developed with the preparation of the switch-over of .fr to this new system, which will take effect in 2022 following the completion of the additional developments needed for the national TLD, the registry policies and volumes of which differ from those of the generic TLDs managed by Afnic.

### The training courses

The Afnic training offering is Qualiopi® certified and now contains three courses presented in the catalogue:

- The basics of the DNS,
- IPv6,
- DNSSEC.

Three training sessions on the basics of the DNS were run in 2021.

The training activities have also gained a fresh boost with the introduction of support actions financed by **Bpifrance**, for which Afnic employees themselves run support activities, particularly targeting the businesses established within the urban community of Saint-Quentin in Yvelines, the location of our Association's head office.

## 5. Social responsibility at Afnic

### Introduction

CSR is an integral part of our multi-year strategy, notably under the “Optimise the social, economic and ecological benefits of the DNS” area. Beyond this strategic priority, access to essential services, maintaining affordable prices, support for an online presence, combating abuse, the security of personal data and the defence of domain name holders’ rights are all vital elements in our approach and in our vision of Afnic’s responsibility.

**The work to structure our CSR initiative naturally continued in 2021, notably with the alignment of the process set out in 2020 and the laying of the first components of the CSR management system on the basis of the ISO 26000 standard. This work has brought to light our priority issues.**

**Providing our employees with a healthy, safe and pleasant work environment that encourages their professional development**

**Developing relationships based on trust and co-construction with our stakeholders**

**Respecting and protecting the rights of domain name users**

**Innovating while taking account of CSR challenges to design responsible products and services**

**Being an active player in the service of the general interest, of French entrepreneurs, young people and populations with limited experience of the digital world**

**Understanding the environmental impact of our activities and reducing the carbon footprint of the domain name activity**

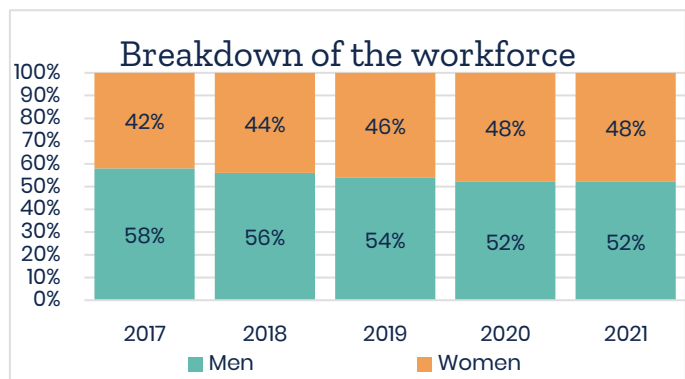
In Q2 2021, Afnic submitted its response to the call for tenders for the public service concession for the management of the .fr TLD over a 5-year period as of 1 July 2022 and entered into new CSR commitments (combating abuse, access to essential services, environmental impact of the DNS, defending holders’ rights, data protection).

## 5.1. Providing our employees with a healthy, safe and pleasant work environment that encourages their professional development

### Changes in the workforce

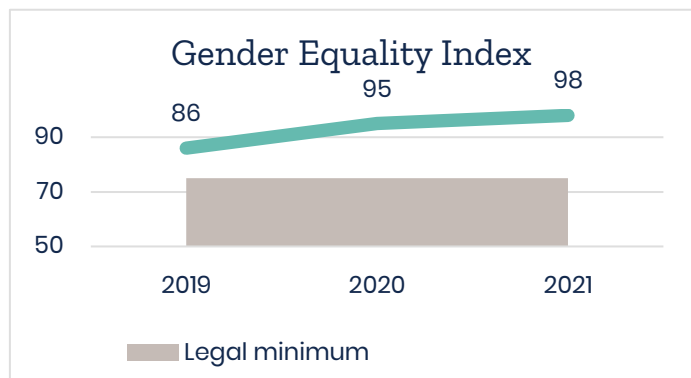
**Afnic had 85 employees**

**- 46% women and 54% men - at 31/12/2021, i.e. a stable workforce (5 arrivals and 5 departures).**



### Diversity and equal treatment

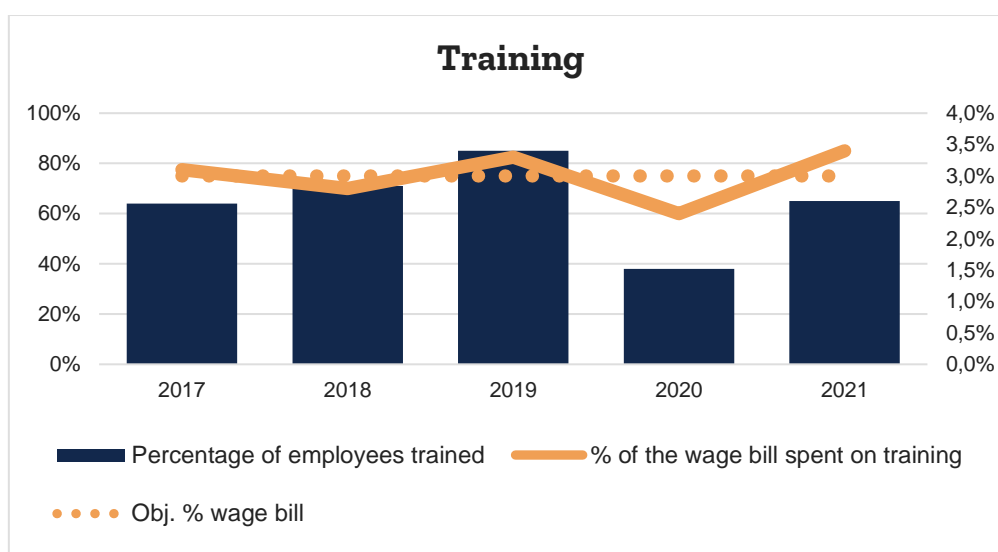
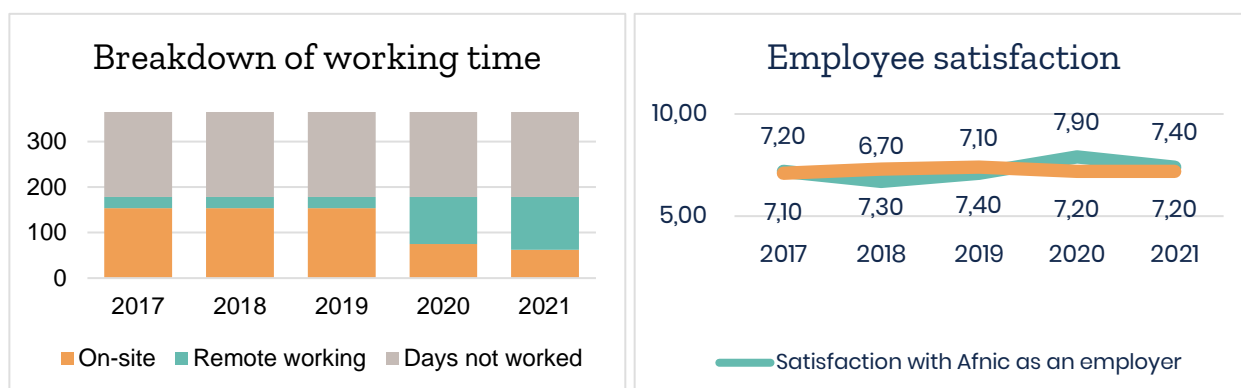
**The Gender Equality in the Workplace Index for 2021 stood at 98/100**, up 3 points compared to 2020 and 12 points against 2019.



### Work organisation and skills development

In the prolonged context of the health crisis, the discussions with the Economic and Social Committee (CSE) and the union representatives on the topic of the health crisis continued at a steady pace in order to adapt the work organisation to the various changes to the national protocol. Employees worked remotely on average 116 days in 2021 (out of 178 days worked). Managers thus played close attention to the well-being of their teams. The annual employee satisfaction survey was also an important feedback channel for General Management.





Unlike in 2020, the health situation did not impact our **commitment to devote 3% of the wage bill to developing employee skills. In 2021, 65% of employees took training courses** (compared with 38% in 2020), for a budget equivalent to 3.4% of the wage bill (2.4% in 2020).

Given its business sector, Afnic understands the importance of training and has been developing its research, consulting and training activity over several years (creation in particular of the Partnerships and Innovation department and Qualiopi® certification). Afnic naturally brings form to this commitment through the permanent presence of at least two work-study contracts and one doctoral contract. In a rich and fast-paced technical environment, Afnic thus contributes to training future professionals and draws benefits from its interactions with higher education institutions and organisations.

## Quality of life at work and social dialogue

Afnic has long placed specific emphasis on the **quality of life at work** for all of its staff, both an application of the values advocated and an act of good management to foster employee loyalty and sustain their professional engagement.

This has led in particular to the pioneering initiative to introduce a 4-day working week more than 20 years ago, thus fostering a **work-life balance**.

The agreement in force concerning the quality of life at work was signed unanimously by the representative trade unions at Afnic in 2018 and reaffirms several overriding themes like:

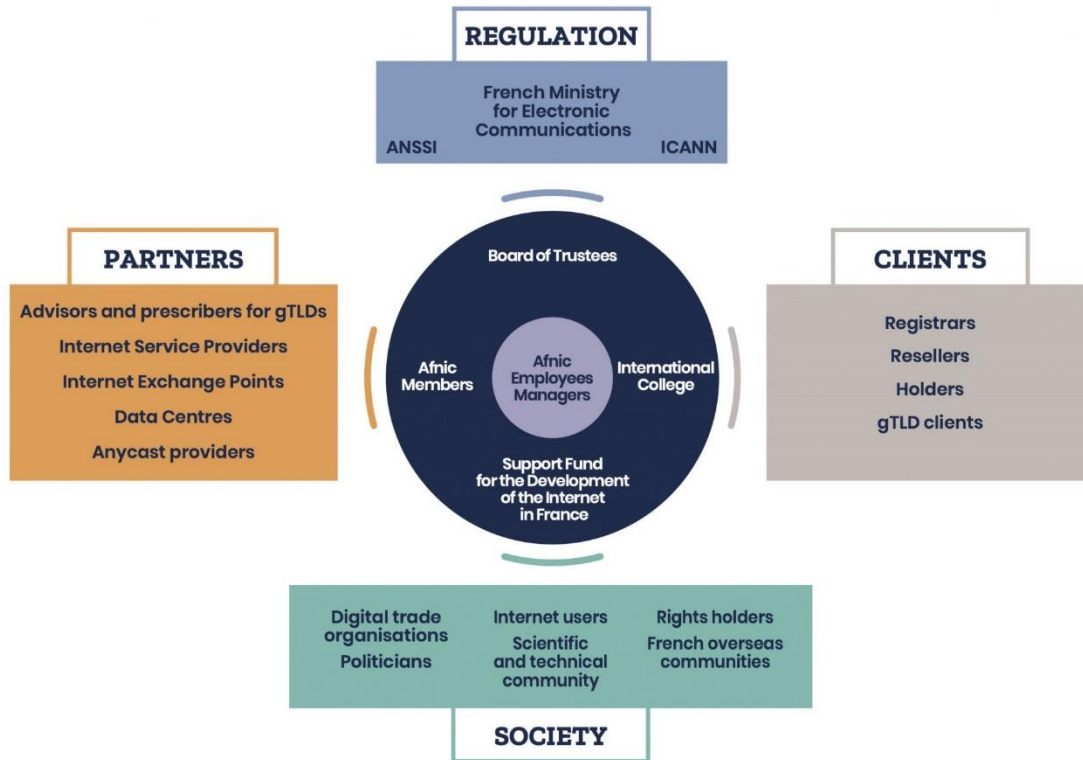
- the aforementioned 4-day working week;
- a high-level complementary health insurance and **life insurance** scheme;
- the right to disconnect;
- **gender equality in the workplace** which is reflected in near gender parity among employees and an equality index of 98 out of 100 in 2021;
- the importance of **social dialogue**, the quality of which is ensured with 3 trade union organisations present (annual negotiation agreement signed unanimously in 2021, in particular);
- the importance of regular discussion and **dialogue between employees and their manager, with two-part annual appraisal interviews**, over and above the statutory legal provisions;
- daily well-being details like a fruit basket and free drinks.

## 5.2. Developing relationships based on trust and co-construction with all of our stakeholders

### A governance model that guarantees exchanges with stakeholders

As a non-profit association, Afnic has put in place a multi-party governance from the outset bringing together all the stakeholders in the French Internet: public authorities, users and the private sector. Afnic manages the domain name registry in France in connection with the country's entire Internet ecosystem. Because the .fr TLD is a public good, its role is considered one of general interest, consisting in contributing on a daily basis to a safe and stable Internet; open to innovation; and in which the French Internet community plays a leading role.

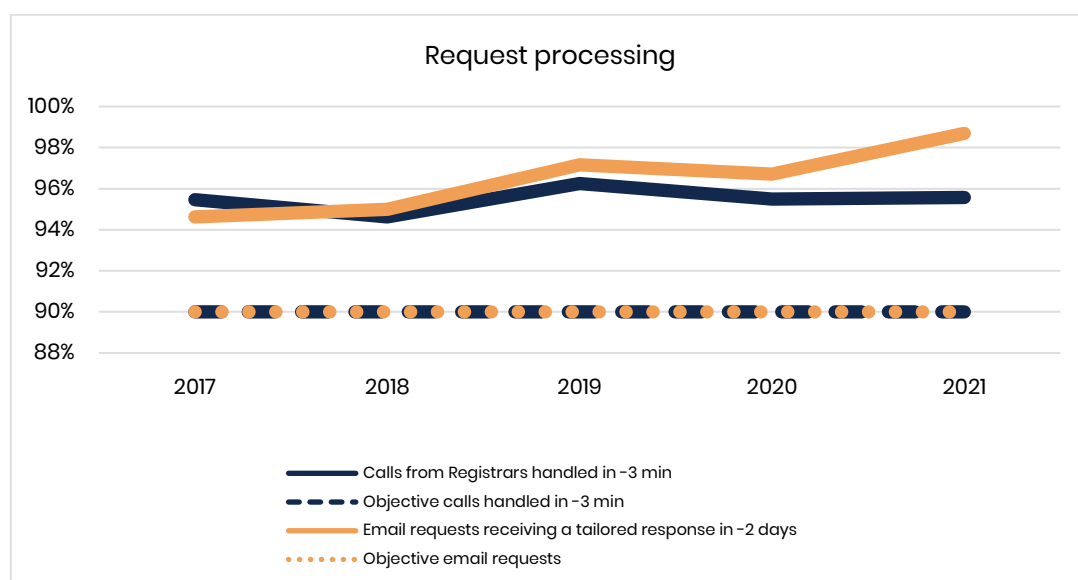
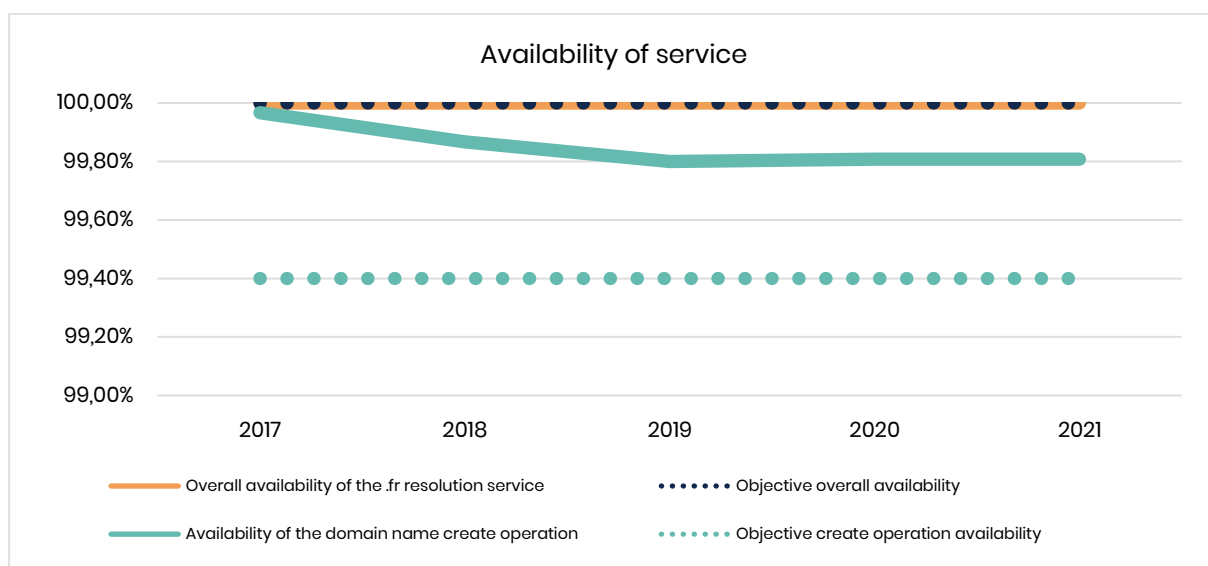
## STAKEHOLDER MAP



Afnic advocated the values of integrity, openness, professionalism and community to promote an Internet made in France that benefits everyone. It is committed to constantly ensuring a high level of performance and reliability, and to managing the .fr TLD with maximum effectiveness in the service of the general interest.

### 5.3. Reliability of the .fr domain for safe and stable access to essential services

The reliability of the DNS is the first of our commitments. Afnic is constantly improving its information system to raise its performance standards in domain name resolution, as well as their creation, the availability of the WHOIS directory, the fight against abuse and the protection of personal data. This same performance requirement is applied to customer relations, particularly with Registrars, with dedicated account managers and an integrated customer support department, and the development of services to further strengthen the security of the DNS and the simplicity of the .fr domain.



## Systems security and data protection

The Afnic information system is ISO 27001 certified so as to guarantee the security of .fr essential services and Afnic has an in-house Data Protection Officer to ensure compliance with the GDPR and to handle infringements of rights in less than 48 hours.

## Respecting and protecting the rights of domain name users

Being a domain name holder, or simply an Internet user and therefore a domain name user, comes with a set of rights and responsibilities. The latter are more specifically set out in the .fr Naming Charter for domain name holders.

Afnic endeavours to respect and ensure respect for the rights of domain name users, in particular by making dispute resolution procedures available but also a procedure dedicated to identity theft and the possibility to request verification of data on a domain name holder or communication of their data if a prior right to the name can be proved.

All of these procedures are devised and deployed with consideration for respect for the fundamental freedoms that are freedom of expression, freedom of enterprise and respect of privacy.

## 5.4. Innovating while taking account of CSR challenges to design responsible products and services

Afnic favours cooperation with the players in the French Internet ecosystem in all fields – particularly in the field of innovation and notably locally within the Paris-Saclay area, a hotbed of world-class expertise.

As part of a collaborative approach to research, Afnic partners with public laboratories, foreign counterparts and industry to put the DNS at the service of new technologies (IoT or authentication protocols, for example), and all tools and publications produced are made available to all.

Advocating a vision of an open Internet that benefits everyone, Afnic also actively contributes to Internet governance within ICANN, the Internet Governance Forum, IETF and other standards organisations to set the rules and open standards of tomorrow. Afnic ensures that it has the resources to collaborate on the chosen projects by devoting 10% of its revenues to R&D initiatives.

All of the research projects carried out in 2021 by Afnic had at least one CSR goal: network security and resilience, personal data protection, environmental impact of the DNS, etc.

### 2021 overview of R&D projects

The progress of R&D projects at Afnic was characterised by confirmation: confirmation of Afnic's commitment to new joint projects and confirmation of the completion of others.

Pursuing its involvement in IoT (Internet of Things) research activities, Afnic selected two new projects: the first as the French coordinator of a consortium responding to the bilateral

Franco-German Joint Call on Cybersecurity (MESRI-BMBF) with the PIVOT project (Privacy-Integrated design and Validation in the constrained IoT).

The second, on the initiative of Gandi and bringing together 17 partners, approved as part of the French 5G stimulus plan<sup>1</sup>, aims to design and define the “Edge” digital infrastructure with a view to tests in 5 different environments: industry 4.0, intelligent management of the smart grid, firefighter intervention on large-scale fires, management and control of water production by a local authority, and intelligent control to minimise the electricity consumption of a data centre network.

These projects initiate work with new research partners on the DNS and its uses applied to the IoT and new communication architectures (5G). A new doctoral thesis was thus begun within the Afnic R&D team with the Université Paris Saclay research laboratory.

Also in the field of the IoT, the DiNS (AAP ANR2019) project, which Afnic was mid-way through at the end of 2021, has enabled the conception of a scalable identification and naming architecture for IoT objects and a unified and open roaming infrastructure for the IoT called IoTRoom<sup>2</sup>.

2021 also saw the completion of 3 years of research on Cybersecurity and the IoT:

- the CIFRE doctoral thesis<sup>3</sup> in Computer Science between Institut Polytechnique de Paris – Télécom SudParis and Afnic. In this respect we would like to reiterate our compliments to Antoine Bernard for his work and contributions and his successful thesis defence at the end of November;
- the COMAR project<sup>4</sup>, launched at the end of 2018 and financed by Afnic and our Dutch counterparts at SIDN, also resulted in a successful doctoral thesis at the Université Grenoble Alpes, the publication of 4 scientific articles and the design of software to classify and distinguish between domain names registered for the purpose of malicious activities and compromised domain names used for malicious content. Afnic is currently in the test and integration phase within its information system in order to assess and enrich its tools to combat abuse.

Additionally, the R&D team puts its capacity to design, study and trial new technologies to work on a daily basis within the frameworks of projects on topics ranging from DNS service architectures, digital identity and security to a better understanding of domain name uses for innovation at the service of an open, safe, stable and responsible Internet.

<sup>1</sup> [https://www.gouvernement.fr/sites/default/files/contenu/piece-jointe/2021/12/20211202\\_-\\_cp\\_evenement\\_sa\\_5g\\_vdef.pdf](https://www.gouvernement.fr/sites/default/files/contenu/piece-jointe/2021/12/20211202_-_cp_evenement_sa_5g_vdef.pdf)

<sup>2</sup> <https://hal.archives-ouvertes.fr/hal-03100628v2>

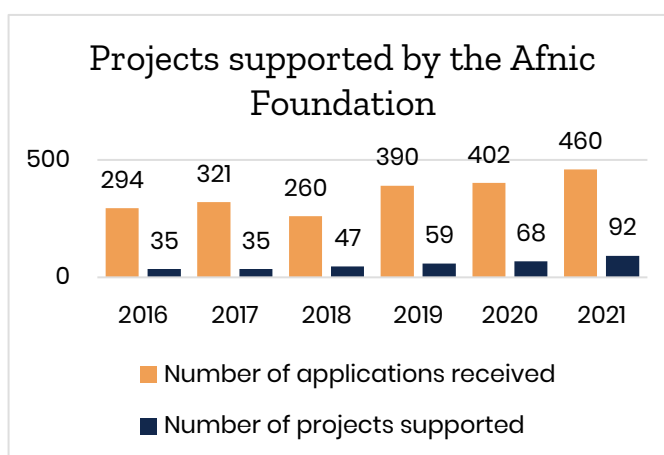
<sup>3</sup> <https://tel.archives-ouvertes.fr/tel-03517087/document>

<sup>4</sup> <https://comar-project.univ-grenoble-alpes.fr>

## 5.5. Being an active player in the service of the general interest, of French entrepreneurs, young people and populations with limited experience of the digital world

### The Afnic Foundation for Digital Solidarity

Of a total 460 applications received and after examining the admissibility and relevance of the project and interviews carried out with the project leaders, **the Afnic Foundation for Digital Solidarity supported 92 winners in 2021 representing a total budget of over 1.3 million euros.** In order to support a larger number of initiatives, the Afnic Foundation replicated the scheme launched in 2020 to run 2 additional calls for projects:



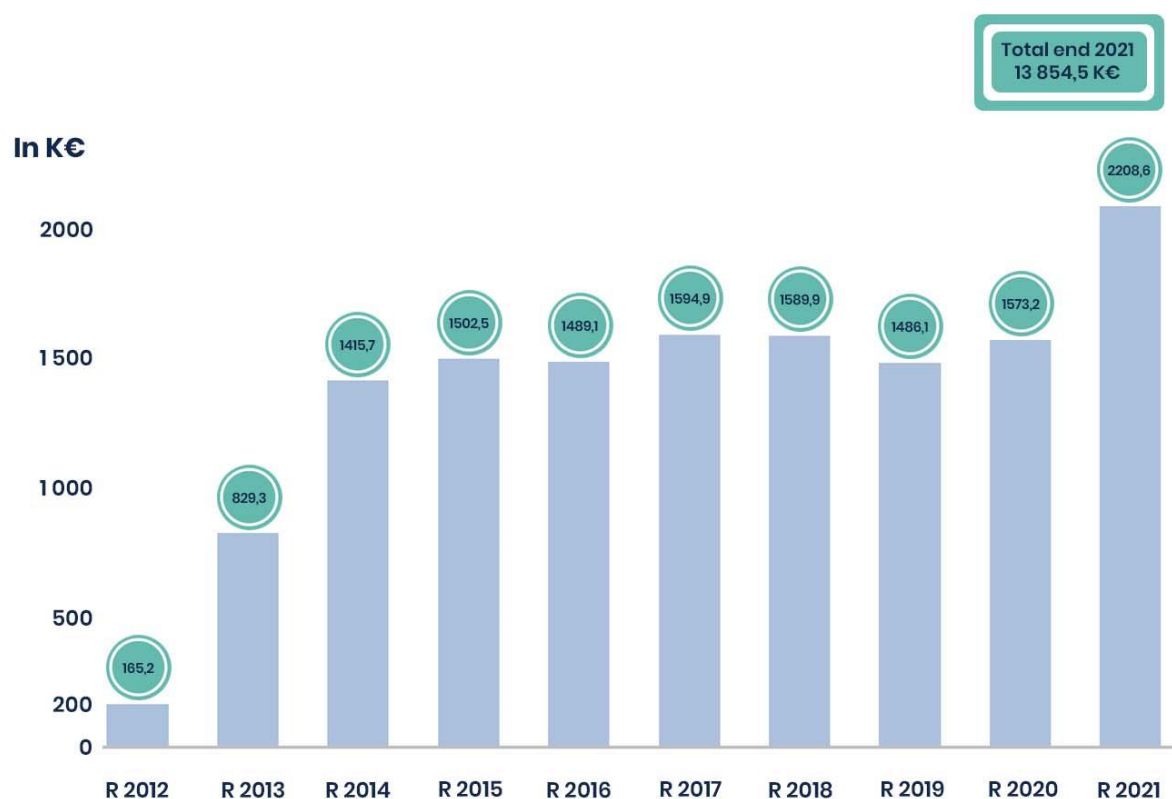
### Digital technology at the service of a more equitable society

37 projects, of which 15 on a national scale, were selected for a total of €844,100. Health/disabilities and digital mediation tools represented around 60% of the 258 applications received.

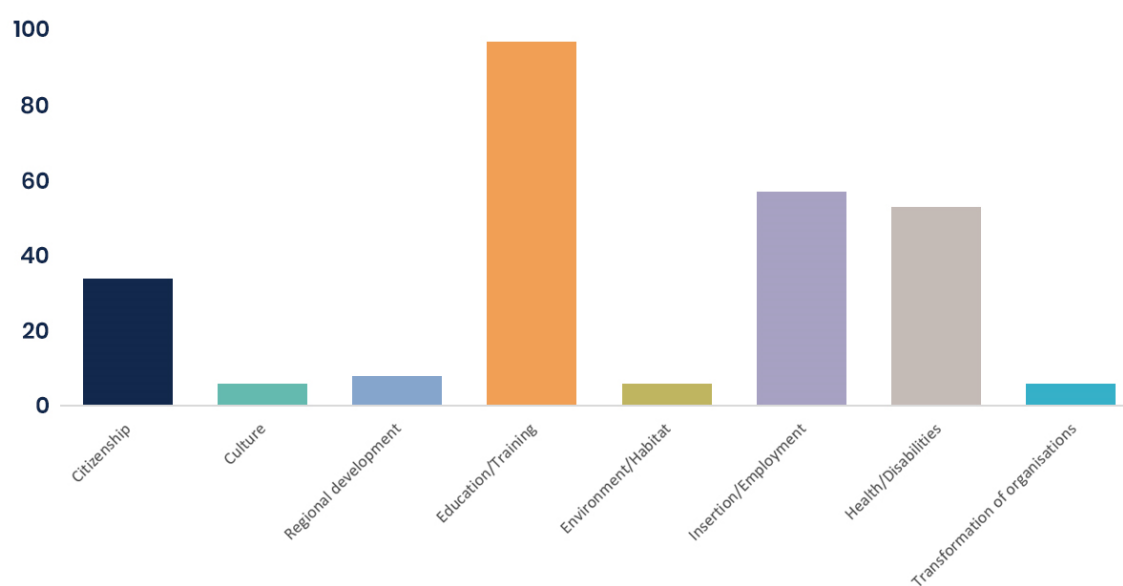
### Digital mediation workshops

The three sessions opened in 2021 led to the selection of 55 projects to create and run collective workshops to support those with little access to digital technologies for a total of over €450,000.

## EVOLUTION OF SUMS TRANSFERED BY AFNIC TO THE FOUNDATION SINCE 2012



## THEME DISTRIBUTION FROM 2018 TO 2021





## Supporting the online presence of VSEs/SMEs and young people

Through Réussir-en.fr and the Foliweb workshops, more than 17,000 VSEs/SMEs received support in 2021 in their move online and were trained in the priority actions to develop their Internet activities, while some 4,000 young people took part in the workshops organised with our partners on mastering their online presence.

As part of the France Relance recovery plan and the France Num initiative, **Bpifrance** selected the “Tous en ligne maintenant” (“All Online Now”) grouping comprised of Afnic, CINOV Numérique, Neocamino, La Mêlée, the CPME and their partners, the Auvergne-Rhône-Alpes region, the CINOV federation, Planète CSCA and the AFPA, for an operation to support 3,000 VSEs/SMEs, retailers and tradespersons with limited experience of the digital world between May 2021 and October 2022.

## 5.6. Understanding the environmental impact of our activities and reducing the carbon footprint of the domain name activity

### Afnic carbon footprint assessment

**In 2021, Afnic calculated its carbon footprint for 2020 in collaboration with the EcoAct firm. The total was 705 tCO<sub>2</sub>e, i.e. a 30% reduction against the last balance assessment in 2018.**

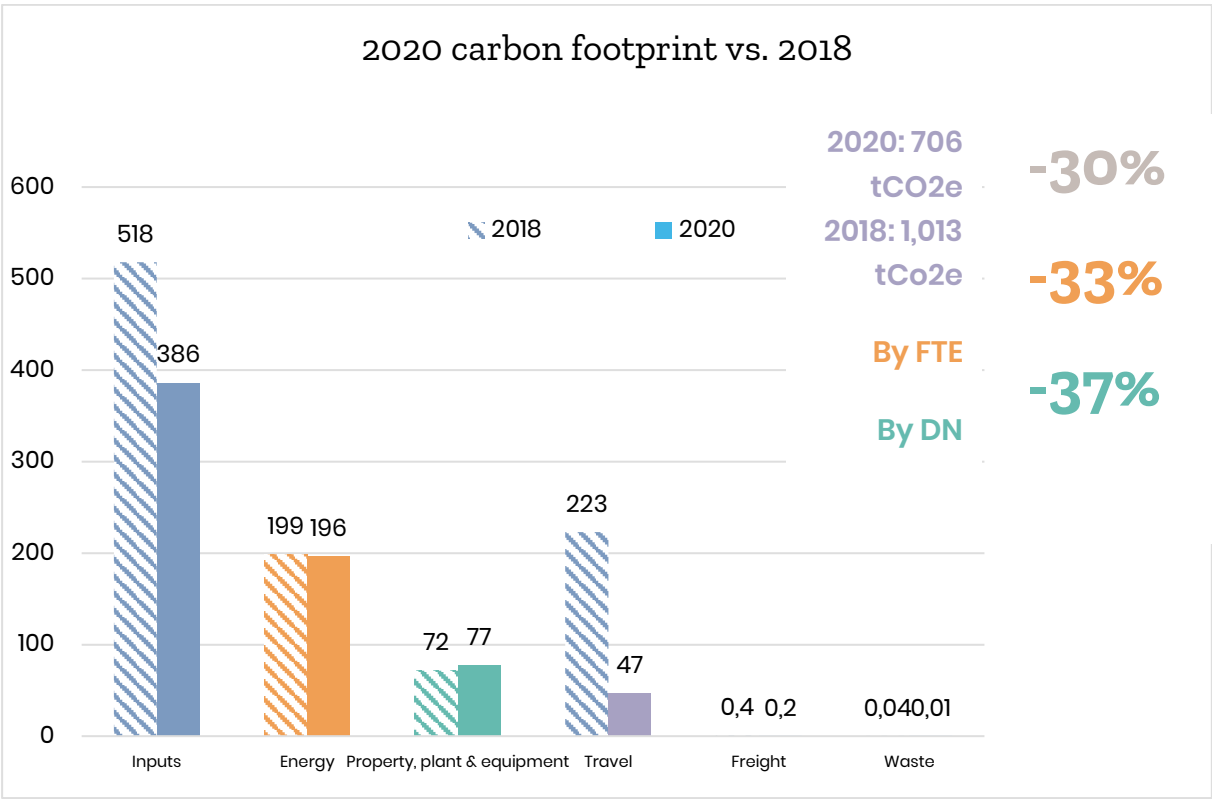
Inputs remained the main source of emissions with 386 tCO<sub>2</sub>e (55% of the footprint) yet still down by 26% compared with 2018.

Energy was the second largest source, representing 28% of GHG, down 2% despite the application of a new PUE (Power Usage Effectiveness) average for data centres equal to 2.53 compared to 1.3 previously. Emissions predominately originated from the data centres located abroad (64%) followed by data centres in France (29%) and the head office (7%).

Property, plant & equipment accounted for 11% of the overall footprint. This was the only item to post an increase (+7% on 2018) in connection with the new IT equipment acquisitions.

Employees worked remotely 2.32 days per week on average in 2020, which contributed, along with the online hosting of events, to a 79% reduction in travel emissions, i.e. 47 tCO<sub>2</sub>e (compared with 223 tCO<sub>2</sub>e in 2018). This item accounted for 6% of emissions and included energy consumption generated by remote working.

Waste represented less than 1% of emissions (0.01 tCO<sub>2</sub>e), down by 88% compared with 2018. Freight was also marginal at 0.2 tCO<sub>2</sub>e (-50% on 2018).



## 6. Financial report

### 6.1. Key figures

For 2021, Afnic posted growth of 3.5% in its total revenues, which amounted to €19,730,613.

The net accounting profit was €736,742, up by 21.7% on the previous financial year.

Total revenues for 2021 broke down as follows:

- **Revenues from .fr amounting to €18,212,713, up by 4.8% on 2020.**
- **Revenues from gTLDs and consulting services amounting to €1,225,394, down by 14.1% on 2020.**
- **Revenue from French overseas territories amounting to €292,506, up by 9.0% on 2020.**

After restatements for payments due to Paris City Hall for .paris, and to Muse Doma for .museum, Afnic's revenues amounted to €19,390,365, up by 3.7% relative to the previous year.

Operating expenses amounted to €15,505,033, down by 2.1% on 2020.

### 6.2. Activity in 2021 compared with budget objectives and with 2020

- Total revenues of €19,730,613 consisted of €19,569,931 of net revenue, €42,932 grant funds from ANR (National Research Agency) and €117,750 of grant funds from Bpifrance. The ANR grant, amounting to €234,968 over three years, is taken into revenues on the basis of the actual time spent by the teams on the project. The Bpifrance grant, amounting to €750,000 over 18 months, is paid in the form of advances and taken into revenues on the basis of the number of support actions actually executed.
- Revenue from .fr was up by 4.8% relative to 2020, in correlation with the annual growth in its stock of 5.8%, with 3,882,488 domain names registered at 31 December 2021. This revenue growth was brought about in particular by renew operations (+6.2%) and specific products associated with the .fr TLD (+6.5%).

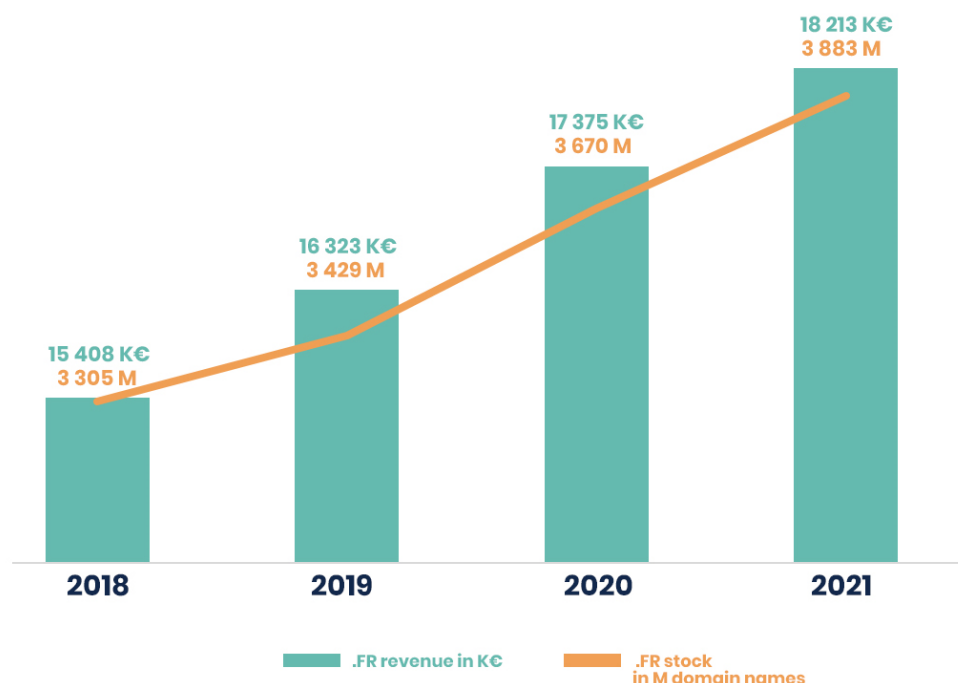
- Relative to the budget objectives, revenues from the .fr domain were ahead by 5.9%, in line with the 7.6% increase in the stock of .fr names. Added to this were the supplementary revenues from specific products (+68%) and current operations (+4%).
- Revenue from French overseas TLDs was up considerably compared with 2020 (+9%) and with the budget (+4.5%). The total stock of domain names increased by 12%, standing at 55,119 at 31 December 2021.
- As for gTLDs, 2021 saw growth of 4.9% in the stock of domain names and a 14% decline in revenues brought about by the repositioning of the OVH and BZH contracts, the fall in stock of the .paris TLD and the lack of consulting assignments.

The revenue from gTLDs is in line with budget projections.

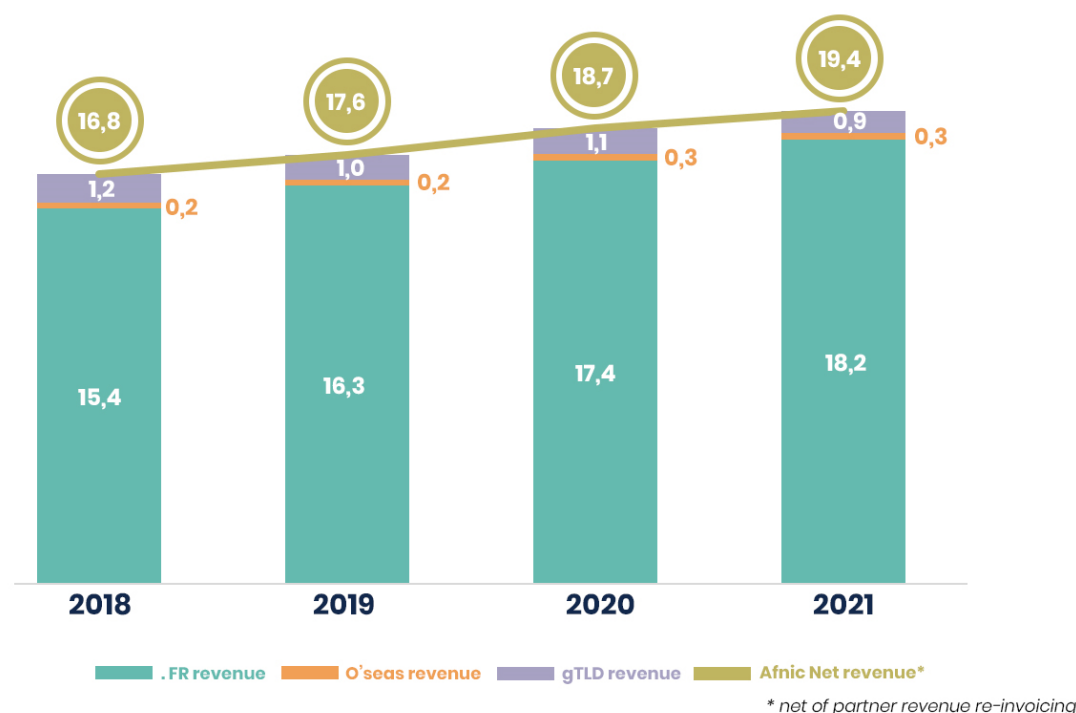
Consulting services did less well than expected, with revenues down by €34,250 (-73%).

The following figures provide an overview of the change in revenues over the past few years:

## REVENUE AND .FR STOCK EVOLUTIONS



## AFNIC REVENUE EVOLUTION AND TLD WEIGHT (IN M€)



### 6.3. Operating expenses

Operating expenses amounted to €15,505,033, down by 2.1% on 2020.

Operating expenses include €340,247 of charges transferred to Paris City Hall and Muse Doma, and do not include the amount paid to the **Afnic Foundation**.

The highlights of 2021 were:

1. Personnel expenses: a 1% increase and a stable average workforce. The savings resulting from the departures and the absence of mutually agreed termination of contract have limited the increase in other items (negotiated annual salary increases, 2020 recruitments and training).  
Relative to the budget forecasts, this item represents a 7% saving, in correlation with the scheduled average workforce reduction of 7%: the recruitment plan was implemented, however, unforeseen departures allowed savings to be made.
2. At 31 December 2021, the workforce stood at 85 employees including three on fixed-term contracts and two on skills-acquisition contracts.
3. External ISD charges: a reduction in expenses of 3.1%, explained by maintenance savings and amortisations (non-renewed equipment) following the switch-over of gTLDs to our new SRS and to successful cost renegotiations.  
These expenses were in excess of the initial budget by €435,964 (+15.1%) due to the longer than planned use of external service provision to complete the AVENIR project.

4. A cost price per .fr domain name amounting to €3.40 (-6.6%): the 5.8% growth in the stock and the fall in .fr charges have allowed this cost price to be reduced.

Operating profit for 2021, including the endowment to the Afnic Foundation, was €2,083,082, €352,629 (20.4%) more than in 2020 and €906,958 (77.1%) ahead of the budget.

## 6.4. Other expense items

1. Afnic employees will receive a share in the profits based on the result for 2021. The amount of the profit sharing and the associated employer's social contribution is €691,040.

The profit sharing is applied in accordance with the legal criteria (Article L3322-2 of the French Labour Code).

## Trends in the level of profit sharing (profit sharing and employer's social contribution)

over the past 5 years:

€000s	2017	2018	2019	2020	2021
Profit sharing and employer's social contribution	448	459	449	434	691

The amount for the Afnic Foundation for Digital Solidarity was €2,208,606.

Since the creation of the Afnic Foundation, the .fr activity has allowed it to be endowed with €13,854,850.

### 2. Corporation tax and tax credit

#### Research & Innovation Tax Credit

In 2021, Afnic generated a research tax credit of €29,861 and an innovation tax credit of €78,431, giving a total of €108,292.

#### Sponsorship Tax Credit

The funds paid to Fondation de France on behalf of the Afnic Foundation entitle Afnic to a tax credit amounting to €58,724 in 2021.

#### Family Tax Credit

Afnic is pursuing its family policy by reserving places in a company crèche with a view to offering the employees concerned, men or women, a better work-life balance.

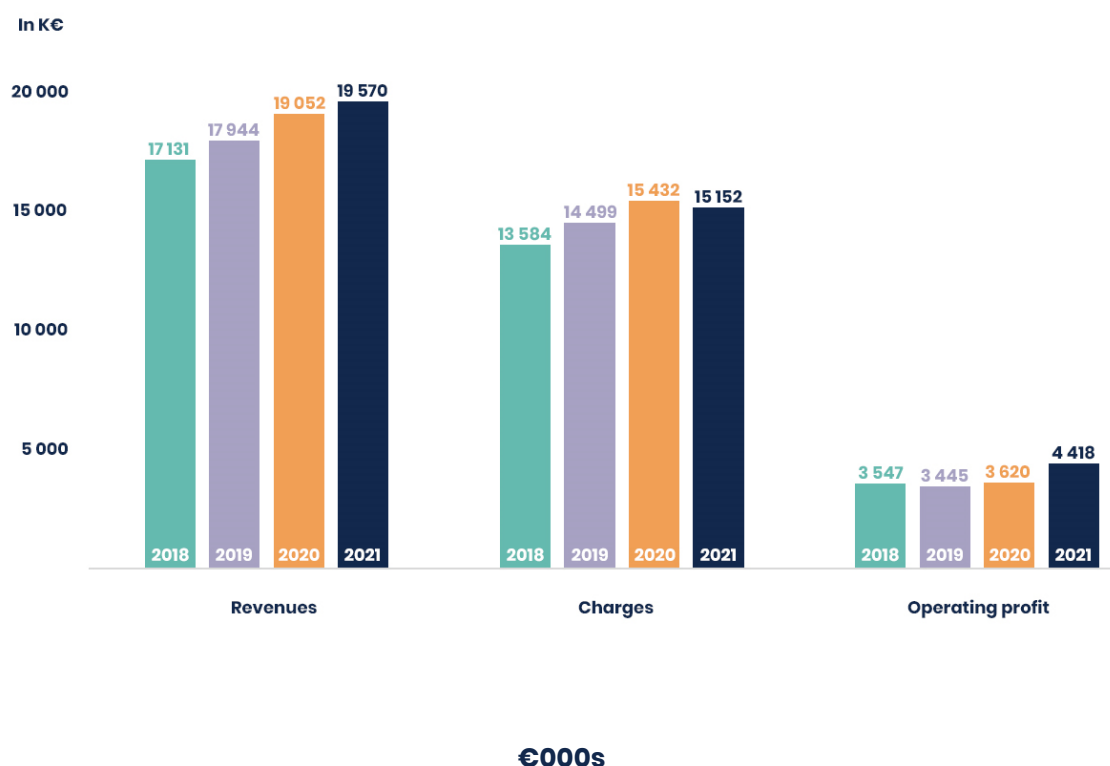
This arrangement allows it to benefit from the associated family tax credit, which for 2021 amounted to €25,099.

These tax credits are applied to the amount of corporation tax of the Association, which came to €889,066 (4.5% of Afnic's revenues).

## 6.5. Operating profit before tax and allocation to the Afnic Foundation, up 22.1% compared to 2020

The accounting operating profit before tax and allocation to the Afnic Foundation amounted to €4,417,739 (22.4% of Afnic's total revenues), testimony to Afnic's operational performance.

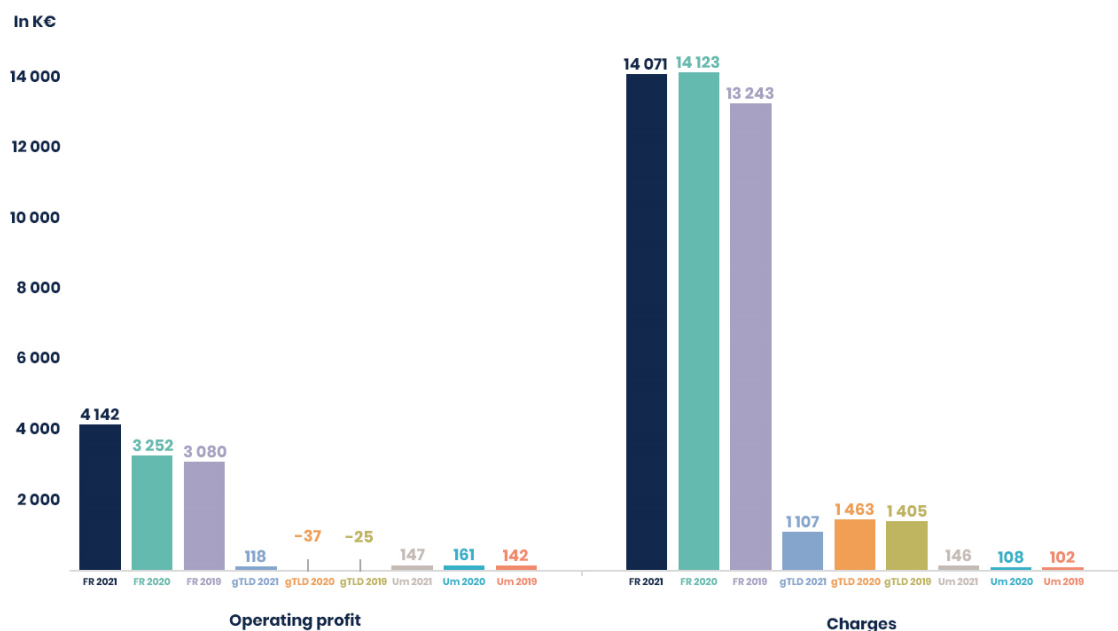
### ACCOUNTING OPERATING PROFIT BEFORE TAX AND ALLOCATION TO THE FOUNDATION





## 6.6. Presentation of the accounts by activity

### OPERATING PROFIT AND EXPENSES BY TLD



The allocation of charges by activity follows the analytical accounting procedure of June 2012, as amended in 2014 in accordance with the recommendations of Mazars.

The presentation, showing three years on a sliding basis, highlights the performance of the gTLDs, a positive operating result at €117,982. This performance was achieved by savings following the switch-over of gTLDs to our new SRS, a fairer allocation of time spent (“key” effect) and the general reduction in cross-functional costs.

Non-.fr activity (Overseas+ gTLDs) produced an operating result of €264,723, largely above that of 2020 (+€140,748) and well ahead of the budget (+€287,812).

The overseas TLD (O’s eas) operating profit is down slightly compared with 2020 due to the renewal of logos in 2021.

Below is a clarification of the “time spent” key and changes in it since 2013, the first full year of its implementation. This key serves to allocate personnel costs and most overheads among the TLDs.

	.FR	O'seas	gTLD
2013	87,8%	1,0%	11,2%
2014	78,1%	0,7%	21,2%
2015	85,0%	1,0%	14,0%
2016	88,4%	0,7%	10,9%
2017	91,0%	0,7%	8,3%
2018	91,3%	0,6%	8,0%
2019	90,8%	0,6%	8,6%
2020	91,2%	0,6%	8,1%
2021	93,5%	0,6%	5,9%

## 6.7. The financial commitments of the agreement between the State and Afnic were largely fulfilled

In an order dated 5 April 2017 and published in the Official Journal of the French Republic, the Secretary of State for Industry, the Digital Economy and Innovation, designated Afnic as Registry Operator for the .fr domain for a new term of office of five years from 25 June 2017.

The agreement between the State and Afnic lists the commitments of Afnic, the majority of which can be verified by means of the approved accounts.

	Objective/Level of commitment	Realised in 2021
Investments for the promotion of the .fr TLD	10% of revenues	12,1%
Investments in Research and Development actions	10% of revenues	6,9%
Investment for the security and stability of the .fr TLD	> 8% of revenues	7,4%
Personnel training policy	>= 3% of revenues	3,4%

### The financial commitments – 2021

- The level of the R&D ratio is explained by a decrease in the costs linked to monitoring activities and skills transfer actions, particularly abroad, which it was not possible to carry out due to the health context. Added to this are R&D departures which led to a reduction in staff expenditure, while at the same time there was a particularly remarkable growth in revenues from .fr names.
- The Training target was exceeded despite the health context.
- The security ratio level is slightly below target due to cost renegotiations.

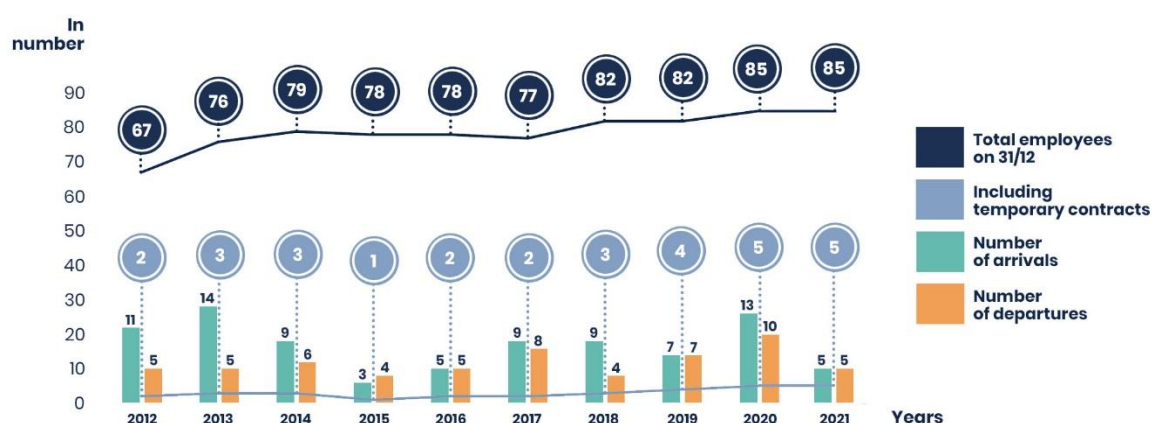
## 6.8. Breakdown of investments in 2021

- The ISD investments made in 2021 were below the previous year as 2020 was a year of strong acquisitions aimed at strengthening the security and reliability of our SRS, in particular by means of the acquisition of .fr infrastructures for the AVENIR and OSMOSE projects.
- The associated operating expenses in 2021 for strengthening the security of the infrastructures amounted to €1,097,730, i.e. an increase of 21% on 2020.

## 6.9. Changes in workforce

2021 ended with a workforce of 85, stable compared with the end of 2020 (5 arrivals and 5 departures). The 2021 recruitment plan was implemented.

EMPLOYEE NUMBER EVOLUTION



## 6.10. The cash position was held at a high level

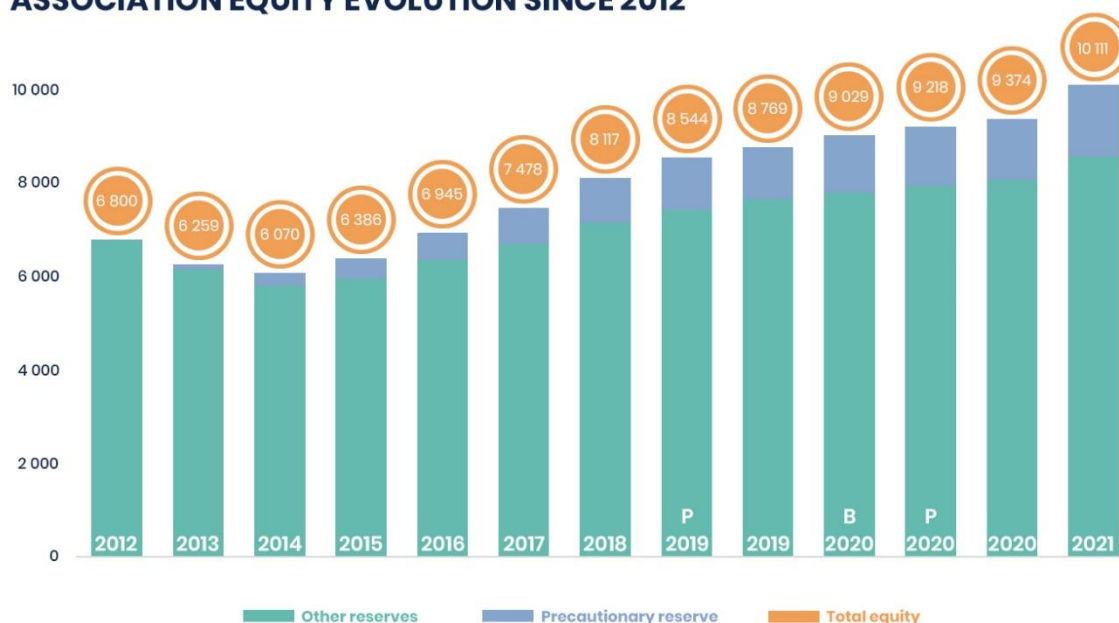
The cash position continues to grow (+11.7%), bringing total liquid assets to €21,843,984.

Treasury includes a receivable on the Afnic Foundation for €3,781,812 (representing the amounts of the past two years).

## 6.11. Accumulated surplus

After appropriation of profit for the year 2021 of €736,742, the accumulated surplus is as follows (€000s):

**ASSOCIATION EQUITY EVOLUTION SINCE 2012**



Accumulated surplus at year-end 2021 is sufficient to cover more than 14 months of personnel costs and rentals for hosting (data centre) and premises.

## 6.12. Conclusion

The very good results for 2021 allow us to consolidate the accumulated surplus and to maintain Afnic's strategic objectives, and more particularly for 2021: to continue to support the online presence and digital autonomy of VSEs/SMEs with the .fr domain by deploying our

support actions in cruise mode, to further strengthen the fight against abuse by initiating a dialogue with all of the stakeholders, to continue Afnic's transformation by maintaining its attractiveness and by pursuing the continuous improvement of its operational performance, to develop its visibility and its attractiveness by better publicising its work, and to adopt its new plan to reduce greenhouse gases backed by the carbon footprint assessment.

## 7. Financial annexes

### 7.1. Simplified financial balance sheet

#### Simplified balance sheet

Assets in €000s	31/12/2021 Net	31/12/2020 Net
Property, plant & equipment	1 364	1 650
Operating receivables	4 230	4 044
Cash & cash equivalents	21 844	19 552
<b>TOTAL ASSETS</b>	<b>27 438</b>	<b>25 246</b>

Liabilities in €000s	31/12/2021 Net	31/12/2020 Net
Accumulated surplus	9 375	8 769
Profit for the year	737	605
Regulated provisions	0	4
EQUITY	10 111	9 379
PROVISIONS	0	279
DEBTS	17 327	15 589
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>27 438</b>	<b>25 247</b>

## 7.2. Simplified income statement

### Simplified income statement

€000s	31/12/2021 Net	31/12/2020 Net
Revenues	19 570	19 052
Other income	227	88
OPERATING REVENUE	19 797	19 140
Other purchases and external charges	6 266	6 504
Taxes, duties and similar	353	404
Salaries, wages and social charges	8 266	8 163
Other charges including depreciation and amortisation	2 828	2 339
OPERATING EXPENSES	17 714	17 410
OPERATING PROFIT	2 083	1 730
FINANCIAL RESULT	10	10
NON-RECURRING RESULT	109	- 158
Employees' profit sharing	576	362
Tax on income	889	615
<b>PROFIT OR LOSS</b>	<b>737</b>	<b>605</b>