

CSR REPORT 2018-2019

FNAC DARTY



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COMMITTED TO
AN INFORMED CHOICE**

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FNAC DARTY,

COMMITTED TO AN INFORMED CHOICE

The fast pace of the world today and the increasing role of new technology in our daily lives have gone hand in hand with growing consumer demand for product quality and greater awareness of environmental issues.

In an environment of ‘consumer hyperchoice’, the FNAC Darty Group is committed to supporting customers in making informed choices.

**THIS AMBITION
IS MADE POSSIBLE
THROUGH:**



Well-trained staff who are confident in their expertise (p.15)



Transparent information on innovative products and services (p.25)



Ambitious environmental objectives that are shared with customers (p.35)



Territorial coverage that increases access to culture, services and technology (p.39)



A business ethic that is conscious of its responsibilities and commitments (p.45)



EDITORIAL

BY THE CEO

“

Today our customers want to consume more wisely, which sometimes means consuming less. They choose brands they can trust – brands that are more responsible and transparent and which are committed to a long-term vision.

The FNAC Darty Group has set itself the ambition of ensuring its customers can make an informed choice by guaranteeing the best offer of products and services, reinforced by the expert advice of its sales staff.

This mission is at the heart of our strategy Confiance+ (Trust+), whose aim is to realize the full potential of our brands and our Group. This strategy is embodied in the day-to-day dedication of all our employees: in our stores, online and in all services offered to customers.

I am proud to share the concrete commitments we have made and that are presented in this report – commitments that create a strong relationship of trust between our Group and all its stakeholders.

**Enrique
MARTINEZ**



”

THE FNAC DARTY GROUP

IN 2018, THE GROUP ROLLED OUT ITS *CONFIANCE+* STRATEGIC PLAN

To become the benchmark omnichannel service platform in Europe, the Group has chosen to focus on five strategic priorities: (1) the development of an open omnichannel platform, (2) the expansion of its network of stores, (3) the diversification of its offer, (4) the launch of innovative services, and (5) a unique loyalty programme.

The implementation of these strategic goals relies on the creation of an open, partner-based ecosystem that allows the Group to benefit from the expertise of specialists to extend its offer and enhance customer experience.

With the successful launch of *Confiance+*, the Group is today well positioned to fully develop its potential and that of its brands.

THE 5 MAIN BRANDS OF THE GROUP



Vanden Borre
la confiance

BCC

WeFix



©Julien Pichot

KEY FIGURES OF THE GROUP

TOP 3

AMONG EUROPEAN
OMNICHANNEL
DISTRIBUTORS



#2

E-COMMERCE SITE
IN FRANCE
IN THIS MARKET



25,000

EMPLOYEES



€7.5 BILLION

TURNOVER



60+ YEARS

OF HISTORY
FOR THE 2 BRANDS



780 STORES IN
12 COUNTRIES



46 MILLION

BOOKS SOLD
IN 2018



258 MILLION

IN-STORE
VISITS IN 2018



24 MILLION

WEBSITE VISITS
PER MONTH IN FRANCE
ON AVERAGE

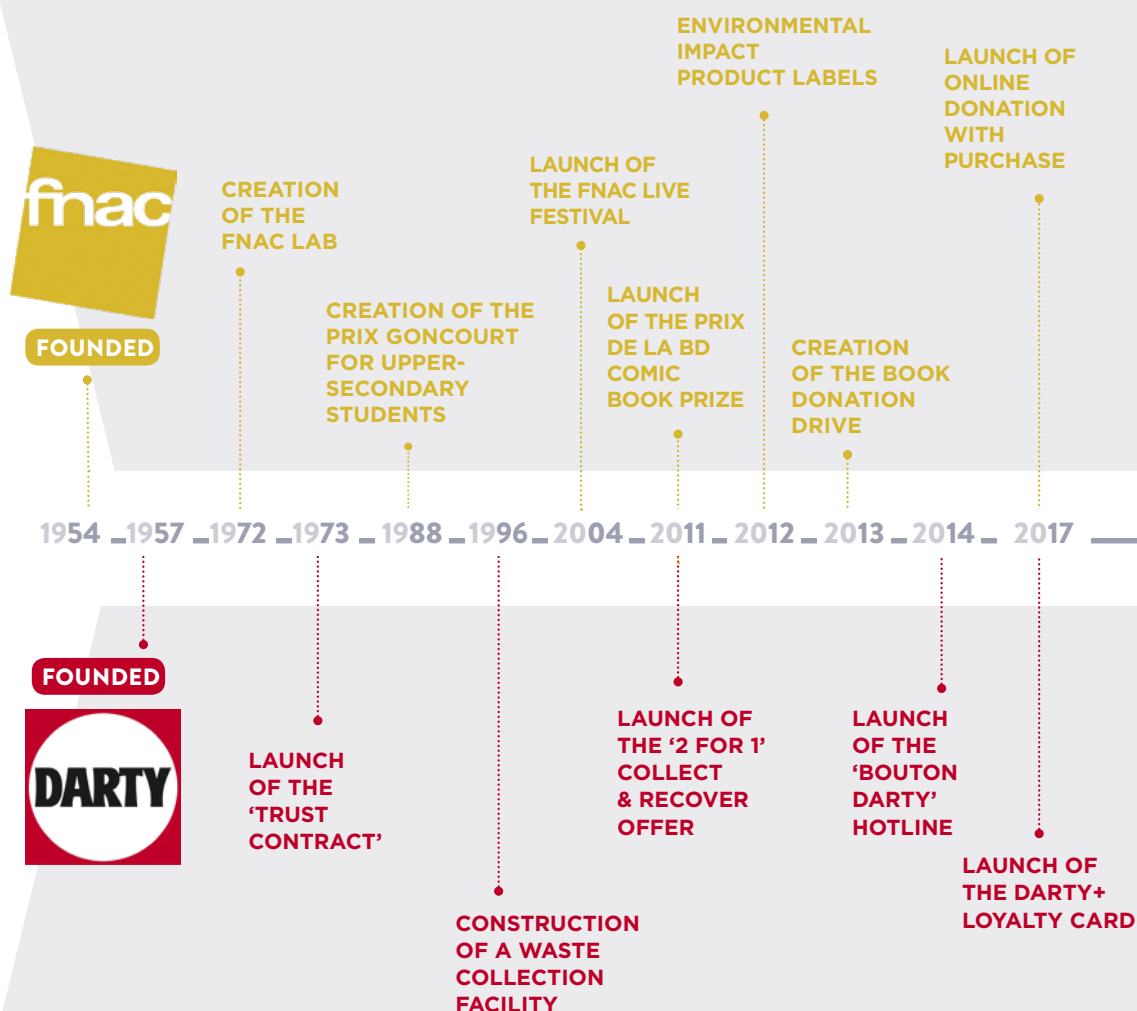


MORE THAN 60 YEARS

IN ISSUES

OF ENGAGEMENT

FACING SOCIETY



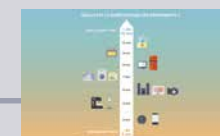
ENVIRONMENTAL IMPACT LABEL

Initially launched by FNAC, a new labelling system was co-constructed with the French government and was extended to Darty in 2018 (p.27).



REPAIRABILITY INDEX

A pioneer in sustainability, FNAC Darty has chosen to provide information about product repairability before this becomes a requirement (p.30).



PRODUCT LONGEVITY SURVEY

A first-of-its-kind study based on Darty aftersales service calls measures product longevity and useful life, allowing the promotion of the most reliable brands (p.31).



FIX-IT-YOURSELF FORUM

Darty's aftersales service has made its knowledge base available for customers in a platform that encourages do-it-yourself repair (p.32).



WEFIX YOUR PHONE

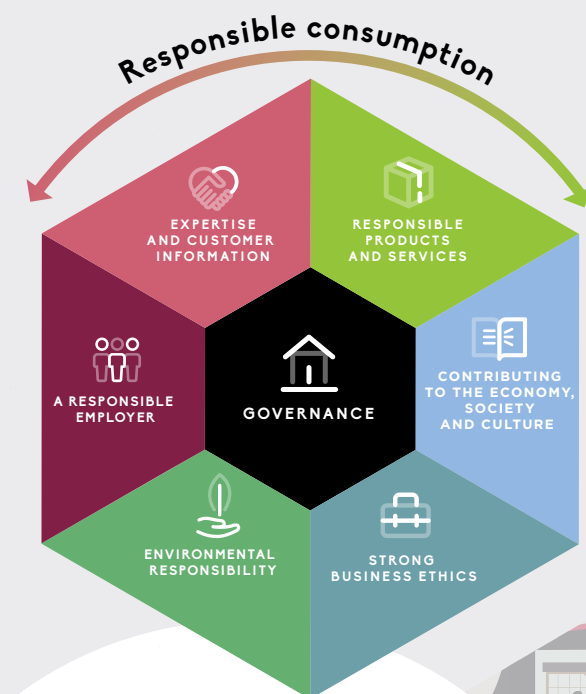
The acquisition of WeFix, an express service that reconditions smartphones, is a strong commitment to extending the life of products (p.32).

A CSR POLICY

FOCUSSED ON KEY CHALLENGES

We decided to structure our CSR policy around six areas of activity that correspond with the key challenges of the Group and which address the concerns of all our stakeholders. In a context of fundamental transformation in both jobs and modes of consumption, increasing the engagement and skills of our employees as well as aiding our customers to be responsible consumers are our main priorities.

Frédérique Giavarini,
Group HR and CSR director



Governance that integrates CSR in both strategy and day-to-day business:

- CSR is overseen by the HR director, a member of the Executive Committee.
- The Board of Directors has a CSR committee that meets twice a year.
- The Ethics Committee oversees compliance with transparency, due diligence and data protection laws.
- The compensation of Executive Committee members is partly linked to CSR targets.

A CSR POLICY

FOCUSSED ON KEY CHALLENGES

FNAC DARTY WORKS CLOSELY WITH ITS STAKEHOLDERS, INTEGRATING THEM IN ITS CSR STRATEGY.



In 2018, we carried out a wide consultation with our stakeholders to assess risks in terms of our impacts on health and safety, human rights and the environment, as well as to identify opportunities related to changes in consumption patterns. This approach of analysing risks and opportunities allowed us to incorporate CSR issues in our business lines more easily, as the connection with each activity was clear. In the process, our teams discovered how well placed the Group is to address social issues in its business strategy, given that FNAC and Darty were built from the outset on strong values and commitments.




Valeria Maio,
Group CSR manager






FNAC DARTY, CREATING VALUE






OUR ECONOMIC ACTIVITY AND OUR OFFER

		
2 strong and complementary brands	Strengthen the leadership of the Group in its markets	€7.5 billion consolidated turnover in 2018 #1 omnichannel retailer in its sector
A diversified offer of products and services	Develop diversification and innovation	Leader in technical goods #1 music store #1 bookstore Leader in aftersales service
An open omnichannel platform	Expand the network of stores Digitalize the stores Extend e-commerce, click&collect and click&mag	780 stores in 12 countries #2 e-commerce retailer in France 49% of online sales are omnichannel




OUR HUMAN CAPITAL AND OUR EXPERTISE

		
25,000 employees, of which 72% are in contact with customers	Support career development	52% of employees trained in 2018
	Deepen employee engagement	Deployment of a tool for employee feedback
	Make diversity an asset	Increase in the proportion of women recruited

OUR ACTIVITIES

		
Aftersales service	Promote a culture of repair and provide customer information that fosters responsible consumption	#1 repair service in France (1.5 million repairs per year) Acquisition of WeFix Aftersales service study Repairability index
	Extend second-hand sales and reuse of products	34% increase in second-hand goods sales in 2018
Home delivery service	Recover old appliances and packaging during delivery	#1 WEEE* collector in France Reclamation or recycling of recovered cardboard, plastic and polystyrene

OUR BRANDS AND OUR CUSTOMERS

		
2 iconic brands	Meet customer expectations, particularly in relation to responsible consumption	Customers consider FNAC and Darty to be 'more responsible' than their competitors
8 million loyalty programme members	Give consumers an informed choice	Performance rating by the FNAC Darty lab Environmental impact label Aftersales service survey Repairability index
	Put the customer at the centre of everything (Client+)	NPS** is increasing

LEGEND



Capital






Strategy






Actions/impact in 2018

OUR PARTNERS

		
More than 600 suppliers	Prevent risks and protect SMEs	Inclusion of a code of ethics in all contracts and requiring SMEs to sign a charter
Non-profit organizations	Donate unsold products, collect online donations from customers and organize social actions	Charity sale of discounted books, CDs, video games, etc., a book drive for charity, and €200,000 in online donations
3,500 sellers on the Fnacdarty marketplace	Select and verify sellers	Measure forthcoming

OUR PRESENCE

		
780 stores in 12 countries	Expand the geographical network to increase customer proximity	52+ stores contributing to local economies and employment
FNAC's cultural engagement	Offer free cultural events to allow broad public access	250,000+ people participated in FNAC cultural events in 2018
	Sponsor 3 literary awards	Involvement of secondary school students and bookstores throughout France

* Waste Electrical and Electronic Equipment, ** Net Promoter Score



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DEVELOPING OUR GREATEST ASSET: **HUMAN CAPITAL**



COMMITTED
TO AN INFORMED
CHOICE

→ through well-trained
staff who are confident
in their expertise



HUMAN CAPITAL, OUR GREATEST ASSET

Over the last ten years, the Group has experienced the most significant shake-up in its history: the digitalization of cultural content and the growth of online commerce have disrupted the company in its markets.



24,956
employees
(17,440 in France)



72+%
employees in contact
with customers



88%
permanent contracts



80.6%
full-time contracts



4.63%
sick leave
(4.86% in the retail sector)

FNAC Darty is committed to anticipating and adapting to this transition, which has an impact on many of our business activities and jobs. For the Group, this is a strategic priority as well as a responsibility to our workforce.

COMMITTED TO

DEVELOPING
employability

ENSURING
well-being at work

PROMOTING
diversity in our teams



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HUMAN CAPITAL, OUR GREATEST ASSET

“

In a context of increasing digital distribution and heightened competition, we have the advantage of being able to count on the recognized – and complementary – expertise of the staff of our two companies. Our employees are our greatest asset. For our customers, they embody the experience and the pledge of our brands.

This is why it is essential that the Group continues to expand their skills, through tailor-made career development programmes designed by our Training Academy, as well as to create a stimulating and fulfilling work environment.



Frédérique Giavarini,
Group HR and CSR director

”

STRENGTHENING THE QUALITY AND EFFICACY OF SOCIAL DIALOGUE

In 2018, the Group created a European Works Council (EWC) and signed four agreements that redefine and simplify employee representation in France through the creation of an Economic and Social Committee (ESC).

This new structure ensures effective concertation with staff representatives as well as guaranteeing a suitable level of proximity between the business units and the employees, which will improve the Group's agility in rolling out projects.



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FOSTERING ENGAGEMENT

AND DEVELOPING A SHARED CULTURE



EACH YEAR, 500 EMPLOYEES FROM OUR HEAD OFFICE PROVIDE SUPPORT IN THE STORES AND LOGISTICS SITE.



During busy periods such as Christmas and Black Friday, staff from the head office come to lend their retail and logistics colleagues a hand on a volunteer basis. These 'back-up' operations are incredibly motivating, forging solidarity between teams in these critical trading periods. For the volunteers, these days 'in the field' are an opportunity to tangibly experience the day-to-day work of the Group's different professions: customer service, purchase collection/pick-up, shelf stocking, sales, aftersales service or logistics. This mobilization also allows FNAC employees to discover the world of Darty and vice versa.

ACTIONS IN 2018

LAUNCH OF AN EMPLOYEE STOCK OWNERSHIP PLAN

To link staff more closely with the future success of the Group, FNAC Darty has initiated an employee stock ownership plan. A vehicle for sharing success and creating engagement, this initiative gives employees the opportunity to indirectly become stakeholders of the FNAC Darty Group.

2018: **4,500** subscriptions

2019: **2nd** stock purchase plan

LAUNCH OF AN INNOVATIVE EMPLOYEE-FEEDBACK TOOL

Supermood

Quality of work life, management, training, strategy ... employees are surveyed every month on a range of themes via short questions in the Supermood tool. Managers can then use the anonymous responses to gauge the concerns of their teams in real time and improve engagement.

68% of employees surveyed would recommend the FNAC Darty Group as a good place to work (12/2018, 5,837 respondents in France)



DEVELOPING

EXPERTISE AND EMPLOYABILITY

FIGURES IN 2018



52.33% of employees participated in a training course



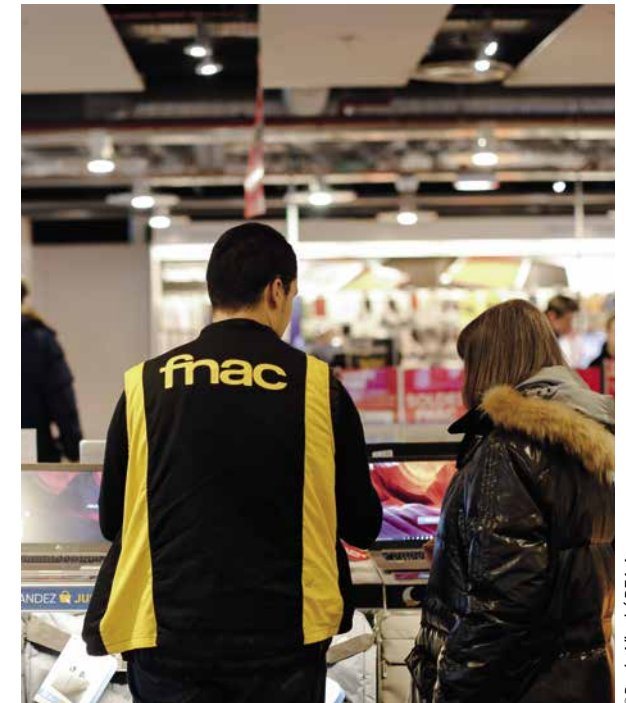
Around **80%** of our repair technicians received training during the year



600+ managers trained as manager-coaches



609 diplomas granted through Validation of Acquired Experience (VAE) certification since 2004



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“

The Group's training offer was enhanced in 2018 by pooling the expertise of our two brands. Using innovative programmes that make the best use of face-to-face sessions as well as e-learning, our teams support the **Confiance+** strategy, putting the customer at the centre of our jobs. For FNAC Darty, the priority is to adapt to the changes transforming the sector and the evolving demands of customers at the same time as pursuing a responsible policy that enables all employees to expand their skills and develop their employability.



Dominique Dusart,
HR development director

”



OFFERING MULTIMODAL TRAINING

THAT DEVELOPS EVERY LINE OF WORK

In addition to product-related training, e-learning was extended to social issues such as combatting corruption and influence peddling, protecting consumer rights and personal data, and rooting out sexual harassment.



400+

e-courses for remote access learning



108,877

courses completed in 2018 (compared to 82,774 in 2017), mainly by sales staff



LAUNCH OF THE FNAC DARTY ACADEMY

TO REINFORCE PRODUCT EXPERTISE AND THE QUALITY OF CUSTOMER SERVICE

Inaugurated in 2018, the FNAC Darty Academy now oversees the training offer. To support the strategic ambitions of the company, the Academy develops multi-format programmes based on a combination of face-to-face sessions and e-learning. The in-sourcing of training allows the Group to capitalize on the expertise and experience of its two brands and to shape course content to needs.



INNOVATION TO SUPPORT TRAINING MAKING EMPLOYEES ACTIVE PARTICIPANTS IN TRAINING

The NAPS app motivates learning with its fun approach and its progress-tracking feature. It allows learning to be consolidated through use on the job.

→ Innovation Prize at the 2016 Digital Learning Excellence Awards organized by Cegos and AEF

5,000+

FNAC Darty 'NAPSters' (since 2016)



CUSTOMER EXCELLENCE IN A DEDICATED CERTIFICATION TRAINING PROGRAMME

The quality of the relationship with customers is central to the strategy of the Group. Last year, an ambitious training programme was rolled out to respond to this priority. Leading to certification, it boosts the employability of employees participating in the course.



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CUSTOMER EXCELLENCE 2018-2020

Scope

800 employees in contact with customers: sales staff, cashiers, delivery drivers, home service technicians, logistics specialists, aftersales receptionists, etc.

Objective

To improve the quality of customer service and develop employability by enlarging access to sales and marketing careers.

Result

Employees participating in the programme will receive nationally recognized professional certification*.

“

Following a large-scale programme that trained almost 600 supervisors as manager-coaches, now the Customer Excellence course aims to train our customer-facing employees. This programme arms staff with best practices in terms of customer and sales excellence. Consumers are better informed than ever: in this context, our goal is to give employees new tools so they can best meet customer needs, gain confidence and enjoy work more. The course also allows participants to develop their employability and, for those who wish, to work towards a sales career.

Anne-Laure Dugert,
Skills development manager



”

* Recognized by France's National Commission of Professional Certification



PROMOTING THE EMPLOYMENT OF PEOPLE WITH DISABILITIES

In the conviction that diverse profiles are a valuable asset and a source of creativity, FNAC Darty has long been committed to the inclusion of disabled people.



6%
of our employees in
France have a disability



**2nd FNAC Darty
Handi'Trophée*:**
3 prizes

*A contest awarding stores with the best initiatives to promote disability employment

[ZOOM] FNAC SPAIN COMMITTED TO DIVERSITY!

An agreement was signed with the La Caixa Foundation's Incorpora programme, which works for the socio-economic integration of the most vulnerable (people with disabilities, the long-term unemployed, seniors, immigrants, etc.).



“

Disability is not something exceptional. Integrating people with disabilities strengthens team culture and pushes us to be innovative. Recruiting and training people with hearing impairment for customer service roles in stores (at checkout and as book sellers) is a concrete way that we are putting this conviction into action. This professionalization programme was awarded with an LSA Diversity prize in 2018.

Florence Maurice,
Diversity and quality
of work life manager



Winner of the jury's Coup du Cœur prize at the 5th LSA Diversity and CSR awards!

”



PRIORITIZING EQUALITY BETWEEN WOMEN AND MEN IN THE WORKPLACE

For FNAC Darty, gender equality at work means ensuring that women and men are able to develop their careers on a completely equal basis, including appointment to leadership positions.



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38 %
of staff are women



47%
of full-time recruits
are women



27%
of the Executive
Committee are women



60%
of the Board of Directors
are women

“

I took part in a group of women store managers who worked together to identify the obstacles that hinder women and the drivers that could aid them in becoming store managers. We helped to develop a programme to kindle women's interest in doing this job, by allowing them to envisage themselves in the role and by supporting them professionally and personally.

Christiane Buisson,
Store manager,
FNAC Nantes



”

[ZOOM] FNAC IN THE FEMINE

**TARGET: 30% OF WOMEN
STORE MANAGERS
(COMPARED TO 23% NOW)**

3 priorities:

- increase the visibility of the profession and highlight women's success in it
- facilitate working conditions to respect work/life balance
- support women who want to move into this career



PROMOTING EQUAL OPPORTUNITY AND YOUTH EMPLOYMENT



WORK-STUDY PROGRAMMES

Our Group encourages vocational training for young people through a proactive recruitment policy for work-study contracts.



more than
780
work-study interns in 2018

YOUTH SPONSORSHIP

FNAC Darty is committed to equal opportunity, working with non-profit partners such as the *Institut Télémaque* and *Sport dans la Ville*. The latter honoured Enrique Martinez by asking him to sponsor the 2018 'Job dans la Ville' programme.



ENRIQUE MARTINEZ



Enrique, why did you accept the role of sponsor?

FNAC Darty got involved in this project to assist young people from disadvantaged neighbourhoods to get a start in the professional world.

We are proud to be a partner of this inspirational programme. Not to mention that as a sports fan and a company director, I wholeheartedly share the values of the organization.

During your evening with the participants, what message did you want to convey to them?

I know that the business world can intimidate young people. I wanted to reassure them that companies, in most cases anyway, take into account the well-being, fulfilment and career progression of employees. And to express my belief that the value and strength of a company rely on the women and men who work there. They should have confidence in their youth, their energy and their future!



PROMOTING CONSUMPTION THAT IS MORE RESPONSIBLE



**COMMITTED
TO AN INFORMED
CHOICE**

→ through transparent information on innovative products and services



FNAC DARTY, WORKING FOR RESPONSIBLE CONSUMPTION

“

In recent years, consumers have become more aware of the impact of their purchases on the planet's resources; they are increasingly challenging producers and distributors on the subject. Our latest annual customer survey indicates that 75% of them want us to take steps to extend product longevity. For our Group, this is an opportunity to increase our initiatives promoting honest business – an effort in which the customer can help us to make things happen. To assist us in this, FNAC Darty can rely on the DNA of our two brands.

Vincent Gufflet,
Sales director, products and services, France

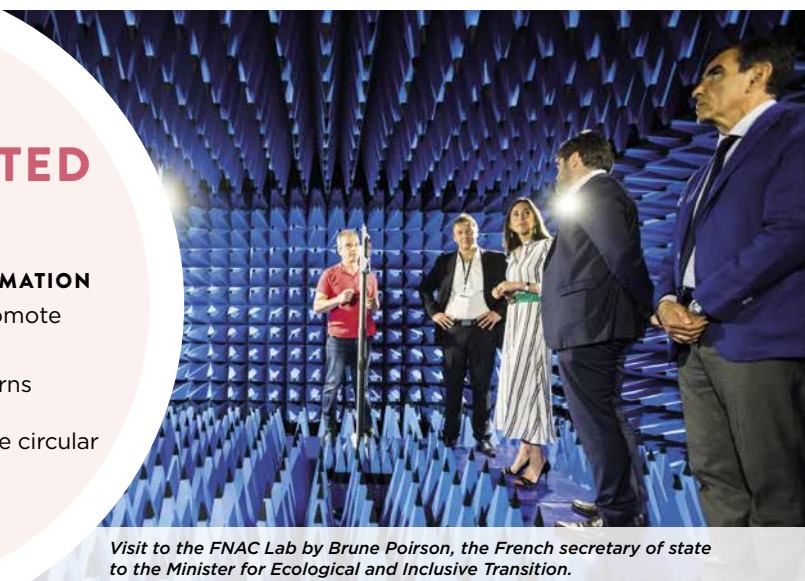


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COMMITTED TO

PROVIDING INFORMATION AND ADVICE to promote more sustainable consumption patterns

WORKING for a more circular economy



Visit to the FNAC Lab by Brune Poirson, the French secretary of state to the Minister for Ecological and Inclusive Transition.

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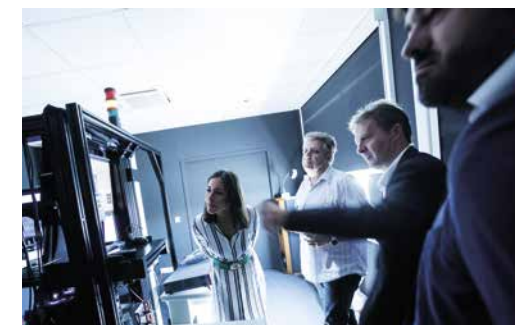
EXPERTISE AND ADVICE TO HELP CUSTOMERS MAKE INFORMED CHOICES

PROVIDING INDEPENDENT FORMATION: THE FOUNDING MISSION OF THE FNAC LAB

The FNAC lab is a unique entity that has been working at the service of FNAC customers since 1972. Equipped with a range of sophisticated measurement and analysis systems, each year the lab's experts test the technical performance of hundreds of new electronics products. The lab's objective scientific methods are recognized by leading brands, which regularly use its services to evaluate their prototypes.

Labofnac
Tests, actu et comparatifs high-tech

In 2018, **1,038 tests** were carried out on 492 products



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ENVIRONMENTAL IMPACT LABELLING: A FNAC INNOVATION EXTENDED TO DARTY IN 2018

In 2013, FNAC put in place a system of environmental labelling for televisions, which in 2015 was extended to PCs, tablets and mobile telephones sold in stores as well as online at fnac.com. This gave customers new selection criteria for choosing a product: information related to its impact on the climate and the non-renewable natural resources used throughout its lifecycle, from its manufacture to its transport, utilisation and disposal. **A pioneer in the practice, in 2017 and 2018 FNAC Darty participated in creating an environmental labelling benchmark** with the French Ministry of Ecological and Inclusive Transition, the Agency for the Environment and Energy Management (ADEME) and three other companies. The logo and methodology arising from this unprecedented collaborative effort were rolled out in 2018 on the fnac.com and darty.com websites and throughout all FNAC stores.



FNAC DARTY, COMMITTED TO ...

Electrical and electronic products have a significant impact on the environment: the extraction of natural resources, pollution, greenhouse gas emissions, waste ... Working towards a circular economy reduces these impacts.



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COMMITTED TO

Encouraging suppliers to adopt **ECODESIGN** by providing customers with product information

Promoting **REUSE** through the sale of second-hand goods and donations to charities

Prioritizing **REPAIR**, including post-warranty

Increasing the collection and **RECYCLING** of WEEE*



FNAC DARTY #1 COLLECTOR IN FRANCE

45,000+ tonnes of WEEE* collected in France and given to the recycling non-profit Eco-systèmes in 2018



FNAC DARTY #1 REPAIRER IN FRANCE

2,500,000 service jobs in 2018



... WORKING TOWARDS A MORE CIRCULAR ECONOMY

IN 2018, FNAC DARTY STEPS

AHEAD WITH PROACTIVE

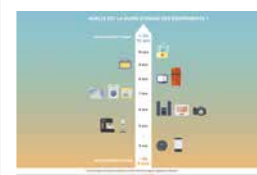
INNOVATIONS

Last year, four key projects were launched that promote a more circular economy:



REPAIRABILITY INDEX

A pioneer in sustainability, FNAC Darty has chosen to provide information about product repairability before this becomes a requirement.



PRODUCT LONGEVITY SURVEY

A first-of-its-kind study based on Darty aftersales service calls measures product longevity and useful life, allowing the promotion of the most reliable brands.



WEFIX YOUR PHONE

The acquisition of WeFix, an express service that reconditions smartphones, is a strong commitment to extending the life of products..



FIX-IT-YOURSELF FORUM

Darty's aftersales service has made its knowledge base available for customers to encourage do-it-yourself repair.



WINNER OF THE GRAND PRIX 'CIRCULAR ECONOMY'

FNAC Darty was awarded the top prize in the category 'Enterprise and the Environment' at the 2018 Pollutec trade show in Lyon.



We are proud to have shaken up the market by allowing customers to choose products that can be repaired and by making this repair more accessible. These innovations launched in 2018 illustrate our deep conviction that FNAC Darty has a role to play in the transition that is shifting our society to more responsible modes of consumption.

Régis Koenig,

Director of services policy, FNAC Darty





INNOVATIONS IN 2018

INFORMATION ON PRODUCT REPAIRABILITY



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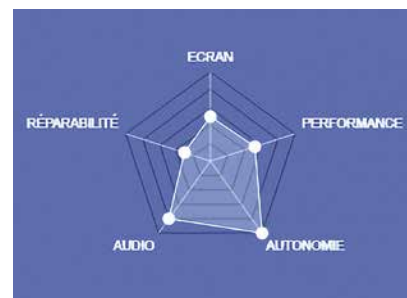
“

Our team analyses appliances to evaluate their repairability according to a very specific set of criteria. For customers, this information is important when choosing one product over another: the repairability index allows them to make an informed choice. This has been the mission of the FNAC lab since its inception, and every year we work to develop it further.

Lionel Costa,
Development
manager,
FNAC lab



”



REPAIRABILITY INDEX: A FIRST FROM FNAC DARTY!

At a time when brands are called into question for their role in the programmed or premature obsolescence of products, FNAC Darty has chosen to take a stand against these practices by providing information on repairability.

This initiative, launched in 2018, relies on the technical expertise of the FNAC lab, which analyses the repairability of laptop computers based on 12 criteria, including the availability of disassembly instructions and diagnostic support documents, the ease of disassembly, and the availability and price of replacement parts.

INNOVATIONS IN 2018

INFORMATION ON LONGEVITY BY BRAND

LAUNCH OF THE PRODUCT

LONGEVITY SURVEY

This study, which will be carried out each year, prioritizes transparency by indicating the useful life of 15 types of products (including LHA*, SHA** and high-tech), allowing the most reliable brands to be identified. It is based on post-purchase surveys conducted with customers as well as on the availability of replacement parts from suppliers and on **the analysis of almost 600,000 repairs** carried out by Darty's aftersales service.

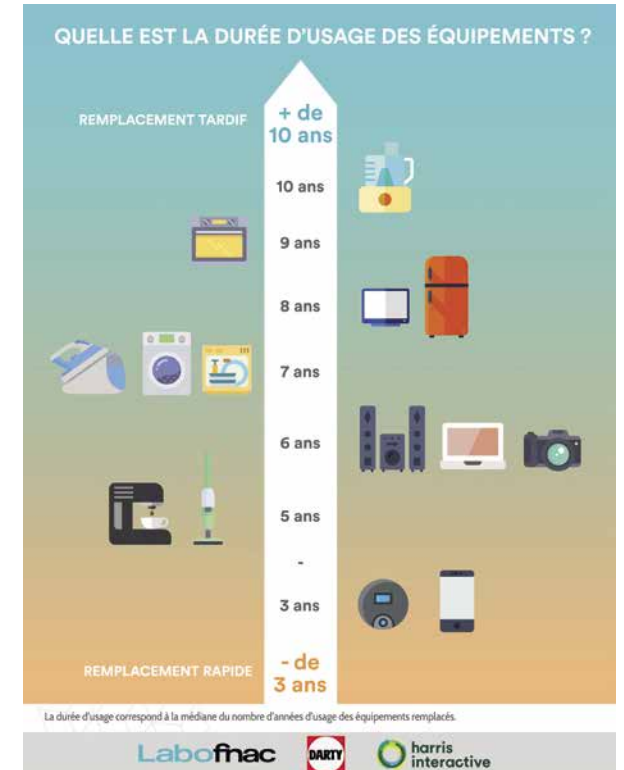
“

This annual survey, a world first, aims to help customers choose wisely and should thus contribute to promoting change in manufacturing practices by encouraging companies to design products that are more repairable and more durable.

Jean-Yves Prigent,
Technical
director for
extending
product life



”



©Denis Allard / REA Agency

* Large household appliances, ** Small household appliances



INNOVATIONS IN 2018

PROMOTING REPAIR

THE WEFIX ADVANTAGE

WeFix is a network of 59 outlets in France and Belgium that offers an express repair service (20 minutes on average) for the main models of smartphones – making 12,000 repairs per month – and a sales point for re-conditioned phones.

At the beginning of 2019, two WeFix spaces were opened in FNAC stores, and **the Group plans to double the network of WeFix outlets over the next two years, recruiting more than 150 personnel!**



©Denis Allard / REA Agency

EXTENDING PRODUCT LONGEVITY WITH THE FIX-IT-YOURSELF FORUM



With the experience gained from more than 2.5 million products repaired each year, our aftersales service has built up an impressive knowledge base over time. Since 2018, some of this information has been made openly available on the sav.darty.com website.

The forum is a platform where visitors and technicians can share their experiences and expertise to encourage do-it-yourself

repair and extend the life of products. **This 'repair Wikipedia' already receives 160,000 unique visitors a month!**



GIVING A SECOND LIFE TO PRODUCTS

“

To develop the reuse market, we formed a specialist team dedicated to the revalorization of products. Driven by rising customer demand, second-hand sales have continued to grow; in 2018, we took the FNAC second-hand label as a model to create the same for Darty. In parallel, we have deepened our partnerships with social economy initiatives through donations and drives. Last but not least, a 'Responsibility Charter' now governs all FNAC sales to discounters to ensure the responsible reprocessing of sold products.

Julien Pichot,
Product second life manager



”

A LONG PARTNERSHIP

WITH THE ENVIE NETWORK

Since 1984, Darty has entrusted nearly **200 broken appliances** a day to ENVIE, a non-profit that aids job seekers to return to work through giving products a second life.



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SECOND-HAND RESALE

Tested, reconditioned, cleaned and repackaged by our expert teams: **34,000 products** in perfect working order were sold on the FNAC and Darty second-hand marketplaces in 2018 – an activity that is set to accelerate in 2019.

CHARITY DONATIONS

In 2018, **21,000 unsold products** were donated to non-profit organizations. FNAC gave publishing products to the charity *EmmaüsFrance* and Darty supplied large and small household appliances to *EmmaüsDéfi*, which assists jobseekers. In 2019, new partnerships will be forged in aid of hospitalized children.



GIVING A SECOND LIFE

WITH THE HELP OF CUSTOMERS



CHARITY BOOK DRIVE

For six years, FNAC has invited its customers to give their books a second life in aid of



**Bibliothèques
Sans Frontières**
Libraries Without Borders

GRANDE COLLECTE SOLIDAIRE

7^{ÈME} ÉDITION - DU 31 MAI AU 10 JUIN 2019

DONNEZ UNE **SECONDE VIE**
À VOS **LIVRES**

En rapportant
vos livres en magasin



840 000 LIVRES COLLECTÉS EN 6 ANS
OBJECTIF 2019 : ATTEINDRE 1 MILLION
DE LIVRES COLLECTÉS



DISCOUNT CHARITY SALE

Every year for the last 10 years, FNAC has partnered with the charity Secours Populaire to organize a large discount sale of unsold books, CDs, toys, video games, etc. The proceeds are donated to the non-profit, which organizes holidays for hundreds of disadvantaged children every year.



€164,670
collected
in 2018!



LIMITING THE ENVIRONMENTAL IMPACT OF OUR ACTIVITIES



**COMMITTED
TO AN INFORMED
CHOICE**

→ ambitious environmental objectives that are shared with customers



LIMITING THE CO₂ IMPACT OF TRANSPORTING MERCHANDISE

Transporting goods from warehouses to stores, posting or delivering household appliances, home visits for repair services or to collect old equipment: logistics are central to the Group's activities.



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1.6 million
home deliveries of large household appliances



210 K tonnes of CO₂
from transport emissions



12.2 million
parcels delivered

“

Our actions focus on three main areas: (1) limiting the distance products have to travel by virtue of our network of warehouses and the ability to pool the flow of FNAC and Darty goods, (2) maximizing and optimizing the loading of trucks, and (3) prioritizing multimodal transport whenever possible. We are also experimenting with alternative transport systems, in a constant quest – in our partnerships and our processes – for innovative ways to limit our impacts.

Karine Damour,
Logistics and transport
flow director



”

COMMITTED TO

DEPLOYING a low-carbon roadmap in line with the Paris climate agreement

LIMITING our waste impact



**COLISSIMO
AND CHRONOPOST**
'carbon-neutral' service providers: 80% of deliveries in France are now carbon neutral



**REMOTE AFTERSALES
ASSISTANCE**
for better diagnosis and fewer unnecessary visits



LAST MILE
Experiments are being carried out in Paris to make the final mile of deliveries by bicycle or on foot

“

In the last several months, we've been on the hunt for the delivery truck of the future: it needs to emit the least amount of CO₂ and fine particles as possible. We've tested several types of electric and natural gas vehicles (NGVs) in real conditions, and our preference is for NGV trucks: they have over 150 km of autonomy, emit 80% less CO₂ (in the case of bioNGV) and 93% less fine particles than diesel vehicles. The only limitation is the currently low number of natural gas stations. As a result the Group has decided to convert some of its diesel trucks to natural gas to service the largest metropolitan areas.

Olivier Béchu
Business line and organization director
Last mile delivery



”



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WASTE COLLECTION, RECYCLING AND RECOVERY

FNAC DARTY HAS ITS OWN WASTE COLLECTION FACILITY

FNAC Darty is committed to the collection and recycling of waste.

Created by Darty in 1994, the Mitry-Mory waste sorting site centralizes waste management in the Paris region.

When large household appliances are delivered to a customer, the goods are unpacked in the truck. The packaging as well as recovered old appliances are taken to Mitry-Mory to be reconditioned or recycled.



The Mitry-Mory waste centre recovered 1,600 tonnes of cardboard in 2018.



WEEE COLLECTION AND RECYCLING

#1 WEEE collector
in France

45,188 tonnes collected and recycled
by ÉCO-SYSTÈMES in 2018



RECOVERY OF PACKAGING

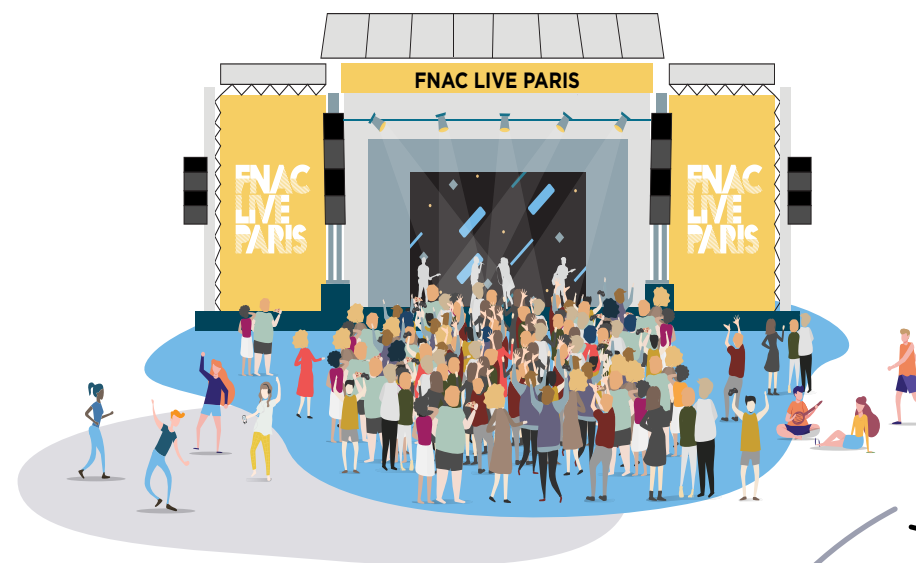
5,000 tonnes of cardboard
and **130 tonnes of plastic**
recovered and reused in 2018
in France

'2 FOR 1' COLLECT AND RECOVER

Launched ten years ago, this scheme allows customers to give up to two appliances for recycling when a large household appliance is delivered.



BOOSTING THE ECONOMIC, SOCIAL AND CULTURAL VITALITY OF LOCAL AREAS



COMMITTED
TO AN INFORMED
CHOICE

→ through offering advice,
services and culture in close
proximity to customers



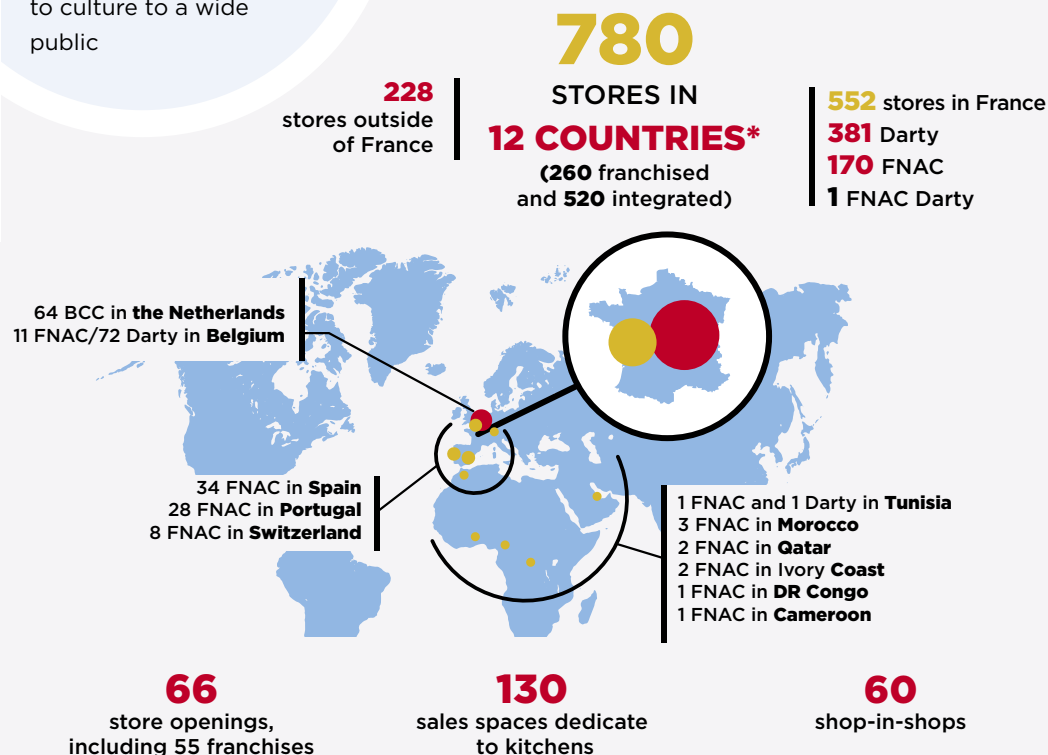
OPENING STORES CONTRIBUTES TO LOCAL ECONOMIES AND CULTURAL LIFE

COMMITTED TO

SUPPORTING
local employment

PROMOTING access
to culture to a wide
public

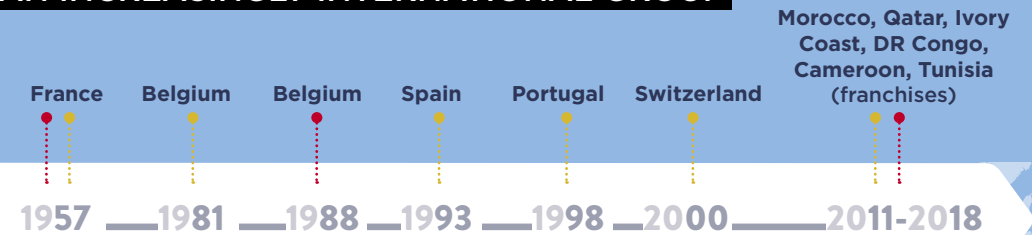
The Group plays an important role in the so-
cial fabric of an area, generating economic,
social and cultural vitality through its network
of stores and franchises in France, in Europe
and elsewhere in the world.



* At the end of December 2018



AN INCREASINGLY INTERNATIONAL GROUP



[ZOOM]

FNAC PORTUGAL CELEBRATES ITS 20TH ANNIVERSARY WITH A STREET FESTIVAL

To celebrate our anniversary, we brought to the streets what we most like to offer in our FNAC forums throughout the year: free access to culture in intimate encounters between musicians and spectators. The street event '20 years, 20 flash concerts', was our way to thank the artists and the Portuguese public for these two decades of shared experience.

Ines Condeco,
Communications director, FNAC Portugal





MAKING CULTURE ACCESSIBLE

TO A MAXIMUM NUMBER OF PEOPLE

In 2018, FNAC cultural actions brought together some **250,000 people** in 7,000 events organized around the world, both in store and out.



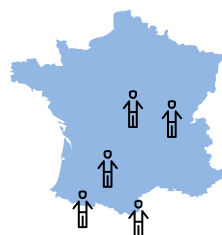
#1 music
seller in France



#1 book
seller in France



#1 ticket
seller in France



A French team
dedicated to culture
15 employees,
6 of which are outside
Paris



©Sarah Bastin



©Sarah Bastin

“

The Group's policy of promoting culture reflects its strong desire to popularize cultural access, by creating opportunities to bring the public into contact with artists and by investing in outreach and the dissemination of cultural creations.

Benoît Brayer,
Cultural action officer



”



KEY EVENTS IN 2018



FREE IN-STORE EVENTS

7,000 cultural events
around the world, including
1,650 in France



FNAC BOOK FAIR

Launched in 2016
More than **100 authors**
15,000 visitors



FNAC LIVE PARIS FESTIVAL

8th annual festival
Held in central Paris
30 free concerts over 3 days
~100,000 spectators

3

key literary awards
3 important dates
in the literary
calendar that
showcase authors
and their work



PRIX GONCOURT FOR STUDENTS
30th anniversary



FNAC NOVEL AWARD
17th year



FNAC/FRANCE INTER COMIC BOOK PRIZE
7th year



INVOLVING CUSTOMERS

IN THE GROUP'S SOCIAL ACTIONS

MICRO-DONATIONS: CHANGING LIVES WITH ONE CLICK

FNAC Darty involves its customers in its charitable activities by offering them the opportunity to make small donations when they make a purchase on fnac.com or fnac.spectacles.com. Added together, these small amounts make big things possible!



FNAC.COM

UN RIEN C'EST TOUT
1

€103,000
collected in 2018



FNAC.SPECTACLES.COM



€115,000
collected in 2018
(€245,000
it launched)

FNAC, TOY DRIVE FOR CHILDREN IN NEED

In partnership with France's *Secours Populaire*, each December, FNAC stores invite their customers to donate new gifts that will make holidays more festive for low income families.



CONDUCTING BUSINESS IN AN EXEMPLARY MANNER



COMMITTED
TO AN INFORMED
CHOICE

→ through a business ethic that is conscious of its responsibilities and commitments



CONDUCTING BUSINESS IN AN EXEMPLARY MANNER

Increasingly, FNAC Darty is relying on external partners to offer its customers the best possible range of products and services. These partnerships entail a great responsibility: guaranteeing that the rights of each party and the ethical principles of the Group are respected by all.

To this end, in March 2019 the Group **signed a code of good conduct for e-commerce**, committing the company to ensure fair trade relationships with its suppliers, notably small businesses.

PREVENTING CORRUPTION AND INFLUENCE PEDDLING

COMMITTED TO

COMBATTING corruption and influence peddling

IMPLEMENTING a compliance action plan to avoid risks related to product sourcing

PROTECTING the data of customers and employees

GUARANTEEING fair trade relationships

In our concern to respect the Group's ethical commitments in every circumstance, FNAC Darty has strengthened its Code of Business Conduct and its Gift and Benefits Charter. These documents, translated into every language of the countries where the Group operates, are appended to the internal regulations of each business entity and are available online on the different company intranet sites so that employees, management committees, the executive committee and company representatives can ensure these commitments are shared.

Marie-Véronique Cornil,
Internal audit director



CONDUCTING BUSINESS IN AN EXEMPLARY MANNER

PROTECTION OF PERSONAL DATA

FNAC Darty is actively working across all business lines to improve processes in order to ensure that both customers and employees have greater control of their data and to increase transparency.



IN 2018, IMPLEMENTATION OF THE GDPR, COORDINATED BY THE DPO* WORKING WITH EACH BRANCH

Implementing a governance plan for personal data protection

Awareness-raising and training of employees in the Group

Documenting procedures and internal processes

Better informing users about the data collected

Defining limited data retention periods

Improving the security of information systems for data processing

Updating contracts and guarantees from suppliers/partners



In a context of accelerating digital transformation, our customers' trust depends on increased protection of their data. In 2018, FNAC Darty rallied all its teams to develop and implement this major GDPR project. Today, a culture of data protection is an integral part of FNAC Darty.

Julie Darnaud,
Data protection officer



24
million unique visitors
per month on average
to all FNAC and Darty
websites



8
million loyalty
cards

* DPO: Data protection officer



CONDUCTING BUSINESS IN AN EXEMPLARY MANNER

SOURCING OWN-BRAND PRODUCTS: INCREASED CONTROL PROCEDURES

In 2018, the Group put in place a COMPLIANCE ACTION PLAN based on risk mapping all its activities as well as those of its suppliers and partners.

This plan notably led to enhancing the policy of responsible sourcing of own-brand products, given the Group's direct responsibility in their design, manufacture and transport.

OWN-BRAND PRODUCTS, SOME FIGURES:



11
private label brands and
6
licensed brands



3%
of total products
purchased



€170 million
of purchases from China,
Turkey and Europe

”

Own-brand or licensed products are supplied directly from manufacturers, many of which are in China. We audit 100% of new suppliers not just according to quality criteria, but also ethical, social and environmental criteria. These factories are then subjected to subsequent audits every two years.

Hervé Hédouis,
Director of sourcing



“



AUDITS

27 verification criteria
linked to ethics, health
and safety, human rights
and the environment

En 2018, **99** out of 222
factories audited

FNAC DARTY



Contact: Valeria Maio

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