

# CSR REPORT 2019-2020

## FNAC DARTY

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# CONTENTS

FNAC DARTY,  
COMMITTED TO  
AN EDUCATED CHOICE

04

EDITORIAL  
BY THE CEO

05

THE FNAC DARTY  
GROUP

06

KEY FIGURES  
OF THE GROUP

07

MORE THAN 60 YEARS  
OF ENGAGEMENT  
IN ISSUES FACING SOCIETY

08

NATURE  
& DÉCOUVERTES,  
ENGAGED FOR  
THE ENVIRONMENT

12

FNAC DARTY,  
CREATING  
VALUE

14

DEVELOPING  
OUR GREATEST ASSET:

**HUMAN  
CAPITAL**

17



PROMOTING CONSUMPTION  
THAT IS

**MORE  
RESPONSIBLE**

27



LIMITING THE  
ENVIRONMENTAL IMPACT

**OF OUR  
ACTIVITIES**

39



BOOSTING THE ECONOMIC,  
SOCIAL AND CULTURAL VITALITY

**OF LOCAL  
AREAS**

43



CONDUCTING BUSINESS IN AN

**EXEMPLARY  
MANNER**

49



# FNAC DARTY, COMMITTED TO AN EDUCATED 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 educated choices.**

**THIS AMBITION  
IS MADE POSSIBLE  
THROUGH:**

-  **Well-trained staff who are confident in their expertise (p.18)**
-  **Transparent information and innovative products and services (p.28)**
-  **An ambitious CO<sub>2</sub> and waste reduction policy that are shared with customers (p.40)**
-  **Territorial coverage that increases access to culture, services and technology (p.46)**
-  **A business ethic that is conscious of its responsibilities and commitments (p.52)**



# EDITORIAL BY THE CEO

“

*Buying behaviour is changing rapidly and profoundly. Our customers expect us to have a responsible, sustainable approach, so that together we can produce and consume more wisely. To meet this aspiration with an ambitious and long-term vision, our Group has set itself the objective of offering our customers a 'choix éclairé' (educated choice). This means not only guaranteeing the best offer of products and services and giving transparent information and expert advice, but also ensuring the highest ethical standards in the day-to-day running of our business.*

*This purpose motivates the actions of all our employees, whether in our stores or our central offices, working in our brick-and-mortar operations or on our online platforms. I am proud to share the concrete and strong commitments we have made that are presented in this report – commitments that reinforce the relationship of trust between our Group and all our stakeholders.*

**Enrique  
MARTINEZ**



”

# THE FNAC DARTY GROUP

# KEY FIGURES OF THE GROUP

## THE GROUP'S BRANDS



### 2019: ACCELERATING OUR STRATEGIC PRIORITIES

To become the benchmark omnichannel service platform in Europe and to amplify our role in society, we are focusing our efforts on digital transformation, excellence in the execution of our projects and strengthening our social and environmental commitments.

To this end, in 2019 the Group developed our strategic acquisitions, such as Nature & Découvertes, and, through the dedicated engagement of our employees, consolidated our position to allow our customers an educated choice.



©Julien Pichot

## TOP 3

AMONG EUROPEAN OMNICHANNEL DISTRIBUTORS



#2

E-COMMERCE SITE IN FRANCE IN THIS MARKET

24,946

EMPLOYEES IN 2019



€7.3 BILLION

TURNOVER IN 2019

60+ YEARS

OF HISTORY FOR THE 2 BRANDS

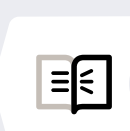


880 STORES IN

13 COUNTRIES

46 MILLION

BOOKS SOLD IN 2019

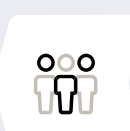


254 MILLION

IN-STORE VISITS IN 2019

25 MILLION

WEBSITE VISITS PER MONTH IN FRANCE ON AVERAGE IN 2019

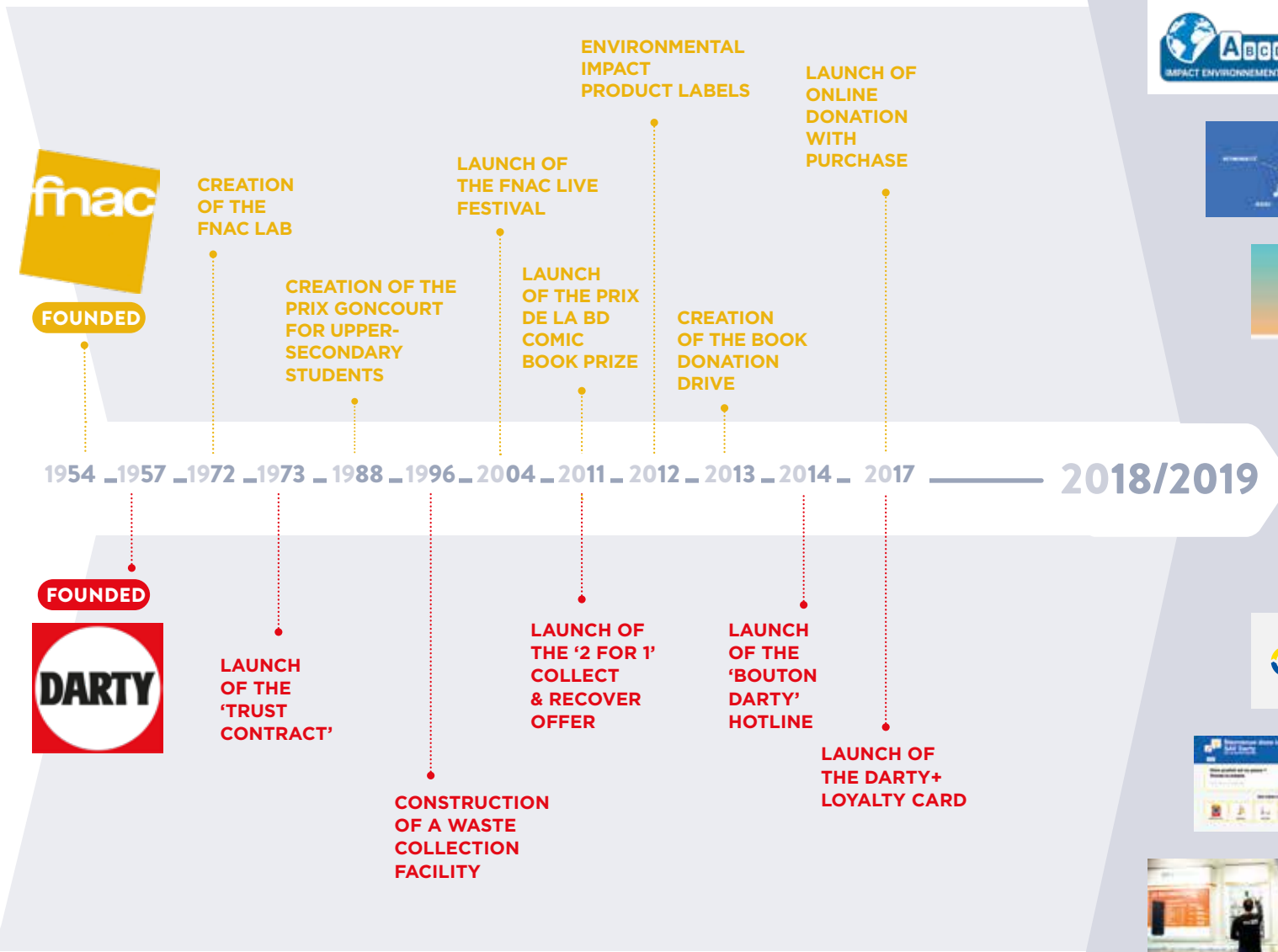


# MORE THAN 60 YEARS

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.29).



**REPAIRABILITY INDEX**  
A pioneer in sustainability, Fnac Darty has chosen to provide information about product repairability before this becomes a requirement (p.34).



**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.35).



**LE CHOIX DURABLE**  
A new logo created by Darty to promote the most reliable, long-lasting and repairable products: 'the sustainable choice' (p.33).



**ACQUISITION OF NATURE & DÉCOUVERTES**  
The purchase of this emblematic and environmentally responsible B Corp-certified company is in line with Fnac Darty's purpose (p.12).



**DARTY MAX**  
A unique subscription repair service for all large household appliances, whether bought at Darty or not (p. 32).



**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.36).



**WEFIX YOUR PHONE**  
The acquisition of WeFix, an express service that reconditions smartphones, is a strong commitment to extending the life of products (p.36).

# A CSR POLICY

## FOCUSSED ON KEY CHALLENGES

# 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,**  
General secretary of HR,  
CSR and governance



”



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

- The compensation of the CEO and Executive Committee members is partly linked to CSR targets.
- CSR and Climate representatives have been created in each department.
- 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.

**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



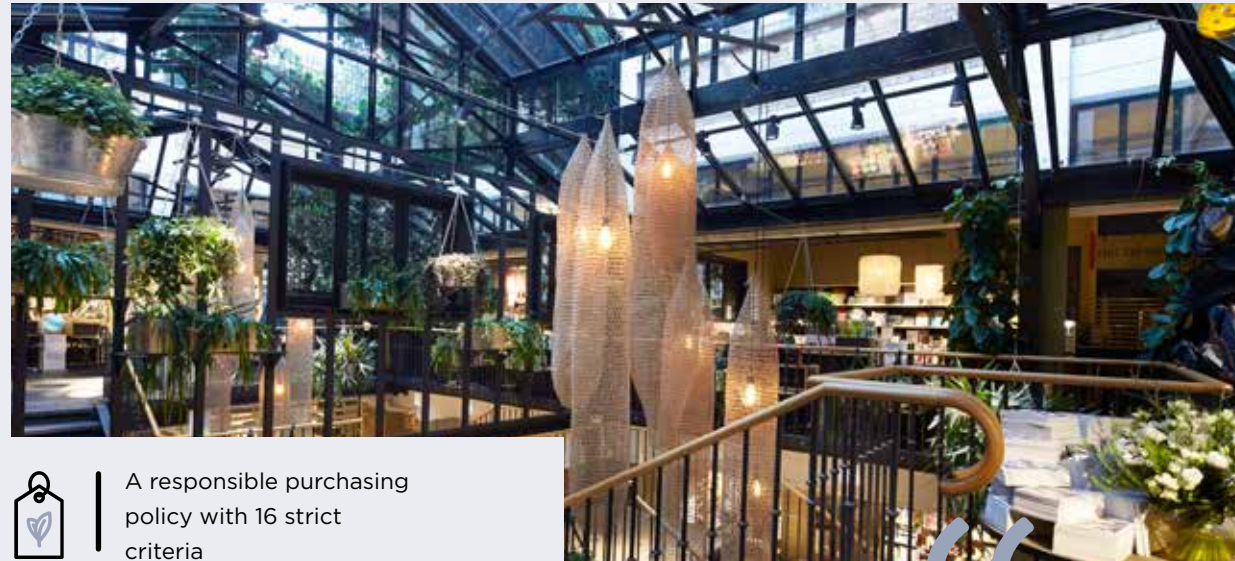
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# NATURE & DECOUVERTES

A CERTIFIED AND COMMITTED COMPANY

 **+ 1 000**  
employees

 **99**  
stores in 5 countries



© Francis Amland



“

Since 1990, Nature & Découvertes has upheld strong environmental and social values, embodied in the daily engagement of our employees and in our product offer. More than ever, the economy needs responsible companies that go beyond legal requirements to work towards a better future. We are proud to say that Nature & Découvertes is part of this enthusiastic community that is growing day by day in France and across Europe.

**Antoine Lemarchand,**  
CEO of Nature & Découvertes



”

-  A responsible purchasing policy with 16 strict criteria
-  A 'Green Network' with 100 environmental policy ambassadors

## B CORP: A LABEL FOR POSITIVE IMPACT

**Certified** In 2015, Nature & Découvertes became France's second Certified B Corporation, a label that guarantees the business meets the highest standards of social and environmental performance and is part of building a more inclusive and sustainable economy. Today the B Corp network includes some 100 companies in France and more than 2500 around the world.



# NATURE & DECOUVERTES

AN ACQUISITION IN LINE WITH FNAC DARTY'S PURPOSE



## A FOUNDATION FOR BIODIVERSITY



© Francis Amland

Nature & Découvertes donates 10% of its net profits to its corporate foundation every year. Since 1994, these funds have been used to support nature conservation non-profit organizations working in biodiversity and outdoor environmental education.

“

Nature & Découvertes exemplifies the business of tomorrow: humanist, respectful of our planet, and virtuous in creating and redistributing wealth intelligently through a responsible ecosystem. All our brands share the same ambition, that of guiding customers and helping them to make an educated choice.

**Frédérique Giavarini,**  
General secretary of HR, CSR and governance



”

 **More than**  
**2 700**  
projects financed to date

 **€13.3**  
million donated

# FNAC DARTY, OUR MODEL

## FNAC DARTY MEETING SOCIETY'S CHALLENGES

- The rise in e-commerce
- The growth of responsible consumption
- Decline in trust and search for meaning
- A decrease in purchasing power
- The climate crisis

### OUR PURPOSE

#### COMMITTED TO AN EDUCATED CHOICE

Our ambition is to ensure our customers are better informed and have more control over what they buy.

## OUR STRATEGY

Customer guidance

Digital acceleration

IMPROVE CUSTOMER EXPERIENCE

DEVELOP OUR OPEN OMNICHANNEL PLATFORM

Responsibility

Operational excellence

## OUR RESOURCES

### Human capital: our key strength

- More than 24,000 employees
- 70% of which are in contact with customers
- 2500 of which are dedicated to repair

### An open omnichannel platform

- A network of 880 stores (including 320 franchises), 21 warehouses and 88 platforms
- 14 internet sites in Europe

### A strong financial position

- 7.3 billion consolidated turnover in 2019 and a more than 45% increase in operating profitability since the integration of Fnac Darty in 2016

### A recognized societal role

- Long-term partnerships with social economy enterprises and organizations
- Historical commitment to repair and recycling
- A major cultural participant, committed to bringing culture to the public

### Governance to the highest standards

- Diversity in skills and gender equality in the Board of Directors
- A compensation scheme for the Executive Committee that includes CSR criteria

## OUR MARKETS

### Managed international growth

- 6 markets in Europe: France–Switzerland, Belgium–Luxembourg and the Iberian Peninsula
- Franchises in Africa, the Middle East and French overseas departments and territories

## OUR ACHIEVEMENTS IN 2019

### A developing ecosystem

- An increase in acquisitions and partnerships

### New services to support responsible consumption

- Darty Max: a unique subscription repair service
- 'Le choix durable': promoting the most reliable products
- Repairability index extended to smartphones: Fnac Darty leads the way
- An activity dedicated to giving products a second life (second-hand sales and donation)

### A more integrated CSR strategy

- Objective to reduce CO2 emissions 50% by 2030
- Reinforced governance

## OUR BRANDS



## SHARED VALUE CREATION

### For our customers

- Services and advice to allow an educated choice
- An omnichannel offer that meets everyone's needs

### Services and advice to allow an educated choice

- An omnichannel offer that meets everyone's needs

### For our employees

- 60% of employees received training in 2019
- 2nd employee stock ownership plan

### For our shareholders

- High cash generation
- Strong growth in non-financial ratings

### For the environment

- 1.6 million products repaired
- 46,000+ tonnes of electric/electronic discards collected and recycled
- -9% of CO2 emissions from energy use at our sites

### For our suppliers and governments

- Signature of the E-Commerce Charter with SMEs
- Respect of the fiscal regulations in each country

### For our local areas

- 78 Fnac and Darty stores opened in 2019
- 10,403 free events were held

## OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

Through its model, strategy and purpose, Fnac Darty is consolidating its efforts and contributing to the SDGs:



Through its vigilance and actions, Fnac Darty is also contributing to the SDGs:







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# DEVELOPING OUR GREATEST ASSET: **HUMAN CAPITAL**



**COMMITTED**  
TO AN EDUCATED  
**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.



**88.3%**  
permanent contracts



**81.9%**  
full-time contracts



**4.61%**  
sick leave  
(4.86% in the retail sector)



**24,046**  
employees  
(17,676 in France)



**+72%**  
employees in contact  
with customers

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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Excluding Nature & Découvertes employees, who only joined the Group in July 2019.



# 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.*

**Tiffany Foucault,**  
Group HR director

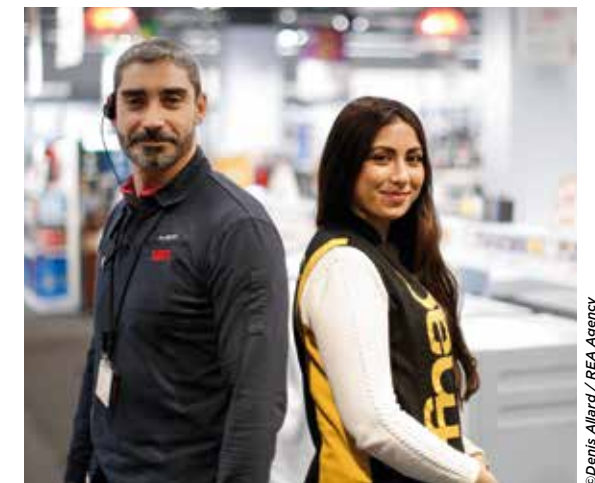


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## STRENGTHENING THE QUALITY AND EFFICACY OF SOCIAL DIALOGUE

Following the creation in 2018 of a European Works Council (EWC), in 2019 the Group established an Economic and Social Committee (ESC) and a dedicated Fnac Darty Committee.

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 2019

### LAUNCH OF A DIGITAL FACTORY

With the dual aim of breaking down silos between IT and Marketing and attracting new talent, Fnac Darty has launched a Digital Factory. This agile new organization is focussed on developing projects for the Group's e-commerce sites and customer experience.

**2019: a team of 187, including 20 new recruits**

### 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.

**21,800 employees in 6 countries have access to Supermood. In December 2019, the company's average rating was 7 out of 10**



# DEVELOPING EXPERTISE AND EMPLOYABILITY

## FIGURES IN 2019



**66%** of employees participated in a training course



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



**6** courses were created in partnership with the Apprentice Training Centre to train aftersales technicians and deliverers/installers



**+41** diplomas granted through Validation of Acquired Experience (VAE) certification in 2019, making a total of 650 since 2004



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*In 2019, we continued to enhance our training offer by pooling the expertise of our two brands at the Fnac Darty Academy. Using innovative programmes that make the best use of face-to-face sessions, e-learning and, more recently, virtual reality, our teams support the strategy of the Group, 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.



**550+**  
e-courses  
in 2019



**156,144**  
courses completed in 2019  
(compared to 108,877 in 2018), mainly by sales staff



**340**  
virtual site visits for  
workplace orientation



### 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

**6,000+**  
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.



© Denis Allard / REA Agency



### CUSTOMER EXCELLENCE 2019-2020

**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 initiative that trained almost 600 supervisors as manager-coaches, in 2019 we launched a programme to develop management skills in customer excellence, value creation and sustainable development. Supported by Kedge Business School, this certification programme will develop career paths for our staff. We also continued the deployment of our Customer Excellence programme, which aims to arm our customer-facing employees with best practices in sales excellence, giving them new tools so they can best meet customer needs. 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.



**5.97%** of our employees in France have a disability (2019)



**3rd Fnac Darty HandiTrophée:** awarded to Fnac Logistics

**[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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**39%** of staff are women



**90/100** on the Gender Equality Index



**33%** of the Executive Committee are women



**50%** 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] 'DM AU FÉMININ': PROMOTING WOMEN STORE MANAGERS

### OBJECTIVE

#### 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 **960** work-study interns in 2019

## 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



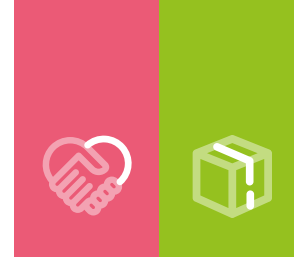
#### Enrique, why did you accept the role of sponsor?

*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 EDUCATED 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.*



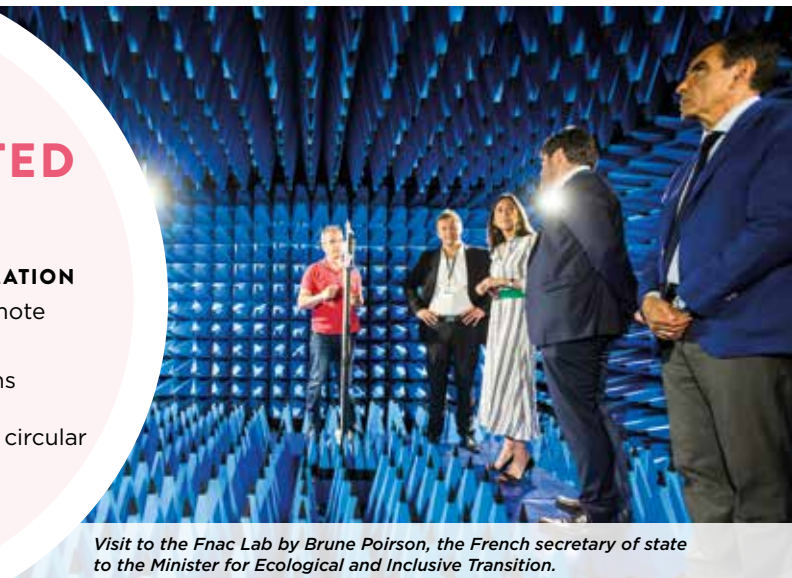
**Vincent Gufflet,**  
Sales director, products and services, France

”

## 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 EDUCATED CHOICES

## PROVIDING INDEPENDENT FORMATION: THE FOUNDING PURPOSE 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 2019, **764 tests** were carried out on 374 products



©Denis Allard / REA Agency



## 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.



© Denis Allard / REA Agency

## 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

46,000+ tonnes of WEEE\* collected in France and given to the recycling non-profit Eco-systèmes in 2019



### FNAC DARTY #1 REPAIRER IN FRANCE

2,600,000 service jobs in 2019



# ... WORKING TOWARDS A MORE CIRCULAR ECONOMY

## FNAC DARTY INNOVATES TO FOSTER THE CIRCULAR ECONOMY

In the last two years, six key projects were launched that promote a more circular economy:



### DARTY MAX

A unique subscription repair service for all large household appliances, whether bought at Darty or not.



### LE CHOIX DURABLE

A new logo created by Darty to promote the most reliable, long-lasting and repairable products: 'the sustainable choice'.



### REPAIRABILITY INDEX

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

# “

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 over the last two years 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 Fnac Darty services policy



# ”



### WEFIX ACQUISITION

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



### PRODUCT LONGEVITY SURVEY

A first-of-its-kind study based on Darty aftersales services measures product lifetime, allowing the promotion of the most reliable brands.



### FIX-IT-YOURSELF FORUM

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

\*Waste Electrical and Electronic Equipment





# INNOVATIONS IN 2019

## MAKING REPAIR EASIER

Repairing products not only delays their end of life, thus decreasing the volume of waste generated, it also reduces the ecological impact linked to the production of new replacement products. Moreover, it creates non-outsourcable jobs and has increasingly attractive economic benefits for customers.



ACCORDING TO AN ADEME\* STUDY  
IN PARTNERSHIP WITH FNAC DARTY



**81 %**  
of French people have  
a positive opinion of  
repair (+7 points since  
2014)



Yet only **30%**  
repair their belongings  
when they break



**68 %**  
consider cost the main  
disincentive to repair

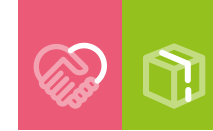
### DARTY MAX, A SERVICE THAT MAKES IT EASY TO REPAIR APPLIANCES

To make repair more accessible to the public, in 2019 the number one repairer in France launched Darty Max, the first subscription repair service. It allows the simple, fast repair of any major household appliance, old or new, bought at Darty or elsewhere.

Video support, maintenance and use advice, home service visits, spare parts: all this is included in the subscription\*\*, with no limit on the number of appliances or services covered. Darty Max makes repair easy, in this way extending the lifetime of products.



\* ADEME : French Environment and Energy Transition Agency  
\*\* 100% repair service offered for between 7 and 15 years, depending on the period of availability of replacement parts for appliances bought from Darty.



# INNOVATIONS IN 2019

## PROMOTING THE MOST RELIABLE BRANDS

Reliability and repairability are, alongside technical features, the criteria that vary the most between products in a given range. To allow customers to choose the most long-lasting appliances, the Group is now promoting these products with a clear logo: 'Le choix durable' ('The sustainable choice').

The objective selection process for these products is based on criteria including the breakdown rates observed by Darty aftersales and a brand's commitment to supplying replacement parts (at least 10 years for large appliances). This is reviewed every three months to assess and add new products.



**82**  
products labelled 'Le choix  
durable' in February 2019



### A PROJECT WITH A POSITIVE IMPACT

Following the launch of 'Le choix durable', major brands including Miele, Samsung, Beko, LG and Electrolux extended the availability of their replacement parts, in some cases by an additional four years or more.

The initiative is thus already concretely contributing to extend product lifetime, not only for the Group's customers, but for the entire market in France.





# INNOVATIONS IN 2018

## INFORMATION ON PRODUCT REPAIRABILITY



©Denis Allard / REA Agency

### 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.

“

*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 educated choice. This has been the purpose of the Fnac lab since its inception, and every year we work to develop it further.*

**Lionel Costa,**  
Development manager,  
Fnac lab



”



# INNOVATIONS IN 2018

## INFORMATION ON LONGEVITY BY BRAND

### SECOND YEAR OF THE PRODUCT LONGEVITY SURVEY

This study, which will be carried out each year, prioritizes transparency by indicating the useful lifetime 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.

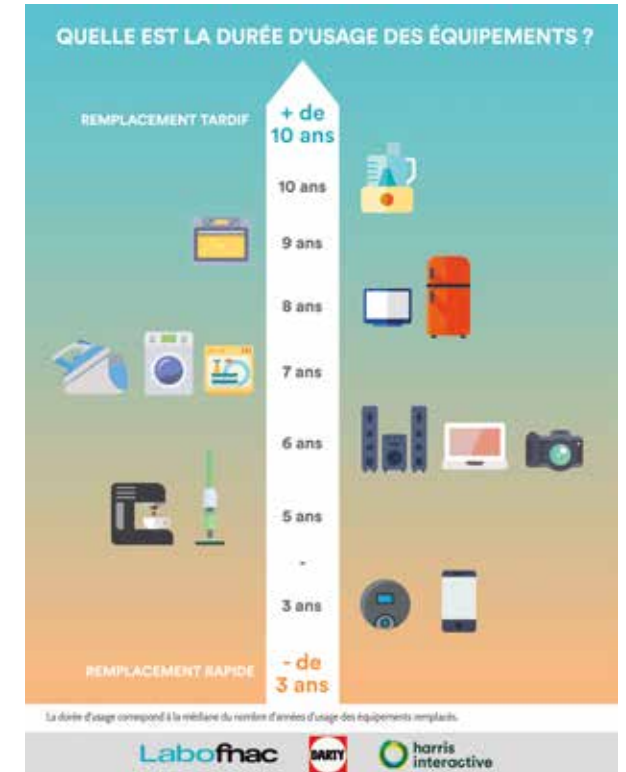
“

*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 96 outlets in France and Belgium that offers an express repair service (20 minutes on average) for the main models of smartphones, making 20,000 repairs per month and thus avoiding some 30 tonnes of electronic waste.

WeFix has also developed its offer as a sales point for reconditioned phones, for which sales more than tripled compared to 2018. **An increase that allowed 250 personnel to be recruited in 2019!**



©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.*



**Katell Bergot,**  
Product second life director

”

### A LONG PARTNERSHIP

### WITH THE ENVIE NETWORK

In 2019, Darty entrusted more than **300,000 broken appliances** to ENVIE, a non-profit that aids jobseekers to return to work through giving products a second life.

### SECOND-HAND RESALE

### ON THE RISE

Tested, reconditioned, cleaned and repackaged by our expert teams: **more than 42,000 products** in perfect working order were sold on the Fnac and Darty second-hand marketplaces in 2019 – an increase of 17% compared to 2018, and an activity that will continue to accelerate in 2020.

### CHARITY DONATIONS

In 2019, **138,782 products** of all kinds were donated to non-profit organizations. In addition to giving to organizations that have long been partners such as Emmaüs France, Bibliothèques Sans Frontières, ENVIE and Secours Populaire, Fnac Darty also made donations for the first time to charities such as the Agence du Don en Nature, the Fondation des Hôpitaux de France, Les Papillons du Ciel, Cekedubonheur, Clocliclown and Marions.



©Denis Allard / REA Agency



# GIVING A SECOND LIFE

## WITH THE HELP OF CUSTOMERS



### CHARITY BOOK DRIVE

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



**GRANDE COLLECTE SOLIDAIRE**

7<sup>ÈME</sup> 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.



**€168,157**  
collected  
in 2019!



## LIMITING THE ENVIRONMENTAL IMPACT OF OUR ACTIVITIES



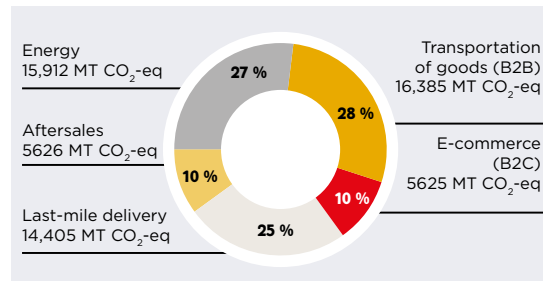
**COMMITTED TO AN EDUCATED CHOICE**

→ ambitious environmental objectives that are shared with customers



# LIMITING THE ENVIRONMENTAL IMPACT OF OUR ACTIVITIES

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. To reduce the environmental impacts associated with this, the Group has reinforced its governance and launched a number of projects.



**58,000 MT CO<sub>2</sub>-eq\*** emitted by the Group in 2019 (down from 60,000 in 2018)



**8.8 kg CO<sub>2</sub>-eq\*\* / €K** of turnover\*\*\* in France (down from 9.1 in 2018)



Our omnichannel model allows us to capitalize on our network of warehouses and stores to optimize travel distances and to reduce packaging. The creation of a quarterly Climate Committee, whose purpose is to steer the company in meeting our objective of reducing CO<sub>2</sub> emissions by 50%, ties our business goals to climate objectives and empowers managers.

**Olivier Theulle,**  
Director of operations and information systems



\* Metric tonnes of CO<sub>2</sub> equivalent  
\*\* Kilograms of CO<sub>2</sub> equivalent  
\*\*\* Turnover in products (excluding services)

## COMMITTED TO

**REDUCING** by 50% our CO<sub>2</sub> emissions linked to transport and energy use at our sites by 2030 (compared to 2018 emissions)

**REDUCING, REUSING & RECYCLING** our packaging waste



# LIMITING THE ENVIRONMENTAL IMPACT LINKED TO ENERGY USE AT OUR SITES



Reducing our energy use is the aim of the deployment of LED lighting in our stores and warehouses and our implementation of a Centralized Technical Management system across our sites. The positive results are clear and encourage us to accelerate our performance in this area, which has economic as well as environmental benefits.

**Géraldine Olivier,**  
Director of indirect procurement and performance optimization



**15,900 MT CO<sub>2</sub>-eq\*** for the Group in 2019 (down 20% from 2018)



**-9%** energy use at French sites compared to 2018



**22%** of the electricity used by the Group comes from renewable sources (up 33% from 2018)



© Abby Anaday / Unsplash

## POWERED BY THE WIND

Since 1 January 2020, the Fontanelles wind farm between Montpellier and Toulouse has been producing electricity for Fnac Darty. This Power Purchase Agreement currently covers about 13% of the annual electricity use of our sites in France.

In Spain, Portugal, Belgium and Switzerland, the Group is supplied almost exclusively with electricity from certified renewable sources.\*

\*Spain 100%, Belgium 95%, Switzerland 97% and Portugal 60%.



# LIMITING THE ENVIRONMENTAL IMPACT LINKED TO TRANSPORT

In 2019, **42,040 MT CO<sub>2</sub>-EQ** were emitted from transport across the Group compared to 40,865 MT CO<sub>2</sub>-eq in 2018. Thus, emissions remain virtually stable, despite the opening of more than 70 new stores. Carbon intensity per store decreased in 2019.

Across the Group*	2018	2019
MT CO <sub>2</sub> -eq / store	58	54



## PARCEL SHIPPING

The use of Colissimo and Chronopost, environmentally committed service providers, ensures that more than 6 out of 10 Fnac Darty parcels qualify as carbon neutral.

Across France	2019
Number of parcels delivered	10 million+
Kg CO <sub>2</sub> -eq / parcel	0.49

### DID YOU KNOW?

More than 1.5 million products were delivered to customers from store inventories via Click & Collect, thus avoiding the same number of shipments.



## DELIVERY OF LARGE APPLIANCES (FRANCE)

Alerting customers with delivery time slots has resulted in fewer non-delivered items, avoiding the necessity of redelivery.

Across France	2019
Number of delivery rounds	1.7 million+
Kg CO <sub>2</sub> -eq / delivery	7

### DID YOU KNOW?

For smaller parcels, experiments have been carried out in large cities to make deliveries by bicycle or on foot.

## TRANSPORT OF GOODS (FRANCE)



Optimizing truck loading and delivery rounds to stores, in part by combining Fnac and Darty transport flows, has reduced the carbon intensity of this activity.

Across France	2019
Number of pallets	1.6 million+
Kg CO <sub>2</sub> -eq / pallet	7.74

\* Not including Nature & Découvertes or BCC in order to maintain a comparable scope  
 \*\* Compensation for residual CO<sub>2</sub> emissions through certified compensation projects



## remote AFTERSALES assistance for better diagnosis and fewer unnecessary visits

**30,000+** trips avoided

**390 MT CO<sub>2</sub>-eq** in 2019

Across France	2019
Number of home service visits	700,000+
Kg CO <sub>2</sub> -eq / visit	5.5

## [ZOOM] CLEANER TRUCKS FOR DELIVERING LARGE APPLIANCES

lowest emissions, in 2020 we purchased **34 natural gas vehicles (NGVs)** for deliveries. With a fuel mix of 15% biogas, these trucks emit much less CO<sub>2</sub> and 93% less fine particles than diesel vehicles. Since the summer of 2020, this fleet has been delivering to customers in large metropolitan areas.



“

By its very nature, repair extends the lifetime of products, thus reducing their environmental impact. But we want to go further: to limit the number of home service visits, we are focusing on dealing with minor repairs directly at aftersales desks in stores and on developing remote assistance solutions. In 40% of cases, the problem is not due to malfunction, and maintenance or use tips can resolve the issue. In the case of product failure, it is increasingly possible to use remote troubleshooting via video or guidance from technicians at call centres.

**Mehdi Dahmani,**  
Aftersales director



”



# WASTE COLLECTION, RECYCLING AND RECOVERY

## FNAC DARTY HAS ITS OWN WASTE COLLECTION FACILITY

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

**46,373** tonnes collected and recycled  
by ÉCO-SYSTÈMES in 2019



### RECOVERY OF PACKAGING

A complete reorganization of the management of packaging waste will optimize the reuse or recycling of boxes, plastic and polystyrene.

### '2 FOR 1' COLLECT AND RECOVER

Launched over ten years ago, this scheme allows customers to give back 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 EDUCATED CHOICE

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



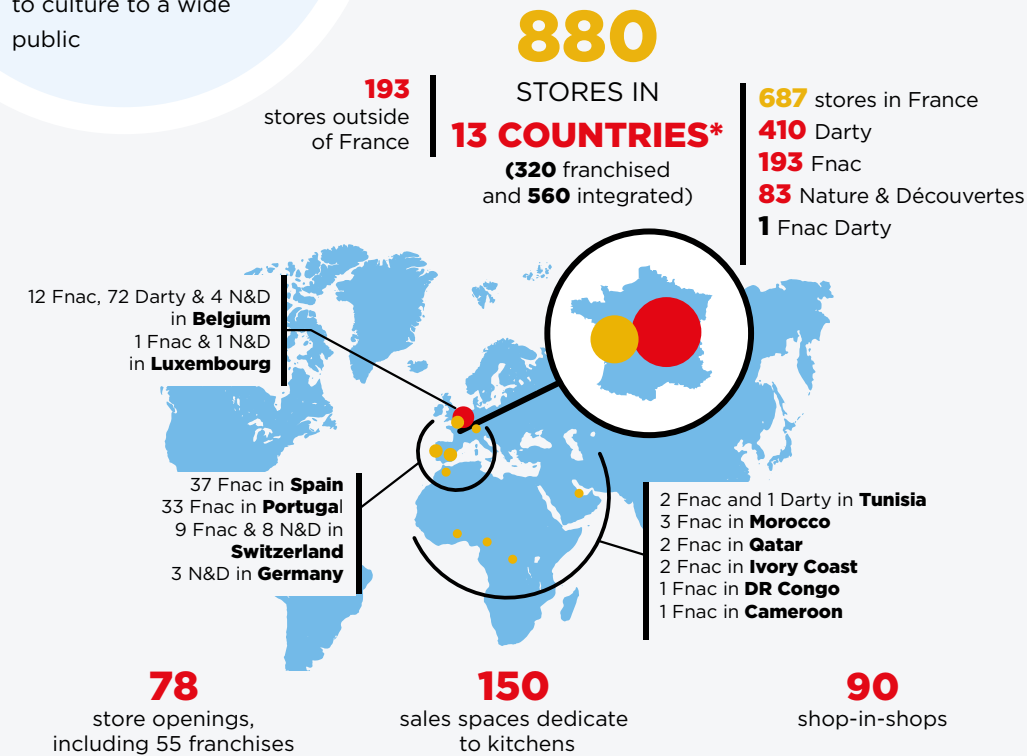
# OPENING STORES CONTRIBUTES TO LOCAL ECONOMIES AND CULTURAL LIFE

## COMMITTED TO

**SUPPORTING**  
local employment

**PROMOTING** access  
to culture to a wide  
public

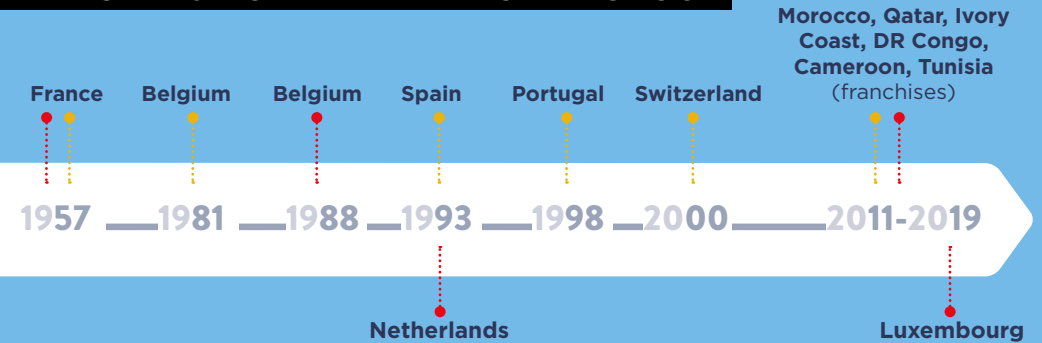
The Group plays an important role in the social fabric of an area, generating economic, social and cultural vitality through its network of stores and franchises in France, in Europe and elsewhere in the world.



\* At the end of December 2019

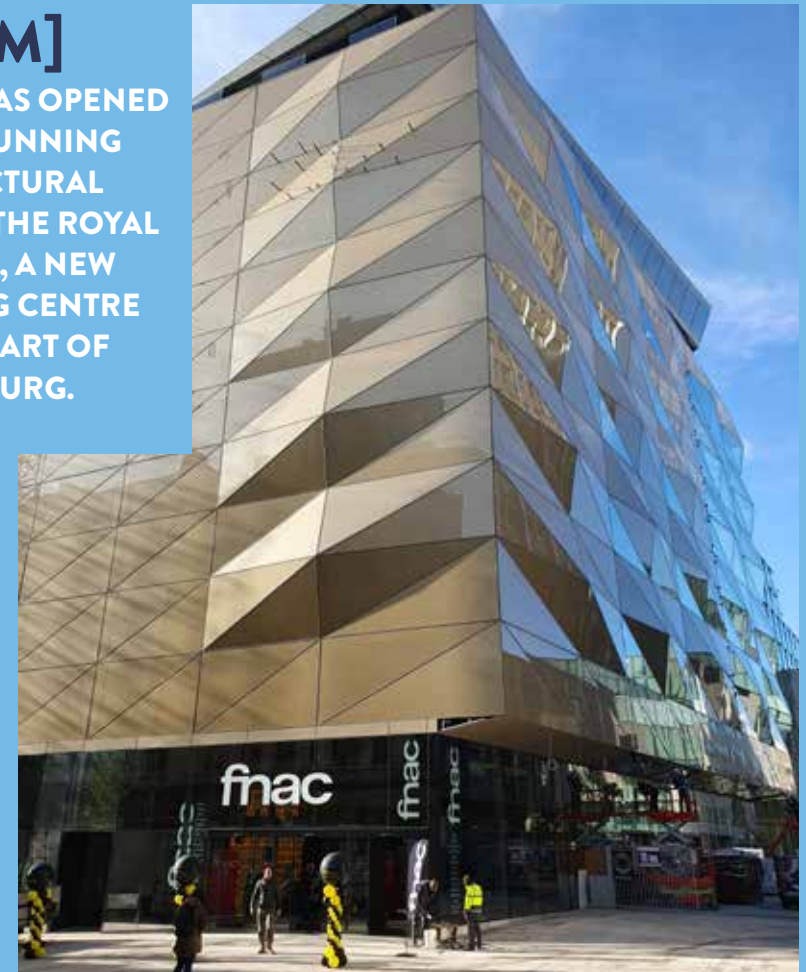


## AN INCREASINGLY INTERNATIONAL GROUP



## [ZOOM]

A FNAC HAS OPENED IN THE STUNNING ARCHITECTURAL PROJECT THE ROYAL HAMILIUS, A NEW SHOPPING CENTRE IN THE HEART OF LUXEMBOURG.







# MAKING CULTURE ACCESSIBLE TO A MAXIMUM NUMBER OF PEOPLE

In 2019, Fnac cultural actions brought together some **323,000 people** in 10,403 free events organized around the world, both in store and out.



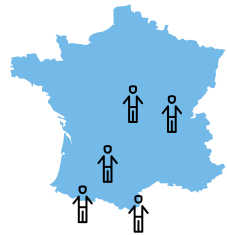
**#1 music**  
seller in France



**#1 book**  
seller in France



**#1 ticket**  
seller in France



A French team dedicated to culture  
**15 employees**,  
7 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.*

**Benjamin Perret**,  
Director of communications



”



# KEY EVENTS IN 2018



## FREE IN-STORE EVENTS

More than **10,000**  
**cultural events**  
around the world



## FNAC BOOK FAIR

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



## FNAC LIVE PARIS FESTIVAL

**9th 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 DES LYCÉENS

31st year



## FNAC NOVEL AWARD

18th year



## FNAC/FRANCE INTER COMIC BOOK PRIZE

8th 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



€170,300  
collected in 2019



FNAC.SPECTACLES.COM



€94,000  
collected in 2019  
(€245,000 since 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.

**COLLECTE DE JOUETS**

DÉPOSEZ UN CADEAU NEUF  
DANS LA HOTTE  
=  
1 ENFANT DANS LA PRÉCARITÉ  
COMBLÉ POUR NOËL

Déposez un cadeau neuf

SECOURS POPULAIRE FRANÇAIS

fnac



# CONDUCTING BUSINESS IN AN EXEMPLARY MANNER



**COMMITTED TO AN EDUCATED 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



*In our concern to continually review, strengthen and supplement our ethical policy, Fnac Darty ensures its employees are informed – at every level and everywhere the Group has a presence – by distributing its Code of Business Conduct and Gift and Benefits Charter, as well as through a specific distance-learning course. To ensure transparency in our business relationships and transactions, in 2020 Fnac Darty will reinforce its ethics alert mechanism by outsourcing it to make it more accessible and compliant with transparency, due diligence and data protection laws.*

**Bruno Frésart,**  
Internal audit director



## 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



# 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 2019, DEVELOPMENT OF AN ACTION PLAN, COORDINATED BY THE DPO\* WORKING WITH EACH BRANCH

Continuation of the implementation of 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



**25**  
million unique visitors  
per month on average  
to all Fnac and Darty  
websites



**9.2**  
million loyalty  
cards

\* DPO: Data protection officer



# CONDUCTING BUSINESS IN AN EXEMPLARY MANNER

## SOURCING OWN-BRAND PRODUCTS: INCREASED CONTROL PROCEDURES

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

The risks identified are turned into action plans and reviewed twice a year. In this way, the procedures for the sourcing of own-brand products are enhanced year on year.

## OWN-BRAND PRODUCTS, SOME FIGURES:



**11**  
private label brands and  
**7**  
licensed brands



**€165 million**  
of purchases from Asia  
and Europe, around 3%  
of total procurement

”

*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. In case of doubt, we carry out unannounced audits.*

**Hervé Hédouis,**  
Director of sourcing



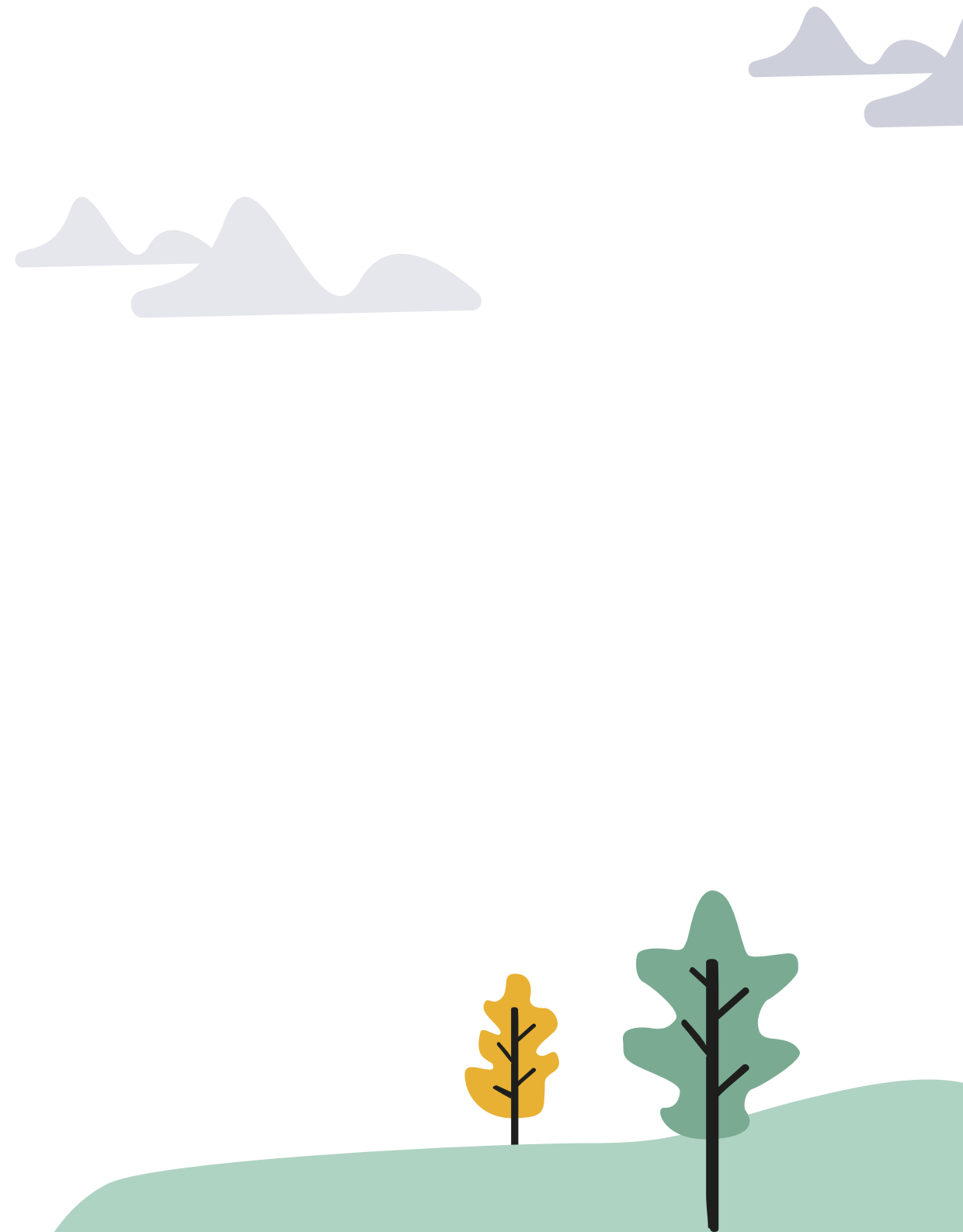
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### AUDITS

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

En 2019, **105** out of 200  
**factories audited**



# FNAC DARTY



**Contact: Valeria Maio**

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9 rue des Bâteaux-Lavois  
94 768 Ivry sur Seine Cedex  
France

