

One of our objectives is to make refurbished products the best choice for consumers.

BNP Paribas Personal Finance invites you to discover “On The Way”, the podcast that explores the paths to responsible consumption. From entrepreneurs to people from the business world to researchers, “On The Way” gives a voice to those who, day after day, are helping to develop more sustainable consumption. Welcome, and I hope you enjoy listening!

Hello, my name is Camille Richard, I’m in charge of CSR at Back Market and I’d like to thank you for inviting me to talk about refurbishing and its impact on the environment. I come from the Bordeaux region. I was brought up by parents who were biologists, which, in hindsight, had a huge impact on my commitments. I wouldn't call it a vocation, but I was convinced that I wanted to work in jobs that were in line with the fight against global warming, the preservation of resources, etc. My brothers and sisters also work in this field, so I think that was a determining factor. I studied at Science Po Bordeaux where I did a master's degree in risk analysis, with the idea of working for the environment. But I didn't necessarily know how to approach this world or those jobs. So, I chose to work in a company that specialised in environmental management where I could train myself on the job. I reminded myself that, when I left, I'd be able to work in jobs that were a little more technical, or at least in ones that specialise a little more in the environment. So I went to Brazil as a VIE (French International Internship Program) with Suez. I continued on to Mexico and then returned to Paris, still with the same company, where I worked in marketing, communications and business development. In the last few years I was in their sustainable development department.

I worked a lot on the company's environmental performance and the performance of our industrial clients. It was there I became familiar with the subjects of impact, impact measurement and what could be put in place to improve it, ensuring that the company had a more positive balance, if not a completely positive one.

When I was at Suez, I worked on both water treatment and waste treatment. It's true that what you learn from working in this environment is that waste is not waste, waste is potentially a resource. So, recycling, which seems to be the basis - plastic bottles etc., means creating, producing green energy too with biogas etc., or even heat with incineration. In fact, the idea was to transform our mindset a little, by saying: "OK, we can always find a new use for it, the idea of upgrading, reusing, recycling, that's how we have to approach our waste today, not just as something that we're going to put in a hole and cover with dirt.

And that's why Back Market's work soon interested me. I started buying devices from them even before I started working for them. It was the idea that these phones and computers were going to be discarded, either in landfills or in our drawers and cupboards. Consumers know they shouldn't throw them away, so they end up keeping them. But in fact they've all become waste, whereas they could have a second, third or even fourth life. It's worth noting that today not even 20% of electronic waste is recycled, so the potential for reusing electronics is now enormous.

The idea of Back Market was also founded by three people: Thibaud Hug de Larauze, Vianney Vaute and Quentin Le Brouster. The idea came from the fact that there was a fairly simple solution for the circular economy and the fight against global warming, which was refurbishing, given it's not a new solution. At the same time, there is a complete lack of consumer confidence in these solutions. Meaning that for a consumer it was very difficult. I first did so a few years ago. I said to myself "I'm going to buy a second-hand phone", because people are afraid that the device will break in a few months or even weeks, or a few years later, and there would be no one to turn to. The basic idea of Back Market is to say "we're going to put consumers who are looking for more sustainable solutions in touch with a market that exists, which is the refurbishment market. And the refurbishment market wasn't very transparent for consumers, and fairly difficult to understand because it's a highly varied market. You are going to have workshops with 150, 200, 500 people, which are highly industrialised in terms of the refurbishment process. There will be SSEs, ESATs, workshops with three or four people, so in fact I think it was also difficult for consumers to find their way around. Back Market's proposition, or that of the three founders who became Back Market, was to create a platform that could put these sellers and buyers in place, while at the same time, providing all the guarantees needed for consumers to say "I trust you, I'm going to buy from you", since buying is done on the platform as soon as you reach a certain financial level. So the idea seems quite simple, but didn't exist before. Back Market's motto states "we're going to offer buyers of refurbished goods the same experience as if they were buying new". There should be no matter-of-fact reason to buy new. It will give you the same benefits, the same guarantees, the same pleasure of buying (because that also counts). This involves

putting a guarantee in place, so two-year guarantees for appliances, creating an after-sales service and having options. You're able to choose the colour, model and type of appliance. And it also involves advertising and awareness-raising. So in terms of advertising, Back Market has adopted a fairly strong, rather offbeat and humorous brand image. The idea is to make refurbishing sexy. The buyer should be proud to have chosen a refurbished product. And then there was also the question of raising awareness of what it meant to choose refurbished products in terms of environmental impact.

We see our consumer base growing. Today, around 25% ask questions concerning impact, and 75% concerning price, but those who have questions about price also receive information on their purchases, on what it means in terms of the environmental impact of choosing refurbished products. The idea of this company was really to offer a solution that has the parameters to make a difference in terms of the impact of electronics. Because actually production and overconsumption of electronic devices has a dramatic impact on the environment and is still quite invisible.

So if we talk about the issue of waste as such, it's important to know that in 2020, around 53 million tonnes of waste was produced. Waste production is the fastest growing area in the world today. And this waste is still very poorly handled today. For example, we know that a lot of European waste ends up in open dumps in Africa and is not treated at all. And it's ultimately rather paradoxical because this waste is full of raw materials that can be recovered - we've heard about rare earths - and there are a lot of precious metals in telephones, computers, etc. Of course, these machines are complex to recycle, but there is real value in them. So we're not yet addressing this issue of electronic waste in a sufficiently responsible way, or at least we are not developing it. And in fact, you have to know that an electronic waste dump means both toxic gas emissions and groundwater pollution. It's not just the fact of ending up with a pile of waste; it's also going to impact the surrounding ecosystems. It's an extremely important subject today. We have to ask ourselves what we can do with these devices before they become waste. The longer the life of the appliance, the less impactful the waste.

Today, buying a refurbished phone rather than a new smartphone saves 175g of electronic waste. 175g doesn't sound like a lot, but when you consider that a phone is 130g, it already prevents the phone from becoming waste and it also prevents the electronic waste that is produced during the phone manufacturing process. Once the metals are extracted, they will be transformed into components used in phones. This transformation, this process creates a lot of waste too. So, we mustn't neglect the impact that choosing refurbished goods can have on electronic waste production.

Electronic waste is an increasingly recurrent topic but the question of the impact of our consumption of electronic devices is now much heavier, and a good example, at least in terms of highlighting the impact, is carbon emissions.

Today, 4% of global carbon emissions are linked to digital technology. We're talking about both the production of devices and data consumption, like streaming and servers. But we must remember, depending on where you are in the world, manufacturing accounts for between 50% and 70% of this impact, or even 80%. Manufacturing is significant today, and to give you an idea, 4% is more than global air traffic. This trend is also on the rise so we have to be realistic. We're not going to stop consuming digital because it has become part of our lives. But we have to ask how we can consume it better and reduce our impact on this source of carbon emissions, this issue that has become so central to our lives.

It was important to look at all aspects of this environmental impact. We've talked about electronic waste and carbon, but we must also look at resources such as water and raw materials. Producing a new phone now consumes more than 82,000 litres of water. A lot of water is used when extracting materials and manufacturing components, whereas refurbishing a phone, if you change the parts, since manufacturing these parts also consumes water, it's around 13,000 / 14,000 litres. So there is a difference of over 68,000 litres between a refurbished phone and a new phone.

The fight against planned obsolescence is part of our mission both with consumers and refurbishers because they're also handicapped by the fact that manufacturers prevent them from making repairs by embedding the batteries, etc. So planned obsolescence is a real issue being looked at by legislators to allow spare parts to be available for longer at less prohibitive prices because this is a real barrier to repair. Manufacturers sell original

parts to repairers at high prices, making repairing much less attractive. And there's obviously the question of perceived obsolescence, which is how manufacturers make a new product desirable. Consumers then want to change their phone when theirs still works, when it's still quite new, when it still has two, three, four years still in it. It's called marketing obsolescence and there are numerous ideas around it but it always means the same thing. These forms of obsolescence are not real or technical, they're perceived by consumers because they're hammered with messages that push them to consume something they don't need at the time. We support a French association called Halte à l'obsolescence programmée ("Stop planned obsolescence") which condemns GAFAM. But on the issue of obsolescence, leading to over-consumption, which is largely responsible for the dramatic effects of electronics on the environment. As we said earlier, this accounts for 4% of global emissions.

To convince today's consumers, you have to provide proof of the reliability of the devices on the site, and to have this proof, we need impose extremely high quality standards on the refurbishers, who aren't always pleased because it means more processes, setting up indicators and improving the repair processes. We've become an important player and a number of refurbishers sell on the French platform. We're also sometimes the intermediary asking for more guarantees, quality, etc. But at the end of the day, we have the same goal as the refurbishers, to sell as many refurbished devices as possible. We always come back to the same idea of giving consumers the same buying experience as if they were buying new.

To do this we need to impose quality standards on refurbishers to give these guarantees to consumers. This way we may no longer need to convince people that buying new or refurbished products offers the same quality. And perhaps we can also focus more on discussing the environmental impact.

Today, Back Market has 1,500 refurbishers selling on the platform with varying sales volumes. Some sell more than others and it also depends on the market, because the platform is now present in 15 countries. In France, the majority of sales are now made by French refurbishers, or about 70%. The rest is done by European, American, and some Asian refurbishers, up to 8%. As you can see, the French market is already strong in terms of refurbishing, with demand greater than supply on the global refurbishment market. That's why we need to open the platform to foreign refurbishers in Europe, Asia and the Americas. To come back to what we said about the same experience with refurbished products as with new ones, we need to offer a choice too. The way refurbishing is structured internationally, in some countries like the United States, where they change phones often, there's going to be a lot of demand for different models.

Then you obviously have phones that are collected in France or Europe. It's interesting how the consumption habits of certain countries impact the global refurbished market. Our work now is to do what we call a local boost, i.e. to make it preferable for refurbishers to sell on their own market. For example, if a French person goes to Back Market to buy a phone, we try to give priority to phones refurbished in France by French refurbishers. Even if your phone has been refurbished and sourced in China, but you buy it on Back Market, this is mentioned on the product sheet. It's completely transparent on the site, and the phone is sent to your home. Obviously this has a bigger impact than a phone refurbished and bought in France, but it's still better than if you had bought new anyway. When you buy a refurbished phone, you save about 80kg of CO<sub>2</sub>. And transporting this phone by air from China to France, in the worst case, produces between 1kg and 4kg of CO<sub>2</sub>. So, at worst it would save 76 kg of CO<sub>2</sub>. We'll have to improve collections to stop sourcing in the United States and China, and create a more local supply in France.

What do you say to someone who has phones in their drawers? We always keep one in case ours breaks, but there's always a couple that aren't much use. There are now several solutions to this, the first obviously being on Back Market, our solution called Buy Back, where you can resell your phone on the platform. How does it work? You simply log in, enter your phone's characteristics, model, year, etc. and if there any scratches on the screen, for example. And a refurbisher will make you an offer almost directly. They'll offer to buy your phone from you for €70/€80/€120 or €10 because it's not worth much but will still use for small parts to repair another one. So this solution is available, and you can be sure it will be reused. You can also give it to charities such as Emmaus, which has a refurbishing and recycling enterprise called Les Ateliers du Bocage. As a last resort, if you can't find a solution for your phone, an eco-organisation will recycle it. Another solution that's been around for

a few years is called "je donne mon téléphone.fr" (I give my phone). This is run by eco-organisation "Écosystème". You log in and it sends you a pre-stamped envelope to put your phone in and send it for recycling.

I joined Back Market a year and a half ago and the company that was created in 2014. Arriving at the company was interesting because it's both highly committed, and any Back Market employee will say "I came to Back Market because it made sense, because I could see myself in the values, I wanted to do something positive for the planet," which is great, and at the same time you have to adapt to start-up pace, which isn't so great. By definition, start-ups are fast paced, even though Back Market is now what we call a scaleup. Decisions have to be made quickly, you can change tack very quickly when an idea isn't working, etc. This can be adapted to CSR as well, if you soon realise you've launched a project that won't work so you have to change direction. But CSR processes can take more time and there's a need to adapt to regulations because they're closely linked.

It takes time to set up a carbon roadmap, it has to be coordinated with the teams, and the teams have to be committed. This takes time. It's interesting how these two temporalities intersect, agree, and sometimes collide, and it's up to me to adapt to start-up pace, which is linked to the company's hypergrowth. At the same time, this hypergrowth company wants a framework for this growth and needs to adapt to CSR pace on certain aspects. We won't deviate from our values in this process of hypergrowth.

Back Market's ambition, or at least the main goal, is clearly to grow internationally as well as to diversify. We want to offer the widest possible range of refurbished electrical/electronic appliances so we can help people equip their homes without buying anything new because they have this solution. The aim is to gradually increase the options. We'll be a company with a mission in a few weeks and one of our objectives is to make refurbished products the best choice for consumers. It needs huge investment in terms of quality, consumer processes, etc. And then with CSR, we have to ask how we're going to use these figures from the ADEME study in which we took part, knowing that we had phones but by March we'll have computers, tablets, etc. So how do we use these consumers figures, how do we make consumers take ownership of the impacts they help to avoid?

Then I have two big projects starting this year: how to reduce the impact of our platform, because it's not just refurbishing that has an impact. We do too. Just because our work has a positive impact on the planet doesn't mean we shouldn't look at the back room and make sure it's at least as clean as the shop window. We're working hard on this, with the technical teams, developers, etc. to see how we can further improve the footprint of our websites. And then another issue close to my heart is the question of deliveries. It's important to know that Back Market doesn't currently have control over deliveries. This is agreed between reburbisher and end customers. But that doesn't mean we can't help. The idea is also to give consumers an idea of the delivery's footprint at checkout.

Because what is not widely known is that normal deliveries have much less impact than the express deliveries. And this isn't well known. There are quite a few people who would be happy to wait two days longer for their appliance, which means 2 kg less CO<sub>2</sub>. I was talking about information and we're working hard on this, how we can bring about changes in consumption habits, ultimately by informing consumers but without making them feel guilty because most of the time they're not even aware. This information isn't even provided at the time of purchase, when you can say it without the buyer feeling pressured or anything. It's helpful providing that kind of information and offering a choice.

I don't think I have particularly virtuous or advanced practices, meaning like many French people, I pay attention to how much waste I produce. It also comes from years of working in recycling, so I've been paying attention to this for a long time. I've tried to favour local distribution for food, in particular, and clothes, etc. For now it works for clothes, technology, any consumer goods. I'll keep them for as long as possible. Since I've been working at Back Market, I've done this more because I work on this a lot, extending the life of appliances, but now it extends to all the consumer goods we buy and use every day. Keeping objects as long as possible and not just abandoning a coffee maker because it didn't work too well for a week. See how you can fix it. That's what I'm exploring: how you can repair, extend and maintain things. I started maintaining appliances in a way I hadn't thought about before, saying "I need to extend the life of this appliance as much as possible since it had a huge environmental impact before it arrived" in my kitchen or my hand if we're talking about a phone.

When you have this information, you can make a much more informed purchase. Do I want to buy this smartphone because I need it or because I was promised a new feature or design, and to be honest it's sexier than my current one. Without being hard on ourselves, saying that what we're doing is horrible, information tells us that purchasing this object means not just 130g of object, but kilograms of carbon and raw materials, thousands of litres of water. It's not about feeling crushed by these impacts, but saying "do I really need this? Can't I wait a year? Two years?"

In fact, to give you an idea, the difference between buying a new phone and a refurbished one is 80 kg of CO<sub>2</sub>. The basic assumption is a refurbished phone that you keep for two years. But if you keep your refurbished phone for an extra year, you save another 25 kg of CO<sub>2</sub>. So, it means that each time you keep your appliance a little longer, whether it's a coffee maker, washing machine, phone or even a jumper, you'll save even more and reduce the impact of your purchase. This stuff isn't merely theoretical, it's not just talk, it's very concrete, you're avoiding 25 kg of CO<sub>2</sub> per year when you keep your phone. We mustn't minimise our power. Our choices not only have an impact on the environment but can also force manufacturers to change. And we hope, for example with electronic devices, that in the long term manufacturers, Samsung, Apple, etc., will make items more easily repairable. Take the example of Fairphone. That's how we have to build technology today. It's quite simple, they have the answer.

We have to get back to repairing things the way we used to. We're out of the habit a little, because with the abundance of consumer goods produced, it's become normal to say to ourselves "my washing machine has leaked, it's finished, I'm changing it". No, there's probably something you can do about it. There are companies like Murphy which make it much easier to get things repaired. It's important to move in that direction. But what Murphy are saying, and what we're also seeing from the refurbishers, is that they need people. These are growing sectors but the professions have been dropped in training, so there's a whole movement to bring people back to repairing, which is a trade of the future, and which has an extraordinary impact on the environment.

The most important take-away is to extend the life of our objects. Long live objects! When you need to change, buy refurbished.

You can find all the episodes of On The Way on your favourite podcast platforms, and on the Personal-finance.BNPParibas website. The links and references cited by our guests can be found in the introductory text of each episode. And if you'd like to take to our microphone, please contact [nicolas.meunier@bnpparibas.com](mailto:nicolas.meunier@bnpparibas.com). See you very soon!