

Hello On The Way, my name is Jules Chaillé and I'm CSR Manager for the Fnac Darty Group.

My remit covers all the environmental issues that affect the company. So, for example, biodiversity, climate change and carbon footprints, these are all on my to-do list. I've been with the company for a year now. My first ecological awakening was very early on, as a teenager who became a vegetarian at the age of thirteen.

I was actually a bit like Lisa Simpson, sort of a keen child who wanted to be political, even on a small scale. I was reading a lot and I could see that things were happening, so I thought to myself, "What can you do at thirteen, at fourteen?" Your parents have the credit card, so if you want to install solar panels or buy organic produce or buy an electric car, it's with their money, which is normal.

So I asked myself "what can I do?". And the answer was, "I can refuse to do something, I can refuse to eat meat". I spoke with my parents and became a vegetarian at the age of 13. Now it's been 15 years. It was a whole process: figuring out the right diet, finding some good alternatives ... Going to see the cafeteria lady at school, all sheepish and a bit embarrassed, to tell her that I was a vegetarian. I was the first, so I had to explain it to her. Then everyone in the cafeteria knew.

It was great, I got more chips than my friends. In any case, it was already a first step, an answer to the question of "What can I do as a young person at my level? I can refuse to do something: eat meat."

My career path is fairly short because I'm 28 and it's a job that's also new, I think, in companies. But I took a fairly traditional route: I took a preparatory course in economics. Then I went to the Kedge Business School in Bordeaux. One of my last major professional experiences before joining the Fnac Darty Group was working as a consultant for Deloitte.

I did two types of assignment: firstly, extra-financial audits, so I checked the information published by companies as part of their extra-financial reporting. So what were their commitments and did they live up to them? And I was doing other work, consulting work, so I was on the other side of the fence.

I worked with companies to improve their performance, providing support on very specific issues, and I did this for two and a half, three years. For me, the Fnac Darty group was a committed player. But I wanted to get away from consulting and have my own projects. When you first start working, you want to have your own projects.

That's the frustrating part of consulting. We can push missions, push issues, push topics, but not necessarily apply them directly or see how these projects come along. And so I was almost, if I can say it, intellectually frustrated, because I felt like "These are my ideas, I want to see them come to life and be developed". My first ambition was to have my own projects.

And the other thing that I said to myself was "I have a personal commitment and I have a professional commitment. So it's equally important for me to be in a company that makes commitments and has a certain credibility when it comes to these issues". So that's when I realised that Fnac Darty was on top of a number of issues that I already knew about. As part of developing a reparability index, we'll maybe talk about this later.

Fnac Darty had already developed a reparability index, had come up with a methodology, data traceability, something quite powerful, had contributed directly to the development of this standard and had worked with the public authorities. So I said to myself: "It's really interesting that there's a company innovating on a subject that companies aren't directly involved in and working with civil society and public authorities to then change the law".

That's not at all what I had in mind when it came to companies, I thought they were rather against this type of environmental regulation, so I found it very powerful and very cool. And Fnac Darty came to Deloitte to present its methodology. So that's where I fell in love with the company for the first time, when I said to myself: "This is a business that's investing, making a commitment, working with the public authorities to move the issue forward, both in terms of business and consumer information".

Fnac Darty is an international group that includes Fnac, Darty, but also Nature & Découverte. There's also Wefix, which is a great new company that offers repair services. When we think about a company or group, we often think of many entities who have different identities and different businesses.

We defined a strategic plan in 2020, so for 2021-2025. One of the company's *raison d'être* and one of its roadmaps was CSR and sustainable development. The aim was to be able to support the transition and therefore a change in consumers' consumption patterns and consequently move towards more responsible consumption. We've done it on our own scale and in a variety of ways, from consumer information to offering different services and products.

The latest strategic plan already incorporates this *raison d'être*. The result has been a transformation of the business, with employee training, new services, new products and new ranges. And so this has also led to fairly substantial investment in the company. I think it's like any other transformation: you take stock of the situation and find out what the company's impact is.

Corporate carbon footprint is part of my job. So I'm updating the carbon footprint assessment for Fnac Darty. In 2024, 92% of the company's carbon footprint was product-related. So if we want to reduce our environmental footprint, our carbon footprint, we should work on products. Two-thirds of the impact is linked to product manufacture and therefore to suppliers. And a third is linked to the use of the products sold, so linked, for example, to the washing machine: I'm going to use electricity for this many years.

We have to work on our products and change our business model. There's another way of looking at things: we're a distributor, so we don't necessarily have control over the specifications of all our products. So it's also in our interest to work together with our external stakeholders.

Unlike many industrial and energy companies, we will be able to right away change our own activities. The advantage of a distribution company is that we buy products and sell them directly. So if we want to act, we have to get our suppliers and consumers on board. For us, this was already a business transformation project.

But at the same time, if we want to reduce our carbon footprint over time, we have to work directly on the products and therefore encourage a new way of manufacturing and a new way of consuming. At Darty's, we have a contract of trust, it's one of the company's mottos. Fnac is the leading bookseller in France, so we also have a responsibility, French people and even Europeans know us, we have a strong presence in Western Europe.

So, because we have established this relationship of trust, we must also provide information that is easy to understand and clear about the company. We have several ways of informing consumers about these issues. One of them is: "How can we extend the lifespan of products?"

So in order to guide consumers towards more responsible consumption, we have already worked on the reparability index, which has now been rolled out across France for all categories. The little coloured labels you see with a score out of ten, that's the reparability index. This provides customers with information and potentially guides their choices. Since April, it has been partially replaced on certain product categories, such as dishwashers and washing machines, by the durability index.

Fnac Darty was the driving force behind the design of the reparability index methodology. This is consumer information displayed directly on our products. The durability index will take into account how reliable the product is and, in addition, how easily it can be repaired. These are actually the two concepts that have to be taken into account, which the reparability index did not, such as the availability of spare parts and the breakdown rate, which have to be taken into account in this type of calculation.

The regulations are different: the reparability index must be displayed in store and on our website. But we also have the sustainability index, which we have been developing since January and which will apply to a second category of products from April onwards. But we went beyond that because these indicators are based on what the manufacturers declare.

So we have developed another methodology, which we call the sustainability score, which has broadly the same scope as the sustainability index. But the fundamental difference is that these indices, which are compulsory and required by the public authorities, are self-declared. The durability scores are based on our after-sales data. So we have real, accurate data on how reliable and repairable these products are.

What we're doing is that we're highlighting this data, making a comparison based on product families. This way we also get different suppliers to compete based on the quality of their products in a family of products. And beyond that, we're introducing an icon, a logo, in stores, representing the sustainable choice, which will highlight the best sustainability scores by major product category.

Our responsibility, of course, is to apply the standard and comply with the request of the public authorities, but it is also to go further and provide even more genuine information by collecting our own data and making it available to consumers via a sustainability score and via the sustainable choice mark to highlight the best product categories.

It's an increasingly important criteria when making a choice, because people are aware of the total cost of ownership - we often talk about it in purchasing and we learn about it at school. When you buy a product like a car, there's obviously the car itself, but there's also the cost of insurance, the cost of petrol, whether it's a high fuel consumption car, whether it's going to break down quickly, etc.

Now we have the same thing for small electrical appliances, large electrical appliances, televisions and so on. We've come to realise that we are looking at this data more and more. We check battery consumption with our friends. "Does the battery break down very quickly?" or "Does the battery last when I go on holiday, does it break down quickly or does it degrade?"

We realise that beyond the product, which is beautiful and technologically appealing, consumers increasingly look at this information because it's also economic data, it represents consumption and the cost to be anticipated afterwards.

Beyond the information we display directly on the product, our environmental footprint doesn't only come from the product, but also from our own activities, such as transport. So we did the same thing, we used our internal data to calculate the carbon footprint of our transport operations as well as the carbon footprint of our carriers. We also provide customers with a small logo with a little green leaf on our website called "responsible delivery", which shows the carbon footprint of the delivery.

We also give consumers a choice. Our goal not to force consumers but to fully involve them in the process and get them to work with us, to say: "We have the sustainability score, the sustainable choice on our products. But we also have information on the type of transport you can choose". We actually work with our Transport teams to update the "responsible delivery" every year.

As well as providing the customer with information, we also aim assist the client throughout the lifetime of the product. And so we asked ourselves, "How can we support the customer with projects or products that are quite complex from a technological perspective? We're a bit lost."

We've already trained all our sales staff to give advice. You can also go directly to Darty or Fnac for advice and for product maintenance. In addition to this, we have developed the new Darty Max service, which is completely new. It's a subscription service that provides cover for all these products. Customers can obtain maintenance advice and can also get all their products repaired.

This is a perfect example of how CSR and Sustainable Development issues can be integrated into a business model. Because Fnac Darty, which was essentially a product distribution company before, is now becoming a service company. We are developing a new service: Fnac Darty is now the leading repairer in France. In 2024, we repaired 2.6 million products. We can see that our investment in this service, this subscription, has been a huge advantage and an additional growth lever for us.

We are also one of the few companies to have invested so much. Repairers are often small businesses. We are one of the few major groups in France and in Europe who has invested so much to scale up this type of repair service. It's a great project that we've developed in France with Darty Max, and also internationally with the equivalent of Darty, Vanden Borre in Belgium, with Vanden Borre Life.

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We can see that our customers are interested in these things and that they also enable us to maintain this relationship of trust. The aim is not to sell you a gadget that will break down after a few weeks, but really to be able to sell you a quality product that we now know increasingly well thanks to our after-sales repair data and to support you, not just with consumer information, but also with repair services.

We now have more than 3,000 people working in the repair service in France, which is quite a lot. For example, we have a repair workshop in Bezons, so the repair business is not just a business activity for us, but also involves recruitment.

We train technicians in-house, we have a training academy that is accredited in France and that trains technicians every year. We also recruit, we look for new technicians and so it's also something that we do internally. This is one of the indicators being tracked as part of the company's Everyday strategic plan up to 2025.

Last year we repaired 2.5 million products and that number has now risen to 2.6 million. Sustainability score: we set a baseline of 100 in 2019, which was when we began and so the reference year of a strategic plan. This number now stands at 133 this year, and we would like it to reach 135. So we also have this sustainability score that we monitor. We also aim to have 2 million Darty Max and Vanden Borre Life subscribers by 2025, compared with 1.3 million today.

So that's another success, the fact that we've launched a brand new business activity that really sets us apart from a retail company. Right now, there are more than 1.3 million in France and Belgium, so that's quite a lot. I'm also Environmental Manager and as part of my job, I work on climate issues.

We also wanted to work on avoiding emissions. We used a study compiled by the French Environment and Energy Management Agency in 2021-2022 on how to calculate avoided emissions linked to repair and reconditioning. We tried to calculate the emissions avoided, linked to our repair services. We started from the principle that if you repair a product, you won't need to buy the same one, so there is going to be a difference between the carbon footprint of the new product and the carbon footprint of repairing it.

Every year I update this calculation to measure the impact we can have with our customers. These are all things we're putting in place. Today, there are no perfect methodological rules for these categories, but, like the reparability index, we wanted to invest in and work on this type of methodology too.

Since 2023, we have been calculating the avoided emissions linked to our repair services. This is something that we now publish mainly in our extra-financial reports, but it's also something we would like to use as an additional argument for repairing your product - the fact that it has a real impact, rather than a cost. Because it costs less to repair than to buy something new every time.

But there is also a significant environmental impact. There are avoided emissions and so we did the same thing, we used our own data. We really measured the carbon footprint of our new products and our repairs. It's something that's quite cool and that we can use to inform the client.

We saw that we can access consumer information within the Group. It's something we were able to set up reasonably quickly. We were able to work on repair services, so how to provide maintenance and extend service life by using our repair services. Darty has been repairing and providing after-sales service since 1968, so these are well-established activities.

One activity that is fairly new to us, and which is a third lever of development and sustainable development for the company, is second life. In 2017 we set up "Seconde Vie", a qualitative second life service that we offer at both Fnac and Darty. Our aim was not to display these products on the side, but, from a merchandising point of view, to present them at eye level, to do something quite visual and to integrate these products directly into our shelves and draw attention to this second life range.

This second life project was the same thing - we were talking about the distribution company. Today, consumer spending in France, and in Europe as a whole, is fairly stable because of inflation and also because the political and economic climate is rather unstable. So consumption is not changing much in France. To boost our growth and dynamism we have to look at repair services and also second life.

Of course, second life products have a definite environmental impact, but they are also a strong growth driver for us. Every year, we broaden the categories of products covered by second life. Last year, we developed a partnership with RecycLivre to bring second-hand books to Fnac. And we achieved sales growth of over 25% last year.

It's also a way for us to attract other customers. A younger audience that had not necessarily identified Fnac Darty as a committed player. They now see that we do repairs, that we are committed to providing information and to the traceability of our products and that we are now offering second life products. This attracts younger people who are aware of the issues, but also people who don't necessarily have the means to buy extremely expensive and long-lasting products. We offer them quality second-life products, perhaps in slightly higher ranges.

For first-time buyers or young families, for example, it's a very attractive option, to be able to fully set up their home using with this type of product. One of the aspects of our second life project is that we have a public that is concerned by these issues and sees a real economic interest in them.

We are also developing projects to reassure customers who are not yet completely reassured by second life products. And so we were able to develop the digital passport as part of the Olympic Games. Fnac Darty was the official supporter of the Olympic Games. We were able to supply small and large electrical appliances for the entire Olympic Village. We made a commitment to reuse 100% of these products, to give them a second life, to either recondition them, recycle them, or else to donate them to associations or have them collected by the specialised service that deals with electric or electronic waste.

With these products, we said to ourselves "This is an amazing opportunity to do some tests." So we wanted to integrate the digital passport. The digital passport is really a little QR code that you can find on our products. You can scan it to fully track the product chain, from manufacture to end of life.

In this context and in the medium to long term - because the digital passport is a major development and a major investment to roll it out to all our products - would make it possible to trace all the changes the product has gone through. If any repairs have been carried out, if any spare parts have been added, which ones, etc.

Our responsibility as a retailer is always to be able to support more responsible consumption, always by guaranteeing this kind of relationship of trust with the consumer. The way to guarantee this is by having clear and available information. It's by saying "Now we're tracking the whole supply chain, we're tracking the whole product value chain and you can have access to this information".

A good example is saying "If you're not completely reassured by second life products, please go and see exactly what changes have been made to the product you're about to buy." We go to the shops, and we continue to have physical shops, in real life, because we're actually going to see a person, whether at Fnac or Darty. When you're looking for advice, when you don't know much about phones or computers, you go to someone who does, who has the skills and knowledge.

We've talked about maintenance and repair, but even when it comes to operation, if you don't know much about computers, you can tell them straight away "I want to buy a computer for my son, what's the best value for money? They'll be able to advise you. And it's the same at Fnac, when you go to see a sales assistant, it's not just a sales assistant.

These people have taken courses in applied literature. And in fact, the person says "I'd like a book to take on my trip to Italy." They will be able to advise you just like a small independent bookshop in the 10<sup>th</sup> arrondissement. They are very knowledgeable and can give you advice.

For me, a sustainable corporate transformation has three objectives. The first is "Are there any quantitative targets?" As we've seen, we have a target for the number of products repaired as well as decarbonisation targets and targets linked to our sustainability score. Does the objective involve setting quantitative targets that are published externally and that civil society, NGOs, associations, trade unions or even competitors and political authorities can see and challenge?

The second point is "Can we link it to employee remuneration? 3,000 of our managers have CSR targets, in particular in relation to our decarbonisation objective. So that's also something. In other words, we're going to link this to the remuneration of managers, who are part of the company's population, and that's also something quite important.

My third point is that CSR cannot simply add a layer of CSR to something that is not already green, to use the colour metaphor. It should be a profitable business decision, that makes it possible to remunerate staff and invest. And that's what we have to do, we're not an association, an NGO, we're not a public administration. The aim is to at least make a profit that allows us to pay our staff and invest in the company.

We saw this with our repair service scaled up to 1.3 million subscribers in France and internationally in Belgium. We can see there is a rollout of second-life projects, and we have seen growth of more than 25% this year and more than 30% last year.

We can see that the aim is not simply to have a separate objective, but to fully transform the business model for the company. And companies need to integrate these elements directly into their business model, otherwise they won't survive. When we see that raw materials are going to become increasingly expensive, that some of them are going to become increasingly rare... We have to change and shake up our ways of working, of offering this type of service or product to our customers, otherwise our company won't survive.

I believe CSR should be presented not as an interesting communications initiative for the company, but rather as an initiative to make the business model more resilient, to analyse risks and to say, "How can we navigate of a major upheaval? We talk about geopolitics or economics, but actually, planetary boundaries should also be part of resilience analysis, and we need to be part of it.

For me, it really comes down to these three questions: "How do we fit in quantitative targets?", "How do we link it to employee remuneration? Particularly top management and executives. And "How do we fit directly into the business model?", with real business activities, not small objectives. A real business activity that contributes to this social and ecological transition. For me, the first objective is to be able to continue the efforts that have already been rolled out from 2021 to 2025.

We have a new strategic plan that has been announced on 11 June. For me, my objective is to be almost an activist in the company and to be able to make progress on CSR issues. A large portion of our top management is fully aligned with these challenges. So my role is already to accelerate this transformation, to go beyond change, which is good, but we also need to consider speed.

And we can see that today, of the nine planetary limits, six have already been exceeded. We've almost exceeded a seventh. That's ocean acidification, which is linked to rising temperatures and CO2. So for me, the challenge is to continue to pursue our efforts, while also accelerating them up.

It's really a question of speed, but one that concerns all companies, because we are currently not up to the task. If the government's adaptation plan was published this year, it would say +4 degrees by 2100, and that is highly likely. This is not at all what the Paris agreements had in mind. We can see that companies are not yet up to the task, so we need to speed things up.

For me, the first challenge is to be able work with the strategic plan announced on 11 June, which is a strategic plan for 2030. To be able to accelerate these initiatives and also see what has been identified. One of the main CSR challenges for me, at Fnac Darty, but also for other companies, is that today, climate change is a "must have/nice to have."



When you draw up a strategic plan, it tells you what needs to be done and what might be worth doing. Climate change is something we all look today, we all put out carbon footprint reports with SBTi targets and so on. There are other new topics that people haven't looked at yet, but that we've started to look at. One of them is the circular economy. Today, many companies and all the large companies in France and Europe are still working with a linear economy, for the most part in terms of their business.

The aim is to continue to pursue this circularity. There are other issues that will start to emerge that will also be a challenge for companies, such as biodiversity. We're talking about the resources and raw materials that we use to run our businesses is vital.

Today, there's a lot of focus on climate change, which I don't think is a holistic enough vision. We need to transform these businesses by moving away from the linear to the circular model. And to start thinking "As part of the business ecosystem, how can I work with civil society as a whole to integrate other issues such as biodiversity and raw materials into my business model?" Today, most companies don't do this, and we'd like to address it in this new strategic plan.

Consumption is a political act, we vote with our credit card and we need to be aware of that. I don't know if we're aware enough of it yet. That's important to me, and that's my first message to consumers. But responsibility must be shared. Shared between political and public authorities, whether government or local authorities, NGOs and associations, in other words organised civil society, but also businesses.

We can't put all the responsibility on the consumer and say "you've consumed, but wrongly". It's also the companies' responsibility to ask themselves: "What products or services have we put on the market?" "Are these things really contributing to the social and ecological transition? So for me, the responsibility must be shared between these three parties: civil society, by which I mean citizens, voters or consumers; public authorities, who can set up a regulatory but also a methodological framework by investing in research, which we need when we are working on CSR or sustainability; and, lastly, businesses, who have a real responsibility today and must ask the question "Are we up to the task of transforming our consumption models?" I don't have the answer.