

FNAC DARTY



Sustainable Consumption Pledge

Ivry, March 28, 2023

Fnac Darty is responding to the expectations of its various stakeholders, and to its main risks and opportunities related to sustainability and climate change, by reaffirming its positioning through its raison d'être "Committed to providing an educated choice and more sustainable consumption", its strategic plan, and more particularly its commitments to engage all the levers of the circular economy, in:

- Guiding customers toward the most sustainable products and encouraging suppliers to prioritize eco-design;
- Developing repair services and promoting diy repairs;
- Increasing sales of second-hand products and donations of unsold goods;
- Promoting the collection, sorting, valuation and recycling of waste.

By placing sustainability at the heart of its strategic plan Everyday 2021-2025, Fnac Darty aimed to demonstrate its confidence in a business model compatible with a decarbonised economy. This ambition relies on established historical assets: repair and advisory services.

Building on this heritage, the Group intends to set an example by positioning itself as a leader in sustainability within its sector. Therefore, Fnac Darty fully supports the goal and approach of the Sustainable Consumption Pledge.

Pledge #1 – Measuring our carbon footprint and reducing our GHG emissions

Fnac Darty pledges to identify the carbon footprint of its direct operations and supply chain. Our carbon footprint is measured in carbon dioxide equivalents per year, includes our supply chain and is calculated using the GHG Protocol methodology. The assessment of the carbon footprint of the products sold by the Group is made using a life cycle assessment, deemed compliant with the principles and guidelines for the quantification and reporting of the carbon footprint of a product of the ISO 14067:2018 by an independent third-party in 2021¹.

Fnac Darty pledges to **reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year².**

Fnac Darty also pledges to **reduce scope 3 GHG emissions from use of sold products 22% per product sold over the same period.**

¹ Critical review performed according to ISO 14067:2018 "Greenhouse gases – Carbon footprint of products – Requirements and guidelines for quantification" and ISO 14071:2014 "Environmental management – Life cycle assessment – Critical review processes and reviewer competencies: Additional requirements and guidelines to ISO 14044:2006". The methodology and 2020 results were verified by Bureau Veritas in January 2021. The 2021 carbon footprint was calculated using the same methodology and corroborated by the independent third party appointed as Statutory Auditor of our company, as part of its work of verification of the conformity of the Non-financial Performance Declaration and the accuracy of the information published.

² Calculation methodology and scope 1 and 2 emissions are verified annually by the independent third party appointed as Statutory Auditor of our company, as part of its work of verification of the conformity of the Non-financial Performance Declaration and the accuracy of the information published. Starting 2023 (for year 2022), the methodology and the scope 1 and 2 emissions will be verified at a reasonable assurance level by the Statutory Auditor.

Fnac Darty further pledges that **80% of its suppliers by emissions covering purchased goods and services will have science-based targets by 2026.**

In 2022, the Science Based Target initiative assessed and validated these targets.

Pledge #2 – Measuring environmental performance of products sold and working toward a more sustainable offer

The manufacturing phase is the main source of GHG emissions in the life cycle of domestic appliances and multimedia equipment. Therefore, the Group's ambition is to avoid early replacements **by selling more reliable and repairable products**. As the leader in after-sales service in France, Fnac Darty has a unique database addressing these two criteria and has developed a method for measuring it through a "sustainability score"³, for which a baseline of 100 was established for 2019.

From this work, the Group has developed innovative tools to make this data public and understandable to all (through its "After-Sale Barometer"), and to highlight the most sustainable brands (thought is "Sustainable Choice" labelling).

And for two years, Fnac Darty has upgraded its brand catalogues, to include these criteria in its range, and is following its progress through the consolidated "sustainability score"

Fnac Darty pledges **to achieve a "sustainability score" of 135 by 2025, compared to 100 in 2019**⁴. This score is available for 80 products categories (every category that our after-sales teams is able to repair, which means large and small domestic appliances, home cinema TV, sound, photography, multimedia, and urban mobility vehicles).

Pledge #3 – Increasing circularity of our activities by promoting repair over replacement

The manufacturing of the products distributed by Fnac Darty represents close to 70% of the 3.3 million tons of CO₂e_q generated by the full life cycle of these products. Therefore, extending product life spans by favoring repair over replacement is our strongest lever to increase the circularity of our activity and reduce its impacts.

To achieve this, the Group can leverage one of its core assets: its after-sales service, counting 3,000 dedicated employees. It can also rely on its disruptive service Darty Max, a repair and assistance subscription service for all customers' appliances, unlimited, covering those they already possess and those purchased after taking out a subscription, at Fnac, Darty, or elsewhere.

The Group pledges **to reach 2M Darty Max subscribers by 2025** (vs. 500,000 in 2021) and **to repair 2.5M products by 2025** (vs. 2.1M in 2021).

These two targets are included in the strategic plan Everyday, launched in 2021.

³ Sustainability score: average of a reliability score and a reparability score, calculated on the basis of data collected by Fnac Darty's After-Sales Service Department over the last two years for each product listed, weighted by the volume of products sold by the Group in the year in question. For details, see L'Éclaireur Fnac: <https://leclaireur.fnac.com/barometre-sav>

This methodology and the 2021 score were verified in January 2022 by the independent third party appointed as Statutory Auditor of our company, as part of its work of verification of the conformity of the Non-financial Performance Declaration and the accuracy of the information published. Starting 2023 (for year 2022), the methodology and the score will be verified at a reasonable assurance level by the Statutory Auditor.

⁴ To appreciate the level of ambition, it can be noted that one additional year of spare parts availability equal an increase of 10 points on the reparability score, while an increase of one point of the reparability rate (part of products repaired – instead of exchanged – in the total amount of products sent in after-sale) equal one point on the reparability score. According to our latest "After-sale barometer", the urban mobility category had the lowest "sustainability score" (41) and the large appliances had the highest score (119).

Pledge # 4 - Publishing results and progress

Fnac Darty pledges **to annually publish the targets and progress** on all the above-mentioned sustainability pledges in its annual Non-Financial Declaration.

About Fnac Darty – *Fnac Darty is a European leader in the retail of entertainment and leisure products, consumer electronics, domestic appliances and services. The group, which has more than 25,000 employees, has a network of 987 stores by the end of 2022 and is positioned as a major player in e-commerce in France. As a leading omnichannel player, Fnac Darty posted a revenue of nearly 8 billion euros in 2022, 22% of which is online. For more information: <https://www.fnacdarty.com/en/>*