

## Raise customer awareness of the environmental impact of e-commerce by allowing an informed choice of delivery



**FNAC DARTY**

From home delivery to in-store pickup to relay point delivery, not all delivery services have the same environmental impact. It depends on the fleets used by the service providers and their transport plans, but also – in the context of the in-store or relay point pickup – on the customer's travel. Recently, **Fnac Darty informs its web customers about the CO2 impact of the different delivery methods and the impact of their journey**, via information present throughout the online purchase process.

<b>Starting date of the project</b>	Pilot phase conducted from November 2021 to January 2022 100% rollout in February 2022
<b>Project Localisation</b> Places of implementation of the project at this stage and targeted geography if replicable.	France (fnac.com and darty.com)
<b>Project objectives</b> Type of climate innovation of the project with a description of the problem/issue addressed	<p>The rapid growth of e-commerce implies an eco-responsible development of e-commerce logistics activities in order to reduce negative impacts on the climate. Customer, shippers, carriers... <b>reducing the impact of e-commerce is a collective matter, which calls for stronger collaborations.</b> For this to work, Fnac Darty is convinced that information is a powerful lever to:</p> <ul style="list-style-type: none"> <li>- <b>encourage customers to question their choices</b> (delivery method, travel, etc.)</li> <li>- <b>encourage carriers to accelerate their ecological transition</b> and refine the measurement of their emissions</li> </ul> <p>In line with commitment n°1 of the Charter of Commitments for the reduction of the environmental impact of e-commerce, developed with France Logistics, France Strategy and e-commerce players, signed by the Group in July 2021, Fnac Darty <b>wishes to raise customers' awareness of the climate impact of their parcels, starting with the impact of its transport.</b></p> <p>Aware that the customers' travel, as part of a delivery to a pick-up point, can have a significant impact, the Group also <b>wants to raise consumers' awareness about their own impact.</b></p>
<b>Detailed project description</b>	<p>In 2021, Fnac Darty developed an unprecedented service in the specialized distribution sector: <b>the publication, on Fnac and Darty websites, of the GHG emissions associated with the delivery of one kilogram of parcels, depending on the delivery service chosen.</b></p> <p>This project, called "Livraison Eclairée" ("informed delivery"), is the result of an in-depth work carried out by the transport, CSR and Services teams, under the aegis of the Group's Climate Committee. Indeed, Fnac Darty has been working for several years to refine the measurement of GHG emissions generated by the shipment of its packages. In 2019, transport teams developed a methodology for calculating <b>carrier-specific emission factors</b>, which found that the impact of delivery varies greatly depending on the delivery method chosen. This impact varies according to where the product is located (warehouse or store), the vehicle used (truck, car or bicycle) and its engine (gasoline, natural gas, electric), the provider's transport plan and the length of its rounds (door-to-door home or grouped in a pick-up point).</p> <p>This project is also the result of a <b>constructive and permanent dialogue with</b> Fnac Darty's transport providers, who deliver increasingly accurate greenhouse gas footprint and who are also committed to reducing the carbon impact of their activity.</p>

As for customer travel, which is not negligible in the case of a collection of the parcel in store or relay point, **Fnac Darty has chosen to partner with DATAGIR, a startup that depends on ADEME, to make available to customers an eco-calculator** allowing them to measure their own impact.

In an effort to be transparent, the Group has created dedicated information pages on its merchant sites to present the issues, methodology and approach adopted by Fnac Darty.

In April 2022, the methodology and values reported were independently certified by KPMG, an independent third-party organization.

**Main project's drivers for reducing the greenhouse gas emissions**

Enter the information in the appropriate boxes

Reduction levers	Details on the aspects of the project
<input checked="" type="checkbox"/> Energy and resource efficiency (including behaviour)	By informing about the lower impact of delivery to a collection point (store or relay point), Fnac Darty wants to convince consumers to choose these delivery methods, which significantly reduce CO2 emissions from e-commerce. The levers activated are therefore the reduction of distances and the increase of the load factor to the recipients, resulting in a reduction in associated GHG emissions. By informing about the impact of their own trip and providing behavioral advice, the Group hopes to convince customers to pool their trips and thus limit trips specifically related to the collection of the package, or to opt for active modes of travel or public transport.
<input type="checkbox"/> Energy Decarbonisation	
<input type="checkbox"/> Energy efficiency improvements	
<input type="checkbox"/> Improving efficiency in non-energy resources	
<input type="checkbox"/> Emissions absorption: creation of carbon sinks, negative emissions (BECCS, CCU/S, ...)	
<input type="checkbox"/> Financing low-carbon producers or disinvestment from carbon assets	
<input type="checkbox"/> Reduction of other greenhouse gases emission	

**Emission scope(s) on which the project has a significant impact and quantification of GHG emission reductions per emission scope**

Indicate the aspects of the project that contribute to the reduction of emissions per category of emissions considered (left-hand column) and the quantification of associated emissions.

Indicate the main hypotheses and calculation steps in the intended section (below the table)

For further details, please refer to the methodology guidelines.

	Aspects of the project contributing to the reduction of emissions by emission category	Quantification of associated GHG emissions by emission category  Please follow the quantification methodology used in <a href="#">the Afep guidelines</a> .
<b>Reduction of the company's carbon dependency</b>		
<b>Scope 1</b> <i>Direct emissions generated by the company's activity.</i>		
<b>Scope 2</b> <i>Indirect emissions associated with the company's electricity and heat consumption.</i>		
<b>Scope 3</b> <i>Emissions induced (upstream or downstream) by the company's activities, products and/or services in its value chain.</i>	Lower fuel consumption by transport providers' fleets	At least -175 tons of CO2eq over 3 years.
<b>Increase of carbon sinks</b>		
<b>Emissions Absorption</b> <i>Carbon sinks creation, (BECCS, CCU/S, ...)</i>		
<b>GHG emissions avoided by the company at third parties</b>		
<b>Avoided Emissions</b> <i>Emissions avoided by the activities, products and/or services in charge of the</i>		

	<p>project, or by the financing of emission reduction projects.</p>		
<p><b>Modality of verification of the quantification.</b></p>	<p><b>Clarification on the calculation or other remarks:</b>  Informing customers about GHG emissions based on the delivery method of web orders could encourage customers to favor the "Click &amp; Collect" service (delivery and pickup in store), which emits less CO2eq.</p> <p>For the calculation, we consider the following:</p> <ul style="list-style-type: none"> <li>- the scope Fnac.com, which represents 92.2% of parcels delivered by Fnac Darty in 2020, i.e. approximately 14.5 million parcels</li> <li>- 32% of parcels delivered in store or relay point, and 68% of parcels delivered to your home in 2020</li> <li>- a carbon intensity of 0.57kgCO2/parcel delivered to your home and 0.17kgCO2/parcel delivered to the store in 2020</li> </ul> <p>By applying an expected increase of 5% in the share of parcels delivered in Click &amp; Collect in 2023 and considering a stable volume of parcels delivered, the gain achieved compared to 2020 would be of the order of 175 tons of CO2eq in 3 years.</p> <p><b>Calculation standard used (ADEME base, GHG protocol, etc.):</b> The GHG balances provided by our carriers are calculated in accordance with the methodologies validated by ADEME and presented in the methodological guide "CO2 information of transport services - Application of Article L.1431-3 of the Transport Code".</p> <p><b>Verification of the calculation (internal or external):</b> Moderate assurance report in accordance with ISAE 3410, issued by KPMG in April 2022, based on its audit work of Fnac Darty's independent third-party body as part of its verification work on the information in the Group's extra-financial performance statement and on the basis of additional verification work carried out in Q1 2021.</p>		
<p><b>Other environmental and social benefits of the project</b></p> <p>If possible, list the impacts and <a href="#">Sustainable Development Objectives</a> concerned</p>	<p>In parallel with the reduction of GHG emissions, the project reduces fine particle emissions, noise pollution and congestion in the road system.</p> <p>In fact, this project contributes to SDG 11, and in particular target 11.6: "By 2030, reduce the negative environmental impact of cities per capita, paying particular attention to air quality".</p>		
<p><b>Project maturity level</b></p> <p>Tick the corresponding current maturity level</p>	<p><input type="checkbox"/> Prototype laboratory test (TRL 7)  <input type="checkbox"/> Real life testing (TRL 7-8)  <input type="checkbox"/> Pre-commercial prototype (TRL 9)  <input type="checkbox"/> Small-scale implementation  <input checked="" type="checkbox"/> Medium to large scale implementation</p> <p><b>Remarks:</b> Tested in the fourth quarter of 2021, the information called "Livraison Eclairée" was made available to all web customers in February 2022. In a process of continuous progress, the Group intends to refine and complete this information, gradually integrating other quantified impacts such as GHG emissions generated by packaging, information systems and storage. To this end, the Group is participating, alongside other players in the sector, in a study led by ADEME and the General Commission for Sustainable Development, aimed at measuring the environmental footprint of e-commerce distribution schemes. Fnac Darty is a member of the advisory committee and has agreed to share its internal data to carry out the impact measurements.</p>		
<p><b>Capacity and conditions of the project reproducibility, with associated climate impact mitigation potential</b></p>	<p>Public authorities and certain players in the e-commerce ecosystem (e-merchants, carriers, professional federations) consider consumer information as an important lever to reduce the environmental impact of delivery.</p> <p>This initiative, although limited to GHG emissions related to the transport of parcels and customers, is intended to be extended to other impacts and other e-merchants, in accordance with commitment n°1 of the Charter of Commitments for the reduction of the environmental impact of online commerce: "(1) inform the consumer of the environmental impact of delivery by proposing, from 1 January 2023, several methods of delivery of products (by variation of the point of delivery, the deadline or the vehicles) for all orders whose size allows it, and specifying the choice which has, on average, the lowest impact on the environment according to the results of ADEME's work on the environmental assessment of e-commerce deliveries".</p>		
<p><b>Amount of investment made (in €)</b></p>	<p>100k €</p>		
<p><b>Economic profitability of the project (ROI)</b></p>	<p><input type="checkbox"/> CT (0-3 years)  <input type="checkbox"/> TM (4-10 years)  <input type="checkbox"/> LT (&gt; 10 years)</p>		

	<b>Notes:</b> No expected return on investment
<b>Engaged partnerships</b>	<p>Transport providers: permanent dialogue between the Transport Department and suppliers, who issue quarterly greenhouse gas footprint.</p> <p>Partnership with DATAGIR, the public service supported by Ademe and the incubator of the Interministerial Digital Directorate, to make available to web customers their eco-calculator <a href="https://monimpacttransport.fr/">https://monimpacttransport.fr/</a></p>
<b>Open comments from the project owner</b>	
<b>More about the project</b>	
<p><b>Contact the company carrying the project</b></p> <p>Please specify an ad hoc e-mail address that will allow the reader to contact the project company directly</p>	<a href="mailto:charlotte.alix@fnacdarty.com">charlotte.alix@fnacdarty.com</a>
<b>Project URL links</b>	<a href="https://www.fnac.com/livraison-eclairee">https://www.fnac.com/livraison-eclairee</a> and <a href="https://www.darty.com/achat/services/livraison-eclairee/index.html">https://www.darty.com/achat/services/livraison-eclairee/index.html</a>
<p><b>Illustrations of the project</b></p> <p>3 photos/videos minimum (in HD format to be attached)</p>	