

2022

CSR Report



Contents

Message from Philippe Delpech	3
1- Presentation of the Group's Activities	5
1.1 Our value creation model	6
1.2 History and organization of the Group	8
1.3 Presentation of business activities	10
1.4 Values	14
2- Governance	17
2.1 Governance organization	18
2.2 Duties and work of the Corporate Board and Committees	24
2.3 Sonepar's Governance	27
2.4 International committees	32
3- Sonepar's Commitment	35
3.1 Our vision	36
3.2 Materiality matrix	40
3.3 Governance	41
3.4 Contribution to the United Nations Global Compact and Sustainable Development Goals (SDGs)	42
4- Environment	45
4.1 Climate change and energy transition	46
4.2 Vision: accelerate the net-zero standard in emissions and waste	47
4.3 Environmental governance	47
4.4 Environmental risks and opportunities	48
4.5 Strategy	48
5- Social and Human Capital	61
5.1 Human resources vision and strategy	62
5.2 Governance	62
5.3 Attracting talent	64
5.4 Developing skills	65
5.5 Promoting quality of life in the workplace and associate engagement	68
5.6 Promoting diversity and inclusion	71
5.7 Guaranteeing associates' health and safety	77
5.8 Sourcing ethically and responsibly	78
5.9 Respecting and promoting human rights	79
5.10 Commitments to local communities and stakeholders	80
6- Governance and Integrity	83
6.1 Vision and strategy	84
6.2 Cultivating robust and long-term governance	84
6.3 Ensuring and promoting compliance and business ethics	85
6.4 Protecting data, combating cybercrime	90
6.5 Maintaining a robust crisis management system	92
7- Oversight	95
7.1 Scope	96
7.2 Coordinating policy	96
7.3 Identifying risks	97
7.4 Risk management actions	102
7.5 Whistleblowing procedure	103
8- Non-Financial Reporting	105
8.1 Report of the independent third-party organization on the consolidated declaration of non-financial performance	106
8.2 Non-financial indicators	110



2022

CSR Report



Message from Philippe Delpech

Chief Executive Officer of Sonepar

2022 will be remembered as the best year ever for Sonepar. Not only are the financial results historic, but we have also reached a new stage in our transformation.

Our teams have put in a great deal of work and we have continued to make progress in so many areas, including competitiveness compared to our competitors, digital transformation and corporate social responsibility (CSR). This progress highlights the already record performance of 2021 and stands Sonepar in excellent stead for the future.

The Group ended the year with record sales of €32.4 billion, of which €31.4 billion generated by our strategic electricity distribution business, representing growth of 28% compared to 2021, and organic growth of 18.5%. We also won market shares in most of the countries where we operate, completed 20 acquisitions in 2022 and welcomed 2,100 new associates into the Sonepar family: a warm welcome to all of them!

This exceptional performance is all the more impressive, given its context: the health crisis and a highly disrupted supply chain as well as geopolitical upheaval with the war in Ukraine, the inflationary situation and the energy crisis.

We have now entered a "leverage" phase, where we will aim to capitalize even more on the Group's strengths, synergies and expertise.

To that end, we have created an Executive Operating Committee, composed of the four regional Presidents and the Chief Transformation Officer, to ensure

that we fully leverage Sonepar's size to stand out, accelerate our transformation and further step up our productivity.

Sonepar is investing €2 billion in modernizing its supply chain and a further €1 billion in its omnichannel digital platform. We were the first electrical distributor to launch a Green Offer to help customers identify the most sustainable solutions. We are continuing our Group's transformation in order to reduce our greenhouse gas emissions. Our emissions reduction trajectory for our operations is in line with the 1.5°C target validated by the Science Based Targets initiative (SBTi).

We reinforced our commitment to the United Nations Global Compact and its 10 Principles in the areas of human rights, labor, the environment and anti-corruption. We published a Human Rights Policy and issued a Conflict Minerals Statement, as well as signing the United Nations Principles for Sustainable Insurance (UN PSI). And within our 'Impact' strategic plan, we also launched a diversity and inclusion roadmap. We see ourselves as an organization that is open to all and that transforms our differences into strengths in support of sustainable performance.

I would like to take this opportunity to pay tribute to Henri Coisne, whose death at the end of 2022 marked all of our teams. On their behalf, I salute the man and the captain of industry that he was. He has left us an immense legacy, and our commitment to continue what he started is unwavering.

To conclude, I would like to thank our 44,273 associates who work every day to ensure that Sonepar remains the undisputed world leader in its sector. I warmly congratulate them for their professionalism, their dedication and our historic performance in 2022.



€32.4 bn
GROUP SALES IN 2022



44,273
ASSOCIATES



42
COUNTRIES



80
BRANDS



2,417
BRANCHES



“ Sonepar is an independent family-owned group with global market leadership in the B2B distribution of electrical products, solutions and related services.

”



1- Presentation of the Group's Activities

1.1	Our value creation model	6
1.2	History and organization of the Group	8
1.3	Presentation of business activities	10
1.4	Values	14

1.1 Our value creation model



Our strengths | **Industry-based trends** | **Markets and customers**

A 54-year old family-owned group

- Stable and ambitious share ownership
- Robust and balanced financial model
- Long-term vision
- Controlled debt

Committed associates

- **44,273** associates
- **96%** of permanent contracts in the workforce⁽¹⁾
- **First** private French group chaired by a woman
- Women executives: **15%**
- Associate engagement rate: **86%**

Investments in customer satisfaction

- **Digital Factory**: 230 people focused on customer experience
- Logistics investments: **€2.5 billion by 2026**
- Development of own brands: TRADEFORCE, LIT by Cardi

A global and integrated logistics chain

- Presence in **42 countries**
- **2,417** branches
- **170** distribution centers
- Activity in **mature and stable countries**

Special relationships with our partners and suppliers

- Global community of leading electrical equipment experts
- **Global Supplier Portal**: a market data and trend analysis service for our suppliers

A Group committed to the fight against climate change

- Approved Science Based Targets (Scopes 1, 2 and 3, Group-wide)
- Energy Transition Academy
- Green Offer deployed



INCREASING URBANIZATION



DEVELOPING ACCESS TO ELECTRICITY



RAPID EXPANSION OF CONNECTED OBJECTS AND SERVICES (IOT)



ENERGY TRANSITION



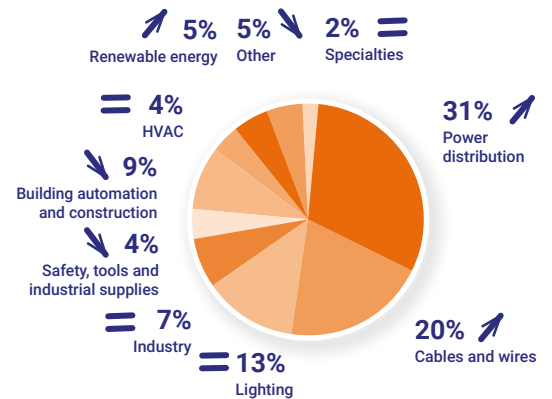
CLIMATE CHANGE AND ENERGY EFFICIENCY



RESOURCE CONSERVATION AND CIRCULAR ECONOMY

We combine a local and global approach to simplify our customers' daily lives and operations.

BREAKDOWN OF SALES BY PRODUCT SEGMENT



Value creation drivers

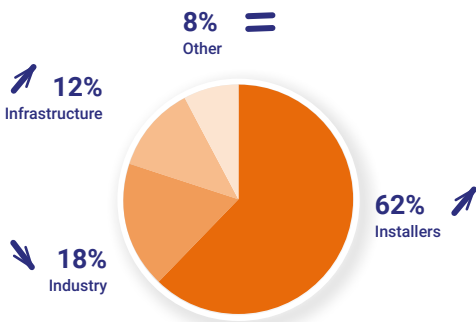
- Stable governance
- Ethics and integrity at the heart of our business model
- Ambition and energy driven by an entrepreneurial spirit
- Reasonable dividend policy

(1) Within the Group HRIS scope, excluding France and Costa Rica

Sonepar is an independent family-owned group with **global market leadership** in the B2B distribution of electrical products, solutions and related services.

We are investing in a state-of-the-art supply chain and omnichannel digital technologies to provide the best quality of service to installers, industries and the utilities market.

BREAKDOWN OF SALES BY TYPE OF CUSTOMER



- "Phygital" model: physical and digital proximity to our customers, with **30%** of sales made online
- Recognized expertise in sourcing and supply chain
- Customer and market diversity: close to **1 million** customers
- Wide range of solutions: up to **100,000** product references in stock

2022 SALES

€32.4 bn

FINANCIAL RATING

A-2 EF1
Short-term S&P Ethifinance



Our impacts

For customers



- Omnichannel experience
- Logistics suited to needs
- Expertise and consulting
- Resilience and robustness in response to electronic component and raw material shortages

For associates



- Contribution to employment: **8,071** hires in 2022 representing **18%** of the Group's workforce
- Employee share ownership:
 - **2.36%** indirect ownership of Sonepar SAS capital by associates (via a dedicated structure: Sonepack)
 - **11,967** associate shareholders
 - **12,156** associates hold exercise rights and/or shares
- Payroll: **+13.6%**

For suppliers and partners



- **46** strategic suppliers, representing **35.6%** of purchasing volume
- **100%** of suppliers audited on the basis of CSR criteria (own brand activity)

For the climate



- GHG reduction commitments aligned with the 1.5°C (Scopes 1 and 2) and 2°C (Scope 3) trajectories were validated by the Science Based Targets initiative
- Contribution, through the products and services provided, to the renovation and energy transition
- **230 local initiatives** for sustainable development

For society



- Adhesion to the United Nations Global Compact
- **100%** of strategic suppliers audited on the basis of compliance criteria
- Contribution to the local economy and job pools through our territorial network

1.2 History and organization of the Group

1.2.1 History



1969

Birth of the group and development in France

In 1969, Sonepar entered the professional electrical equipment distribution market and continued its development.

1980

Development in Europe and first steps across the Atlantic

Entry into the Netherlands, Germany, Belgium, Italy, Switzerland and Canada. The Group achieved USD1 billion in sales.

1990

Substantial growth through acquisitions across Europe and America

Entry into Finland, Norway, Poland, Sweden and the USA. Marie-Christine Coisne-Roquette became the Chairman of Sonepar.

2000

Going global

Entry into China and Brazil, expansion into Asia, Europe and North America. The Group achieved €10 billion in sales.

2010

Sonepar continues to grow and celebrates its 50th anniversary

Sonepar celebrates its 50th anniversary. Development on the American continent.

2020

Global market leadership in B2B distribution of electrical products

Driven by the skills and passion of its 45,000 associates, Sonepar achieved €23 billion in sales.

2022

Sonepar is pursuing an ambitious transformation

To become the world's first B2B electrical distributor to offer the best synchronized omnichannel experience to all its customers.

1.2.2 Organization of the Group

The Group had been organized into five operational Regions since 2019:

- North America;
- Asia-Pacific;
- Western Europe & South America;
- Central & Nordic Europe;
- France.

This regional structure enabled the Group to roll out governance, strategy, and shared initiatives more effectively to grow and create synergies, while allowing better coordination between Countries operating in the same geographic areas.

The formation of a new structure was announced on September 1, 2022.

- Jérémie Profeta has been appointed Chief Transformation Officer effective from September 1, 2022.
- Taco van Vroonhoven has been appointed President Asia-Pacific & Sonepar International Services effective from October 1, 2022.
- Jérôme Malassigné has been appointed President Western Europe & Global Sourcing effective from January 1, 2023.
- Patrick Salvadori has been appointed CEO Advisor on Strategic Projects effective from January 1, 2023 and continues to supervise South America, Spain and Portugal.

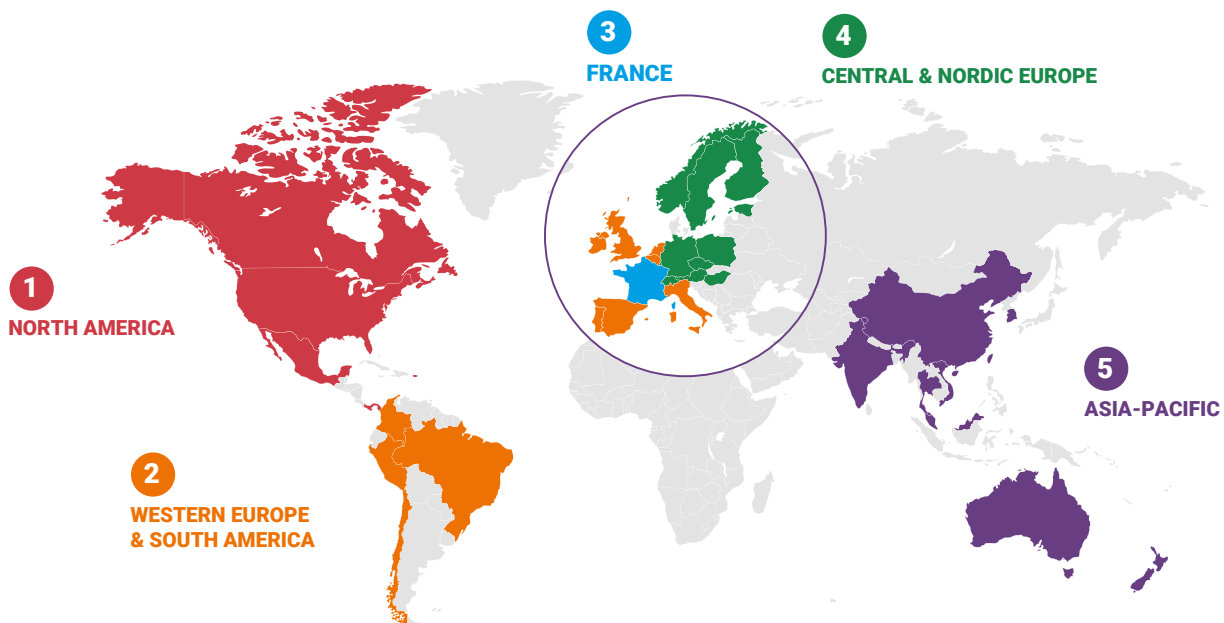
An Executive Operating Committee was established on October 1, 2022. It is composed of the Regional Presidents: North America, Asia-Pacific, Western Europe and Central & Nordic Europe, as well as the Chief Transformation Officer. Its objective is to identify local skills and expertise and deploy them across the Group, as well as to support the Group's digital transformation.

Each Region is led by a member of the Executive Committee, who reports to Sonepar's Chief Executive Officer.

In keeping with the spirit of subsidiarity asserted in the Group's Governance Charter, the Regional Presidents take on duties assigned by the Group's Executive Management.

The Regional Presidents' duties are to:

- promote and monitor the ethics of Sonepar's operations in its host countries by implementing the rules and procedures for preventing fraud, corruption, influence peddling and other similar offenses, and the related penalties;
- run the business within the scope that they oversee and control;
- meet pre-defined strategic and operational performance and growth objectives;
- propose an annual budget to the Group's Executive Management and implement it once approved;
- monitor the performance of their Region and its development compared to past results and external benchmarks, in addition to the budget.



1.3 Presentation of business activities

1.3.1 Products and solutions

Sonepar covers a wide range of specialities in the B2B distribution of cutting-edge electrical products, services, and solutions. From the vast range offered by manufacturers, it carefully selects the products and technical solutions best suited to its customers' needs. Depending on the Country, it can deliver up to 100,000 products straight to the customer in the right place, at the right time.



Product Ranges

Power Distribution, Industrial Controls, and Automation

- Cable management
- Enclosures and panel assembly
- Electrical distribution (low, medium and high voltage)
- Automation and control

Heating, Ventilation and Air Conditioning (HVAC)

- Heating
- Ventilation
- Air conditioning

Cables and Wires

- Low voltage cables
- Datacom and speciality cables
- Medium and high voltage cables

Renewable energy

- Renewable Energy
- Energy storage

Industrial Controls and Automation

- Automation and control

Lighting

- Lamps
- Lighting fixtures
- Accessories

Building Automation and Construction

- Wiring devices and accessories
- Data and communications networks
- Fire protection & security and building automation systems

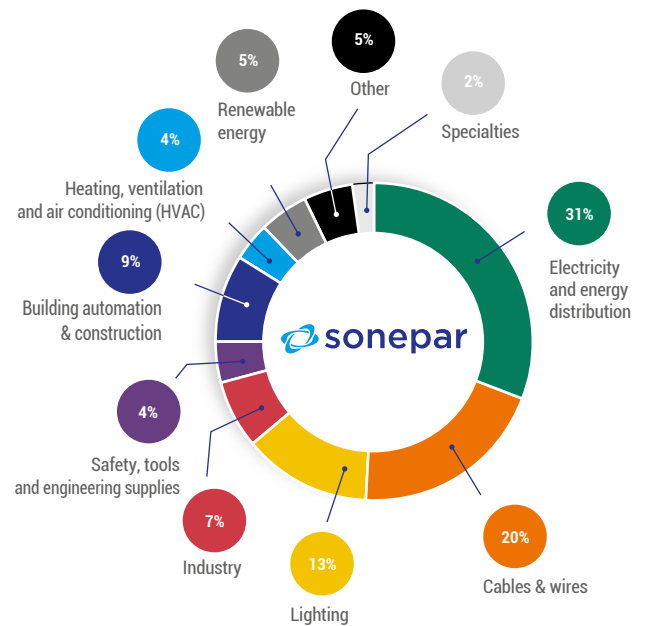
Safety, Tools and Engineering Supplies

- Safety equipment
- Tools & other engineering supplies

Specialities

- Household and consumer electronics
- Sanitary

Breakdown of sales by product segment



Rounded numbers.

Sonepar's associates draw on their deep expertise and knowledge of electrical equipment to select the best products and combine them into solutions that exactly meet its customers' needs.



Smart Lighting

Automatic sensor technology improves visual comfort and helps customers save on power costs. By choosing a connected design, they can also tailor lighting to suit their needs.

The Melbourne Central Tower in Australia

It is a 46-floor office building with parking for 850 cars. Sonepar was asked to assist in an overhaul of the lighting system. A key objective was to reduce wasted energy. Sonepar took charge of the project, from design to installation, advising on and supplying the best products every step of the way. The installation of motion sensors has enabled lighting to be operated in low-energy, standby mode when areas have been vacated. The fittings have led to over 90% reduction in energy use.

The Connected Home

Sonepar offers cutting-edge home automation products and systems. They enable users to control their equipment either locally or remotely from their smartphone or tablet.

The Smarango platform in Switzerland

In Switzerland, Sonepar launched Smarango, an innovative Smart Home tool, aimed for the first time at end users (B2C customers). On smarango.ch, customers can test a Smart Home configuration that gives them a broad idea of the costs, as well as choosing from a relevant selection of local Smart Home experts. Whether their needs are for security, intelligent lighting control, energy, or multimedia, Smarango gives customers a free price estimate in just a few clicks. They can choose from a fully integrated installation or the flexibility of a plug & play system.



Building Management

The Group helps its customers optimize energy use in buildings through eco-efficient equipment, automatic motion and heat sensors, and tools for measuring and analyzing consumption.

The Karlsruhe Institute of Technology

At the Karlsruhe Institute of Technology (KIT) in Germany, a lab is dedicated to the Energy Transition. In cooperation with the Jülich Research Center (FZJ) and the German Aeronautical and Aerospace Center (DLR), this lab has developed a smart platform – a network of installations connecting electric, thermal, and chemical flows with digital technology. Sonepar supplied and delivered the power control panels for part of this ambitious program, after working closely with the lab's technical staff to scale the equipment.

1.3.2 Customers

Right across the world, Sonepar makes its customers' lives easier by anticipating and responding swiftly to their needs. Whatever their business, our aim is to deliver the solution best suited to their project. With a global footprint combined with strong local relationships, Sonepar aims to push boundaries, maintaining its position as the standard-setter in its industry.



Availability and Delivery

The Group ensures that it meets its customers' requirements through tailored, cutting-edge logistics. It places a strong premium on product availability and fast delivery. Making this a priority means customers can get what they want, when they want it, without the need to stock their own materials.

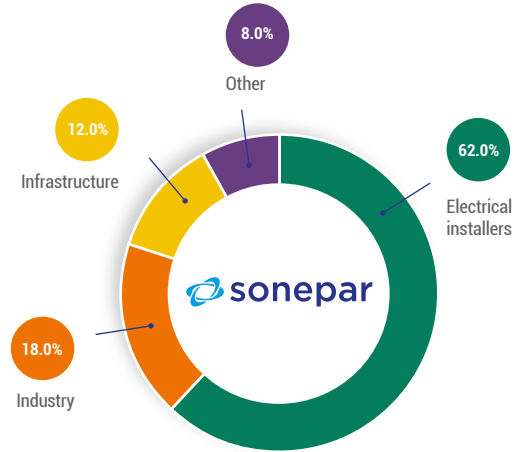
A Service Mindset

The Group is constantly expanding the range of services it offers. It deploys the latest technologies to keep its engineering and training service and tailored logistics solutions at the leading edge.

Innovating for a Better Experience

Whether it's in-store or online, Sonepar develops and deploys innovative solutions to give customers the best possible experience.

Key customers in 2022



Scope: "Impact" strategic plan.

Sonepar's three main customer groups are:

- **building installers**, who account for 62% of Sonepar's sales. The Group supports them in all their construction and renovation projects, regardless of their type or size. It offers logistical strength, technical expertise and a full line of products via its omnichannel platform;
- **industry**, which accounts for 18% of Sonepar's sales. The Group helps customers to address new industry challenges with systems that are more automated, more productive, less costly and more environmentally friendly. It also provides expertise, services and integrated solutions that cater to the needs of equipment manufacturers, system integrators and other industrial customers;
- **utility operators**, which account for 12% of Sonepar's sales. The primary role of a power utility is to deliver electricity without threatening the safety of people or property. Sonepar's solutions are durable, reliable and aligned with the utilities' power needs and uses.

1.3.3. Markets

Sonepar's customers operate in different end markets, broken down as follows:

Industry

Around the world, Sonepar serves its industrial customers as they tackle their day-to-day challenges: industrial installers, EPC (Engineering, Procurement and Construction), panel builders, system integrators, OEM (Original Equipment Manufacturers), and end-user MRO (Maintenance, Repair and Operations).

Ensuring next-day delivery on up to 100,000 items, promoting integrated, environmentally friendly solutions, offering cutting-edge digital tools to find products and place orders, tailoring deliveries to customers' exact need and providing after-sales reporting and data analytics are just a few of the commitments Sonepar makes to its partners in industry.

In both our branch network and online, Sonepar offers relevant product lines, such as enclosures, industrial automation and controls, cable management, power distribution, lighting, tools, personal protective equipment, engineering supplies, safety equipment, and more.



Energy

Sonepar serves customers working in power generation, medium-voltage, and high-voltage energy distribution: investor-owned utilities, municipalities or cooperatives, utility contractors, and renewable equipment installers. It supplies state-of-the-art equipment for safety and maintenance on both power generation facilities and grids.

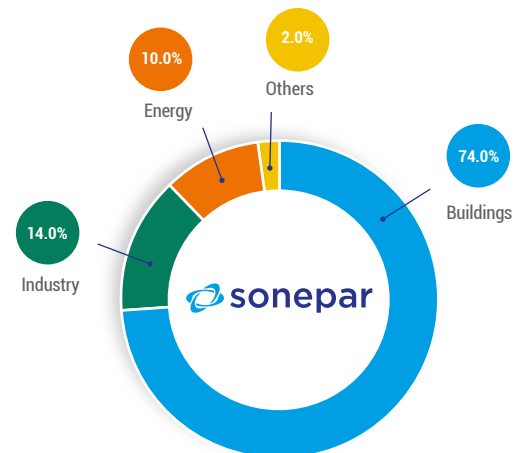
After carefully analyzing the challenges related to a project, Sonepar teams will recommend the solution that best meets the customer's needs. Rapid response is a priority, but solutions are always based on minute attention to detail. Sonepar's energy offer includes MV/LV switchgear, enclosures and panel assemblies, distribution transformers, cable management, personal protective equipment, accessories, and more.

Construction

Installers (large, medium, and small), general contractors, specialist/system integrators, and government agencies are continually seeking ways to enhance safety and efficiency on their projects. Sonepar works to offer them the best products and services, with a special emphasis on eco-efficiency.

Through flexible delivery, tailored payment options, and customer service – offered both online and in-store – Sonepar does everything in its power to help installers conduct their daily operations as smoothly as possible. With a comprehensive product offer, it covers the entire spectrum for both full-service and specialist providers – for residential, office, and industrial buildings. Sonepar meets its construction customers' exact requirements, whether for alarms and security, wiring devices, automation and control, indoor and outdoor lighting, photovoltaic energy, wires and cables, heating, ventilation and air conditioning (HVAC), protection, networks, hand and power tools, personal protective equipment, Voice-Data-Image (VDI), and more.

Breakdown of sales by market



Percentages based on data from 18 countries representing 95% of Sonepar's sales.

1.4 Values

Our values define our beliefs and behaviors. Every day, we make our customers' lives easier by providing products, logistics and solutions. Our customer-centric approach leads to tailor-made solutions. And we give the same high level of service to all our customers.



Customer Centric

Deliver better solutions through proximity and understanding of our customers.

Make customers' lives easier by bringing the magic of simplicity.

Anticipate needs, and deliver improved customer benefits.

Committed to People and the Planet

Celebrate our diversity and inclusivity because collectively we develop better solutions.

Build long-term relationships based on mutual respect.

Champion sustainable practices, driving the clean energy transformation.



Lead by Example

Give our best performance in everything we do.

Do what is right, making integrity and ethics the foundation of everything we do.

Encourage the energy transition, inspiring customers, and co-workers.

The Will to Dare

Bring an entrepreneurial approach to the problems we solve.

Dare to push boundaries to accelerate energy transformation.

Always question, always explore.







“ *In a constantly changing world, the Group relies on solid governance to achieve sustainable growth.* ”

2- Governance

2.1	Governance organization	18
2.2	Duties and work of the Corporate Board and Committees	24
2.3	Sonepar's Governance	27
2.4	International committees	32

2.1 Governance organization

2.1.1 Guiding principles

Sonepar's governance is governed by the Bylaws, the Governance Charter and the Corporate Board's Internal Rules of Procedure.

The Bylaws set out the Company's⁽¹⁾ fundamental principles:

- its private nature;
- the strong *affectio societatis* (spirit of cooperation) between its shareholders;
- a determination to develop the Company's share ownership by allowing its associates to participate in its share capital;
- the long-term commitment of the Majority Shareholder, Colam Entrepreneurs, to retaining its interest in the Company's share capital.

Sonepar's decentralized organizational structure complies with the subsidiarity principle, which aims to establish clear responsibilities within the Group at the most relevant level, with no gaps or overlaps.

The Code of Conduct serves as the Group's reference document for all compliance and integrity issues. It is distributed to all associates and is publicly available on Sonepar's website: [Code of Conduct \(sonepar.com\)](https://www.sonepar.com).

2.1.2 Governance players

Shareholder holding companies

COLAM ENTREPRENDRE

Majority Shareholder

Family shareholding

More than 600 family shareholders

SONEPACK SAS

Main minority shareholder

Employee share ownership

11,967 shareholders

Sonepar SAS

Corporate governance

Corporate Board

Chairman of the Corporate Board

Audit Committee

Nomination and Compensation Committee

Operational governance

Chairman

Chief Executive Officer

Deputy Chief Executive Officer

Executive Committee

(1) Sonepar SAS, also referred to in this Chapter as "Sonepar" or the "Company".

2.1.3 Share ownership and role of the Shareholders' Meeting

Rights and obligations of Sonepar's shareholders

Sonepar's family-owned shareholding base is one of its strengths. The values and long-term commitment of the family shareholders guarantee the Group's independence and longevity.

The family shareholders, brought together within Colam Entreprendre, maintain their ties to Sonepar in a number of ways. They are united in their commitment to making managers shareholders, giving them the opportunity to share in the value they help to create by taking risks together.

Together, the Group's family shareholders and associates own all of the Company's shares via their respective holding companies with the aim of ensuring its lasting growth and sharing the rewards of this success.

Shareholding in the Company is governed by strict rules. All transfers of securities are subject to the prior approval of the Corporate Board. The voting rights attached to shares are proportional to the share capital represented by such shares and each share entitles the holder to one vote.

The fundamental rights and obligations of Sonepar's shareholders are to:

- share the *affectio societatis*, or spirit of cooperation, between its members;
- be acquainted with how the Group and the governance structure in place are organized;
- obtain relevant and accurate information about the Group's operations and results at the General Shareholders' Meeting;
- approve the dividend policy and receive dividends on profits;
- vote at Shareholders' Meetings;
- benefit from the full administration of their shares by the Company;
- support Sonepar's ambitions over the long term.

Remit of the shareholders

The shareholders are consulted at the initiative of the Chairman of the Company or the Corporate Board as often as required in the Company's interest.

The Shareholders' Meeting provides a forum for Sonepar's shareholders to obtain information and express their views. The indirect, family and associate shareholders are represented by their respective holding companies, Colam Entreprendre and Sonepack.

Without prejudice to the laws and regulations in force, the following decisions fall within the exclusive remit of the shareholders:

- the approval of the statutory financial statements;
- the appropriation of net income and the distribution of dividends, reserves or premiums;
- the approval of agreements referred to in article L. 227-10 of the French Commercial Code;
- the appointment of one or more Statutory Auditor(s);
- the appointment and removal of Corporate Board members;
- the setting of the overall amount of compensation to be paid to Corporate Board members;
- the increase, reduction or redemption of capital as well as any issues of securities granting access to the capital, immediately or in the future, and any share buy-backs;
- any merger, demerger or partial transfer of assets of the Company;
- the change in the Company's legal status;
- any extension of the Company's term;
- the future of the Company if, as a result of losses reflected in the financial statements, the Company's equity falls below half of its share capital;
- dissolution of the Company;
- the insertion of or amendment to clauses referred to in article L. 227-19 of the French Commercial Code;
- any change of the Company's nationality; and
- any amendments to the Bylaws, except those regarding the transfer of the Company's registered office or the change of the Company's legal name.

Any decisions that do not fall expressly within the remit of the shareholders or of the Corporate Board or of another governance body shall fall within the remit of the Chairman of the Company.



10
MEMBERS



5
INDEPENDENTS



4
NATIONALITIES



4
MEETINGS



100%
ATTENDANCE
RATE

4.7 YEARS*
SENIORITY ON
THE CORPORATE
BOARD



40%
WOMEN

Composition of the Corporate Board

at December 31, 2022

Corporate Board members are appointed by a collective decision of the shareholders, upon the recommendation of the Majority Shareholder of Sonepar. The Corporate Board is made up of family members, independent members from the business world, and a former member of the Group's Executive Management.



Marie-Christine Coisne-Roquette
Permanent representative
of Colam Entrepreneurs



Patricia Bellinger



Jean-François Cirelli



Nathalie Coisne



Stéphane Coisne



Quentin Devilder



Maria Götsch



Frank H. Lakerveld



Christophe Lambert



Christian Maurin

 **AUDIT COMMITTEE**



chaired by
Maria Götsch

- 6 MEMBERS
- 4 MEETINGS
- 95% ATTENDANCE

 **NOMINATION AND COMPENSATION COMMITTEE**



chaired by
Patricia Bellinger

- 4 MEMBERS
- 3 MEETINGS
- 100% ATTENDANCE

* Seniority is calculated from the conversion of the company into an SAS in 2016.

2.1.4 Corporate Board

2.1.4.1 Composition of the Corporate Board

Principles

The Corporate Board comprises between three and twelve members appointed by a collective decision of the shareholders, by simple majority and upon the recommendation of the Majority Shareholder.

Board members are appointed for a term of four years, with half of the members renewed every two years. Notwithstanding this principle, to ensure the staggered renewal of terms of office, one or more members of the Corporate Board may be appointed for a term of between one and three years.

No more than one-third of the members of the Corporate Board may be 70 years old or more.

Particular attention is paid to ensuring that the composition of the Corporate Board reflects a balanced representation of:

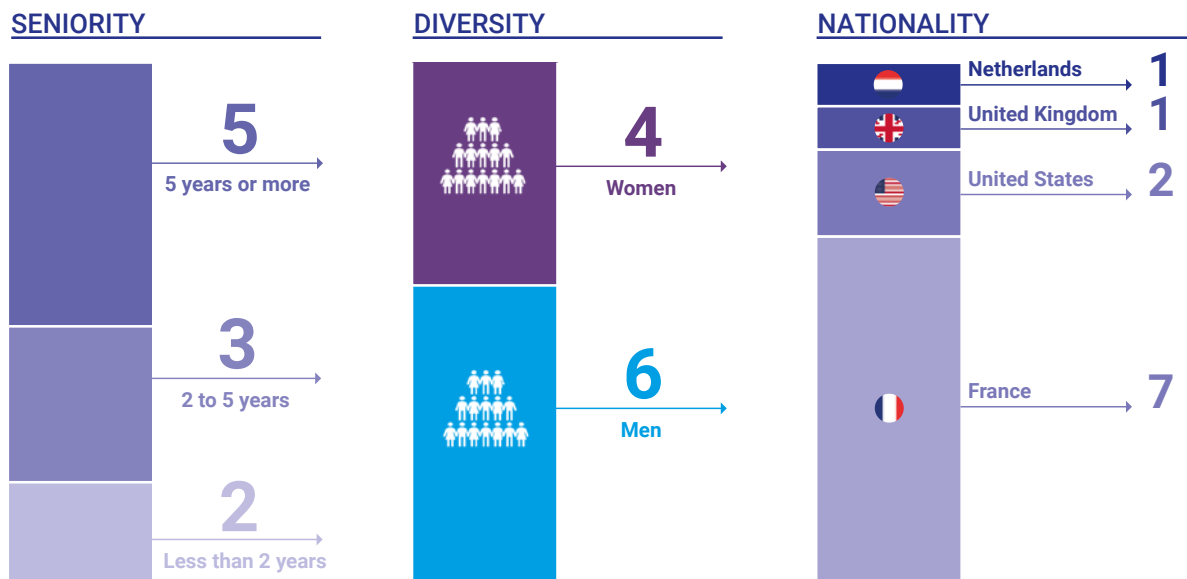
- family shareholders, who are able to ensure that the Group's business development and achievements are consistent with its goals, values and principles;
- independent members from the business world or the Group, who contribute insight and practices from various skill sets and business areas.

The Corporate Board may involve non-voting family advisers in its work, who are subject to the same confidentiality requirements as Board members.




Composition of the Corporate Board

At December 31, 2022, the Corporate Board comprised ten members, four women and six men, of four different nationalities, one Board member having dual nationality.



Members of the Corporate Board at December 31, 2022

	POSITION	NATIONALITY	AGE	END OF CURRENT TERM OF OFFICE	SENIORITY (IN YEARS)	COMMITTEE(S)	
Family members							
	Marie-Christine Coisne-Roquette	Permanent representative of Colam Entreprendre		66	2024	6.6	C  
	Nathalie Coisne	Board member		38	2026	4.6	
	Stéphane Coisne	Board member		59	2024	6.6	
	Quentin Devilder	Board member		40	2025	1.6	
	Christophe Lambert	Board member		64	2025	1.6	
Independent members and former members of the Group's Executive Management							
	Patricia Bellinger	Board member	 	61	2025	5.6	C 
	Jean-François Cirelli	Board member		64	2026	4.6	
	Maria Götsch	Board member		61	2024	2.7	C 
	Frank H. Lakerveld	Board member		75	2023	6.6	
	Christian Maurin	Board member		75	2023	6.6	
Auditors to the Corporate Board							
	Stanislas Francin	Auditor to the Corporate Board		27	2022	2.4	
	Lucien Roquette	Auditor to the Corporate Board		30	2022	2.4	
	Viva de Moustier	Auditor to the Corporate Board		27	2024	0.6	
	Hadrien Coisne	Auditor to the Corporate Board		27	2024	0.6	
Committee members (excluding the Corporate Board)							
	Aude Beurrier-Coisne	Member of the Audit Committee		40	2023	3.4	
	Hubert Coisne	Member of the Audit Committee		72	2023	6.4	
	Juliette Roquette	Member of the Audit Committee		34	2024	1.4	
	Olivier Verley	Member of the Nomination and Compensation Committee		68	2022	6.4	

16
members43%
womenAverage age of
54.2
years AUDIT COMMITTEE NOMINATION AND
COMPENSATION
COMMITTEE

C: CHAIRMAN

Changes in the Corporate Board during the year

The composition of the Corporate Board was modified at the Shareholders' Meeting of April 14, 2022, when the shareholders approved the appointment of Stéphane Coisne as Board member.

The Board meeting held on the same date, after the Shareholders' Meeting, approved the appointment of Colam Entreprendre as

Chairman of the Corporate Board, a term of office which will expire in 2024, at the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023.

The terms of office of Corporate Board members expiring in 2023 are set out below:

Frank H. Lakerveld	Appointed in 2020 for a three-year term
Christian Maurin	Appointed in 2022 for a one-year term

2.1.4.2 Chairman of the Corporate Board

Appointment

The Chairman of Sonepar's Corporate Board was appointed from among its members, upon the recommendation of and in consultation with the Majority Shareholder. It is the members that determine the Chairman's duties and compensation. The Chairman of the Corporate Board may appoint a Deputy who will perform all of the duties entrusted to the Chairman in the event that the latter is prevented from doing so. The Deputy does not have the deciding vote conferred upon the Chairman of the Corporate Board.

Since the Shareholders' Meeting of April 14, 2022, the Company's Majority Shareholder, Colam Entreprendre, has chaired the Corporate Board through its permanent representative.

Duties

Due to the specific nature of Sonepar's shareholding structure and the Group's philosophy, the Chairman of the Corporate Board has a permanent role, which includes the following main duties:

- promote the image of the family Group both inside and outside the Group;
- ensure that the Corporate Board is fully informed and prepare for Board meetings;
- report on the work of the Corporate Board to the shareholders;
- facilitate the work of the Chairman of each Board Committee, of which the Chairman is a member by right, and coordinate this work with Executive Management.

Within this framework, the Chairman of the Corporate Board has extensive access to information and Group and Country Board meetings.

The Corporate Board may at any time entrust the Chairman of the Corporate Board with additional responsibilities as required.

2.1.5 Ethics – conflicts of interest

Sonepar applies certain operating principles that it expects all those with roles in governance to implement:

- combine trust with oversight;
- convey the idea that responsibility for security, integrity, environment and control is everyone's business; when in doubt, ask questions and check before acting;
- understand that information is a source of both opportunities and risks for the Group and that it should therefore be protected and shared where appropriate;
- at all levels and regardless of position, refrain from using titles or positions as a means of procuring financial or other advantages for themselves or anyone else;
- report any conflicts of interest, even potential, with the Group.

The Code of Conduct contains the ethical, social and environmental standards applicable within the Group, especially those concerning the prevention of and fight against corruption and influence peddling, deriving from the French law of December 9, 2016 on transparency, anti-corruption and economic modernization (the Sapin II Law).

Sonepar believes that having the right attitude is essential to promote its values. Accordingly, Sonepar expects its executives to:

- give top priority to the ethics of their actions and decisions;
- act and behave towards others as they would wish to be treated themselves;
- comply with and enforce the Governance Charter, the Code of Conduct and all applicable rules;
- promote integrity, security and protection of the environment;
- develop a mindset of mutual respect between themselves and the Group, its associates and its stakeholders;
- reward loyalty, efficiency, initiative and good service;
- refrain from any actions or decisions they would not be able to defend in public.

The Chairman, the Company's Executive Management, and the members of the Corporate Board and its Committees are required to inform the Chairman of the Corporate Board of any potential conflict of interest situations concerning them or of which they are aware. In the event of an actual or potential conflict of interest, they refrain from participating in the discussions and in any decision on the matters concerned.

2.2 Duties and work of the Corporate Board and Committees

2.2.1 The Corporate Board

2.2.1.1 Duties of the Board

In accordance with Sonepar's Bylaws and its own Internal Rules of Procedure, the Corporate Board is collectively responsible for:

- appointing and removing the Company's Chairman, on the proposal of the Majority Shareholder, based on the Nomination and Compensation Committee's review and recommendations;
- expressing an opinion on the appointment, assessment or removal of the Chief Executive Officer;
- setting the compensation of the Company's Chairman and of the Chief Executive Officer based on the Nomination and Compensation Committee's review and recommendations;
- validating the Group's strategy and setting targets, as proposed by the Chairman or the Executive Management, in agreement with the Chairman of the Company;
- overseeing the actions of the Chairman and the Executive Management of the Company;
- setting guidelines for the financing policy, security ratios and capital expenditure; specifying the off-balance sheet commitments that are subject to authorization; setting the Company's authorized debt limits on an annual basis;
- validating the financing requirements with respect to the budget;
- ensuring that the parent Company and consolidated financial statements give a balanced, true and fair view and that the limits and authorizations set are respected;
- reviewing the Company's financial statements and management reports;
- reviewing the reports of the Audit Committee, the Statutory Auditors, the risk management team, the compliance team and the internal control team;
- assessing all policies, including on Human Resources, digital, IT, logistics, and social and environmental sustainability;
- allocating the compensation granted by the shareholders to the Corporate Board members and, where appropriate, the Auditors and members of Corporate Board Committees who are not members of the Corporate Board itself.

The Corporate Board also has competence to adopt and amend the Company's Internal Rules of Procedure, upon the recommendation of the Chairman of the Corporate Board after consulting the Majority Shareholder.

In addition to the Bylaws, certain decisions of the Chairman and Executive Management of the Company require the prior authorization of the Corporate Board:

Financing

- any increase in drawdowns on the Company's bank credit lines in excess of the limits authorized by the Corporate Board;
- any interest rate or currency hedges in excess of the credit limits authorized by the Corporate Board;

- any guarantee or security granted to third parties on behalf of Group subsidiaries and not counter-guaranteed by the operating subsidiary's inventory, accounts receivable and property, where such commitments or guarantees have not already been given directly by the operating subsidiary.

Development

- any acquisition or disposal of assets, stocks or shares for more than €250 million;
- creation of a subsidiary in a new country.

Human resources

- any uncapped incentive plan for management linked to the Group's earnings;
- any shareholding plan;
- compensation of the Company's corporate officers.

Legal and accounting

- any off-balance sheet commitment exceeding €100 million (for example: a guarantee);
- recording of a provision for disputes, impairment and/or the signature of a settlement for an amount exceeding €100 million;
- appointment of the Company's Statutory Auditors;
- any other transaction or operation provided for by law or the Bylaws.

The Board members agree to perform their supervisory duties by:

- placing their trust in and giving their support and recommendations to the corporate officers they appoint;
- devoting the necessary time to preparing for Corporate Board meetings and reviewing the materials provided to them prior to meetings;
- attending Corporate Board meetings, ensuring the confidentiality of the information conveyed and discussions held, voting consistently in the Group's best interests and informing the Chairman of any conflicts of interest, even potential, with the Company and/or Group;
- complying with the Internal Rules of Procedure of the Corporate Board.

The Corporate Board must inform Sonepar's Chief Executive Officer of any revisions made to this list or to the materiality thresholds.

In order to perform its duties, the Corporate Board has a right to full and permanent access to information, which it exercises through its Chairman. It may also draw on the work of the Audit Committee and the Nomination and Compensation Committee, for which it determines the membership and the duties to be exercised under the Board's supervision. It may create any new working committee it deems necessary.

The Corporate Board occasionally devotes an agenda item to the assessment of its organization, composition and practices and procedures, and to the review and revision of management information and documents.

2.2.1.2 Meeting preparation and organization

Corporate Board meetings are called by the Chairman of the Corporate Board at their own initiative or at the request of the Chairman of the Company. In addition, a minimum of one-third of the total number of members may jointly request that a Board meeting be held if no such meeting has taken place within the last four months.

The Board meets at least four times a year or more often if required.

It determines the meeting timetable for the following year and a provisional list of the matters to be addressed at each one.

The agenda is set by the Chairman of the Corporate Board or by the person(s) who requested the meeting, if it was not requested by the Chairman.

Decisions are taken on a majority of votes cast by members present in person or by proxy. Each member has one vote. In the event of a tied vote, the Chairman of the Corporate Board has the deciding vote.

The Chairman of the Corporate Board chairs Corporate Board meetings and directs proceedings. They ensure that the Corporate Board is fully informed and makes the necessary preparations for Board meetings. They ensure that discussions are constructive and decisions taken by consensus.

The Chairman of the Corporate Board may invite the Chairman of the Company (if this is not the same person as the Chairman of the Corporate Board), the Chief Executive Officer, Deputy Chief Executive Officer(s), or any other persons of their choice to attend meetings.

The Chairman of the Corporate Board reports on the work of the Corporate Board to the shareholders at least once a year at the Annual Shareholders' Meeting.

2.2.1.3 Compensation

The Corporate Board members' compensation was set by Sonepar's 2017 Annual Shareholders' Meeting. This meeting set the overall amount of Corporate Board members' compensation at €650,000, and this has not changed since that date.

The Corporate Board members' compensation includes:

- a fixed component of €23,700 per Board member for their engagement, increased by 50% to €35,550 for the Chairman of each Board Committee;
- a variable component of €3,000 for each effective participation in meetings of the Board and its Committees. This variable component is increased to €9,000 for Board members with a nationality other than French.

Committee members who are not members of the Corporate Board do not receive a fixed component, but only a variable component of €3,000 per effective participation in the meetings of the Committees of which they are members.

The compensation of the Auditors to the Board includes:

- a fixed component of €500; and
- a variable component of €500 per participation in the meetings of the Corporate Board.

The Honorary Chairman, who passed away in December 2022, received an annual allowance of €23,700.

Members of the Corporate Board and its Committees may be reimbursed for reasonable costs and expenses incurred in the performance of their duties on presentation of supporting documents.

The total amount paid to Board members for 2022 was €578,250, which is within the overall amount set by the shareholders.

2022 compensation

From January 1 to December 31

	Gross total (in €)
Board members (excluding the Chairman of the Corporate Board)	530,250
Committee members (excluding the Corporate Board)	42,000
Family Auditors to the Corporate Board	6,000
TOTAL	578,250

2.2.2 Board committees

2.2.2.1 Common provisions

The Corporate Board may create permanent or temporary committees from among its members.

Each Committee is composed of at least two members of the Corporate Board. Members of the committees and their respective Chairmen are appointed by the Corporate Board upon the proposal of its Chairman. They may be reappointed. The Chairman of the Corporate Board is a permanent member of all the committees.

The committees review matters put to them by the Corporate Board or the Chairman of the Board, prepare the Corporate Board's work and decisions and inform it of their conclusions. Their reports are reviewed at the Board meetings.

The committees carry out their duties under the responsibility of the Corporate Board and have no decision-making powers of their own. However, the role of a Corporate Board committee may also be to take decisions delegated to it by the Corporate Board with the agreement of the Chairman of the Company, with the responsibility to report on their work and deliberations to the Corporate Board.

The practices and procedures of the committees are determined in accordance with their specific duties. They are brought to the attention of the Corporate Board by the Chairman of each committee, appointed from among its members for a renewable three-year period.

The committees meet as often as is necessary and whenever the Corporate Board meetings and agendas so require. The agenda of each meeting is set by the Chairman of the Committee, after consulting with the Chairman of the Corporate Board.

The committees may appoint a secretary to organize meetings and take minutes. The Chairman of the Corporate Board keeps the minutes of the meetings. The Chairman of the Committee reports to the Corporate Board in this respect.

The Chairman of the Corporate Board (in their capacity as a permanent member) is systematically invited to participate in the meetings of the Audit Committee and the Nomination and Compensation Committee. The Chief Executive Officer and Deputy Chief Executive Officer(s) may also be invited.

The committees and each of their members may obtain all information they deem useful for the purpose of fulfilling their duties. After consulting the Chairman of the Corporate Board, the committees may commission any external research or studies they deem necessary to fulfill their duties.

2.2.2.2 Audit Committee

Duties

The Audit Committee focuses on accounting and finance, internal control and audit, external audit, risk management and compliance, corporate social responsibility (CSR), cybersecurity and governance. Its duties are described in the Corporate Board's Internal Rules of Procedure.

Composition

The Board's Internal Rules of Procedure state that the Audit Committee shall consist of between two and eight members.

The Audit Committee holds discussions with the Statutory Auditors, the Chairman of the Company, the members of Executive Management, the Finance Department (and the departments reporting to it), Human Resources, the General Counsel, the Cybersecurity and M&A Departments.

At December 31, 2022, the Audit Committee, chaired by Maria Götsch, comprised six members:

- Maria Götsch, Board member;
- Marie-Christine Coisne-Roquette, permanent representative of Colam Entrepreneurs, Chairman of the Company and of the Corporate Board;
- Aude Beurrier-Coisne;
- Hubert Coisne;
- Stéphane Coisne, Board member;
- Juliette Roquette.

Christian Maurin was a member of the Audit Committee until March 10, 2022.

2.2.2.3 Nomination and Compensation Committee

Duties

The Nomination and Compensation Committee has competence with respect to executive compensation and the Group's shareholding policy. It puts forward recommendations concerning the appointment and reappointment of the members of the Corporate Board, its Committees, the Chairman, and Sonepar's corporate officers.

Its duties are described in the Corporate Board's Internal Rules of Procedure.

Composition

The Internal Rules of Procedure provide that the Nomination and Compensation Committee shall have between two and four members.

The Nomination and Compensation Committee may hold discussions with the Company's Head of Human Resources.

Main work over the past year

The Audit Committee met four times in 2022. It discussed the following matters:

- legal, risk and compliance: the Group's legal structure, whistleblowing procedures, personal data, insurance, risk mapping, corporate social responsibility (CSR), litigation, intellectual property;
- finance: financial performance and results, Statutory Auditors' report, reporting and accounting, 2023 budget;
- internal control: results of the 2021 campaign, periodic fraud and corruption reports, 2022 Internal Control priorities, Capex approval process, Eye2Scan solution;
- internal audit: 2021 results, periodic reports on the status of action plans, 2023 action plan;
- other: reviewing the compensation of Executive Management and Deputy Executive Management (2021 and 2022), external audits, cybersecurity, acquisition process (M&A), the committee's program for 2023.



At December 31, 2022, the Committee, chaired by Patricia Bellinger, comprised four members:

- Patricia Bellinger, Board member;
- Marie-Christine Coisne-Roquette, permanent representative of Colam Entrepreneurs, Chairman of the Company and of the Corporate Board;
- Christophe Lambert, Board member;
- Olivier Verley.

Main work over the past year

- compensation of Sonepar's Chairman;
- reviewing the compensation of Sonepar's Chief Executive Officer and Deputy Chief Executive Officer;
- defining and reviewing the achievement of the Chief Executive Officer and Deputy Chief Executive Officer's targets;
- talent review of Executive Committee members and succession plan;
- opinion on the compensation policy and the Executive Committee's targets;
- recommendation on the employee share ownership policy (amount and distribution, architecture, non-performance conditions, performance indicators, monitoring of employee share ownership awards and trends);
- approving Board members' compensation.

2.3 Sonepar's Governance

2.3.1 The Chairman

colam entrepreneur



The Chairman of Sonepar is appointed and removed from office by the Corporate Board, upon the recommendation of the Majority Shareholder. Since April 14, 2022, the Majority Shareholder, Colam Entrepreneur, has chaired the Company through its permanent representative, Marie-Christine Coisne-Roquette.

The age limit for the position of Chairman of the Company is set by the Bylaws at 70 years.

The Chairman is vested with the broadest powers to represent the Company, which may be delegated as they deem fit. Together with the Chief Executive Officer, the Chairman determines the key strategic policies submitted to the Corporate Board.

The Chairman of Sonepar is responsible for monitoring employee share ownership and preparing new employee share ownership plans.

The Chairman guarantees that the Group's ethics and integrity are upheld and ensures that appropriate rules and procedures are in place to prevent, detect and control fraud, corruption and influence peddling.

2

2.3.2 Executive Management

Sonepar's Executive Management comprises the Chief Executive Officer and the Deputy Chief Executive Officer(s).

2.3.2.1 Chief Executive Officer

The Chief Executive Officer is appointed by the Chairman of Sonepar, in consultation with the Corporate Board and the Majority Shareholder.

The age limit for the position of Chief Executive Officer is set by the Bylaws at 70 years.

The Chief Executive Officer is vested with the broadest powers to run, manage and develop the Group in accordance with its values and Code of Conduct, with the aim of ensuring effective and lasting development and within the limits of the powers expressly reserved for the Corporate Board or its Chairman and the internal rules set out in the Governance Charter.

The Chief Executive Officer's role is to:

- develop a Group strategy in accordance with shareholders' long-term goals, submit that strategy to the Chairman of the Company and implement it after consulting the Corporate Board;
- build an organizational structure capable of meeting these objectives and of adapting to new issues and challenges over time;
- ensure the Group's qualitative and quantitative performance on a lasting basis and to a high standard;
- appoint, in agreement with the Chairman of Sonepar, one or more Deputy Chief Executive Officer(s) and determine their duties, objectives and priorities;
- organize powers and how they are delegated within the Group;
- observe the Group's governance rules, the powers and duties of the Corporate Board and its Chairman, and ensure they are observed by others;
- apply the Group's values, the Governance Charter, the Code of Conduct, the Compliance Policies and Procedures Manual, the Group's Approval Matrix and all applicable rules and regulations, raising awareness thereof and rolling them out across the various operating levels, and ensure that others do the same;
- inform the Chairman of the Company of any decisions that need to be disclosed outside the Group before they are implemented.

The Chief Executive Officer is assisted by Sonepar's Executive Committee to carry out their duties. The Chief Executive Officer appoints the members, set the goals and oversee the work of the Executive Committee.

To enable the Corporate Board to fulfil its role, the Chief Executive Officer is required to inform it of any and all internal and external transactions, operations and events likely to have a material influence on the financial statements, future performance or financial position of the Group. The Chief Executive Officer is also required to inform the Board of any major changes concerning the Group's main executives.



Philippe Delpech was appointed Chief Executive Officer of Sonepar in September 2017. His term of office was renewed in September 2021 until April 2027.

2.3.2.2 Deputy Chief Executive Officer

In agreement with the Chairman of the Company and after duly informing the Corporate Board, the Chief Executive Officer may appoint one or more Deputy Chief Executive Officer(s).

The age limit for the position of Deputy Chief Executive Officer is set by the Bylaws at 65 years.

In compliance with the values, rules and regulations of the Group and the powers specified in the decision appointing them, the role of a Deputy Chief Executive Officer is to:

- exercise all executive management duties in the areas assigned to them by the Chief Executive Officer;
- supervise these areas across the Group;
- take part in appointing and defining the duties of the managers responsible for these areas.

Deputy Chief Executive Officers keep the Chief Executive Officer informed of their work and any operations that may have a material influence on the Group's performance and position, including its financial position.



Andros Neocleous was appointed Deputy Chief Executive Officer of Sonepar in March 2020. He is also the Group's Chief Financial Officer.

2.3.3 Executive Committee

The Chief Executive Officer is supported by the Sonepar Executive Committee (SEC), which comprises the Regional Presidents and the heads of the Group's support functions.

The Executive Committee reviews and approves issues and decisions relating to the Group's strategy and general organization, it adopts the policies and procedures to be applied for the entire Group.



Taco van Vroonhoven
President Asia-Pacific
& Sonepar International Services

Jo Verbeek
Chief Supply Chain Officer

Matt Potheary
Chief Communications Officer
& Sustainability

Patrick Salvadori
CEO Advisor
on Strategic Projects

Olivier Catherine
General Counsel

Stefan Stegeman
President Central
& Nordic Europe

Sara Biraschi Rolland
Chief Human Resources
Officer



13

MEMBERS



10

NATIONALITIES



Philippe Delpech
Chief Executive
Officer

Rob Taylor
President
North America

Andros Neocleous
Chief Financial
Officer

Barbara Garcia Floren
SVP CEO Office and
Mergers & Acquisitions

Jérémie Profeta
Chief Transformation
Officer

Jérôme Malassigné
President Western Europe
& Sonepar Global Sourcing

2.3.4 Operational governance

2.3.4.1 Regional Chairmen

The Group has a regional structure that enables it to more effectively roll out governance, strategy and shared initiatives to grow and create synergies, while allowing for better coordination between Countries operating in the same geographic areas. In 2022, there were five operational Regions: North America, Central & Nordic Europe, Western Europe & South America, Asia-Pacific and France.

Each Region is chaired by an experienced Group executive, a member of the Sonepar Executive Committee, who reports to the Chief Executive Officer of Sonepar.

A new regional organization was announced on September 1, 2022. Sonepar International Services is now under the responsibility of Taco van Vroonhoven and Sonepar Global Sourcing under the responsibility of Jérôme Malassigné. Since January 1, 2023, the Group has been organized around the five following operational Regions: North America, Central & Nordic Europe, Western Europe, South America and Asia-Pacific.

An Executive Operating Committee was established on October 1, 2022. It is composed of the Presidents for the North America, Asia-Pacific, Western Europe and Central & Nordic Europe Regions, as well as the Chief Transformation Officer.



2.3.4.2 Country Boards

Country Boards are formed in accordance with local business laws and may be made up of members of Sonepar's Executive Management, the Regional Chairman, members of local management, one or more executives of another Group Region, one or more family shareholders, recommended by the Chairman of Sonepar following a selection process managed by the Majority Shareholder, and persons from outside the Group or former Group executives.

The Country Boards contribute to Group governance, while providing a key forum for information and discussion on the main areas in which the local organization operates, within the scope of Group strategy.

Based on an agenda set annually and in line with local business laws, the duties of a Country Board are to:

- monitor the Country's performance and development compared to previous results and external benchmarks, in addition to the budget;

- monitor the Country's strategy, particularly the pace and strategy of development in terms of distribution networks and market segments;
- stay abreast of and discuss the Country's policies concerning compliance, Human Resources, marketing, logistics, IT and digital;
- ensure compliance with local laws and regulations, as well as with the Governance Charter, the Code of Conduct, the Compliance Policies and Procedures Manual, the Approval Matrix, the Internal Control Manual and all applicable Group rules and regulations.

Each Country Board must also ensure the establishment of internal rules and/or a Code of Conduct integrating local requirements.

Today, Sonepar has 15 Country Boards throughout the Group's different Regions.

2.3.4.3 Country Executive Management

Country Executive Management teams are appointed by the Regional Chairman after consulting the Chief Executive Officer of Sonepar.

Within Sonepar, Country Executive Management teams have the broadest powers to run the business, in compliance with local

business laws, along with the duty to take initiatives, oversee operations and assume a high level of responsibility, while acting transparently by regularly exchanging information with and reporting to the Regional Chairman.

2.4 International committees

Since the early 1990s, Sonepar's international communities and committees have brought together managers and experts from different Countries and fields throughout the Group. Their mission is to share best practices and collaborate on Sonepar's strategic developments.

Sonepar currently has 13 international communities and committees:

Committees

- EOC (Executive Operating Committee)

The EOC is composed of the Presidents for the North America, Asia-Pacific, Western Europe and Central & Nordic Europe Regions, and the Chief Transformation Officer. It identifies local expertise, deploys it globally, and supports the Group's digital transformation.

- ICT (Information & Communications Technology)

The ICT defines standards for tools, security and technologies to develop the best information and communication technology infrastructure in our respective markets.

- ICC (International Communication Committee)

The ICC is a group of communications professionals responsible for rolling out common communications strategies across the Group.

- IHRC (International Human Resources Committee)

The IHRC supports the development of a common vision and roadmap and the definition of relevant common standards to support local needs.

- EBC (E-Business Committee)

The EBC promotes the sharing of best practices in e-commerce and the implementation of reporting to a digital committee steering a digital vision and strategy for the Group.

- SILCC (Sonepar International Legal & Compliance Committee)

The SILCC brings together the Legal and Compliance Managers of the Group's Countries and Regions. It meets once a year to promote and encourage the sharing and dissemination of information and best practices related to law and compliance.

- IFC (International Finance Committee)

The IFC is the Group's leading financial community and contributes to promoting a strong common financial culture.

- ISC (International Suppliers Committee)

The ISC proposes and coordinates international supplier policies at Group level through an in-depth analysis of the market and key suppliers.

- SLC (Sustainability Leadership Committee)

The SLC is a network of ambassadors whose mission is to assist Countries in implementing local actions to achieve Sonepar's sustainability goals.

- ISMC (International Sales & Marketing Committee)

The ISMC aims to leverage sales and marketing activities among the Countries, speeding up execution, while promoting its omnichannel strategy.

- IIC (International Industry Committee)

The IIC drives the evolution of the Group in the industrial market and identifies potential profitable growth opportunities to gain market share.

Communities

- PM Teams (Product Management Teams);

The PM Teams are made up of Product Experts and Supplier Relationship Managers. They meet twice a year to analyze market trends and identify growth factors in their product portfolio.

- GSC (Global Supply Chain)

The GSC brings together supply chain and logistics experts to define and build the best supply chain on the market.



“Sonepar encourages concrete action and initiatives aimed at reducing its environmental impact, accelerating market take-up of clean energy solutions and respect for others.”

3- Sonepar's Commitment

3.1	Our vision	36
3.2	Materiality matrix	40
3.3	Governance	41
3.4	Contribution to the United Nations Global Compact and Sustainable Development Goals (SDGs)	42

Sonepar is committed to making dignity and respect for people the foundation of its actions by respecting and promoting human rights in everything it does. The Group adheres to international conventions for the defense and protection of human rights, as well as the Global Compact and the United Nations Guiding Principles on Business and Human Rights.

In December 2022, Sonepar published its Human Rights Policy (*Politique relative aux droits humains* – [sonepar.com](https://www.sonepar.com)). Signed by Sonepar's Chief Executive Officer, Philippe Delpech, this policy is coordinated at the Head Office by the Legal and Compliance Department, which works with internal staff in charge of the different human rights issues, including those described in this Chapter.



3.1 Our vision

Four key characteristics guide Sonepar's social responsibility goals, strategy and actions.

First, the Group has a family shareholding base that takes a long-term approach to business, reinforces its independence and emphasizes a stable and reasonable dividend policy. By leveraging this unique combination of driving forces, Sonepar can make strategic decisions aimed at lasting, socially responsible growth, without giving in to short-sightedness or economic fluctuations.

As a world leader in the B2B distribution of electrical products and related solutions and services, Sonepar is an influential player throughout its value chain, which is undergoing deep transformation. The Group encourages its suppliers to innovate, transition towards green products and produce more efficiently. It also focuses on shaping customers' behavior by providing transparent, educational information about the social and

Sonepar's Human Rights Policy sets out the Group's expectations of its associates and its business relationships and details of its commitments concerning:

- child and forced labor;
- occupational health and safety;
- freedom of association and right to collective bargaining;
- non-discrimination, diversity and inclusion;
- decent working conditions;
- prevention of violence and harassment;
- rights of local communities and indigenous populations;
- practices of its suppliers and business partners.

The policy encourages all witnesses and victims of human rights abuses to report them through the Group's whistleblowing procedure.

Compliance with this policy's commitments is ensured by the Group's oversight policy, which aims to identify, prevent and mitigate risks of major human rights violations (see also Chapter 7).

environmental impact of products, as well as delivering targeted advice.

With operations in 42⁽¹⁾ countries and 44,273 associates strong, the Group builds close relationships with its customers and local know-how, making it a leader in its industry.

Finally, the Group remains faithful to the legacy of its founder, Henri Coisne, who passed away in December 2022, an aviator with the Free French Forces during World War II and later a business court judge. Sonepar has upheld its entrepreneurial values, that focus on people, boldness and integrity throughout its ecosystem, for over 50 years.

The Group's business model reflects this vision, and is presented in section 1.1 of this report.

(1) Presence of at least one legal entity in the Country.

3.1.1 CSR policy in line with Group strategy

The Group's "Impact" strategic plan, updated every year, is based on four pillars: Customers, Performance, People and Planet. Sonepar's CSR policy is an integral part of this five-year roadmap, particularly the People and Planet pillars. Structured around three key focuses and 14 commitments, the policy formally outlines stakeholder expectations, the CSR risk map, and issues from the materiality matrix. This policy will be

updated in 2023 to take into account the adoption of Sonepar's Purpose (*raison d'être*), the human rights risk map, progress on priority CSR projects (sustainable purchasing, EU taxonomy, oversight policy) and the adhesion of the Group's reinsurance captive to the United Nations Principles for Sustainable Insurance (UN PSI).

3.1.2 Environment: reducing the Group's impact throughout the value chain

Climate change is one of the most critical challenges facing society. With a business at the heart of the electrical ecosystem and a unique position within its value chain, the Group contributes to the energy transition by promoting more sustainable energy solutions

among its customers. This commitment is also part of the Group's carbon footprint reduction trajectory, which was officially validated by the Science Based Targets initiative (SBTi) in December 2022.

3.1.3 Social and human capital: developing a responsible business model within the ecosystem

Sonepar works to promote a responsible business model that can benefit its associates and society at large. This responsibility is reflected in the People pillar of the "Impact" strategic plan, which is built on three priorities aligned with Sonepar's Purpose:

- create an inclusive and equitable work environment by providing each associate with the opportunity to learn and develop their career while respecting their identity;

- develop and analyze Human Resources data to make the best decisions for the organization, enhance the engagement of all associates, in line with the CSR strategy and in compliance with the Human Rights Policy (see Chapter 7);
- support and accelerate digital transformation through organization-wide change management while advancing with associate upskilling.






3.1.4 Governance and integrity: defending sustainable operational efficiency by protecting the Group and its stakeholders

To ensure a bright future, the Group implements a robust compliance program. Clear governance rules, with a long-term focus, and a rigorous risk management process support the Group's business and transformation to enhance efficiency and customer satisfaction.

Challenges and priorities of Sonepar's CSR policy

Sonepar has defined 15 priority commitments to support the three strategic areas of its CSR policy. This policy takes into account the major challenges of the "Impact" strategic plan, as well as the lessons learned from mapping CSR risks, the importance of materiality issues for its stakeholders and the Group's major CSR projects.

Pillar	Strategic focuses and SDGs	Priority commitments	Major inherent CSR risks (Sonepar's activities or its suppliers' activities) ⁽¹⁾	Related CSR materiality issues
Environment	Reduce our impact throughout the value chain 	1 Take action on climate change	Climate Change	Sustainable purchasing and supply chain resilience
		2 Limit greenhouse gas (GHG) emissions	GHG emissions	Fight against climate change
		3 Develop the circular economy	Poor management of natural resources (inefficient, inadequate, non-compliant, etc.)	Quality of customer service
		4 Innovate with a Green Offer	Poor, inefficient or non-compliant waste management	Waste management and reduction of packaging
			Soil pollution	Circular economy
			Activity presenting a major threat to the environment	Energy transition
			Poor or non-existent crisis management system	Sustainable management of resources and raw materials
				Development of Regions and respect for local communities
				Sponsorship

Pillar	Strategic focuses and SDGs	Priority commitments	Major inherent CSR risks (Sonepar's activities or its suppliers' activities) ⁽¹⁾	Related CSR materiality issues
Social and human capital	Develop a responsible business model within our ecosystem 	5 Retain talent and develop skills 6 Share value with associates (employee shareholding and profit sharing) 7 Promote quality of life in the workplace and associate engagement 8 Promote diversity and inclusion 9 Guarantee associates' health and safety 10 Source ethically and responsibly	Poor employee health and safety conditions Occupational accidents Forced labor Child labor Poor or non-existent crisis management system	Health and safety Appeal as an employer and talent retention Crisis management Quality of employment and working conditions Professional development Diversity and Inclusion Social dialogue
		11 Respect and promote human rights	Forced labor Child labor Poor health and safety conditions in the workplace	Business ethics and compliance Cybersecurity and personal data protection Human rights Crisis management
Governance and integrity	Defend sustainable operational efficiency by protecting the Group and its stakeholders 	12 Implement robust and long-term governance 13 Ensure and promote compliance and business ethics 14 Protect data, combat cybercrime 15 Maintain a robust crisis management system	Risks taken into account in the map of major risks and the map of corruption risks (see Chapter 2)	Business ethics and compliance Cybersecurity and personal data protection Transparency and responsible governance Crisis management Human rights Digital responsibility

(1) Risks are presented without taking into account any level of severity or scale; materiality issues are presented in decreasing order of importance for the stakeholders in the materiality matrix.

3.2 Materiality matrix

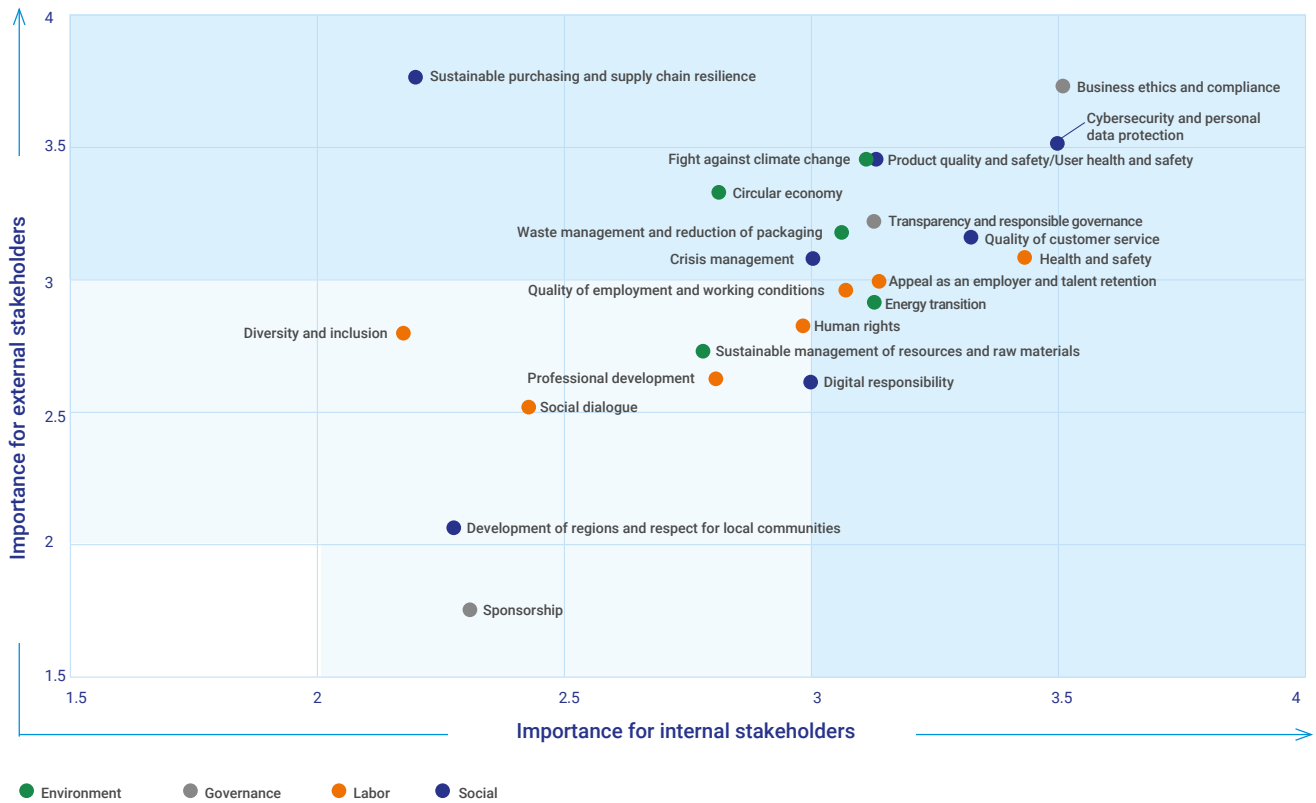
Methodology

Sonepar issued its first formal materiality matrix in 2021. This work was carried out when CSR risks were mapped as part of the Group's oversight policy (see also Chapter 7). The internal and external stakeholders consulted were asked to identify and prioritize what they believe are the most significant issues for Sonepar. Associates from the Human Resources, Sustainability, Risks and Legal and Compliance Departments were also asked to comment specifically on these issues.

The interviews conducted during this exercise were used to:

- understand and identify stakeholders' expectations about CSR practices as well as their perception of the non-financial risks associated with Sonepar's business and the perception of its suppliers;
- position the Group within its competitive environment;
- identify and prioritize the Group's main CSR challenges;
- promote best practices (Head Office, Regions, Countries and operating subsidiaries).

The materiality matrix below presents the outcomes of these contributions:



The list of stakeholders is provided in section 7.3.1.

The materiality matrix reflects the significant congruence between stakeholders' perception of CSR issues and the major inherent non-financial risks identified by Sonepar. The 23 materiality issues aligns with Sonepar's CSR roadmap.

Some of the materiality issues presented above have not been identified as major risks by Sonepar due to the maturity of their management processes or measures implemented at the Group. Nevertheless, these issues are taken into consideration. Further details on environmental, social, societal and governance issues are provided in Chapters 4, 5 and 6.

3.3 Governance

CSR governance comes under the responsibility of the General Counsel and involves more specifically the Legal and Compliance and Risks and Insurance Departments. It is coordinated jointly with the Communications and Sustainability Department and the Human Resources Department. Depending on the issues at hand, it can also involve other functions at the level of the Head Office, Regions, Countries or operating subsidiaries. A dedicated working group, including members from each of the three departments mentioned above, meets twice a month to discuss current issues and projects and to plan upcoming deadlines and actions. Special sub-groups can also be set up, for example to analyze sustainable purchasing or the EU taxonomy in more detail.

This collaborative approach ensures:

- adoption and effective deployment of policy with a thorough understanding of issues and the implementation of actions by the organization as a whole;
- consistency with the Group's stakeholders: each associate embodies the policy and is capable of explaining it.

This governance model is based on two pillars:

- operational governance: action plans are managed at the level of the operating subsidiaries, Countries and Regions, in line with the organizational structure in place at each level, to be more effective in the local context;
- functional governance: each functional department involved is responsible for establishing strategy and actions to be implemented within its scope to address relevant CSR risks. The functional departments work with their networks and representatives within the Group to deploy actions and compile local initiatives relating to their respective scope.

They report to the Executive Committee, the Corporate Board and the Audit Committee on a regular basis.

Encouraging young managers to take action for Sustainability

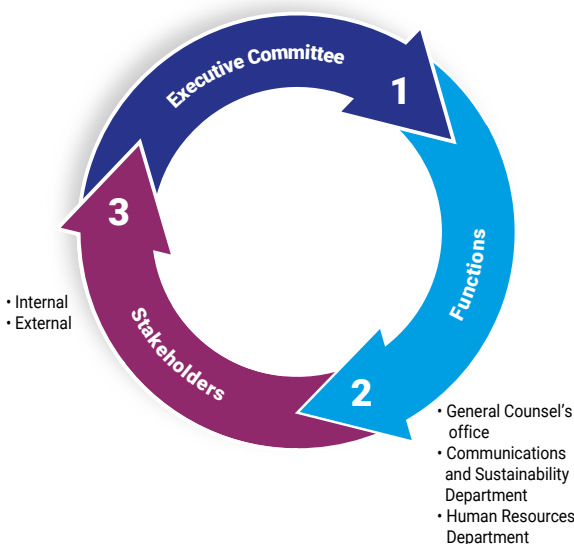
The Sonepar Junior Committee (SJC) is a unique 18-month program that brings together young managers from across different Group entities to discuss new approaches and ideas and submit them to the Executive Committee.

Since 2020, the SJC has focused on sustainability. The 2020 cohort worked on eight actionable projects to reduce the Group's CO₂ emissions (Scopes 1 and 2) both from a technical and financial point of view. Examples include the initiative to retrofit two branches in the United States and Finland with LED lighting, helping to save 316 MWh of electricity per year, or 180 metric tons of CO₂. This cohort also helped configure solar panels for Capital Electric's new distribution center in the United States, reducing CO₂ by 1.628 metric tons per year, an investment that paid off in less than five years. Lastly, Sonevolve is now available. All associates can use the tool to calculate the profitability and CO₂ savings of emission reduction initiatives.

The 2021 cohort, which completed the program in January 2023, continued this work, focusing on the supply chain and the calculation of Scope 3 CO₂ emissions.



CSR governance



3.4 Contribution to the United Nations Global Compact and Sustainable Development Goals (SDGs)







Sonepar joined the UN Global Compact in 2021 and pledged to support the Ten Principles of this voluntary international initiative promoting human rights, international labor standards, environmental protection and anti-corruption.





Sonepar has incorporated the United Nations Sustainable Development Goals (SDGs) for 2030 into its CSR policy. These goals are deployed through its core business, as well as through actions and initiatives at the level of the Head Office, Regions, Countries or operating subsidiaries.

WE SUPPORT



Our contribution to the SDGs and Global Compact principles

SDG	Global Compact principles	Sonepar's commitments	Chapter
 <p>3 GOOD HEALTH AND WELL-BEING</p>	1-2-3-4	Health and safety of associates and users Quality of life in the workplace Product quality and safety	5
 <p>4 QUALITY EDUCATION</p>	1-3	Skills development Appeal as an employer and talent retention	5
 <p>5 GENDER EQUALITY</p>	1-2	Diversity and inclusion	5
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	1-3	Energy transition Fight against climate change	4
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	1-2	Human rights Stable employment and quality of working conditions	5
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	2-3	Circular economy Green Offer	4
 <p>10 REDUCED INEQUALITIES</p>	1-2-4	Business ethics and compliance Diversity and inclusion	6 5

SDG	Global Compact principles	Sonepar's commitments	Chapter
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	1-3	Regional development Support for local communities Circular economy	Best practices 4
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	3	Circular economy	4
 <p>13 CLIMATE ACTION</p>	3	Fight against climate change	4
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	1-2-4	Business ethics and compliance Transparency and responsible governance Human rights Cybersecurity and personal data protection Crisis management	6 2 7 6 6

1 – Human rights, 2 – International labor standards, 3 – Environmental protection, 4 – Anti-corruption





“ *Sonepar aims to become the leader in the energy transition by accelerating market take-up of more sustainable solutions.* ”

4- Environment

4.1	Climate change and energy transition	46
4.2	Vision: accelerate the net-zero standard in emissions and waste	47
4.3	Environmental governance	47
4.4	Environmental risks and opportunities	48
4.5	Strategy	48

4.1 Climate change and energy transition

Climate change, loss of biodiversity and the resulting social issues are major challenges facing humanity. The energy transition is one of the effective pathways towards reducing the impact of climate change. It is also a major opportunity for the manufacturing and building industries to reinvent themselves and work with operators to design solutions for decarbonized energy and production.

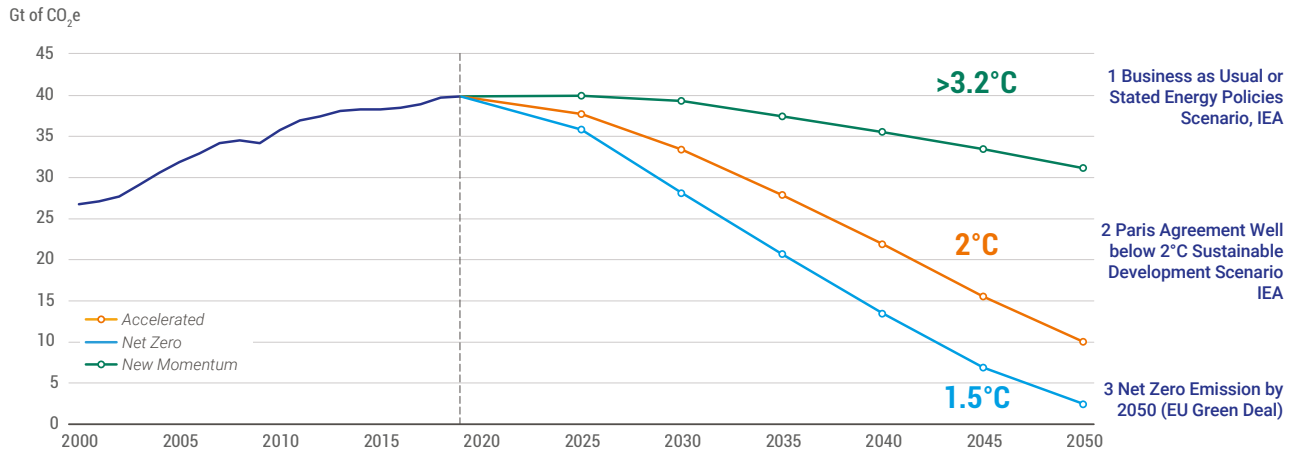
Sonepar operates in an environment ready for these radical changes in manufacturing and building, which aims to replace fossil fuels with decarbonized renewable electric energy. The building sector alone now accounts for around 36% of the world's final energy consumption and nearly 40% of total direct and indirect CO₂ emissions. The adoption and promotion of clean energy solutions by governments and businesses is an essential vector for limiting CO₂ emissions and achieving carbon neutrality more quickly worldwide.

The transformation of the Group's ecosystem is also accelerating through technological changes and innovations designed for a more sustainable and responsible society. The health crisis has hastened citizens' awareness around the energy transition. It has demonstrated the sensitivity of the global economic ecosystem to social, societal and environmental issues and has influenced the strategy of institutions and companies.

Finally, the rising cost of energy and worsening events due to climate change seen in 2022 make it all the more important and urgent for the Group to move towards energy independence and implement actions to reduce the impact of its activities on the climate and the environment.

A scenario for achieving carbon neutrality in 2050

The Intergovernmental Panel on Climate Change (IPCC) now believes that a rise in temperatures of more than 1.5°C above pre-industrial levels could lead to serious and sometimes irreversible consequences for centuries. However, maintaining global warming at 1.5°C above pre-industrial levels could limit the most dangerous and irreversible effects of climate change. The net zero emissions scenario to keep global warming below 1.5°C was developed by the International Energy Agency (IEA). It reflects the European Green Deal adopted by many other countries, which aims for the European Union to be the first climate-neutral continent by 2050. The net zero emissions scenario stresses the importance of the substantial development of renewable energy, energy efficiency and electrification to achieve this goal.



4.2 Vision: accelerate the net-zero standard in emissions and waste

Sonepar wants to capitalize on its leadership as a B2B electrical distributor to help reduce the carbon footprint of its value chain. The Group is well positioned to promote and develop sales of renewable and energy-efficient solutions that are better for the environment. Sonepar aims to become the world's leading B2B electrical distributor accelerating the market adoption of clean energy solutions, a circular economy and net zero emissions.

The Group plans to achieve its goal by working with its entire portfolio of nearly one million customers and the world's leading electrical equipment manufacturers and by motivating its 44,273 associates across its value chain to accelerate the implementation of its Global Net-Zero program. Sonepar aims to reduce its CO₂ emissions in order to meet the science-based targets set to hold temperature rise below 1.5°C and to develop circularity throughout the product life cycle to reduce waste.

In December 2022, the Group joined the SBTi and pledged to set carbon reduction targets in line with the Paris Agreement to limit global warming to 1.5°C. The Group has since set 2050 carbon reduction targets for Scopes 1, 2 and 3.

The SBTi target validation team validated Sonepar's Scope 1 and 2 targets on December 24, 2022 and determined that they were consistent with a 1.5°C trajectory. SBTi indicates that this 1.5°C-aligned target for Scopes 1 and 2 is currently the most ambitious designation available through the SBTi process.

Challenge: calculating emissions from the use of electrical products

Most of the carbon footprint of the electrical industry value chain, on top of transportation, comes from energy use by electrical products in buildings. Scientific publications and research currently do not provide an accurate overview of this footprint, offering only approximate data that cannot be used to compare products. Many suppliers are preparing environmental product declarations, which have more accurate data but do not currently cover Sonepar's entire product portfolio. This means that, for the time being, end customers cannot calculate or reduce their emissions from all electrical products in the building by adopting the most energy-efficient solutions.

4

4.3 Environmental governance

Sonepar has set up a dedicated department to structure its environmental policy. The VP Group Energy Transition and Sustainability coordinates actions under the supervision of the Chief Communications and Sustainability Officer, who is a member of the Executive Committee.

At the local level, the Chief Executive Officers report on the commitments, action plans and results of the "Planet" pillar of the "Impact" strategic plan at the Country Board meetings. Cross-functional working groups are also formed to handle these matters with local Purchasing, Logistics, Human Resources and Finance Departments.

The Group has brought together a network of [28] internal experts worldwide to form the SLC.

This network in turn receives input from some 130 ambassadors representing the Group's operating entities. Together, they manage the local implementation of the actions determined by the SLC.

Twice a year, the VP Group Energy Transition and Sustainability presents the strategy and progress towards goals to all Group Country executives, to engage their support for targets, strategic priorities and action plans and to make the Group's vision a reality. The strategy is also presented to the Corporate Board each year.

4.4 Environmental risks and opportunities

The following environmental risks and opportunities have been identified on the materiality matrix by stakeholders:

Risks

- The fight against climate change:
 - transition risks with increased and stricter regulations;
 - rapid changes in the markets and new and divergent customer demands;
 - workplace disruptions caused by the impacts of extreme weather;
 - failure to meet GHG emissions reduction targets, which could result in higher financial costs or impacts on the Group's reputation;
 - energy transition, energy costs and environmental and energy performance of operations;
 - footprint and inadequacy of the supply chain, which could lead to price, investment and cost volatility along the value chain, lower margins.
- The circular economy:
 - more numerous and stricter regulations;
 - sustainable management of resources and raw materials;
 - waste management and reduction of packaging.

Opportunities

- The climate crisis is considerably driving action and innovation in business, industry and government;
- Unprecedented financial flows are arising from the development of renewable energy, improved energy efficiency, particularly in buildings, and the reduction in GHG emissions (EU taxonomy, infrastructure package in the United States);
- Clean technology is booming, with the creation of a new class of green jobs;
- The energy transition provides an opportunity to develop new products and promote green electricity;
- Climate-related regulatory developments.

Most of the risks and opportunities related to climate and circularity are summarized in the materiality matrix above (page 40) and taken into account in the three priority objectives of Sonepar's environmental strategy, presented below.

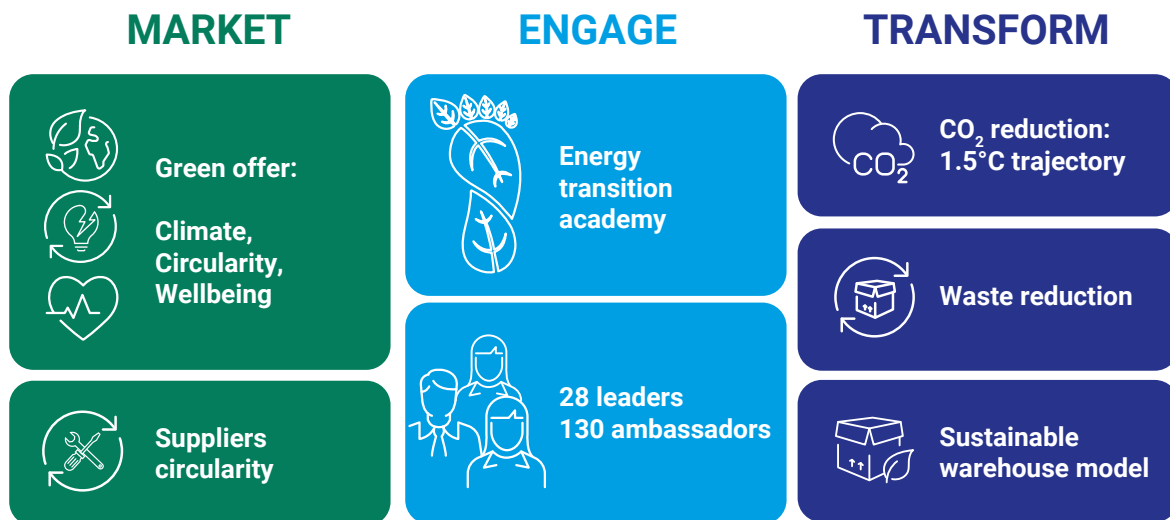
4.5 Strategy

The Group's positioning is clearly reflected in its three goals set as part of its 2026 strategic plan:

1. market, with the launch of a Green Offer to help customers reduce their impact and remain a leader in the B2B sale of energy-efficient products;
2. engagement, by training all of its associates, especially to advise customers and encourage them to improve their practices;
3. transformation, to reduce its impacts and take steps towards achieving the Net-Zero Standard.

The environmental strategy of Sonepar's Planet pillar translates this positioning into policy and achievable action plans. Described in a Planet roadmap structured around these three goals and integrated into its business strategy, this environmental strategy is also aligned with the commitments of the "Impact" strategic plan.

Market: Launch of a Green Offer to help customers reduce their impact	Engage: Train all of Sonepar's associates to promote best practices	Transform: Reduce impacts and take steps towards the Net-Zero Standard
Sonepar has developed its Green Offer, a methodology and environmental label that customers can use to compare the CO ₂ of products and therefore reduce their impact by choosing the most sustainable products and solutions.	Sonepar has developed the Energy Transition Academy, which aims to accelerate a change in corporate culture by creating a generation of responsible, driven advocates and educating all associates. The Academy will eventually be opened to Sonepar customers.	Sonepar wants to set an example for its customers and implement technology that reduces its impact. Sonepar focuses on reducing its carbon footprint, which impels the Group to reduce waste and to define a roadmap in line with the 1.5°C target validated by the SBTi.



The Group tallies more than 230 internal initiatives that support sustainability and progress towards meeting the SDGs. For more information: <https://www.sonepar.com/media/sustainability-map>.

4.5.1 Market: helping customers reduce their impact

4.5.1.1 The Green Offer for choosing sustainable products

In 2022, Sonepar launched its Green Offer, the first solution of its kind in the industry. It highlights the most sustainable products in terms of environmental protection.

Data collection and processing

Some suppliers already have accurate emissions data from their environmental product declarations and life cycle analyses. Once they submit their data, Sonepar checks that this data is complete for all life cycle phases, including post-manufacturing: transportation, distribution, use during lifetime, end-of-life management.

Sonepar processes all this data via its Data Lake and applies its own methodology, which has been rigorously verified by Bureau Veritas to obtain an accurate calculation of the product's CO₂ emissions over its entire life cycle. This value is then converted into a green label, which assesses the product's environmental criteria and assigns it a rating: C (good), B (very good) or A (excellent). The products are presented, with their ratings, on the Group's omnichannel platform.



The four features of the Sonepar Green Offer

By classifying emissions using a comprehensive methodology based on the four criteria detailed below, Sonepar's Green Offer is a unique tool that is ahead of current industry practices:

- Product-level granularity:** Companies must first be able to measure emissions before they can contribute to the climate goals of the United Nations or oversee efforts to reduce GHG emissions. Sonepar's Green Offer calculates emissions directly at the product level to improve the accuracy of results. This enables customers to make wise product choices and enhances the reliability of the aggregated data used as input in calculating emissions at the facility or project level.
- Data on full life cycle emissions:** Sonepar's Green Offer methodology covers the entire product life cycle, from manufacturing to end-of-life. It is the only true measure of all emissions produced by a product, and it can be used to compare each item using the same basis, the full life cycle.
- Comparison on the same basis:** A variety of standards exists for calculating manufacturing emissions, and suppliers often choose different approaches. This has often made it impossible to draw meaningful comparisons between the emissions of products from different manufacturers. By collecting accurate data from its suppliers and applying the Green Offer's consistent methodology, Sonepar has harmonized these calculations. This means that customers can reliably compare two products starting from the same basis.
- Accurate methodology verified by an independent organization:** While the Green Offer delivers a simple, easy-to-understand environmental rating, producing it requires complex data and calculations, with considerable margins of error. Sonepar's methodology has been meticulously developed and independently verified to ensure the outcome is more accurate and more reliable.

Benefits for customers and end users

The Green Offer has three main objectives:

1. promote sustainability among all stakeholders in our ecosystem;
2. help customers (installers, industry and building professionals) identify the best available technologies;
3. provide customers with reliable and accurate information to help them manage their CO₂ emissions.

With a product's performance displayed on all Sonepar interfaces, customers can use the rating to compare similar products online and choose an alternative product with lower emissions.

To meet growing demand from customers for greater environmental responsibility, the Green Offer sets a benchmark. The Group aims to initiate a movement, by demonstrating to customers the value of having simple and accurate CO₂ information. Sonepar expects many more suppliers to join the initiative in the future. As they do so, Sonepar's customers will be able to aggregate data to calculate emissions over the entire life cycle of large projects and buildings, and end customers will use these results to calculate their own carbon footprint per household. Eventually, Sonepar's Green Offer will include additional ratings, helping customers make the best choices in order to protect the planet's natural resources and ensure the wellbeing of its inhabitants.

4.5.1.2 The customer impact tracker for key accounts

Certain key account customers have expressed a need to measure their Scope 3 emissions for purchased goods and services. As a result, in addition to the Green Offer, Sonepar developed the Customer Impact Tracker in 2022. This tool can be used to track the CO₂ of purchased goods and services every quarter and provide its customers with detailed reports. Customers can therefore reduce their impact by giving priority to the product families with the lowest emissions. The tracker is accessible via Sonepar's Data Lake.

4.5.1.3 Renewable solutions and energy efficiency

Sonepar focuses on developing environmentally responsible products to accelerate the energy transition. In 2022, Sonepar generated €2.2 billion in sales of renewable energy products and €2.4 billion in sales of energy efficient solutions.



4.5.1.4 Developing the circular economy

Sonepar has a global network of 170 distribution centers and warehouses as well as 2,417 branches, which represent "points of contact" through which it offers its customers services that support the circular economy.

Sonepar gets its associates involved in coming up with sustainable actions and solutions for customers to give products a second life. Depending on the location, these include product collection for recycling, a product repair service, and a pilot project to sell second-hand products. Some entities have notably established partnerships with suppliers to provide customers with products that are more easily recycled, which means they can be disassembled or are made from materials that are efficiently handled by the waste recovery chain. Sonepar wants to accelerate this type of partnership to better structure waste collection and develop new models to extend the useful life of products within its value chain.

Outstanding initiatives

In the Netherlands, Technische Unie opened its third inspiration center in Utrecht in March 2022, to follow up on its other two inspiration centers focused on sustainability and the industry of the future. Customers can make an appointment to discover new artificial intelligence technologies in the areas of sustainability, lighting, security and energy. These centers operate as educational hubs that teach customers about the latest practices and advance them towards building a more efficient and environmentally friendly future. Technische Unie has also set up a Circularity team to educate its customers about sustainable products that they can sell to their own customers.

In France, Sonepar launched the "Vertuose" certification program in May 2022. Vertuose is an internal award that honors the most sustainable subsidiaries. To become a Vertuose (sustainability virtuoso), a subsidiary must meet six sustainability challenges. This program also promotes environmentally friendly products and waste collection.



Key figure

1,314 metric tons of products (WEEE) recovered from branches and recycled in 2022, a decrease of 13% compared to 2021.

4.5.2 Engage: cultivating motivation through an energy transition academy

Since associate engagement is essential to any action that promotes Sustainability, Sonepar has rolled out its Group-wide Energy Transition Academy since 2020. The Academy includes an online training course which is designed to raise associates' awareness about environmental issues. It consists of modules centered around a major theme for the Group. After focusing on sustainability, several new modules will be added to complete the program. They will focus on the circular economy from 2023, then the Green Offer.

4.5.2.1 Sustainability Module

The first module from the Energy Transition Academy focuses on sustainability. The 30-minute session presents sustainability actions implemented by the Group and its carbon footprint. It encourages

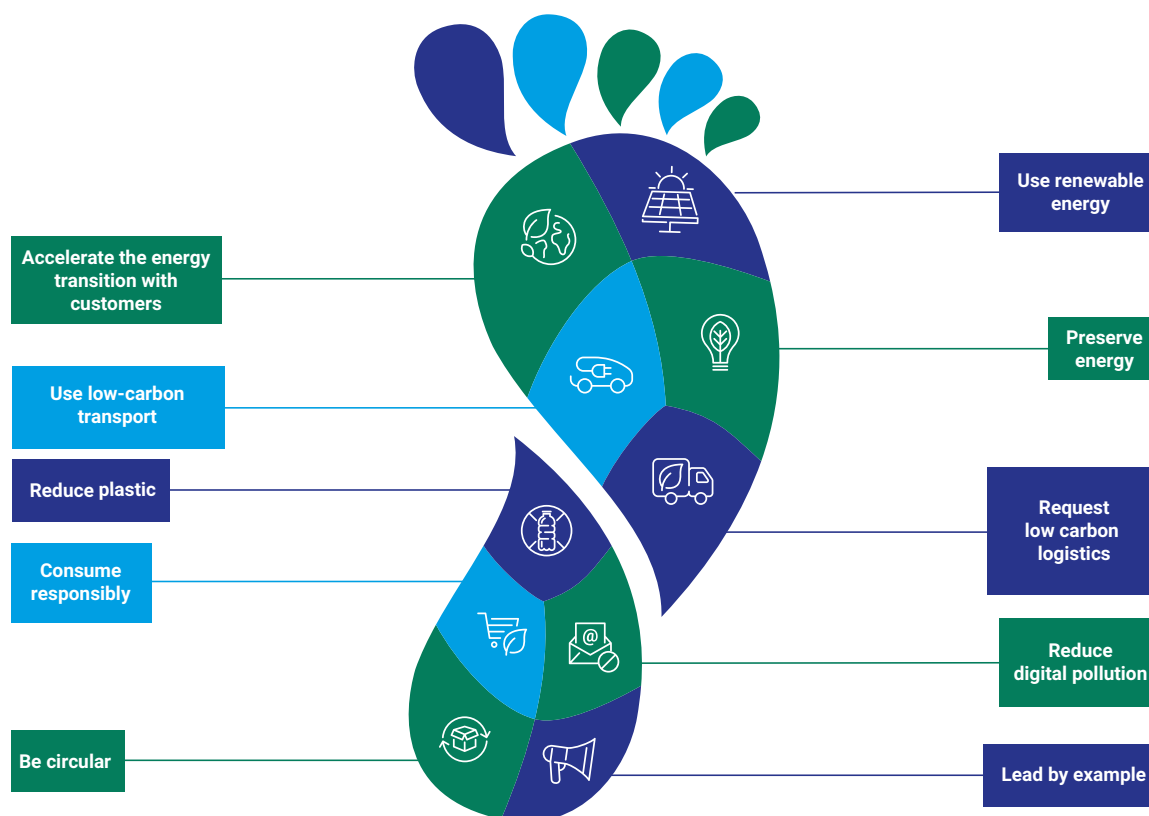
associates to take action, advance towards the energy transition and become an actor of change, whether they work in a branch, a logistics platform, an office or on the move.

For associates who do not have access to a computer, the training can be followed in person, in coordination with local managers. The module is available in 11 languages.

Key figures

At December 31, 2022, more than 31,000 associates had received training, representing 70% of the Group's workforce.

Target: Sonepar has set a target to train 100% of associates in 2023.



4.5.2.2 The Circular Economy Module

A second module on the circular economy will be launched in the first quarter of 2023 to make associates aware of the challenges of circularity, particularly with regard to product waste, packaging and reducing the Group's impact. A poster will also be created to raise associates' awareness about the Group's commitments. This training will deliver the fundamentals of circularity, as detailed below.

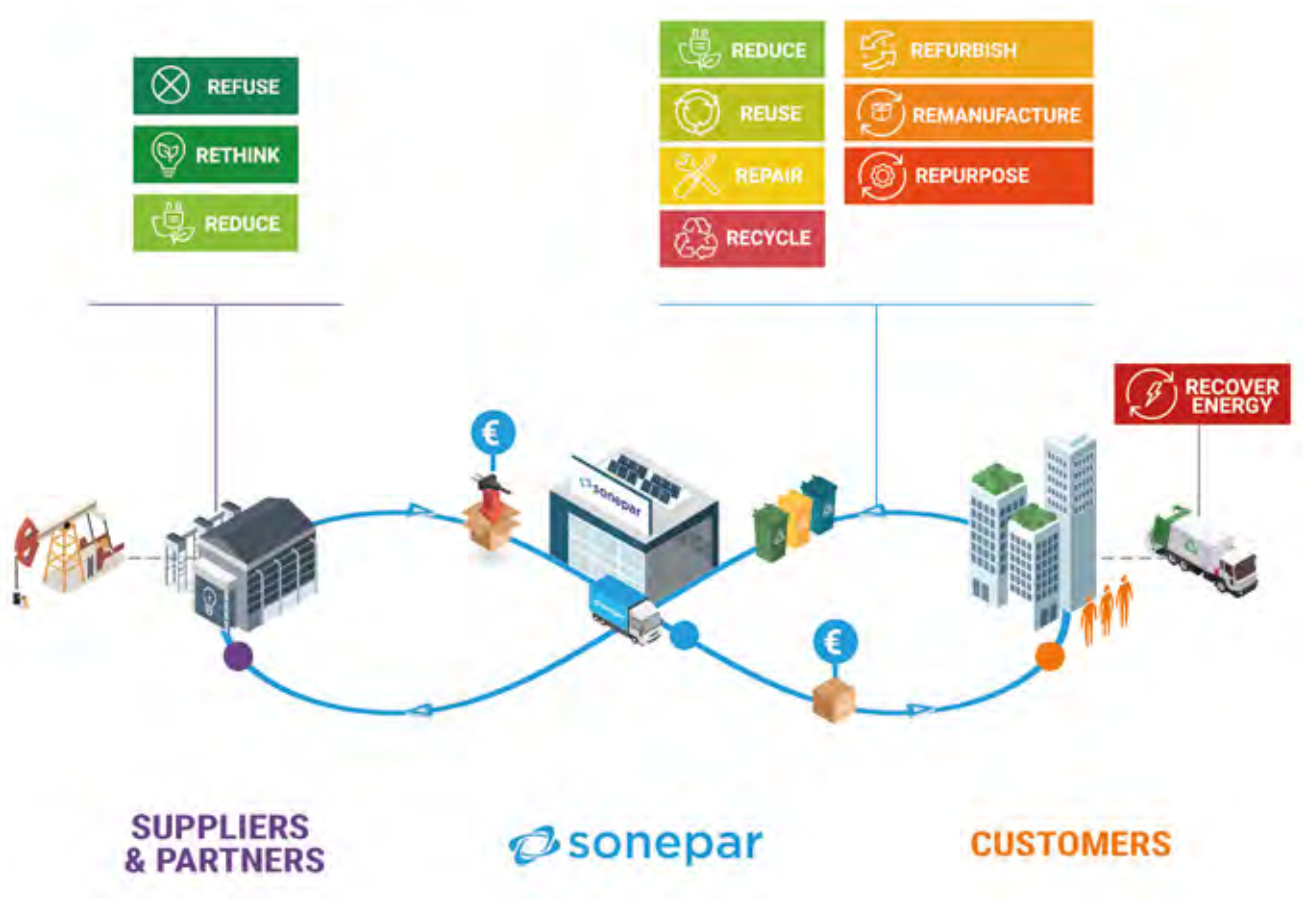
The circular economy is one of the key challenges facing society today. In contrast to the linear, "take-make-waste" economic model, the term "circular" essentially refers to recycling, reusing and refurbishing. Transitioning from a linear to a circular economy

requires a complete overhaul of how people use and consume resources. This paradigm shift is necessary to conserve resources, protect the future of society and safeguard generations to come.

The circular economy revolves around action in three interdependent areas: the supply side of the economy, the demand side or consumer behavior, and waste management. These pillars are broken down into ten strategies (the "10 Rs"), which can produce a real impact on the economy: Refuse, Reduce, Redesign, Reuse, Repair, Refurbish, Remanufacture, Repurpose, Recycle and Recover energy.

This momentum towards a circular economy clearly responds to what customers and stakeholders expect from Sonepar. The Group also sees new opportunities for innovation through the development of sustainable business models and new customer services.





Outstanding initiatives

In Sweden, a competition was organized to encourage associates to propose initiatives for smarter use of electricity that would reduce

energy consumption for the Group. A total of 42 initiatives were proposed by 25 contributors, three of which received awards and were implemented.

4.5.3 Transform: effecting change to reduce Group impacts

Sonepar takes steps every day to reduce its environmental footprint in an effort to maintain global warming below 1.5°C. As a logistics operator, with a network of 2,714 local branches and 170 distribution centers spanning 42⁽¹⁾ countries, Sonepar is aware of its impact on natural resources and climate change. The Group aims to set an example by reducing its footprint, especially by reducing GHG emissions and waste.

An assessment of the Group’s GHG emissions was carried out for the first time in 2019, with the help of a specialized consultancy firm, for all Countries in line with GHG Protocol guidance and ISO 14064.

To limit its carbon footprint, Sonepar has set a trajectory for reducing its GHG emissions based on the SBTi methodology. Its trajectory was validated in December 2022. The carbon footprint reduction program covers Sonepar’s entire value chain, spanning Scopes 1, 2 and 3.

4.5.3.1 Reducing CO₂ emissions

Science Based Targets



These targets aim to:

- for direct emissions (Scopes 1 and 2): achieve results in line with the 1.5°C trajectory;
- for indirect upstream and downstream emissions (Scope 3): achieve results in line with the 2°C trajectory.

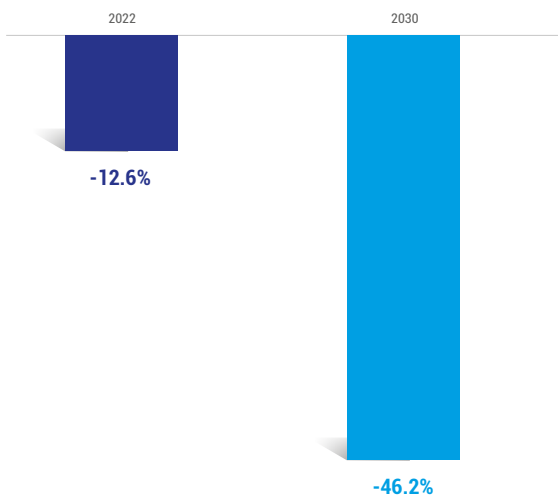
(1) Presence of at least one legal entity in the Country.

Group commitments and Country action plan

In 2020, Group commitments were defined for the main actions needed to achieve Scope 1 and 2 targets as an initial priority, followed by Scope 3. The Group endeavors to take the necessary measures to speed up the energy transition and meet these targets. Progress is monitored annually, with additional targets set by the "Impact" strategic plan. The CO₂ targets for Scope 3 include waste targets, as they are covered in the Group's carbon footprint assessment.

This assessment has pinpointed the biggest sources of emissions by Country, and action plans have been defined for each source. presented to the Sonepar Corporate Board. The operating subsidiaries can therefore act in the most effective areas (buildings and vehicles) to reduce their carbon footprint, by taking into account the local context.

This would require precision tracking for more than 50,000 data items from some 40 Countries, a task for which the Group has developed a dedicated data science system. The system makes it possible to manage the complexity of the processing required to monitor the various emission sources and to improve the accuracy of results.



Scope 1 and 2 targets, commitments and action plans

Scopes 1 and 2 cover direct GHG emissions, such as:

- buildings (energy used for heating branches, offices and platforms, refrigerant leakage);
- purchases of electricity for buildings and/or on-site renewable electricity generation;
- travel using the Group's fleet of vehicles (cars, trucks, handling equipment).



Sonepar's GHG reduction targets for Scopes 1 and 2, on a constant methodology and scope basis since 2019, are as follows: reduction of 4.2% per year; down 46.2% by 2030.

To achieve these targets, the Group's commitments are as follows:



The 2023 target for LED lighting has been moved to 2025 because some Countries are waiting for the end of their existing light bulbs' lifetimes to avoid throwing away products that are still in use, and are progressively replacing them with LEDs.

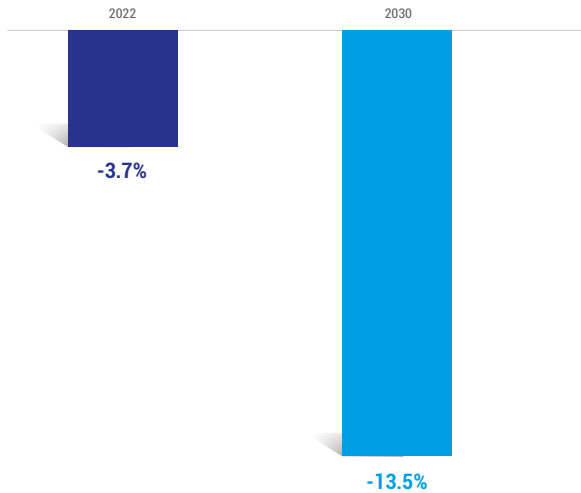
The main actions undertaken at Country level since 2019 to reduce local GHG emissions for Scopes 1 and 2 are:

- energy efficiency measures in branches and warehouses;
- roll-out of a fleet of hybrid or electric vehicles, plus eco-driving practices;
- installation of renewable energy production systems such as photovoltaic panels on roofs and car parks;
- implementation of Transport Management Systems (TMS);
- implementation of Energy Management Systems (EMS).

Scope 3 targets, commitments and action plans

Scope 3 covers the Group’s indirect emissions, such as:

- upstream activities, including purchases and transport of products delivered by suppliers to distribution centers or branches, home-work travel and business travel by our associates, packaging purchases and waste, and upstream energy production;
- downstream activities, product sales, product end-of-life and logistics implemented by Sonepar’s partners.



Sonepar’s GHG reduction targets for Scopes 3, on a constant methodology and scope basis since 2019, are as follows: reduction of 1.2% per year; down 13.5% by 2030 and 38.1% by 2050.

Along with its GHG reduction targets, the Group has made an initial commitment concerning end-of-life waste management. The Group’s commitments concerning the Green Offer and upstream and downstream logistics are currently being drafted.



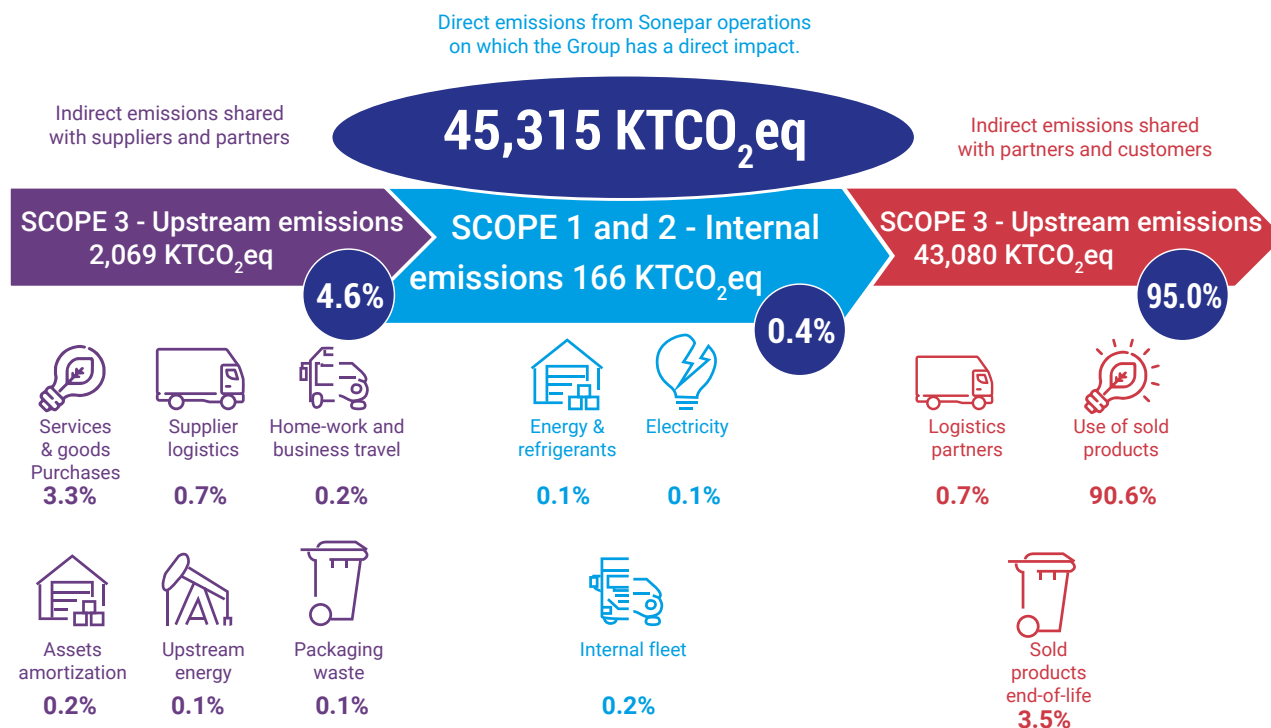
For products, the Group has given priority to launching the Green Offer to more precisely define “product” data and reduce its Scope 3 with the value chain by offering the most sustainable alternatives. Given the high degree of uncertainty in calculating CO₂ per product, a common language was defined in collaboration with Group suppliers to standardize the measurement of CO₂ per product over the entire life cycle. The targets for the “product” component of Scope 3 were then included.

The main actions undertaken at Country level since 2019 to reduce local GHG emissions for Scope 3 are:

- improving the supply chain;
- higher lorry loading rates;
- shorter distances and/or lighter delivery weights;
- modular packaging and boxes;
- reduction in travel (especially air travel);
- fewer home-work journeys, with the increase in remote working;
- launch of the Green Offer and Customer Impact Tracker.

Targets and results⁽¹⁾

Breakdown of CO₂ emissions by Scope and by category (2022 data)



Change in CO₂ emissions between 2019 and 2022

	2019	2020	2021	2022
SCOPES 1 AND 2⁽²⁾	197	163	167	166
Scope 1 – Energy Fleet & Building	137	118	125	129
Scope 2 – Electricity	60	45	42	37
SCOPE 3	55,214	49,264	50,308	45,149
Upstream	1,729	1,637	1,898	2,069
Product Purchases	1,249	1,187	1,392	1,476
Supplier Logistics	274	272	298	330
Others	207	178	208	263
DOWNSTREAM	53,485	47,627	48,410	43,080
Third-Party Logistics	444	413	445	448
Product Sales/End-of-life	53,040	47,213	47,965	42,632
	55,411	49,427	50,475	45,315

The product component of Scope 3 accounts for the majority of CO₂ emissions, with a share of 97%. Emissions related to purchases are calculated on the basis of emissions factors in scientific publications. Product use is calculated in great detail over Sonepar's entire product scope with a view to identifying energy consumption and allocating an electricity emissions factor for the countries in which they are used. Emissions volumes are then determined on this basis. The International Energy Agency's factors are used. End-of-life emissions are also calculated using ADEME's emissions factors.

(1) Compared to baseline year 2019.

(2) Certain data are estimated on the basis of consumption. For example, 50% of electrical data for Germany and 2022 fuel data for France are based on 2021.

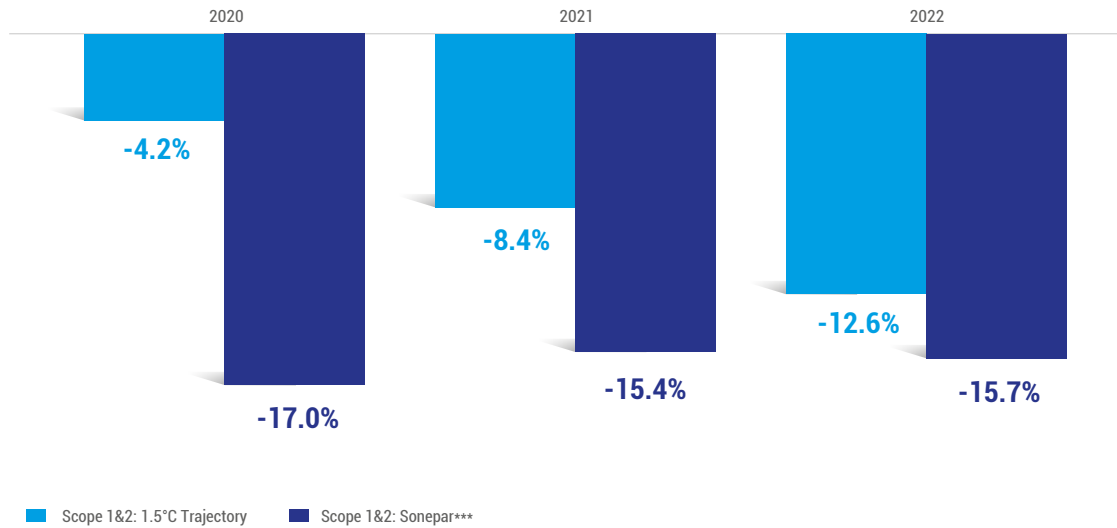
The following charts show the trends for Sonepar’s Scope 1 and 2 and Scope 3 emissions, compared with the two trajectories approved by the SBTi.

The trend for Scopes 1 and 2 is compared to the SBTi 1.5°C trajectory and the trend for Scope 3 to the SBTi 2°C trajectory.

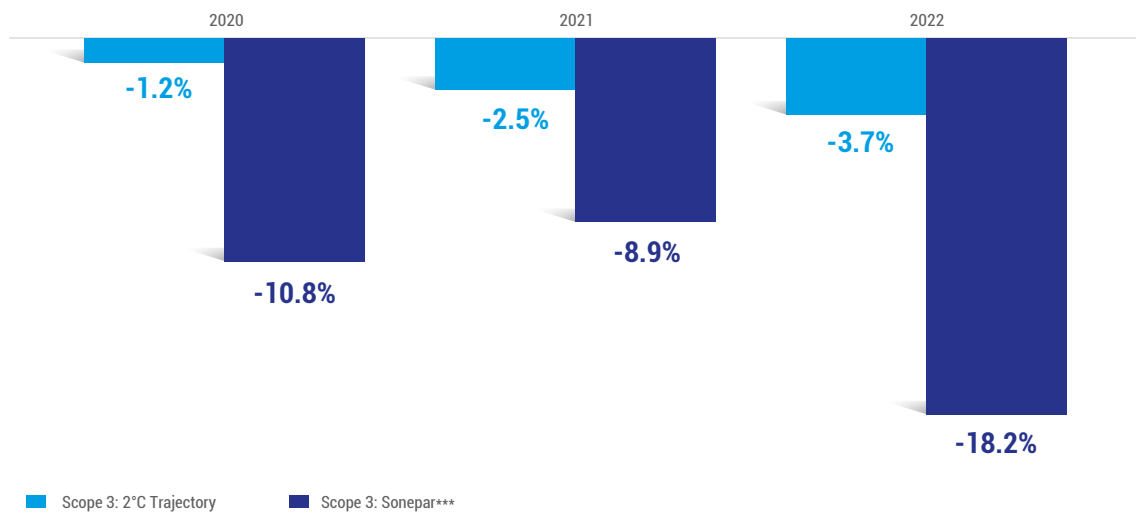
All trends are calculated in relation to the 2019 baseline, the year the first declaration was filed.

Work on the data quality is ongoing.

Sonepar Scopes 1 & 2 versus SBTi 1.5°C trajectory (2019 baseline)



Sonepar Scope 3 versus SBTi 2°C trajectory (2019 baseline)



There is a significant change for Scope 3, linked to a sharp reduction in electricity emissions factors in the Countries where Sonepar operates.

Outstanding initiatives

Country	Type of action	Description
Brazil	Sustainable purchasing	To demonstrate its commitment to the Planet, Sonepar Brazil has developed a sustainable purchasing policy to encourage the adoption of social and environmental criteria in supplier assessments, combined with the criteria and documents already included in the Group's product purchasing and service subcontracting processes.
Germany	Sustainable logistics centers	The GreenTP (Green Transshipment Point) project started in the second half of 2022 and will be implemented for all transshipment points until 2026. Target: to reduce CO ₂ emissions due to electricity consumption to near zero for all transshipment points (>40 TP). One of the special characteristics of these sites is that they operate at night, when there is little natural light and solar energy available. This means that CO ₂ emissions can be reduced by gradually installing 100% smart LED lighting and photovoltaic systems with energy storage, by optimizing heating and by replacing diesel trucks with electric transport vehicles or other clean technologies. Estimated results: 320 metric tons of CO ₂ per year saved with project deployment.
Italy	Low Carbon Fleet	Sacchi installed 75 new electric charging stations in 2022, bringing the total number of charging stations across its 80 branches to 125. In October 2021, a working group was created within the Local Sustainability Committee to plan the installation of new EV charging stations at branches in 2022. This group focuses on: <ul style="list-style-type: none"> • planning the number and type of charging sites; • defining the brand and communication for Sacchi Electric Mobility; • creating operating instructions and a procedure to describe the billing methods and rules for associates and customers; • mapping Sacchi's charging sites online. The initiative will continue in 2023, with the installation of 20 additional stations. The main objective is to install stations at all branches and the logistics center by the end of Q2 2023.
Italy	Energy production with photovoltaic power	Sacchi is working to reduce greenhouse gas emissions resulting directly from electricity consumption. In 2021, Sacchi installed seven new solar power plants (adding 235 kW of renewable power) with a built-in energy storage system. This increased self-consumption and use of the energy produced even during non-production times. In 2022, more than 160 kWp was installed and a new section added to the solar power plant at the Desio-WEX distribution center (400 kWp). As a result of these improvements, about 27% of Sacchi's total energy consumption will come from renewable sources.
United States	Electricity production with solar panels	Since 2021, Sonepar USA has installed 2,858 KW of solar power on its rooftops, producing nearly 4 million kWh of electricity per year. Solar power is considered a key investment for Sonepar USA at all of its future distribution centers.



4.5.3.2 Waste reduction

Defining a common language and best practices

Cardboard boxes, pallets and plastic packaging form the bulk of the direct waste from the Group's own business operations. A common language and reporting procedures were developed in 2022 with the Sustainability Tracker, and the Countries are beginning to report and define best practices to reduce waste:

- installation of reusable green bins for customers. These bins are the main system used for all small products and an important instrument for fully automated order preparation systems. They save cardboard and reduce single-use packaging;
- implementation of an environmentally responsible packaging policy, use of recycled materials promoted in supplier packaging and elimination of plastics;

- use of thinner packaging, elimination of packaging for certain product lines;
- reduction of certain packaging adapted to product format;
- recycling of pallets and drums;
- appointment of a Packaging Designer in charge of optimizing packaging (own brand business);
- advanced recycling system for used work clothes, wood, paper and cardboard.

To reduce their waste, the Group's operating subsidiaries work with local services in charge of recovering, reusing and processing waste.

Outstanding initiatives

Country	Description
United Kingdom	Routeco has reduced the use of plastic packing materials for all packages: <ol style="list-style-type: none"> 1. A 3-in-1 box was designed by Routeco to save on filling. 2. All plastic tape has been removed and replaced with paper tape for all packaging needs. 3. Double-wall corrugated sheets have replaced wooden slats for shipping railing. 4. Blue Ocean bubble wrap, groundwater neutral and fully recyclable, was introduced.
Switzerland	Since 2016, Sonepar Switzerland has been using a new cardboard concept which was updated in the second quarter of 2022. The solution comes in seven sizes, and the logistics system accepts the smallest possible size. The cardboard is made from recycled cardboard. Thanks to their notches, boxes are designed to close without adhesive and are stackable to save space during delivery. Customers can mark the box to show how many times it has been reused.
Peru	At its main warehouse, Sonepar Peru recycles leftover copper cables and reuses the supplier packaging (cardboard, wood) to pack products. In line with the waste management plan, Peru works with a non-profit organization to recycle waste, recycling nearly 7 metric tons of copper in 2021.



4.5.3.3 Climate adaptation plan

Sonepar is also developing a climate adaptation plan to prepare its buildings and associates for potential extreme weather events and reduce their impacts. The plan reflects the commitments made by the Group's reinsurance subsidiary as part of its adhesion to the United Nations Principles for Sustainable Insurance.





“ *Sonepar undertakes to act as a responsible player in its business practices, with respect to the environment, its associates and its ecosystem.* ”

5- Social and Human Capital

5.1	Human resources vision and strategy	62
5.2	Governance	62
5.3	Attracting talent	64
5.4	Developing skills	65
5.5	Promoting quality of life in the workplace and associate engagement	68
5.6	Promoting diversity and inclusion	71
5.7	Guaranteeing associates' health and safety	77
5.8	Sourcing ethically and responsibly	78
5.9	Respecting and promoting human rights	79
5.10	Commitments to local communities and stakeholders	80

5.1 Human resources vision and strategy

Attention to associates and focus on organizational context, both drivers of performance, are the pillars of the human resources strategy. The ability to attract and retain talent is a key element of the Group's success. Sonepar deploys a Group-wide human resources policy that is adapted locally in liaison with employee representative bodies and in compliance with applicable laws.

Sonepar has defined three strategic human resources priorities for the next five years:

- create an inclusive and equitable work environment by providing each associate with the opportunity to learn and develop their career while respecting their identity;

- develop and analyze human resources data to make the best decisions for the organization, enhance the engagement of all associates, in line with the CSR strategy and in compliance with the Human Rights Policy (see section 5.9);
- support and accelerate digital transformation through organization-wide change management while advancing in the development of associates' skills.

These strategic focuses are aligned with Sonepar's Purpose (*raison d'être*), revealed in April 2023.

5.2 Governance

Sonepar's Corporate Board assesses human resources policies and approves the compensation packages of the Group's top executives and employee share ownership plans, with the support of the Nomination and Compensation Committee.

At Group level, human resources is overseen by the Chief Human Resources Officer, who reports to the CEO and is a member of the Executive Committee. The Chief Human Resources Officer is surrounded by a central team that defines, leads, coordinates and monitors the following teams:

- the Organizational Development unit uses the human resources Information System (HRIS) to design and execute the People pillar of the "Impact" strategic plan, with strategic workforce planning, the Open Voices associate engagement surveys, organizational optimization and the coordination of Sonepar's Purpose (*raison d'être*) to ensure its take-up throughout the organization. This department is also part of Sonepar's CSR working group and brings its expertise and support in defining and implementing actions that affect the workforce;
- the Diversity, Inclusion, Talent Management and Learning unit, which defines and leads actions that address these issues, and provides tools and processes to develop associates' skills to fit with the Group's priorities;

- the Benefits and Compensation unit, which leads compensation review campaigns, guarantees consistency for compensation policy and international mobility management, and defines employee share ownership plans.

In addition, a local network of 37 human resources managers covers the Countries where the Group operates. These leaders are members of the IHRC, on which key associates from the human resources team participate on a rotation basis. The IHRC has approximately 70 members.

The human resources network includes three regional directors who coordinate global initiatives within their remit and communicate with Head Office teams on major progress. They report directly to the Regional President and on a dotted-line basis to the Group's Chief Human Resources Officer. These directors are members of the Human Resources Leadership Team (HRLT).

Given Sonepar's decentralized organizational structure and significant differences in local legislation, human resources are for the most part managed at the level of operating subsidiaries, Countries or Regions. Executives are managed centrally by the Head Office.

Human resources governance and the liaison between the central and local functions are therefore covered by the HRC and the HRLT.

Solutions

Sonepeople

Sonepar continues to roll out its Group HRIS, Sonepeople. This system is designed to improve the experience of associates and to facilitate relations and information sharing between team leaders and their team members. The Countries can use it to align their practices with the human resources processes defined by the Head Office. The Head Office, Regions and Countries use HRIS data as the sole source for analytics and development of Human Resources strategy.

Four modules have been identified as mandatory for the Group's operating subsidiaries: the core HR module, the performance and goals module, the succession and development module and the learning module.

The operating subsidiaries can also implement three optional modules: the onboarding module, the recruiting module and the compensation and benefits module.

The HRIS offers a standardized experience for all associates. Once fully deployed, the HRIS will provide the Group with a consistent interface and language for managing Human Resources data.

Deployment update:

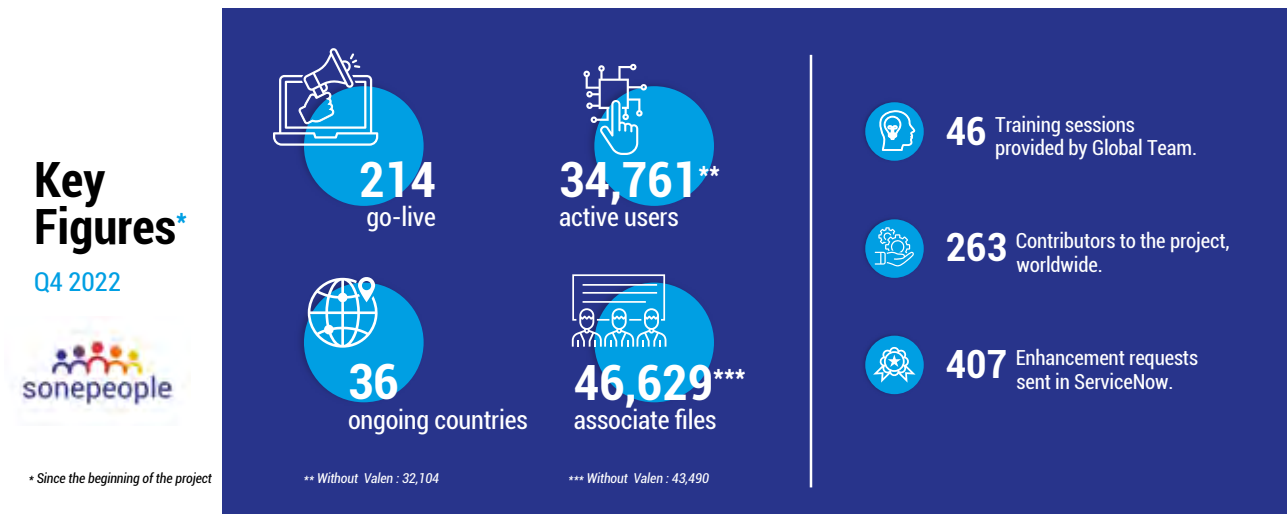
At the end of 2022, the mandatory modules of Sonepeople had been fully implemented in 36 Countries.

For the optional modules:

- Onboarding: deployment complete in three Countries as at end-2022 and planned in four Countries for 2023 (under review);
- Recruiting: deployment complete in 15 Countries as at end-2022 and planned in four Countries for 2023 (under review);
- Compensation and Benefits: deployment complete in 10 Countries as at end-2022 and planned in three Countries for 2023 (under review).

Targets: 100% of the Group's scope covered by the mandatory HRIS modules in 2024, i.e., 85.7% of Countries.

Key figures for Sonepeople



Strategic dashboard

In 2022, Sonepar created an automated dashboard via the Sonepeople reporting module to facilitate monitoring of four key indicators in the "Impact" strategic plan.

- attrition rate⁽¹⁾;
- attrition rate of associates with less than three years of seniority;

- percentage of women in the total workforce;
- percentage of women hired during the past year.

These indicators were tested at the local level at the end of 2022 and will be rolled out Group-wide in 2023.

(1) See Glossary.

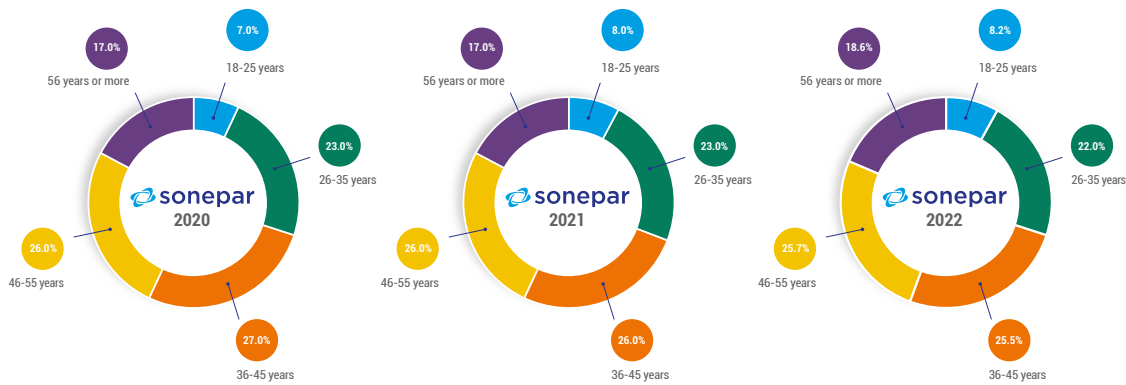
5.3 Attracting talent

Challenges

To guarantee its long-term resilience and performance, the Group must attract the talent needed to run its business properly, evolve and support its transformation. The Group operates in a competitive environment where B2B businesses are relatively unknown to the

general public and professionals looking for a job, especially to young people. Furthermore, the Group is made up of many local entities operating under different brands and a recruitment process that is usually managed at Country level.

Breakdown of workforce by age group*



* Scope: "Impact" strategic plan.

Solution

To increase recognition, Sonepar has been developing its employer brand since 2018, around the slogan "Powered by Difference". This campaign is the result of a collective effort initiated by the IHRC in collaboration with Country teams and the Communications and Sustainability Department. It meets the need for an impactful visual to boost the Group's visibility among candidates and strengthen associate engagement. The brand is adapted to each local context and used as a tool for recruitment by the operating subsidiaries in France and abroad.

Employer branding is currently applied outside of human resources in all of Sonepar's communications, which reflects its success, and has notably been associated with the Sonepar brand since 2021.

2022 initiatives

The Group pursued a number of initiatives to enhance its "Powered by Difference" employer brand in 2022, including the deployment of its new visual brand identity and the ramp-up of its external communication on CSR matters (sustainability, diversity and inclusion, and social and societal responsibility).

A recruitment module was rolled out in Sonepeople at the local level starting in 2021 and covered 15 countries at the end of 2022. This module is designed to improve the candidate experience through a dedicated recruitment area with easy access to all the Group's job offers.

Sonepar introduced additional measures in 2022 through its diversity and inclusion project (see also section 5.6).



Key figure

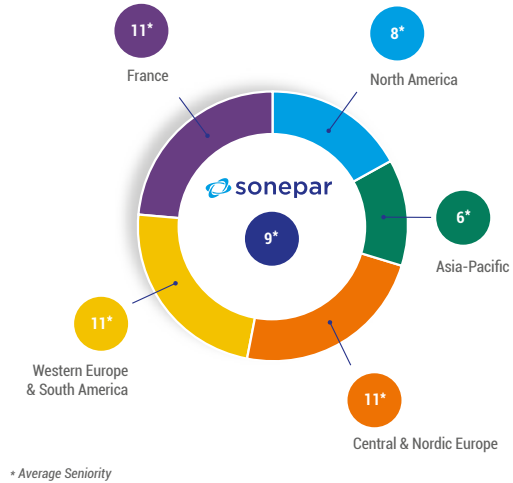
Sonepar recruited 8,071 associates⁽¹⁾ in 2022, representing 18% of the Group's workforce at December 31, 2022 (base reference: 44,273 associates).

(1) Group scope, taking into account sales and acquisitions during the fiscal year, with the exception of acquisitions finalized after November 30, 2022. Includes associates who joined the Group in 2022 under a direct employment contract and appear on the payroll on the last day of the month. Hires exclude temporary employment contracts and interns. Hires are calculated as the difference between the workforce at December 31, 2022 and the workforce at December 31 of the previous year, adjusted for the flux in the number of associates due to acquisitions and departures during the year.

5.4 Developing skills

Challenges

Sonepar’s success depends on its talent, their development and their continuous adaptation to the Group’s new challenges. Associate engagement and skills development are key drivers of its performance. Sonepar has used a number of tools over the years to build its talent pool. Associates are trained, supported and assessed so that they can grow within the Group. In addition to local initiatives, two structures are dedicated to identifying and training future leaders: the Sonepar Junior Committee (SJC) and the Sonepar Leadership Program (SLP).



Solutions

Training

Through Son@cademy, its in-house university, the Group delivers a range of training programs to round out the courses available at each local level. Son@cademy was created in 2005 to develop associates’ skills through programs covering leadership, management skills and team building, all in an international environment.

The establishment has five main objectives:

- share and maintain Sonepar’s spirit and values;
- contribute to developing talent and make individual training accessible to all;
- strengthen synergies within the Group;
- identify and deploy best practices across the Group;
- offer training at Country level.



Sonepar Junior Committee (SJC)

Created in 1991 by Marie-Christine Coisne-Roquette, the Sonepar Junior Committee is an incubator that prepares junior talent to become the leaders of tomorrow. The program facilitates networking between juniors from different Countries, operating subsidiaries and businesses. Program participants are grouped into teams of eight to work on the Group’s strategic issues, which have been defined in advance by the Executive Committee.

This 18-month program is divided into two stages. Over the first nine months, SJC members study an issue, carry out analyses and make recommendations. In the second phase, the Group implements one of its recommendations, with approval from the Executive Committee. They are supervised by an experienced team, which includes two mentors who are members of the Executive Committee, two business experts and a coach.



Marie-Christine Coisne-Roquette

Permanent representative of Colam Entrepreneurs, Chairman of Sonepar



The SJC is an incredible opportunity. It's a mutually beneficial experience: the more you give, the more you receive in return.



Sonepar Leadership Program (SLP)

The Sonepar Leadership Program is conducted in partnership with INSEAD graduate business school. Some 30 Group executives participate in the one-year program. The SLP's theme is "Leading change in a disruptive world". As a multidisciplinary team, the SLP approaches transformation and leadership from multiple angles, including through a seminar on diversity and inclusion and another on sustainability.

The SLP aims to fast-track the professional development of talent within the Group while respecting their individual personality and aspirations. The program is also designed to strengthen ties between the Head Office and the Countries.



Sonepar Leadership Model

The Sonepar Leadership Model presents the missions and goals of team leaders and executives. This tool aims to promote management practices consistent with Group strategy that focus on three key aspects of leadership: vision, commitments and performance (see chart below).



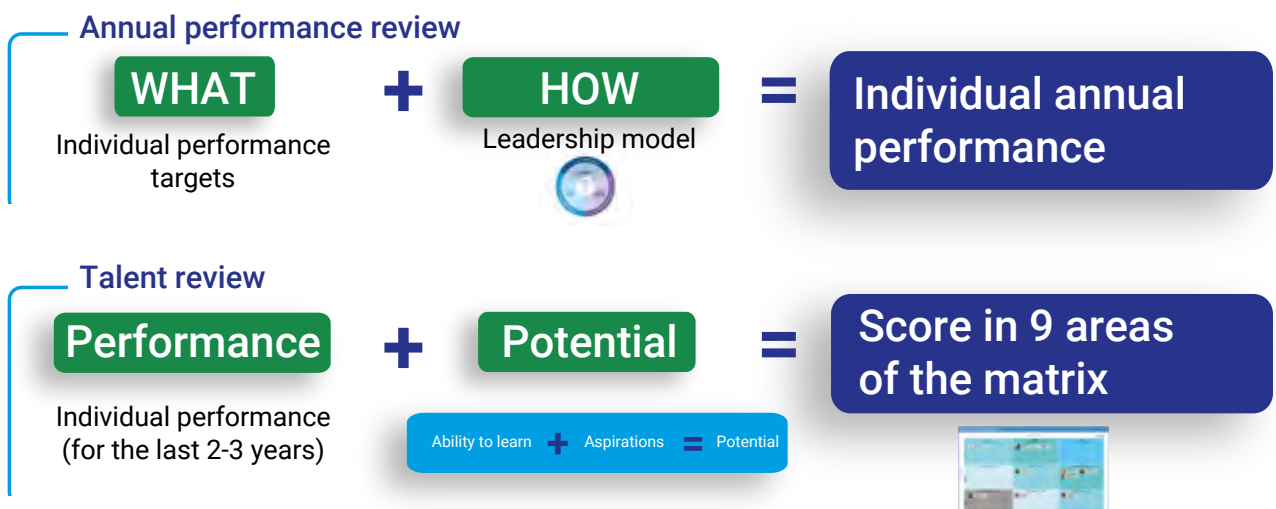
Sonepar Potential Model

The Sonepar Potential Model is a tool for assessing associates' potential. This model also:

- aligns all Countries under a common assessment process and guidelines;
- ensures that efforts do not focus solely on high-potential profiles, but identify the potential of each associate, so that all individuals can benefit from personalized options and suggestions for their career path.

In 2022, a dedicated online training course was launched for all managers so that every associate can be assessed through the prism of this model. Training was provided in all Countries to assess executives. All associates benefited from the program in 2022. The Sonepar Potential Model was also integrated into Sonepeople, in 2021.

Leadership Model vs. Potential Model



The diagram above shows the differences and complementarity between the Sonepar Leadership Model, which is used in the annual performance review process, and the Sonepar Potential Model, which is used in the talent review process.

The annual performance review consists in assessing the individual objectives for the past year and the successful implementation of the Leadership Model.

In contrast, the talent review looks at performance over the previous two or three years, as well as learning agility and career aspirations. This provides an assessment of each associate's overall potential by positioning the individual on the nine-box grid, which helps to identify high-potential leaders.

Sonepar strategic workforce planning

Anticipating future workforce needs is a strategic way of managing our talent. Strategic Workforce Planning is an ongoing process of ensuring the right skills are available, in the right place, at the right time, in order to meet the organization's current and future goals. To help Countries manage their workforce over the long term for key roles and skills, in 2022 the Group launched a pilot project in the United States and the Netherlands. The

purpose is to test an initial process and resource planning tool for associates in sales and purchasing. The aim is to encourage dialogue between human resources and business teams and to tangibly identify potential discrepancies between current and future needs. This tool will allow for more informed decision-making in organizational and talent management.

5.5 Promoting quality of life in the workplace and associate engagement

Challenges

Associates play a crucial role in value creation. Guaranteeing their wellbeing at work and their engagement with the Group is vital to remaining competitive and ensuring our long-term performance. Sonepar takes care to create a work environment that is conducive to the wellbeing of associates. Maintaining work-life balance, cultivating long-term success and capitalizing on the potential of

each individual are challenges that the Group takes seriously. Associate engagement is measured to guide strategic decisions and to identify and monitor areas for improvement in France and internationally. In 2022, Sonepar launched the "Purpose project" (*raison d'être*). One of the goals of this project is to strengthen associate engagement.

Indicator	2022
Group absenteeism over the calendar year (percentage):	3.6% (versus 2.2% in 2021)
Hires*:	8,071 hires representing 18% of the total workforce, broken down as follows: <ul style="list-style-type: none"> • Asia-Pacific: 11% • Central & Nordic Europe: 16% • France: 12% • North America: 39% • Western Europe & South America: 21%
Departures**:	6,796
Attrition rate***:	16%

* Hires: hires are calculated as the difference between the workforce at December 31, 2022 and at December 31, 2021, adjusted to exclude associates who joined the Group through acquisitions and departures during the year.

** Departures: the number of associates who have left the Group's workforce at December 31 of the year ended. Group scope, taking into account acquisitions during the fiscal year, with the exception of acquisitions finalized after November 30, 2022. Departures include all types of departures including retirement, layoffs and restructuring plans.

*** Attrition rate: the number of associates who left the Group's workforce as of December 31 of the fiscal year ended (as a percentage). Group scope, taking into account acquisitions during the fiscal year, with the exception of acquisitions finalized after November 30, 2022. Departures include all types of departures including retirement, layoffs and restructuring plans.

	2020 (vs. 2019)	2021 (vs. 2020)	2022 (vs. 2021)
Payroll and change (Group scope) ⁽¹⁾	-0.8%*	+5.7%	+13.6%

* Restated for government subsidies received in 2020.

Solutions

Sonepar mainly uses associate engagement metrics and its Purpose (*raison d'être*), which will be revealed and deployed in 2023. Sonepar's proactive employee share ownership policy is another tool used to enhance associate engagement.

Associate satisfaction survey (NPS)

Sonepar regularly measures the engagement of Group associates with satisfaction surveys. They are available in various formats:

Group-wide satisfaction surveys

Global satisfaction survey (Open Voices)
Intermediary satisfaction survey (Open Voices)

Country-wide satisfaction surveys

Pulse checks

The most recent overall satisfaction survey (Open Voices) was conducted in 2021. The online questionnaire is translated into 19 languages and had 46 questions grouped into five categories: engagement, diversity, associates, customers, and planet. Associates who do not have a professional email address were able to take the survey via a QR code using computers available on site.

In 2022, the Countries were also given the opportunity to carry out local surveys on a voluntary basis. These "pulse checks" offer greater insight into the areas of improvement identified in the 2021 Open Voices global satisfaction survey.

The next Open Voices intermediary survey (Open Voices Mid-Survey) will be conducted in 2023. This Mid-Survey will have 15 questions that will reassess the two main indicators: the engagement index and the diversity and inclusion index. One or two additional questions on Sonepar's Purpose, revealed in April 2023, will be included to measure the level of awareness about the Purpose. The 2023 survey will again be fully digital and sent to all Group associates. In addition to this Group-wide campaign, the Countries can continue to conduct "pulse checks" during the year to ensure that progress strategies are on track.

Sonepar's Purpose (*raison d'être*)

To support the Group's transformation in today's complex socio-economic context, it is important to define Sonepar's Purpose as a way of securing associate engagement and the Group's culture sustainability.

In January 2022, Sonepar launched a large-scale project to define and deploy its Purpose across the entire organization. As an integral part of the Group's brand and CSR strategy, the Purpose aims to be simple, inspiring and applicable to all stakeholders.

For Sonepar, defining its Purpose serves a triple objective:

- state what makes the Group unique, its distinctive strengths, and what it brings to the world;
- define strong goals for the Company;
- create a bond and a sense of belonging and pride for each associate.

Sonepar's Purpose, revealed in April 2023, is the culmination of a collaborative process that involved:

- members of Sonepar's Corporate Board;
- all members of the Executive Committee (individual interviews and group work sessions);
- Group suppliers and customers, who were asked how they view Sonepar's current and future role in its ecosystem;
- Group associates (online questionnaire, field interviews and a mirror group);
- four "divergent" experts (psychologists, sociologist, climate expert) interviewed to broaden the Group's perspective and shed light on its relationship with the world by drawing on a neutral external point of view.

These actions helped define:

- Sonepar's vision for its Purpose;
- Sonepar's profile, which covers its strengths and its response to areas in which the Group is keenly expected to take action;
- Sonepar's distinctive strengths;
- the formal drafting of its Purpose, approved at the June 2022 Executive Committee Meeting;
- Sonepar's Manifesto, a detailed declaration of intent;
- supporting communication actions.

(1) Group scope. Total payroll corresponds to the sum of the compensation of all associates during the year (internal associates and temporary staff). It includes the gross salaries and bonuses received for the year, taking into account employer contributions and paid vacation, as well as the payments made to temporary staff. It also includes other staff expenses such as training costs, severance payments, restructuring programs, pension costs and Sonepack costs. It is calculated on the basis of the number of paid associates during the year and compared to the same value for the previous year.



5

Social and Human Capital

Promoting quality of life in the workplace and associate engagement

A Steering Committee made up of members from the Human Resources, communications, legal and compliance and digital functions, along with an operational manager, ensured that the project was executed smoothly and that Sonepar's Purpose was aligned with the Group's culture and values throughout the process.

To take on its full significance, the Purpose will have to be translated into quantifiable, achievable actions, particularly in the areas of diversity, inclusion and sustainability.

2023 will be devoted to communication and raising awareness, targeting internal stakeholders as a priority.

Action plans

All Country HR Managers conduct a detailed analysis of findings from the Open Voices survey, communicate key indicators to associates, define action plans with Country managers, and monitor progress. The Head Office team ensures that actions taken to implement Human Resources strategy are identified and coordinated, especially diversity and inclusion initiatives.

The Group is also actively working on actions to deploy and promote support for its Purpose.

Sonepar India certified "Great Place to Work®"

For the third consecutive year, Sonepar India was awarded "Great Place to Work®" certification in 2022. This honor reflects the subsidiary's commitment to quality of life in the workplace and the wellbeing of its associates.

Best practices by Country

Country	Initiative
Switzerland	Improvement of work spaces in logistics To improve the working conditions of associates in distribution centers and to instill a sense of pride, work spaces were refurbished in 2022. Associates contributed to redesigning them to make them brighter and more ergonomic. The goal is to promote a safe and comfortable work environment.
Sweden	In 2022, Elektroskandia won a Colam Award in the Health and Wellness category for its Health Competition initiative. This team competition encourages associates to adopt a healthy lifestyle and aims to promote an ideal work-life balance with actions that associates can take every day, such as taking breaks and having screen-free evenings. All this can be accessed through a health and wellbeing app for associates. It includes online training, nutrition tips and talks on physical, emotional and mental health. A bicycle rental program is also available for associates.
Italy	Counseling platform To improve associates' mental wellbeing, Sacchi has set up a free online counseling platform. Services are provided by mental health professionals and cover up to eight appointments for each associate.
United Kingdom	Mental Health Charter: Mayflex took out a Gold subscription to the mental health center, where eight people were trained in mental health first aid in 2022.

5.6 Promoting diversity and inclusion

Challenges

Sonepar firmly believes that diversity and inclusion (D&I) are true drivers of performance, as they foster engagement, creativity and productivity. These values are key focuses of the People pillar of its "Impact" strategic plan. D&I is a priority for the Human Resources Department, which has implemented a special governance structure and indicators adapted to the local context.

Governance

A project team was created in 2021 to define and deploy Sonepar's D&I strategy. The team includes human resources experts in diversity and inclusion, members of the HRLT (see also section 3.6.2) and Executive Committee members.

Governance was considerably strengthened in 2022 with the creation of the Diversity and Inclusion Council and a community of Diversity and Inclusion champions.

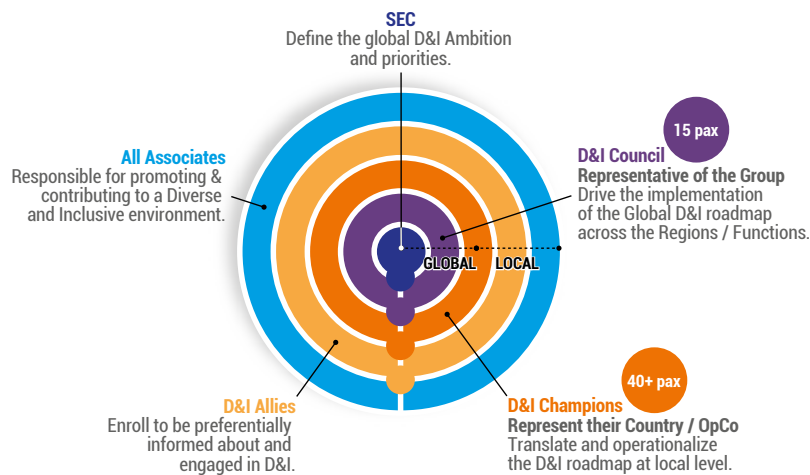
The D&I Council is composed of 12 members:

- one representative from each Region;
- a representative of each support function;
- one representative from Colam Entrepreneurs, Majority Shareholder of Sonepar.

Its main role is to contribute to overall D&I strategy and implement it within their geographical or functional scope. The D&I Council is also in charge of collecting local information that will be used in shaping this strategy and proposing recommendations on how to adapt it.

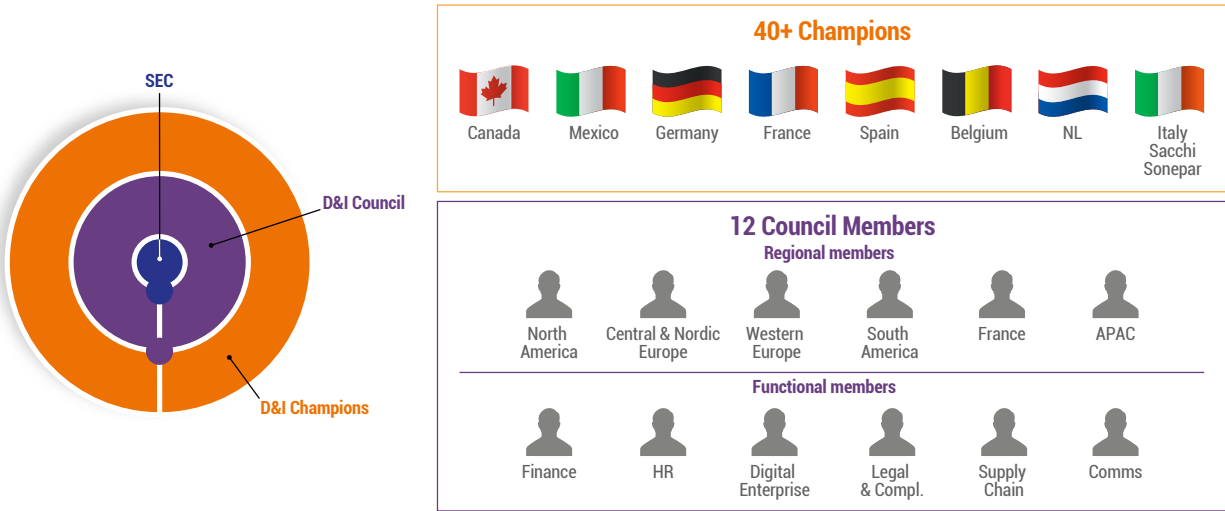
The community of D&I champions has more than 40 members who represent the Group's Countries and functions. Their key objective is to apply and operationalize the D&I strategy at the local level. D&I champions are the main contacts for leading D&I initiatives in their country or operating subsidiary.

Diversity and inclusion governance



5

Social and Human Capital Promoting diversity and inclusion

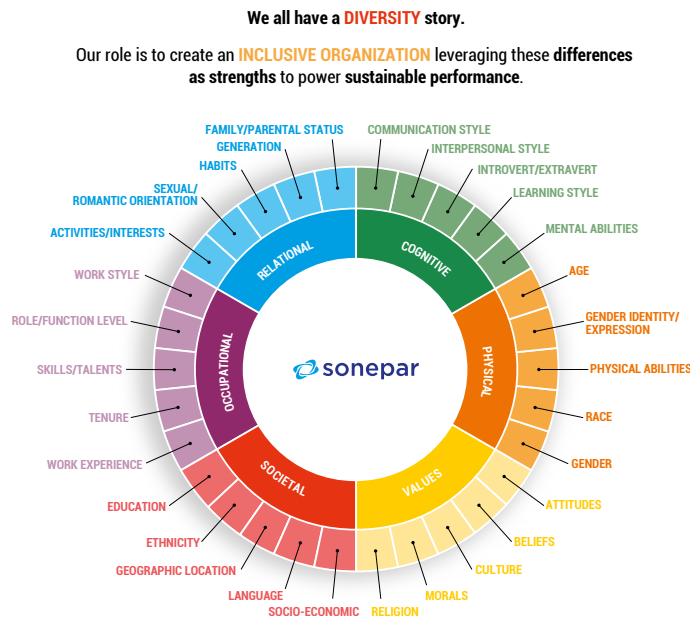


Diversity and inclusion definition and goal

2022 focused on communicating with key stakeholders on Diversity and Inclusion vision, strategy and targets, while training and preparing local representatives (D&I champions) to deploy the D&I roadmap within their operational scope.

Sonepar uses a broad definition of diversity

Sonepar uses a broad definition of diversity, believing that each person is unique and recognizing individual differences. These differences can be modeled into six categories:



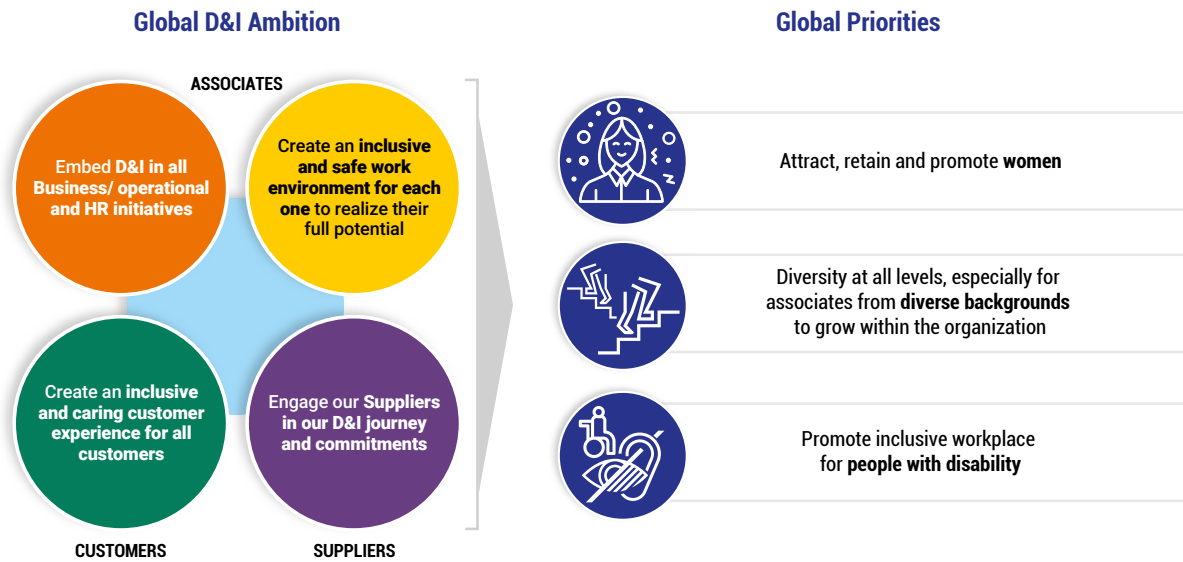
We believe in creating processes **EQUITABLE** for all and spaces in which everyone can feel safe, **BELONG** and is able to have a voice.

Sonepar has two main diversity and inclusion goals for its associates:

1. integrate diversity and inclusion into all business, operational and human resources initiatives;

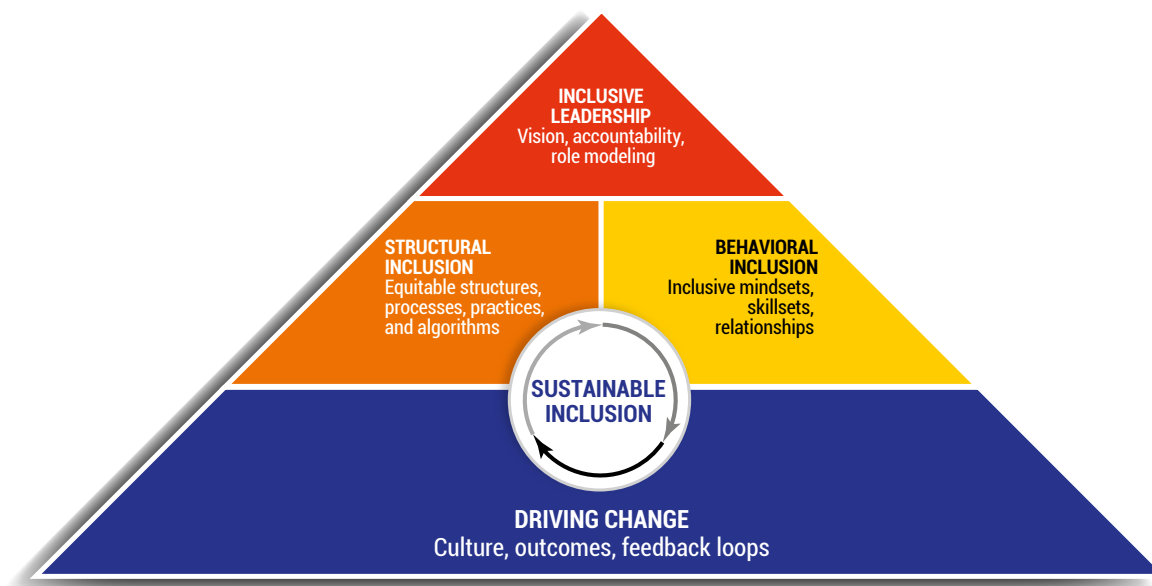
2. create an inclusive and safe work environment so that each associate can achieve their full potential.

Diversity and inclusion goals and priorities



Sonepar’s D&I goals extend beyond internal stakeholders to its suppliers and customers. In its upstream value chain, the Group encourages its suppliers to implement a D&I approach. Downstream, Sonepar wants customers to enjoy the same inclusive experience as its associates.

Building an inclusive organization



5

Social and Human Capital Promoting diversity and inclusion

Three factors are needed to successfully transform the organization towards lasting inclusion:

- outstanding leaders who embrace and embody diversity and inclusion principles;
- adapt the organization to foster greater inclusion at a structural level;
- awareness and communication action to help change attitudes and behaviors.

Action plans and tools

In 2022, the diversity and inclusion action plan was built around the following five themes:

1. Deployment of strategy and governance structure

The overall diversity and inclusion strategy includes seven Group-wide indicators to measure progress on the three global priorities (women, diversity in backgrounds and disability) and an overall indicator (Open Voices D&I index).

A special governance structure was created with the Diversity and Inclusion Committee and a community of D&I champions.

The Diversity and Inclusion champions network has 33 members (one per operational scope), who will receive training to better understand D&I concepts and their role in adopting the D&I strategy across the Group. For their respective scope, each champion shared a D&I roadmap aligned with the overall strategy.

2. Alignment and awareness to disseminate the diversity and inclusion strategy and targets

The diversity and inclusion strategy and objectives have focused on numerous awareness-raising actions and its content and aims have been presented to the Executive Committee, the Country managers, 70 Group human resources directors and 150 human resources professionals.

3. Creation of training content and communication materials

In 2022, Sonepar developed a plan to raise awareness and communicate on its robust diversity and inclusion strategy and aims, based in particular on a video presenting the diversity and inclusion strategy in a comprehensive manner and on a custom-developed e-learning program that included a quiz. This training will be translated into all of the Group's working languages and will be mandatory for all associates starting in 2023. This module is complemented by one-off communication and awareness-raising initiatives (such as the broadcast of two Women in Digital videos in October and November 2022).

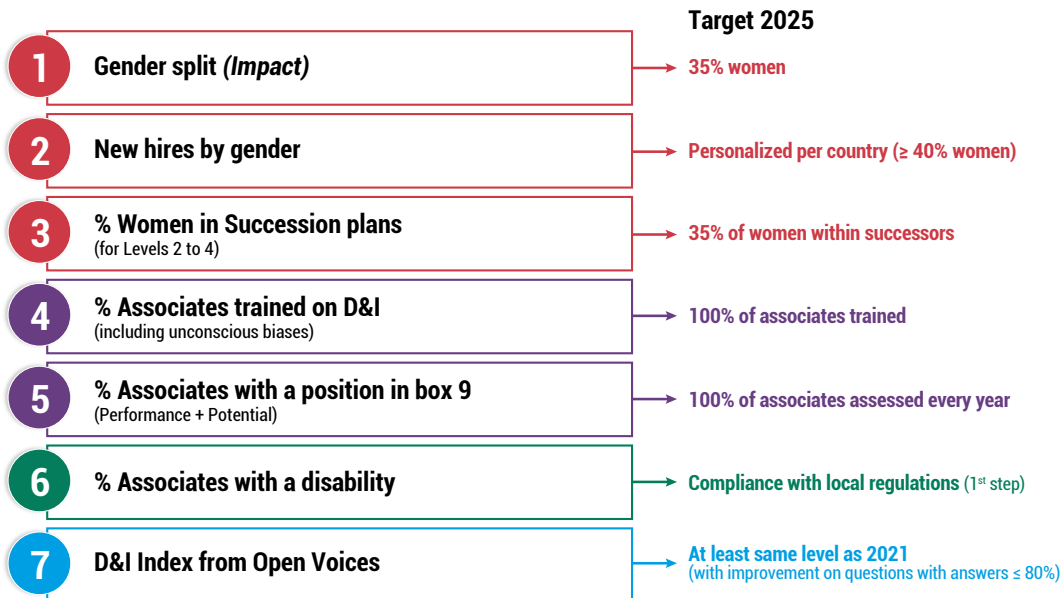
4. Recognition of efforts made

Sonepar has implemented several actions to recognize previous diversity and inclusion efforts, including GEEIS (Gender Equality European & International Standard) certification for the Headquarters and the Group, with a score of 3/5.

5. Implementation of global and local indicators

Lastly, Sonepar has identified seven performance indicators, which are presented below.

Global diversity and inclusion Indicators



In addition to these global indicators, each Country can add up to three local indicators in order to steer its entire diversity and inclusion roadmap consistently. Changes in global and local indicators are monitored through a detailed and individual action plan implemented in each Country.

Best practices

Country	Initiative
France	<p>Inclusion Summit: Sonepar France is proud to be a partner to the Economic Inclusion Summit, created by the Mozaik Foundation. The Summit primarily aims to promote the importance of diversity in the workplace.</p> <p>Inclusion mission: This local initiative educated associates about diversity and inclusion issues to better understand their cognitive biases.</p>
United States	<p>The United States has introduced a diversity and inclusion program with ambitious resources:</p> <ul style="list-style-type: none"> • seven Employee Resource Groups (ERGs), including the Pride ERG; • Catalyst CEO Champions for Change joined by Rob Taylor, President of Sonepar USA. Catalyst pledges to advance women into leadership; • a Respectful Workplace Policy applicable to all entities owned by Sonepar USA; • an increase of more than 30% in the number of veterans recruited between 2021 and 2022; • 95% of team leaders received unconscious bias awareness training; • 97% of associates received diversity and inclusion training.
Brazil	<p>Sonepar Brazil won the Colam Sustainability Awards in the Diversity and Inclusion category for its commitment to vulnerable individuals.</p> <p>Sonepar has more than 80 branches throughout Brazil. Many of them are located near vulnerable communities. In 2021, the Country implemented the Creating the Future program to provide training for the poorest population groups and help these individuals find jobs. So far, 35 young people from underprivileged areas have taken this one-year program. Participants are also provided with health insurance, a meal allowance, a transportation allowance, and discounted rates at pharmacies, supermarkets and educational institutions.</p>
Spain	<p>Women Empowerment Program</p> <p>The Women Empowerment Program continued in 2022. This program is centered on creating a diversity and inclusion policy, developing STEM (#science, #technology, #engineering and #mathematics) workshops for schoolgirls, and collaborating with the Senara Foundation to provide women at risk of social exclusion with career guidance.</p>



Sonepar awarded the GEEIS label



Sonepar SAS was awarded the GEEIS (Gender Equality European & International Standard) label for the first time in 2022 following an audit concerning the Group. Sonepar will be re-assessed in 2024. The GEEIS label aims to contribute to the creation of a shared European and international culture in terms of professional equality, and works to enhance the value of Company practices. The label was launched in 2010 at the European Economic and Social Council in Brussels by the Arborus Endowment Fund and its founding members, for large companies committed to promoting gender equality. Several areas are assessed: monitoring tools, HR and management practices, and overall impact of the European/international policy.

Sonepar encourages its operating subsidiaries to apply for certification at their level. Sonepar India also received the GEEIS label in 2022.

Sonepar France supports training and employment for young people through a partnership with École Gustave.

École Gustave is a free school that recruits individuals on the basis of personality and without any diploma requirements. It trains students in the construction and craft trades. Sonepar France teamed up with the school to connect the Company's installer customers and the school's apprentices.

This new alliance has brought Sonepar customers access to a trained and motivated workforce. École Gustave continues to keep its promise to students: a job guaranteed as soon as they start their training. Following some job dating events, several of them have already had the opportunity to sign a contract with some of Sonepar's customers even before their work-study period.

5

Social and Human Capital Promoting diversity and inclusion



Technische Unie is committed to social entrepreneurship

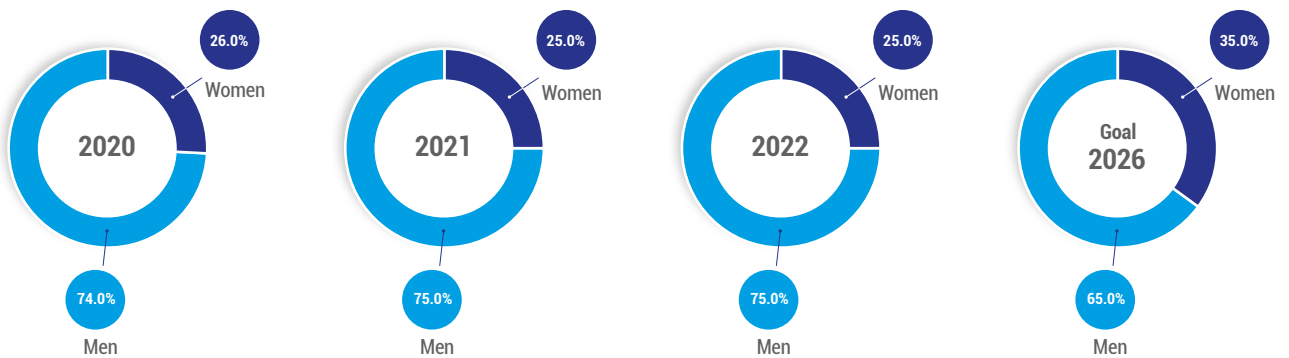
Technische Unie, a subsidiary of Sonepar in the Netherlands, has reached Level Two on the Inclusive Employment Performance Ladder (PSO). This measurement tool and quality seal, which has been developed since 2010 by the Netherlands Organization for Applied Scientific Research (TNO), objectively assesses a Company's degree of social entrepreneurship. The PSO is regularly fine-tuned by industry players and updated with findings from the latest scientific studies. As such, it has become the national standard against which employers can measure CSR performance.

Level Two means that Technische Unie performs well above average when it comes to employing candidates from vulnerable backgrounds. Technische Unie was awarded this label again in 2022.

Key figures

15% of executives⁽¹⁾ are women at Sonepar.

Target 2026: 35% women in the Group workforce. Target achieved at 43%.



Scope: "Impact" strategic plan.

(1) Executives are defined as associates who are responsible for financial performance and for leading and managing teams in line with Group strategy.

5.7 Guaranteeing associates' health and safety

Challenges

Protecting the health, safety and wellbeing of associates remains a top priority for Sonepar. Safeguarding all who work for the Group is at the heart of our actions as a socially responsible company. Associates must work in an environment that complies with the applicable standards, which takes into account the specific risks associated with the position they hold. The Group's preventive actions can be divided into following main areas:

- controlling risks related to the performance of activities, through the prevention of work-related accidents;
- improving the quality of life at work, through vigilance and control of psychosocial risks, in the context of activities carried out on site;
- controlling risks related to the Group's logistical activities, and in particular the protection of physical assets.

Governance

The strategies and action plans to promote associates' health and safety are developed locally to make sure they take into account the specific challenges, regulations and risks in each Country and at each site.

Working with the property insurance program covering buildings, the Group also deploys a risk prevention policy, which covers the security of physical assets and personal safety. Sonepar pursued its prevention audits, completing 16 audits in 2022 at representative sites worldwide, including branches, offices and distribution centers. This annual program audit is supplemented with support for project teams in charge of renovating or building new sites. These measures are aimed at increasing the security of physical assets, and some also address personal safety on site to prevent certain health and safety risks. Additionally, the strategy covers the safety and security of associates on work assignments (see also Chapter 2, section 2.5).

The Group considers it essential that everyone work together on improving collective behaviors, in order to make continual, daily progress and create habits around a shared safety culture. Consequently, the Group initiated a project at the end of 2022 to establish a Group health and safety policy and to define a framework with uniform rules, in order to engage everyone in the commitment to health and safety, be they directors, managers or associates.

The Group's health and safety principles and commitments will be implemented through specific action plans defined at the various levels of the Group's organization. A harmonized reporting system based on Group-wide definitions and principles will also be implemented to monitor actions and results.

Action plans and tools

- compliance with applicable health and safety legal requirements;
- clearly defined safety rules that are communicated to associates, depending on the site and the person's position;
- personal protective equipment provided based on requirements for the site and the person's position;
- continual training for associates (on arrival and then according to the frequency defined at the level of their team or site);
- brief activities to raise awareness (regular 5-minute meetings on health and safety at logistics platforms – France);
- implementation and enforcement of health restrictions due to the COVID-19 pandemic;
- assistance and insurance program covering associates on business trips (security and medical risks);
- integration of a Country risk analysis into the travel authorization process via the Concur solution currently being deployed throughout the Group;
- local monitoring of health and safety indicators and late-2022 launch of a process to consolidate and standardize Group indicators in preparing a formal HSSE (Health, Safety, Security and Environment) policy and structure for implementation via a dedicated multi-year roadmap;
- analysis of accidents and sharing of experience to prevent similar incidents from occurring;
- improved site visits and project monitoring programs, as well as the rollout of prevention standards.

In the Open Voices associate satisfaction survey conducted in 2021, 95% of the Sonepar team leaders surveyed considered that measures were in place to avoid security risks within their entity.

COVID-19: Ongoing action plans and health and safety measures

Sonepar has achieved a high level of maturity in managing COVID-19 risk. Health measures were maintained or adapted to ensure the safety of associates who have continued to work on site, returned to their place of work, resumed travel or started attending events again. The crisis unit set up in 2020 and coordinated by the Group's Risks and Insurance Department is now on standby. The risk prevention and management systems were adapted to the changing situation in different geographies. Meanwhile, the teams, especially COVID-19 representatives, remain mobilized to ensure the safety of associates, and to enable safe interactions with customers, suppliers and service providers at the Group's sites.



5.8 Sourcing ethically and responsibly

Challenges

With more than 100 distribution brands operating in some 40 countries, Sonepar is an essential link in the electrical value chain. The Group aims to establish its position as a trusted partner to its suppliers, customers and end users.

The Group's suppliers and partners contribute to its growth through their capacity for innovation and their high standards of product quality and compliance. As a multi-specialist B2B distributor of electrical equipment, solutions and services, Sonepar requires its suppliers to meet the highest standards of business ethics and human rights.

Governance

Sonepar has set up an operating subsidiary focused on supplier relations and services (Sonepar International Services), and on its strategic suppliers in particular. However, purchases are historically managed directly by the Countries.

Holding to the firm belief that a sustainable purchasing policy is needed to underpin its CSR policy and guarantee a minimum common framework for the Group's operating subsidiaries, the Head Office created a cross-functional team with associates from several departments (Legal and Compliance, Risks and Insurance, and Sustainability) to work on this issue. Country buyers and associates from Sonepar Global Sourcing and Sonepar International Services will also be involved in the project.

Action plans and tools

Sonepar has introduced procedures to assess its major suppliers (more than 15,000 legal entities concerned) and measure risks of corruption and influence peddling. The Group also takes specific measures for handling whistleblower reports and controversial or special risk situations. Due diligence covers compliance with business ethics standards in the supply chain, especially checking that suppliers comply with the Sonepar Supplier Code of Conduct. The Code specifies the level of compliance expected from Group suppliers. It includes sections on human rights, working conditions, the environment, health and safety.



Sonepar published its Human Rights Policy in 2022, which presents and reiterates the core values and fundamental principles to which the Group adheres concerning human rights. The Group expects its suppliers and their value chain to stand by the same high standards that Sonepar sets for itself.

As part of its action to promote sustainable supply chains, Sonepar issued a Conflict Minerals Statement in 2022. The Group does not manufacture any products and therefore does not purchase any raw materials. However, to guarantee as far as possible that the products it buys and their components do not violate human rights, this Statement lays down the commitments it expects from its suppliers relating to conflict minerals.

Sonepar has developed specific, stricter actions as part of its "own brand" activity. Cross-functional audits of suppliers covering environmental criteria, as well as work conditions, and health and safety are conducted by Sonepar Global Sourcing and the sourcing office in China with own-brand suppliers. Suppliers that fail to meet mandatory requirements are not retained.

To implement a continuous improvement process, in 2022 the Group continued streamlining its supplier portfolio and initiated the first CSR test assessments via the EcoVadis platform.

At the end of 2022, the Group launched a project to define a Group-wide Sustainable Purchasing Policy. This project will be coordinated in parallel with the review of Sonepar's third party assessment policy to optimize the analysis of their performance in the different areas (compliance, CSR, cybersecurity, etc.).

The Group also maintains continuous and constructive dialogue with its ecosystem through its commitments as part of industry forums and initiatives (e.g., Global Compact and ETIM). In 2022, Sonepar joined France's Observatory of Corporate Social Responsibility (ORSE) to participate more actively in spreading a CSR reporting culture and principles in large companies. The Group also maintains this dialogue with external stakeholders through local and industry initiatives as well as through formal events such as its Strategic Supplier Event.

5.9 Respecting and promoting human rights

Challenges

The local political and legal context, crises (including human conflicts), natural disasters and pandemics can have a direct effect on human rights and can therefore affect the Group's associates and partners in countries where they carry out their respective business activities.

Governance

In December 2022, Sonepar published its Human Rights Policy. Signed by Sonepar's Chief Executive Officer, this policy is coordinated at the Head Office by the Legal and Compliance Department, which works with internal staff in charge of the different human rights issues, including those described in this Chapter. This Group policy applies to all Countries, which remain responsible for respecting human rights within their own borders and for implementing specific actions adapted to their context.

Solutions

The Group deploys several procedures and actions to promote human rights within its scope of activity:

- measurement and prioritization of risks based on Sonepar's risk maps (global risk map, specific risk map for corruption and influence peddling, specific CSR risk map, human rights risk map, specific risk analysis);
- Code of Conduct, Compliance Policies and Procedures Manual, Supplier Code of Conduct;
- Human Rights Policy, Conflict Minerals Statement;
- whistleblowing procedure open to associates, as well as third parties; after investigation, sanctions are systematically applied to the staff members at fault;
- systematic assessment of business relationships (customers, suppliers, intermediaries, joint venture partners, acquisition targets) based on a risk analysis that includes a monitoring and whistleblowing component related to any "negative" information (particularly, but not limited to, potential human rights violations);
- implementation of regular reporting to the Audit Committee;
- training;
- implementation of special internal control points;
- involvement of the Internal Audit Department.

Sonepar's Human Rights Policy outlines and clarifies Sonepar's human rights commitments, both for its associates and for its value chain, from which it expects adherence to at least the same binding principles.

Action plans

- supplier audits covering human rights issues (own brands);
- monitoring and investigation of human rights and other controversial issues in a Region, Country or sector in which the Group or its suppliers operate;
- actions to raise awareness or supervise the human resources functions at the local level regarding human rights risks in the workplace (harassment, unsuitable pay, excessive working hours, dignity of working conditions);
- Risk Observatory created in 2022, which covers issues relating to Country risk;
- creation of a human rights risk map in 2023.



5.10 Commitments to local communities and stakeholders

Sonepar aims to be a corporate citizen that plays an active role and serves its ecosystem and its stakeholders, at both the global and local levels. Sonepar makes it a goal to have a positive impact on society.

In addition to its internal CSR actions, the Group participates in global initiatives (e.g., the Global Compact - see also Chapter 3) and local initiatives as a member of professional organizations or industry-based initiatives (in particular the French Association of Private Enterprises). Playing a proactive role in the energy transition to create a positive social impact, Sonepar joined the French Observatory of Corporate Social Responsibility (ORSE) in 2023.

The Group is a Global Industry Leader in the Electro-Technical Information Model (ETIM) initiative, with several operating subsidiaries also having joined as members of national ETIM organizations. The ETIM provides a uniform, international classification and information standard for electrical and HVAC products. The organization is involved in changes relevant to the industry. Sonepar plays an active role in determining the structure and content of this model, which is revised every two years. The Group also participates in defining data formats and interfaces for

sharing information generated between electronic systems, under ETIM guidelines.

In 2021, Sonepar joined the PEP-Ecopassport program for environmental declarations of electric, electronic and heating and cooling equipment.

Sonepar’s commitment also shows through charitable and sponsorship initiatives, which serve society or the community of associates and their families. Sonepar leaves each Country, Region or operating subsidiary the latitude to define which solidarity programs to implement or promote in line with its local needs and challenges.

The Head Office has also launched several initiatives to promote charitable organizations, such as donating to Electrical Workers without Borders and a clothing and toy drive at Christmas for underprivileged women and children, with the participation of associates. The Group is also a contributing member of the Air France Flight 447 Victims Association (CGED/CGED Family support).

Dialogue with stakeholders

Stakeholders	Expectations	Dialogue procedures
Civil society	Sonepar’s exemplary business conduct in terms of CSR Reduction of the Group’s environmental footprint Interactions with local communities and residents	Website, social media and publications Integration of external stakeholders into CSR policy (risk mapping, materiality matrix) Participation in sector-based working groups and initiatives Solidarity and sponsorship actions Adhesion to the Global Compact
Customers	Service quality Operational excellence Business ethics and compliance Sustainable purchasing and supply chain resilience	Satisfaction survey (NPS) Customer advice and service Whistleblowing procedure
Associates	Training and skills development Health and safety Diversity and equality Quality of life in the workplace	Annual performance reviews Open Voices satisfaction surveys Social dialogue Code of Conduct Compliance Policies and Procedures Manual Seminars and information meetings Intranet Whistleblowing procedure
Shareholders	Financial performance CSR policy Protection against CSR risks	Ongoing dialogue through the Group’s governance bodies and reporting procedures
Suppliers/ Partners	Cooperation and shared CSR commitments Sustainable relations Waste management and carbon footprint Business ethics and compliance Sustainable purchasing and supply chain resilience	Assessments and qualification processes Supplier Code of Conduct Whistleblowing procedure Supplier Meetings Strategic Supplier Event

Best practices by Country

Make a positive social impact and get involved in the community

Country	Operating subsidiary	Initiative
France	Sonepar SAS	Since 2021, the Head Office has launched several initiatives that give associates the opportunity to contribute to social impact actions, including a professional clothing drive for the charity La Cravate Solidaire, which fights discrimination in hiring, and a personal commitment to participate in a waste collection day on the Seine River with the organization Au Fil de l'Eau, which works to promote professional integration and aquatic biodiversity in the Greater Paris Region. The 2022 event brought together associates and people on professional integration programs.
Spain	Sonepar Ibérica	<p>In Spain, Sonepar Ibérica launched the eighth edition of its scholarship program and continues its training program for associates and customers.</p> <p>Eight years ago, Sonepar implemented its Associate Program (<i>Programa Emplea</i>) in Spain, which aims to improve the employability prospects of young people. Each year, roughly 100 students are welcomed into the program and given internships throughout various departments within the Company. In December 2021, 97 students received their certifications and many of them have since been hired at Sonepar as commercial technicians, administrators, or warehouse operatives. Educational opportunities are also provided to associates already within Sonepar, as eligible candidates can apply to the Company Training Scheme, which offers a wide selection of training courses. This ethos extends beyond the Company's warehouses and offices, as dozens of webinars and technical seminars are also available to their customers.</p> <p>Sonepar Ibérica sponsors the national competition for young installers in Spain</p> <p>From November 15 to 18, 40 young installers participated in the final phase of the national Young Installers Competition held at the MATELEC International Trade Fair for the Electronics and Electrical Industry in Madrid. Participants from all over the country took part in the competition, and Sonepar partnered with FENIE (the Spanish National Federation of Installation Companies), to provide logistics equipment as well as TradeForce tools for the practical exams. 2022 marked the 16th edition of the national Young Installers Competition in which Sonepar Ibérica awarded the first prize to the winner, a 17-year-old installer, who received a check for €2,500 and some equipment.</p>
United States	NorthEast Electrical	<p>NorthEast Electrical launches a student scholarship program</p> <p>NorthEast Electrical announced the launch of a new scholarship program for eligible high school students in New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont). In support of electrical professions, NorthEast Electrical's Diversity, Equity and Inclusion (DEI) Committee designed the program to enable worker diversification in industry vocations.</p>
Italy	Sonepar Italia	<p>Sonepar Italia launches the 18th edition of its training program for young graduates</p> <p>For 18 years, Sonepar Italia has managed Accademia, a training and employment program in partnership with Gi Group, one of the largest employment agencies in Italy. The Sonepar Accademia project starts with a 155-hour training course at Sonepar Italia's head office in Padua, which teaches the basic technical skills required for all participants. At the end of the training period, students continue the program working at branches. Under a temporary employment contract set up by Gi Group, they take a position as a sales assistant, which could lead to a job at the Company. The aim is to provide new graduates with opportunities in a growing industry.</p>





“ Integrity and compliance form the basis of our actions throughout the world, thanks to the unwavering commitment of our associates.

”

6- Governance and Integrity

6.1	Vision and strategy	84
6.2	Cultivating robust and long-term governance	84
6.3	Ensuring and promoting compliance and business ethics	85
6.4	Protecting data, combating cybercrime	90
6.5	Maintaining a robust crisis management system	92

Sonepar firmly believes that integrity, fairness, trust and respect are key levers for generating sustainable growth. The Group views compliance as a source of value creation by improving processes, analyzing and reducing risks, and bringing people together around shared values.

6.1 Vision and strategy

Sonepar endeavors to meet the highest social, environmental and ethics standards and to act responsibly in all its Countries of operation. This goal is expressed through a Compliance Program,

which is part of a continuous improvement process to meet the new challenges facing the Group and its stakeholders.

6.2 Cultivating robust and long-term governance

The impetus and strategic direction for compliance and integrity are determined by Sonepar’s Chairman and Executive Management, under the supervision of the Corporate Board and the Audit Committee.

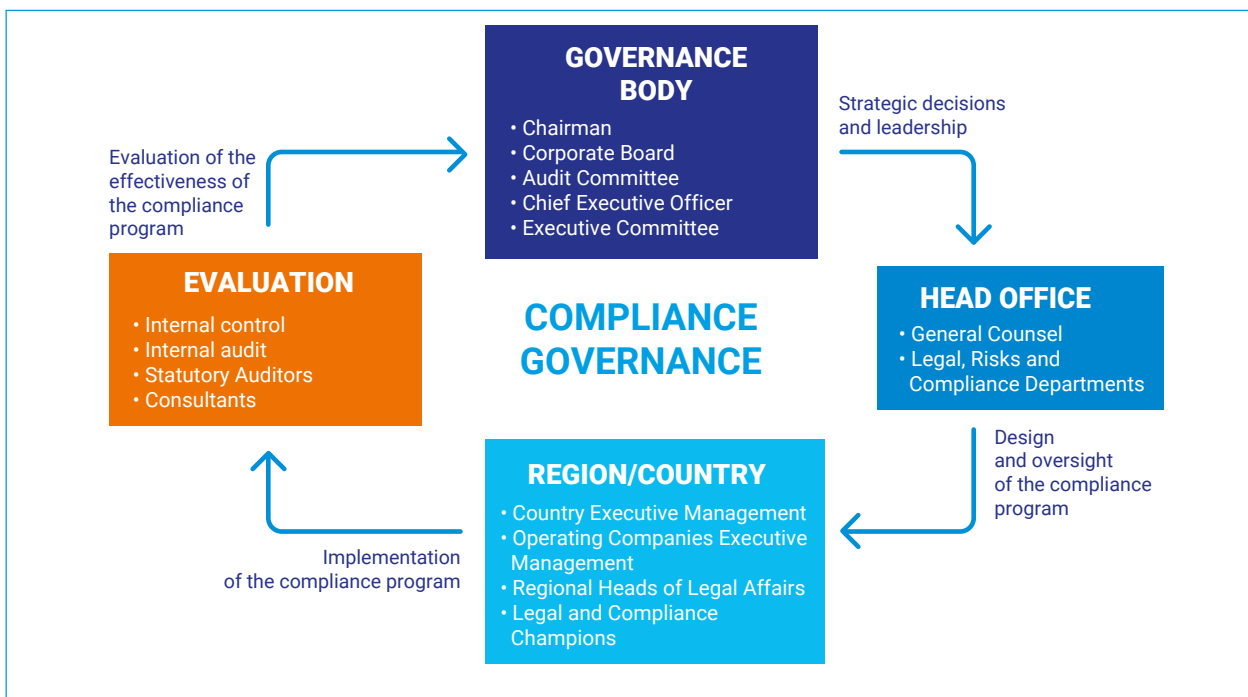
The Group’s compliance and integrity policies come under the responsibility of the Head Office, working with either the Legal and Compliance Department or the Risks and Insurance Department, depending on the issue. Both departments report to the General Counsel and work in liaison with the other functional departments concerned.

Sonepar’s compliance and integrity function is managed operationally by the General Counsel, who in turn reports to the CEO, is a member of Sonepar’s Executive Committee, and attends all Audit Committee meetings. The Vice President Legal and Compliance reports to the General Counsel and presents an annual activity report to the Audit Committee. The Vice President Legal and Compliance promotes the best practices set out in the Code of Conduct and related policies, in collaboration with heads of legal affairs in the Regions and operating subsidiaries.

Regional Presidents work with subsidiary executives in implementing the Compliance Program within their scope. The governance bodies oversee the implementation of policies and procedures at the Regional and local level.

All Sonepar associates and governance bodies take an active role in ensuring that Group standards are met, particularly those set out in the Compliance Program.

Measures to do so are supported by the SILCC, which is made up of legal advisors and “compliance champions” in Group subsidiaries, Countries and Regions. The SILCC implements and monitors projects relating to governance, legal and compliance issues, as well as risk, insurance and, where necessary, security. This network supports Sonepar’s operating subsidiaries in deploying and coordinating the Group Compliance Program, monitors regulations and case law, and shares best practices from the field.



6.3 Ensuring and promoting compliance and business ethics

Sonepar's Compliance Program mainly covers the Group's current policies and rules relating to corruption, influence peddling, competition law, international sanctions, personal data protection and human rights.

This program is the cornerstone of the Group's non-financial policies. It sets out rules and processes that underpin most of Sonepar's social and environmental responsibility actions. The Compliance Program was overhauled in 2020 and has since been expanded in scope to enhance its effectiveness.

It includes:

- the Code of Conduct, translated into 20 languages and available on the Group's website: [Code of Conduct \(sonepar.com\)](https://www.sonepar.com). This document sets out Sonepar's principles and standards in its role:
 - as an employer, covering human rights, bullying, harassment and discrimination, health and safety, privacy and personal data,
 - as a business, covering business integrity, gifts and invitations, conflicts of interest, fraud prevention, fair competition, and supplier selection,
 - as a corporate citizen, covering the environment, contribution to local communities, political contributions and lobbying, international trade control, preventing money laundering, and accurate financial reporting;

- the Compliance Policies and Procedures Manual, for internal use only and available in 15 languages, which supplements the Code of Conduct with detailed policies and procedures in the areas of corruption and influence peddling, anti-trust law, compliance with international sanctions, managing conflicts of interest and personal data protection;
- a Supplier Code of Conduct, which spells out the standards that Sonepar requires from its suppliers, mainly in terms of human rights, working conditions, the environment, health and safety, corruption and competition. The Code is also available on the Group's website: <https://www.sonepar.com/resource/blob/9208/78716a9ce6d2f4d77b1306d80cf080fa/sonepar-code-of-conduct-english-data.pdf>;
- a whistleblowing procedure as detailed below;
- a compliance training program, launched in 2018 and updated regularly, covering corruption, influence peddling, competition law, management of conflicts of interest and fraud. The program consists of adapted e-learning modules that are rolled out for associates considered most at risk due to their position. The program also includes in-person training;
- the Internal Control Manual and Internal Audit Charter, which also provide important assessment and audit guidelines for the Compliance Program.

Policies and procedures applied Group-wide may be supplemented by local policies and procedures.

The Compliance section of Sonepar's intranet offers an easy way for Group associates with intranet access to get information about business ethics, including the Code of Conduct, Compliance Policies and Procedures Manual, Supplier Code of Conduct, whistleblowing procedure and a link to the whistleblowing platform.

6

Governance and Integrity

Ensuring and promoting compliance and business ethics

Some of these documents are also publicly available on Sonepar's website www.sonepar.com.



The Group’s whistleblowing platform is a secure confidential platform administered by a third party and complies with the requirements of the Sapin II Law.

It allows all Group associates and stakeholders to report, in 20 different languages, any suspected violation of the Code of Conduct, the Supplier Code of Conduct, Sonepar’s policies and procedures, or of other applicable laws and regulations.

It is accessible internally and externally via the link <https://sonepar.integrityline.com/frontpage>.

Associates are invited to inform their manager of any violation they report.

If an associate is uncomfortable sharing concerns with their manager, they can contact the human resources Department (either at Headquarter or local level) or the General Counsel (groupcompliance@sonepar.com).

The following categories are covered in particular:

- respect for human rights;
- combating discrimination;
- combating harassment;
- combating fraud;
- combating corruption and influence peddling;
- managing conflicts of interest;
- international sanctions and embargoes;
- data privacy;
- human resources
- health and safety;
- the environment;
- any crimes or offenses.

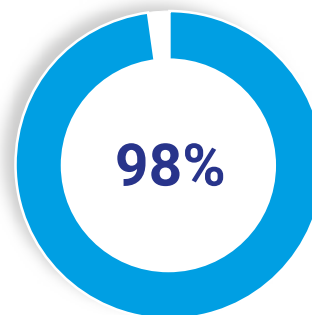
The Group guarantees confidentiality and has a non-retaliation policy.

Typology of alerts	2022
Total number of alerts received	48
Author of the request	
Associates	15
Third party	4
Anonymous	29
Subject of the request	
Management of conflicts of interest	3
Combating discrimination	2
Combating fraud	5
Combating harassment	8
Health, safety and security	5
Combating corruption	2
Human resources	18
Compliance with international sanctions	1
Non applicable	3
Other	1
Region	
Asia-Pacific	2
South America	15
North America	18
Western Europe	6
Northern Europe & Nordic countries	5
France	2



Key figure

98% of the team leaders surveyed in the 2021 Open Voices associate satisfaction survey felt that compliance with applicable laws, regulations and procedures at Sonepar is taken seriously within their operating subsidiary.



DASHBOARD

DEPLOYMENT OF THE "SAPIN II" COMPLIANCE PROGRAM

PILLAR	SUMMARY OF THE OBLIGATION
 <p>1 CODE OF CONDUCT</p>	Preparation and rollout of a Code of Conduct defining and providing examples of the different types of practices that must be avoided in so far as they are likely to fall within the scope of corruption or influence peddling.
 <p>2 INTERNAL WHISTLEBLOWING SYSTEM</p>	Implementation of an internal and external whistleblowing system.
 <p>3 CORRUPTION AND INFLUENCE PEDDLING RISK MAPPING</p>	Preparation and updating of a corruption and influence peddling risk mapping.
 <p>4 THIRD-PARTY ASSESSMENT PROCEDURES</p>	Implementation of procedures for assessing where customers, first-tier suppliers and intermediaries are situated with respect to the corruption and influence peddling risk mapping.
 <p>5 ACCOUNTING CONTROL PROCEDURES</p>	Implementation of accounting control procedures.
 <p>6 TRAINING SYSTEM</p>	Implementation of a training program for managers and staff most exposed to risks of corruption and influence peddling.
 <p>7 DISCIPLINARY SYSTEM</p>	Implementation of a disciplinary system to sanction employees for breaches of the Code of Conduct.
 <p>8 INTERNAL CONTROL AND ASSESSMENT SYSTEM</p>	Implementation of an internal control and assessment system for the measures in place.

STATUS/COMMENT

- Code of Conduct, translated into 20 languages and available on the Group's intranet and website.
- Distributed to and accepted by all employees.
- Supplemented by a Compliance Policies and Procedures Manual, translated into 15 languages and available on the Group's intranet.
- Code of Conduct dedicated to the Group's Suppliers.



98.3% of associates have access to the Code of Conduct in at least one official language of their country

100% of associates have received and read these documents

100% of strategic suppliers have signed the Supplier Code of Conduct

100% of risks identified in the corruption risk map are addressed in the Code of Conduct

- Dedicated alert policy, procedure and external (multilingual) platform.
- All proven alerts are subject to appropriate corrective and/or preventive measures.

222 alerts received since 2018, including 48 in 2022

100% of alerts processed

88% of employees and 95% of team leaders say they are comfortable raising concerns about suspected breaches of applicable laws and regulations and Sonepar's Code of Conduct and policies (Open Voices 2021 employee satisfaction survey)

- 5 updates to the corruption and influence peddling risk mapping since introduction of the Sapin II law.
- The last update (2020) involved over 90 associates from 35 countries (representing 99% of the Group's sales) and led to the identification of 26 specific risks.
- 16 Group action plans formulated in 2021 and rolled out in 2022.
- Another update of the risk map for corruption and influence peddling is scheduled in 2023.

88% of 2021 action plans carried out by the end of 2022

99% of action plans from the previous update (2018) carried out

- Implementation in 2020 of a Group policy incorporating the principles of the guidelines issued in July 2018.
- Use of specialized databases (Dow Jones Risk Center, Bureau Van Dijk Compliance Catalyst, Trace, AML Risk for Latin America).
- Twice-yearly monitoring of key indicators.
- Over 15,000 legal entities assessed.



100% of acquisition targets assessed

100% of intermediaries approved

100% of major suppliers assessed

- 60 Internal Control points related to the Sapin II law, including 2/3 Accounting Controls in the 2022 Internal Control Manual.
- Internal Control Manual revised annually.
- Rollout of the Concur expense report tracking software launched in 2020 and Eye2Scan software (data analytics tool).



33 Internal Control points related to the Compliance Program dedicated to accounting controls

Concur and Eye2Scan deployed in 22 countries and two countries, respectively.

- E-learning modules for employees on anti-corruption and influence peddling and global conflicts of interest, as well as awareness-raising and on-the-job or remote training.
- Compliance posters displayed at all Group sites across the world.



45,617 associates trained since 2018

100% rollout of compliance posters

- Disciplinary system for all French operating entities taking into account the Group Code of Conduct.
- Corrective measures are applied in the event of a breach.



100% of proven alerts have had corrective measures applied

30 disciplinary sanctions since 2018, including 6 in 2022

100% of French entities with a disciplinary system

- 26 dedicated Group Anti-Corruption Compliance Program audits carried out since 2018, covering 97% of the Group's sales by the end of 2022. These are in addition to the Governance audits carried out each year.
- Twice-yearly Legal/Compliance/Risk/Internal Control/Internal Audit meetings to monitor the Group's compliance KPIs.
- Interim engagements by Statutory Auditors.



97% of Group sales audited by end-2022

1 "red" audit only since 2018, the main points of which have already been remedied

19 control points related to the Sapin II law in the 2022 Internal Control campaign



Complying with competition law

The Compliance Policies and Procedures Manual published in 2020 includes a Fair Competition Policy detailing the basic principles of competition law (prohibition of cartels, supplier and customer agreements, abuse of dominant position, mergers), challenges and sanctions, appropriate conduct and actions to avoid. These principles are illustrated with concrete examples.

Sonepar offers a training module on competition law. It rounds out the Code of Conduct and Compliance Policies and Procedures Manual, which set out applicable rules and examples of anti-competitive practices. Since its launch, 24,171 associates still present within the Group have been trained in this e-learning program, which is aimed at associates most at risk due to their position. Special training is also organized in person or in webinars.

International sanctions

The Compliance Policies and Procedures Manual also includes an International Trade Control Policy, which specifies procedures for

conducting business with a country or third party subject to international sanctions or economic restrictions. These may include economic sanctions such as an embargo on a country (North Korea) or restrictions limited to a business sector or specific goods. Sanctions may target identified individuals or legal entities, by restricting business carried out with them, or specific regulated goods. For example, some subsidiaries may export goods that are classified as dual-use items, meaning that they can have both civilian and military applications. These goods require a specific license to be exported to certain countries. Any such project must be submitted, reviewed and approved in advance by the head of legal affairs in the Country or Region in question.

A dedicated e-learning module will be rolled out in 2023 to help associates working in export procedures to better understand risk situations⁽¹⁾. This training is mainly designed for sales representatives, Country Managers, legal managers, compliance champions, and Risk Management and Insurance Managers. To prepare for the rollout of this module, webinars are being led by the Legal and Compliance Department.

6.4 Protecting data, combating cybercrime

Challenges

The information systems and data disclosed by the Group's partners are essential for managing Sonepar's strategy and growth. Remote working and the digital transformation increase threats and expose significant cybersecurity risks. Sonepar is taking proactive measures to protect its business and safeguard personal data and the strategic, commercial and financial information most exposed to these risks.

Strategy and policies

Coordinated by the IT Security Director, who reports to the Chief Transformation Officer and Executive Committee member, Sonepar launched a tactical action plan in 2020, designed around 13 cyber-hygiene practices. The plan is aimed at reducing the probability that a security incident could affect the Group's main Countries.

It is supplemented with a strategic roadmap structured around five projects: Secure Digital Workplace, Security Operation Center, Critical Infrastructures, Digital Factory & Omnichannel, and Data Protection. The roadmap consists of measures to be carried out by the Group and by the IT teams in Group Countries and operating subsidiaries. It is planned out over three years and reviewed annually.

The tactical action plan has been translated into minimum safety rules for Countries and operating subsidiaries. These rules are reviewed annually and completed after the projects from the strategic roadmap have been implemented. A set of documents on the Group's security policy is currently being drafted.

In its Compliance Policies and Procedures Manual, Sonepar formally defined its personal data protection policy for associates with regard to data processed by Sonepar SAS. A Data Protection Officer (DPO) was appointed in 2022. The DPO covers the scope of processing operations for Sonepar SAS, the Group and subsidiaries for which Sonepar SAS handles legal affairs.



(1) The deployment of this new module, initially planned for 2023, has been delayed due to problems with the migration of digital systems.

KPI	SCOPE	2022
Percentage of employees with access to the personal data protection policy (data processed by Sonepar SAS)	Group	100%
Number of personal data policies in place	Sonepar SAS and Sonepar International SAS	6
Percentage of up-to-date personal data policies	Sonepar SAS and Sonepar International SAS	83.33%
Percentage of cybersecurity engagements that include a personal data protection component	Audits carried out by Sonepar SAS Internal Audit	100
Number of requests received by HR/personal data representatives from data subjects wishing to exercise their data protection rights	Group*	20
Requests by category of data subject:		
→ from customers	Group*	12
→ from suppliers		1
→ from candidates		3
→ from employees		1
→ from former employees		3

* Dashboard based on 20 Group countries.

Action plans and goals

• Cybersecurity

Countries and operating subsidiaries send a monthly dashboard report to track progress on the strategic roadmap. Individual follow-up sessions by Country are organized every quarter.

In 2023, the cybersecurity roadmap for 2024 and beyond will be defined based on a maturity assessment and risk analyses.

Cybersecurity goals are set to protect the organization against three main types of risks:

- interruption or disruption of operations due to a security incident;
- interruption or disruption of online activities due to a security incident on webshops;
- loss or theft of strategic or personal data.

• Personal data protection

Sonepar has appointed a DPO at the Head Office level tasked with coordinating and laying down common Group-wide personal data protection guidelines, supported by a network of correspondents across the operating subsidiaries. These steps aim to:

- provide a Group-wide personal data protection standard;
- ensure compliance with legal frameworks across the Group's entire scope, through local compliance officers.

Sonepar SAS launched an extensive update of its personal data processing register in 2022 using its dedicated digital tool. This update helps calibrate and prioritize the actions needed regarding personal data protection. Careful attention is paid to the tools that process the most personal data (namely the HRIS).

Sonepar will continue to document its personal data protection processes and policies in 2023.

International transfers of personal data within the Group are subject to a special internal agreement along with standard contractual clauses applicable to personal data transfers outside the European Union. All Group entities are party to this agreement.

The Group's personal data correspondents are responsible for sharing best practices and monitoring regulations.

Managing cyber attacks

In 2022, the Group, like most organizations, was the target of various cyber attacks or threats to vulnerabilities. However, only one cyber attack was reported last year at a recently acquired operating subsidiary in India that had not yet deployed all of the Group's cyber security solutions.

Thanks to the creation of a CyberSOC (Security Operations Center that operates 24/7 and covers the entire Group), these breaches can now be detected earlier and handled according to an incident response plan. In parallel, the Group has continued to develop its crisis management processes.



6.5 Maintaining a robust crisis management system

Challenges

Action is needed to strengthen the collective effectiveness of risk management in response to current challenges of the value chain and the surge of certain threats. For the Group, these challenges are accentuated by:

- the internal business context, combining sustainability issues, strong organic growth and growth through acquisitions, digital and organizational transformation;
- exogenous factors, such as escalating dangers (geopolitical and social unrest, global warming, cyber and health risks, etc.);
- current trends on the commercial insurance and reinsurance market.

Both the pandemic and the war in Ukraine have emphasized the importance of crisis planning, which involves identifying risks ahead of time and implementing prevention measures, combined with a robust crisis management strategy and business continuity plans.

As some risks become systemic, risk management is more indispensable than ever in navigating complex and changing environments. It contributes to maintaining the Group's performance and resilience by making effective use of various tools and methods, including insurance.

Tools and action plans

- business continuity plans and business resumption plans defined and maintained locally;
- systems reviewed by the Internal Control and Internal Audit teams;
- development of the crisis management system for dealing with cyber risks.





“ Sonepar’s oversight policy aims to identify, prevent and mitigate the risks posed by its business and that of its stakeholders on the planet, local communities and the population.

”

7- Oversight

7.1	Scope	96
7.2	Coordinating policy	96
7.3	Identifying risks	97
7.4	Risk management actions	102
7.5	Whistleblowing procedure	103

As a responsible organization that takes stakeholder expectations into careful consideration, Sonepar implements an oversight policy to identify, prevent and mitigate risks of major human rights, environmental, and health and safety violations associated with its activities and its suppliers' activities. This policy is in line with its ethical commitments and its CSR strategy. Today, oversight is a prerequisite for guaranteeing the long-term viability of Sonepar's activities and enables the Group to anticipate future regulatory requirements.

Sonepar fully understands the importance of these issues. Consequently, despite being a simplified joint stock company (SAS), it is determined to model its oversight policy after the French law of March 27, 2017 on the duty of care of parent companies. This proactive initiative will prepare the Group for compliance with the EU's Corporate Sustainability Reporting Directive (CSRD).

7.1 Scope

Sonepar's oversight policy covers its own activities and the activities of its consolidated operating subsidiaries and suppliers⁽¹⁾.

With 44,273 associates, 96% of whom are on permanent employment contracts, the Group operates in 42 countries, mainly through local, integrated and sustainable sites. The Group works closely with its customers and the community. Sonepar forms lasting relationships based on trust with its partners and suppliers. Inherent to its business philosophy, these factors help the Group to manage the risks associated with the duty of care.

The Group's business model, which appears in Chapter 1, section 1.1 is based on the B2B distribution of electrical equipment, solutions

and services. Close attention is therefore paid to core business suppliers (electrical equipment manufacturers), to safeguard against current CSR risks and ensure compliance with applicable regulations.

Sonepar's oversight policy is designed to ensure compliance with social, societal and environmental risk prevention and mitigation requirements at all Group operating subsidiaries. Oversight is a continuous improvement process driven by the Headquarters through its subsidiaries, which are responsible for implementing policy.

7.2 Coordinating policy

The Group's oversight policy is coordinated by the General Counsel, in close collaboration with the Group Communications and Sustainability Department and Human Resources Department.

It draws on various internal and external standards and guidelines, including:

- internal reference documents (Code of Conduct, Compliance Policies and Procedures Manual, Supplier Code of Conduct, and other procedures and policies applicable to the whole Group);
- Group risk mapping: CSR risk map, global risk map, corruption and influence peddling risk map: human rights risk map;
- Conflict Minerals Statement published in September 2022;

- Human Rights Policy adopted in December 2022;
- external standards: United Nations Global Compact principles, UN Guiding Principles on Business and Human Rights.

As of 2023, the policy will incorporate the findings from the human rights risk mapping process. It will also inform the development and design of the Group's future Sustainable Purchasing Policy and serve in the review of the third-party assessment procedures.

The oversight policy will be integrated into the mapping of the Group's major risks starting in 2024, as part of its update and based on a standardized risk assessment methodology.

(1) As Sonepar does not subcontract on a regular basis, this aspect was not specifically addressed.

7.3 Identifying risks

7.3.1 Identifying risks

In line with its oversight policy, in 2021 Sonepar initiated a process to identify and assess the major inherent CSR risks generated by its own activities and the activities of its suppliers. This will enable the Group to analyze in more detail and systematize the measures aimed at limiting the occurrence and consequences of these risks, with a view to continuous progress.

The Legal and Compliance Department led the risk mapping process with the support of the Risks and Insurance Department, Human Resources Department and Communications and Sustainability Department.

The entire exercise was developed in collaboration with the Group's internal and external stakeholders listed below.

Internal contributors

- Sonepar's CSR Managers and buyers;
 - representatives from other key functions associated with CSR (risks and insurance, digital, logistics, purchasing, etc.);
 - associates from the Group's Legal and Compliance, Human Resources and Sustainability networks (materiality matrix).
- All of Sonepar's Regions were represented through these contributors.

External contributors

- Sonepar worked with a range of external contributors, including:
- customers;
 - suppliers;
 - a logistics company;
 - Colam Entreprenre, Majority Shareholder of Sonepar;
 - an insurance company;
 - financial institutions.

7.3.2 Risk assessment process

Sonepar has pre-identified 70 risks associated with the three major issues of oversight: human rights, health and safety, and the environment. Thirty of these 70 risks were deemed relevant to its activity or the activity of its suppliers. A special risk map was developed for corruption and influence peddling risks.

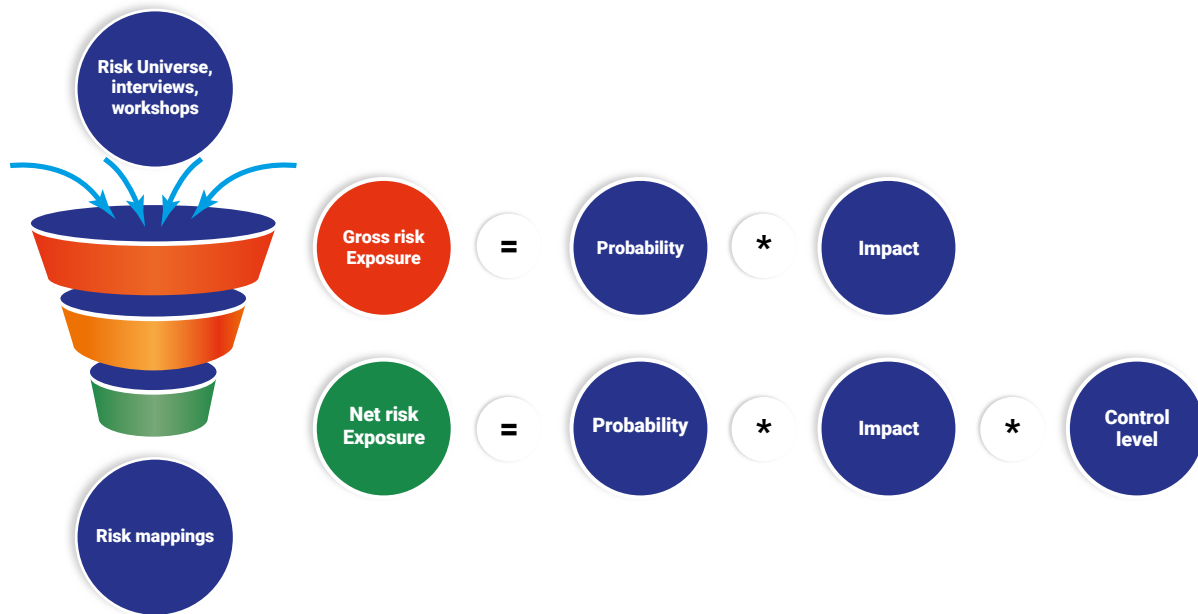
Major risks are risks reported by at least 50% of the stakeholders surveyed, while significant risks are those reported by more than 25% of the stakeholders surveyed.

These inherent risks were assessed via a questionnaire and a set of interviews with selected stakeholders. The findings of this assessment were used to rank risks into three categories in order of priority:

The development of a specific map on human rights began in late 2022. It aims to deepen the analysis of human rights risks already carried out as part of the CSR risk mapping process and to identify in greater detail the most significant human rights risks in relation to the Group's activities and those of its suppliers. In 2023, risks will be mapped out for the Countries, operating subsidiaries and suppliers most at risk (determined especially by country of operations or supplier location, number of associates, volume and type of purchases).

- major risks;
- significant risks;
- lesser risks.





7.3.3 Major risks identified

Major risks associated with the Group’s activities, in order of priority

Risk category/Issue	Type of risk	Description of risk	Policies/Actions
Human rights	1. Poor or non-existent crisis management system	Operating in more than 40 countries, the Group may have to deal with different crises (geopolitical, economic, social, climatic, etc.) on a local or regional scale. To protect the health, safety and rights of associates, local and neighboring communities, and the environment, an appropriate and effective crisis management system is needed to prevent these risks and limit their impact should any of them materialize.	Risk mapping Code of Conduct Adhesion to the Global Compact Risks monitored at Country level Inventory of existing crisis management systems in 2022, and in 2023 a formal definition and tooling of the Group’s crisis management program and the tools necessary to implement it
Environment	2. Climate change	Sonepar’s business may contribute to or be affected by climate change. This impact must be minimized, particularly as part of the policy to reduce GHG emissions or adapt operating sites.	GHG assessment of the three Scopes Trajectory to reduce greenhouse gas emissions validated by the SBTi (Scopes 1, 2 and 3) Energy Transition Academy Green Offer Tool implemented to analyze the impact of climate change at Group sites

Risk category/Issue	Type of risk	Description of risk	Policies/Actions
Health and safety	<p>3. Occupational accidents</p> <p>4. Poor health and safety conditions in the workplace</p> <p>5. Safety rules and protective equipment non-existent or ill-adapted to the site or the person's position</p> <p>6. Buildings or facilities that do not meet adequate safety standards</p>	<p>Some of Sonepar's activities, especially transport and logistics, can lead to occupational accidents.</p> <p>Sonepar associates must work in conditions that comply with safety standards. Their workstations and facilities must also comply with safety standards and be maintained on an ongoing basis.</p> <p>Poor health and safety conditions in the workplace can cause personal injury and eventually lead to serious health disorders or safety incidents for associates.</p> <p>The same applies to buildings and facilities where Sonepar operates, which must meet adequate health and safety levels, and in any event comply with applicable standards and laws, in order to limit the risk of injury or illness for associates, visitors and local residents.</p>	<p>Safety rules communicated to associates, depending on the site and the person's position</p> <p>Risk monitoring at Country level</p> <p>Whistleblowing procedure</p> <p>HSSE efforts in progress (to build a Group policy and structure)</p>
Environment	7. Poor or non-compliant waste management	<p>The management of waste from upstream and downstream packaging of products or equipment sold by Sonepar can have a major impact on the environment, as can end-of-life equipment and products sold.</p> <p>Reducing packaging, developing and optimizing recycling, emphasizing more sustainable products and recovering waste should limit this risk.</p>	<p>Compliance with regulations</p> <p>Branch collection systems for end-of-life equipment</p>
Environment	8. GHG emissions	<p>The products sold by Sonepar and the Group's logistics and distribution activities generate GHG emissions.</p> <p>These emissions must be controlled and limited to reduce the impact of Sonepar's activities on the climate and its consequences for the planet.</p>	<p>Carbon footprint assessment (Scopes 1, 2 and 3)</p> <p>Trajectory to reduce GHG emissions validated by the SBTi (Scopes 1, 2 and 3)</p>



Major risks associated with the activities of the Group’s suppliers, in order of priority

Risk category/Issue	Risk	Description of risk	Mitigation measures
Environment	1. Climate change 2. GHG emissions	The production and transport of equipment distributed by Sonepar generates GHG emissions. These emissions must be controlled and limited to reduce the environmental and climate impact of all upstream processes in Sonepar’s value chain.	Contribution of suppliers to the Group’s GHG policy Contribution of suppliers to the Green Offer Carbon footprint assessment Trajectory to reduce GHG emissions validated by the SBTi (Scopes 1, 2 and 3) Supplier Code of Conduct
Environment	3. Poor management of natural resources (inefficient, inadequate, non-compliant, etc.)	The production of electrical equipment requires resources and energy which are inherently finite and can cause serious environmental damage if not used in an efficient, controlled and environmentally friendly manner.	Regular discussion with suppliers Supplier audits (own brand activity) Supplier Code of Conduct Green Offer* Circular economy
Human rights	4. Child labor	Sonepar’s suppliers are located all over the world. Child labor risks may exist in some Regions. Knowledge of suppliers and the economic and political environment in which they operate should limit this risk, which the Group deems unacceptable.	Supplier Code of Conduct Whistleblowing procedure open to external parties Supplier audits (own brand activity) Human rights policy Third party assessment Human rights risk mapping (starting in 2023) Adhesion to the Global Compact
Health and safety	5. Poor employee health and safety conditions	The associates of Sonepar’s suppliers must work in conditions that comply with safety standards. Their workstations and facilities must also comply with safety standards and be maintained on an ongoing basis. Poor health and safety conditions in the workplace can cause personal injury and eventually lead to serious health disorders or safety incidents for associates.	Supplier Code of Conduct Whistleblowing procedure open to external parties Supplier audits (own brand activity) Compliance with the health and safety rules implemented by operating subsidiaries Technical prevention program with site audits Human rights policy
Environment	6. Activity presenting a major threat to the environment	Some activities involved in manufacturing products distributed by Sonepar may inherently cause a serious threat to the environment, in particular accidental pollution (chemical risk, risk of explosion, etc.). The Group must be aware of these risks and manage them to prevent such threats.	Supplier audits (own brand activity) Supplier Code of Conduct Whistleblowing procedure open to external parties
Environment	7. Poor or non-compliant waste management	Inappropriate management of industrial waste and waste from upstream packaging of products or equipment by Sonepar’s suppliers can have a major impact on the environment. Reducing packaging, and developing and optimizing recycling and waste recovery should limit this risk.	Regular discussion with suppliers Supplier audits (own brand activity) Supplier Code of Conduct Whistleblowing procedure open to external parties

* Green Offer: pilot launched in September 2022.

Risk category/Issue	Risk	Description of risk	Mitigation measures
Health and safety	8. Poor health and safety conditions in the workplace (warehouses, etc.)	The buildings and facilities where suppliers operate must meet adequate health and safety levels, and in any event comply with applicable standards and laws, in order to limit the risk of injury or illness for associates, visitors and local residents.	Supplier Code of Conduct Supplier audits (own brand activity) Whistleblowing procedure open to external parties Human rights policy
Human rights	9. Forced labor	As Sonepar's suppliers are located worldwide, the Group cannot rule out the risk of people involuntarily being required to perform work or provide a service under duress. Knowledge of suppliers, their economic and political environment, and their sources and means of recruitment should limit the risk of forced labor in Sonepar's upstream value chain.	Adhesion to the Global Compact Supplier audits (own brand activity) Whistleblowing procedure open to external parties Supplier Code of Conduct Human rights policy Human rights risk mapping (starting in 2023)
Environment	10. Soil pollution	Equipment production and management of the resulting waste can create a major risk of localized soil pollution. Suppliers must manage this risk to limit its occurrence and impact.	Regular discussion with suppliers Supplier Code of Conduct Green Offer* Circular economy Crisis management process
Health and safety	11. Occupational accidents	Supplier activities, especially production and logistics, can lead to occupational accidents. The implementation of measures that both ensure health and safety for workstations, buildings and facilities and preserve the health of associates should prevent this risk and limit its consequences.	Supplier Code of Conduct Discussion with suppliers Supplier audits (own brand activity) Human rights policy

* Green Offer: pilot launched in September 2022.

7.4 Risk management actions

7.4.1 Concerning the Group's activities

Human rights issues

In 2022, Sonepar adopted a specific Human Rights Policy, to round out its Code of Conduct and its adherence to the Global Compact. This policy details the Group's human rights commitments to its associates, business partners and suppliers.

In 2023, human rights risks will be mapped out based on this framework on a representative scope of the most exposed activities. This will enable operating subsidiaries to determine their specific risks and the priority actions that should be implemented.

This new program builds on long-standing policies and actions to promote:

- ethics and compliance of Group activities and its associates (see also sections 6.3 and 6.4);
- quality of life in the workplace and associate engagement (see also section 5.5);
- diversity and inclusion (see also section 5.6);
- local communities and dialogue with stakeholders (see also section 5.10).

Key actions in 2022:

- A major project to formally articulate Sonepar's Purpose (*raison d'être*) was launched to:
 - state what makes the Group unique, its distinctive strengths, and what it brings to the world;
 - defend causes that are important to the Group and sometimes have an impact beyond the Company's framework;
 - define strong ambitions for the Company;
 - create a bond and a sense of belonging and pride for each associate.
- The diversity and inclusion strategy was significantly strengthened, with the creation of a dedicated Committee; communities of diversity and inclusion champions were formed; awareness and training actions were launched; and the roadmap and monitoring indicators were defined.
- A Data Protection Officer (DPO) was appointed.
- The Human Rights Policy was published in December 2022, on International Human Rights Day.

Relevant monitoring indicators:

- participation in the 2021 Open Voices associate satisfaction survey: 71% participation rate;
- percentage of women executives at Sonepar: 15%
- target 2026: 35% women in the Group workforce.

Health and safety issues

Protection and prevention actions concerning the health, safety and wellbeing of our associates worldwide is a constant priority for the Group.

To reduce operational risks as effectively as possible, health and safety strategies and action plans are defined and implemented at the local level. These preventive measures include defining and communicating safety rules adapted to associates' sites and positions, providing appropriate personal protective equipment, training and raising awareness. At Group level, risk prevention audits, including safety risk audits, are performed at representative sites and result in recommendations for improvement.

Relevant monitoring indicators:

- number of risk prevention audits conducted in 2022: 16;
- 95% of the Sonepar team leaders surveyed felt that measures were in place to avoid security risks within their entity (2021 Open Voices associate satisfaction survey).

Environmental issues

To contribute to reducing its carbon footprint throughout its value chain, Sonepar is capitalizing on its leadership as an electrical distributor. The Group is well positioned to promote and develop sales of energy-efficient solutions that are better for the environment, without compromising the health and safety of people and property. Sonepar pledges to mobilize and work with its partners and suppliers to accelerate progress towards the Net-Zero Standard for CO₂ emissions and waste (targets from the Planet pillar of its "Impact" strategic plan).

The overarching aims of the Group's environmental strategy are:

- the Green Offer, the first-ever solution to help customers measure and reduce their impact and remain a leader in the B2B sale of sustainable solutions;
- engagement, with an Energy Transition Academy that trains all associates to reduce their impact and to encourage customers to adopt better practices;
- transformation, to reduce its impact on emissions and waste and set an example.

Key actions in 2022:

- GHG reduction commitments aligned with the 1.5°C (Scopes 1 and 2) and 2°C (Scope 3) trajectories were validated by the SBTi;
- The Green Offer, aimed at three objectives to improve climate performance, was officially launched in September 2022.

Relevant monitoring indicators:

- at December 31, 2022, 31,000 associates had received training from the Energy Transition Academy, representing 70% of the Group's workforce.
- GHG emissions reduction targets and performance:
 - Scopes 1 and 2 (FY 2022): 15.7%/Target of 12.6%;
 - Scope 3 (FY 2022): 18.2%/Target of 3.7%;
- 1,314 metric tons of products (WEEE) recovered from branches and recycled in 2022, a decrease of 13% compared to 2021.

7.4.2 Concerning the Group's purchases

With more than 100 distribution brands operating in some 40 countries, Sonepar is an essential link in the value chain of the electrical ecosystem. The Group aims to establish its position as a trusted partner to its suppliers, customers and end users. Sonepar's suppliers and partners contribute to the Group's growth through their capacity for innovation and their high standards of product quality and compliance. As a multi-specialist in cutting-edge electrical products and solutions, Sonepar requires its suppliers to meet the highest standards of business ethics and human rights.

Sonepar has developed a series of measures in order to exercise its duty of care with regard to its suppliers' practices:

- its Supplier Code of Conduct, which suppliers are required to adhere to. It specifies the level of compliance expected from Group suppliers. It includes sections on human rights, working conditions, the environment, health and safety. In 2022, the Code was supplemented with the Human Rights Policy, which sets out the standards the Group expects from its business partners;
- CSR assessments via the EcoVadis platform (gradual deployment starting end-2022);
- systematic assessments of third parties (customers, suppliers, intermediaries) based on a multi-criteria risk analysis that

contains a monitoring and whistleblowing component related to any "negative" information (including human rights issues);

- specific, stricter actions as part of its "own brand" activity. Cross-functional audits of suppliers covering work conditions, health and safety, and the environment are conducted on this scope. Suppliers that fail to meet mandatory requirements are not retained;
- monitoring and investigation of human rights and other controversial issues in a Region or sector in which Sonepar or its suppliers operate;
- third-party access to the whistleblowing procedure.

At the end of 2022, the Group launched a project to define a Group-wide Sustainable Purchasing Policy that will be implemented starting in 2024.

The human rights risk mapping exercise initiated in 2022 will also identify risks related to Sonepar's suppliers at several levels: specific analysis of the Group's strategic suppliers, support for operating subsidiaries in identifying their own risks from their direct purchases.

7.5 Whistleblowing procedure

Sonepar has an ethics whistleblowing procedure open to all associates, partners and third parties who want to report suspected violations of the Code of Conduct, the Supplier Code of Conduct, Sonepar's Compliance Policies and Procedures Manual. The platform is confidential, secure and administered by a third party. <https://sonepar.integrityline.com/frontpage>. See also section 6.3.





“ For the first time, Sonepar is presenting a report of the independent third-party organization on the consolidated declaration of non-financial performance.

”

8- Non-Financial Reporting

8.1	Report of the independent third-party organization on the consolidated declaration of non-financial performance	106
8.2	Non-financial indicators	110

8.1 Report of the independent third-party organization on the consolidated declaration of non-financial performance

Report by one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement

For the year ended 31 December 2022

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Annual General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884⁽¹⁾, we have undertaken a limited assurance engagement on the historical financial information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31st, 2022 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures we have performed, as described under the "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comments

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- The results presented do not allow to assess the effectiveness of the HSSE policy. The Group is committed to initiate a process to consolidate and harmonize health and safety indicators, as described in section "5.7 Guaranteeing associates' health and safety" of the Declaration;
- Improvements are required in the organization of reporting, particularly in the application of procedures and the control of the information.

Preparation of the non-financial performance Statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters.

Inherent limitations in preparing the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the entity

Management of the Entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators;
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Company's Management

(1) Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- The fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information".

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on the entity's compliance with other applicable legal and regulatory provisions (particularly with regard to vigilance plan) and the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, "Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière", acting as the verification program, and with the International Standard on Assurance Engagements 3000 (revised)⁽¹⁾.

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of seven people between February 2023 and March 2023 and took a total of twelve weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about twenty interviews with the people responsible for preparing the Statement.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Concerning certain risks⁽²⁾, our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities⁽³⁾.

(1) ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

(2) Sustainable purchasing and supply chain resilience, Business ethics and Compliance, Cybersecurity and personal data protection, Fight against climate change, Product quality and safety/User health and safety, Transparency and responsible governance, Quality of customer service, Crisis management

(3) Sonepar France, Sonepar Deutschland GmbH, Sonepar Netherlands (Technische Unie and Van Egmond Group)

- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities⁴ and covers between 23% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, on 21 March 2023

KPMG S.A.

Michel Piette
Partner

Fanny Houlliot
ESG Expert
KPMG France ESG Center of Excellence

Appendix

Qualitative information (actions and results) considered most important

Employee satisfaction survey

Prevention Audit Programs

Human rights procedures

Certification and other diversity and inclusion initiatives

Training and other arrangements for employee development and engagement

Initiatives to promote responsible resource management

Practices to promote energy transition

Sponsorships and other initiatives for associations

Procedures to ensure compliance with ethical and social standards

Training and other measures to promote employee development and commitment

Key Environmental performance indicators and other quantitative results considered most important

Waste Electrical & Electronic Equipment (WEEE) collected

Waste produced by the Group's own activities (cardboard, wood, paper, plastic)

Greenhouse gas emissions - scope 1

Greenhouse gas emissions - scope 2

Greenhouse gas emissions - scope 3

Share of renewable energy purchased and produced - "Impact" strategic plan scope

Key Social performance indicators and other quantitative results considered most important

Workforce as of 31/12 with breakdown by gender, geographic area and age group

Number of hires

Number of departures

Number of employees who are shareholders (via Sonepack)

Number of employees who hold exercisable rights and/or Sonepack shares to date

Percentage of Sonepar capital indirectly held by Sonepar employees

Absenteeism rate

Key Societal performance indicators and other quantitative results considered most important

Number of alerts received

Number of actions in the cyber strategic roadmap (2021-2023)

Number of losses involving own-brand products

Evaluation rate of major suppliers and acquisition targets

Customer satisfaction rate (net promoter score) - "Impact" strategic plan scope

Number of IT security-related crises

8.2 Non-financial indicators

Cross-reference table

Category	Topic or Indicator	2020	2021	2022	Target
I. Environmental information					
A) General environmental policy					
Environment	Company's organizational structure to take into account environmental issues and, where applicable, environmental assessment or certification procedures	-	N/A	See section 4	Deployment of a Group environmental policy by 2024
Environment	Number of associates who have taken the Energy Transition Academy training course	-	27,000	31,000	2023: 100%
B) Pollution					
Environment	Measures to reduce the impact of the entire supply chain from manufacturer to end customer			Launch of the Green Offer and the Customer Impact Tracker See section 4	
C) Circular economy					
Environment	Waste prevention and management	-		Deployment of the Customer Impact Tracker See section 4.5 and indicators below	
Environment	Sustainable use of resources	-		See section 4.5 and indicators below	
Environment	Products recovered from branches and recycled (WEEE) in metric tons ⁽¹⁾	1,412	1,514	1,314 ⁽²⁾	-
Environment	Waste produced by the Group's own business operations (cardboard, wood, paper, plastic) in kt ⁽³⁾	37	36	42 ⁽⁴⁾	2030: -13.5% (compared with 2019 baseline data)
Environment	Water consumption (in thousands of cubic meters) – "Impact" strategic plan scope ⁽⁵⁾	1,472	1,491	1,074 ⁽⁶⁾	-

(1) Methodological limits are presented with scope estimates and/or exclusions. For example: Germany estimates its 2022 data on the basis of 2021 (no supplier data available at the beginning of the year) and France only has scope restrictions on logistical platforms. Data quality work is ongoing at Country level.

(2) Methodological limits are presented with scope estimates and/or exclusions. For example, France only publishes data for branches (platform data are excluded and sub-contracted).

(3) Data for 2020 and 2021 and the objectives have been updated, notably as part of the Group's SBTi certification process.

(4) Methodological limits are presented with scope estimates and/or exclusions. For example, Germany estimates its 2022 data on the basis of 2021 (no supplier data available at the beginning of the year) and France only has scope restrictions on logistical platforms. Data quality work is ongoing at Country level.

(5) Sonepar internal estimate.

(6) Taking into account the changes made by the United States on their scope in 2022.

Category	Topic or Indicator	2020	2021	2022	Target
D) Climate change					
Environment	Significant GHG emissions generated by the Company's operations, mainly from the use of the goods and services it produces	-	-	See section 4.5	
Environment	Voluntary medium- and long-term reduction targets for GHG emissions and the resources to achieve them	-	-	See section 4.5 and indicators below	
Environment	Energy consumption (Group scope, in GWh)	189	201 ⁽¹⁾	172	-
Environment	Electricity consumption (Group scope, in GWh) ⁽²⁾	187	191	190	-
Environment	Percentage of renewable energy – purchasing and production – “Impact” strategic plan scope	38.8%	39.6%	44.1%	2030: 100%
Environment	Percentage of renewable energy – Total production – “Impact” strategic plan scope	2.0% ⁽³⁾	3.3%	4.0%	2030: 15%
Environment	Percentage of renewable energy – Total purchases – “Impact” strategic plan scope	36.8%	36.3%	40.1%	2030: 85%
Environment	Sales from renewable energy (photovoltaic) ⁽⁴⁾ – (in € billions)	0.677	0.883	2.205	-
Environment	Sales from energy efficient products ⁽⁵⁾ (energy efficiency) – (in € billions)	2.363	2.504	2.419	-
Environment	Indirect, or Scope 3, CO ₂ emissions (in thousands of metric tons of CO ₂ equivalent) – compared with 2019 baseline data ⁽⁶⁾	- 10.8% vs. a 2020 target of -1.2%	- 8.9% vs. a 2021 target of -2.5%	-18.2% vs. a 2022 target of -3.7%	2030: -13.5%
Environment	Targets for reducing Scope 1 and 2 greenhouse gas emissions – compared with 2019 baseline data	- 17.0% vs. a 2020 target of -4.2%	- 15.4% vs. a 2021 target of -8.4%	-15.7% vs. a 2022 target of -12.6%	2030: -46.2%

(1) Figure for 2021 modified to take into account the revision of certain data.

(2) Figures for 2020 and 2021 recalculated to take into account total electricity consumption (including the share of renewable energy).

(3) Number rounded up to the next decimal place as part of the SBTi strategy.

(4) Sonepar internal estimate.

(5) Sonepar internal estimate. Energy efficient product: product that reduces energy consumption for the end customer.

(6) This indicator and the associated targets have changed significantly over the calendar year, taking into particular account the impacts linked to product life cycle and the SBTi initiatives. Data for 2020 and 2021 have been amended accordingly. Emissions related to the upstream and downstream transportation of products are now included in the calculation of Scope 3 emissions, and thus the indicator has been removed.



Category	Topic or Indicator	2020	2021	2022	Target
II. Labor-related information					
A) Employment					
Labor	Workforce ⁽¹⁾	44,102	45,401	44,273	-
Labor	Breakdown of associates by gender	26% women 74% men	25% women 75% men	25% women 75% men	2026: 35% women
Labor	Workforce by Region	North America: 34% • Western Europe & South America: 25% • Central & Nordic Europe: 21% • France: 12% • Asia-Pacific: 8%	• North America: 35% • Western Europe & South America: 25% • Central & Nordic Europe: 20% • France: 12% • Asia-Pacific: 8%	North America: 30% Western Europe & South America: 27% Central & Nordic Europe: 21% France: 13% Asia-Pacific: 9%	-
Labor	Workforce by age group ⁽²⁾	• 18-25 ⁽³⁾ : 7% • 26-35: 23% • 36-45: 27% • 46-55: 26% • 56 and over: 17%	• 18-25: 8% • 26-35: 23% • 36-45: 26% • 46-55: 26% • 56 and over: 17%	• 18-25: 8.2% • 26-35: 22% • 36-45: 25.5% • 46-55: 25.7% • 56 and over: 18.6%	-
Labor	Average age	42	43	43	
Labor	Years of service with Group – “Impact” strategic plan scope	10	10	9	-
Labor	Hires ⁽⁴⁾	Hires: 9% of the total workforce, broken down as follows: • Asia-Pacific: 11% • Central & Nordic Europe: 14% • France: 10% • North America: 44% • Western Europe & South America: 21%	7,557 hires representing 18% of the total workforce, broken down as follows: • Asia-Pacific: 10% • Central & Nordic Europe: 13% • France: 9% • North America: 52% • Western Europe & South America: 16%	8,071 hires representing 18% of the total workforce, broken down as follows: • Asia-Pacific: 11% • Central & Nordic Europe: 16% • France: 12% • North America: 39% • Western Europe & South America: 21%	
Labor	Layoffs	-	-	Data not consolidated at Group level	
Labor	Departures ⁽⁵⁾	-	7,557	6,796	-
Labor	Attrition rate ⁽⁶⁾	15%	15%	16%	2025: 12%

(1) Workforce: Group scope, taking into account sales and acquisitions during the fiscal year, with the exception of acquisitions finalized after November 30, 2022. It takes into account all direct employment contracts. Temporary staff and interns are excluded.

(2) Data extracted from Sonepeople (HRIS tool) as of December 31, 2022.

(3) Workforce under 18 years of age, such as interns and apprentices, are included in the 18-25 year age group.

(4) Hires: Group scope, taking into account sales and acquisitions during the fiscal year, with the exception of acquisitions finalized after November 30, 2022. Includes associates who joined the Group in 2022 under a direct employment contract and appear on the payroll on the last day of the month. Hires exclude temporary contracts and interns. Hires are calculated as the difference between the workforce at December 31, 2022 and the workforce at December 31 of the previous year, adjusted for the flux in the number of associates due to acquisitions and departures during the year.

(5) Departures: number of associates who left the Group during the fiscal year ended December 31. Group scope, taking into account acquisitions during the fiscal year, with the exception of acquisitions finalized after September 30, 2022, and in France, acquisitions made during the second half of 2022. Departures include all types of departures such as retirement, layoffs and restructuring plans (if any).

(6) Attrition rate: Percentage of associates having left the Group's workforce as of December 31 of the fiscal year, compared with the average number of Group associates over the fiscal year.

Category	Topic or Indicator	2020	2021	2022	Target
Labor	Internal mobility rate ⁽¹⁾	-	38% ⁽²⁾	40%	2025: 44%
Labor	Increase in payroll	-0.8%	+5.7% ⁽³⁾	+13.6%	-
Labor	Total payroll (in billions of euros)* ⁽⁴⁾	2.392	2.742	3.114	-
Labor	Increase in salaries (fixed part only)* ⁽⁵⁾	-	-	+11.8%	-
Labor	Number of associate shareholders (via Sonpack)	2,169	2,100	11,967	-
Labor	Number of associates holding exercise rights and/or shares	-	23,193	12,156	-
Labor	Percentage of capital held indirectly by Group associates	-	1.94%	2.36%	-
B) Organization of work					
Labor	Organization of working time	-	Managed locally		
Labor	Absenteeism ⁽⁶⁾ (percentage)	2.71%	2.2%	3.6%	
Labor	Associate engagement rate	-	86%	No update for this indicator in 2022	
Labor	% of associates asked to participate in the Open Voices associate satisfaction survey	-	100%	No Open Voices campaign in 2022	
C) Health and safety					
Labor	Occupational health and safety conditions	-	-	Local monitoring and actions mentioned in this report (see section 5.7)	-
Labor	Occupational accidents	-	-	Monitored locally	
Labor	Fatal occupational accidents	-	0	0	0 fatal accidents
Labor	Number of associate deaths as a result of the pandemic	10	22	0	-

(1) Internal mobility rate: Replaces the internal promotion rate as from 2021. Group scope excluding the United States, Canada, Spain and Italy.

(2) Group scope excluding the United States, Canada, Spain and Italy.

(3) Adjusted for government subsidies received in 2020.

(4) Payroll: Group scope. Total payroll corresponds to the sum of the compensation of all paid associates during the year (internal associates and temporary staff). It includes the gross salaries and bonuses received for the year, taking into account employer contributions and paid vacation, as well as the payments made to temporary staff. It also includes other staff expenses such as training costs, severance payments, restructuring programs, pension costs and Sonpack costs. It is calculated on the basis of the number of paid associates during year and compared to the same value for the previous year. The number of paid associates is calculated and expressed on a "full-time equivalent" basis. It takes into account all direct employment contracts, but also temporary staff, excluding interns. The number of paid associates does not take into account those who, due to their particular situation, do not receive a salary (unpaid leave, suspended employment contract, etc.).

(5) Increase in salaries: Group scope, fixed salaries excluding bonuses and variable components, excluding employer contributions and other benefits, calculated on the basis of the number of paid associates (see definition in the "Payroll" note) for the current year, at December 31, and compared with the same value at December 31 of the previous year.

(6) Absenteeism: Group scope, taking into account sales and acquisitions during the fiscal year, with the exception of acquisitions finalized after September 30, 2022. Calendar days of sick leave: sum of employee sick days, paid or unpaid, including accidents, excluding pregnancy, family events, long-term leave beyond one year (specified by the HR Committee) for all staff members of the Company. Total available calendar days: 365 days minus weekends and holidays per full-time equivalent (FTE).



Category	Topic or Indicator	2020	2021	2022	Target
D) Labor relations					
Labor	Organization of social dialogue	-	-	Managed and monitored locally (in compliance with applicable laws)	
Labor	Assessment of collective agreements	-	-	Monitored locally (in compliance with applicable laws)	
E) Training					
Labor	Training policies implemented, including on environmental protection	-	-	Sonepar's policies to supplement local initiatives (including Son@cademy) Energy Transition Academy Ethics and integrity training See in particular sections 4.5.2 and 5.4	
Labor	Number of associates trained via Son@cademy (in-person)	81	32	190	
Labor	Total number of training hours – Group	-	-	Data not consolidated at Group level	
F) Equal treatment					
Labor	Measures taken to promote gender equality	-	-	See section 5.6	
Labor	Measures taken to promote the employment and social integration of people with disabilities	-	-	Local initiatives Good practices outlined in this report	
Labor	Anti-discrimination policy	-	-	Local initiatives (monitored locally, in compliance with applicable laws) Whistleblowing procedure	
Labor	Diversity and inclusion Index (Sonepar SAS)	-	81%	91%	
Labor	Percentage of women executives	15%	14%	15%	
III. Social					
A) Social commitments to promote sustainability					
Social	Impact of the Company's business activity on employment and social development	-	-	See section 5	
Social	Impact of the Company's business activity on local residents	-	-	Data not consolidated at Group level Local measures See also sections 5.9 and 5.10	
Social	Relationships and dialogue with Company stakeholders	-	-	See section 5.10	

Category	Topic or Indicator	2020	2021	2022	Target
Social	Customer satisfaction rate (net promoter score) – “Impact” strategic plan scope ⁽¹⁾	-	44.3	42.2	
Social	Partnership actions and sponsorship	-	-		Local initiatives, see the best practices included in this report
Social	Donations and sponsorship (in € millions)	0.973	1.6	N/A ⁽²⁾	
B) Subcontracting and suppliers					
Social	Consideration of labor and environmental issues in the purchasing policy	-	-		Local initiatives and Group measures specified in Chapter 4 and sections 5.8 to 5.10
Social	Consideration of labor and environmental responsibility in supplier and subcontractor relations	-	-		See Chapter 4 and sections 5.8 to 5.10 Deployment of a sustainable purchasing policy
Social	Number of claims concerning own brand products	-	1	0	
IV. Ethics and integrity					
Ethics and Integrity	Number of reports received since 2018	83	174	222	
Ethics and Integrity	Percentage of reports reviewed ⁽³⁾	100%	100%	100%	
Ethics and Integrity	Number of reports of human rights violations received ⁽⁴⁾	10	30	16	
Ethics and Integrity	Number of whistleblower reports from outside the Group*	1	4	3	
Ethics and Integrity	Number of reports on suppliers or subcontractors	0	0	0	
Ethics and Integrity	Percentage of actions implemented resulting from the corruption map	99% (action plans from the previous update (2018))	87.5% (2021 action plans)	88%	The revision of the Code of Conduct and the Compliance Policies and Procedures Manual, as well as dedicated training in 2023 and 2024 will result in 100% implementation
Ethics and Integrity	Assessment rate of major suppliers and acquisition targets	100%	100%	100%	
Ethics and Integrity	Number of legal entities assessed since 2018	More than 15,000	More than 15,000	More than 15,000	

(1) Net promoter score. Scale: <0 needs improvement, 0-30 good, 30-70 very good, >70 excellent. Composition of the NPS panel modified in 2022, the NPS is calculated on the basis of 19,486 surveys conducted by e-mail in 22 Countries among 28 operating subsidiaries

(2) Data not available for 2022.

(3) Reviewed or in the process of being reviewed.

(4) The indicator has been expanded to include reports received on human rights violations (harassment, discrimination, health and safety).

Category	Topic or Indicator	2020	2021	2022	Target
Ethics and Integrity	Strategic suppliers that have signed the Supplier Code of Conduct	100%	100%	100%	
Ethics and Integrity	Number of associates who have received e-learning training on corruption and influence peddling ⁽¹⁾	3,070	2,667	10,010	2024: training of all associates working in the functions identified as being the most at risk
Ethics and Integrity	Number of associates who have received e-learning training on managing conflicts of interest ⁽²⁾	3,042	2,644	10,224	2024: training of all associates working in the functions identified as being the most at risk
Ethics and Integrity	Deployment rate of compliance posters at all Group sites	80%	100%	100%	
Ethics and Integrity	Number of audits on the Group's Anti-Corruption Compliance Program conducted since 2018	15 (covering 84% of the Group's sales at end-2020)	22 (covering 94% of the Group's sales at end-2021)	26 (covering 97% of the Group's sales at end-2022)	
Ethics and Integrity	Number of associates who have taken the competition law training course ⁽³⁾	1,255	9,723	11,036	
Ethics and Integrity	Number of cyber hygiene actions included in a cyber defense plan launched in 2020 ⁽⁴⁾	12	13	-	
Ethics and Integrity	Number of actions in the cyber strategy roadmap (2021-2023)	-	16	29 ⁽⁵⁾	2023: 25 actions
Ethics and Integrity	Number of cybersecurity crises	-	-	1	
Ethics and Integrity	Percentage of associates with access to the personal data protection policy (data processed by Sonepar SAS)*	-	-	100	
Ethics and Integrity	Percentage of Internal Audit cybersecurity engagements that include a personal data protection component*	-	-	100	

(1) The scope of this indicator has been expanded to include the number of people still taking part in Group training at December 31, 2022 as well as the United States, Canada and the United Kingdom.

(2) The scope of this indicator has been expanded to include the number of people still taking part in Group training at December 31, 2022 as well as the United States, Canada and the United Kingdom.

(3) The scope of this indicator has been expanded to include the number of people still taking part in Group training at December 31, 2022 as well as the United States, Canada and the United Kingdom.

(4) Starting in 2022, the cyber strategy roadmap covers the tactical and cyber hygiene areas of the cyber defense plan – there is therefore no relevant corresponding indicator for 2022.

(5) The 25 actions planned as part of the 2023 objective have been launched. Some were split up according to their implementation phases, which increased the number of actions in progress over 2022.

To guarantee the quality of data, and consequently of reporting, controls are carried out after information has been collected by the departments reporting the information (mainly by the Sustainability Department, the Human Resources Department and the Internal Control Department).

Certain information is not covered in this report for 2022:

- measures to promote the participation in physical activity and sport;
- information related to the Company's collective agreements and their impact on its performance, as well as on employee working conditions.

In addition, the analysis of non-financial risks, like the analysis of materiality, shows that the following topics are not pertinent or do not present a significant risk in view of the Group's business:

- food waste; and
- social commitments to combat food poverty and promote animal well-being and socially responsible, fair and sustainable food systems.

SONEPAR SAS
25, rue d'Astorg
75008 Paris – France
Tel.: +33 (0)1 58 44 13 13
sonepar.com

All rights reserved – 2023 April