

# 2023 CSR Report





# Sonepar at a glance

Sonepar is an independent family-owned company with global market leadership in B-to-B distribution of electrical products, solutions, and related services.

Through a dense network of brands operating in 42 countries, the Group has an ambitious transformation agenda to become the first global B-to-B electrical distributor to provide a fully digitalized and synchronized omnichannel experience to all customers.

Drawing on the skill and passion of its 45,000 associates, Sonepar had sales of €33.3 billion in 2023. Sonepar makes its customers' lives easier, over the counter, visiting customers, by phone or online – however we're needed.

The CSR Report highlights governance and integrity as essential pillars of sustainable growth. The Group is committed to the highest ethical, social and environmental standards. By prioritizing an inclusive work environment, skills development, quality of life at work and employee engagement, Sonepar is working towards an organizational transformation. As a global leader in the distribution of electrical equipment, the Group has an obligation to promote renewable and energy-efficient solutions, while reducing its carbon footprint through an approach validated by the Science Based Targets Initiative (SBTi) in 2022.



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# Philippe Delpéch

Chief Executive Officer

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“Sonepar remains optimistic about the industry’s long-term growth potential driven by electrification and CO<sub>2</sub> emission reduction in Building and Industry.”

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## How would you summarize Sonepar’s performance in 2023?

2023 could be summarized as a combination of stability and agility. Stability because we continued, and even accelerated, the deployment of our strategy: supply chain automation, omnichannel digital platform ramp up, data intelligence leverage, cybersecurity investments and sustainability were some of the global initiatives which progressed the most in 2023.

Agility because 2023 started with a strong first quarter in line with 2022 trends, then we observed an economic slowdown especially in Europe, mainly driven by rising interest rates plus photovoltaic business price erosion. Despite these adverse conditions, Sonepar teams demonstrated nimbleness and resilience to deliver the best year ever in terms of sales, and the second-best year in terms of profitability, almost equal to 2022.



### What do you consider as the most notable achievements?

The standout achievements are clearly the ramp up of Spark, our omnichannel digital platform, which achieved €1.3 billion sales in 2023 and the acceleration of our American supply chain transformation which now has four large Central Distribution Centers in operation. The resistance of the North American economy helped as it represents today over 40% of Sonepar's global business. And, of course, the launch of Sonepar's Purpose, "Powering Progress for Future Generations", was a key 2023 milestone.

### How does the Purpose resonate with Sonepar's CSR commitment?

"Powering" aligns with our role in global electrification and empowerment. "Progress" signifies the necessity for continuous improvement, while "Future Generations" emphasizes our responsibility toward evolving expectations, sustainability, and diversity. Overall, Sonepar maintains a robust commitment to CSR principles.

### How is Sonepar advancing its digital transformation initiatives?

Sonepar is targeting to be the first B-to-B electrical distribution group deploying globally a single omnichannel digital platform.

Thanks to our digital factory, Spark is leveraging the very latest technology to enhance operational efficiency and customer experience through process automation and data intelligence. We have significantly increased productivity by automating our supply chain and establishing a best-in-class omnichannel platform, providing us with a scale advantage unparalleled in the industry.

### How did the Group deploy its acquisition strategy in 2023?

In the last few years, Sonepar has shifted away from an opportunistic approach to global and standardized acquisition processes. We have today a global organization capable of acquiring 10 to 20 companies annually, representing €1 to 1.5 billion sales. In 2023, we bought 13 companies with sales of €1 billion and welcomed 1,140 new associates, with a strong focus on the United States. We clearly are, and want to remain, the biggest consolidator in the industry.

### What is your outlook on the year 2024?

Sonepar remains optimistic about the industry's long-term growth potential driven by electrification and CO<sub>2</sub> emission reduction in Building and Industry. Having said that, the short-term outlook for 2024 acknowledges challenges, starting with difficult comparisons as 2023 was strong at the beginning of the year.

We will focus 2024 on accelerating productivity and synergies, leveraging Sonepar's size and investments, continuing our transformation agenda and rolling out our Purpose.

I would like to conclude by transmitting my sincere gratitude to our dedicated 45,662 associates for their outstanding contributions in having navigated these ever-changing environments.

## Who we are

# World leader in the B-to-B distribution of electrical supplies

Sonepar is an independent family-owned group and the world leader in the B-to-B distribution of electrical equipment, solutions, and related services.

### Our Purpose

At Sonepar, we believe that progress moves the world and makes lives better. Every day, through our business, our values and the links we create, we are committed to serving future generations. It is for their future that we power progress.

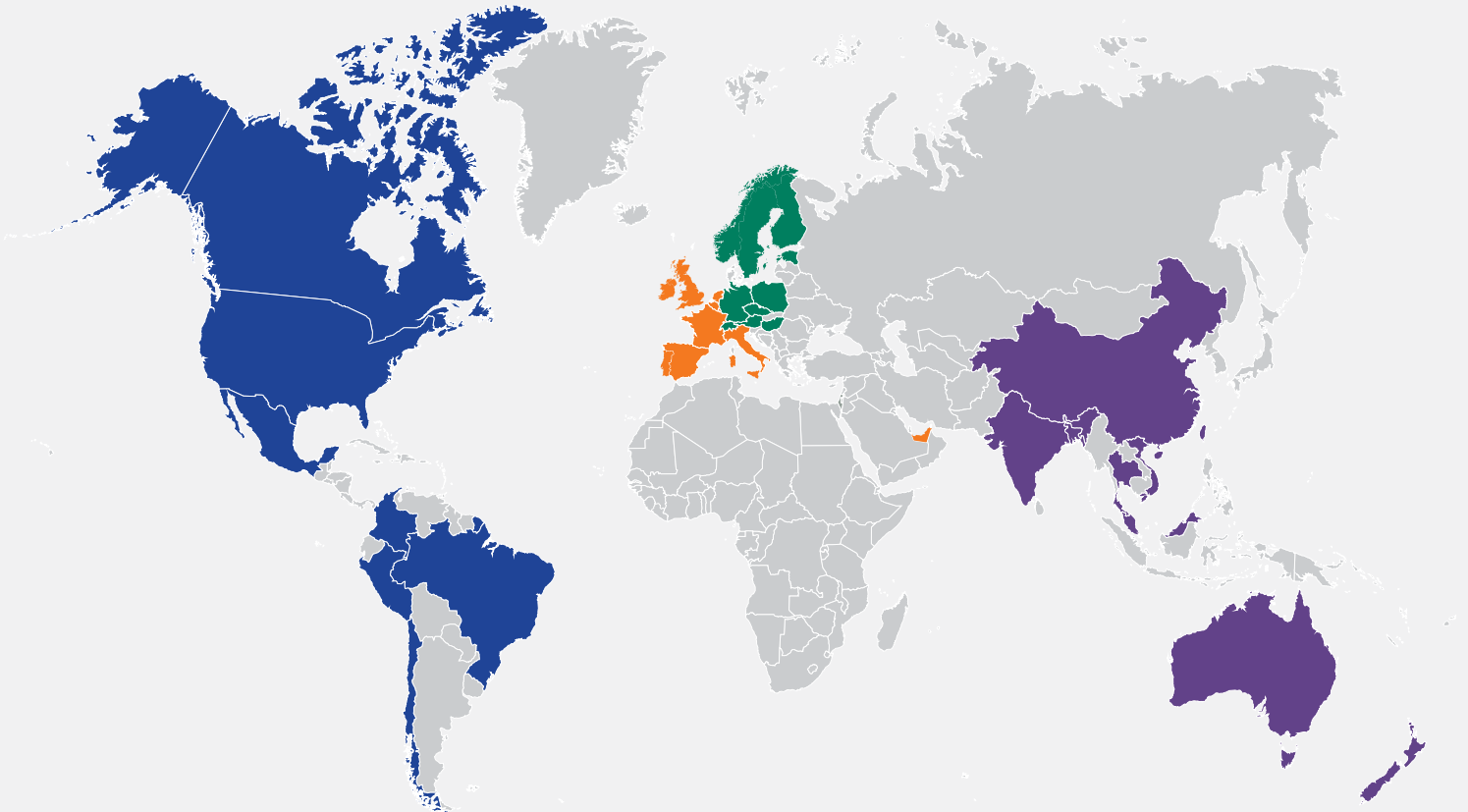
### Our Mission

As a trusted partner to electrical equipment makers, Sonepar makes life easier for its customers by selecting and distributing a wide range of products and services in major markets such as industry, building and energy utilities.

### Our Ambition

Serving customers through an omnichannel experience, promoting best-in-class sustainability and ensuring associates a diverse and inclusive working environment through a unique Purpose.

## Our regional organization



## Key figures

### Sales figures

€33.3bn

2022: €32.4bn

### Associates

45,662

2022: 44,273

### Distribution centers

182

2022: 170

### Branches

2,386

2022: 2,417

### Women executives<sup>(1)</sup>

17%

2022: 15%

### Country

42

2022: 42

(1) "Executives" are those associates who are responsible for financial results and for directing and managing teams in line with Group strategy.



### Americas



### Western Europe



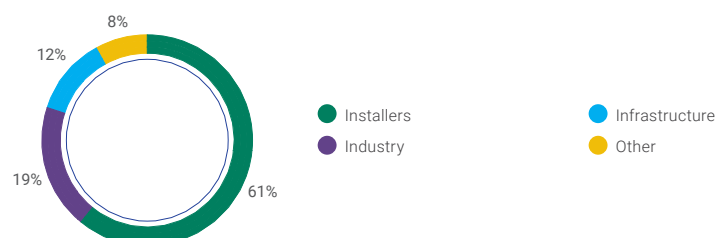
### Central Europe and the Nordics



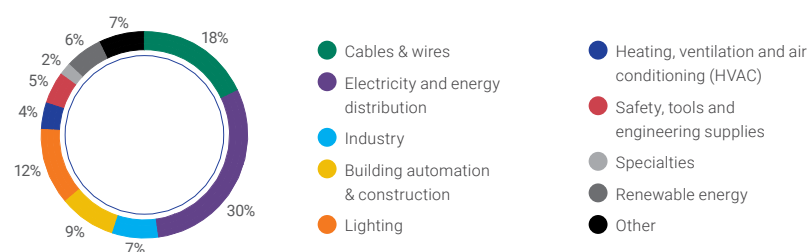
### Asia-Pacific

See Chapter 2, sections 2.3.3 and 2.3.4.

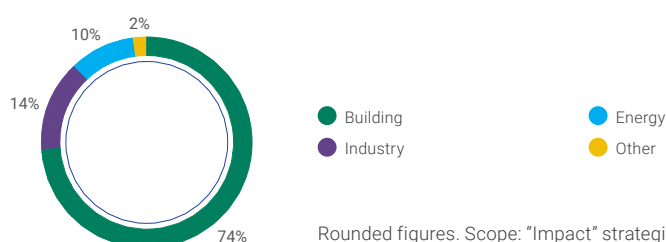
### Sales by customer type



### Sales by product segment



### Sales by market



Rounded figures. Scope: "Impact" strategic plan.

# Presentation of the Group

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# 01



# Chapter Overview

This chapter introduces the Sonepar Group and gives an overview of its activities, performance and ambitions. It is both a review of 2023 and an overview of the Group's long-term vision. It provides a better understanding of why Sonepar is the world's leading B-to-B distributor of electrical supplies.



## Key figures:

Sales figures

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**€33.3bn**

Sales from acquisitions

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**€1bn**

Automated CDCs

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**25**

## 1.1 Our performance

### 1.1.1 Our financial performance

2023 sales

**€33.3bn**

2022: €32.4bn

Online sales

**€11bn**

2022: €10bn

#### Investments

Between 2022 and 2027, Sonepar will invest over €2 billion in modernizing its supply chain and €1 billion in its digital platform for excellence in order fulfillment and delivery.

### 1.1.2 Our non-financial performance

#### Green Offer

Launched in 2022, Sonepar's Green Offer is a world first in the electrical equipment sector, highlighting the most environmentally efficient products.

#### Awards received

In 2023, Sonepar's non-financial performance was recognized:

##### May

Sonepar wins the Duty of Care Awards, presented by the International SOS Foundation, in the Environmental, Social, Governance (ESG) category.

##### October

EcoVadis awarded the Group a Bronze rating for sustainability, placing Sonepar in the top 36% of companies rated by EcoVadis in the wholesale machinery and equipment sector.

##### November

Sonepar is recognized as a 2024 Diversity Leader by the Financial Times, ranking sixth in the Wholesale category.

##### December

Sonepar receives the GEEIS-SDG Trophy for gender equality from GEEIS (Gender Equality for European & International Standard). This title is awarded to companies with a proactive approach to gender equality.

## 1.2 Our main achievements in 2023

In 2023, Sonepar entered a phase of accelerated transformation:



### United under one Purpose

On April 27, 2023, Philippe Delpech shared Sonepar’s Purpose: “Powering Progress for Future Generations” with all Group associates.

➔ For more information: page 14



### Modernizing our supply chain

Sonepar has completed 10 automation projects for central distribution centers (CDCs), equipped with state-of-the-art technology, in Germany, the Netherlands, Austria, Spain, Italy, Belgium, the United States and Canada. These sites have been designed to increase productivity while being more environmentally friendly.

➔ For more information: <https://www.sonepar.com/en/offer/supply-chain>

### Acquisitions: driving Group growth

Sonepar made 13 acquisitions in 2023, representing sales of €1 billion. 59 branches and 1,143 associates joined the Group.

➔ For more information: <https://www.sonepar.com/en/about/acquisitions>



### Delivering the best customer experience on the market

The Spark omnichannel platform has reached its sales target of €1 billion, and is now operational in six countries: France, Italy, Belgium, Norway, Hungary and Finland.

➔ For more information: <https://www.sonepar.com/en/about/digital-transformation>

## Acting for a sustainable future

Sonepar encourages the transition to energy-efficient, low-waste solutions. The Group continued to roll out its Green Offer, which is now operational in six countries.

The Group also launched the second module of its Energy Transition Academy, a compulsory training program for all associates, designed to raise awareness of climate change and promote best practices in sustainability. This module focused on circularity and waste management.

➔ For more information: <https://www.sonepar.com/en/commitments/sustainability/sustainability-initiatives>



## A working environment where everyone can feel heard

Diversity and Inclusion (D&I) are at the heart of the Group's strategy. Sonepar was listed as a Diversity Leader by the Financial Times and was awarded the GEEIS-SDG Trophy in recognition of its achievements.

Conducted between September 5 and 22, the Open Voices Mid-Survey highlighted the high level of associate engagement, with a rate of 85%. For further information, see Chapter 5, section 5.5.

➔ For more information: <https://www.sonepar.com/en/commitments/diversity-and-inclusion>

## Significant events

On March 8, in Geneva (Switzerland), Sonepar International Services celebrated its 20<sup>th</sup> anniversary by bringing together Sonepar executives and representatives of 80 strategic suppliers for a unique event.



On October 11 in Naples (Italy), 150 Sonepar executives gathered at the Sonepar Executive Event to share the Group's strategic vision.



Cebeo's state-of-the-art automated distribution center was inaugurated in Blandain (Belgium) on September 7. This is the first in a long series of openings or modernizations of existing distribution centers.



The Colam Event was held in Sorrento (Italy) from October 12 to 15, four years after the last shareholder/management meeting in Greece. Bringing together 150 Sonepar executives and 250 family members, the event was an opportunity to strengthen ties between shareholders and Group executives. The Colam Event was also an opportunity to present the 2023 Colam Sustainability Awards: Nortel (Brazil), North Coast (USA) and Technische Unie (Netherlands).

## 1.3 Our history

### 1970s

The birth of the group and the conquest of France



### 1980s

Expansion through Western Europe and the first jump across the Atlantic



### 1990s

Substantial growth through acquisitions across Europe and America



#### 1969

With the acquisition of Comptoir d'Electricité Franco-Belge, Sonepar enters the electrical equipment business

#### 1982

Sonepar arrives in the Netherlands and Germany

#### 1993

Sonepar opens in the Czech Republic and Finland

#### 1972

Acquisition of *Comptoir Lyonnais d'Electricité*

#### 1983

Sonepar arrives in Belgium

#### 1994/5

The Group expands to Norway, Poland and Sweden

#### 1976

Sonepar reaches 1,000 associates

#### 1984

The Group hits \$1 billion in annual revenue. Sonepar makes the jump to Canada

#### 1998

Sonepar's first acquisition in the USA (Northeast electrical Distributors). Marie-Christine Coisne-Roquette, daughter of founder Henri Coisne, became Sonepar Chairman

#### 1977

Acquisition of Tabur

#### 1988

Sonepar arrives in Italy and Switzerland

## 2000s

Going global with moves into the Far East and emerging markets



## 2010s

Sonepar leads the field as the number one global distributor of electrical products



## 2020s

Sonepar launches an ambitious transformation focusing on digital and sustainability



### 2000

Sonepar moves into China with the acquisition of Supermoon in Hong Kong

### 2011

Sonepar becomes market leader in the USA

### 2021

Sonepar unveils new brand identity to continue to grow as a commercial brand

### 2001

Acquiring EMEL brings Sonepar to Brazil

### 2015

Sonepar acquires all Rexel activities in South America, including Nortel and ETIL (Brazil), Electra and Flores Y kersting (Chile), and Dirome, V&F and AMP (Peru)

### 2022

Sonepar enters the 'Leverage' phase of its transformation, which aims to further capitalize on the Group's strengths, synergies and expertise

### 2007

The Group hits €10 billion in annual revenue

### 2019

Sonepar celebrates its 50<sup>th</sup> year. Its annual revenue is in excess of €24 billion and it employs 48,000 associates, serving over 1 million customers across the world

### 2008

Rexel and Sonepar divide up the assets of hagemeyer which brings further presence in APAC, Europe and North America

## 1.4 Our Purpose

Humankind is facing giant collective challenges. Our purpose is a way to channel all our energy towards these challenges. This is how we will serve the planet and its people for decades to come. In 2022, we started our journey to articulate Sonepar’s Purpose. This means defining a bold affirmation of why we exist, what unifies us and what needs we fulfills in society. This journey took place over several months, and involved all Sonepar’s stakeholders: shareholders, associates, suppliers, customers and external experts.

In April 2023, CEO Philippe Delpech unveiled Sonepar’s Purpose to all associates worldwide during a live broadcast in 7 languages on 10 timeslots. More than 10,000 associates attended the live keynote.

# Powering Progress for Future Generations

### Six bold commitments to make our Purpose both concrete and tangible

To root our Purpose in our core activities, Sonepar has set six impactful, Group-wide commitments, engaging associates and stakeholders around common initiatives and goals.



#### Continuous Education

By 2028, Sonepar intends to provide annual sustainability training for all associates. Our salesforce will be the best trained in the electrical distribution industry to promote sustainable solutions.



#### Customer Sustainable Journey

By 2028, Sonepar intends to provide each customer with the lowest CO<sub>2</sub> alternative for every quotation.



#### Product Circularity

By 2028, Sonepar intends to use 100% of packaging coming from recycled materials and to recycle 100% of products returned to Sonepar by customers.



#### Gender Balance

By 2028, Sonepar intends to recruit annually at least 40% of women into its workforce.



#### Communities

By 2028, Sonepar intends to create the Sonepar Powering Community Program in every country in which it operates. This program will create and support dedicated education programs in its ecosystem, give opportunities to vulnerable people and provide aid after natural disasters.



#### Sharing

Recognize the contribution of Sonepar’s associates to the success of the Group transformation.



## 1.5 Our values

Our beliefs and behavior are founded on strong values. They drive our mission as a business. Every day, we make our customers' lives easier by providing products, logistics, and solutions to construction companies, other industries, and utility organizations across the world. Our customer-centric approach leads to tailor-made solutions. And we give the same high level of service to all our customers. Everything we do, right across the world, is based on these four pillars.



### Customer Centric

- Make customers' lives easier by bringing the magic of simplicity.
- Deliver better solutions through proximity and understanding of our customers.
- 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.

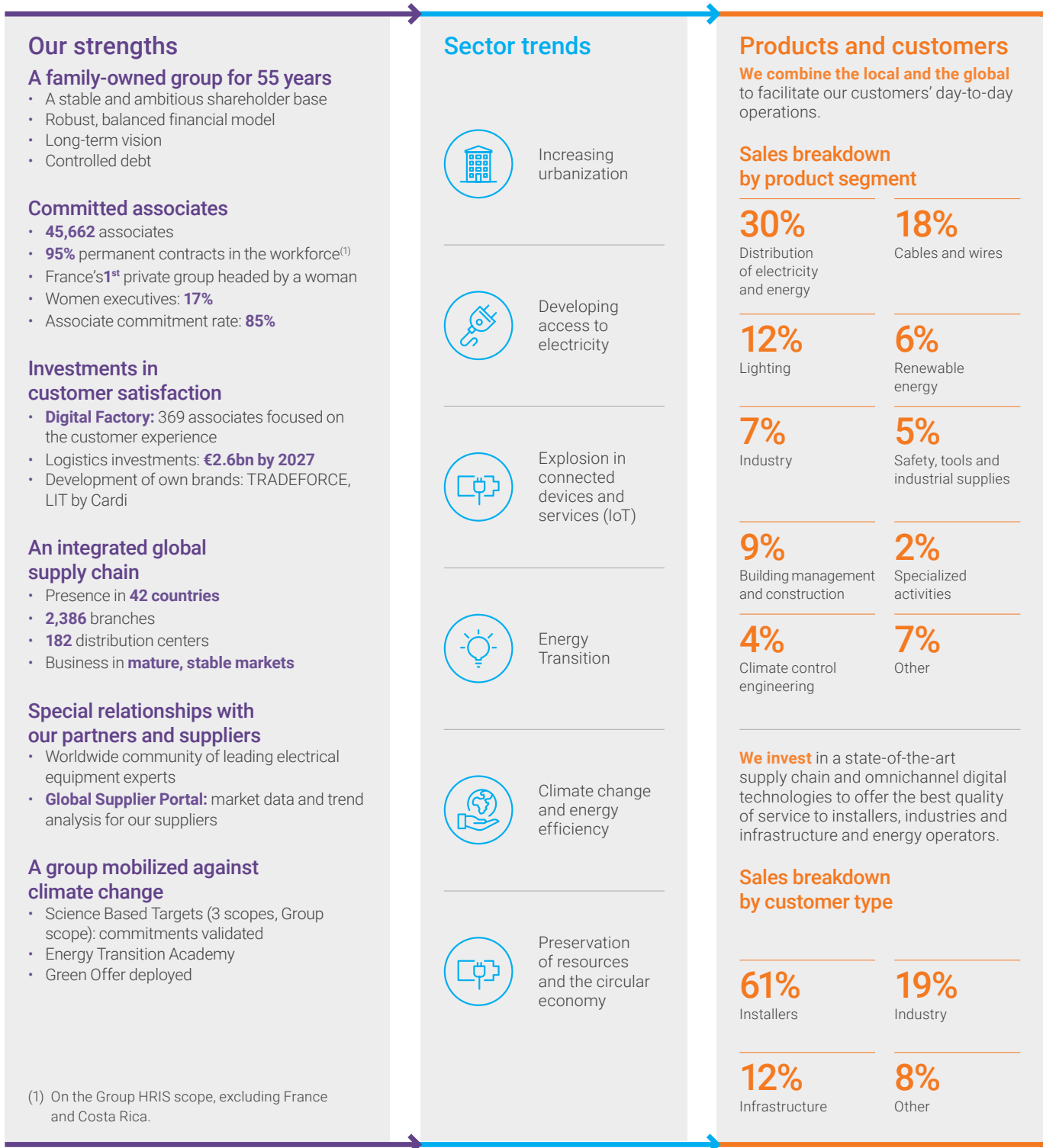


### The Will to Dare

- Bring an entrepreneurial approach to the problems we solve.
- Dare to push boundaries to accelerate energy transformation.
- Always question, always explore.



# 1.6 Our value creation model



# Guided by our Purpose: "Powering Progress for Future Generations"

## Value creation levers



Stable governance



Ethics and integrity at the heart of our business model



Ambition and energy driven by an entrepreneurial spirit



Reasonable dividend policy



Phygital model: physical and digital proximity to our customers, with **33%** of sales generated online



Recognized expertise in sourcing and supply chain management



Diverse customers and markets: nearly **1 million customers**



Wide range of solutions: up to **100,000 products** in stock

## Our impact

### For our customers

- Omnichannel experience
- Logistics tailored to customer needs
- Expertise and advice
- Resilience and robustness in the face of shortages of electronic components and raw materials



### For the climate

- Commitments to reduce greenhouse gas (GHG) emissions in line with the 1.5°C (Scopes 1 and 2) and 2°C (Scope 3) trajectories validated by the Science Based Targets initiative
- Contribution to the energy transition through the products and services we provide
- **230 local sustainability initiatives**



### For associates

- Contribution to employment: **7,039** associates recruited in 2023, representing **16%** of the Group's workforce
- Associate share ownership:
  - indirect associate ownership of **2.42%** of the capital of Sonepar SAS (via a dedicated structure: Sonepack)
  - **10,621** associate shareholders
  - **681** associates receiving free shares or stock options
- Payroll: **+1.3%**



### For the company

- Member of the United Nations Global Compact
- **100%** of strategic suppliers audited based on compliance criteria
- Contributing to the local economy and employment thanks to our regional scope
- **€7.46 million** in donations and sponsorships



### For suppliers and partners

- **44** strategic suppliers, representing **37.4%**<sup>(1)</sup> of purchasing volume
- **100%** of suppliers audited based on our CSR criteria (own-brand business)



**€33.3bn**

2023 sales

**A-2**

Short-term S&P

**EF1+**

Short-term Ethifinance

(1) Scope: "core business" suppliers (electrical equipment manufacturers).

## 1.7 Our strategy

The “Impact” strategic plan<sup>(1)</sup>, updated in 2023, sets out Sonepar’s five-year strategic roadmap.

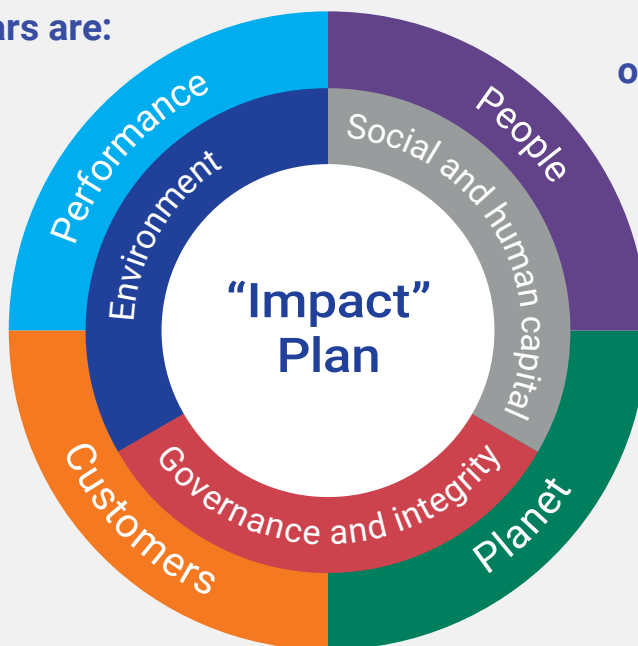
Its four strategic pillars are:

Performance

People

Planet

Customers



CSR is at the heart of the Group’s strategy. It focuses on three main areas:

Governance and integrity

Social and human capital

Environment

The plan anticipates ambitious growth in Sonepar’s activities, driven by the acceleration of global electrification and the development of renewable energies.

Sales for the Electrical business are thus expected to rise from €31.4 billion in 2022 to €41.2 billion in 2027, representing average annual growth of +6.0% at constant exchange rates. Over the same period, EBITDA should increase from €2.4 to €3.3 billion, reaching 8.0% of sales.

The global electrical distribution market stood at €519 billion in 2022 and is expected to reach €597 billion in 2027, representing average annual growth at constant exchange rates of +3.8% according to estimates for our Countries. Sonepar is aiming for a global market share of 6.9% in 2027, up from 6.1% in

2022, and intends to assert its position as world leader. Excluding India and China, where Sonepar has a limited presence in the construction market, the Group estimates that this segment will be worth around €332 billion in 2022, rising to €391 billion in 2027.

The acquisition opportunities identified the Countries represent €6 billion in additional sales by 2027 (half in the United States), taking total sales to almost €47.5 billion. The “Impact” plan emphasizes balanced growth, with around 60% organic growth over the next five years and 40% growth via acquisitions.

Depending on market typology, the extent of distribution fragmentation and our market share, we prioritize three types of acquisition:

- Platform acquisitions, with sales exceeding €200 million, a strong local/regional position and high profitability: these usually open up access to regions not covered by Sonepar. This type of acquisition is mainly carried out in the United States to accelerate our regional development.
- Density acquisitions aimed at achieving economies of scale and rapid synergies through rapid integration.
- Acquiring specialist companies to obtain specialized skills or access to specific customers. Sonepar focuses mainly on industry, renewable energies, HVAC (Heating, Ventilation, Air Conditioning) and specialized distributors for energy suppliers.

(1) The “Impact” strategic plan accounts for over 95% of Group sales (top 18 Countries).

## Performance

The Group's transformation is driven by two strategic priorities:

- **An ambitious digital roadmap**, including global implementation of the Spark platform. Sonepar's ambition is to become the world's first B-to-B electrical equipment distributor to offer a synchronized omnichannel experience by customer segment and product category. It's also about helping our sales force – 20,000 field and office-based sales associates in a network of nearly 2,400 branches worldwide – to manage their portfolios more effectively. This means giving them the contextual data they need to attract prospects and to optimize their conversion and retention rates.
- **Automating and standardizing our logistics platforms** to make them the best in the industry. This means both increasing our storage capacity and accelerating site automation using robotics and the Internet of Things. At Sonepar, logistics is a strategic strength, with 10,000 associates, 182 distribution centers, 1.5 million square meters of warehouse space and €3.9 billion of product inventory.

The Executive Operating Committee (EOC), made up of the four Regional Presidents and the Chief Transformation Officer, has set up the Leverage project, which aims to generate profits that the countries could not achieve on their own. Its goal is to leverage the Group's size through regional or global initiatives and to encourage the Group-wide adoption of best practices developed by certain countries.

The five initiatives identified as priorities for 2023 are as follows:

- adopting best practices in pricing via regional centers of excellence;
- accelerated deployment of Spark and digital services;
- centralized purchasing of photovoltaic products;
- accelerated adoption of proprietary brands such as TRADEFORCE, Lit by Cardi and Excel; and
- harmonization of purchase prices between countries.

## People

Our three human resources priorities for the next five years are:

- ensure an inclusive and equitable working environment by offering each associate the opportunity, in line with Sonepar's organizational needs, to train and develop their career, while contributing to the Group's performance;
- develop HR data analysis tools to implement the best available measures to ensure the engagement and well-being of all associates; and
- support and accelerate the Group's transformation thanks to a flexible, cross-functional organization, while enabling the local organization to grow and develop associates' skills in each Country.

## Planet

**In support of the Paris Agreements, Sonepar has set up action plans in each of its Countries to reduce its carbon footprint and limit the global temperature increase to 1.5°C.**

Supported by our teams in the field, this initiative is accompanied by intensive sustainability training for every Group associate, as well as the launch of a Green Offer to help us achieve Global Net Zero, i.e., to reduce GHG emissions to as close to zero as possible, as quickly as possible. Our actions are also aimed at advancing the energy transition and strengthening the circular economy.

## Customers

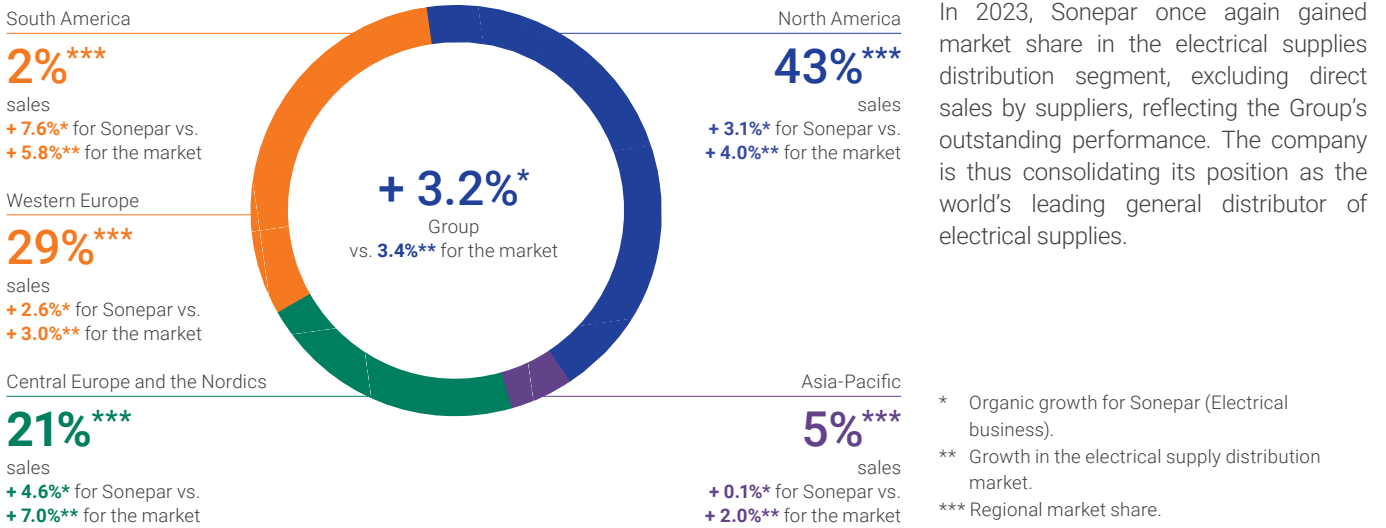
**Sonepar's sales approach is based on two pillars:**

- a more personalized offering and an enhanced customer experience for our three main customer groups: electrical contractors, industry, and energy and infrastructure operators; and
- an ongoing commitment to innovation, in order to best meet new customer needs by offering integrated solutions (development of product-related services, product expertise), a sustainable and optimized supply chain (2,500 branches and 200 distribution centers by 2027) and, lastly, a seamless omnichannel customer journey.

# 1.8 Our markets and competitive environment

## 1.8.1 Market position

### Estimated growth in the electrical distribution market compared with 2022

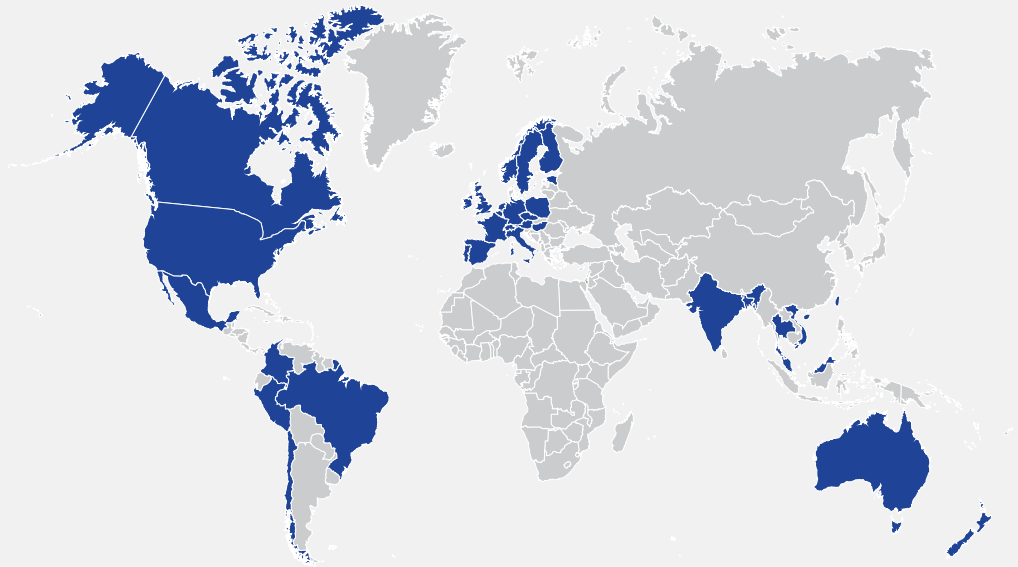


### Present in 42 countries

The Group generates **95%** of its Electrical sales in countries where it is one of the top three distributors.

Sonepar estimates that it is No. 1 in 10 countries and No. 2 or 3 in 14.

- 35% of sales**
- #1 in 10 countries**
  - Germany
  - Belgium
  - Brazil
  - Colombia
  - Spain
  - Finland
  - Hungary
  - Italy
  - Malaysia
  - Netherlands
- 60% of sales**
- #2 or #3 in 14 countries**
  - Australia
  - Austria
  - Canada
  - Estonia
  - United States
  - France
  - India
  - Mexico
  - New Zealand
  - Peru
  - Poland
  - Singapore
  - Sweden
  - Switzerland



## 1.9 Our activities

### 1.9.1 Product ranges



Our offer covers a wide range of specialties in the B-to-B distribution of cutting-edge electrical products, services, and solutions.

From the vast range offered by manufacturers, we carefully select the products and technical solutions best suited to your needs. Depending on the country, we can deliver up to 100,000 products straight to you in the right place, at the right time.

#### Electricity and energy distribution (30%)

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

#### Heating, ventilation and air conditioning (HVAC) (4%)

- Heating
- Ventilation
- Air conditioning

#### Cables & wires (18%)

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

#### Renewable energy (6%)

- Renewable energy
- Energy storage

#### Other (7%)

#### Industry (7%)

- Automation & Control

#### Lighting (12%)

- Lamps
- Lighting fixtures
- Lighting Management Systems

#### Building automation & construction (9%)

- Wiring devices and Accessories
- Data and Comm Networks
- Fire Protection and Security and Home & Building Automation

#### Safety, tools and engineering supplies (5%)

- Safety equipment
- Tools & other engineering supplies

#### Specialties (2%)

- Household and consumer electronics
- Sanitary

Sales by product segment.



## 1.9.2 Solutions tailored to customer needs



Thanks to our teams' expertise in electrical supply, we combine the best products to offer our customers solutions that meet their specifications.

**📌 Sonepar participates in the renovation of the lighting of the Santa Teresa y San José church in Madrid**

Sonepar's contribution to this project involved indirect, general and accent lighting, highlighting architectural elements, emphasizing practical areas such as the central nave, and illuminating specific elements such as sculptures. Aesthetic considerations aside, the switch to LED technology cut energy consumption by 60% and reduces maintenance requirements. A wireless control system using Bluetooth allows the system to be adapted to the architectural challenges and use of the church, enabling 80% energy savings.



### Intelligent lighting

Automatic presence detection increases visual comfort and saves energy. With connected devices, custom lighting programs can easily be created.

### Connected home

Sonepar offers high-performance home automation products and systems. Operated from a smartphone or tablet, they allow equipment to be controlled locally or remotely.

### Building automation

Sonepar helps its customers optimize the energy performance of their buildings, thanks to energy efficient equipment, automated systems and consumption measurement and analysis tools.



### Exclusive brands

Sonepar Global Sourcing (SGS), created in 2022, is the Group company responsible for the strategic development of the two exclusive brands, TRADEFORCE and LIT by Cardi.

TRADEFORCE is a range of safety tools and equipment designed exclusively for professionals. Created in Australia in 2005, the range has grown out of a need for equipment capable of withstanding harsh environments and demanding conditions. Today, SGS supplies a complete range of protective equipment and essential tools through the Group's global distribution network.

LIT by Cardi is a range of lighting solutions for professionals. Created in Stockholm, the range is strongly influenced by its Scandinavian heritage, adopting a minimalist approach to lighting that draws on 40 years of expertise. SGS now offers a concise range of tried-and-tested lighting fixtures ready for direct installation, providing designers and installers with a simple solution to their lighting needs.

The TRADEFORCE range is available in 20 countries, and the LIT by Cardi range in 11.







# Governance

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# 02



# Chapter overview

This section describes the role and functioning of the Group’s main corporate governance bodies.



## The Corporate Board

Independents

**4**

Nationalities

**3**

Meetings

**5**

Attendance rate

**93.3%**

Seniority on the Corporate Board<sup>(1)</sup>

**4.1 years**

Women

**55%**

(1) Seniority is calculated from the company’s transformation into an SAS in 2016.

## 2.1 Organization of governance

### 2.1.1 Guiding principles

---

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

The Bylaws set out the company's fundamental principles<sup>(1)</sup>:

- its private nature;
- the strong *affectio societatis* among its associates;
- the determination to promote associates' participation in the company's share capital; and
- the long-term commitment of the Majority Shareholder, Colam Entrepreneurs, to retaining its interest in the company's share capital.

The purpose of the Governance Charter is to affirm the Group's values and corporate philosophy, the spirit of which guides the Group's operations and inspires its associates on a daily

basis. It describes and implements common references and governance texts within Sonepar's decentralized organization. Based on the subsidiarity principle, this structure aims to establish clear responsibilities within the Group at the most relevant level, without gaps or overlaps.

The Corporate Board's Internal Rules of Procedure supplement and clarify the Bylaws with respect to the functioning and respective powers of certain management and supervisory bodies, as well as the relations between them.

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/code-of-conduct).

### 2.1.2 Main entities involved in Group governance

---

#### COLAM ENTREPRENDRE

Majority family shareholder  
Chairman of the Corporate Board of Sonepar SAS  
Chairman of Sonepar SAS

#### 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 is also referred to in this Chapter 2 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 shareholding is one of its strengths. The values and long-term commitment of the family shareholders guarantee the Group's independence and durability.

Brought together within Colam Entreprendre, they maintain their ties with Sonepar in numerous ways. They share a commitment to making managers shareholders, giving them the opportunity to share in the value they help create by taking risks together.

Colam Entreprendre wants to recognize the contribution of Sonepar's associates to the Group's successful transformation.

Together, the Group's family shareholders and associates hold all the company's share capital via their respective holding companies, with the aim of ensuring its long-term prosperity and sharing in its success.

Share ownership in Sonepar is strictly regulated. All share transfers are subject to the prior approval of the Corporate Board. The voting rights attached to shares are proportional to the percentage of capital they represent, with each share carrying one vote.

The fundamental rights and obligations of Sonepar shareholders are to:

- share in the *affectio societatis*, or spirit of cooperation, among its members;
- understand the Group's organizational and governance structure;
- obtain relevant and accurate information on the Group's operations and results at the Shareholders' Meeting;
- approve the dividend policy and receive dividends on profits;
- vote at Shareholders' Meetings that concern them;

- benefit from Sonepar's administration of their shares; and
- support Sonepar's ambitions over the long term.

### Powers of the shareholders

The Chairman of the company or the Corporate Board shall consult the shareholders as often as required in the interests of the company.

The Shareholders' Meeting is the key forum at which Sonepar shareholders are informed 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:

- approval of the annual financial statements;
- allocation of net income and distribution of dividends, reserves and premiums;
- approval of agreements governed by Article L. 227-10 of the French Commercial Code;
- appointment of Statutory Auditor(s);
- appointment and dismissal of members of the Corporate Board;
- setting the overall compensation paid to members of the Corporate Board and its Committees;
- the increase, redemption or reduction of share capital, the issue of securities giving immediate or future access to share capital, and the repurchase of shares;
- any merger, demerger or partial transfer of the Company's assets;
- any change in the company's legal status;

- extension of the company's term;
- the future of the company if, as a result of losses recorded in the accounting documents, the company's equity falls below half of the share capital;
- dissolution of the company;
- insertion or amendment of the clauses referred to in Article L. 227-19 of the French Commercial Code;
- any change in the company's nationality; and
- any amendment to the Bylaws, with the exception of amendments changing the Company's name or registered office.

Any decisions that do not fall expressly within the remit of the shareholder or of the Corporate Board or another body shall be taken by the Chairman of the company.

# Composition of the Corporate Board

at December 31, 2023

The members of the Corporate Board are appointed by collective decision of the shareholders on the recommendation of Sonepar’s Majority Shareholder. The Corporate Board includes both family shareholders and independent experts.

## Our Board



**Marie-Christine Coisne-Roquette** ● ●  
 Permanent representative of Colam Entrepreneurs,  
 Chairman of the Corporate Board



**Patricia Bellinger** ●



**Jean-François Cirelli**



**Nathalie Coisne**



**Stéphane Coisne** ●



**Quentin Devilder**



**Nathalie Gaveau**



**Maria Gotsch** ●



**Christophe Lambert** ●

● **Audit Committee**  
 chaired by Maria Gotsch

**6**  
 members

**4**  
 meetings

**95%**  
 attendance

● **Nomination and Compensation Committee**  
 chaired by Patricia Bellinger

**4**  
 members

**3**  
 meetings

**75%**  
 attendance

## 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, acting by a simple majority upon the recommendation of the Majority Shareholder.

Board members are appointed for a four-year term, with half of the members' terms renewed every two years. However, to ensure 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 over 70 years of age.

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

- family shareholders, who can ensure that the Group's business development and achievements are consistent with its objectives, values and principles; and

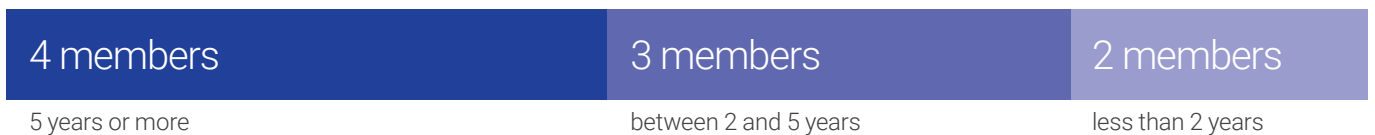
- independent members from the business world or the Group, who contribute their vision and practices in various skill sets and business areas.

The Corporate Board may also invite non-voting family advisors to participate in its work, subject to the same confidentiality obligations as the Board members.

#### Composition of the Corporate Board

At December 31, 2023, the Corporate Board comprised nine members, five women and four men, of three different nationalities (one Board member being of dual nationality).

#### Seniority



#### Diversity



#### Nationalities







## Marie-Christine Coisne-Roquette

Permanent representative of Colam Entreprendre, Chairman of Sonepar SAS and Chairman of the Corporate Board of Sonepar SAS

### Information:

**Nationality:** French

**Age:** 67 years

**End of term of office:** 2025

**Business address:** 25 rue d'Astorg, 75008 Paris, France

### Experience and expertise:

A lawyer by training, Marie-Christine Coisne-Roquette holds a degree in English, a Master's degree in Law and a Specialized Law Certificate from the New York Bar. Since 1981, she has been a partner at *Sonier & Associés* in Paris, and a member of the Paris and New York bar associations. In 1984, she joined the Board of Directors of Colam Entreprendre, a family holding company, which she joined full-time in 1988. As Chairman of the Management Board of Colam Entreprendre and of the Supervisory Board of Sonepar, she has consolidated family control, reorganized the Group's structures and strengthened its shareholder base to support its growth strategy. Appointed Chairman and Chief Executive Officer in 2002, Marie-Christine Coisne-Roquette then served as Chairman of Sonepar SAS from 2016 to 2021, alongside her role as Chairman of Colam Entreprendre. She is now permanent representative of Colam Entreprendre, Chairman of Sonepar SAS and Chairman of the Corporate Board of Sonepar SAS. A former member of the Young Presidents' Organization, she served for 13 years on the Executive Council of the Mouvement des Entreprises de France, where she chaired the taxation commission from 2005 to 2013. She was a member of the French Economic, Social and Environmental Council from 2013 to 2015.

### Main duties performed:

#### Currently:

- Chairman of Colam Entreprendre
- Permanent representative of Colam Entreprendre, Chairman of Sonepar SAS and Chairman of the Corporate Board of Sonepar SAS
- Director of Sonepar Ibérica
- Director of Sonepar Italia Holding
- Director of Sonepar Mexico
- Member of the Supervisory Board of Sonepar Nederland B.V.
- Director of Sonepar USA Holdings, Inc.

#### Previously:

- Chairman of Sonepar SAS and Chairman of the Corporate Board of Sonepar SAS
- Chairman of the Board of Directors of Sonepar SA
- Permanent representative of Sonepar, director of Sonepar France
- Director of Hagemeyer Canada, Inc.
- Chairman of the Supervisory Board, Otrá N.V.
- Director of Sonepar Canada, Inc.
- Chairman of the Supervisory Board of Sonepar Deutschland GmbH
- Director of Feljas et Masson SAS
- Permanent representative of Colam Entreprendre, member of the Board of Directors of Cabus & Raulot (SAS)
- Chief Executive Officer of Sonepar SA
- Permanent representative of Sonepar SA, co-legal manager of Sonedis (a French non-trading company)
- Permanent representative of Sonepar International
- Chairman of the Board of Directors of Sonepar Mexico

### Current mandates in other companies:

- Director, EssilorLuxottica
- Lead director, TotalEnergies SE (until May 2023)

### Current mandates in other organizations:

- Director, ANSA
- Director, AFEP
- Director, Medef International
- Director, Fondact
- Director, Alzheimer Research Foundation

## Composition of the Corporate Board and Committees

	Position	Nationality	Age	End of term of office	Seniority (in years)	Committee(s)
<b>Family members</b>						
Marie-Christine Coisne-Roquette	Permanent representative of Colam Entrepreneurs Advisor		67	2025	6.6	
Nathalie Coisne	Advisor		39	2026	4.6	
Stéphane Coisne	Advisor		60	2024	6.6	
Quentin Devilder	Advisor		41	2025	1.6	
Christophe Lambert	Advisor		65	2025	1.6	
<b>Independent members</b>						
Patricia Bellinger	Advisor		62	2025	5.6	
Jean-François Cirelli	Advisor		65	2026	4.6	
Nathalie Gaveau	Advisor		48	2027	0.6	
Maria Gotsch	Advisor		61	2024	2.7	
<b>Advisors</b>						
Viva de Moustier	Auditor to the Corporate Board		28	2024	0.6	
Hadrien Coisne	Auditor to the Corporate Board		28	2024	0.6	
<b>Committee members not serving on the Corporate Board</b>						
Aude Beurrier-Coisne	Member of the Audit Committee		41	2025	3.4	
Juliette Roquette	Member of the Audit Committee		35	2024	1.4	
Olivier Verley	Member of the Nomination and Compensation Committee		69	2024	6.4	

Members

14

Women

57%

Average age

50.6 years

Corporate Board

Audit Committee

Nomination and Compensation Committee

Chairman

### Changes in the Corporate Board during the year

The composition of the Corporate Board was modified at the Shareholders' Meeting of April 14, 2023 with the appointment of Nathalie Gaveau as an Advisor. The terms of office of the members of the Corporate Board expiring in 2024 are set out below:

Stéphane Coisne	Appointed in 2022 for a 2-year term
Maria Gotsch	Appointed in 2020 for a 4-year term

## 2.1.4.2 Chairman of the Corporate Board

### Appointment

The Chairman of the Corporate Board is appointed from among the Board's members on the recommendation of the Majority Shareholder, who determines the Chairman's responsibilities and compensation. The Chairman of the Corporate Board may appoint a deputy to carry out all tasks assigned to him or her if he or she is unable to do so. The deputy does not have the deciding vote of the Chairman of the Corporate Board.

Since the Shareholders' Meeting of April 14, 2022, the Corporate Board has been chaired by Colam Entrepreneure,

Sonepar's Majority Shareholder, through its permanent representative.

### Mission

Due to the specific nature of Sonepar's share ownership structure and the Group's philosophy, the Chairman of the Corporate Board has a permanent role consisting in particular of:

- promoting the Group's image as a family enterprise both internally and externally;
- ensuring that the Corporate Board is fully informed and preparing for Corporate Board meetings;
- reporting on the work of the Corporate Board to the shareholders; and

- facilitate the work of the Chairmen of the Committees, of which he or she is an *ex-officio* member, and coordinate this work with Executive Management.

Within this framework, the Chairman of the Corporate Board has extensive access to information, including 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 has defined operating principles to be implemented by all officers and associates with governance roles:

- combining trust with oversight;
- sharing the idea that responsibility for safety, integrity, the environment and control is everyone's business; when in doubt, ask and verify before acting;
- understanding that information represents a source of both risk and opportunity for the Group, and that it must therefore be protected and shared wisely;
- refraining, regardless of level or position, from using their titles or positions to procure for themselves or third parties any advantage, whether financial or otherwise; and
- disclosing any potential or actual conflict of interest with the Group.

The Code of Conduct contains the ethical, social and environmental standards applicable within the Group, in particular those regarding the prevention of and fight against corruption and influence peddling resulting from the Law of December 9, 2016 on transparency, the fight against corruption and the modernization of economic life (known as "Sapin II").

Sonepar believes that having the right attitude is essential to implementing its values. As such, it expects its executives to:

- assign the highest priority to the ethics of their actions and decisions;
- act and behave towards others as they would like to be treated;
- respect and ensure respect for the Governance Charter, the Code of Conduct and all applicable rules;

- promote integrity, safety and environmental protection;
- develop a sense of mutual respect among themselves and towards the Group, its associates and its stakeholders;
- reward loyalty, efficiency, initiative and service; and
- avoid any action or decision they could not defend in public.

The Chairman, the Company's Executive Management and the members of the Corporate Board and its committees must inform the Chairman of the Corporate Board of any potential conflicts of interest concerning them or of which they are aware. In the event of an actual or potential conflict of interest, they must refrain from taking part in debates and decisions on the matters concerned.

## 2.2 Responsibilities of the Corporate Board and the Committees

### 2.2.1 Corporate Board

#### 2.2.1.1 Duties of the Board

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

- appointing and dismissing the Company's Chairman on the proposal of the Majority Shareholder, based on the review and recommendations of the Nomination and Compensation Committee;
- giving its opinion on the appointment, assessment or dismissal of the Chief Executive Officer;
- setting the compensation of the Company's Chairman and Chief Executive Officer based on the review and recommendations of the Nomination and Compensation Committee;
- validating the Group's strategy and setting targets proposed by the Chairman or Executive Management in agreement with the Chairman of the Company;
- monitoring the actions of the Company's Chairman and Executive Management;
- supervising financing policy, security ratios and capital expenditure; determining the off-balance sheet commitments that are subject to authorization; setting the company's annual authorized debt limits on an annual basis;
- validating budget-related financing requirements;
- ensuring that the parent company and consolidated financial statements give a balanced, true and fair view and that the set limits and authorizations are respected;
- reviewing the company's financial statements and management reports;
- reviewing the reports of the Audit Committee, the Statutory Auditors, and the risk management, compliance and internal control committees;

- assessing all policies, particularly in the areas of human resources, digital, IT, logistics and sustainability, social and environmental development; and
- allocating the compensation granted by the shareholders to the Corporate Board among its members and, where applicable, advisors and members of Board Committees who are not members of the Corporate Board.

The Corporate Board is also empowered to adopt and amend its Internal Rules of Procedure, on the recommendation of the Chairman of the Corporate Board, after consulting the Majority Shareholder.

In addition to the Bylaws, certain decisions by the Company's Chairman and Executive Management are subject to the express prior authorization of the Corporate Board:

#### Financing

- Any increase in drawdowns on bank credit lines banks in excess of the limits authorized by the Corporate Board;
- any interest-rate or currency hedging in excess of the credit limits authorized by the Corporate Board;
- any guarantee or security granted to third parties on behalf of Group subsidiaries that is not counter-guaranteed by the operating subsidiary's inventories, accounts receivable, and property, and insofar as such guarantees or direct commitments have not already been given directly by the subsidiary.

#### Development

- All acquisitions and disposals of assets, shares or holdings at a price in excess of €250 million;
- creation of a subsidiary in a country where the Group does not yet have a presence.

#### Human resources

- Any uncapped executive profit-sharing schemes;
- any share ownership plan;
- any compensation paid to the Company's corporate officers.

#### Legal and accounting

- Any off-balance sheet commitments (e.g., guarantees) with a value in excess of €100 million;
- the recognition of a provision for litigation, impairment and/or the signing of a transaction with a value in excess of €100 million;
- the appointment of the Company's Statutory Auditors;
- any other transaction provided for by law or the Bylaws.

The Board members undertake to perform their supervisory duties by:

- placing their trust in and giving their support and advice to the representatives they have appointed;
- devoting the necessary time to preparing for Corporate Board meetings and reviewing the provided materials prior to meetings;

- attending Corporate Board meetings, ensuring the confidentiality of all information and discussions, consistently voting in the Group's interest and informing the Chairman of any existing or potential conflicts of interest with the company and/or Group; and
- in compliance with the Corporate Board's Internal Rules of Procedure.

The Corporate Board must inform Sonepar's Chief Executive Officer of any changes 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, whose composition and remit it determines. It may also create any other working committee, as necessary.

From time to time, the Corporate Board devotes an agenda item to assessing its organization, composition and operation, and to reviewing and updating management information and documents.

### 2.2.1.2 Preparing for and organizing meetings

The Corporate Board is convened by the Chairman of the Corporate Board on his/her own initiative, at the request of the Company's Chairman or, if the Corporate Board has not met for more than four months, at the request of at least one-third of its members.

It meets at least four times a year, or more often if necessary.

Each year, it sets the schedule for the following year's meetings, as well as the topics to be discussed at each meeting.

The agenda is set by the Chairman of the Corporate Board or by the person(s) requesting the meeting.

Decisions are taken by a majority of members present or represented. Each member has one vote. In the event of a tie, the Chairman of the Corporate Board has the deciding vote.

The Chairman of the Corporate Board chairs the Corporate Board meetings and directs proceedings. He/she ensures that the Corporate Board is fully informed and makes the necessary preparations for its meetings. He/she ensures that

discussions are constructive and decisions are taken by consensus.

The Chairman of the Corporate Board may invite the Chairman of the Company (if he/she is not also the Chairman of the Corporate Board), the Chief Executive Officer, the Deputy Chief Executive Officer(s) and any third party to attend meetings.

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

### 2.2.1.3 Compensation

Sonepar's 2023 Annual Shareholders' Meeting set a maximum compensation package of €800,000, unchanged since that date, for members of the Corporate Board and its Committees.

The compensation paid to members of the Corporate Board comprises:

- a fixed component of €25,000 per Board member, plus €20,000 for Chairmen of Board committees;
- a variable component of €3,000 for each effective attendance of a Board or Committee meeting; and

- a travel allowance of €2,500 for European citizens and €7,000 for non-European citizens. This allowance is paid for each trip outside the Board member's country of residence (not each meeting).

Committee members who are not Board members do not receive fixed compensation, but only variable compensation of €3,000 per meeting attended.

The compensation of advisors to the Board includes:

- a fixed component of €500; and
- a variable component of €500 for each attendance of a Board meeting;

Members of the Corporate Board and its Committees may be reimbursed for reasonable costs and expenses incurred in the performance of their duties, upon presentation of receipts.

The total amount paid to Board and Committee members in 2023 was €571,000, consistent with the maximum amount set by the shareholders.

<b>Compensation 2023<sup>(1)</sup> January 1 to December 31</b>	<b>Gross total (in euros)</b>
Board members (excluding the Chairman of the Corporate Board)	469,500
Committee members (excluding the Corporate Board)	36,000
Family advisors on the Corporate Board	8,000
<b>Total</b>	<b>513,500</b>

(1) These amounts include travel allowances, but do not include the compensation of the Chairman of the Corporate Board in his capacity as a Board Member.

## 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 comprises at least two members of the Corporate Board. Committee members and their respective Chairmen are appointed by the Corporate Board, on the recommendation of the Chairman of the Corporate Board. Their terms of office are renewable.

The Chairman of the Corporate Board is a permanent member of each Committee.

The Committees review the matters submitted 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 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, Committees may also be empowered to take decisions delegated thereto by the Corporate Board, with the agreement of the Chairman of the Company, and are required to report on their work and deliberations to the Corporate Board.

The operating procedures of each Committee are determined in accordance with its 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 term.

The Committees meet as often as necessary, and as often as required by the meetings and agendas of the Corporate Board. The agenda for each meeting is set by the Committee Chairman, after consultation with the Chairman of the Corporate Board.

The Committees may appoint a secretary responsible for organizing meetings and taking minutes. These minutes are kept by the Chairman of the Corporate Board. The Chairman of each Committee reports to the Corporate Board.

The Chairman of the Corporate Board (in his/her capacity as a permanent member) is automatically invited to attend 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 to attend.

The Committees and any of their members may obtain any and all information they deem useful for the performance of their duties. On the advice of the Chairman of the Corporate Board, the Committees may commission any external studies they deem necessary for the performance of their duties.

## 2.2.2.2 Audit Committee

### Responsibilities

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

### Composition

The Board's Internal Rules of Procedure stipulate that the Audit Committee comprises between two and eight members.

The Audit Committee may hold discussions with the Statutory Auditors, the Chairman of the Company, members of Executive Management, the Finance Department (and the departments reporting to it),

as well as the Human Resources, General Counsel, Cybersecurity and M&A departments.

At December 31, 2023, the Audit Committee, chaired by Maria Gotsch, comprised five members:

- Maria Gotsch, Consultant;
- Colam Entreprenre, the Chairman of the Company and of the Corporate Board, represented by Marie-Christine Coisne-Roquette;
- Stéphane Coisne, Board member;
- Aude Beurrier-Coisne; and
- Juliette Roquette.

### Main projects over the past year

The Audit Committee met four times in 2023. It discussed the following matters:

- legal, risks and compliance: Group legal organization, whistleblowing procedures, personal data, insurance,

risk mapping, corporate social responsibility (CSR), duty of care, litigation, intellectual property;

- finance: financial performance and results, statutory auditors' report, reporting and accounting, 2024 budget;
- internal control: results of the 2022 campaign, periodic reports on fraud and corruption, 2023 Internal Control priorities, Capex approval process;
- internal audit: results for 2022, periodic reports on the status of action plans, 2024 action plan; and
- other: review of compensation for Executive Management and the Deputy Chief Executive Officer (2022 and 2023), external audits, cybersecurity, acquisition processes (M&A), taxation, and the committee's program for 2024.

## 2.2.2.3 Nomination and Compensation Committee

### Responsibilities

The Nomination and Compensation Committee is responsible for setting the compensation policy for the Company's senior executives, as well as the Group's share ownership policy. It makes proposals concerning the appointment and reappointment of members of the Corporate Board, its Committees and Sonepar's corporate officers.

Its responsibilities are detailed in the Corporate Board's Internal Rules of Procedure.

### Composition

The Internal Rules of Procedure stipulate that the Nomination and Compensation Committee comprises between two and four members.

The Nomination and Compensation Committee may hold discussions with the company's Chief Human Resources Officer.

At December 31, 2023, the Committee, chaired by Patricia Bellinger, comprised four members:

- Patricia Bellinger, Board member;
- Colam Entreprenre, the Chairman of the Company and of the Corporate Board, represented by Marie-Christine Coisne-Roquette;
- Christophe Lambert, Board member; and
- Olivier Verley.

### Main projects over the past year

- reviewing the compensation of Sonepar's Chief Executive Officer and Deputy Chief Executive Officer;
- defining and reviewing the achievement of the objectives of Sonepar's Chief Executive Officer and Deputy Chief Executive Officer;
- reviewing members of the Executive Committee and its succession plan;
- presenting an opinion on the compensation policy and objectives of the Executive Committee;
- preparing recommendations on employee share ownership policy (amount and distribution, architecture, non-performance conditions, performance indicators, monitoring of employee share awards and ownership trends); and
- approving Board members' compensation.

## 2.3 Sonepar’s Management

### 2.3.1 Chief Executive Officer



Sonepar’s Chairman is appointed and dismissed by the Corporate Board, on the recommendation of the Majority Shareholder. Since April 14, 2022, Colam Entrepreneure, the Majority Shareholder, has held the chairmanship through its permanent representative, Marie-Christine Coisne-Roquette.

In accordance with the Bylaws, the age limit for the position of Chairman of the Company is 70 years.

The Chairman is vested with the broadest powers to represent the company, and may delegate these powers as he/she sees fit.

Together with the Chief Executive Officer, he/she determines the key strategic policies presented to the Corporate Board.

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

He/she guarantees that the Group’s ethical values and integrity are upheld and ensures that appropriate rules and procedures are in place to prevent, detect and control fraud, corruption and influence peddling.





## 2.3.2 Executive Management

Sonepar's Executive Management consists of the Chief Executive Officer and the Deputy Chief Executive Officer.

### 2.3.2.1 Chief Executive Officer – Philippe Delpech



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

In accordance with the Bylaws, the age limit for the position of Chief Executive Officer is 70 years.

The Chief Executive Officer is vested with the broadest powers to manage, lead and develop the Group in accordance with its values and its Code of Conduct, with a view to ensuring its efficient and sustainable development and within the limits of the powers expressly reserved for the Corporate Board or its Chairman as well as the internal rules set out in the Governance Charter.

The Chief Executive Officer is responsible for:

- drawing up the Group's development strategy, consistent with the shareholders' long-term objectives, submitting it to the Chairman of the Company and implementing it after consulting the Corporate Board;
- building an organization capable of meeting these objectives and adapting to new challenges over time;
- ensuring sustainable, high-level performance in terms of both quality and quantity;
- appointing, in agreement with the Chairman of Sonepar, one or more Deputy Chief Executive Officers and determining their missions, objectives and priorities;
- organizing powers and how they are delegated within the Group;
- respecting the Group's governance rules and the powers of the Corporate Board and its Chairman and ensuring they are respected by others;
- applying 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, implementing them across

the various operational levels and ensuring that others do the same; and

- informing the Chairman of the Company of any decisions subject to external disclosure before they are implemented.

The Chief Executive Officer is assisted by Sonepar's Executive Committee, for which he/she appoints members, defines objectives and oversees actions.

To enable the Corporate Board to carry out its responsibilities, the Chief Executive Officer is required to inform it of internal and external transactions, operations and events likely to have a significant impact on the Group's financial statements, future performance or financial position. He/she is also required to inform the Board of any significant changes concerning the Group's senior executives.

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

### 2.3.2.2 Deputy Chief Executive Officer – Andros Neocleous



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 Officers.

In accordance with the Bylaws, the age limit for the position of Deputy Chief Executive Officer is 65 years.

In accordance with the Group's values, rules and regulations and the powers set out in the decision appointing him/her, the Deputy Chief Executive Officer is responsible for:

- exercising all executive management duties in the areas assigned by the Chief Executive Officer;
- supervising the aforementioned areas throughout the Group; and
- participating in appointing and defining the duties of the managers responsible for these areas.

The Deputy Chief Executive Officer keeps the Chief Executive Officer regularly informed of his/her work and of any operations likely to have a significant influence on the Group's performance and financial situation.

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

### 2.3.3 Executive Committee (as of January 1, 2024)

The Chief Executive Officer is supported by the Sonepar Executive Committee (SEC), comprising 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 Group-wide policies and procedures.



Crawford Distribution Center, Texas, January 24, 2024.

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li><b>1</b> <b>Philippe Delpech</b><br/>Chief Executive Officer</li> <li><b>2</b> <b>Andros Neocleous</b><br/>Chief Financial Officer</li> <li><b>3</b> <b>Sara Biraschi Rolland</b><br/>Chief Human Resources Officer</li> <li><b>4</b> <b>Olivier Catherine</b><br/>General Counsel</li> </ul> | <ul style="list-style-type: none"> <li><b>5</b> <b>Jérémie Profeta</b><br/>President Western Europe<br/>and Sonepar Global Sourcing</li> <li><b>6</b> <b>Matt Potheary</b><br/>Chief Communications<br/>&amp; Sustainability Officer</li> <li><b>7</b> <b>Jo Verbeek</b><br/>Chief Supply Chain Officer</li> <li><b>8</b> <b>Rob Taylor</b><br/>President Americas</li> </ul> | <ul style="list-style-type: none"> <li><b>9</b> <b>Stefan Stegemann</b><br/>President, Central Europe<br/>and Nordic Europe</li> <li><b>10</b> <b>Jérôme Malassigné</b><br/>President Western Europe<br/>and Sonepar Global Sourcing</li> <li><b>11</b> <b>Jean-Cyrille Verspieren</b><br/>President Asia-Pacific</li> </ul> |
|--|---|--|

## 2.3.4 Operational governance

### 2.3.4.1 Regional Presidents

The Group has a regional structure that enables it to more effectively deploy governance, strategy and joint initiatives to develop economies of scale and synergies, as well as better coordination

between countries operating in the same geographical areas. It has four operational regions: Americas, Central Europe and the Nordics, Western Europe and Asia-Pacific. Each Region is chaired by an experienced

Group executive, a member of Sonepar's Executive Committee, who reports to Sonepar's Chief Executive Officer.

### 2.3.4.2 Country Boards

Country Boards are formed in accordance with locally applicable corporate law and may be made up of members of Sonepar's Executive Management, the Regional President, members of local management, one or more managers from another Region of the Group, one or more family shareholders recommended by the Chairman of Sonepar following a selection process led by the Majority Shareholder, as well as persons from outside the Group or former Group executives.

The Country Boards contribute to the Group's good governance, while providing a key forum for information and discussion on the Country's main areas of action within the framework of Sonepar's strategy.

According to an agenda defined annually and in compliance with locally applicable corporate law, the Country Boards are responsible for:

- monitoring Country results and their trends in relation to previous results and external benchmarks, in addition to the budget;
- monitoring the Country's strategic orientations, particularly with regard to the pace and strategy of development, especially in terms of distribution networks and market segments;
- monitoring and discussing Country policies relating to compliance, human resources, marketing, logistics, IT and digital;

- ensuring compliance with local laws and regulations, as well as with the Governance Charter, Code of Conduct, Compliance Policies and Procedures Manual, Approval Matrix, Internal Control Manual and all Group rules and regulations.

In addition, each Country Board must ensure that Internal Rules of Procedure and/or a Code of Conduct are implemented to take account of any specific local requirements.

Sonepar now has 15 Country Boards covering the Group's various Regions.

### 2.3.4.3 Country Executive Management

The Country Executive Management teams are appointed by the Regional President after consultation with Sonepar's Chief Executive Officer.

Within the Group, Country Executive Management teams are vested with the broadest powers, in compliance with locally applicable corporate law, to manage their business, with an obligation to take initiative, oversee operations and

assume a high degree of responsibility, while acting transparently and regularly exchanging information with the departments concerned, and reporting to Regional President.

## 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 across the Group. Their role is to share best practices and collaborate on Sonepar's strategic developments.

Sonepar currently has 13 international communities and committees:

### The committees

- Executive Operating Committee (EOC)

The EOC is made up of the Regional Presidents: Americas, Asia-Pacific, Western Europe and Central Europe and the Nordics, as well as the Chief Transformation Officer. It identifies local expertise and deploys it globally to support the Group's digital transformation.

- Information & Communications Technology (ICT)

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

- International Communication Committee (ICC)

The ICC is a group of communication professionals responsible for deploying Group-wide communications strategies.

- International Human Resources Committee (IHRC)

The IHRC helps to develop a shared vision and a roadmap, as well as defining relevant common standards in support of local needs.

- E-Business Committee (EBC)

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

- Sonepar International Legal & Compliance Committee (SILCC)

The SILCC brings together the legal and compliance managers of the Group's countries and regions. It meets regularly to promote the sharing and dissemination of legal and compliance information and best practices, and to roll out Group projects in these areas.

- International Finance Committee (IFC)

IFC is the Group's leading financial community, helping to promote a strong, shared financial culture.

- International Suppliers Committee (ISC)

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

- Sustainability Leadership Committee (SLC)

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

- International Sales & Marketing Committee (ISMC)

The ISMC strengthens the marketing and sales actions and strategies carried out in each country, while promoting the Group's omnichannel strategy.

- International Industry Committee (IIC)

The IIC leads the Group's development in the industrial market, focusing on market share gains.

### Communities

- Product Management Teams (PM Teams)

PM Teams bring together product experts and supplier relationship managers. They meet twice a year to analyze market trends and identify growth drivers for their product portfolios.

- Global Supply Chain (GSC)

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





# Sonepar's commitment

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# 03



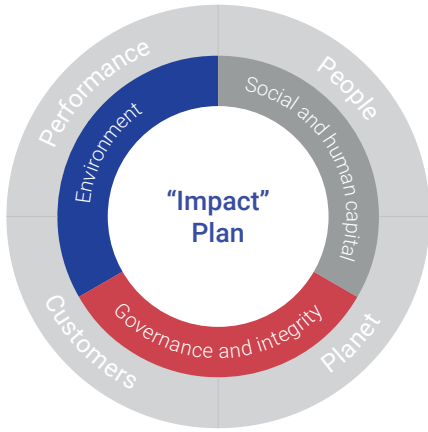


# Chapter Overview

This chapter presents Sonepar's CSR approach, its challenges and how it fits with the "Impact" strategic plan. The Group's commitment is structured around three major axes: governance and integrity, social and human capital and the environment. It is presented in three distinct sections, each explaining Sonepar's vision and performance.



### 3.1 A CSR approach at the heart of the Group's strategy



Sonepar's CSR approach, integrated into the Group's overall strategy, is anchored in the annual strategic plan called "Impact". The plan is built around four pillars: Customers, Performance, Associates and Planet, with compliance as its cornerstone. It is updated every year and guides the Group's actions for the following five years.

The CSR approach, in particular through the "Associates" and "Planet" pillars, is integrated into this strategic plan across various functions. Its formalization takes into account stakeholder expectations, CSR risk mapping and the challenges identified in the materiality matrix.

Sonepar's CSR approach is also aligned with its Purpose.

#### This approach is based on three axes:

##### Governance and integrity

Governance and integrity are central to promoting sustainable growth. The Group relies on a robust compliance program, promoting long-term governance and a rigorous risk management process. Compliance is seen as a source of value creation, facilitating process improvement, risk assessment and reduction, and the sharing of common values.

Sonepar is committed to respecting the strictest ethical, social and environmental standards, acting as a responsible group in all its geographies. This ambition is realized through a Compliance Program, itself part of a continuous improvement process, adapted to the new challenges facing the Group and its stakeholders.

##### Social and human capital

Sonepar aspires to promote a responsible business model. Three priorities have been defined in the "People" pillar of the "Impact" plan:

- ensure an inclusive and equitable working environment by offering each associate the opportunity, in line with Sonepar's organizational needs, to train and develop their career, while contributing to the Group's performance;
- develop HR data analysis to implement the best actions to ensure the commitment and well-being of all associates; and
- support and accelerate the Group's transformation through a flexible, cross-functional organization, while enabling the local organization to grow and develop associates' skills in each Country.

##### Environment

Sonepar is strategically positioned to stimulate and promote sales of renewable and energy-efficient solutions for the environment. As a leading distributor of electrical equipment, the Group aims to accelerate the market's adoption of clean energy solutions, a circular economy and global carbon neutrality.

Sonepar is actively committed to reducing the impact of its activities across its entire value chain. This initiative is part of a trajectory to reduce the Group's carbon footprint, an approach officially validated by the SBTi in December 2022.

### 3.1.1 The main stages of our CSR approach

In recent years, the Group has implemented a CSR strategy demonstrating a firm commitment to deploying action plans aimed in particular at minimizing the impact of its activities on the environment and society.

#### 2018/2019



**2018:** Launch of the Anti-Corruption Compliance Program

**2019:** Integration of the Sustainability Tracker to calculate GHG emissions

**2019:** First GHG emissions assessment (GHG Protocol – scopes 1, 2 and 3)

**2019:** Sonepar’s anti-corruption compliance program deemed fully compliant with the Sapin II Law by the French Anti-Corruption Agency

#### 2020



Publication of the new Group Code of Conduct and the Supplier Code of Conduct

The Sonepar Junior Committee (program for young Group associates with high potential), created in 1991, now focuses also on sustainability

Publication of the Compliance Policies and Procedures Manual

Launch of the Energy Transition Academy, with the first online carbon footprint training course for all Group associates

#### 2021



Adhesion to the United Nations Global Compact

Formalization of the first CSR materiality matrix

Launch of a process to identify and assess gross CSR risks

Participation in the PEP Ecopassport association

## 3.1.2 A recognized commitment

### Global Compact

Sonepar joined the United Nations Global Compact in 2021.

WE SUPPORT



### PEP Ecopassport

Sonepar has joined the PEP Ecopassport eco-declaration program for electrical, electronic and HVAC equipment in 2021.



### SBTi

The Group's carbon footprint and reduction targets were validated in 2022 by the Science Based Targets initiative.



### GEEIS

Sonepar obtained the Gender Equality for European & International Standards label in 2022.



### UN PSI

Sonepar has been a member of the UN PSI program since 2023.



### EcoVadis

Sonepar obtained the EcoVadis bronze medal in 2023.



## 2022



Publication of the Human Rights Policy

Creation of the Diversity and Inclusion Council

Obtaining the GEEIS (Gender Equality for European & International Standards) label

Launch of the Green Offer

Validation of the carbon footprint and reduction targets (scopes 1, 2 and 3) by the SBTi and development of the *Customer Impact Tracker* (scope 3)

Integration of circularity and waste reduction indicators in the Sustainability Tracker

Publication of the Declaration on minerals in conflict zones

## 2023



Adoption of the Group's Purpose

Membership in the Observatory on Corporate Social Responsibility (ORSE)

Development of a human rights risk map

*Duty of Care Award*, awarded by the International SOS foundation in the Environmental, Social and Governance (ESG) category

Launch of the Energy Transition Academy's second training course, focused on circularity

## 3.2 2023 Highlights

### Governance and integrity

- Code of Conduct & Supplier Code of Conduct
- Internal whistleblowing platform
- Corruption and influence peddling risk mapping, human rights risk mapping, CSR risk mapping and global risk mapping
- Mandatory training:
  - the fight against corruption and influence peddling;
  - managing conflicts of interest; and
  - compliance with competition law.

Number of reports<sup>(1)</sup>

72

2022: 48

Confidence rate in the whistleblowing platform (Mid-Survey 2023)

88%

No Mid-Survey in 2022

Personal data policies in place

6

2022: 6

Associates trained since 2018 in the fight against corruption

40,106

Associates trained since 2018 on managing conflicts of interest

42,152

(1) The number of reports received now includes reports received via the whistleblowing platform and by any other means.



Social and human capital

Associate commitment rate

85%

Diversity and Inclusion index<sup>(1)</sup>

84%

2022: 91%

Proportion of women executives

17%

2022: 15%

Internal mobility rate<sup>(2)</sup>

38%

2022: 36%

Change in salaries<sup>(3)</sup>

+1.9%

2022: +11.8%

Associates invited to participate in the Mid-Survey

100%

(1) The Diversity and Inclusion index is an internal indicator. It measures associates' level of commitment and attachment to their work and the company. In 2023, the questionnaire participation rate was 62%.

(2) Scope: "Impact" strategic plan (95% of Group turnover).

(3) Group scope, fixed salaries excluding bonuses and variable compensation, excluding employer contributions and other benefits, calculated on the basis of the paid workforce for the current year, as at December 31, and reported at the same value as at December 31 of the previous year.



Environment

Direct emissions of CO<sub>2</sub> eq or scopes 1 and 2

180 kt CO<sub>2</sub> eq

2019: 197 kt CO<sub>2</sub> eq

Indirect emissions of CO<sub>2</sub> eq or scope 3

46,963 kt CO<sub>2</sub> eq

2019: 55 214 kt CO<sub>2</sub> eq

Electrical and electronic waste collected and recycled in tons<sup>(4)</sup>

1,477 tons

2022: 1,314 tonnes

Associates who have completed training on circularity from the Energy Transition Academy<sup>(5)</sup>

36,000

Share of renewable energy purchase and production

47.9%

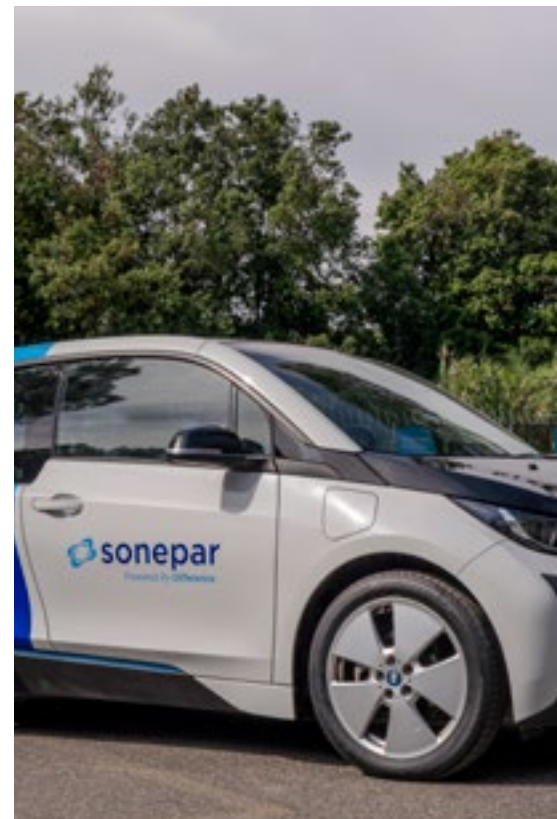
2022: 44.1%

Number of sustainability initiatives

230

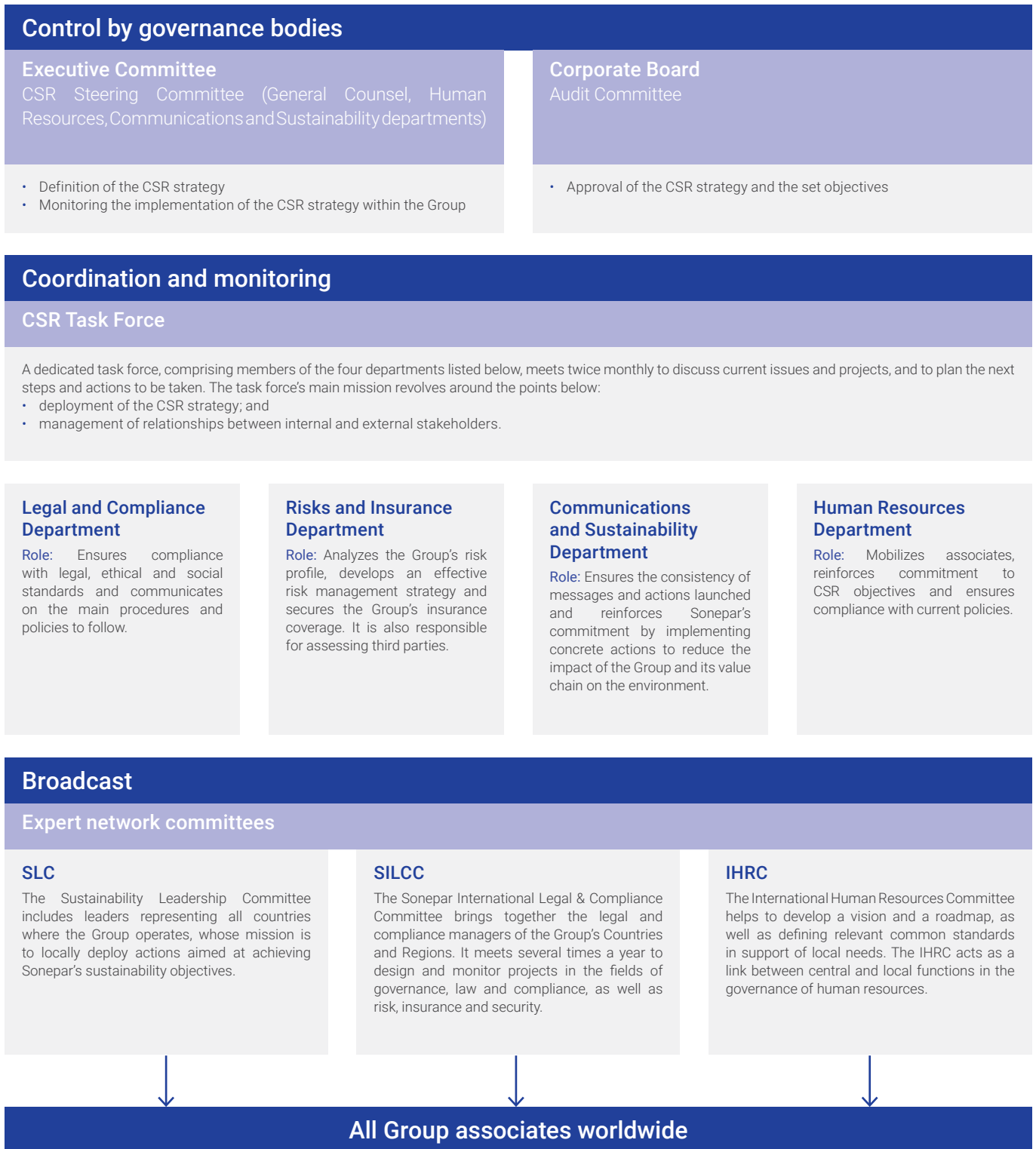
(4) Methodological limitations are present with estimates on WEEE or scope limitations with data from agencies and/or logistics platforms only. Specific collection projects and inventory reorganization led to an increase in 2023 from 2022.

(5) The Energy Transition Academy has included two training courses since 2023.



## 3.3 Cross-functional governance

CSR governance is organized across various functions within the Group.



## 3.4 The Group’s materiality matrix

### Methodology

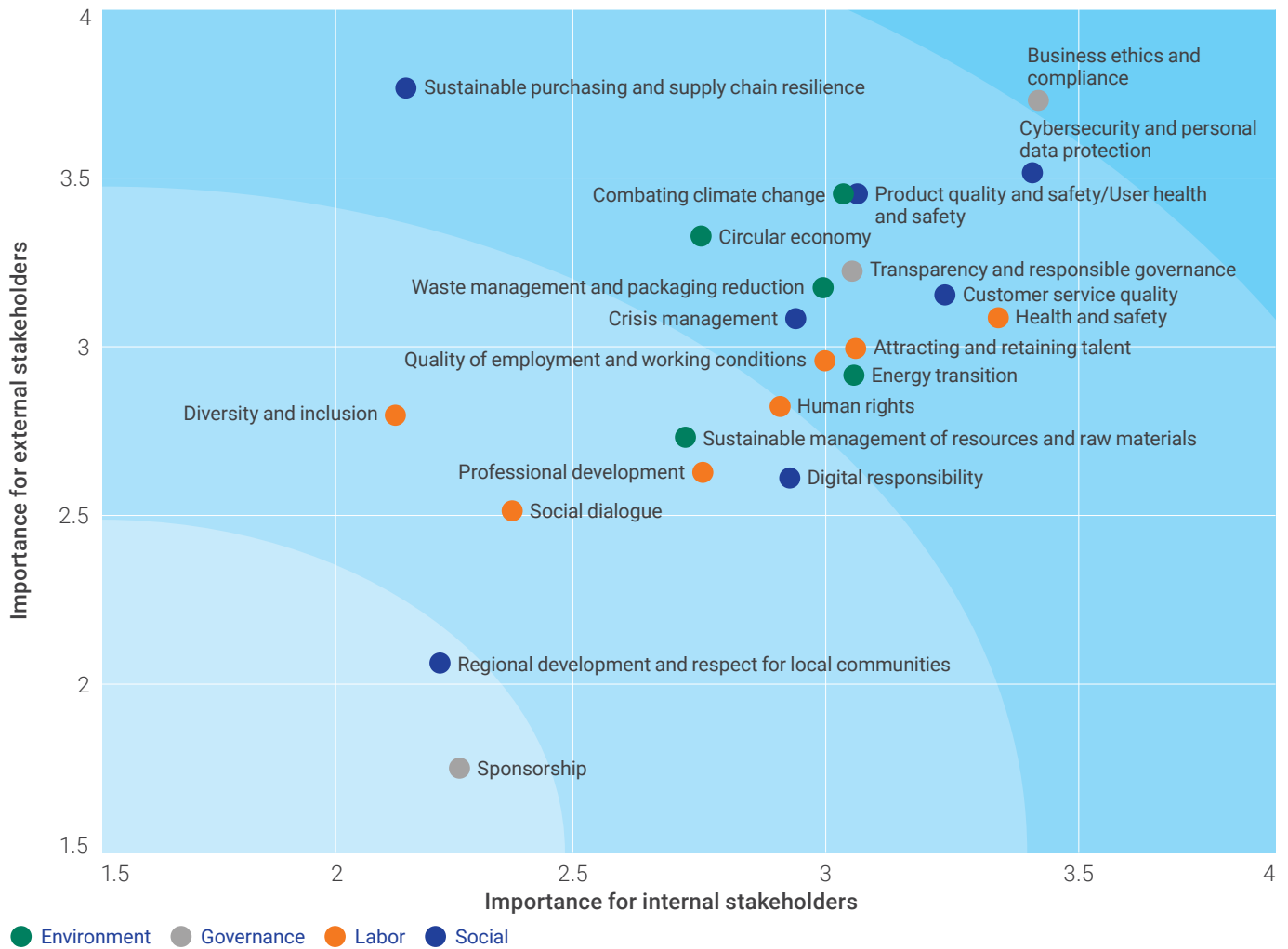
Sonepar formalized its first materiality matrix in 2021. This work was carried out as part of the CSR risk mapping and the Group’s due diligence approach (see Chapter 4, section 4.3). The internal and external stakeholders consulted were asked to identify and prioritize the most significant issues for Sonepar.

The various stakeholders are listed in Chapter 4, section 4.3.

The interviews conducted during this exercise enabled us to:

- understand and identify stakeholders’ expectations in terms of CSR, as well as their perception of the non-financial risks associated with Sonepar’s activities and those of its suppliers;
- position the Group’s challenges in relation to its competitive environment;
- identify and prioritize the main CSR issues facing the Group; and
- promote good practices (Head Office, Regions, Countries and operational subsidiaries).

The materiality matrix below presents the results of these contributions:



The materiality matrix illustrates the close correlation between our stakeholders’ perception of CSR issues and the major non-financial risks identified by Sonepar. The CSR roadmap takes into account the 23 materiality issues identified. Some have not been identified as major risks by Sonepar due to the maturity of their management or the measures implemented within the Group. However, they are taken into consideration. The issues relating to the environment, human, social and governance are detailed in Chapters 4, 5 and 6. A comparison of materiality issues with the Group’s major risks as well as the SDGs is presented in Chapter 3, sections 3.5 and Chapter 4, section 4.3.

## 3.5 Our 15 priority commitments

Sonepar has defined 15 priority commitments to serve the three strategic pillars of its CSR approach. These incorporate the findings of the CSR risk mapping, as well as the importance for the Group’s stakeholders of the issues set out in the materiality matrix.

### Governance and integrity: foundations for sustainable operational efficiency



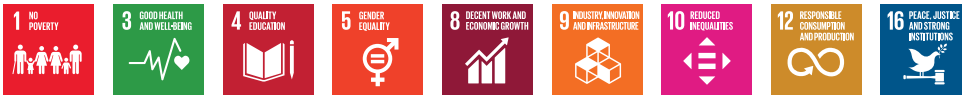
Commitments	CSR materiality issues	Major gross CSR risks <sup>(1)</sup> (Sonepar’s activities or those of its suppliers)
<ul style="list-style-type: none"> <li>• Establish robust, long-term governance</li> <li>• Guarantee and promote compliance and business ethics</li> <li>• Protect data, strengthen cybersecurity maturity</li> </ul>	<ul style="list-style-type: none"> <li>• Business ethics and compliance</li> <li>• Cybersecurity and personal data protection</li> <li>• Transparency and responsible governance</li> <li>• Crisis management</li> <li>• Human rights</li> <li>• Digital responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-competitive practices</li> <li>• Cybersecurity</li> <li>• Corruption</li> <li>• Insufficient or non-existent crisis management system</li> <li>• Non-compliance with laws and regulations</li> </ul>



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



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



Commitments	CSR materiality issues	Gross CSR risks <sup>(1)</sup> (Sonepar's activities or those of its suppliers)
<ul style="list-style-type: none"> <li>Guarantee the health and safety of associates</li> <li>Retain talent and develop skills</li> <li>Share value with associates (associate shareholding and participation in results)</li> <li>Promote quality of life at work and associate engagement</li> <li>Promote diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Attracting and retaining talent</li> <li>Crisis management</li> <li>Quality of employment and working conditions</li> <li>Professional development</li> <li>Diversity and inclusion</li> <li>Social dialog</li> </ul>	<ul style="list-style-type: none"> <li>Inadequate associate health and safety conditions</li> <li>Accidents at work</li> <li>Forced labor</li> <li>Child labor</li> <li>Insufficient or non-existent crisis management system</li> </ul>
<ul style="list-style-type: none"> <li>Ethical and responsible sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Transverse</li> </ul>	<ul style="list-style-type: none"> <li>Transverse</li> </ul>
<ul style="list-style-type: none"> <li>Respecting and promoting human rights</li> </ul>	<ul style="list-style-type: none"> <li>Business ethics and compliance</li> <li>Cybersecurity and personal data protection</li> <li>Human rights</li> <li>Crisis management</li> </ul>	<ul style="list-style-type: none"> <li>Forced labor</li> <li>Child labor</li> <li>Inadequate health and safety conditions in workplaces</li> </ul>

Environment: reduce our impact across the entire value chain



Commitments	CSR materiality issues	Gross CSR risks <sup>(2)</sup> (Sonepar's activities or those of its suppliers)
<ul style="list-style-type: none"> <li>Commit to climate change</li> <li>Limit greenhouse gas (GHG) emissions</li> <li>Develop the circular economy</li> <li>Innovate with the Green Offer</li> </ul>	<ul style="list-style-type: none"> <li>Responsible purchasing and supply chain resilience</li> <li>Combating climate change</li> <li>Customer service quality</li> <li>Waste management and packaging reduction</li> <li>Circular economy</li> <li>Energy transition</li> <li>Sustainable management of resources and raw materials</li> <li>Regional development and respect for local communities</li> <li>Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Climate change</li> <li>GHG emissions</li> <li>Inadequate natural resource management (ineffective, insufficient, non-compliant, etc.)</li> <li>Inadequate waste management (insufficient, ineffective, non-compliant)</li> <li>Soil pollution</li> <li>Activity presenting a major environmental hazard</li> <li>Insufficient or non-existent crisis management system</li> </ul>

(1) and (2) Risks are presented without taking into account any level of severity or gradation; materiality issues are presented in descending order of importance for stakeholders in the materiality matrix.

## 3.6 Contribution to the United Nations Global Compact and the Sustainable Development Goals

### WE SUPPORT



Sonepar joined the United Nations Global Compact in 2021 and is committed to supporting the 10 principles of voluntary international framework. These relate to respect for human rights, international labor and environmental standards, and the fight against corruption.

Sonepar has integrated the United Nations’ Sustainable Development Goals (SDGs) for 2030 into its CSR approach. These objectives are implemented through its core business and through actions and initiatives at the level of the Head Office, Region, Country and operational subsidiary level.

### Our contribution to the SDGs and the principles of the Global Compact

SDG	Principles of the Global Compact	Sonepar’s commitments	Chapter
 3 GOOD HEALTH AND WELL-BEING	1-2-3-4	Health and safety of associates and users	4.5
		Quality of life at work	5.5
		Product quality and safety	4.8
 4 QUALITY EDUCATION	1-3	Skills development	5.4
		Attracting and retaining talent	5.3
 5 GENDER EQUALITY	1-2	Diversity and inclusion	5.6
 7 AFFORDABLE AND CLEAN ENERGY	1-3	Energy transition	6.1
		Combating climate change	6.2
			6.5
 8 DECENT WORK AND ECONOMIC GROWTH	1-2	Human rights	4.4
		Stable employment and quality working conditions	4.5
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	2-3	Circular economy Green Offer	6.5
 10 REDUCED INEQUALITIES	1-2-4	Business ethics and compliance	4.2
		Diversity and inclusion	5.6
 11 SUSTAINABLE CITIES AND COMMUNITIES	1-3	Regional development	5.7
		Support for local communities	6.5
		Circular economy	
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	3	Circular economy	6.5
 13 CLIMATE ACTION	3	Combating climate change	6.1
			6.5
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	1-2-4	Business ethics and compliance	4.2
		Transparency and responsible governance	4.3
		Human rights	4.4
		Cybersecurity and personal data protection	4.6
		Crisis management	4.9



# 04



# Governance and integrity

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# Chapter overview

This chapter presents the first major axe of our CSR approach: governance and integrity.

Governance and integrity are the foundations for sustainable performance.

## 4.1 Vision and strategy

For Sonepar, integrity, fairness, trust, respect and safety are essential levers for generating sustainable growth. The Group sees governance and compliance as sources of value creation through process improvement, risk assessment and reduction and the sharing of common values.

## 4.2 Our Code of Conduct and Compliance Program

Reputation and credibility in terms of compliance and ethics are among a group's most important assets. Sonepar is committed to acting ethically and with integrity, in compliance with the laws and regulations that govern its business.

### Our Code of Conduct

The Code of Conduct is the reference document for all compliance and integrity issues within the Group. It sets out the principles and rules of good conduct that should guide Sonepar associates in all their day-to-day actions, wherever they are in the world. Each associate is asked to sign the document to ensure that they understand and respect the values and principles set out therein.

The first version of the Code of Conduct was published in 2017. A new, more didactic version, based on the mapping of corruption and influence peddling risks and in line with major international reference texts, was published in 2020. It is available in 19 languages.

The Code of Conduct has three sections:

- our principles as an employer, particularly with regard to human rights, bullying, harassment and discrimination, health and safety, privacy and personal data;
- our principles as a company, particularly with regard to business integrity, gifts and entertainment, conflicts of interest, fraud prevention, unfair competition and supplier selection; and
- our principles as a corporate citizen, particularly with regard to the environment, support for local communities, political and lobbying activities, international trade, anti-money laundering and accurate financial reporting.

It is supplemented by the Supplier Code of Conduct, which sets out the standards Sonepar requires from its suppliers, mainly in terms of respect for human rights, working conditions, the environment, health and safety, corruption and competition. This Code is also available on the Group website: Code of Conduct ([sonepar.com](https://www.sonepar.com)).

### Compliance governance

Sonepar strives to respect the strictest ethical, social and environmental standards, and to act as a responsible group wherever it is established. This ambition is reflected in its Compliance Program, which is part of a continuous improvement process designed to meet the new challenges facing the Group and its stakeholders.

Sonepar's Chairman and Executive Management, under the supervision of the Steering Committee and the Audit Committee, provide the impetus and direction for compliance and integrity.

The implementation of Group policies relating to compliance and integrity issues is the responsibility of the Head Office and, depending on the subject, of the Legal and Compliance Department or the Risks and Insurance Department. Both report to the General Counsel and act in consultation with the other functional departments concerned.

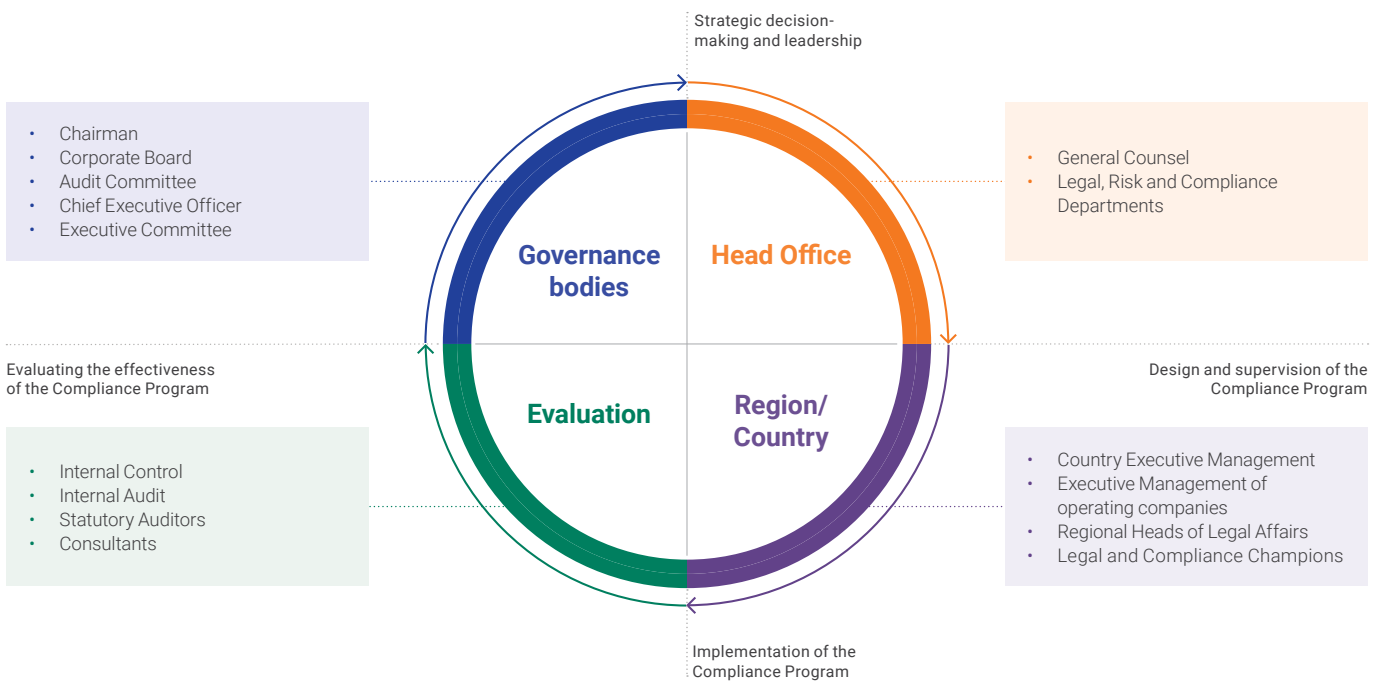
The General Counsel reports to the Chief Executive Officer and is responsible for the operational management of Sonepar’s compliance and integrity function. He is a member of Sonepar’s Executive Committee and attends all meetings of the Audit Committee. The Group Legal and Compliance Director reports to the General Counsel and presents an annual activity report to the Audit Committee. Its mission is to promote the best practices set out in the Code of Conduct and related policies, in conjunction with the Legal Directors of the Regions and operating subsidiaries.

Each Regional Director is responsible for implementing the Compliance Program within their area, with the support of subsidiary managers. Overseeing the deployment of policies and procedures at the regional and local levels is the responsibility of governance bodies.

Sonepar’s associates and governance bodies are fully involved in ensuring that the Group’s standards are respected, in particular through the Compliance Program.

These actions are supported by the SILCC (Sonepar International Legal and Compliance Committee), made up of attorneys and Compliance Champions in the Group’s subsidiaries, Countries and Regions. This committee is responsible for implementing and monitoring projects in the areas of governance, law and compliance, as well as risks, insurance and security. This network provides support to the Group’s operational subsidiaries in the deployment and management of the Group Compliance Program, monitors legal and regulatory developments and allows the sharing of best practices from the field.

### Compliance Governance





## Our Compliance Program

A Compliance Policies and Procedures Manual for internal use complements the Code of Conduct.

Published in 2020 and available in 15 languages, it contains detailed policies and procedures on:

- the fight against corruption and influence peddling;
- competition law;
- compliance with international sanctions;
- management of conflicts of interest; and
- protection of personal data.

All Group associates are required to read and comply with this document. Managers play an essential role in setting an example and providing support.

The policies and procedures deployed at Group level may be supplemented by local procedures; however, these may not be less stringent.

The Internal Control Manual and the Internal Audit Charter, which are also important guidelines for assessing and auditing the Compliance Program, complete this system.

Furthermore, Executive Management regularly reiterates its commitment in various communications, both oral and written.

### Broadcast

The Compliance section of the Sonepar intranet provides all Group associates with easily accessible information on business ethics, including the Code of Conduct, the Compliance Policies and Procedures Manual, the Supplier Code of Conduct, the whistleblowing procedure and a link to the whistleblowing platform. Associates can also find contact details for each country.

Some of these documents are also publicly available on the Sonepar website [www.sonepar.com](http://www.sonepar.com).

## The fight against corruption and influence peddling

In accordance with the requirements of the French Sapin II Law on the fight against corruption and influence peddling, Sonepar has implemented a compliance program aimed at combating corruption and influence peddling. This program is based on the corruption and influence peddling risk map, which is regularly enriched and updated.

As stated in its Code of Conduct and Compliance Policies and Procedures Manual, Sonepar has zero tolerance for corruption and influence peddling.



## Dashboard

## DEPLOYMENT OF THE “SAPIN II” COMPLIANCE PROGRAM

PILLAR	SUMMARY OF OBLIGATION
<b>1</b> CODE OF CONDUCT	Development and adoption of a Code of Conduct defining and illustrating the various types of behavior to be avoided as likely to constitute acts of corruption or influence peddling.
<b>2</b> INTERNAL WHISTLEBLOWING SYSTEM	Implementation of an internal and external whistleblowing system.
<b>3</b> CORRUPTION AND INFLUENCE PEDDLING RISK MAPPING	Creation and updating of a corruption and influence peddling risk map.
<b>4</b> THIRD-PARTY ASSESSMENT PROCEDURES	Implementation of procedures to assess the situation of customers, first-tier suppliers and intermediaries with regard to the mapping of corruption and influence peddling risks.
<b>5</b> ACCOUNTING CONTROL PROCEDURES	Implementation of accounting control procedures.
<b>6</b> TRAINING PROGRAM	Implementation of a training program for managers and staff most exposed to corruption and influence peddling risks.
<b>7</b> DISCIPLINARY SYSTEM	Implementation of a disciplinary system to sanction associates for breaches of the Code of Conduct.
<b>8</b> INTERNAL CONTROL AND EVALUATION SYSTEM	Implementation of an internal control and assessment system for the measures in place.

STATUS/COMMENT		
<ul style="list-style-type: none"> <li>→ Code of Conduct translated into 19 languages available on the Group's intranet and websites.</li> <li>→ Distributed to and accepted by all associates.</li> <li>→ Supplemented by a Compliance Policies and Procedures Manual translated into 15 languages and available on all Group intranet sites.</li> <li>→ Supplier Code of Conduct.</li> </ul>	<p><b>97.3%</b> of associates have access to the Code of Conduct in an official language of their country</p> <p><b>100%</b> of strategic suppliers have signed the Supplier Code of Conduct</p>	<p><b>100%</b> of associates have received and read these documents</p> <p><b>100%</b> of risks identified in the corruption risk map are addressed in the Code of Conduct</p>
<ul style="list-style-type: none"> <li>→ Existence of a dedicated whistleblowing policy, procedure and external platform (multilingual).</li> <li>→ All confirmed reports are subject to appropriate corrective and/or preventive measures.</li> </ul>	<p><b>294</b> reports received since 2018, including 72 in 2023</p> <p><b>88%</b> of associates say they are comfortable raising concerns about suspected violations of applicable laws and regulations and Sonepar's Code of Conduct and policies (Ipsos Mid-Survey 2023)</p>	<p><b>100%</b> reports are processed or in progress</p>
<ul style="list-style-type: none"> <li>→ 6 updates to the corruption and influence peddling risk map since the Sapin II Law came into force.</li> <li>→ The latest update (2023) involved more than 35 entities (representing more than 99% of the Group's turnover) and led to the identification of 27 specific risks.</li> <li>→ Further update of the corruption and influence peddling risk map planned for 2026.</li> </ul>	<p><b>88%</b> of 2021 action plans completed by end-2023</p>	<p><b>99%</b> of action plans from the previous update (2018) completed</p>
<ul style="list-style-type: none"> <li>→ Implementation of a Group policy in 2020.</li> <li>→ Use of specialized databases (Dow Jones Risk Center, Bureau Van Dijk Compliance Catalyst, Tsort, AML Risk).</li> <li>→ Half-yearly monitoring of key indicators.</li> <li>→ More than 15,000 legal entities assessed.</li> </ul>	<p><b>100%</b> of acquisition targets evaluated</p> <p><b>100%</b> of intermediaries evaluated</p>	<p><b>100%</b> of strategic suppliers evaluated</p>
<ul style="list-style-type: none"> <li>→ Around 60 control points related to the Sapin II Law, more than half of which concern accounting controls in the 2023 version of the Internal Control Manual.</li> <li>→ Internal Control Manual revised annually.</li> <li>→ Deployment of Concur expense report tracking software and Eye2Scan software (data analytics tool).</li> </ul>	<p><b>33</b> Internal Control points linked to the Compliance Program dedicated to accounting controls</p> <p>Concur deployed in 34 countries and Eye2Scan in 3 countries</p>	
<ul style="list-style-type: none"> <li>→ E-learning training for associates on the fight against corruption and influence peddling, and in managing conflicts of interest (in addition to in-person and distance learning).</li> <li>→ Compliance posters displayed at Group sites around the world.</li> </ul>	<p><b>40,106</b> associates trained since 2018 in the fight against corruption and influence peddling</p> <p><b>42,152</b> associates trained since 2018 in managing conflicts of interest</p>	<p><b>100%</b> distribution of compliance posters</p>
<ul style="list-style-type: none"> <li>→ Disciplinary system for all French operational entities, taking into account the Group Code of Conduct.</li> <li>→ Corrective measures are applied in the event of a confirmed violation.</li> </ul>	<p><b>100%</b> of substantiated reports were subject to corrective measures</p> <p><b>100%</b> disciplinary regime in all French entities</p>	<p><b>44</b> disciplinary sanctions since 2018, including 20 in 2023</p>
<ul style="list-style-type: none"> <li>→ 31 audits dedicated to the Group Anti-Corruption Compliance Program carried out since 2018, covering 98% of the Group's turnover as of end-2023. These are in addition to the governance audits which are carried out each year.</li> <li>→ Biannual Legal/Compliance/Risks/Internal Control/Internal Audit meetings to monitor Group compliance indicators.</li> <li>→ Statutory Auditors' responsibilities.</li> </ul>	<p><b>1</b> "red" audit only, with most areas already corrected</p> <p><b>98%</b> of Group sales audited by end-2023</p>	<p><b>17</b> control areas related to the Sapin II Law in the 2023 Internal Control campaign</p>

## Compliance with competition law

The Compliance Policies and Procedures Manual includes a Fair Competition Policy detailing the fundamental principles of competition law (collusion, agreements with suppliers and customers, abuse of dominant position, merger operations), the relevant issues and possible sanctions, good behaviors to adopt and what not to do. These principles are illustrated by concrete examples.

## International sanctions

The Compliance Policies and Procedures Manual also includes an International Trade Control Policy indicating the procedures to follow in the event that business is conducted with a country or third party subject to international sanctions or economic restrictions. These may be general economic sanctions, such as an embargo (for example, North Korea), or restrictions limited to a specific economic sector or goods. Sanctions may target specific individuals or entities, with whom business will be restricted or subject to a special regime. For example, some subsidiaries may export goods that are considered dual-use – civil or military, depending on their destination – and require a special license for delivery to certain countries. Any such plans must be submitted, reviewed and validated in advance by the relevant Legal Director for the Region or Country.

## Managing conflicts of interest

The Compliance Policies and Procedures Manual is supplemented by a policy for managing conflicts of interest. In application of this policy, the Group asks associates to declare any links, relationships or other situations that could give rise to a conflict of interest by completing a declaration.

## Protection of personal data

In its Compliance Policies and Procedures Manual, Sonepar has formalized its personal data protection policy for associates (for data processing conducted by Sonepar SAS).

A Data Protection Officer (DPO) was appointed in 2022. Their mission is to define and coordinate common guidelines on personal data protection within the Group, notably through a network of correspondents in the operating subsidiaries. These measures aim to:

- ensure a common standard for personal data protection across the Group; and
- ensure compliance with applicable legal regimes throughout the Group, via the action of local managers.

Sonepar SAS has launched an extensive project to update its personal data processing register in 2022, thanks to its dedicated digital tool. This exercise allows it to calibrate and prioritize the actions it must take to protect personal data. Particular attention is paid to systems handling the most sensitive personal data (HRIS in particular). This process continued in 2023.

Assisted by a law firm, Sonepar SAS has launched a number of personal data protection impact assessments for the most high-risk personal data processing operations, including those common to the entire Group. These impact analyses will allow it to verify that processing operations comply with applicable regulations, and if necessary, to implement corrective measures. The results of these analyses will be shared with the operating subsidiaries concerned.

With the entry into force of French no. 2023-22, which requires companies to file a complaint within 72 hours in the event of a breach of an automated data processing system, in order to guarantee their insurance rights, Sonepar SAS has strengthened its procedure in the event of a procedure applicable to breaches of its information system or violations of personal data.

Sonepar will continue to formalize its personal data protection policies in 2024.

International transfers of personal data within the Group are organized within the framework of a dedicated intra-group agreement, supplemented by standard contractual clauses for transfers of personal data outside the European Union. All Group entities are subject to this agreement.

Best practices and regulatory oversight are shared via the Group's personal data correspondents.

## Dashboard – Personal data protection

INDICATORS	SUMMARY OF OBLIGATION	2022	2023
Percentage of associates with access to the personal data policy (for data processed by Sonepar SAS)	Group	100%	100%
Number of personal data policies in place	Sonepar SAS	6	6
Percentage of cybersecurity engagements with a personal data component	Audits conducted by Internal Audit	100%	100%
Number of requests to exercise rights submitted to personal data officers	Group <sup>(1)</sup>	20	56
<b>Requests by category of data subject:</b>			
→ from customers	Group <sup>(1)</sup>	12	39
→ from suppliers		1	5
→ from job candidates		3	7
→ from associates		1	3
→ from former associates		3	2

## Training

Integrity is everyone's concern, everywhere and every day. A compliance training program was launched in 2018 and has been regularly reviewed since. It covers the fight against corruption, influence peddling, and fraud, as well as competition law and managing conflicts of interest.

The program consists of custom e-learning modules organized for associates whose role makes the most at-risk. It also includes in-person training and webinars. The corruption issues addressed include intermediaries, gifts and invitations, donations, patronage and the whistleblowing system. Since its launch, 40,106 associates have been trained.

With regard to competition law, the program covers both horizontal (between competitors) and vertical (with suppliers) competition restrictions. Guidelines have also been put in place for the exchange of information within trade associations. Since its launch, 31,730 associates have been trained in this e-learning program.

Conflict of interest training is designed to educate Group associates on how to recognize conflict of interests and manage them appropriately. Since its launch, 42,152 associates have been trained.

A dedicated e-learning module to support associates involved in export procedures in understanding risk situations will be deployed in 2024. This training course will be of particular interest to sales representatives, Country managers, legal managers, Compliance Champions and risks and insurance managers. In the meantime, webinars are organized by the Legal and Compliance Department.

A module on personal data protection regulations will also be deployed in 2024. Meanwhile, several presentations have been given in person or via webinars to various audiences (lawyers, internal controllers, etc.).

(1) Scorecard based on 20 Group countries.

(2) The rollout of this new module, initially scheduled for 2023, has been delayed due to digital tool migration issues.

### Whistleblowing system

The Group’s whistleblowing system is based on a confidential, secure platform administered by a third-party organization and compliant with the requirements of the Sapin II Law. This platform will be supplemented by a phone line in 2024.

It enables all Group associates and stakeholders to report any suspected violation of the Code of Conduct, the Supplier Code of Conduct, Sonepar’s policies and procedures, or the applicable laws and regulations. These reports may be in 20 different languages and may be anonymous. It is accessible internally and externally at <https://sonepar.integrityline.com/frontpage>

Group associates are encouraged to inform their managers of any such reports. If an associate is uncomfortable raising concerns with their manager, they can contact Human Resources (at the Head Office or local level) or the General Counsel ([groupcompliance@sonepar.com](mailto:groupcompliance@sonepar.com)) or send a report on the platform.

A specific policy is available on the Group’s website and intranet.

In particular, the following categories of reports are covered:

- 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; and
- crimes or offenses.

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

Typology of reports	2022	2023
<b>Sources</b>		
Associates	15	67
Third party	4	5
Anonymous	29	44
<b>Subjects</b>		
Conflicts of interest	3	2
Discrimination	2	5
Fraud <sup>(1)</sup>	5	17
Harassment	8	13
Health and safety	5	9
Corruption	2	5
Human resources	18	18
Compliance with international sanctions	1	0
Other human rights	0	0
Not applicable	3	4
Other	1	0
<b>Regions</b>		
Asia-Pacific	2	7
South America	15	16
North America	18	27
Western Europe	8	19
Central Europe and the Nordics	5	3

98% of the team leaders questioned in the 2021 Open Voices associate satisfaction survey considered that compliance with the laws, regulations and procedures applicable to Sonepar was taken seriously within their operating subsidiary.

In the Mid-Survey conducted in 2023, 88% of associates indicated that they were confident in their ability to raise a report within the Group.

(1) Including theft.

## 4.3 Duty of care

As a responsible company that listens to the expectations of its stakeholders, Sonepar has adopted a vigilance approach. The aim of this policy is to identify, prevent and mitigate major risks to human rights, the environment and human health and safety arising from the Group's own activities and those of its suppliers. This is part of its ethical commitments and CSR strategy. Today, this approach is a prerequisite for the sustainability of Sonepar's activities and allows it to anticipate future regulatory requirements.

Convinced of the importance of these issues, and despite being a simplified joint-stock company (*société par actions simplifiée*), has set itself the goal of modeling its vigilance approach on the principles of the March 27, 2017 law on the duty of care of parent companies. This decision anticipates the obligations arising from the EU's Corporate Sustainability Reporting Directive of December 14, 2022 (the "CSRD").

### Scope

Sonepar's vigilance approach covers its own activities as well as those of all its consolidated operating subsidiaries and its suppliers<sup>(1)</sup>.

With 45,662 associates – 95% of whom are on permanent contracts – in 42 countries, the Group focuses on local, integrated and sustainable operations close to customers and their communities. Sonepar builds long-term relationships of trust with its partners and suppliers.

These elements of the company's way of doing business help it control the risks associated with its duty of care.

The Group's business model is based on the B-to-B distribution of electrical equipment, solutions and services. It pays particular attention to the activity of its "core business" suppliers (manufacturers of electrical equipment), in order to protect against the associated CSR risks and ensure compliance with the applicable regulatory provisions.

### Managing the approach

The Group's vigilance approach is driven by the Head Office through its subsidiaries, which are responsible for its implementation. It is a continuous improvement process, led by the General Counsel in close collaboration with the Group's Communication and Sustainable Development and Human Resources departments.

It is based on various internal and external benchmarks within the Group, including:

- internal reference documents (Code of Conduct, Compliance Policies and Procedures Manual, Supplier Code of Conduct, other procedures and policies applicable to the entire Group);
- the Group's risk maps: CSR risk mapping, global risk mapping, corruption and influence peddling risk mapping, human rights risk mapping;

- the Declaration on Minerals in Conflict Zones published in September 2022;
- the Human Rights Policy adopted in December 2022; and
- external benchmarks: the principles of the Global Compact, the United Nations' Guiding Principles on Business and Human Rights.

The vigilance approach is intended to be integrated into the Group's risk mapping approach from 2024, as part of its update and using a unified risk assessment methodology.

### Identifying risks

#### Methodology for identifying risks

In 2021, Sonepar initiated a process to identify and assess the major gross CSR risks generated by its activities and those of its suppliers, in line with its vigilance approach. This process aimed to develop and systematize measures designed to limit the occurrence and consequences of these risks, with a view to continuous improvement.

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

(1) As Sonepar does not regularly employ subcontractors, this aspect is not specifically addressed.

This exercise was conducted together with the Group’s internal and external stakeholders listed below:

Internal contributors:	External contributors:
<ul style="list-style-type: none"> <li>• Sonepar’s CSR managers and buyers;</li> <li>• representatives of other key CSR functions (risks and insurance, digital, logistics, purchasing, etc.); and</li> <li>• associates of the Group’s Legal and Compliance, Risks and Insurance, Human Resources and Sustainability networks (materiality matrix).</li> </ul> <p>All Sonepar regions were represented by these contributors.</p>	<p>Sonepar relied on a panel of external contributors including:</p> <ul style="list-style-type: none"> <li>• customers;</li> <li>• suppliers;</li> <li>• a logistics player;</li> <li>• Colam Entrepreneure, Sonepar’s majority shareholder;</li> <li>• an insurer; and</li> <li>• financial institutions.</li> </ul>

In 2023, the Group updated its global risk map and its corruption and influence peddling risk map. For the first time, it also produced a human rights risk map. The risk mapping methodologies and frameworks are under revision in the first half of 2024 to be aligned with the double materiality approach from the CSRD.

### Risk assessment process

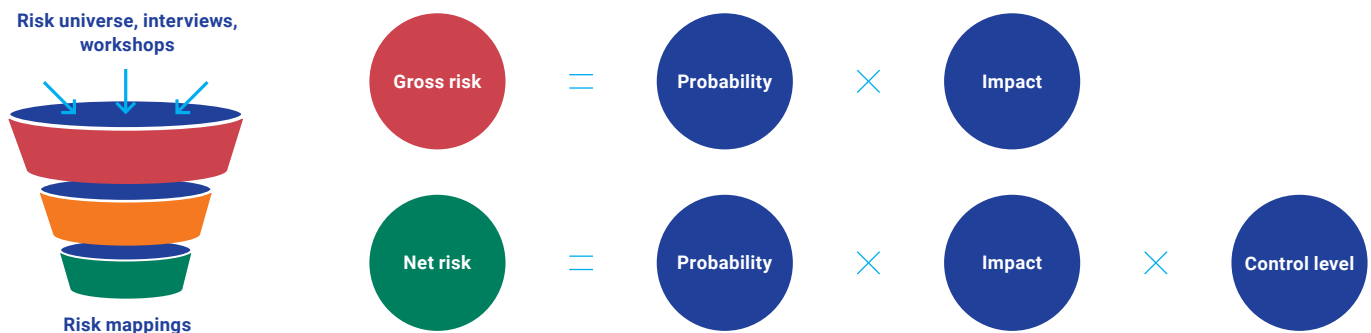
Sonepar has pre-identified 70 risks linked to major due diligence issues: human rights, health and safety and the environment. Of these 70 risks, 30 were deemed relevant to the company’s business or that of its suppliers. Corruption and influence peddling risks are covered by a specific risk map.

An assessment of these inherent risks was carried out via a questionnaire and a series of interviews with selected stakeholders. The conclusions of this study were used to classify the gross risks identified in three categories:

- major risks;
- significant risks; and
- minor risks.

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

At the end of 2022, a specific human rights risk mapping project was launched. It aims to deepen the analysis of human rights risks already carried out as part of the CSR risk mapping process, with a view to identifying the most significant human rights risks related the Group’s activities and those of its suppliers in greater detail. It was conducted in 2023 for the most exposed Countries, operating subsidiaries and suppliers (defined, in particular, according to the supplier’s country of activity or location, the number of associates and the volume and type of purchases).





## Major risks identified

### Major risks associated with the Group's business, in descending order of priority

Risk category/Issue	Type of risk	Risk description	Policies/Actions
<b>Human rights</b>	1. Insufficient or non-existent crisis management system	Operating in over 40 countries, the Group may be confronted with various crises (geopolitical, economic, social, climatic, etc.) on a local or regional scale. In order to protect the rights, health and safety of its associates, local and neighboring communities and the environment, an appropriate and effective crisis management system is needed to protect against these risks and limit their impact should they occur.	Risk mapping Code of Conduct Joining the Global Compact Risk monitoring at country level, in particular via the Risk Observatory Inventory of existing crisis management systems conducted in 2022, along with a formalization and tooling of the Group's crisis management approach in 2023
<b>Environment</b>	2. Climate change	Sonepar's activities may contribute to or be affected by climate change. This impact must be minimized, particularly as part of the process of reducing GHG emissions and adapting facilities.	GHG balance for the scopes 1, 2 and 3 GHG emissions reduction trajectory validated by the SBTi (scopes 1 and 2) Energy Transition Academy Green Offer Deployment of a tool analyzing the impact of climate change on Group sites (in progress)
<b>Health and safety</b>	3. Accidents at work 4. Inadequate health and safety conditions in workplaces 5. Safety rules and protective equipment non-existent or not adapted to the site or position occupied 6. Buildings or facilities that do not meet adequate safety standards	Some of Sonepar's activities – particularly transportation and logistics – may lead to accidents in the workplace.  Sonepar associates must work in conditions that comply with safety standards. The same applies to the workstations and installations they work with, whose safety, compliance and maintenance must be ensured on an ongoing basis.  Inadequate health and safety conditions in the workplace may lead to injury and, in the long term, to serious illnesses or incidents affecting the health and safety of associates.  The same applies to the buildings and facilities in which Sonepar conducts its activities, which must ensure an adequate level of health and safety, and in any event must comply with the standards and laws in force, in order to limit the risk of bodily injury or illness to associates, visitors and local residents.	Safety rules communicated to associates depending on the site and position occupied Risk monitoring at the Country level Whistleblowing system HSE approach currently being structured (Group policy and organization) Maturity review Prevention visits
<b>Environment</b>	7. Inadequate or non-compliant waste management	Waste management related to the upstream and downstream packaging of products or materials sold by Sonepar may have a major impact on the environment. The same applies to the equipment and products sold at the end of their usable lives.  The reduction of packaging, the development and optimization of recycling, the promotion of more sustainable products and the recovery of waste should make it possible to limit this risk.	Compliance with regulations Collection systems for end-of-life equipment at branches
<b>Environment</b>	8. GHG emissions	The products sold by Sonepar and the Group's logistics and distribution activities generate GHG emissions.  These emissions must be controlled and limited in order to reduce the impact of Sonepar's activities on the climate and its consequences for the planet.	Carbon footprint (scopes 1, 2 and 3) GHG emissions reduction trajectory validated by the SBTi (scopes 1, 2 and 3)

## Major risks relating to the activities of Group suppliers – in descending order of priority

Risk category/Issue	Risk	Risk description	Mitigation measures
<b>Environment</b>	1. Climate change	The production and transportation of equipment distributed by Sonepar generate GHG emissions.  These emissions must be controlled and limited in order to reduce the impact of Sonepar's activities on the environment and climate throughout its upstream value chain.	Suppliers' contribution to the Group's GHG approach
	2. GHG emissions		Suppliers' contribution to the Green Offer Carbon footprint GHG emissions reduction trajectory validated by the SBTi (scopes 1, 2 and 3) Supplier Code of Conduct
<b>Environment</b>	3. Inadequate natural resource management (ineffective, insufficient, non-compliant, etc.)	The production of electrical equipment requires resources and energy which are inherently limited, and which may cause serious damage to the environment if they are not used in an efficient, controlled manner and in accordance with environmental standards.	Regular exchanges with suppliers Supplier audits (own-brand business) Supplier Code of Conduct Declaration on minerals in conflict zones Green Offer Circular economy
<b>Human rights</b>	4. Child labor	Sonepar's suppliers are located all over the world. The risk of child labor may exist in certain regions. Knowledge of suppliers and the economic and political environment in which they operate should help limit this risk, which is unacceptable to the Group.	Supplier Code of Conduct Whistleblowing procedure open to external third parties Supplier audits (own-brand business) Human Rights Policy Third-party evaluation Human rights risk map Joining the Global Compact
<b>Health and safety</b>	5. Inadequate associate health and safety conditions	Suppliers' associates must work in conditions that comply with safety standards. The same applies to the workstations and installations they work with, whose safety, compliance and maintenance must be ensured on an ongoing basis.  Inadequate health and safety conditions in the workplace may lead to injury and, in the long term, to serious illnesses or incidents affecting the health and safety of associates.	Supplier Code of Conduct Whistleblowing procedure open to external third parties Supplier audits (own-brand business) Compliance with health and safety rules implemented by operating subsidiaries Supplier site visits Human Rights Policy Human rights risk map
<b>Environment</b>	6. Activity presenting a major environmental hazard	Certain activities linked to the production of products distributed by Sonepar may, by their very nature, pose a serious risk to the environment, particularly in terms of accidental pollution (chemical risk, explosion risk, etc.). These risks must be identified and managed to prevent their occurrence.	Supplier audits (own-brand business) Supplier Code of Conduct Whistleblowing procedure open to external third parties
<b>Environment</b>	7. Inadequate waste management (insufficient, ineffective, non-compliant, etc.)	Inadequate management of industrial waste and upstream packaging waste at Sonepar suppliers may have a major impact on the environment.  Reducing packaging and developing and optimizing recycling and waste recovery systems should help limit this risk.	Regular exchanges with suppliers Supplier audits (own-brand business) Supplier Code of Conduct Whistleblowing procedure open to external third parties

Risk category/Issue	Risk	Risk description	Mitigation measures
<b>Health and safety</b>	8. Inadequate health and safety conditions in workplaces (warehouses, etc.)	The buildings and facilities in which suppliers operate must ensure an adequate level of health and safety, and in any case comply with current standards and legislation, in order to limit the risk of injury or illness to associates, visitors and local residents.	Supplier Code of Conduct Supplier audits (own-brand business) Whistleblowing procedure open to external third parties Human Rights Policy Human rights risk map
<b>Human rights</b>	9. Forced labor	As Sonepar's suppliers are located all over the world, the risk of people being made to work under duress or without having offered their labor voluntarily cannot be ruled out. Knowledge of suppliers, their economic and political environment, and their recruitment sources and methods should limit the risk of forced labor in Sonepar's upstream value chain.	Adhesion to the Global Compact Supplier audits (own-brand business) Whistleblowing procedure open to external third parties Supplier Code of Conduct Human Rights Policy Human rights risk map
<b>Environment</b>	10. Soil pollution	The production of electrical equipment and the associated management of waste may create a major risk of localized soil pollution. Suppliers must control this risk to limit its occurrence and impact.	Regular exchanges with suppliers Supplier Code of Conduct Green Offer Circular economy Crisis management process
<b>Health and safety</b>	11. Accidents at work	The activities of our suppliers, particularly in production and logistics, may lead to accidents in the workplace. Measures to ensure the safety of workstations, buildings and installations and to protect the health of associates must help prevent this risk and limit its consequences.	Supplier Code of Conduct Exchanges with suppliers Supplier audits (own-brand business) Human Rights Policy Human rights risk map

## Risk management actions

### Within the scope of the Group's activities

#### Human rights issues

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

In 2023, a human rights risk mapping exercise based on this framework was conducted over a scope representative of the most exposed activities. It enabled operating subsidiaries to identify their specific risks and the priority actions to be taken.

This new approach builds on long-standing policies and actions promoting:

- ethics and compliance of the activities of the Group and its associates (see also Chapter 4, section 4.2);

- quality of working life and associate engagement (see also Chapter 5, section 5.5);
- diversity and inclusion (see also Chapter 5, section 5.6); and
- local communities and dialogue with stakeholders (see also Chapter 5, section 5.7).

#### Health and safety issues

Protecting the health, safety and well-being of our associates worldwide is a constant priority for the Group.

To keep operational risks under control, health and safety strategies and action plans are defined and implemented at local level. These preventive measures include defining and communication to associates the safety rules adapted to their facilities and positions, the supply of appropriate personal protective equipment, training and awareness-raising initiatives. At Group level, risk prevention visits, including those related to safety issues, are carried out at representative sites (see also Chapter 4, section 4.5) and result in recommendations for improvement.

Relevant monitoring indicator:

- number of prevention visits in 2023: 25.

### Environmental issues

To help reduce its carbon footprint across its entire value chain, Sonepar is capitalizing on its leadership in electrical equipment distribution. The Group is well positioned to promote and develop sales of eco-efficient, environmentally-friendly solutions, without compromising on the health and safety of people and property. It is committed to working with its partners and suppliers to accelerate Global Net Zero for CO<sub>2</sub> emissions.

The main axes of the Group's environmental approach are:

- the Green Offer, a world premiere to help customers quantify and reduce their carbon footprint;
- engagement, with an Energy Transition Academy training all associates on reducing their environmental impact and encouraging customers to adopt better practices; and
- transformation to reduce its GHG emissions and waste and thus set an example.

### Within the scope of Group purchasing

With over a hundred distribution brands operating in more than forty countries, Sonepar plays a pivotal role in the value chain of the electrical ecosystem. The Group aims to position itself as a trusted partner for 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 conformity. As a specialist in electrical equipment and solutions for the future, Sonepar requires its suppliers to meet the highest standards of business ethics and respect for human rights.

Sonepar has developed several measures that allow it to exercise vigilance with regard to the practices of its suppliers:

- Its Supplier Code of Conduct, to which suppliers must adhere. Since 2022, this has been supplemented by a Human Rights Policy setting out the Group's requirements of its business partners.
- CSR assessments via the EcoVadis platform (gradual roll-out from end-2022).
- Systematic assessments of third parties (customers, suppliers, intermediaries) based on a multi-criteria risk analysis, including a monitoring and whistleblowing component linked to any "negative" information (including human rights issues).
- Specific and reinforced actions in the context of its own-brand business. Cross-functional audits on criteria relating to employment conditions, health, safety and the environment are carried with suppliers within this scope. If these do not meet the required standards, they are not considered.

- Monitoring and investigating human rights issues and controversies in a region or sector in which Sonepar or its suppliers operate.
- Opening up the whistleblowing system to third parties.

The Group has initiated a project to define a Group Responsible Purchasing Policy to be rolled out from 2024.

The Human Rights risk mapping exercise identified risks related to Sonepar's suppliers at several levels:

- specific analysis of the Group's strategic suppliers; and
- helping operating subsidiaries identify their own direct purchasing risks.

### Whistleblowing system

Sonepar has an ethics whistleblowing platform open to all associates, partners and third parties. For further information, see also Chapter 4, section 4.2.

## 4.4 Respect for human rights

### Issues

The local political and security context, social upheavals, economic changes, and technological advancements, as well as crises such as human conflicts, natural disasters, and pandemics, can directly impact human rights. The Group’s associates and partners in the countries in which they operate may be affected. Upholding human rights by the Group and its stakeholders (including clients and suppliers) is a key element of Sonepar’s strategy and values. The Group could be exposed to sanctions or reputational risk if Sonepar entities or Group stakeholders fail to comply with increasing local or international regulatory requirements with regard to human rights.

### Governance

Sonepar’s Human Rights Policy is led at the Head Office level by the Legal and Compliance Department, which relies on the internal players responsible for various human rights issues, as 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 actions adapted to their own context.

In December 2023, the Group presented its first Human Rights risk map to the Audit Committee. Details of this mapping are provided below.

### Tools

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

- risk assessment and prioritization based on risk mapping (global risk mapping, specific mapping of corruption and influence peddling risks, specific mapping of CSR risks and analysis of specific risks);
- Code of Conduct, Compliance Policies and Procedures Manual, Supplier Code of Conduct;
- Human Rights Policy and Declaration on minerals in conflict zones;
- whistleblowing procedure open to associates and third parties;
- systematic assessment of business relationships (customers, suppliers, intermediaries, joint-venture partners, acquisition targets) based on a risk analysis including a monitoring and report component linked to any “negative” information (particularly, but not exclusively, concerning potential human rights abuses);
- training;
- establishing dedicated internal control points;
- mobilization of the Internal Audit Department; and
- regular reporting to the Audit Committee.

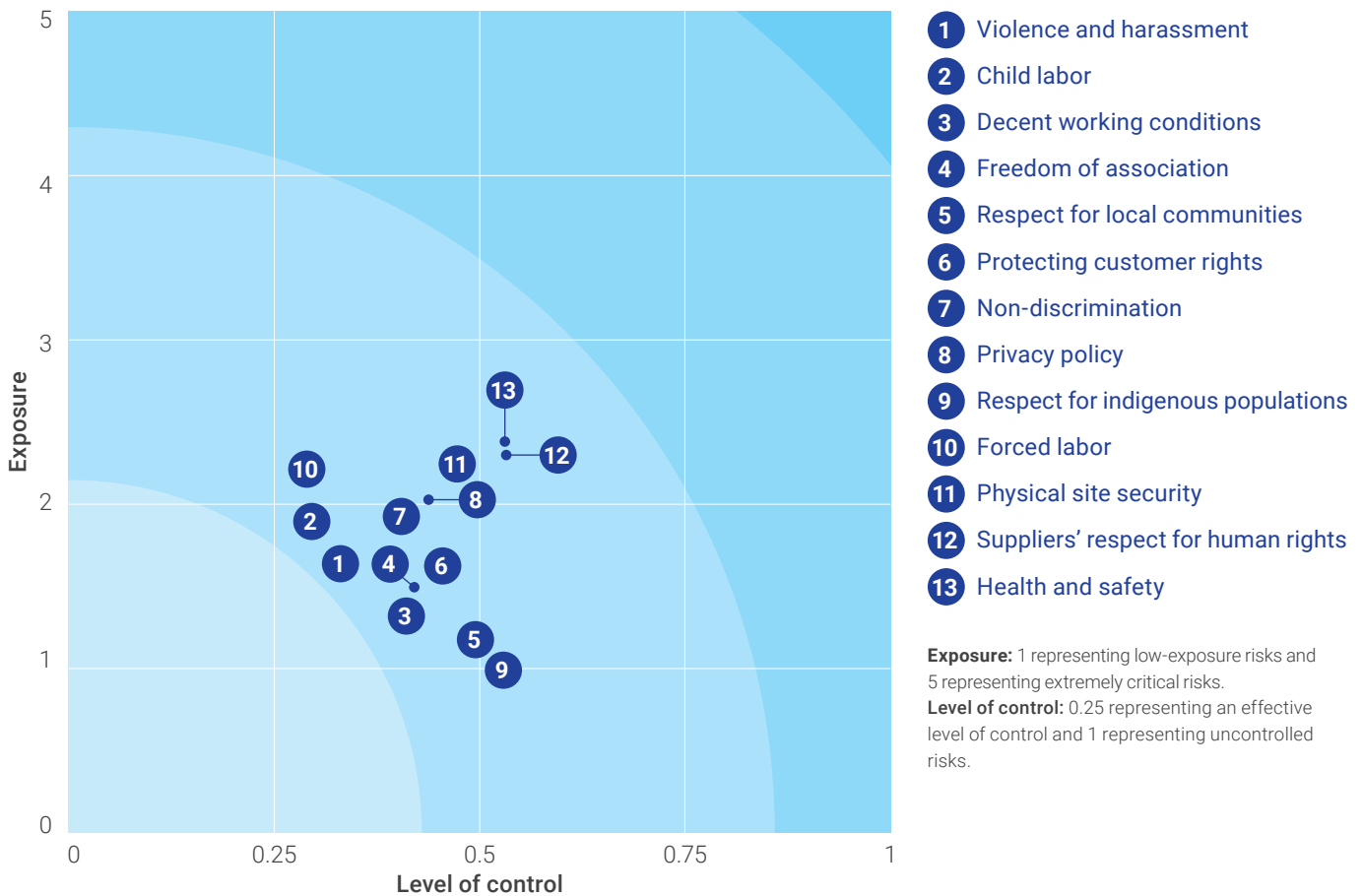
The Human Rights Policy reiterates and clarifies Sonepar’s human rights commitments, both to its associates and to its value chain, from which it expects compliance with principles that are at least as stringent.



In addition to the tools mentioned above, in 2023 the Group carried out a specific mapping of human rights risks for the first time. This risk mapping exercise involved 18 Group entities, selected from among those most representative of the Group in terms of sales and those operating in

countries or activities with more significant human rights risks, according to criteria derived from international institutions or non-governmental organizations. Each of these entities has carried out a human rights risk assessment, taking into account not only their own activities, but

also their supply chain. The consolidated assessments of these entities were then presented to the members of the Group Executive Committee and then to the Audit Committee for critical review and validation. The result of this approach is shown below:



The main risks identified relate to the following areas:

- health and safety;
- suppliers' respect for human rights; and
- physical security of sites.

**Action plans**

The Group is implementing the following actions:

- development of a Group standard definition for work-related undesirable events and associated indicators (frequency and severity rates);
- structuring a Group Occupational Health and Safety (OHS) policy from 2024;

- supplier audits with a human rights component (own-brand business), including on-site visits where appropriate;
- monitoring and investigating human rights issues and controversies in a Region, Country or sector in which the Group or its suppliers operate;
- from 2024, inclusion of human rights clauses in supplier and customer contracts (key accounts) wherever possible;
- a Group Responsible Purchasing Policy will be drafted in 2024 and implemented at operating subsidiaries;

- awareness-raising and supervisory actions for local human resources functions relating to Human Rights risks in the workplace (harassment, inappropriate compensation conditions, excessive working hours, dignity of working conditions);
- updating of the Risk Observatory, deployed in 2022 and covering country risk and ESG issues in particular; and
- further strengthening and deployment of Group prevention standards in 2023 and 2024.

## 4.5 Health and safety of associates

### Issues

Protecting the health, safety and well-being of our associates is a top priority for Sonepar as a socially responsible company. Associates must work in an environment that complies with current standards, taking into account the specific risks associated with the position they occupy.

As a result, the Group's preventive actions focus on three main areas:

- controlling the risks associated with the performance of activities, through the prevention of undesirable work-related events;
- improving the quality of working life, by monitoring and controlling psychosocial risks associated with on-site activities; and
- managing the risks associated with the Group's logistics activities, in particular the protection of physical assets.

Similarly, particular attention is paid to the handling of these issues by the Group's suppliers.

### Governance

Associate health and safety strategies and action plans are drawn up at local level, to take account of the challenges, regulatory context and risks specific to each Country and site.

A risk prevention policy, including a security component for material assets and staff, is also deployed within the Group in conjunction with the property insurance program covering buildings. Sonepar continued its program of prevention visits,

with 25 visits carried out in 2023 at representative sites around the world: distribution centers, branches and offices. In addition to this program of visits, support is provided to project teams charged with renovating or building new facilities. These actions are aimed at ensuring the safety of material assets and, in part, the safety of personnel and workers on site with respect to certain health and safety risks. The safety and security of personnel on professional engagements are also taken into account in the prevention system.

Considering that it is essential that we work together on everyone's behavior in order to continue making progress on a daily basis, and that we anchor these changes in a shared safety culture, the Group initiated a project to establish a Group health and safety policy in 2022. This project consists in defining a framework and uniform rules to make every associate a committed actor in their own health and safety.

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 dedicated organization is currently being set up. Harmonized reporting based on common, Group-wide definitions and principles is gradually being introduced to monitor actions and results.

### Action plans and tools

The Group deploys the following actions and tools:

- compliance with current health and safety legislation;

- safety rules clearly defined and communicated to associates, depending on the site and the position occupied;
- provision of the personal protective equipment required for the site and the position occupied;
- ongoing training for associates (upon joining the company and then at the frequency defined for their particular team or site);
- short awareness-raising events (e.g., regular five-minute meetings on health and safety at logistics platforms in France);
- assistance and insurance program covering associates on business trips (security and medical risks);
- integration into the travel authorization process of a Country risk analysis in the Concur solution currently being deployed in the Group;
- monitoring of health and safety indicators at the local level and implementation of a process to consolidate and harmonize Group indicators as part of the formalization of a Health, Safety and Environment (HSE) policy and organization via a multi-year roadmap;
- accident analysis and feedback to prevent similar occurrences; and
- reinforcement of the site visit and project monitoring program, deployment of prevention standards.

## 4.6 Cybersecurity

### Our challenges

Cybersecurity is one of the major challenges facing businesses today. In this context, Sonepar is prioritizing data protection and strengthening its cybersecurity maturity in order to retain the trust of all its stakeholders. The Group must protect its data and secure its environment in a constantly changing context. Sonepar’s cybersecurity maturity is notably impacted by:

- continuing the Group’s digital transformation, which, by harnessing technology, can change its business processes, culture and the customer or associate experience; and
- continued external growth, and thus the integration of new companies into the Group’s scope of consolidation.

The information systems and data provided by the Group’s partners are essential for steering Sonepar’s strategy and growth. Telecommuting and the digital transformation accentuate threats and expose the Group to significant cybersecurity risks. Sonepar is committed to protecting its activities and safeguarding the most sensitive strategic, commercial and financial information.

### Strategy and policies

To reduce the risk of a cybersecurity incident and to mitigate its potential impact, Sonepar has developed a dedicated strategic roadmap covering its entire cyberspace.



This roadmap is overseen by the Information Security Director, who reports to the Chief Transformation Officer, a member of the Executive Committee. Within this framework, Group and local projects are defined and reviewed each year.

Over the coming year, the Group will continue its efforts to ensure that local subsidiaries take greater ownership of cybersecurity issues, while maintaining global consistency. To achieve this objective, the target operating model will be adapted to ensure continuous improvement.

### NIST frame

Sonepar uses the National Institute of Standards and Technology (NIST) framework to monitor its cybersecurity maturity and prioritize its roadmap where necessary. In addition to the NIST framework, Sonepar has established a set of indicators to assess its protection

against cybersecurity threats and track relevant targets. These indicators are applied at the Group level and within the operating subsidiaries.



### Mergers and acquisitions

To ensure prudent management of acquisitions, a comprehensive cybersecurity procedure for mergers and acquisitions has been put in place from the earliest stages of the process through to post-acquisition integration.

### CyberSOC

Over the past 18 months, Sonepar has given priority to improving its ability to detect cybersecurity threats thanks to CyberSOC, a 24/7 cybersecurity incident monitoring unit covering the entire Group.

The support of the Group’s management for cybersecurity issues allows us to allocate the necessary resources, both in terms of budget and personnel, to address evolving threats and capabilities. At present, these resources are aligned with the guidelines of the French National Cybersecurity Agency and other relevant criteria.



## 4.7 Ethical and responsible sourcing

### Issues

With around 80 distribution brands operating in more than forty countries, Sonepar is an essential link in the electrical industry's value chain. The Group is a trusted partner for its suppliers, customers and end-users. Thanks to its unique positioning, it is committed to accelerating and promoting the advancement of environmental, social and human objectives of general interest within its ecosystem.

The Group's suppliers and partners contribute to its growth through their capacity for innovation and their high standards of product quality and conformity. Constructive dialogue with suppliers enables Sonepar to actively involve them in advancing sustainability convictions, notably through the Green Offer.

Sonepar requires that its suppliers meet the highest standards in terms of business ethics, the environment and human rights. These essential principles are reiterated in the Group's Supplier Code of Conduct, and will be at the heart of the Group's upcoming Responsible Purchasing Policy.

### Governance

Sonepar has established an operating subsidiary dedicated to supplier relations and services (Sonepar International Services), with a particular focus on strategic suppliers. However, purchasing has historically been managed directly, at the Country level.

Convinced that a responsible purchasing policy is necessary to support its CSR approach and guarantee a common minimum framework for the Group's operating subsidiaries, a cross-functional team involving associates from several Head Office departments (Legal and

Compliance, Risks and Insurance and Sustainability) has been set up and is working on a draft Responsible Purchasing Policy for the Group.

### Tools

Sonepar's Supplier Code of Conduct sets out the level of sustainability compliance expected of the Group's suppliers. It includes requirements in terms of human rights, working conditions, environment, health and safety.

In addition, Sonepar published its Human Rights Policy in 2022, which sets out and reiterates the essential values and principles to which the Group adheres in terms of human rights. The Group expects its suppliers and their value chains to adhere to the same stringent principles it has set for itself.

As part of its commitment to responsible supply chains, Sonepar published its Declaration on minerals in conflict zones in 2022. The Group does not manufacture any products and therefore does not purchase any raw materials. To ensure to the extent possible that the products it purchases and their components do not violate human rights, this Declaration sets out the commitments it expects from its suppliers.

The Group's Responsible Purchasing Policy project was launched based on a benchmark of best practices and interviews with Group stakeholders: customers and suppliers, as well as marketing and purchasing associates, in-house sustainability and logistics specialists, Head Office support functions, and representatives of Sonepar International Services and Sonepar Global Sourcing. It will be deployed throughout the Group from 2024.

This policy not only sets ambitious sustainability objectives, but also essential principles applicable to all business relationships with suppliers working with the Group. These rules apply to both suppliers and the Group, defining a series of obligations that Sonepar has set itself in selecting and monitoring its supplier relationships.

It will thus complement and expand certain themes addressed in the Group's policies, with a strong operational ambition. It will improve supervision of supplier compliance and commitments in terms of product sustainability and safety.

### Action plans

Sonepar has established procedures for assessing corruption and influence peddling risks for its suppliers using a risk-based approach (over 15,000 legal entities concerned).

The Group also takes specific measures in the event of reports, controversies or high-risk situations. Due diligence focuses on compliance with standards of business ethics in the supply chain, in particular via the obligation imposed on suppliers to comply with the Sonepar Supplier Code of Conduct.

Sonepar Global Sourcing and the Group's sourcing office in China have developed specific and reinforced actions within the framework of their "own brands" activity. Cross-functional audits on environmental criteria, employment conditions and health and safety are carried out on "own brand" suppliers. If these do not meet the required standards, they are not considered.

As part of its continuous improvement approach, in 2023 the Group pursued its supplier rationalization program and its pilot assessment program via the EcoVadis platform. An action plan will be launched in 2024 to integrate all strategic suppliers into Sonepar's EcoVadis approach, with the aim of achieving minimum coverage of 80% of Sonepar's business volume with these suppliers.

The deployment of the Responsible Purchasing Policy, in conjunction with the third-party assessment policy, will extend the coverage of supplier sustainability assessments.

The Group maintains an ongoing, constructive dialogue with its ecosystem, through commitments to forums and initiatives such as the Global Compact and ETIM<sup>(1)</sup>. Sonepar joined the Observatory on Corporate Social Responsibility (ORSE) in 2023 to play an active part in promoting CSR reporting culture and

principles among large companies. This dialogue is also maintained with external stakeholders via local initiatives or those related to the Group's markets, as well as formal events such as the Strategic Supplier Event. Sonepar involves its external stakeholders in the implementation of its major CSR projects, such as the drafting of the Group's Responsible Purchasing Policy. This commitment will be maintained as part of the updating of Sonepar's materiality matrix and the roll-out of the Responsible Purchasing Policy.

## 4.8 Product safety

### Issues

Sonepar occupies a leading position, offering a diversified range of products and solutions comprising up to 100,000 products available from branches and distribution centers across numerous countries.

In this context, it is imperative to place product compliance and safety at the heart of Sonepar's concerns. This is crucial not only for customer and end-user satisfaction, but also to respect the environment.

### Governance

Convinced that continuous improvement in product quality and safety is essential, Sonepar, in its capacity as a distributor, is committed to complying with current local and international regulatory requirements.

In 2022, Sonepar Global Sourcing was created with the mission of leading the strategic development of own brands while improving the supply chain and services offered to customers. Sonepar has also chosen to market products that meet sustainability standards. The use of innovative, recycled and renewable materials in the manufacture of products and their packaging is a priority.

### Tools

Sonepar attaches great importance to compliance with environmental regulations, in particular the Restriction of Hazardous Substances (RoHS) directive and the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulation.

These regulations aim to ensure a high level of health and environmental protection by encouraging the adoption of alternative methods for assessing the risks of hazardous substances in products. It is the responsibility of manufacturers, importers and downstream users to ensure that the substances they use present no risk to human health or the environment.

### Action plans

Evaluation questionnaires are sent to suppliers at the customer's request, guaranteeing transparency throughout the supply chain.

(1) Electro Technical Information Model (ETIM).

## 4.9 Crisis management

### Issues

Collective efficacy in the field of risk management must respond to current challenges in the value chain and the rise of certain threats. For the Group, these issues are affected by:

- the internal context, combining the challenges of sustainability, strong growth, including through acquisitions, digital and organizational transformation;
- various exogenous factors, such as the gradual increase in threats (geopolitical and social tensions, global warming, cyber and health risks, etc.) and changes in the economic context in certain geographies where the Group operates; and
- current trends in the commercial insurance and reinsurance market.

The events of recent years (the COVID-19 pandemic, the war in Ukraine and, more recently, the conflict in the Middle East) have confirmed the importance of anticipation, through upstream risk identification and prevention, coupled with a robust crisis management process, business continuity measures and an appropriate insurance program.

At a time when certain risks are becoming systemic, risk management is more essential than ever for navigating a complex and rapidly changing environment. It contributes to preserving the Group's performance and strengthening its resilience by effectively combining various tools and methods, including insurance.

### Governance

Events that have an impact on the activity of an operating entity or country are managed by local teams, with Group support where necessary.

Events that could affect the Group's business, or certain specific events, are managed by cross-functional units such as the Risks and Insurance team, the IT Security team (for events relating to the Group's IT infrastructure or data), as well as other support functions (Legal and Compliance, Communications, Human Resources, etc.), as needed. Where necessary, these events are managed in close cooperation with the teams of the the operating entities concerned.

In order to meet the new requirements for reporting IT security incidents (under the French LOPMI law), the Group has set up a permanent communication channel between the Risks and Insurance, Legal and Compliance and IT Security teams to react quickly and meet the deadlines imposed by the new regulations.

### Tools

The Group deploys the following tools:

- business continuity plans and disaster recovery plans defined and maintained locally;
- acquisition of a crisis management and emergency notification tool currently being deployed;
- review of local and Group systems by the Internal Control and Internal Audit teams; and
- strengthening the crisis management system for cyber risks.

### Action plans

The Group is deploying the following action plan:

- testing of the crisis management tool by the Group's Risks and Insurance and IT Security teams, followed by deployment in pilot countries from 2024 onwards; and
- gradual deployment of the tool to all Group entities from the second half of 2024.



## 4.10 Compliance with tax regulations

Sonepar is an international group with operations in over 40 countries where the profits of its subsidiaries are taxable. The Group's objective is to ensure that taxes are paid and tax returns filed on time in each jurisdiction, in accordance with applicable laws and regulations.

Sonepar fully complies with the tax recommendations of the Organization for Economic Cooperation and Development (OECD).

Reporting directly to the Group's Chief Financial Officer, who is a member of the Executive Committee, Sonepar's Tax Department is involved in all relevant aspects of the Group's business, in collaboration with the finance departments of the various subsidiaries.

Sonepar takes all necessary steps to ensure that tax regulations are applied in a reasonable and consistent manner in all areas where the Group operates, with the aim of paying taxes where value is created.

Sonepar does not use tax structures located in territories commonly referred to as "tax havens" for tax planning purposes.

Sonepar pursues a policy of transparency in order to develop relationships of trust with tax authorities, and in particular complies with its reporting obligations in each country. The Group aims to promote international transparency and strengthen dialogue and cooperation with local tax authorities.







# 05



# Social and human capital

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# Chapter overview

This chapter presents the second major axe of our CSR approach: social and human capital.

Sonepar is a Group that engages and respects its associates.



## 5.1 Human resources vision and strategy

Our associates are at the heart of the Group's digital, environmental, cultural and organizational transformations. In an ever-changing environment, the value proposition provided to associates is the cornerstone of our human resources strategy, which aims to attract, motivate and retain talent in an organization with shared processes and exemplary team leaders. Sonepar deploys a Group-wide human resources policy that is adapted locally in consultation with associate representative bodies and in compliance with the applicable laws.

In 2023, the members of the Human Resources Leadership Team (HRLT) met to adapt the human resources strategy to the current context and strengthen the value proposition for associates.

They defined four priorities, aligned with Sonepar's Purpose, unveiled in April 2023:

- Human resources data: a considerable asset for the company. It's essential to make good use of them to unlock their full potential. In order to provide detailed analyses to guide and inform strategic decisions, the Group's objectives are to:
  - maximize the adoption of Human Resources Information Systems (HRIS);
  - ensure data accuracy while guaranteeing the security and confidentiality of information, in partnership with all Group functions; and
  - reinforce the mastery of human resources data and tools by managers and team leaders.
- Talent management: with the support of the Human Resources Department, each team manager is responsible for the training and career development of their team members, while respecting the principle of internal equity and the Group's values. The training offer is both global and local. It gives every associate the opportunity to train and develop their career.
- Associate Value Proposition: to ensure the best possible associate experience within the Group and to retain talent, Sonepar focuses on four pillars:
  - supporting Sonepar's Purpose;
  - accelerating implementation of the Diversity and Inclusion (D&I) strategy;
  - guaranteeing an approach to labor issues that protects associates while taking into account the impact on the ecosystem; and
  - improve the continuing education offer.
- Diversity and Inclusion: Sonepar is convinced that these values are genuine performance drivers, fostering commitment, creativity and productivity, and has placed them among its key strategic priorities. This is one of the Human Resources Department's priorities, with the introduction of dedicated governance, a roadmap and indicators at the Group and local level.

## 5.2 Corporate governance

Sonepar's Corporate Board assesses human resources policies, validates compensation packages for the Group's main executives and reviews associate share ownership plans, with the support of the Nomination and Compensation Committee.

At Group level, human resources is overseen by a Human Resources Director,

who reports to the Chief Executive Officer and is a member of the Executive Committee. Around her, a central team defines, leads, coordinates and monitors the following units:

- The HR Data and Engagement unit uses HRIS tools to design and implement the "Impact" strategic plan for the "Associates" pillar, the Open Voices associate satisfaction

surveys, HR process optimization and implementation of the Purpose. This team is also part of Sonepar's CSR working group: it provides expertise and support in defining and deploying its social component.

- The Diversity, Inclusion, Talent Management and Learning unit defines and leads actions that address the challenges of developing and engaging talent, while guaranteeing a diverse and inclusive environment. It provides tools and processes to develop associates' skills in line with the Group's priorities.
- The Benefits and Compensation unit leads compensation review campaigns and ensures consistency in compensation policy and international mobility management. It also designs associate share ownership plans. Starting in 2024, it will review local benefit plans to ensure consistency and define Group standards and best practices.

A local network of 35 human resources managers covers the various countries in which the Group operates. These managers form part of the IHRC, in which key associates from the Group's human resources teams participate on a rotating basis. The IHRC has around 70 members.

The human resources network is also made up of four regional managers responsible for relaying Group-wide initiatives and reporting major advances to teams at the Head Office.

Given Sonepar's decentralized organization and the diversity of local legislation, human resources management is mainly handled at the operating subsidiary, Country or Region level. Executive management is centralized at the Head Office.

Human resources governance and the link between central and local functions are the responsibility of the International Human Resources Committee (IHRC) and the Human Resources Leadership Team (HRLT).

## Sonepeople

In 2023, Sonepar deployed four modules of its Group HRIS tool, Sonepeople, in all countries where the Group operates. This tool is designed to improve associates' experience and facilitate relations and information sharing between managers and their teams. It allows Countries to align themselves with the human resources processes defined by the Head Office. HRIS data is used as the sole source for analysis and the development of human resources strategy by the Head Office, Regions and Countries.

The four compulsory modules are the HR core module, the performance and objectives module, the succession and development module and the learning module.

Operating subsidiaries can also implement three optional modules: the onboarding module, the recruitment module and the compensation and benefits module.

The tool offers a standardized experience for all associates.

### Implementation phase launched, new governance established

The priority in 2023, in addition to finalizing the deployment of the compulsory modules, was to define a new HRIS governance structure to facilitate the transition from the construction and deployment phase to the implementation phase.

The new governance structure, made up of 22 associates and organized by module, is divided into six working groups, each with three main members: an IT representative, responsible for the module; a country representative, generally from the local HRIS function; and a Group HR representative, an expert in the field and processes of the module concerned. This new governance structure will become operational on January 1, 2024.

## Objective

This reorganization aimed to meet the challenges inherent in this new phase as quickly as possible: improving the adoption rate of the HRIS tool and the quality of human resources data.

**Tool adoption:** to promote rigorous data management, the HRIS team has defined a dedicated adoption roadmap for 2023, to be rolled out in 2024. It focuses on three main themes:

1. coordinating the HR and HRIS community: regular exchanges of best practices between Countries and organization of events;
2. learning: creation of training materials, improvement of existing materials and learning activities; and
3. key performance and adoption indicators: creation of new indicators and dashboards, and review of existing indicators by module.

**Data quality:** in order to facilitate detailed analyses and thus guide and inform the Group's strategic decisions, a satisfactory level of adoption is necessary, but not sufficient. Data quality is paramount. In 2023, while finalizing the deployment of the compulsory modules, defining the new governance structure and designing the adoption roadmap, the HRIS team also set up a plan to improve the quality and management of HRIS data (aligning definitions, adding fields, conducting regular Group-wide and local checks, reviewing processes, organizing data management awareness events, etc.). This improvement plan, in line with the Group's CSR strategy, will be rolled out in 2024.

Key 2023 figures for Sonepeople<sup>(1)</sup>



Strategic dashboard

In 2023, Sonepar continued to automate key indicators via the Sonepeople reporting module to facilitate the monitoring of four key indicators under the “Impact” strategic plan:

- attrition rate<sup>(2)</sup>;
- the attrition rate of associates with less than three years’ seniority;
- the percentage of women in the total workforce; and
- the percentage of women recruited during the year.

These indicators have been rolled out across the Group in 2023.

In 2024, as part of the plan to improve data quality, new indicators will be identified in partnership with Human Resources teams and local business units.

(1) Since the start of the project.

(2) See the table of non-financial indicators (see Chapter 7).



Outstanding Practice Country: Sonepar Germany: digitization of HR processes

In 2023, the creation of an electronic safe and the use of an automatic document generation system for associates enabled Sonepar Germany to significantly reduce its paper consumption by sending pay slips and other administrative documents in digital format only.

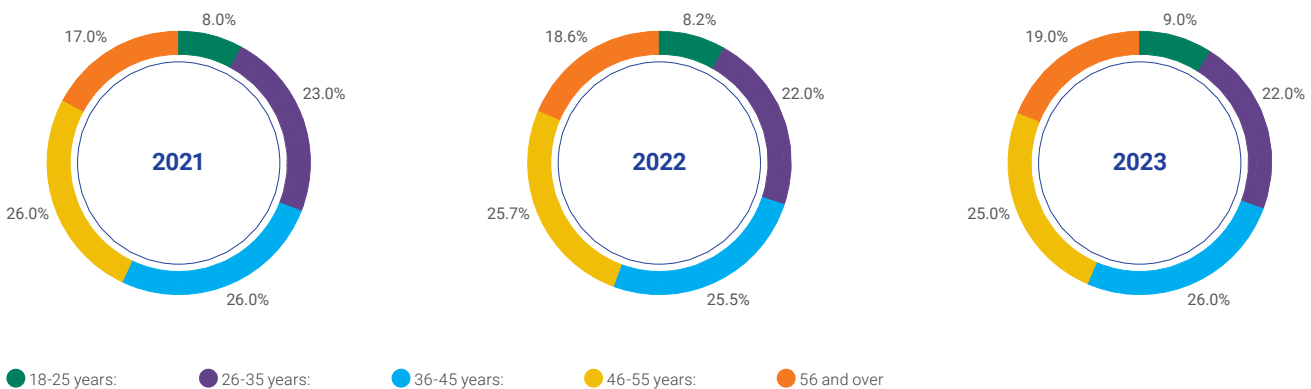
In 2024, a self-service system will be set up for associates, enabling them to access and modify their personal data directly and to communicate with Human Resources via a dedicated platform.

## 5.3 Attracting talent

### Issues

To ensure its resilience and performance over the long term, the Group needs to attract the talent it needs to operate and to support its transformation. Sonepar operates in a competitive environment where B-to-B businesses are relatively unknown to the general public and to job seekers, especially younger people. In addition, the Group is made up of a large number of local entities operating under various brands, with a decentralized recruitment system.

### Breakdown of workforce by age group\*



\* Scope: "Impact" strategic plan.

### Tool

The Group attaches great importance to attracting and retaining new talent. With this in mind, in 2023 Sonepar continued to develop its "Powered by Difference" employer brand. This initiative is the result of collective reflection initiated by the IHRC and carried out in conjunction with the Country teams and the Communications and Sustainability Departments. It responds to the need for an impactful visual to raise the Group's profile with job applicants and strengthen associate engagement. It is adapted locally and used as a recruitment tool by subsidiaries.

Furthermore, in April 2023, the CEO revealed Sonepar's Purpose, articulated around the slogan "Powering Progress for Future Generations" and broken down into six commitments: these include "continuous education", "sustainable customer journey", "product circularity", "gender balance", "communities" and "sharing", the latter being a value-sharing commitment initiated by family shareholder Colam Entrepreneurs (see Chapter 1 section 1.4).

Finally, Sonepar provides associates with a talent management process via its HRIS, as well as dedicated programs for those with specific potential (see Chapter 5 section 5.4) and implements its Diversity and Inclusion strategy (see Chapter 5 section 5.6).

Associates recruited<sup>(1)</sup> in 2023, representing 16% of the Group workforce at December 31, 2023 (based on 45,662 associates).

**7,039**

(1) Group scope. This includes associates who joined the Group in 2023 under a direct employment contract and appeared on the payroll on the last day of the month. Hires exclude temporary contracts and trainees. New associates resulting from acquisitions are not counted as hires. Against the background of a highly competitive job market, particular attention was paid to workforce management to safeguard our associates' jobs and retain talent.

## 5.4 Developing skills

### Issues

Sonepar's success depends on its talents, their evolution and their continuous adaptation to meet new challenges. Skills development is a key driver of performance; associates are trained, supported and assessed to help them progress within the Group.

### Tools

#### For all associates:

The Group provides standardized processes and tools via its HRIS so that each associate can be assessed and express their interest in professional development, mobility and training, in line with the company's needs. Annual performance reviews at the Group level for all associates help us to define individual performance and development objectives. A "culture of feedback" is strongly encouraged, and access to

training and learning opportunities for all associates is at the heart of Sonepar's development strategy.

#### For future leaders:

Sonepar has targeted programs to support and develop future leaders.

In addition to those already implemented at local level, two Group programs are dedicated to identifying and training future leaders: the Sonepar Junior Committee (SJC) and the Sonepar Leadership Program (SLP).

#### Sonepar Junior Committee (SJC)

Created in 1991 by Marie-Christine Coisne-Roquette, the Sonepar Junior Committee is an incubator that prepares talented young people to become tomorrow's leaders. This program promotes networking among young associates from different

Countries, operating subsidiaries and professions. The participants, grouped in teams of eight, work on strategic subjects for the Group, defined in advance by the Executive Committee.

This 18-month program is organized in two nine-month phases. During the first phase, SJC members study the subject, conduct analyses and prepare recommendations. They then implement one of their recommendations, with the approval of the Executive Committee. Their work is supervised by an experienced team: two sponsors who are members of the Executive Committee, two business experts and a coach.

In 2023, 32% of SJC members were promoted internally.



### Sonepar Leadership Program (SLP)

The Sonepar Leadership Program is run in partnership with INSEAD. Around thirty of the Group’s top executives participate in this year-long program. The theme of the SLP is “Leading change in a disruptive world”. As a multidisciplinary team, it approaches transformation and leadership from various angles, including a seminar on diversity and inclusion and another on sustainability.

The aim of this program is to accelerate the professional development of

talented associates within the Group, while respecting their personalities and aspirations. It also aims to strengthen connections between the Head Office and the Countries.

### Training

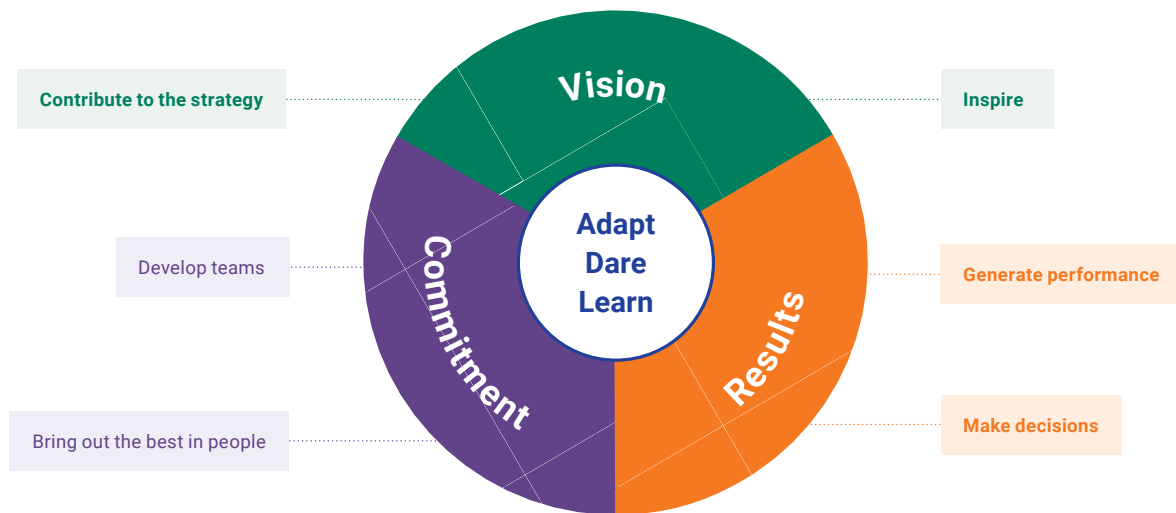
Through Sonacademy, its in-house university, the Group offers a range of training courses to complement local offerings. Sonacademy was set up in 2005 to provide development programs for associates covering leadership, managerial skills and teamwork training, all in an international environment.

The institute has five main missions:

- maintain the Sonepar spirit and values and share them with new associates (new hires or acquisitions);
- contribute to talent development and make individual development accessible to all;
- strengthen synergies within the Group;
- identify and deploy best practices; and
- offer training courses in countries to accelerate digital transformation.

### Sonepar Leadership Model

The Sonepar Leadership Model presents the missions and objectives of team leaders and executives. It aims to promote managerial practices consistent with the Group’s strategy around three missions: vision, commitment and results:



### Sonepar Potential Model

The Sonepar Potential Model is a tool for assessing associates’ potential; the model:

- aligns all Countries with a common assessment process and guidelines; and
- ensures that efforts do not focus solely on high-potential profiles and that the potential of each associate is identified in order to offer development opportunities and career paths adapted to each one.

In 2022, a dedicated online training course was made available to all managers so that all associates could be assessed in accordance with this model. Training continued in 2023. All Countries have undergone training to assess senior managers.

### Sonepar Strategic Workforce Planning: innovate, learn, adapt

Anticipating future workforce needs is a strategic asset in talent management. Strategic Workforce Planning is the ongoing process of ensuring that the right skills are available, in the right place, at the right time, to meet the organization’s current and future goals.

### Action plans

In 2024, Sonepar launched the Global Learning and Development Strategy. It aims to improve Sonacademy's value proposition, so that all associates have the skills and tools they need to meet tomorrow's challenges and support the Group's transformation. This will allow us to identify discrepancies between the learning content offered and the company's needs, so that we can design an appropriate roadmap.

In 2024, the Leadership Model will become the Sustainable Leadership Model. It will be updated in collaboration with all the Group's Countries to reflect the strategic changes that have taken place in recent years, such as the Diversity and Inclusion strategy, the Purpose, the CSR approach, values and transformation.

To help Countries manage their workforce over the long term for key roles and skills, at the end of 2022 the Group launched the Strategic Workforce Planning pilot project in the

United States and the Netherlands. The aim of this project was to test an initial resource planning process and tool for associates in sales and purchasing. The aim is to encourage dialog between human resources and business teams and to facilitate the identification of any discrepancies between current and future needs. These projects were completed in 2023. Building on the experience acquired during the first pilots, the Group will conduct further tests in 2024 as part of its continuous improvement approach, supported by artificial intelligence.

## 5.5 Promote quality of life at work and associate engagement

### Issues

Associates play a key role in value creation. Guaranteeing their well-being at work and their engagement with the Group is vital to remaining competitive and ensuring our long-term performance. Sonepar is committed to creating a working environment that is conducive to the well-being of associates. Maintaining a balance between private and professional life, cultivating long-term success and capitalizing on each individual's potential are all important challenges for the Group. Measurements of associate engagement help guide strategic decisions and identify and monitor areas for improvement in France and abroad. In 2023, Sonepar revealed its Purpose; one of the goals of this project is to strengthen associate engagement.

Indicator	2023
Group absenteeism over the calendar year (percentage) <sup>(1)</sup>	2.8% (versus 3.6% in 2022)
New hires <sup>(2)</sup>	7,039 new hires representing 16% of the total workforce, broken down as follows: <ul style="list-style-type: none"> <li>• Asia-Pacific: 9%</li> <li>• Central Europe and the Nordics: 15%</li> <li>• North America: 40%</li> <li>• South America: 12%</li> <li>• Western Europe: 22%</li> </ul>
Departures <sup>(3)</sup>	7,273
Attrition rate <sup>(4)</sup>	16%

	2021 (v. 2020)	2022 (v. 2021)	2023 (v. 2022)
Payroll and change (Group scope) <sup>(5)</sup>	+5.7% <sup>(6)</sup>	+13.6%	+1.3%

(1) Absenteeism decrease is linked to flexible and hybrid ways of working, as well as a particular attention given to associates' well-being and engagement.

(2) Group scope. This includes associates who joined the Group in 2023 under a direct employment contract and appeared on the payroll on the last day of the month. Hires exclude temporary contracts and trainees. New associates resulting from acquisitions are not counted as hires.

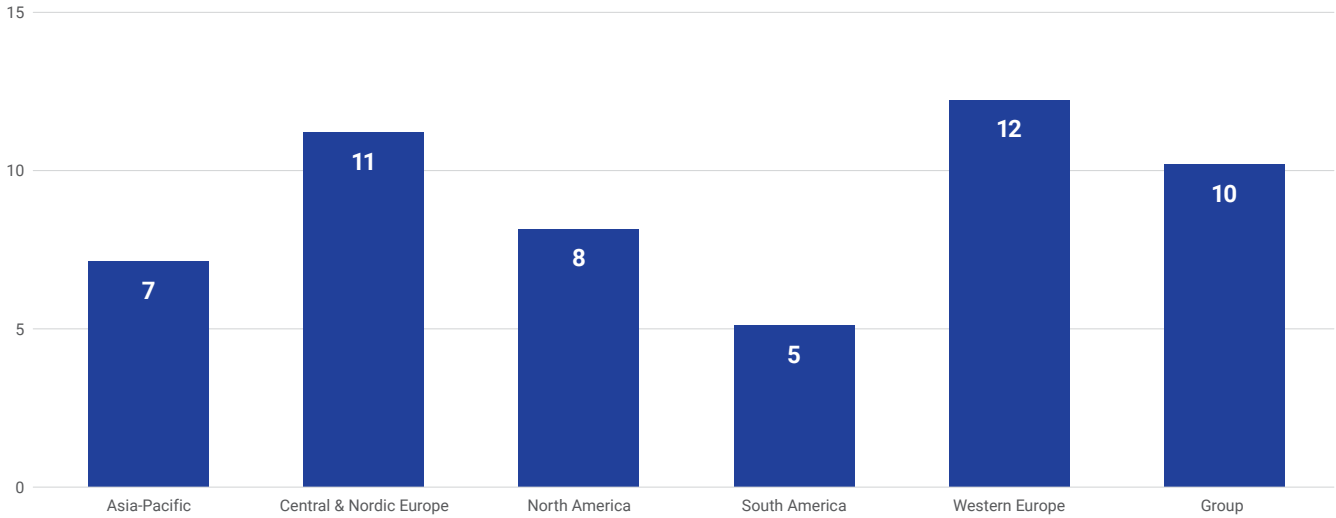
(3) Number of associates leaving the Group during the fiscal year ended December 31. Group scope, taking into account acquisitions during the year. Departures include all types of departures, including retirements, redundancies and restructuring plans (where applicable).

(4) Percentage of associates having left the Group's workforce at December 31 of the financial year ended, divided by the average number of Group associates over the financial year ended.

(5) Group scope. Total payroll corresponds to the sum of compensation paid to all associates during the year (internal associates and temporary staff). This corresponds to gross salaries and bonuses received for the year, taking into account employer contributions and vacation pay, as well as the costs of temporary staff. It also includes other personnel expenses such as training costs, severance pay, restructuring programs, pension costs and Sonepack costs. It is calculated based on the number of associates paid in year n, and compared to the same value in year n-1. The paid headcount is calculated and expressed in full-time equivalents (FTE). It takes into account all direct employment contracts as well as temporary workers, excluding trainees. The paid workforce does not include those who, due to their particular situation, do not receive a salary (unpaid leave, suspension of employment contract, etc.).

(6) Restated for government support received in 2020.

**Average seniority (number of years)**



**Tools**

In 2023, Sonepar primarily relied on measuring associate engagement and its Purpose. Sonepar’s proactive associate share ownership program is another tool used to encourage associate engagement.

**Associate satisfaction surveys**

As an inclusive company, Sonepar invites all associates to participate in regular satisfaction surveys, which are anonymous and confidential information in order to guarantee the reliability of the information provided.

The aim of this Group-wide communications process is to identify ways to improve associate engagement.

Sonepar regularly measures associate engagement through satisfaction surveys in a variety of formats:

**Group satisfaction surveys**

- Global satisfaction surveys (Open Voices)
- Interim satisfaction survey (Open Voices – Mid-Survey)

**Country satisfaction surveys**

- Pulse check

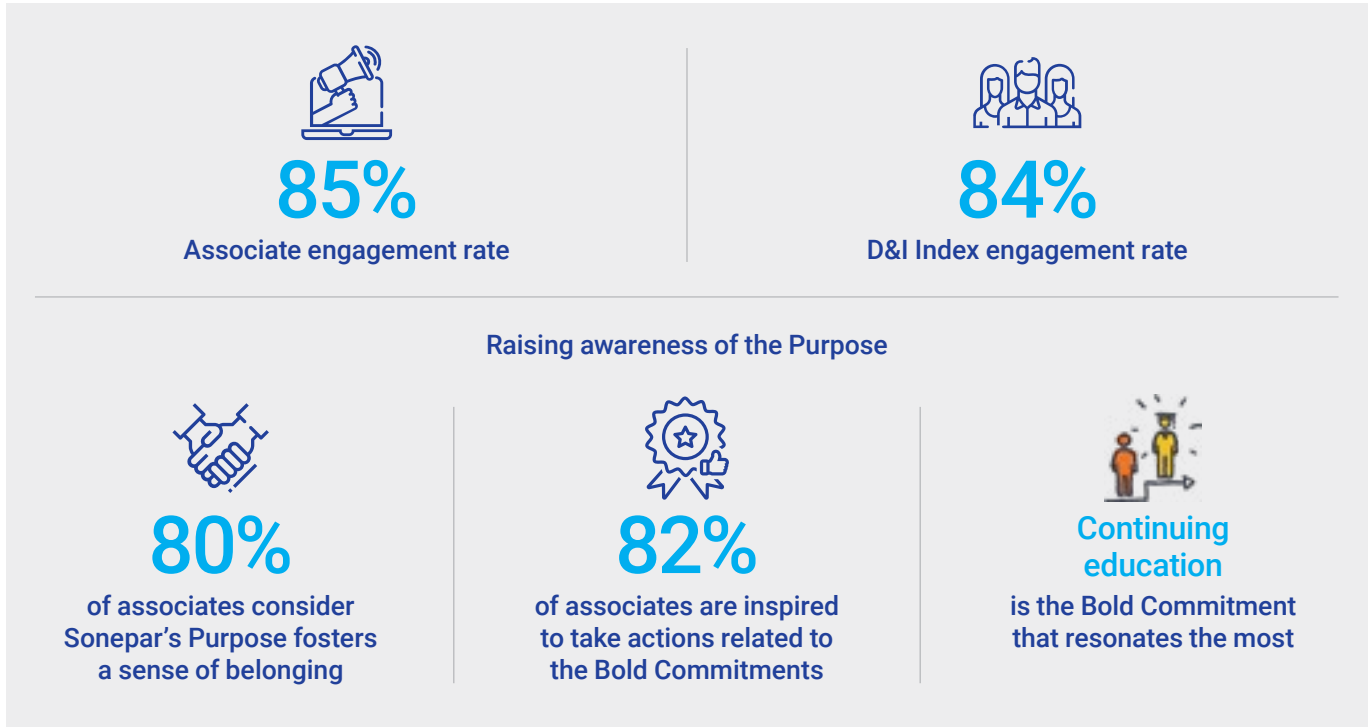
In 2023, Sonepar conducted an interim survey (Open Voices – Mid-Survey) to measure key indicators (the engagement rate and the Diversity and Inclusion index) and assess associates’ knowledge and understanding of the Purpose six months after it was communicated across the Group.

Translated into 20 languages and 100% digital, the online questionnaire consisted of 20 questions grouped into three categories: engagement, diversity and inclusion, and Purpose. Associates who do not have a business e-mail address were able to take the survey via a QR code using computers available on site.





Open Voices – Mid-Survey 2023



The diversity and inclusion index is an internal indicator. It measures associates' level of commitment and attachment to their work and the company.

In the Open Voices – Mid-Survey 2023, participants indicated that the working environment, corporate culture, diversity and work/life balance had improved since the Open Voices 2021 survey.

**Key figures:**

- 62% of associates participated in the interim satisfaction survey: the results can therefore be considered reliable;
- the engagement rate remains very high, with 85% positive responses, compared with 86% in 2021;

- the Diversity and Inclusion index, with 84% positive responses, was high and unchanged compared with 2021; and
- implementation of the Purpose is well underway, with 81% of associates claiming to be informed (see also Chapter 1, section 1.4).

A new edition of the Open Voices global satisfaction survey will be launched in 2024. This will be a Group-wide satisfaction survey that will measure the engagement rate and the Diversity and Inclusion index, assess implementation

of the Purpose and collect associate feedback on all the Group's strategic subjects such as sustainability, CSR, customer relations and the digital transformation.

Following the 2024 Open Voices survey, managers will communicate the results to their teams, and then global and local action plans will be defined, implemented and monitored. Particular attention will be paid to transforming the analysis and the results into concrete, high-impact actions to foster greater associate engagement.

**Country best practices: physical activities and sports**

At Sonepar, associate well-being is essential. The Group strives to cultivate a fulfilling working environment in which physical and mental health play an important role. Through local initiatives, associates are encouraged to adopt an active lifestyle and take part in a variety of physical activities.

Country	Initiative
Sweden	<p>In Sweden, to contribute to associate well-being:</p> <ul style="list-style-type: none"> <li>• associates benefit from privileged access to the Twitch health app, which offers a variety of online exercises;</li> <li>• in support of an active lifestyle, the company sponsored the all associates’ participation in an annual running race called “Gå-Lunka-Löp”;</li> <li>• a company-wide Health Competition was organized, with associates divided into teams who collected points by doing various exercises and following healthy habits; and</li> <li>• each associate receives an annual allowance of SEK 3,500 for gym memberships and other related expenses.</li> </ul>
Spain	<p>In 2023, the Spanish subsidiary organized various events involving associates, customers and suppliers:</p> <ul style="list-style-type: none"> <li>• a motorcycle race (<i>Ruta en moto</i>) around the city of Tarragona brought together associates and customers;</li> <li>• Digamel associates held a race around the city of Santiago;</li> <li>• a bicycle race brought together customers, associates and a supplier; and</li> <li>• two running races were organized: one to fight childhood cancer, the other to raise funds for epilepsy research.</li> </ul>
Head Office	<p>At the Head Office, contributing to associates’ well-being:</p> <ul style="list-style-type: none"> <li>• human resources offered associates a special moment of relaxation in June;</li> <li>• the Head Office has a sports hall accessible to all associates and promotes regular sporting activity; and</li> <li>• an allowance is provided for associates who want to purchase a bicycle to encourage soft mobility.</li> </ul>





## Purpose

To support the Group's transformation in a complex socio-economic context, the definition of Sonepar's Purpose is central. It ensures associates' engagement and the sustainability of the Group's culture.

As an integral part of the Group's brand and CSR strategy, the Purpose is designed to be simple, inspiring and applicable to all stakeholders.

The Purpose, "Powering Progress for Future Generations", was revealed to all Group associates in April 2023. It is accompanied by six strong commitments focused on continuous education in sustainability, gender diversity, the customer journey, product circularity, communities and value sharing. As proof of its ambition, the Group has translated its six commitments into concrete, quantified actions (for more details, see Chapter 1, section 1.4).

For Sonepar, defining, deploying and living its Purpose serves three goals:

- assert its uniqueness, its distinctive strengths, and what it brings to the world;
- define strong ambitions for the company; and
- create bonds and foster a sense of belonging and pride for each associate.

2023 was devoted to launching the project and raising awareness, with a priority focus on internal stakeholders.

## Action plans

### Deployment of the Purpose

Prior to its launch, all the Group's top 200 managers were trained in the deployment of the Purpose.

Between May and September 2023, 92% of managers had an initial discussion with their teams about the Purpose<sup>(1)</sup>. During these discussions, which largely took the form of workshops, each participant was invited to reflect and exchange views on:

- what the Purpose means in order to deepen bonds and discuss its potential impact with other team members;
- one or two initiatives spontaneously inspired by the Purpose; and
- the strong commitments associated with the Purpose, their meaning, and how we can contribute to them both individually and as a team.

A summary of these initial discussions was then sent to the Head Office. More than 120 summaries were shared, containing over 700 ideas and initiatives put forward at the Country level to bring the Purpose to life. The Head

Office has analyzed these ideas, which will serve as the basis for creating the Purpose 2024-2028 roadmap. The wide-ranging proposals cover areas such as leadership, improved recruitment practices, reducing our carbon footprint, training, associate benefits, volunteering and product offerings.

To maintain momentum in our Purpose in the years ahead, dedicated governance will be put in place in 2024, starting with the Purpose Board, followed by the Sonepar Powering Community program and a network of Purpose Energizers.

The members of the Purpose Board are drawn from all the Group's Regions, ten Countries and eleven business families. The Purpose Board will be launched in January 2024 and will meet quarterly. It aims to ensure alignment between the Group's strategy and its Purpose. Its responsibilities include defining priorities and shaping the Group's roadmap, liaising with existing committees and networks, and making recommendations to the Executive Committee.

The challenge in 2024 is to raise awareness of the Purpose among all associates and mobilize the entire organization.

(1) Survey conducted in August 2023 using Microsoft Forms.

## Governance



**The Purpose and our strategy:** ensure that Sonepar’s managers use the Purpose to guide their decision-making: leadership model, sustainable finance, associate experience and career path, sustainable transformation and integration into the “Impact” strategic plan.

**The Purpose and our culture:** ensure that team leaders embody the Purpose and establish rituals anchoring the Purpose in the Group’s culture over the long term.

**The Purpose in action:** support the implementation of strong commitments and other initiatives identified at the Country level, allowing every associate to play their part in the Purpose.

**The Purpose beyond the Group:** take actions to spread the word about the Purpose to all our stakeholders.

**Encouraging and measuring implementation of the Purpose**

The Open Voices – Mid-Survey included eight questions on the Purpose. The initial perception among associates is very positive, with a good level of awareness and understanding within the Group.

**Key figures:**

- the first reaction has been very positive: 81% of respondents were well informed;

- the Purpose was well received by 81% of respondents within teams;
- 89% of respondents understand what the objective represents;
- 72% of respondents have had an initial conversation on the Purpose with their manager;
- 80% consider the Purpose a driving force in strengthening the sense of belonging;
- Sonepar’s Purpose inspires 82% of respondents to take action in line with our strong commitments; and

- the most popular commitments are continuous education and product circularity.



A new assessment of awareness and the level of implementation will be conducted during the Open Voices 2024 survey.

**Purpose dashboard**

A Purpose dashboard has been added to the “Impact” strategic plan to measure the progress of our commitments.

**Our commitments**

**Group target**

	<p><b>Sustainable customer journey</b></p> <ul style="list-style-type: none"> <li>• The lowest CO<sub>2</sub> alternative in each quotation</li> </ul>	<p>100% by 2028</p>
	<p><b>Product circularity</b></p> <ul style="list-style-type: none"> <li>• Packaging coming from recycled material</li> <li>• Returned products recycled or resold via a circular service</li> </ul>	<p>100% by 2028 100% by 2028</p>
	<p><b>Continuing education</b></p> <ul style="list-style-type: none"> <li>• Annual Sustainability trainings</li> <li>• Sales force trained on sustainable solutions</li> <li>• NPS on Sales expertise in sustainable solutions</li> </ul>	<p>All associates by 2028 The entire sales force by 2028</p>
	<p><b>Gender parity</b></p> <ul style="list-style-type: none"> <li>• Hirings % of Women</li> </ul>	<p>40% by 2028</p>
	<p><b>Communities</b></p> <p><b>Sonepar Powering Community Program</b></p> <ul style="list-style-type: none"> <li>• Number of Education Programs deployed</li> <li>• First aid organization for natural disaster in place</li> <li>• Number of dedicated initiatives towards communities</li> </ul>	<p>All countries in 2028</p>

## 5.6 Promote diversity and inclusion

### Issues

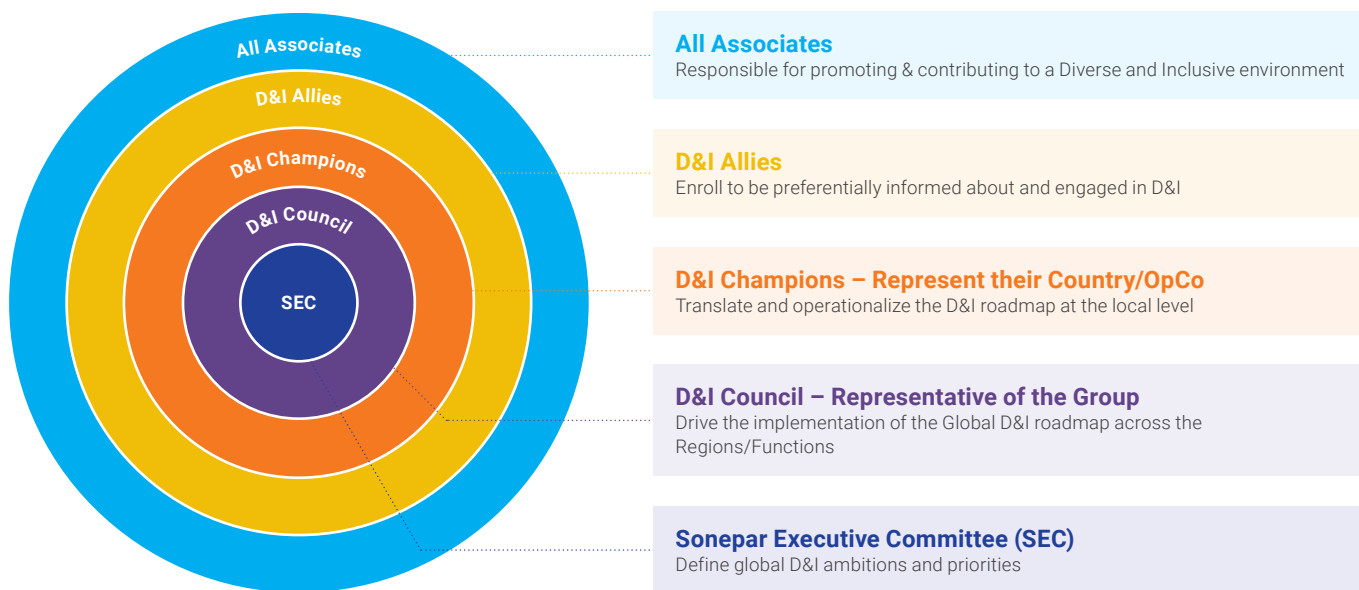
Diversity and inclusion are key strategic priorities for the Sonepar Group. This is one of the Human Resources Department’s priorities, with the implementation of a dedicated governance structure and indicators adapted to the Group and local contexts, thanks to the mobilization of all managers. This Diversity and Inclusion-oriented governance, capable of driving initiatives at the local and regional levels, enables the Group’s objectives and the resulting roadmap to be implemented in all countries where Sonepar operates.

### Governance

In 2021, a project team was set up to define and implement the Diversity and Inclusion strategy. It is made up of human resources specialists in the field, members of the HRLT (see also Chapter 5 section 5.2) and members of the Executive Committee.

In 2023, the governance structure was rolled out with the launch of the Diversity and Inclusion Council and a community of Diversity and Inclusion Champions.

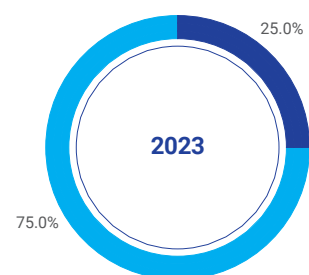
### Diversity and Inclusion Governance



## Diversity and Inclusion ambition

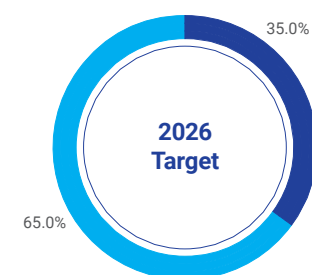
The Diversity and Inclusion ambition encompasses the Group's associates, customers and suppliers and consists of:

- integrate D&I into all commercial, operational and human resources initiatives;
- create an inclusive and safe working environment where everyone can achieve their full potential;
- create an inclusive and caring experience for all customers; and
- involve suppliers in Sonepar's D&I approach and commitments.



These ambitions are underpinned by three key priorities:

- attract, retain and promote women – with the aim of increasing the proportion of women in the workforce from 25% to 35% by 2025 (27% in 2023, +2 points);
- promote diversity at all levels, in particular by enabling associates from diverse backgrounds to advance within the organization; and
- promote an inclusive workplace for people with disabilities.



## Key figures

Women executives<sup>(1)</sup> at Sonepar

# 17%

Target 2027: Percentage of women in the Group workforce

# 35%

Source: Scope: HRIS.

- Women
- Men

## Action plans and tools

In 2023, the Group continued to implement the Diversity and Inclusion action plan, still focusing on the following five main themes:

### 1. Deployment of strategy and governance

The Group's D&I strategy includes seven common indicators to measure progress on the three global priorities (women, diverse backgrounds and disabilities), including a global indicator (the Open Voices D&I index).

A dedicated governance structure has been deployed, with the Diversity and Inclusion Committee and a network of 34 D&I Champions (one for each operating perimeter). They will be trained in D&I issues and their role in the adoption of the Group's D&I strategy. Each Champion has shared a D&I roadmap for their perimeter, aligned with the Group's global strategy.

### 2. Alignment and awareness

Communication on the Diversity and Inclusion strategy and objectives focused on numerous awareness-raising initiatives, as well as presentations of the strategy's content and ambitions to the Executive Committee, Country managers, 70 Group human resources directors and 150 human resources associates.

### 3. Creation of training content and communication media

In 2023, Sonepar rolled out an awareness and communication plan for its Diversity and Inclusion strategy. A comprehensive video presentation of the D&I strategy and a specially created e-learning module and knowledge test have been translated into all Group languages. This content is now part of the onboarding program for new arrivals, and is compulsory for all

associates. The module is supplemented by occasional communications and awareness-raising campaigns. By 2023, 65% of associates completed the module (excluding USA and Canada), for a total of 73% since launch.

### 4. Recognition of efforts

Sonepar has received Gender Equality European & International Standard (GEEIS) certification for both the Head Office and the Group, with a score of 3/5. The GEEIS label aims to contribute to the creation of a common European and international culture in the field of professional equality, and to promote company practices. It assesses several themes: steering tools, human resources and management practices and the overall impact of European/international policy.

(1) "Executives" are those associates who are responsible for financial results and for directing and managing teams in line with Group strategy.

Sonepar is encouraging its operating subsidiaries to join the certification process. Sonepar India was awarded the GEEIS label in 2022. In 2023, the subsidiaries in the United States and the United Kingdom were awarded the label.

Sonepar will be re-evaluated in 2024.



### Sonepar recognized as a diversity leader by the Financial Times

For the first time, Sonepar was included in the Financial Times’ list of Diversity Leaders, published on November 19, 2023.

Since 2019, the Financial Times has produced an annual ranking in partnership with Statista to identify the 850 companies that have excelled in creating a diverse and inclusive workplace for their associates. Sonepar is ranked sixth in the Wholesale category.



“At Sonepar, diversity and inclusion are at the heart of everything we do. We believe in creating a working environment where everyone can feel safe, have their say and feel that they belong.”

**Sara Biraschi Rolland**  
Group Human Resources Director

## 7 Group-level diversity and inclusion indicators

	2023 results	2025 goal
Gender breakdown	24.6%	≥ 35%
Hiring by gender	27.1%	≥ 40%
% of women in succession plans (levels 2 to 4)	39.0%	≥ 35%
% of associates trained in D&I	73.0%	100%
% of associates with a position in the 9-box <sup>(1)</sup>	60.1%	100%
% of associates with disabilities	Local regulations by country	<b>At least in line with local regulations in each country</b>
Open Voices D&I index	84%	<b>At least equivalent to 2021 (≥ 80%)</b>

In addition to these global indicators, each Country can add up to three local indicators to ensure consistent management of its entire Diversity and Inclusion roadmap. The trends in Group-wide and local indicators are monitored via a detailed, individual action plan implemented in each country.

### Best practices Country Supporting veterans

The Group is committed to integrating veterans into the organization, recognizing the inestimable value of their skills, discipline and dedication. This is an expression of Sonepar’s social responsibility and commitment to those who serve their country with honor.

#### France

In March 2022, an agreement to support the military reserve policy was signed between Sonepar France and the French

Ministry of Armed Forces. This agreement testifies to Sonepar’s commitment to supporting the connection between the French nation and its armed forces and to promoting France’s military reserve policy by offering advantageous conditions to volunteer reservists. This includes allowing associates serving in the reserves to spend working time on military activities in excess of the legally required eight days, up to a cumulative limit of sixteen days per year. The company also maintains full compensation for associates performing reserve duties.

(1) The talent review process is based on performance over the previous two or three years, as well as learning agility and career development aspirations. Associates’ overall potential is assessed by placing them in one of the 9 boxes in the grid, facilitating the identification and appropriate management of talent types: emerging professional; rising potential; high potential; inconsistent performer; key professional; low performer; solid performer; high professional.



### United States

In June 2023, Sonepar USA finalized a partnership with the US Army through the PaYS (Partnership for Your Success) program. Designed to facilitate the veterans' transition to professional life, this program highlights the skills, discipline and work ethic they acquired in serving their nation. By joining the PaYS program, Sonepar USA affirms its commitment to actively recruiting military personnel and to expanding the professional opportunities available to veterans. With over 25 established military partnerships and diligent participation in numerous veteran recruitment events over the years, Sonepar USA is solidifying its commitment to this community.



### Professional integration program for women

Sonepar Chile is launching the second edition of its professional integration program for women. For this initiative, it received the GEEIS-SDG Trophy for gender equality (see also Chapter 5 section 5.6).

## 5.7 Commitments to local communities and stakeholders

Sonepar aims to be a socially responsible group, active in serving its ecosystem, both globally and locally. It aims to have a positive impact on society.

In addition to its internal CSR initiatives, the Group participates in global (notably the Global Compact) and local initiatives as a member of various professional organizations and industry associations (notably the French Association of Private Enterprises). As a committed player in the energy transition aiming for a positive societal impact, Sonepar joined the Corporate Social Responsibility Observatory (ORSE) in 2023.

The Group is a Global Industry Leader in the Electro Technical Information Model (ETIM) initiative, and several operating subsidiaries are also members of national ETIM organizations. The ETIM model is a common data exchange language for electrical and HVAC products. It contributes to developments that are relevant to industry. Sonepar plays an active role in shaping the structure and content of this model, which is revised every two years. The Group also helps define the data formats and interfaces allowing for electronic exchange of the information produced between systems, within the framework of the ETIM guidelines.

This commitment to society also takes the form of charitable actions and sponsorships, in the service of society or its community associates and their families. Sonepar leaves it to each Country, Region and operating subsidiary to determine which social and charitable actions to implement or promote in order to best meet local needs and challenges.

The Head Office has launched several charitable initiatives, such as a donation to *Electriciens sans frontières* and a collection of clothes and toys for underprivileged women and children at Christmas. The Group is also a contributing member of the association supporting the families of the victims of Air France flight 447.

## Dialogue with stakeholders

Stakeholders	Expectations	Types of dialogue
Civil society	<ul style="list-style-type: none"> <li>• Sonepar’s exemplary CSR practices</li> <li>• Reducing the Group’s environmental impact</li> <li>• Interactions with local communities and residents</li> </ul>	<ul style="list-style-type: none"> <li>• Website, social networks and publications</li> <li>• Integration of external stakeholders into the CSR process (risk mapping, materiality matrix)</li> <li>• Participation in industry working groups and initiatives</li> <li>• Charitable and sponsorship initiatives</li> <li>• Joining the Global Compact</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Quality of service</li> <li>• Operational excellence</li> <li>• Business ethics and compliance</li> <li>• Responsible purchasing and supply chain resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfaction survey (NPS)</li> <li>• Advice and customer service</li> <li>• Whistleblower line</li> </ul>
Associates	<ul style="list-style-type: none"> <li>• Training and skills development</li> <li>• Health and safety</li> <li>• Diversity and equality</li> <li>• Quality of life at work</li> </ul>	<ul style="list-style-type: none"> <li>• Annual reviews</li> <li>• Open Voices satisfaction surveys</li> <li>• Social dialog</li> <li>• Code of Conduct</li> <li>• Compliance Policies and Procedures Manual</li> <li>• Seminars and informational meetings</li> <li>• Intranet site</li> <li>• Whistleblower line</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Financial results</li> <li>• CSR approach</li> <li>• Protection against CSR risks</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing dialogue through the Group’s governance bodies and reporting mechanisms</li> </ul>
Suppliers/ partners	<ul style="list-style-type: none"> <li>• Cooperation and shared CSR commitments</li> <li>• Long-term relationships</li> <li>• Waste management and carbon footprint</li> <li>• Business ethics and compliance</li> <li>• Responsible purchasing and supply chain resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluations and qualification processes</li> <li>• Supplier Code of Conduct</li> <li>• Whistleblower line</li> <li>• Supplier meetings</li> <li>• Strategic Supplier Event</li> </ul>

## Best practices Country

Country	Operating subsidiary	Initiative
Chile	Sonepar Chile	<p><b>Sonepar Chile is launching the second edition of its professional integration program for women.</b></p> <p>Conducted by Sonepar Chile in partnership with suppliers Nexans and Schneider Electric and local NGO <i>RedMaestra</i>, the program is aimed at women pursuing professional retraining or seeking financial independence.</p> <p>In 2022, during the first edition, 20 women were successfully trained as electricians in the Santiago region.</p> <p>They received certification training, including basic and advanced courses, workshops, internships and inspiring exchanges with women from Sonepar about their successful careers in the industry. Today, they are all professionally active, either working for companies or starting their own businesses.</p> <p>In 2023, the program was extended to other regions of Chile, with 60 more women able to take part.</p> <p>Thanks to this initiative, Sonepar has been awarded the GEEIS-SDG 2023 Trophy for gender equality.</p>

Country	Operating subsidiary	Initiative
Sweden	Elektroskandia Sverige	<p><b>Elektroskandia Sverige becomes official partner of the Gothia Cup, a partnership based on shared values and a strong commitment to society.</b></p> <p>Created in 1975, the Gothia Cup is the world's biggest international youth soccer competition. Every year, some 1,700 teams from 80 nations take part, playing 4,500 matches on 110 pitches.</p> <p>The Gothia Cup promotes the transition to a socially, economically and environmentally sustainable future for the younger generation. Through this partnership, Elektroskandia Sverige intends to make a long-term commitment and involve its entire organization through activities in all regions of Sweden.</p>
Italy	Sacchi	<p><b>Sacchi partners with local organizations that support people with disabilities.</b></p> <p>Sacchi has entered into a new partnership with Children of the Fairies, an organization which has provided economic support to local projects and businesses for people with disabilities, particularly autism, since 2005. Sacchi's first contribution was to PizzAut, the first pizzeria in Italy and Europe to exclusively employ young people with autism.</p> <p>PizzAut Onlus is an association founded to raise awareness of the employability of those with autism, which has led to the creation of a major inclusion project. Through a variety of activities, it is helping to build a better world for autistic children and their families.</p> <p>The new PizzAut restaurant is a living example of this commitment: 25 young people with autism now have the chance to start their careers in an exciting sector. The association collaborated with <i>I Bambini delle Fate</i>, another Italian NGO with a long-standing commitment to supporting those with autism.</p> <p>Sacchi has worked with <i>I Bambini delle Fate</i> since 2022 and is proud to be part of this project. As technical sponsor, it actively contributed to the construction of the 1,200 m<sup>2</sup> building by supplying the necessary electrical equipment.</p>
France	Sonepar France	<p><b>Sonepar France and École Gustave deepen their partnership for the future of the building industry.</b></p> <p>Founded in 2021 by Marie Blaise, the <i>École Gustave</i> provides training in the trades, including construction. It is notable for recruiting trainees based on their motivation alone, with no qualification or age requirements.</p> <p>The aim of the partnership is to bring <i>École Gustave</i> students closer to Sonepar France customers, thus facilitating their integration into the construction industry. With this in mind, two "job dating" events were held in Lille and Marseille in September 2023 to match trainees with Sonepar France's electrical customers (in Lille) and plumbing and heating customers (in Marseille).</p> <p>Since its launch a year ago, 40 trainees have been placed with Sonepar customers, while receiving practical training in their trade. Several have even been hired on permanent contracts.</p>
England	Routeco & Mayflex	<p><b>Greater visibility for the volunteer program.</b></p> <p>In October 2023, Routeco and Mayflex launched an app called On Hand to promote and support their volunteer program, which has been in place for several years. In this way, associates can directly access and register for all available initiatives.</p>

# 06



# Environment

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# Chapter overview

This chapter presents the third major axe of our CSR approach: the environment.

The Group aspires to reduce its impact on the value chain.

## 6.1 Planetary boundaries, climate change and the energy transition

The concept of planetary boundaries has been defined by an international team of researchers (Stockholm Resilience Center). They have identified and quantified the thresholds beyond which the Earth's natural equilibrium may be destabilized, jeopardizing conditions favorable to human life.

The dotted circle represents the estimated sustainability limits and the colored areas the estimated status as of end-2022, with orange representing an overshoot. The nine planetary boundaries are, counterclockwise from the top:

1. climate change;
2. erosion of biodiversity;
3. changes in land use;
4. use of fresh water;
5. disruption of the biochemical nitrogen and phosphorus cycles;
6. ocean acidification;
7. atmospheric aerosols;
8. depletion of the ozone layer; and

9. chemical pollution (new entities including new substances or new forms of existing substances).

To mitigate its environmental impacts, the Group wishes to identify those areas in which it can take direct and lasting action. Sonepar has identified climate change and the related social issues as major challenges linked to its business.

Sonepar operates in a context conducive to these radical changes in industry and construction, aimed at replacing fossil fuels with decarbonized, renewable electricity. Today, the construction industry alone accounts for around 36% of the world's final energy consumption and nearly 37% of total direct and indirect CO<sub>2</sub> emissions, including construction and operations<sup>(1)</sup>. The adoption and promotion of clean energy solutions by governments and businesses is an essential lever for limiting CO<sub>2</sub> emissions and accelerating global carbon neutrality.

The transformation of the Group's ecosystem is also accelerating, thanks to technological change and innovation in the service of a more sustainable and responsible society. The COVID pandemic has heightened public awareness of the need for an energy transition. It also demonstrated the sensitivity of the global economic ecosystem to social, societal and environmental issues and influenced the strategies of institutions and companies.

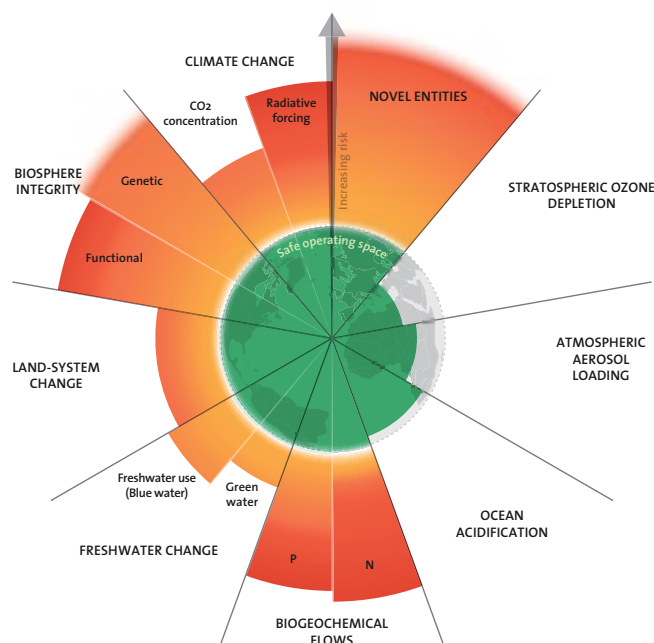
Finally, an increase in energy costs and a worsening of climate-change related events were observed in 2023. Given these trends, it is all the more important and urgent that we move towards energy autonomy and mitigate the impact of our activities on the climate and the environment.

The sale of products containing rare materials requires the exploitation of land to extract resources, and contributes to the erosion of biodiversity. To mitigate this impact, Sonepar is developing circularity services to limit the use of natural resources and extend product life.

The Group is also aware of its impact on the ozone layer, particularly through technologies using fluorinated gases, such as heat pumps and air conditioning systems. It works with specialized service providers who recover and recycle gases from its products.

Given the nature of its processes, water is generally not a critical resource for Sonepar. As a distributor, the Group has very little impact linked to industrial processes involving the large-scale use of water or discharge of pollutants. However, it monitors its water consumption with

### 2023 planetary boundaries



Source: Stockholm Resilience Centre, Stockholm University. Based on Ricardson et al. 2023, Steffen et al. 2015 and Rockström et al. 2009.

(1) 2021 Global Status Report for Construction and Buildings, United Nations.

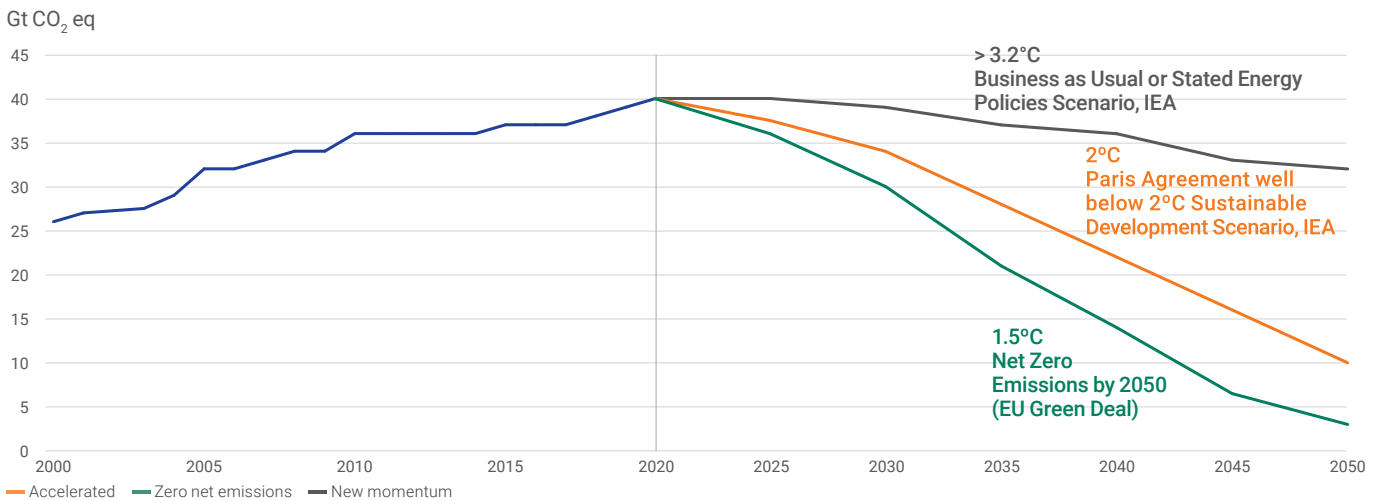
the aim of reducing it and uses water collection and reuse technologies in some of its new buildings.

In order to contribute to the diversity of life, Sonepar also wants to play a role in limiting its impact on ecosystems and biodiversity loss by supporting biodiversity-related projects on a voluntary basis.

### A scenario for achieving carbon neutrality by 2050

The Intergovernmental Panel on Climate Change (IPCC) now estimates that exceeding a 1.5°C rise in global temperatures compared with the pre-industrial era could lead to “progressively serious, centuries’ long and, in some cases, irreversible consequences”. In order to limit global warming to below 1.5°C, emissions must peak by 2025 at the latest, and emissions must be almost halved by 2030<sup>(1)</sup>. This would limit the most dangerous and irreversible effects of climate change.

The International Energy Agency (IEA) has developed a zero-emissions scenario to keep global warming below 1.5°C. It reflects the European Green Deal adopted by many other countries, with the aim of making Europe the first carbon-neutral continent by 2050. This Net Zero emission scenario emphasizes the large-scale, priority development of renewable energies, energy efficiency and electrification, which are at the heart of Sonepar’s business.



## 6.2 Vision: accelerate Global Net Zero and reduce waste

Sonepar aims to capitalize on its leadership in the wholesale distribution of electrical equipment to help reduce the carbon footprint of its value chain. The Group is well positioned to promote and develop sales of renewable and efficient solutions that are more respectful of the environment. Sonepar aims to become the first global player in the distribution of electrical equipment to accelerate the market adoption of clean energy solutions, a circular economy and global carbon neutrality.

To achieve this goal, the Group relies on its portfolio of nearly one million customers, as well as its suppliers – the world’s leading electrical equipment manufacturers. It is also mobilizing its 45,662 associates across its value chain to accelerate the implementation of the Global Net Zero program, which contributes to reducing GHG emissions to as close to zero as possible. Sonepar aims to reduce its CO<sub>2</sub>eq emissions in order to meet the scientific objectives of limiting the increase in global temperature and to develop circularity across the entire product life cycle in order to reduce waste.

The Group joined the SBTi in 2022 and is committed to setting carbon reduction targets in line with the Paris Climate Agreement, which aims to limit global warming. The Group has defined carbon reduction targets for 2030 for scopes 1, 2 and 3.

On December 24, 2022, SBTi validated Sonepar’s target for scopes 1 and 2 and determined that it was in line with a 1.5°C trajectory. The alignment of scopes 1 and 2 with the 1.5°C target is currently the most ambitious designation available through the SBTi process.

(1) Key points from the 6th IPCC assessment report.



## A challenge: quantifying emissions linked to the use of electrical products

Other than transportation, most of the carbon footprint of the electrical industry's value chain is related to the use of energy by electrical products in buildings.

At present, scientific publications and research do not provide a precise, global view of this footprint, and offer only approximated data that cannot be compared between products. However, many suppliers are working on environmental product declarations, in which the data is more precise but does not, to date, cover

Sonepar's entire product portfolio. Faced with this challenge, end customers are not currently in a position to quantify and reduce their emissions from all electrical products in the building by adopting the lowest-emission solutions.

## 6.3 Governance

To structure its approach to environmental issues, Sonepar has set up a dedicated department. The Director of Energy Transition and Sustainability coordinates the Group's actions, under the supervision of the Director of Communications and Sustainability, 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 Country Board meetings (see also Chapter 1, section 1.7). Cross-functional working groups are also organized to address these subjects with the local Purchasing, Logistics, Human Resources and Finance departments.

The Group is supported by a network of 28 internal experts around the world who make up the Sustainability Leadership Committee (SLC).

This network is itself supported by more than 130 ambassadors representing operational subsidiaries. Together, they manage the local implementation of the actions determined by the SLC. The Committee meets twice a year (remotely or in person) to discuss the progress of products carried out in sub-groups. A monthly meeting is also held to discuss new issues, address specific subjects and respond to problems.

Twice a year, the Director of Energy Transition and Sustainability presents the Group's strategy and progress to all country managers in order to mobilize them around the objectives, strategic priorities and action plans to be deployed, and to give concrete expression to the Group's vision. The strategy is also presented each year to the Corporate Board.

A good practice has been deployed in the United States. In October 2023, Sonepar USA organized the first virtual sustainability summit to present the Group's vision, strategy and ongoing programs to each of the American subsidiaries. The event brought together around 60 participants over three days.

## 6.4 Environmental risks and opportunities

The environmental risks and opportunities identified on the materiality matrix by the stakeholders are as follows:

### Risks

- The fight against climate change:
  - inflation risks associated with higher production costs;
  - transition risks associated with increased and stricter regulations;
- rapid market changes and new, divergent customer demands;
- workplace disruptions caused by extreme weather events;
- the failure to meet GHG emission reduction targets, which could result in higher financial costs or reputational impacts;
- the energy transition, energy costs and the environmental and energy performance of operations; and
- the supply chain footprint and its potential inadequacy, which could lead to price, investment and cost volatility along the value chain, as well as reduced margins.
- The circular economy:
  - more numerous and stringent regulations;
  - sustainable management of resources and raw materials; and
  - waste management and packaging reduction.

### Opportunities

- The climate crisis significantly stimulates action and innovation within businesses, industries and governments;
- unprecedented financial flows associated with the development of renewable energies, improved energy efficiency (particularly in buildings)

- and the reduction of greenhouse gas emissions (the European Green Taxonomy, the infrastructure package in the United States);
- the rise of “clean technologies” with the creation of a new class of green jobs;
- the energy transition, which provides the opportunity to develop

- new products and promote green electricity;
- new business models linked to the circular economy (reuse, reconditioning, repair, etc.); and
- climate-related regulatory developments to develop new services to mitigate the customer impacts.

The majority of risks and opportunities linked to climate and the circular economy are summarized in the materiality matrix and taken into account in Sonepar’s environmental strategy on its three priority objectives presented below.

## 6.5 Strategy

The Group is clearly positioning itself through three objectives to accelerate Global Net Zero:

1. Transformation to control its climate impacts;
2. Engagement and training of all associates in sustainability issues via the Energy Transition Academy; and

3. Deployment of the Green Offer, the industry’s first indicator to compare a product’s environmental performance to help customers reduce their impact.

The environmental strategy in the “Planet” pillar of Sonepar’s “Impact” strategic

plan translates this positioning into a specific policy and action plans. These are described in the “Planet” roadmap structured around these three objectives, integrated into its commercial strategy, and aligned with the commitments of the “Impact” strategic plan.

#### Transform: controlling impacts and moving towards Global Net Zero

Sonepar wants to set an example for its customers by implementing technologies that reduce its impact. The Group is focusing on reducing its carbon footprint, which commits it to a roadmap for achieving the 1.5°C target set by the SBTi, as well as reducing waste.

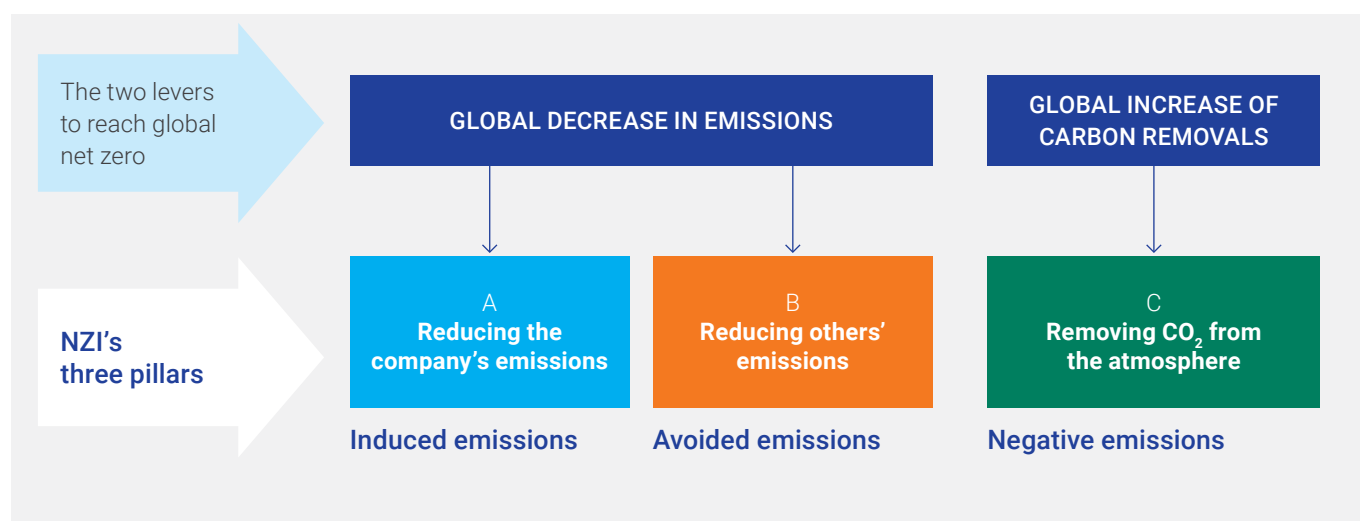
#### Engage: train all Sonepar associates to disseminate best practices

Sonepar has created the Energy Transition Academy, which aims to accelerate cultural change by developing a generation of responsible, committed players, by training all associates. The Academy is intended to be open to Sonepar customers. Since its launch, two training courses have been available and compulsory for all Group associates.

#### Market: deploy a Green Offer to help customers reduce their environmental impact

Sonepar has developed its Green Offer, a methodology and an indicator that enable customers to compare the CO<sub>2</sub> eq emissions associated with products in order to choose the most sustainable, thus helping them reduce their impact. By 2023, it was operational in Belgium, Italy, France, Germany, Norway and Sweden.

Our environmental strategy is based on the principles of the Net Zero Initiative<sup>(1)</sup> (NZI). It is a single reference framework designed to guide the actions of the private sector with the objective of achieving net zero on a planetary scale.



Sonepar has initiated research to quantify its avoided emissions, particularly in lighting and renewable solutions, in order to anticipate customer demands, improve measurement of the performance of sustainable solutions and keep pace with changing regulations.

In addition, Group Countries can contribute voluntarily by supporting

local multi-impact projects with benefits on the climate, biodiversity and local communities (socio-economic impact). In particular, the Group has developed a tool to verify that projects meet six criteria: additionality, measurability, permanence, uniqueness, transparency and verifiability. It has also initiated a partnership with the organization *Planète Urgence*. In 2023, the Group contributed to a project in Peru that

combines climate, social and biodiversity benefits.

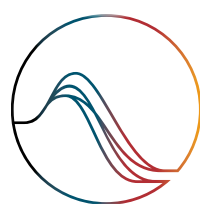
By 2023, the Group had registered more than 230 internal initiatives in support of sustainability and the achievement of the SDGs. Find out more: <https://www.sonepar.com/en/commitments/sustainability/sustainability-initiatives>

## 6.5.1 Transforming the Group to reduce its impacts

### A. Reducing CO<sub>2</sub> eq emissions

Sonepar strives to reduce its carbon footprint on a daily basis to keep the global temperature rise below 1.5°C. As a logistics player with operations in 42 countries<sup>(2)</sup>, 2,386 local branches and 182 distribution centers and warehouses, Sonepar understands that its activities put pressure on natural resources and have an impact on climate change. The Group aims to set an example when it comes to reducing its GHG emissions and waste.

### Science Based Targets



SCIENCE  
BASED  
TARGETS

### DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

An assessment of the Group's GHG emissions was carried out for the first time in 2019, with the help of a specialized consulting firm according to the methodologies of the GHG Protocol and the principles of the ISO 14064 standard.

To limit its carbon footprint, Sonepar set itself a GHG emissions reduction trajectory based on the SBTi scientific methodology, which was validated in December 2022. Sonepar's approach to reducing its carbon footprint covers its entire value chain, including scopes 1, 2 and 3.

These objectives aim to:

- for direct emissions (scopes 1 and 2): to align with a trajectory compatible with 1.5°C; and
- for indirect upstream and downstream emissions (scope 3): to align with a trajectory compatible with 2°C.

(1) Net Zero Initiative ([net-zero-initiative.com](https://net-zero-initiative.com))

(2) Presence of at least one legal entity in a country.

**Group commitments and Country action plans**

Starting in 2020, Group commitments have been defined for the main actions to be carried out in order to initially achieve the objectives of scopes 1 and 2 as a priority, then scope 3. It is committed to implementing the actions needed to accelerate the energy transition and achieve these objectives. They are assessed annually and supplemented in the “Impact” strategic plan. For scope 3, CO<sub>2</sub> eq targets include waste targets, as waste is part of the Group’s carbon footprint.

This assessment has allowed us to identify the biggest sources of emissions for each Country, with an action plan defined for each source. These have

been presented to the Sonepar Corporate Board. Operating subsidiaries can then act in the most effective areas (buildings and vehicles) to reduce their carbon footprint, by taking into account the local context.

To accurately track over 50,000 data items collected in some forty countries, the Group has developed a specific data science system. This makes it possible to manage the complexity of the processing required to track the various emissions sources and improve the accuracy of the results.


**Scopes 1 and 2 objectives, commitments and action plans**

Scopes 1 and 2 cover direct GHG emissions and include:

- buildings (energy used to heat branches, offices and platforms, refrigerant leaks);
- purchases of electricity to power buildings and/or on-site production of renewable electricity; and
- 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 from 2019, are as follows: - 4.2% per year, with -46.2% in 2030.

To achieve these objectives, the Group has made the following commitments:



**100% green electricity including 15% of own production by 2030**

Sonepar aims to consume 100% of green electricity across its operations. This includes electricity from green providers or from its own production for at least 15%.




**100% energy management by 2030**

Sonepar intends to have an energy management system in 100% of its warehouses in order to better manage and control the energy consumption.



**100% LED lighting by 2025**

Sonepar plans to have 100% LED lighting in every building.



**100% low-carbon vehicles by 2030**

Sonepar’s goal is to have 100% low carbon cars in its internal fleet: electric, plug-in hybrid or ethanol.

The 2023 target for LED lighting has been moved to 2025, as some countries are waiting for their existing fixtures to reach the end of their life cycle, to avoid throwing away products that are still in use, and are gradually replacing them with LEDs.

The main actions undertaken since 2019 at the Country level to reduce their scopes 1 and 2 GHG emissions are as follows:

- energy efficiency measures in branches and warehouses;

- deployment of a fleet of hybrid or electric vehicles combined with eco-friendly driving practices;
- installation of renewable energy production facilities, such as photovoltaic panels on roofs and parking lots;
- implementation of Transportation Management Systems (TMS); and
- implementation of Energy Management Systems (EMS).



### Scope 3 objectives, commitments and action plans

Scope 3 covers indirect emissions and includes:

- upstream: product purchases, transportation of products delivered by suppliers to distribution centers or branches, commuting and business travel, waste and packaging purchases, and upstream energy production; and

- downstream: product sales, product end-of-life and logistics implemented by Sonepar's partners.

Sonepar's GHG reduction targets for scope 3, on a constant methodology and scope basis from 2019, are as follows: -1.2% per year, with -13.5% in 2030.

The Group is combining its GHG reduction targets with an initial commitment to end-of-life waste management. Group commitments on the Green Offer and inbound and outbound logistics are currently being formulated.



#### 100% warehouse waste recycling by 2030

Sonepar plans to recycle 100% of the waste generated in its warehouses.



#### The lowest CO<sub>2</sub> alternative for every quotation by 2028

Sonepar's objective is to transform its supply chain to promote products with environmental performance in all its distribution channels.

In terms of products, the Group's priorities are to launch the Green Offer with more precise "product" data, and to reduce its scope 3 with the value chain by proposing the most sustainable alternatives. Given the considerable uncertainties involved in calculating CO<sub>2</sub> eq per product, a common language was defined in collaboration with the Group's suppliers, to standardize the measurement of CO<sub>2</sub> eq per product over the entire life cycle. The targets for the "product" component of scope 3 have been integrated into this context. With the support of teams from the Sonepar Digital Factory, Sonepar's Green Offer is fully integrated into the Group's digital transformation, allowing product ratings to be displayed on Sonepar webshops. The Green Offer is based on the methodology rigorously developed by Sonepar, which has received a compliance certificate from Bureau Veritas.

The main actions undertaken since 2019 at the Country level to reduce their scope 3 GHG emissions are as follows:

- supply chain improvement;
- increased truck loading rates;
- reduction in delivery distances and/or weights;
- installation of packaging or modular boxes;
- reduced travel (particularly by air);
- reducing the need to commute to and from work through the development of telecommuting; and
- launch of the Green Offer and Customer Impact Tracker.

#### Our certified sites

Several of our sites have received BREEAM Excellent certifications.

BREEAM uses recognized performance measures to assess the specification, design, construction and use of buildings: energy and water use, internal environment (health and well-being), management processes, pollution, transportation, materials, waste and ecology.

#### Spain: investment in a new BREEAM Excellent-certified automated distribution center in Valencia

Sonepar has invested €11 million in the construction of a new 21,500 m<sup>2</sup> automated distribution center in Puerto de Sagunto, Valencia.

This logistics center, which will be operational in the first quarter of 2024, is equipped with the AutoStore automation system and will benefit from the best technical solutions in intralogistics.

The AutoStore storage and order-picking system installed at the Sagunto site has 35,000 totes. It will considerably increase daily order-picking capacity and product availability. It will make more efficient use of packaging and reduce order delivery times. In addition, Cable Automation's High-Bay system will be used to optimize the storage of pallets and cable reels.

As for sustainability, the building will be powered by 300 kW of solar panels and equipped with several electric vehicle chargers. It has received one of the highest ratings for sustainable construction: BREEAM Excellent, which signifies efficient use of water and energy, sustainable materials and low CO<sub>2</sub> emissions.

The construction of the Sagunto facility is the first stage in the logistics investments

to be made in Spain over the next few years.

The Group is investing over €2 billion in modernizing its supply chain in order to provide perfect service to its customers while prioritizing sustainability. Several sites are also ISO 14001 and ISO 50001 certified, demonstrating the implementation of environmental and energy management systems.

**Belgium: New distribution center opens in Blandain**

When building the new distribution center, particular attention was paid to sustainability. The designers are aiming for BREEAM Excellent certification.

Finally, deliveries from Blandain will be made using reusable recycled plastic totes/boxes.

**Objectives<sup>(1)</sup> and results**

**Breakdown of CO<sub>2</sub> eq emissions by scope and category (2023 data)**



(1) Compared with the 2019 data.

## Change in CO<sub>2</sub> eq emissions from 2019 to 2023

	2019	2021	2022	2023
<b>Scopes 1 &amp; 2</b>	<b>197</b>	<b>167</b>	<b>166</b>	<b>180</b>
Scope 1 – Energy Fleet and Buildings	137	125	129	143
Scope 2 – Electricity	60	42	37	37
<b>Scope 3</b>	<b>55,214</b>	<b>50,308</b>	<b>45,149</b>	<b>46,963</b>
Upstream	1,729	1,898	2,069	2,236
Product purchases	1,249	1,392	1,476	1,621
Supplier logistics	274	298	330	340
Other	207	208	263	275
Upstream	53,485	48,410	43,080	44,728
Third-party logistics	444	445	448	503
Sales and product end-of-life	53,040	47,965	42,632	44,225
	<b>55,411</b>	<b>50,475</b>	<b>45,315</b>	<b>47,143</b>

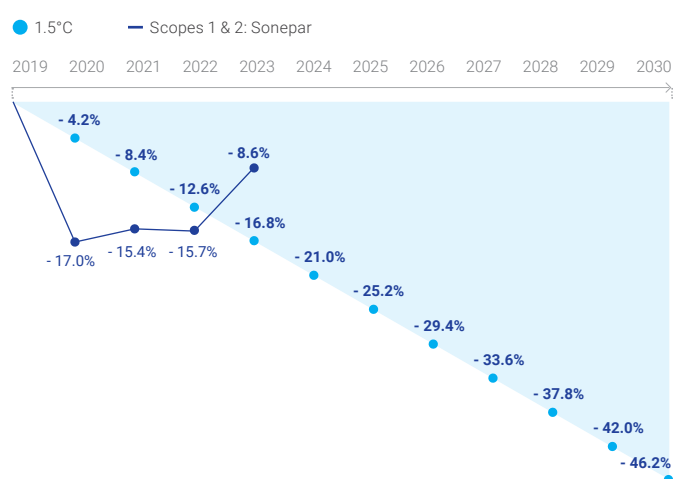
The “products” component of scope 3 accounts for the vast majority of the CO<sub>2</sub> eq – over 97% of emissions. Emissions linked to purchasing are calculated using emission factors taken from scientific publications. The “product use” component has been carefully defined for Sonepar’s entire “product” scope in order to identify their energy consumption and assign the electricity emissions factors for the Countries in which they are used, thus obtaining the emissions volumes. The factors used are published by the International Energy Agency. End-of-life emissions are also calculated using ADEME emission factors<sup>(1)</sup>.

The following graphs show trends in Sonepar’s emissions for scopes 1 and 2 and scope 3, compared with the two trajectories validated by SBTi.

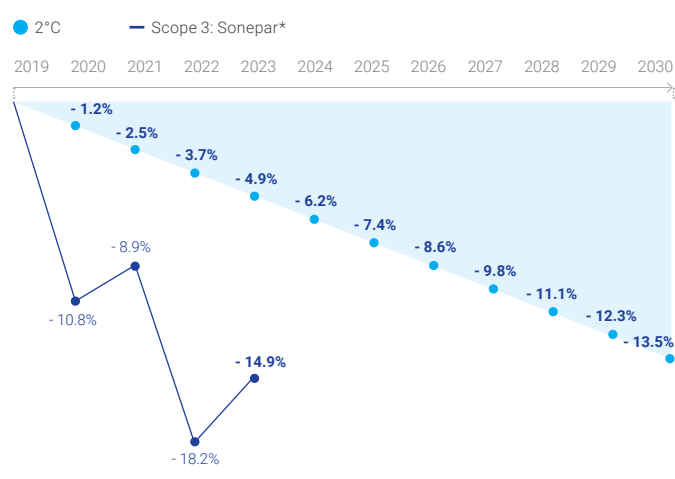
The trend in scopes 1 and 2 is compared with the 1.5°C trajectory, and the trend in scope 3 is compared with the SBTi 2°C trajectory.

All trends are calculated in relation to data for 2019 – the first year the declaration was filed.

### Sonepar scopes 1 & 2 versus SBTi 1.5°C trajectory (2019 reference scenario)



### Sonepar scope 3 versus SBTi 2°C trajectory (2019 reference scenario)



\* There is a significant variation in scope 3 emissions due to a sharp reduction in electricity emissions factors in countries where Sonepar operates.

(1) Emissions are calculated using emission factors published by the French Environment and Energy Agency (ADEME) and the International Energy Agency, as well as the Global Logistics Emissions Council standard.

**Best practices Country**

Country	Type of action	Description
Netherlands	Low-carbon fleet	Technische Unie has already deployed 18 electric trucks and plans to deliver a further 12. This is in addition to the use of HVO100 biofuel, which generates much lower CO <sub>2</sub> emissions, and pilot programs for the use of cargo bikes.
Spain	Environmental Management System	In 2023, Sonepar obtained its first ISO 14001 certification for the Leganés distribution center and its Madrid headquarters. This is the first stage in the certification of all Sonepar facilities in Spain.
Mexico	Renewable electricity	Sonepar has installed solar panels at its Alcione facilities in the state of Morelos (Jiutepec and Cuernavaca). This brings total electricity production to 25% of consumption.
Austria	Low-carbon energy	At its new Graz facility, Sonepar is switching from oil-fired heating to heat pumps. This initiative will be gradually extended, eventually eliminating oil-fired heating systems in Austria.
United States	Resource management	Sonepar USA has implemented an automated resource management system to manage all emissions categories in its operating subsidiaries and monitor reduction via site-by-site analysis.

**B. Waste reduction**

Cardboard, pallets and plastic packaging make up the bulk of direct waste from the Group’s own operations. A common language and reporting system were developed in 2022 with the Sustainability Tracker. The Countries are beginning to define best practices for reducing waste:

- Installation of reusable green totes for customers. These are the main system used for all small products and an important element in fully

automated order-picking systems. They save cardboard and reduce single-use packaging.

- Implementation of an environmentally responsible packaging policy, promoting the use of recycled materials in supplier packaging and elimination of plastics.
- Use of thinner packaging, elimination of packaging for certain product lines.
- Reduction of certain packaging adapted to the product format.

- Recycling of pallets and cable reels.
- Appointment of a Packaging Designer responsible for optimizing packaging (own-brand business).
- Advanced recycling of used work clothing, wood, paper and cardboard.

To reduce waste, the Group’s operating subsidiaries work with local services responsible for recovery, reuse and processing of waste.

**Best practices Country**

Country	Description
Germany	The German subsidiary has installed five new banding machines (for wrapping products with paper bands) at its central warehouse in Gernsheim to reduce the use of plastic bags and stretch film for packaging by 50%. A further five machines have been purchased and will soon be installed.
Poland	Alfa Elektro has implemented a cardboard box recovery program in all its branches. The boxes are labeled “Protect the planet: Send your boxes back to us!”  Once a month, the branches return boxes in good condition to the distribution center. The boxes are flattened and most are reused. Those that are too damaged are turned into padding paper for future deliveries.
Canada	Sonepar Canada’s goal is to eliminate single-use plastics in warehouses, offices and branches in anticipation of future regulations. Utensils such as straws, bottles, food packaging and plastic bags for customers have been eliminated. Reusable cutlery, plates, cups and water bottles were distributed to all associates. Biodegradable products such as wooden and paper plates and cups were made available, and compost bins were installed to handle this new waste. In the branches, boxes received from suppliers or distribution centers are reused to deliver products to customers.



### C. Climate adaptation plan Issues

Recognizing both the risk that climate change poses to its business and the opportunities it could present, the Group has integrated these issues into the materiality analysis carried out in 2021.

All climate-related risks and opportunities are reviewed to select those applicable to the Group's business over a given timeframe. Physical risks include acute and chronic risks related to climate change, and cover both operations and the supply chain. Transition risks include political, legal, reputational, technology and market risks to operations and the supply chain.

As part of the Group reinsurance subsidiary's signature of the United Nations Principles for Responsible Insurance, initial work on physical risks was launched in 2023. The physical risks resulting from climate change may be linked to (acute) events or to longer-term (chronic) changes in climate patterns. Physical risks may have financial implications for organizations, such as direct damage to property and indirect impacts due to supply

chain disruption. Financial performance may also be affected by changes in the availability, supply and quality of water, by food security issues, and by extreme weather changes affecting organizational assets and operations, the supply chain, transportation needs and associate safety, etc.

An initial study of the risks of climate change on the Group's strategic assets is currently underway. This study analyzes these sites' current exposure to natural disasters on a country-by-country basis, as well as medium- and long-term risks in line with the IPCC's RCP 4.5 and 8.5 climate scenarios.

#### Governance

The Group's CSR Steering Committee examines and decides on climate-related issues, and in particular on issues concerning the implementation of the CSRD, decarbonization targets and the climate policy. To fulfill this mission, the CSR Steering Committee relies on an analysis of climate-related risks and opportunities (currently in progress), as well as other more specific elements.

The Corporate Board of the Group's reinsurance subsidiary oversees the study of climate change risks affecting the Group's strategic assets.

#### Tools

- Signature by the Group's reinsurance subsidiary of the United Nations Principles of Responsible Insurance (UNPSI);
- A study of climate change risks to the Group's strategic assets (in progress); and
- Inclusion of recommendations relating to climate change (physical risks) in the Group's prevention standards.

#### Action plan

A study of climate change risks to the Group's strategic assets is in progress. This study will establish an action plan to be implemented in 2024.



### D. Biodiversity

Biosphere integrity, including the loss and extinction of biodiversity, is one of the nine planetary boundaries identified by the Stockholm Resilience Center (see Chapter 6 section 6.1). It is now outdated. The impact of human activities over the last fifty years has increased the risk of abrupt and irreversible changes.

Sonepar has a role to play in limiting its own impact on ecosystems and biodiversity loss.

In 2023, the Group launched an initial assessment of its activities in order to evaluate those that have the greatest impact.

The methodology used is based on the Science Based Targets Network, which extends the SBTi's scope by focusing on nature in five stages: assess, prioritize, measure, act and track.

The main impacts of this screening are as follows:

- climate change due to emissions; and
- the use of water and soil, as well as their pollution during the extraction of raw materials (particularly rare metals) and during the manufacturing of products.

The next step in reducing impacts is to guide and support the Group Countries in proposing initiatives that have an impact in four areas:

- circularity services;
- the Green Offer;
- reducing carbon footprint and waste; and
- voluntary contributions to projects to help restore biodiversity.

## 6.5.2 Engaging associates via an Energy Transition Academy

Given that associate engagement is essential to any action on sustainability, Sonepar has been rolling out its Energy Transition Academy across the Group since 2020. It consists of an online training course to raise awareness of environmental issues among all associates, as well as modules dedicated to major themes for the Group. To complete the program, a new module on the Green Offer will be developed over the next two years.

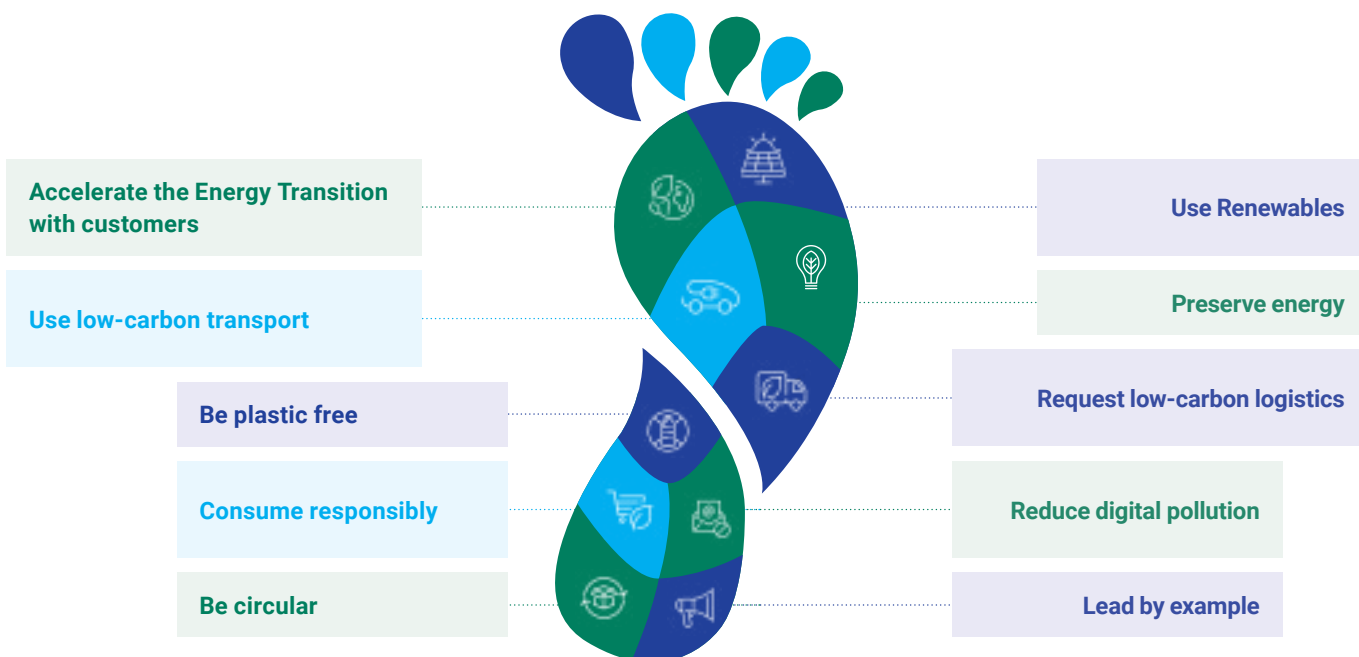
### A. Sustainability module

The first module of the Energy Transition Academy is dedicated to sustainability. In thirty minutes, it presents the Group's actions on sustainability, as well as its carbon footprint. It encourages everyone to take action and be actively involved in the energy transition, whether they work in a branch, on a logistics platform, in an office, or in the field. The module is available in 11 languages.

Associates trained as of December 31, 2023:

# 33,000

Representing 73% of the Group's workforce.



### B. Circularity module

The second module of the Energy Transition Academy was launched in the first quarter of 2023 to raise associates' awareness of the challenges of circularity, with particular regard to waste, packaging and reducing the Group's impact. This module covers the fundamentals of circularity, as detailed below.

The circular economy is a key challenge for today's society. Unlike the linear economy, based on the "produce, consume, dispose" model, circularity

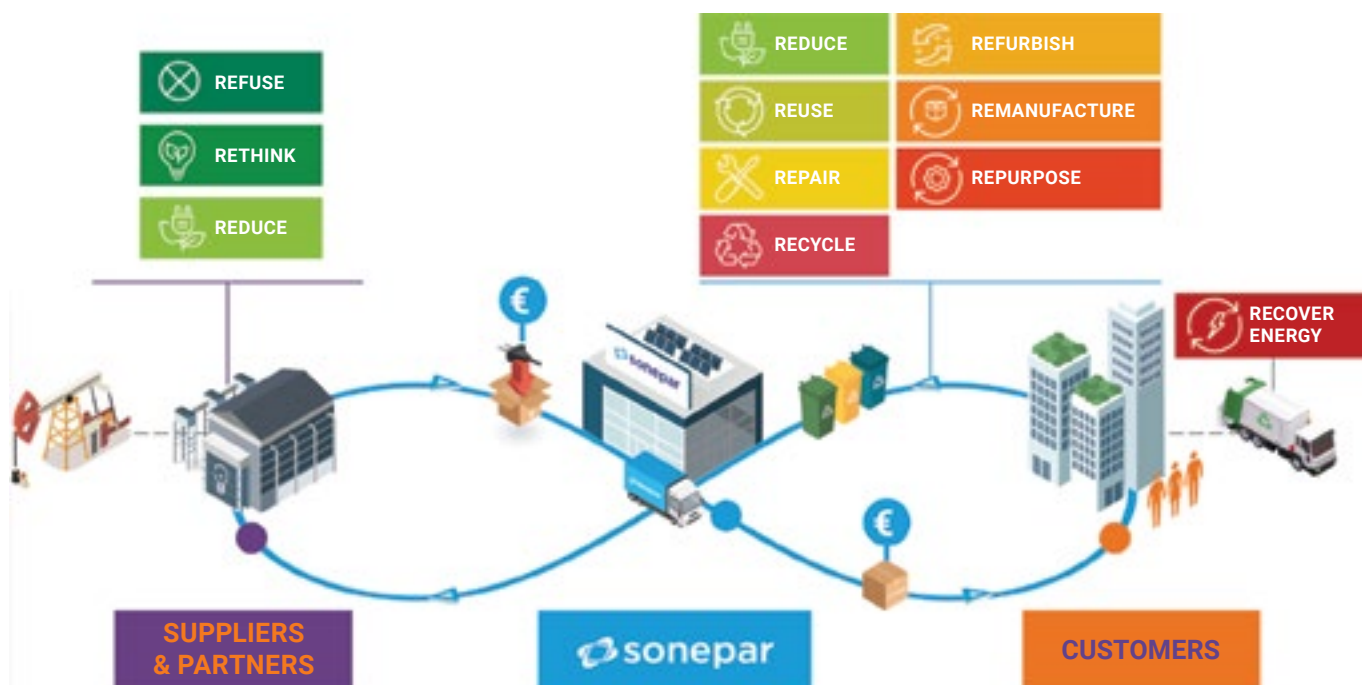
essentially refers to recycling, reusing and renewing. The transition from a linear to a circular economy implies a profound transformation in consumption habits and patterns. This paradigm shift is necessary to preserve resources, guarantee the future of society and preserve future generations.

The circular economy is based on three interdependent pillars: supply, demand (consumer behavior), and waste management. These pillars are broken down into ten strategic actions (the

"10Rs"), which can have a real impact on the economy: Refuse, Reduce, Rethink, Reuse, Repair, Refurbish, Remanufacture, Repurpose, Recycle and Recover energy.

The transition to a circular economy responds to a real expectation on the part of customers and stakeholders. The Group also sees new opportunities for innovation through the development of sustainable business models and customer services.

More than 36,000 associates have taken the course to date.



### C. Green Offer and Impact Tracker module

In 2024, the Group plans to start development of a new training program on the Green Offer and the Impact Tracker, in order to train stakeholders – first internally, then externally – on the challenges of reducing emissions in its value chain.

### D. Purpose

As part of its purpose, the Group is committed to training its associates in environmental issues and impact mitigation.



## Continuing education

By 2028, Sonepar intends to provide annual sustainability training for all associates. Our salesforce will be the best trained in the electrical distribution industry to promote sustainable solutions.

## 6.5.3 Market: help customers reduce their impact

### A. The Green Offer: choosing responsible products

Global warming and resource management are two of the greatest challenges we face today. We need to make radical changes in the way we produce and use the energy and resources that power our industries, our cities, our homes and our world in general.

Sonepar has a responsibility in this area. With sales of €33.3 billion and operations in 42 countries, the Group plays a central role in the global distribution of electrical equipment. On the strength of this position, Sonepar wishes to encourage more responsible practices and work with its suppliers to reinforce their efforts. The Group is focusing on three key areas: reducing its environmental impact, training its 45,662 associates to advise customers on best practices, and offering a Green Offer.

This Green Offer is a world first in environmental terms. At the time of its launch in Sweden in 2022, Sonepar was the first electrical distributor to create

a CO<sub>2</sub> eq comparison indicator for its product range. Available in our webshops starting in 2023, Sonepar’s Green Offer is now operational in Belgium, Italy, France, Germany, Norway and Sweden.

The Green Offer is an indicator for measuring and comparing a product’s environmental performance. It is based on a simplified methodology<sup>(1)</sup> verified by an independent body – Bureau Veritas – which calculates CO<sub>2</sub> eq emissions over the entire life cycle of each product, then ranks them in order of performance.

A note indicates that environmental data is available, then an A, B, or C rating system is provided when the given product can be compared with another.

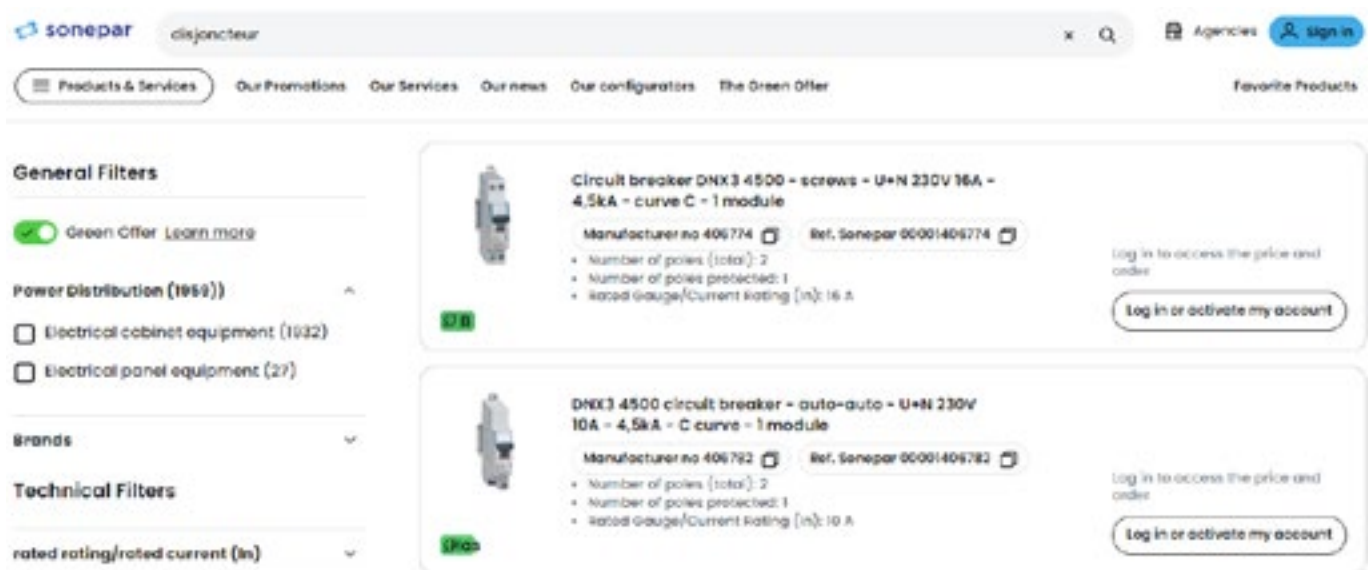
Following the roll-out of the product carbon footprint indicator, Sonepar is defining a new circularity indicator to promote products that limit resource use.

### Data collection and processing in collaboration with suppliers

Some suppliers already have precise emissions data as part of their product environmental declarations and life-cycle analyses. They send these data to Sonepar, which verifies that they reflect all phases of the product life cycle, including after manufacture: transport and distribution, use, and end-of-life disposal.

Sonepar processes all this data via its Datalake and applies its own methodology, validated by Bureau Veritas, to calculate the product’s CO<sub>2</sub> eq emissions over its entire life cycle. This result is then converted into an indicator, which evaluates the environmental aspects of the product and classifies it in one of three categories: C (good), B (very good) or A (excellent). The products and their ratings are presented on the Group’s omnichannel platform.

Multi-stakeholder workshops are organized to identify the technical characteristics that will allow for product comparisons.



(1) Methodology for displaying the environmental impact of products – May 2022 – Version 1.0

### Three features of the Sonepar Green Offer

By describing emissions using an exhaustive methodology based on the four criteria detailed below, Sonepar's Green Offer is unique and is ahead of current industry practices:

**Product-level granularity:** Sonepar's Green Offer allows customers to compare products according to their direct emissions. This enables customers to calculate emissions at the project level.

**Lifecycle emissions:** the lifecycle-based methodology currently represents the most exhaustive means of assessing emissions from electrical products.

**Like-for-like comparison:** the Green Offer methodology harmonizes data from various sources. This allows customers to make meaningful comparisons of products from various suppliers.

### Benefits for customers and end-users

The Green Offer has three main objectives:

1. promote sustainability to all stakeholders;
2. help customers (installers, industry and construction professionals) identify the best available technologies; and
3. provide customers with reliable information to help them manage their CO<sub>2</sub> eq emissions.

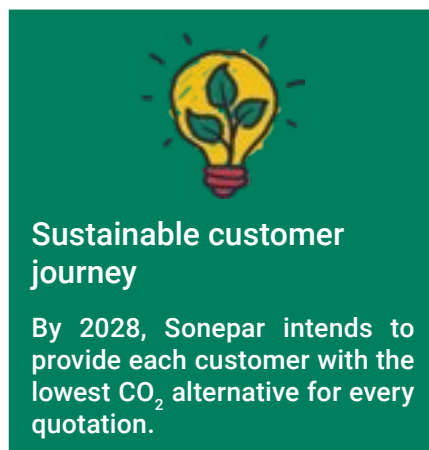
The performance of a product is displayed on all Sonepar interfaces: customers can use the rating to compare similar products online and choose an alternative product with lower emissions.

In the face of growing customer demand for environmental responsibility, the Green Offer sets a new standard. The Group aims to create momentum by demonstrating the value of presenting emissions data in a simple way. In the future, Sonepar expects many more suppliers to join this

initiative. In particular, Sonepar customers will be able to aggregate data to calculate lifecycle emissions for large-scale projects or buildings, and end consumers can use these results in their own calculations of their household carbon footprint. As it develops, the Green Offer will include other ratings to help customers make the best choices for preserving the planet's natural resources and contributing to the well-being of its inhabitants.

### Purpose

The Green Offer is part of the Group's Purpose, with a 2028 target to accelerate its implementation.



### B. Customer Impact Tracker for key accounts

In parallel with the Green Offer, at the request of key account customers who have expressed a need to measure their scope 3 emissions on purchases, in 2022 Sonepar developed a Customer Impact Tracker that enables them to track CO<sub>2</sub> eq on purchases quarterly and produce detailed reports. This can help them reduce their impact by focusing on product families with the lowest emissions. This tool is accessible via the Sonepar Datalake.

### C. Renewable solutions and energy efficiency

Sonepar focuses on developing environmentally responsible products to

accelerate the energy transition. By 2023, Sonepar had achieved sales of €2.2 billion in renewable energy products and €2.8 billion in energy efficiency solutions.

### D. Developing the circular economy

Sonepar has a global network of 182 distribution centers and warehouses and 2,386 branches, all of which are "points of contact" for providing customers with circular economy services.

Sonepar involves its associates in thinking about the sustainable actions and solutions it can offer customers to give their products a second life. This may include collecting products for recycling, a product repair service, or a pilot project for the sale of second-hand products. Some entities have partnered with suppliers to offer customers products that are easier to recycle (products that can be disassembled or are made from more easily processed materials). Sonepar wants to accelerate this type of partnership in order to further organize collection and develop new models aimed at increasing the useful life of products within its value chain.

The development of these initiatives is in line with the Group's Purpose strategy, with ambitious targets for selecting the packaging and services offered.



### E. Logistics and digital transformation to improve customer service quality

Sonepar plans to invest more than €2 billion by 2026 in the construction, extension and automation of its distribution and transportation networks in order to provide customers with perfect service and meet its targets for limiting CO<sub>2</sub> emissions. Since 2021, the

Group has initiated an overhaul of its logistics organization with the creation of a dedicated Global Supply Chain team, the strengthening of local logistics teams and the launch of several major projects. With its logistics competence centers, Sonepar has focused on standardizing its various systems (including inventory and warehouse management solutions) and automating its global logistics platforms

in order to reduce risks, boost productivity and improve customer service quality. At the same time, the Group is continuing to invest in its Digital Factory, and in particular its Spark omnichannel platform, to improve operational efficiency through process automation and data processing as well as the transparency offered to customers in understanding and mitigating their environmental impacts.

### Outstanding initiatives

The Group has set up circularity services for customers to reduce resource use and prevent waste generation.

### Buildings

Country	Description
France	<ol style="list-style-type: none"> <li>When replacing a new air-conditioning system, the heating, ventilation and air-conditioning (HVAC) installation specialist requests an adjustment or leakage check service.</li> <li>Sonepar provides the service and keeps track of the waste collected in order to comply with regulations and avoid hazardous gas losses.</li> <li>A dedicated partner recycles or destroys the gas returned by the installer.</li> </ol>
Australia	<ol style="list-style-type: none"> <li>The installer returns photovoltaic panels to Sonepar, who stores them in a dedicated bin.</li> <li>The partner collects the bin from Sonepar when it is full and recycles the materials.</li> </ol>
Various countries	Sonepar collects lighting products from customers. This falls under the Waste Electrical and Electronic Equipment (WEEE) regulations with which most Sonepar countries must comply.
Sweden	<ol style="list-style-type: none"> <li>Customers book a product repair service or order spare parts (online).</li> <li>Sonepar repairs or replaces the product (warranty).</li> <li>Recycling (with a partner) or customers bring the product to be recycled.</li> </ol>

### Industry

Country	Description
Brazil	<ol style="list-style-type: none"> <li>When a product malfunctions, the customer can request on-site service to maintain, repair or refurbish it, or even take it to the repair center.</li> <li>Sonepar’s brand-certified technicians repair or refurbish the product.</li> </ol>
United States	<ol style="list-style-type: none"> <li>When a product malfunctions, the customer returns it to Sonepar or requests a repair service.</li> <li>At Sonepar, supplier-certified technicians repair the product or replace it with a refurbished one.</li> </ol>
Germany	<ol style="list-style-type: none"> <li>When cutting cables, Sonepar places the offcuts in a dedicated container.</li> <li>A specialized partner collects the container when it is full, sorts the cables to recover as much as possible, calculates the value of the recycled material, and pays Sonepar for it.</li> </ol>
Netherlands	<ol style="list-style-type: none"> <li>Cable trays recovered from buildings are checked and cleaned for reuse.</li> <li>They are labeled as “reused” in the online store.</li> </ol>

Waste electrical and electronic equipment (WEEE) collected and recycled in 2023 in tons, an increase of 12% on 2022.

1,477<sup>(1)</sup>

(1) Methodological limitations are present with estimates on WEEE or scope limitations with data from agencies and/or logistics platforms only. Specific collection projects and inventory reorganization led to an increase in 2023 from 2022.



# Non-financial indicators

<b>Methodology and audit of indicators</b>	128
<b>Table of indicators</b>	129





# 07

## Methodology and audit of indicators

In the spirit of stakeholder transparency, the Group publishes data on Corporate Social Responsibility, including the table of non-financial indicators in the Annual Report.

Annual CSR data are provided for the calendar year preceding the year of publication.

The scope of data consolidation includes all Sonepar activities at December 31 of the reporting year, unless otherwise indicated.

Certain indicators are limited to the 18 countries (20 entities) included in Sonepar's "Impact" plan, representing over 95% of sales. In such cases, it is explicitly stated that the data is limited to the countries covered by the "Impact" plan.

Significant changes to data from previous years, such as methodological improvements or significant errors identified retrospectively, are explicitly mentioned in this report.

Group entities must use actual data rather than estimates. However, in some cases, data may be temporarily inaccessible and are therefore calculated on the basis of estimates. These estimates are explicitly mentioned in this report.

Changes in the scope of consolidation may result from acquisitions or disposals of entities. Unless otherwise specified, they recorded on the effective date of their implementation.

To ensure the quality of the data, and therefore of the reporting, checks are conducted after the data is collected by the departments reporting the information

(in particular by the Communications and Sustainability Department, the Human Resources Department and the Internal Control Department).

Certain information is not covered in this report for financial year 2023. This includes information on collective bargaining agreements and their impact on the company's economic performance, as well as on associates' working conditions.

In addition, like the materiality analysis, the analysis of non-financial risks shows that the following topics are not relevant or do not represent significant risks with regard to the Group's activities:

- food waste; and
- corporate commitments concerning the fight against food insecurity, respect for animal welfare and fair, responsible and sustainable food.

## Table of indicators<sup>(1)</sup>

Category	Theme or indicator	2021	2022	2023	Objective
<b>I. Environment</b>					
<b>A) General environment policy</b>					
Environment	Organization of the company accounting for environmental issues, and, where applicable, environmental assessment or certification procedures	–	–	See Chapter 6	Deployment of a Group Environmental Policy
Environment	Number of associates trained at the Energy Transition Academy <sup>(2)</sup>	Module 1: 27,000	Module 1: 31,000	Module 1: 33,000 Module 2: 36,000	2024: 100%
<b>B) Pollution</b>					
Environment	Measures to reduce the environmental impact of the entire supply chain, from manufacturer to end customer	–	–	Green Offer and Customer Impact Tracker See Chapter 6	
<b>C) Circular Economy</b>					
Environment	Waste prevention and management	–	–	Customer Impact Tracker See Chapter 6 section 6.5 and indicators below	
Environment	Sustainable use of resources	–	–	See Chapter 6 section 6.5 and indicators below	
Environment	Electrical and electronic waste collected and recycled in tons	1,514	1,314 <sup>(3)</sup>	1,477 <sup>(4)</sup>	
Environment	Waste produced by the Group's own business operations (cardboard, wood, paper, plastic) in kt <sup>(5)</sup>	36	42 <sup>(6)</sup>	47 <sup>(7)</sup>	2030: -13.5% (compared to 2019 data)
Environment	Water consumption (in thousands of m <sup>3</sup> ) – Scope: "Impact" strategic plan <sup>(8)</sup>	1,491	1,074	371 <sup>(9)</sup>	

(1) In this table, indicators marked with an \* refer to new 2023 indicators.

(2) Module 1 of the ATE focuses on Sonepar's carbon footprint and Module 2, launched in 2023, concerns the circular economy.

(3) Methodological limitations are presented with estimates and/or scope exclusions. Example: France only publishes data for agencies (platform data is excluded and outsourced).

(4) Methodological limitations are presented with estimates on WEEE or scope limitations with data from agencies and/or logistics platforms only. Specific collection projects and inventory reorganization led to an increase in 2023 from 2022.

(5) Data for 2021 and targets have been updated, in particular as part of the Group's SBTi certification process.

(6) Methodological limitations are presented with estimates and/or scope exclusions. For example: Germany estimates its 2022 data on the basis of 2021 (no supplier data available at the start of the year), while France's scope is restricted to logistics platforms only.

(7) Methodological limitations include estimates and scope limits when data is not available for all sites. In Germany, for example, around 30% of the 2023 data is estimated. Increased activity and the integration of numerous acquisitions led to a significant increase in packaging waste (cardboard, wood, paper and plastic).

(8) Sonepar internal estimate.

(9) The methodology has changed significantly for Canada. France, Switzerland and Mayflex have not reported any data for 2023.

Category	Theme or indicator	2021	2022	2023	Objective
D) Climate change					
Environment	Significant GHG emissions generated by the company's activities, in particular through the use of the goods and services it produces	–	–	See Chapter 6 section 6.5.1	
Environment	Voluntary medium- and long-term reduction targets for GHG emissions, and the means used to achieve them	–	–	See Chapter 6 section 6.5.1 and indicators below	
Environment	Energy consumption (Group scope, in GWh)	201 <sup>(1)</sup>	172	185 <sup>(2)</sup>	
Environment	Electricity consumption (Group scope, in GWh) <sup>(3)</sup>	191	190	193 <sup>(4)</sup>	
Environment	Share of renewable energy purchased and produced – Scope: "Impact" strategic plan	39.6%	44.1%	47.9%	2030: 100%
Environment	Share of renewable energy – Total production – Scope: "Impact" strategic plan	3.3%	4.0%	4.9%	2030: 15%
Environment	Share of renewable energy – Total purchased – Scope: "Impact" strategic plan	36.3%	40.1%	43.1%	
Environment	Sales of renewable energy products – in € billions <sup>(5)</sup>	0.883	2.205	2.155	
Environment	Sales of efficient products <sup>(6)</sup> (energy efficiency) in € billions	2.504	2.419	2.781	
Environment	Direct and indirect emissions of CO <sub>2</sub> eq or scopes 1 and 2 (in kt CO <sub>2</sub> eq) – compared to 2019 data	-15.4% for a 2021 target of -8.4%	-15.7% for a 2022 target of -12.6%	-8.6% <sup>(7)</sup> for a 2023 target of -16.8%	2030: -46.2%
Environment	Indirect emissions of CO <sub>2</sub> eq or scope 3 (in kt CO <sub>2</sub> eq) – compared to 2019 data <sup>(8)</sup>	-8.9% for a 2021 target of -2.5%	-18.2% for a 2022 target of -3.7%	-14.9% for a 2023 target of -4.9%	2030: -13.5%

(1) 2021 figure modified to account for updated data.

(2) Some consumption data are estimated. In Germany, for example, 50% of heat consumption data is estimated.

(3) 2021 figure recalculated to account for total electricity consumption (including the share of renewable energy).

(4) Some consumption data are estimated. For example, renewable electricity consumption in Germany is estimated at 100% for 2022 data.

(5) Sonepar internal estimate. The figures for 2021 and 2022 only include sales from photovoltaics. The indicator has been updated in 2023 to include products from renewable energy (photovoltaics, wind power, e-mobility and renewable heating).

(6) Sonepar internal estimate. Efficient product: a product that reduces energy consumption for the end customer.

(7) The increase in activity and the integration of numerous acquisitions led to a significant increase in energy and fuel consumption in scope 1.

(8) This indicator and the associated targets have changed significantly in calendar year 2022 to take into account, in particular, impacts linked to the product life cycle and the SBTi approach. Data for 2020 and 2021 have been modified accordingly. Emissions linked to the upstream and downstream transportation of products are now included in the calculation of scope 3 emissions; the indicator has therefore been removed.

Category	Theme or indicator	2021	2022	2023	Objective
<b>I. Labor-related information</b>					
<b>A) Employment</b>					
Social	Workforce <sup>(1)</sup>	45,401	44,273	45,662	
Social	Breakdown of associates by gender	25% women 75% men	25% women 75% men	25% women 75% men	2027: 35% women
Social	Associates by region <sup>(2)</sup>	<ul style="list-style-type: none"> <li>• North America: 35%</li> <li>• Western Europe and South America: 25%</li> <li>• Central Europe and the Nordics: 20%</li> <li>• France: 12%</li> <li>• Asia-Pacific: 8%</li> </ul>	<ul style="list-style-type: none"> <li>• North America: 30%</li> <li>• Western Europe and South America: 27%</li> <li>• Central Europe and the Nordics: 21%</li> <li>• France: 13%</li> <li>• Asia-Pacific: 9%</li> </ul>	<ul style="list-style-type: none"> <li>• North America: 31%</li> <li>• South America: 7%</li> <li>• Western Europe: 33%</li> <li>• Central Europe and the Nordics: 21%</li> <li>• Asia-Pacific: 8%</li> </ul>	
Social	Workforce by age group <sup>(3)</sup>	<ul style="list-style-type: none"> <li>• 18-25 years: 8%</li> <li>• 26-35 years: 23%</li> <li>• 36-45 years: 26%</li> <li>• 46-55 years: 26%</li> <li>• 56 and over: 17%</li> </ul>	<ul style="list-style-type: none"> <li>• 18-25 years: 8.2%</li> <li>• 26-35 years: 22%</li> <li>• 36-45 years: 25.5%</li> <li>• 46-55 years: 25.7%</li> <li>• 56 and over: 18.6%</li> </ul>	<ul style="list-style-type: none"> <li>• 18-25 years: 9%</li> <li>• 26-35 years: 22%</li> <li>• 36-45 years: 26%</li> <li>• 46-55 years: 25%</li> <li>• 56 and over: 19%</li> </ul>	
Social	Average age	43	43	43	
Social	Group seniority – “Impact” strategic plan scope	10	9	10	

(1) Group scope, taking into account disposals and acquisitions during the year. This takes into account all direct employment contracts. Temporary staff and trainees are excluded.

(2) The breakdown by geographical region has been reorganized in 2023 compared with previous years. France is now included in the Western Europe region, while South America is no longer a separate region.

(3) Data extracted from Sonepeople (HRIS tool) at December 31, 2023. Associates under 18 are included in the 18-25 age bracket.

Category	Theme or indicator	2021	2022	2023	Objective
Social	New hires <sup>(1)</sup>	7,557 new hires, representing 18% of the total workforce, broken down as follows: • Asia-Pacific: 10% • Central Europe and the Nordics: 13% • France: 9% • North America: 52% • Western Europe and South America: 16%	8,071 new hires representing 18% of the total workforce, broken down as follows: • Asia-Pacific: 11% • Central Europe and the Nordics: 16% • France: 12% • North America: 39% • Western Europe and South America: 21%	7,039 new hires representing 16% of the total workforce, broken down as follows <sup>(2)</sup> : • Asia-Pacific: 9% • Central Europe and the Nordics: 15% • North America: 40% • South America: 12% • Western Europe: 22%	
Social	Resignations*	–	–	3,832	
Social	Departures <sup>(3)</sup>	7,557	6,796	7,273	
Social	Attrition rate <sup>(4)</sup>	15%	16%	16%	2025: 12%
Social	Internal mobility rate – Scope: “Impact” strategic plan <sup>(5)</sup>	43%	36%	38%	2025: 44%
Social	Total payroll – in € billions <sup>(6)</sup>	2.742	3.114	3.234	
Social	Change in payroll	+5.7% <sup>(7)</sup>	+13.6%	+1.9%	
Social	Payroll trends (fixed compensation only) <sup>(8)</sup>	–	+11.8%	+1.3%	
<b>B) Shareholders and associates</b>					
Social	Number of associate shareholders (via Sonopack)	2,100	11,967	10,621 <sup>(9)</sup>	
Social	Number of associate option holders (via Sonopack)	21,106	696	681	
Social	Number of associates holding exercisable rights and/or shares* (in thousands)	23,193	12,156	10,835 <sup>(10)</sup>	
Social	Percentage of capital held indirectly by Group associates*	1.94%	2.36%	2.42%	

(1) Group scope. This includes associates who joined the Group in 2023 under a direct employment contract and appeared on the payroll on the last day of the month. Hires exclude temporary contracts and trainees. New associates resulting from acquisitions are not counted as hires. Against the background of a highly competitive job market, particular attention was paid to workforce management to safeguard our associates' jobs and retain talent.

(2) The breakdown by geographical region has been reorganized in 2023 compared with previous years. France is now included in the Western Europe region, while South America is no longer a separate region.

(3) Number of associates leaving the Group during the fiscal year ended December 31. Group scope, taking into account acquisitions during the year. Departures include all types of departures, including retirements, redundancies and restructuring plans (where applicable).

(4) Percentage of associates having left the Group's workforce at December 31 of the financial year ended, divided by the average number of Group associates over the financial year ended.

(5) Replaced the internal promotion rate in 2021. The figures for 2021 and 2022 have been modified to account for updated data.

(6) Group scope: Total payroll corresponds to the sum of compensation paid to all associates during the year (internal and temporary staff). This corresponds to gross salaries and bonuses received for the year, taking into account employer contributions and vacation pay, as well as the costs of temporary workers. It also includes other personnel expenses such as training costs, severance pay, restructuring programs, pension costs and Sonopack costs. It is calculated based on the amount paid in year n, and compared to the same value in year n-1. The paid headcount is calculated and expressed in full-time equivalents (FTE). It takes into account all direct employment contracts as well as temporary workers, excluding trainees. The paid workforce does not include those who, due to their particular situation, do not receive a salary (unpaid leave, suspension of employment contract, etc.).

(7) Restated for government support received in 2020.

(8) Group scope, fixed salaries excluding bonuses and variable compensation, excluding employer contributions and other benefits, calculated on the basis of the paid workforce for the current year, as at December 31, and reported at the same value as at December 31 of the previous year.

(9) and (10) The decrease in these two indicators is due to the total number of Sonopack shares sold by associates in 2023, mainly under the 2019 Anniversary Plan. As the rules of the Sonopack plans stipulate that shares must be resold when an associate leaves the Sonopack Group, this decrease may be linked to the number of departures in the Group.

Category	Theme or indicator	2021	2022	2023	Objective
<b>C) Organization of working hours</b>					
Social	Organization of working hours				Local management
Social	Absenteeism rate <sup>(1)</sup>	2.2%	3.6%	2.8%	
Social	Associate commitment rate	86%	No update of this indicator in 2022	85%	
Social	% of associates invited to take part in the Open Voices associate satisfaction survey	100%	No Open Voices campaign in 2022	100%	
<b>D) Health and safety</b>					
Social	Health and safety at work				Local monitoring and actions mentioned in this report See Chapter 4 section 4.5
Social	Frequency rate <sup>*(2)</sup>	–	–	3.75	
Social	Severity rate <sup>*(3)</sup>	–	–	0.10	
Social	Number of fatal workplace accidents	0	0	0	0 fatal workplace accidents
<b>E) Associate relations</b>					
Social	Organization of social dialog	–	–		Local management and monitoring (in compliance with the applicable law)
Social	Collective agreements <sup>(4)</sup>	–	–		Local management and monitoring (in compliance with the applicable law)

(1) Group scope, taking into account disposals and acquisitions during the year. Calendar days of sickness: sum of paid and unpaid associate sick days, including accidents, excluding pregnancy, family leave and long-term sickness exceeding one year for all company associates. Available calendar days: the total number of available calendar days is 365 minus weekends and public holidays per Full-Time Equivalent (FTE). Absenteeism decrease is linked to flexible and hybrid ways of working, as well as a particular attention given to associates' well-being and engagement.

(2) The frequency rate is the number of workplace accidents resulting in lost time per million hours worked. Group scope excluding Costa Rica.

(3) The severity rate is the number of working days lost per thousand hours worked. Group scope excluding Costa Rica. Undesirable events are work-related accidents resulting in lost time.

(4) Social dialog is managed and monitored at the Country level, in compliance with locally applicable law, to ensure that it is as close as possible to each local entity. There is no legal obligation for the Group to report or consolidate the collective agreements in force within the various Group entities, or the percentage of associates covered by these agreements. However, as social dialog is a key element of human resources strategy, the Group's medium-term objective is to provide consolidated annual reporting on applicable collective agreements and the number of associates concerned. This need will be expressed as part of the implementation of the ESG platform (project launched in 2024).

Category	Theme or indicator	2021	2022	2023	Objective
<b>F) Training and personal development</b>					
Social	Training policies, particularly in the area of environmental protection	–	–		Sonepar policies to complement local initiatives (including Sonacademy) Energy Transition Academy Ethics and integrity training See in particular Chapter 5 section 5.4 and Chapter 6 section 6.5.2
Social	Number of associates trained via Sonepeople <sup>*(1)</sup>	32	90	41,084	
Social	Total number of training hours	–	–	320,341	
<b>G) Equal treatment</b>					
Social	Measures taken to promote gender equality	–	–		See Chapter 5 section 5.6
Social	Measures taken to promote the employment and integration of disabled people	–	–		See Chapter 5 section 5.6
Social	Anti-discrimination policy	–	–		Local initiatives (local management, in compliance with the applicable laws)
Social	Inclusion and Diversity Index <sup>(2)</sup>	81%	91%	84%	
Social	Proportion of women executives <sup>(3)</sup>	14%	15%	17%	

(1) Indicator modified from previous years. It includes all associates who have taken at least one training course reported in the Sonepeople HRIS tool (e-learning or in person). The data for 2021 and 2022 concern only those associates trained in person via Sonacademy.

(2) The Diversity and Inclusion Index is an internal indicator. It measures associates' level of commitment and their attachment to their work and the company. In 2023, the questionnaire participation rate was 62%.

(3) "Executives" are those associates who are responsible for financial results and for directing and managing teams in line with Group strategy.



Category	Theme or indicator	2021	2022	2023	Objective
<b>III. Societal</b>					
<b>A) Corporate commitment to sustainability</b>					
Societal	Impact of the company's activities on employment and social development	–	–	See Chapter 5	
Societal	Impact of the company's activities on neighboring or local populations	–	–	No consolidated data at Group level Local measures See Chapter 4 section 4.4 and Chapter 5 section 5.7	
Societal	Relations and dialog with the company's stakeholders	–	–	See Chapter 5 section 5.7	
Societal	Customer satisfaction (Net Promoter Score) – Scope: "Impact" strategic plan <sup>(1)</sup>	44.3	42.2	38.42	
Societal	Partnerships and sponsorship	–	–	Local initiatives, see the best practices included in this report See Chapter 5 section 5.7	
Societal	Donations and sponsorships in € million	1.6	– <sup>(2)</sup>	7.46	
<b>B) Subcontractors and suppliers</b>					
Societal	Social and environmental issues taken into account in purchasing policy	–	–	Local initiatives and Group measures detailed in Chapter 3 section 3.5, Chapter 4 sections 4.4 and 4.7 and Chapter 5 section 5.7	
Societal	Social and environmental responsibility taken into account in relations with suppliers and subcontractors	–	–	See Chapter 3 section 3.5, Chapter 4 sections 4.4 and 4.7 and Chapter 5 section 5.7	
Societal	Number of claims regarding own-brand products	1	0	2	

(1) Scale: 0 < poor, 0-30: good, 30-70: very good, > 70: excellent. Composition of the NPS panel modified in 2023: NPS is calculated based on 26,114 e-mail surveys carried out in 39 operating subsidiaries across 28 Countries.

(2) Data not available for 2022.

Category	Theme or indicator	2021	2022	2023	Objective
<b>IV. Ethics and Integrity</b>					
<b>A) Whistleblowing platform</b>					
Ethics and Integrity	Number of reports received since 2018	174	222	294	
Ethics and Integrity	Number of reports received	91	48	72 <sup>(1)</sup>	
Ethics and Integrity	Number of reports processed*	91	48	49 <sup>(2)</sup>	
Ethics and Integrity	Number of confirmed reports	37	15	25	
Ethics and Integrity	Number of human rights reports received <sup>(3)</sup>	30	16	26	
Ethics and Integrity	Number of reports concerning suppliers or subcontractors	0	0	0	
Ethics and Integrity	Number of reports received from outside the Group	4	3	5	
Ethics and Integrity	Number of anonymous reports*	33	29	44	
Ethics and Integrity	Number of reports received from associates*	87	45	67	
<b>B) Anti-corruption audits and supplier evaluations</b>					
Ethics and Integrity	Completion rate of actions resulting from corruption mapping	87.5% (2021 action plans)	88%	88%	The revision of the Code of Conduct and the Compliance Policies and Procedures Manual has been postponed to 2024
Ethics and Integrity	Number of dedicated audits under the Group's Anti-Corruption Compliance Program carried out since 2018	22 (covering 94% of Group sales by the end of 2021)	26 (covering 97% of Group sales by the end of 2022)	31 (covering 98% of Group sales by the end of 2023)	
Ethics and Integrity	Evaluation rate of major suppliers and acquisition targets	100%	100%	100%	
Ethics and Integrity	Number of business partners evaluated since 2018 <sup>(4)</sup>	More than 15,000	More than 15,000	More than 15,000	
Ethics and Integrity	Strategic suppliers who have accepted the Supplier Code of Conduct	100%	100%	100%	
Ethics and Integrity	Share of audited suppliers of own-brand products <sup>(5)</sup>	100%	100%	100%	

(1) The number of reports received now includes reports received via the whistleblowing platform and by any other means.

(2) The number of reports processed in 2023 corresponds to the number of closed reports. For 2021 and 2022, this is the number of reports closed or being processed.

(3) Harassment, discrimination, health and safety.

(4) The indicator name has changed from previous years (formerly "Number of legal entities evaluated since 2018").

(5) Indicator name changed from previous years.

Category	Theme or indicator	2021	2022	2023	Objective
<b>C) Ethics and compliance training</b>					
Ethics and Integrity	Number of associates with e-learning training in the fight against corruption and influence peddling	2,667	10,010	6,804	
Ethics and Integrity	Number of associates with e-learning training on managing conflicts of interest	2,644	10,224	7,573	
Ethics and Integrity	Number of associates with e-learning training on combating fraud*	1,948	8,557	6,587	
Ethics and Integrity	Number of associates with e-learning training in competition law	9,723	11,036	7,559	
<b>C) IT and cybersecurity</b>					
Ethics and Integrity	Associates with access to the personal data policy (data processed by Sonepar SAS)	–	100%	100%	
Ethics and Integrity	Number of requests to exercise rights submitted to personal data officers*(1)	–	–	56	
Ethics and Integrity	Cybersecurity assignments conducted by Internal Audit, including a personal data component	–	100%	100%	
Ethics and Integrity	Number of actions in the cyber strategic roadmap (2021-2023)	16	29(2)	12(3)	2023: 25 actions
Ethics and Integrity	Number of IT security crises	–	1	8(4)	

(1) Scope: 20 Countries.

(2) The 25 actions set out in the 2023 target have been launched. Some actions have been split up by implementation phase, increasing the number of ongoing actions over 2022. 26 actions have been closed (completed or interrupted) and 3 are being finalized.

(3) 7 actions have been completed, 4 are being implemented and 1 has not yet been started. Many of the actions in the 2021–2023 roadmap were completed in 2022 and 2023 and are therefore not counted this year. The decrease in the number of ongoing measures reflects the progress of the Sonepar Group's cyber roadmap.

(4) The increase in the indicator is explained by the systematic filing of complaints since 2023 when a cybersecurity incident occurs, in accordance with the LOPMI law.

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# Independent third party report

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8.1 Independent third party report on the verification  
of the consolidated non-financial statement

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## 8.1 Independent third party report on the verification of the consolidated non-financial statement

### 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 December 31st 2024

To the annual general meeting,

In our capacity as Statutory Auditor of your company (hereinafter the “Entity”), we have undertaken a limited assurance engagement on the historical 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, 2023 (hereinafter, the “Information” and the “Statement” respectively), established voluntarily by the entity 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), and presented in the Group’s CSR report.

#### Conclusion

Based on the procedures we performed as described under the “Nature and scope of procedures” paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not prepared in accordance with the provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code, and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

#### Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or of 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.

## Responsibility of the Statutory Auditor

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 historical information (observed or extrapolated) 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.

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, nor the compliance of products and services with applicable regulations.

## Applicable professional guidance

We performed the work described below in accordance with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagements, 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*", and with the international standard ISAE 3000 (revised)<sup>(1)</sup>.

## 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 December 2023 and March 2024 and took a total of thirteen 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', and the description of the main related risks,
- 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 of the French Commercial Code on social and environmental issues, 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 provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks,
- We verified that the Statement presents the business model and a description of main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks,

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

- We verified that the Statement includes a clear and motivated explanation of the reasons for the absence of policies implemented considering one or more of these risks required under Article R.225-105 I of the French Commercial Code,
- 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 the Appendices. Concerning certain risks<sup>(2)</sup>, 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<sup>(3)</sup>,
- We verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope 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 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 the Appendices, 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 at the entity's headquarters and covers between 16% 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' activities.

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 20th March 2024  
KPMG S.A.

**Michel Piette**  
Partner

**Fanny Houlliot**  
ESG Expert

(2) Fight against climate change, Sustainable management of resources and raw materials, Sustainable purchasing and supply chain resilience, Business ethics and compliance, Cybersecurity and personal data protection, Product quality and safety/User health and safety, Quality of customer service, Crisis management, Transparency and responsible governance, Human rights, Diversity and inclusion, Professional development, Social dialogue, Digital responsibility.

(3) Sonepar France, Sonepar Deutschland GmbH, Sonepar Netherlands.



## Acronyms

**CDC:** Distribution Center  
**CSR:** Corporate Sustainability Reporting Directive  
**D&I:** Diversity and Inclusion  
**EBC:** E-Business Committee  
**EOC:** Executive Operating Committee  
**ERG:** Employee Resources Group  
**GHG:** Greenhouse Gases  
**GSC:** Global Supply Chain  
**ICC:** International Communication Committee  
**ICT:** Information & Communications Technology  
**IFC:** International Finance Committee  
**IHRC:** International Human Resources Committee  
**IIC:** International Industry Committee  
**ISC:** International Suppliers Committee  
**ISMC:** International Sales & Marketing Committee  
**PM Teams:** Product Management Teams  
**SBTi:** Science Based Target Initiative  
**SEC:** Sonepar Executive Committee  
**SILCC:** Sonepar International Legal & Compliance Committee  
**HRIS:** Human Resources Information System  
**SJC:** Sonepar Junior Committee  
**SLC:** Sustainability Leadership Committee  
**SLP:** Sonepar Leadership Program  
**SPARC:** Sonepar Platform for Audit, Risks & Control

## Glossary

**Sonepar's Purpose or Raison d'être:** Powering Progress for Future Generations.

**Société de Négoce et de Participation (trading name: Colam Entreprendre):** a French simplified joint stock company (*société par actions simplifiée*) with share capital of €450,000,000, with its registered office at 25 rue d'Astorg, 75008 Paris, France, and registered with the Paris Trade and Companies Register under unique identification number 602 047 045. Société de Négoce et de Participation is the Majority Shareholder.

**Sonepar SAS:** a French simplified joint stock company (*société par actions simplifiée*) with share capital of €107,936,507.94, headquartered at 25 rue d'Astorg, 75008 Paris, France, and registered with the Paris Trade and Companies Registry under unique identification number 585 580 202.

**Sonepar Global Sourcing SA (SGS):** a Swiss company, with its registered office at Chemin Louis-Hubert, 3, 1213 Petit Lancy, Switzerland, and registered in the Geneva Commercial Registry under number CHE-219.976.223.

**Sonepar International Services SA (SIS):** a Swiss company, with its registered office at Avenue des Morgines, 12, 1213 Petit Lancy, Switzerland, and registered in the Geneva Commercial Registry under number CHE-109.910.245.

**Sonepack:** a French simplified joint stock company (*société par actions simplifiée*) with its registered office at 25 rue d'Astorg, 75008 Paris, France, registered with the Paris Trade and Companies Register under unique identification number 479 679 938.

**SPARC:** an integrated monitoring and reporting application for the Internal Control, Internal Audit and Risk & Insurance Departments.

**Spark:** an omnichannel platform managed by the Digital Factory.



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