

Rexel SA

**Independent practitioner's limited assurance report
on the 2016 Identified Sustainability Information in
Rexel's Sustainability-linked Bond Framework**



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To the directors of Rexel

We have undertaken a limited assurance engagement in respect of the selected sustainability information listed below and disclosed in Rexel's Sustainability-linked Bond Framework attached to this report (the '2016 Identified Sustainability Information'). This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers and environmental scientists.

2016 Identified Sustainability Information

The 2016 Identified Sustainability Information for the year ended 31 December 2016 is summarized below:

- Scope 3 GHG emissions intensity related to the consumption of products sold: 2,92 tCO₂eq/k€ sales;
- Scopes 1& 2 Greenhouse Gas (GHG) Emissions: 116 829 tCO₂eq.

Our assurance was with respect to the year ended 31 December 2016 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Sustainability-linked Bond Framework and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by Rexel to prepare the 2016 Identified Sustainability Information is set out in section "4.1 Selection of the Key Performance Indicators" of the Sustainability-linked Bond Framework (the 'Criteria').

Rexel's Responsibility for the 2016 Identified Sustainability Information

Rexel is responsible for the preparation of the 2016 Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of 2016 Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

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Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the 2016 Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and, in respect of greenhouse gas emissions, *International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the 2016 Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of Rexel's use of the Criteria as the basis for the preparation of the 2016 Identified Sustainability Information, assessing the risks of material misstatement of the 2016 Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the 2016 Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the 2016 Identified Sustainability Information;
- obtained an understanding of the process for collecting and reporting the 2016 Identified Sustainability Information. This included analysing the information provided by the sites of Rexel UK, Rexel Austria, Hagemeyer Deutschland, Elektro Material AG and Rexel New Zealand Ltd for scopes 1 & 2, and by the site of Rexel USA for part of scope 3, selected on the basis of their inherent risk and materiality to Rexel, to understand the key processes and controls for reporting site sustainability data;
- performed limited substantive testing on a selective basis of the 2016 Identified Sustainability Information at corporate head office to check that data had been appropriately measured, recorded, collated and reported (including remeasurement of scopes 1 & 2 figures compared to data previously published); and
- considered the disclosure and presentation of the 2016 Identified Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Rexel's 2016 Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Rexel's 2016 Identified Sustainability Information for the year ended December 31, 2016 is not prepared, in all material respects, in accordance with the Criteria.

This report, including the conclusion, has been prepared solely for the directors of Rexel as a body, to assist them in reporting on Rexel's sustainable development performance and activities. We permit the disclosure of this report to enable the directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Sustainability-linked Bond Framework. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and Rexel for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Neuilly-sur-Seine, April 23, 2021

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Amélie Wattel
Partner

Pascal Baranger
Sustainable Development Director



a world of energy

Sustainability-linked Bond Framework

April 23, 2021

Table of Contents

1. Introduction.....	3
2. Sustainable development in action.....	5
3. Committing to Climate	8
4. Sustainability-Linked Framework.....	10
4.1. Selection of Key Performance Indicators	11
4.2. Calibration of Sustainability Performance Targets (SPTs)	18
4.3. Financing Characteristics.....	20
4.4. Reporting	21
4.5. Verification.....	22
DISCLAIMER.....	23

1. Introduction

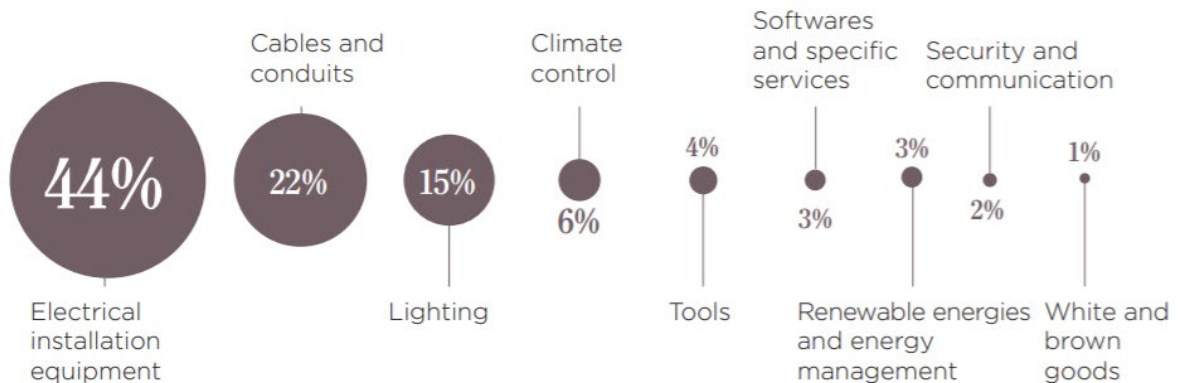
For nearly 50 years, Rexel has been contributing to the development of the trade electrical supplies distribution market in France and worldwide. Rexel is a worldwide expert in the professional omnichannel distribution of electrical products and services for the energy world, and one of the main players in the market of the professional distribution of low and ultra-low voltage electrical products in terms of both sales and number of branches.

Today Rexel employs more than 24,000 people and operates in 25 countries through a network of nearly 1,900 branches. The Group operates mainly in three geographic areas: Europe, North America and Asia-Pacific.

Rexel offers its solutions and services to a wide range of customers, in particular electrical equipment contractors, end-users with internal installation departments, parts manufacturers and panel builders, industrial companies and tertiary companies.

The Group targets three end-markets: the residential, commercial and industrial market. For these three end-markets, **Rexel is a key link of the value chain between electrical equipment providers and customers and end-users.**

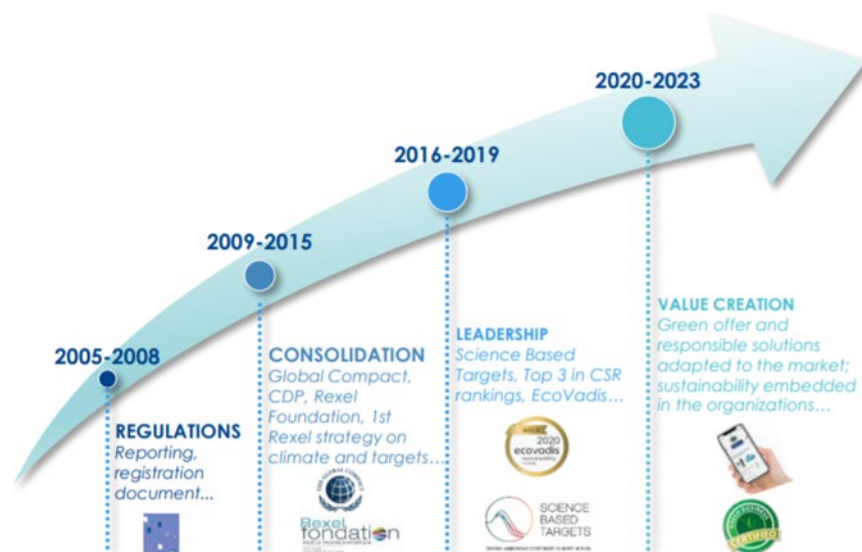
The Group also offers specific services and softwares by combining products with services, in particular, logistics, technical assistance, financing and training. Rexel's products and services offer can be broken down into nine families: (% of sales by product range as of 2020).



To support its customers and help them create increasingly high levels of added value, Rexel has developed a customer-centric business model where ESG (Environmental, Social and Governance) is firmly embedded.

ESG firmly embedded in Rexel's DNA

Rexel develops, implements its sustainable strategy and oversees its performance through the involvement of all levels of the organization.



Objectives, results, and projects are presented once a year to the Rexel Board of Directors. The Group's sustainable development strategy, environmental policy, and operational implementation are managed by the Sustainable Development Department, which reports to the General Secretary of the Group, in coordination with the head office's functional departments and local operational teams. For topics related to sustainable development, the General Secretary acts in concert with the Executive Committee, a body specially tasked with the operational deployment of the Group's strategy.

2. Sustainable development in action

Rexel's mission is to support its customers to be at their best in running their business, by providing a broad range of sustainable and innovative products, services and solutions in the field of technical supply, automation and energy management related to construction, renovation, maintenance and production.

Rexel shares with all the other players in the electrical industry a major responsibility with regards to the challenges of energy transition, climate change and energy access. The Group has turned these challenges into the driving forces of its growth and wants to be a catalyst for sustainable development through its unique position within the value chain.

Rexel's sustainable development strategy is one of the major tools the Group uses to meet its profitable growth and value creation objectives:

Developing innovative energy management solutions	for our customers, to help them optimize their energy consumption
Improving the environmental performance of our operations	in order to help preserve the world's natural resources and ecosystems
Engaging and supporting our employees	in order to guarantee them good working conditions and motivating career opportunities
Promoting responsible practices in the value chain	to ensure the respect of the ethics, the environment and the health and safety when dealing with customers, suppliers, employees and all other actors of the value chain.
Improving access to energy efficiency	for all to support civil society in the fight against fuel poverty and to promote solidarity in the energy transition

- **ESG Distinctions**

The Group's Corporate Social Responsibility (CSR) performance is widely recognized, as shown by its presence in multiple CSR indices and its voluntary commitments. Rexel Group's performance in this respect has been strong. Rexel is listed on the following socially responsible investment indexes (SRIs): Dow Jones Sustainability Index Europe (DJSI Europe); FTSE4Good; STOXX® Global ESG Environmental Leaders; Euronext, Vigeo Eiris Europe 120 Index and Eurozone 120 Index; Global 100 index; and S&P Global Sustainability Yearbook.



In the 2020 assessment conducted by EcoVadis, the Group received a Gold rating, with a score of 71/100. Rexel ranks in the top 5% of companies evaluated by EcoVadis in the world, all industries combined, and in the top 1% of its industry.

The Group has maintained its place on the Dow Jones Sustainability Index (DJSI) Europe, ranking first among European companies and among the top four global companies in the sector.

In 2020, Rexel received an A- rating by the CDP. This confirms that the Group proactively contributes to the fight against climate change, while emphasizing the need to strengthen its segment leadership in this respect.

The Group is ranked as the 1st company in its sector and 11th worldwide in the Corporate Knights "Global 100" index.

- **The world of tomorrow**

Energy management is a key action as, alone, it can absorb 40% of the greenhouse gas reductions needed to meet the targets of the Paris Agreement on climate change. In this sense, Rexel aims to reduce Greenhouse Gas (GHG) emissions over the coming years thanks to

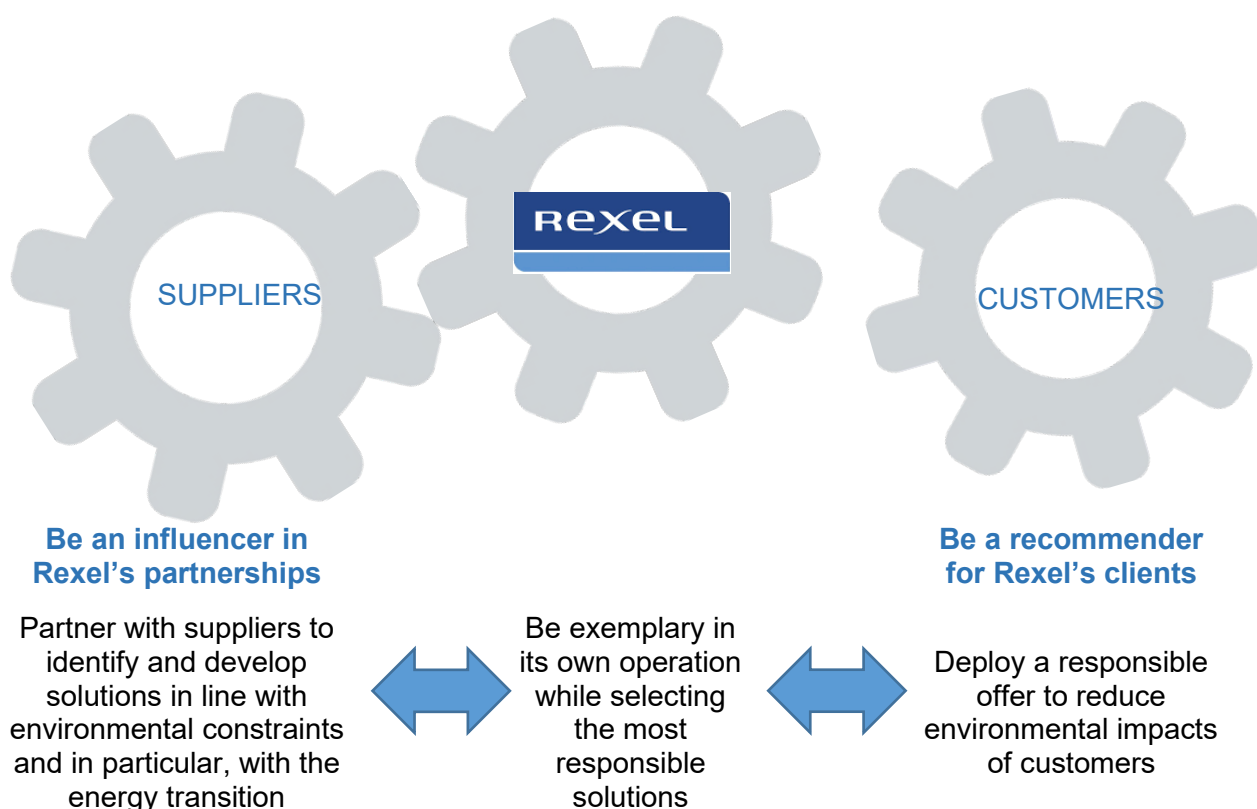
both the Group's green offers and responsible solutions adapted to the market, and to the sustainability embedded in the organization.

In May 2020, over 90 CEOs, including Rexel's, Patrick Berard, called for a paradigm shift, using environmental issues to power the economic recovery. In the short and medium term, the potential means of creating employment opportunities and generating a positive impact on the environment have been identified: retrofitting existing housing and buildings and developing carbon-free mobility and renewable energy storage solutions.

In order to contribute to the post Covid-19 economic recovery and lay the foundation for a resilient and sustainable economy, Rexel is focusing in particular on the digital transformation of its activities and guiding its customers toward the adoption of the most efficient solutions.

- **Rexel embarks the full value chain in a sustainable journey**

As a key player in the value chain, the Rexel Group seeks to encourage all its stakeholders to implement the responsible and ethical practices it applies to its operations and employees. In particular, to accelerate energy transition through the deployment of responsible products and services.



In 2020, green turnover represented approximately 50% of the Group's activity. This being the best estimate to date, is aligned with the consensus of participants to the value chain and with the regulations under discussion, including the European taxonomy.

It may change depending on advances in regulations, in particular of the European taxonomy.

3. Committing to Climate

The Rexel Group is committed to helping the efforts to limit the rise in global temperatures and contributes to the fight against climate change:

- By offering its customers the products and solutions to accelerate the energy transition;
- By reducing its own environmental footprint; and
- By encouraging all of its stakeholders to commit to being a player in the transition to a low-carbon economy.

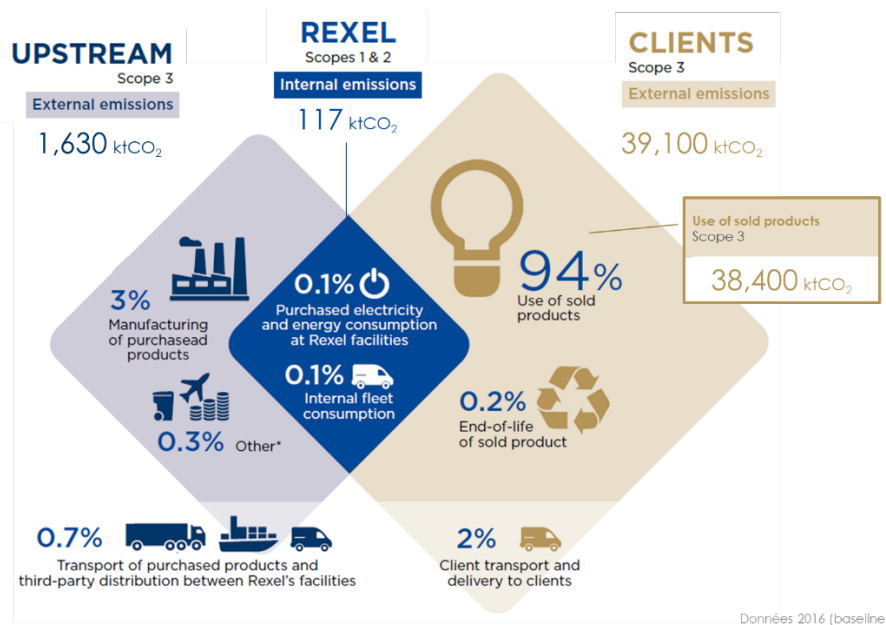
In line with the Paris Agreement on climate change and validated by the Science Based Targets initiative (SBTi), Rexel has set objectives that aim to contribute to limiting global warming to well below +2°C by the end of the century.

The Group implements dedicated procedures, tools, and resources to manage its environmental impacts. The Group's environmental strategy has three levels:

- Procedures and rules common to all subsidiaries;
- Control of implementation of those rules in operations;
- Performance indicators that verify progress.

Rexel assesses each year its GHG emissions throughout its value chain. Analysis of the GHG emission assessment shows that internal emissions (Scopes 1 and 2) are relatively low. The

most significant item is related to product use (within its Scope 3). The breakdown of 2016 baseline is illustrated here below:



Rexel is committed to reducing GHG emissions related to the consumption of products sold by 45% per euro of sales by 2030, compared to 2016. This source of GHG emissions is by far the most important in the electricity value chain with 93% of emissions in 2019. Rexel's unique position should enable it to direct the sector's growth towards an ambitious low carbon energy transition. At the end of 2020, the Group had already reduced them by 16% compared to 2016, per euro of sales.

In addition, Rexel is committed to reducing its GHG emissions related to energy consumption in its operations (scopes 1 and 2) by 35% by 2030, compared to 2016.

While the objectives are aggressive, Rexel expects that its continued improvement of its operational performance will assist in achieving them. Rexel had already reduced its emissions by 9,3% compared to 2016 by the end of 2019.

In 2020 Rexel achieved a reduction of 25% compared to 2016 partially due to the decline of activity related to the pandemic. As the Covid 19 spread, demand declined and, the customer and product mix was disrupted: demand from electrical installers slowed, unlike essential services such as hospitals and critical industrial sites where Rexel ensured just-in-time supply.

4. Sustainability-Linked Framework

To provide further support for Rexel's climate transition strategy and reinforce its commitment to a low-carbon future, Rexel anticipates issuing Sustainability-Linked Bonds ("SLB"). As forward-looking performance-based instruments, SLBs help demonstrate Rexel's integrity to its sustainability ambitions, and capture all the transition levers Rexel is undertaking to achieve its transition strategy at the core of its corporate financing.

This part of the framework defines a set of guiding principles for bonds' issuances linked to the achievement of material, quantitative, pre-determined, ambitious, regularly monitored and externally verified sustainability objectives through Key Performance Indicators ("KPIs") and their associated Sustainability Performance Targets ("SPTs").

Rexel's framework will apply to any forthcoming SLBs. The framework has been developed in accordance with the Sustainability-Linked Bond Principles ("SLBP") published in June 2020 by the International Capital Market Association ("ICMA"). The SLBP are a set of voluntary guidelines that recommend structuring features, disclosure and reporting for sustainability-linked bonds ("SLBs").

For all SLBs, Rexel affirms that it will adopt the following:

1. Selection of KPIs
2. Calibration of SPTs
3. Financings characteristics
4. Reporting
5. Verification

4.1. Selection of Key Performance Indicators

Rexel has selected the two following KPIs:

- KPI 1: Percentage reduction of Scope 3 GHG emissions intensity related to the consumption of products sold
- KPI 2: Scopes 1& 2 GHG emissions percentage reduction

V.E, the external reviewer, has confirmed the relevance, coherence and materiality of these two selected KPIs, and its opinion is available on [Rexel website](#).

In the future, Rexel may incorporate additional KPIs as needed, for additional sustainability targets. In the event that additional means or results-based indicators are added, this framework will be updated and accompanied by an updated external review.

KPI 1: Percentage reduction of Scope 3 GHG emissions intensity related to the consumption of products sold

Rexel considers its Scope 3 emissions to be its most material metric and believes its current sustainability strategy to be ambitious with a focus on its greatest impact, its Scope 3 GHG emissions intensity reduction.

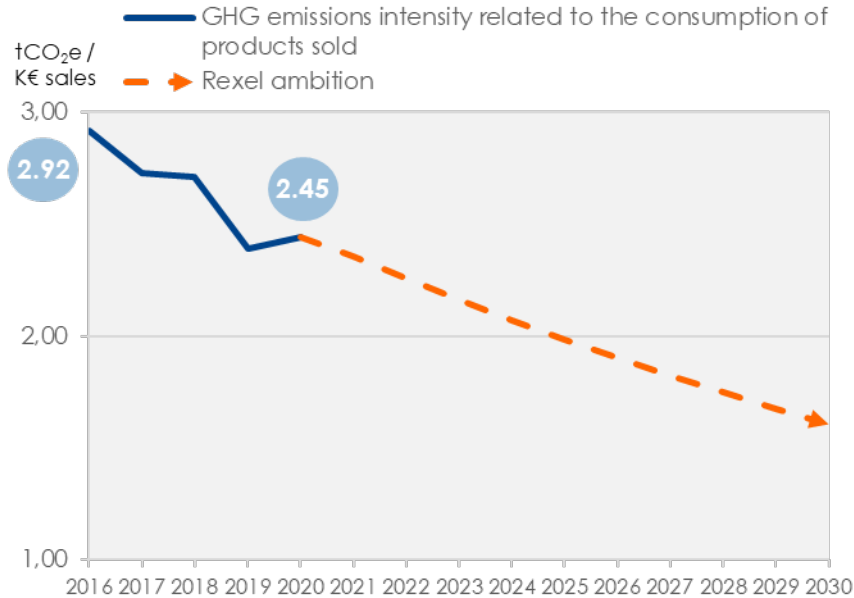
KPI 1 is structured under the following parameters:

<i>Definition</i>	Percentage reduction of Greenhouse Gas (GHG) emissions intensity related to the consumption of products sold, where the GHG emissions related to the consumption of products sold is the estimate of the net average emissions of products in their end use, sold by the Group to customers worldwide.
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	<ul style="list-style-type: none"> ▪ This KPI aims at measuring the indirect GHG emissions resulting from the consumption and/or dissipation from use of the products and solutions marketed by Rexel to end customers ▪ Estimate of emissions related to the use of products sold by Rexel represent 93% of GHG emissions in 2020 across the entire value chain of the Group. ▪ Within these emissions, 42% of GHG emissions are linked to products in the lighting family (lighting sources and related accessories) and 40% are linked to products in the Climate Control family (heating, ventilation, air conditioning, etc.) in 2016. These two families gather a large number of so-called active products, that is to say energy-consuming products during use.
<i>Units</i>	<p>Percentage of reduction of GHG emissions intensity related to the Group's customers' use of products, where GHG emissions intensity related to the consumption of products sold are measured in metric tons of carbon dioxide equivalent per thousand of euro of turnover related to the sale of such products (tCO₂e / K€ of related sales).</p>
<i>Methodology</i>	<p>This KPI is calculated as the percentage of reduction between the baseline year and its observation date of the quotient of two values:</p> <ul style="list-style-type: none"> ▪ Numerator: <ul style="list-style-type: none"> ○ Scope 3 GHG emissions related to the use of products sold ▪ Denominator: <ul style="list-style-type: none"> ○ Turnover of the year related to the sale of the products worldwide, in Euro equivalent ▪ Scope 3 GHG emissions related to the use of products sold by Rexel are calculated using a specific methodology developed by Rexel and aligned on the recommendations of the GHG Protocol. This methodology allows each category of products to be assigned an average energy consumption during the product use phase.

	<p>This consumption is estimated over the entire lifespan of all products in the category.</p> <ul style="list-style-type: none"> ▪ Average energy consumption is converted into GHG emissions using energy emission factors: emission factors for electricity (variable depending on the year and country of sale), for natural gas and for fuel oil. ▪ The data used to calculate emissions are refined each year, using data made available by manufacturers of electrical equipments (market based approach). Scope 3 emissions related to the use of products sold by Rexel are reported, published and audited annually using this method.
<i>Baseline</i>	<ul style="list-style-type: none"> ▪ 2,92 tCO₂eq/k€ sales, as of Dec 31, 2016
<i>Verification</i>	<ul style="list-style-type: none"> ▪ PwC has provided a limited assurance report on the 2016 Baseline. ▪ This KPI will be verified before its publication on an annual basis by an independent third party appointed by Rexel. ▪ All of the material environmental information, including qualitative and quantitative data, is included in the scope of the independent third party's report.

Rexel historic performance in its GHG emissions intensity related to the consumption of products sold



Achievements since 2016 are mainly the result of the shift in Rexel product mix and the continuous effort to improve the energy efficiency of products and solutions proposed to our customers; Rexel's commercial actions to encourage energy-efficient solutions, as well as the reduction of electricity GHG emission factor in most countries where Rexel operates.

In 2020, as the Covid 19 spread, sales declined and the product mix was significantly changed. Scope 3 GHG emissions intensity related to the consumption of products sold has been negatively impacted.

To address the challenge to further reduce the emissions related to its customers' use of products, and therefore to achieve its objectives, Rexel has defined a **voluntary** action plan, at the core of its business strategy. In particular, it implies to engage further with its stakeholders, beyond its current conduct of business. As such, Rexel focus is on **identifying and selecting the most energy-efficient products** in each product's category, mainly based on reliable life cycle assessments and technical data.

- **Supporting the market transition** towards the energy-efficient solutions and energy management solutions by:
 - Challenging suppliers to ensure they develop solutions that allow the energy transition on a short-term period;
 - Working with the main suppliers to collect environmental data which enables the selection of the least emitting products.
 - Replacing products that do not have reliable environmental information by the most energy-efficient products as well as products enabling energy transition.

- **Supporting customers** by
 - providing scope 3 GHG emissions related to products sold by Rexel, by project or by order;
 - Proposing low-carbon products and solutions for their projects and works, together with adapted financing solutions;
 - Training customers to climate stakes and energy transition solutions.

KPI 2: Scopes 1& 2 GHG emissions percentage reduction

Measurement of Rexel’s carbon footprint from operations is key to gauge the overall trajectory of Rexel’s journey towards decarbonation

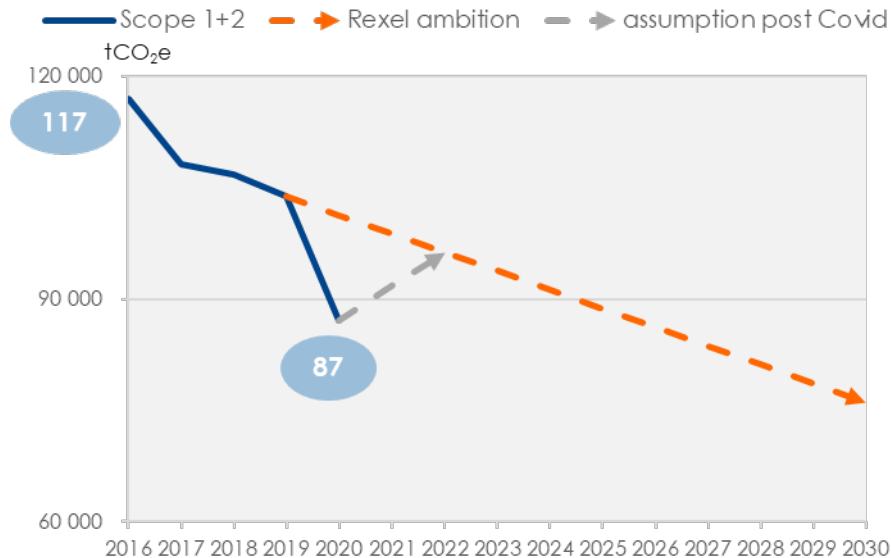
KPI 2 is structured under the following parameters:

<i>Definition</i>	<p>Percentage reduction of Scope 1 and Scope 2 annual GHG emissions versus the baseline year.</p> <ul style="list-style-type: none"> ▪ The Group’s direct GHG emissions (Scope 1) are measured in comparison to the entire value chain. They include emissions related to primary energy consumption (mainly natural gas and domestic fuel oil) on site as well as emissions related to the fuel consumption
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	<p>of vehicles operated by the Rexel Group. About 60% of scope 1 emissions come from this latter component, i.e. transport.</p> <ul style="list-style-type: none"> ▪ Indirect (Scope 2) emissions are related to the production of electricity, steam, and heat consumed by the Group’s sites. More than 94% of those emissions are related to electricity consumption in buildings. The remaining Scope 2 indirect emissions are associated with heat consumption.
<i>Units</i>	<p>Percentage of reduction of GHG emissions expressed as Metric tons of carbon dioxide equivalent (tCO₂e).</p>
<i>Methodology – Emission factors used</i>	<ul style="list-style-type: none"> ▪ Emission factors for Scope 1 are derived from the GHG Protocol (“Emission Factors from Cross-Sector Tools 2014”) with the exception of “other energies” categories. ▪ The emission factors associated with network electricity consumption used in the reporting software are those published by the IEA (International Energy Agency). ▪ In the case of specific supply contracts (in particular, those including a proportion of renewable energy), the emission factors applied are those indicated by the suppliers. ▪ Emissions due to transport are calculated: <ul style="list-style-type: none"> ○ From fuel consumption, by applying an emissions factor for each fuel type (diesel, gasoline or LPG); ○ If this is not available, from distances traveled by applying an average emissions factor per kilometer, and by distinguishing between 3 vehicle categories: cars (weight under 1.5 ton), light utility vehicles such as vans (weight less than or equal to 3.5 tons) and heavy vehicles (weight over 3.5 tons). ▪ The indicator is calculated each year. Starting from 2016 baseline, it calculates the variation rate at constant scope year-on-year, i.e. including changes in the Group’s perimeter (such as disposals and acquisitions, once data is available for the latter). The 2016 baseline

	is calculated based on 31 December 2017 Rexel Group perimeter. The methodology applied to the KPI calculation is detailed in Rexel annual universal registration document .
<i>Baseline</i>	<ul style="list-style-type: none"> Dec 31, 2016: 116 829 tCO₂e Scopes 1& 2 GHG emissions
<i>Verification</i>	<ul style="list-style-type: none"> PwC has provided a limited assurance report on the 2016 Baseline. This KPI will be verified before its publication on an annual basis by an independent third party appointed by Rexel. All of the material environmental information, including qualitative and quantitative data, is included in the scope of the independent third party's report.

Rexel historic performance of its Scopes 1 and 2 annual GHG emissions



Rexel historic performance is explained by the continuous improvement of the energy performance of the Group's sites and fleet of vehicles. **Further to the successful implementation of these measures, Rexel assess its path to fulfill its ambition up to 2030 as increasingly challenging.**

In 2020, as the Covid 19 spread, demand declined and, the customer and product mix was disrupted: demand from electrical installers slowed, unlike essential services such as hospitals and critical industrial sites where Rexel ensured just-in-time supply.

With the assumption that the COVID 19 crisis exit could generate a catch up to 2016-2019 trend, and to further reduce its scopes 1 & 2 emissions, Rexel has defined a voluntary action plan, in alignment with its ambition at 2030, that aims at further reducing the carbon footprint of its operations. It includes:

- **Transports: by increasing flexibility and service for customers while reducing the fuel consumption and mileage of its direct and indirect fleet.** As such Rexel will continue to increase beyond its current conduct of business, the following actions:
 - Pooling shipments with local companies, streamlining delivery routes to reduce mileage, and selecting “best in class” carriers when taking environmental criteria
 - Introduction of electric vehicles and hybrids as well as monitoring of fuel consumption and GHG emissions, with the use of GPS systems to limit these impacts;
- **Buildings: For many years, Rexel has been pursuing a continuous improvement strategy that forms part of the core of its environmental management system.** Already largely implemented, Rexel will continue to focus to further improve the following items:
 - The lighting equipment, through the use low-power technologies and automation systems;
 - The modernization of heating, air conditioning, and ventilation systems and better oversight (such as lower room temperature set point); and
 - The management of energy consumption *via* annual environmental reporting and specific management measures and tools in certain subsidiaries (site-by-site management on a monthly basis, or even in real time).

4.2. Calibration of Sustainability Performance Targets (SPTs)

The SPTs will be calibrated from Rexel sustainability strategy outlined in Section 2 of this framework, which currently aims to comply with a well below 2 degree scenario and includes objectives of reduction in GHG emissions by 2030 as compared to a 2016 baseline.

Rexel believes its current sustainability strategy to be aggressive with a focus on its greatest impact, out of which its Scope 3 emissions to be its most material metric

SPTs for KPI 1

SPTs related to KPI 1 if applicable to a specific Sustainable Linked Bond will vary based on the maturity of the instrument and the time when they are defined. At the date of this framework, they are calibrated for two observation dates: December 31, 2023 and December 31, 2030 as follows:

- As of December 31, 2023, with an intermediary reduction target of 23 % reduction in GHG emissions intensity from the use of products sold from a 2016 baseline
- As of December 31, 2030, with a reduction target of 45% reduction in GHG emissions intensity from the use of products sold from a 2016 baseline

Rexel believes that SPT 1 is an ambitious target set by the Group as it goes beyond the current "business as usual" trajectory of the business and Rexel would need to deliver on its voluntary action plan (described in section 4.1 of this framework) in order to achieve the target.

SPTs for KPI 2

SPTs related to KPI 2 if applicable to a specific Sustainable Linked Bond will vary based on the maturity of the instrument and the time when they are defined. At the date of this framework, they are calibrated for two observation dates: December 31, 2023 and December 31, 2030 as follows:

- Intermediary reduction target: 23,70 % reduction in GHG emissions by December 31, 2023 from 2016 baseline
- 2030 reduction target: 35% reduction in GHG emissions by December 31, 2030 from 2016 baseline

Rexel believes that SPT 2 is an ambitious target set by the Group. Once adjusted for the expected impact of the post pandemic recovery, it goes beyond the "business as usual" trajectory of the business and Rexel would need to deliver on its voluntary action plan (described in section 4.1 of this framework) in order to achieve the target.

Each year, Rexel may decide to calibrate a new observation date for KPI 1 and/or KPI 2, that will be applied to future sustainability linked bonds. It will take the form of an amendment of the framework, released on Rexel website, at the same time as a Second Party Opinion. This latter will aim to confirm that the new intermediary reduction targets, defined at such new observation date, are aligned with Rexel 2030 ambition.

The SPTs set out in this framework will remain applicable throughout the term of any bond issuance issued under this framework.

4.3. Financing Characteristics

Rexel intends to impose financial implications for the non-achievement of one or both SPTs, as they will be defined for the related SLB within the legal documentation of such SLB, or for the non delivery of the Post Observation Date Limited Assurance Report as described in the relevant transaction document. These implications could include a coupon-step up.

For any SLB where a coupon step-up may occur:

- The SLB may have one or more observation dates where financial characteristics of the financing may vary
- The SLB may have one or more SPTs. At each observation date, one or more KPIs and their respective SPTs may be observed where step-ups could be triggered if one of them is not achieved

The purpose of this framework is to present, through the pillars of the SLBP, a set of KPIs which are aligned with the Group's commitments and that may be incorporated into Rexel future SLB issuances. For each SLB, the contractual documentation will define the exact KPIs, SPTs and bond characteristics.

4.4. Reporting

A. Post issuance Annual Reporting

Rexel intends to disclose the performance of the selected KPIs on an annual basis within its Universal Registration Document (“URD”), or in a dedicated report which will be made available within 90 days after each calendar year end (the “Annual Reporting”).

The Annual Reporting will include information on potential drivers of the KPI outcomes, such as:

- up-to-date information on the performance of each selected KPI;
- any additional relevant information enabling investors to monitor the progress of each selected KPI towards the SPT(s);
- illustration of the positive sustainability impact of the performance improvement; and/or
- any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma due to any changes to the calculation methodology for a KPI or significant changes in data due to better data accessibility, if relevant, and as defined in this framework in section 4.2

The Annual Reporting will be available on [Rexel website](#).

B. Post Observation Date Limited Assurance Report

Within 90 days after each observation date of an SLB, Rexel intends to disclose the performance of each selected KPI towards the applicable SPTs and to publish the Post Observation Date Limited Assurance Report of the independent third party it has appointed, on the performance of each KPI as it relates to its associated predefined SPT (the “Post Observation Date Limited Assurance Report”).

The Post Observation Date Limited Assurance Report will be available on [Rexel website](#).

4.5. Verification

A. External verification of the Annual Reporting

On an annual basis and through the maturity of the relevant SLBs, Rexel will make available publicly the annual performance levels against each KPI to allow investors to monitor progress towards the achievement of the SPTs. Such yearly disclosure of the performance level of each KPI will be verified by an independent third party appointed by Rexel.

B. Post Observation Date Limited Assurance Report

Within 90 days after each observation date of an SLB, the Post Observation Date Limited Assurance Report of the independent third party appointed by Rexel shall be provided for each KPI's performance level against its relevant SPT for the relevant observation date.

C. Pre issuance external verification

A leading Second Party Provider will issue a Second-Party Opinion on the Framework, to confirm the alignment of this framework with the SLBP.

This second party opinion document will be made available on [Rexel's website](#).

Rexel commits to update the second party opinion whenever this framework is updated.

DISCLAIMER

This Sustainability-Linked Bond Framework (the “Framework”) is intended to provide non exhaustive, general information.

The Framework contains certain forward-looking statements that reflect the Rexel’s management’s current views with respect to future events and financial and operational performance of the Rexel Group. These forward-looking statements are based on Rexel’s current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Rexel to control or estimate precisely. You are cautioned not to place undue reliance on the forward-looking statements (as well as information and opinions) contained herein, which are made only as of the date of this document and are subject to change without notice. Rexel does not undertake any obligation or responsibility to release any updates or revisions to any forward-looking statements and/or information to reflect events or circumstances after the date of publication of this Framework. The information contained in this Framework does not purport to be comprehensive and, unless differently specified in this Framework, has not been independently verified by any independent third party.

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