

A young man with a beard, wearing a red long-sleeved shirt and a blue baseball cap worn backwards, is smiling at the camera while operating a forklift. The background is a blurred warehouse setting with tall shelving units filled with boxes.

2021 Universal Registration Document

REXEL

a world of energy



Rexel, a French *société anonyme*
with a share capital of €1,528,582,455
Registered office:
13, boulevard du Fort de Vaux – 75017 Paris
479 973 513 R.C.S. Paris

2021

Universal Registration Document



The French version of the Universal Registration Document has been filed on March 10, 2022 with the AMF in its capacity as competent authority in accordance with Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of the said Regulation.

The French version of the Universal Registration Document may be used for the purpose of a public offering of securities or the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and any amendments to the Universal Registration Document. The entire package thus formed is approved by the AMF in accordance with Regulation (EU) No. 2017/1129.

This document is a free translation in English of the original document, which was prepared in French. In all matter of interpretation, views or opinions expressed in the original language of the document in French take precedent over the translation.

This Universal Registration Document including the Annual Financial Report is a reproduction of the official version which has been prepared in ESEF format and which is available on the issuer website (www.rexel.com). Copies of this Universal Registration Document are available at no cost at the registered office of Rexel, 13, boulevard du Fort de Vaux, 75017 Paris – France. This Universal Registration Document is also available on the website of Rexel (www.rexel.com) and on the website of the *Autorité des marchés financiers* (www.amf-france.org).

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General information

This Universal Registration Document was prepared in connection with Rexel's disclosure obligations and for the purpose of the Rexel's Combined Shareholders' Meeting convened for April 21, 2022 (the "**Shareholders' Meeting**").

In this Universal Registration Document, "**Rexel**" refers to the company Rexel. References to "**Rexel Développement**" are to Rexel Développement S.A.S., a direct subsidiary of Rexel. References to "**Rexel Distribution**" are to Rexel Distribution, an indirect subsidiary of Rexel, which merged into Rexel Développement during the 2011 financial year. The "**Rexel Group**" and the "**Group**" refer to Rexel and its subsidiaries and, before 2005, to Rexel Distribution and its subsidiaries.

This Universal Registration Document contains information about the Rexel Group's markets and competitive position, including information relating to market size and market shares. Unless otherwise stated, this information is based on the Rexel Group's estimates and is provided solely for indicative purposes.

To the Rexel Group's knowledge, there are no authoritative external reports in relation to the market and providing comprehensive coverage or analysis of the professional distribution of low and ultra-low voltage electrical products. Consequently, the Rexel Group has made estimates based on a number of sources, including internal surveys, studies and statistics from independent third parties or professional federations of electrical products distributors, specialist publications (such as Electrical Business News and Electrical Wholesaling) figures published by the Rexel Group's competitors and data from operational subsidiaries. These various studies, which the Rexel Group considers reliable, have not been verified by independent experts. The Rexel Group does not guarantee that a third party using other methods to analyze or compile market data would obtain the same results. In addition, the Rexel Group's competitors may define their markets differently.

The data relating to market shares and market size included in this Universal Registration Document thus do not constitute official data.

This Universal Registration Document contains information on the trends, objectives and prospects of development of the Rexel Group. Such information should not be interpreted as guarantees of future performance. Such information is based on data, assumptions, and estimates that the Rexel Group considers reasonable. They are likely to change or be modified due to the uncertainties of the economic, financial, competitive or regulatory environment. In addition, such trends, objectives and prospects of development may be affected by the materialization of one or more risk factors as described in chapter 2 "Risk factors and internal control" of this Universal Registration Document.

The forward-looking statements provided in this Universal Registration Document are made as of the date of this Universal Registration Document. Excluding any applicable legal or regulatory requirements, the Rexel Group does not make any commitment to supplement, update and amend these forward-looking statements provided to reflect any changes in its targets or events, conditions or circumstances on which such forward-looking statements are based. The Rexel Group operates in a competitive environment subject to rapid change. Therefore, it is not able to anticipate all risks, uncertainties or other factors that may affect its activities, their potential impact on its activities or the extent to which the occurrence of a risk or combination of risks could have significantly different consequences from those set out in any forward-looking statements, it being noted that such forward-looking statements do not constitute a projection or guarantee of actual results. In addition, such forward-looking statements may be affected by the materialization of one or more risk factors as described in chapter 2 "Risk factors and internal control" of this Universal Registration Document.

1

Presentation of the Rexel Group

1

Presentation of the Rexel Group



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Message from Guillaume Texier

Chief Executive Officer of Rexel



2021 was a historic year for Rexel, a performance that was all the more remarkable as the Group still had to contend with the persistent effects of the Covid-19 pandemic and disruptions such as the resurgence of inflation or shortages of raw materials or products. Consider a few figures, each showing an unprecedented performance:

- Revenue reached €14.7 billion, an all-time high, growing same-day basis by 15.6%, the highest annual growth rate ever achieved. Admittedly, this growth starts from a 2020 base impacted by the slowdown due to the pandemic, but over two years, sales grew by an average of 3.7%, a rate that had not been reached for a decade.
- Our adjusted EBITDA margin was 6.2%, the highest profitability since our IPO. On a normalized basis, eliminating non-recurring effects, the margin remained very strong at 5.8%.
- Our cash flow before interest and taxes amounted to a record €681 million, with an EBITDA conversion rate of 65.7%.
- Our indebtedness ratio was at a historically low level of 1.37 times EBITDA after rent payments, allowing the Group to regain financial leeway to accelerate acquisitions, as we did recently with the acquisition of Mayer, which significantly strengthens us in the United States.
- And finally, thanks to a 107% increase in our Recurring Net Income to €575 million, we posted historically high Net Earnings per Share of €1.89, allowing us to propose for shareholder approval at our Annual General Meeting a record dividend of €0.75 per share, paid entirely in cash.

This performance exceeds the objectives that the Group had set for 2021 and puts us one year ahead of plan on most of our medium-term objectives. I would like to pay tribute to my predecessor, Patrick Berard, who was able not only to put Rexel back in marching order, allowing it to navigate unforeseen headwinds, but also to build a solid foundation to build tomorrow's growth.

These results are indeed the result of the profound transformation that Rexel has carried out over the past five years to go beyond its traditional activity as a distributor of electrical equipment and become a service and solutions company, driven by digital and data.

It is now up to us to deepen and accelerate this movement to enable us to seize the many opportunities that lie ahead. Rexel is indeed at the heart of a huge societal challenge: that of decarbonization through electrification. The whole world is engaged in a race to reduce carbon emissions, and this necessarily involves increased electrification in residential, mobility and industry. In the next 20 years, the share of electricity in final energy consumption will double. And Rexel is ideally positioned to benefit from this promising trend.

In this context, our strategic roadmap is structured around three major pillars on which we intend to be leaders:

An acceleration of digitization: Digital is already a reality at Rexel. In 2021, digital accounted for nearly €3.5 billion of our revenue, almost a quarter of the total, with a rate of 35% in Europe.

Much more than a simple change of sales channels or the adoption of tools to track orders, digitization is a paradigm shift that runs across our entire organization. Some examples: in France, we have set up in our 450 agencies an inventory management tool assisted by artificial intelligence to offer an adapted assortment, coupled with a predictive model to anticipate the future purchases of each branch's customers. To reduce the rate of customer attrition, or "churn", an alert system, operational in several European countries, identifies customers at risk so that sales representatives can react, and other tools created during the pandemic have been perpetuated, such as rebound alerts, which make it possible to identify customers whose activity is resuming faster than the average of their sector or who, on the contrary, underperform. The latest innovation to date, currently being deployed, is the *Supplier Portal*, a data analytics service dedicated to suppliers, allowing them to evaluate their performance by type of customer, product or transactional channel and according to a benchmark index.

A rise in services and solutions: The services offered by Rexel today represent a strategic dimension of its development, to support all our customers and in particular in the new high-growth markets linked to the energy transition. The enrichment of green solutions & services, new mobility, storage, self-consumption and energy management are indeed key issues in the intelligence of buildings, networks and infrastructures, in which Rexel develops skills and invests significantly to support its customers. A recent example of this is Rexel's 2021 acquisition of Freshmile Services, an operator of charging stations for electric vehicles. Freshmile operates more than 8,000 charging points and provides services to more than 50,000 electric vehicle drivers, providing access to 100,000 roaming charging points across Europe. Rexel thus consolidates its position as a reference player in the world of solutions dedicated to energy professionals by integrating Freshmile's software and services offering to capture development opportunities in the growing activity of electric mobility.

A strong ESG commitment: Rexel is already a best-in-class player in ESG, being the only B2B distributor with objectives validated by the Science Based Target Initiative for the reduction of its CO₂ emissions, both for its own operations (scopes 1 and 2) and for those of its partners (scope 3). Rexel went one step further last year by launching two Sustainability-Linked Bond issues, linking all its long-term financing (€1 billion) to sustainable development goals. But we will have to do even more in the future, including helping our suppliers and customers make their operations greener. This is what we have done with the launch of an innovative service model, in Saint-Ouen, on the outskirts of Paris, where we offer through a digital branch and a robotized platform the largest stock of electrical equipment and climate engineering in the Île-de-France region, with more than 20,000 SKUs. These can be delivered in two hours by a fleet of electric vehicles or bicycles, reducing CO₂ emissions on deliveries by 30%. Combining service and ESG, that's the future of Rexel!

The environment in which we operate in 2022 will undoubtedly be buoyant, but it should also continue to be marked by disruptions. The geopolitical and health situation remains uncertain, inflation will persist, and shortages of products and labor will remain. But Rexel is perfectly equipped to help its customers cope. We expect same-day sales growth of between 4% and 6% for 2022, an adjusted EBITA margin of more than 6% and a free cash flow conversion of more than 60%. The new strategic roadmap we will unveil in June will be ambitious and will enable Rexel to seize the many opportunities that lie ahead to continue its growth trajectory and create value for all its stakeholders.

Over the past few months, I have been able to measure the strength and robustness of the Group's business model, the tremendous commitment of its teams and the relevance of its strategic choices, which position Rexel at the heart of the energy transition and the electrification revolution that is emerging before our eyes. All this can only make us extremely confident in the Group's prospects, as it is ideally positioned for the future.

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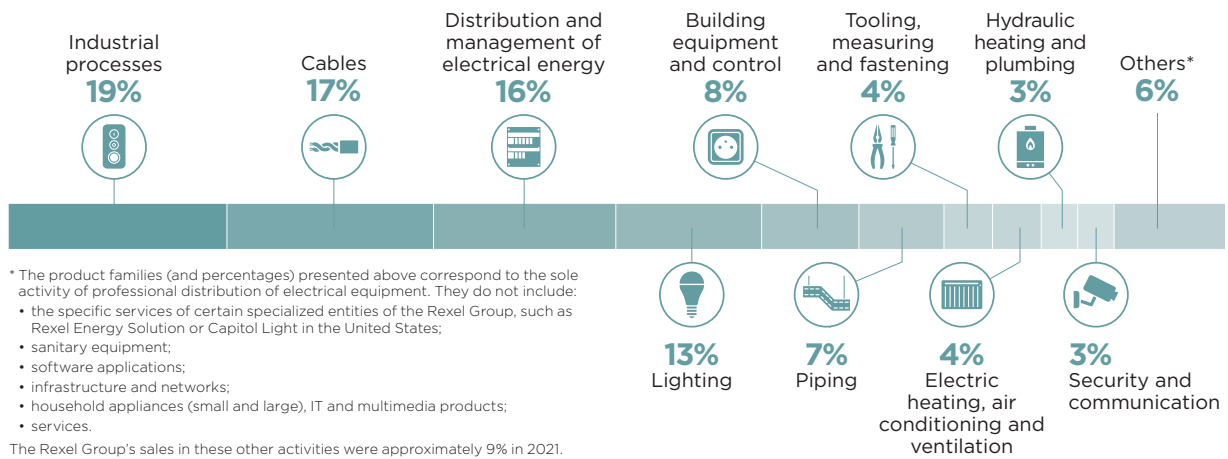
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Group key figures

as of 12/31/2021

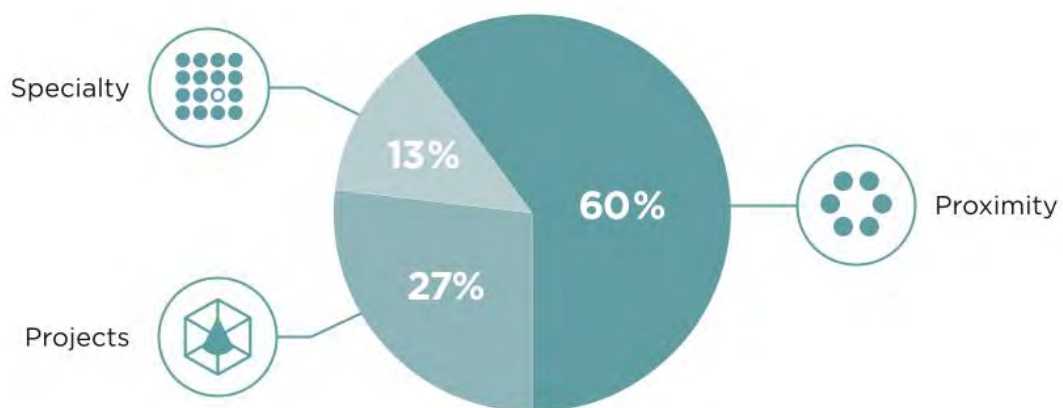
Breakdown of sales by product range



635,000 active customers

50% of purchases are made from 26 strategic suppliers

Breakdown of Group sales by value proposition



Breakdown of Group sales by end market



43%
commercial



30%
industrial



27%
residential

1

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2 objectives to reduce GHG emissions for 2030

- A 35% reduction in CO₂ emissions of the Group's operations (scopes 1&2) by 2030 as compared to 2016.
- A 45% reduction in CO₂ emissions from the use of products sold (scope 3) by 2030 as compared to 2016.

€1.6 bn sales linked to energy efficiency and renewable energy solutions in 2021



over 22,100

employees received training in 2021, i.e. 88% of total workforce



Nearly
2/3
of Group investments in IT & digital

€3.5bn

online sales (webshops + EDI) representing circa 24% of Group sales

Global footprint

as of 12/31/2021

Group

24

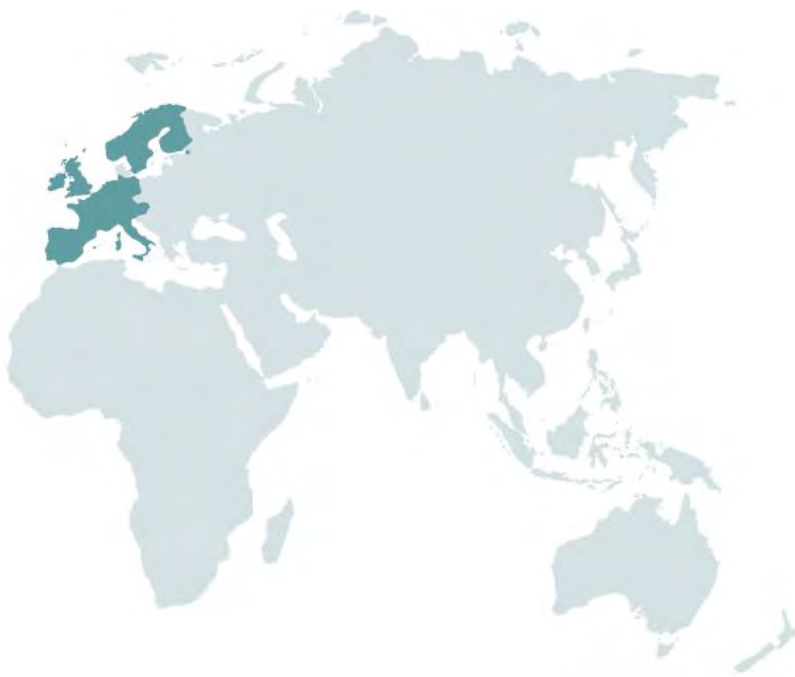
countries

€14.7bn
in sales

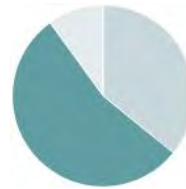
+ 1,900
branches*

+ 26,000
employees*

Europe



56%
of sales



1,100 branches*

15,000 employees*

17 countries

Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Russia, Slovenia, Spain, Sweden, Switzerland, United Kingdom

* Rounded figures as of 12/31/2021.

North America



Canada,
United States

35%

of sales



+ 600 branches*

9,000 employees*

2 countries

1

2

3

4

5

6

7

8

Asia-Pacific



9%

of sales



+ 200 branches*

2,000 employees*

5 countries

Australia, China (including Hong Kong), India,
New-Zealand, United Arab Emirates

* Rounded figures as of 12/31/2021.

1.1 Key consolidated figures

The selected financial information presented below was established on the basis of Rexel's consolidated financial statements for years ended December 31, 2021, 2020 and 2019.

■ Principal key figures of Rexel's consolidated income statement

(in millions of euros, unless specified otherwise)

	2021	2020	2019
Sales	14,690.2	12,592.5	13,742.3
<i>Growth on a comparable basis and same number of working days⁽¹⁾</i>	15.6%	(6.5)%	1.4%
Gross profit	3,871.6	3,103.4	3,432.0
<i>As a percentage of sales</i>	26.4%	24.6%	25.0%
EBITA ⁽²⁾	963.7	537.0	677.5
Adjusted EBITA ⁽²⁾	906.0	526.4	685.1
<i>As a percentage of sales</i>	6.2%	4.2%	5.0%
Operating income	911.8	(3.4)	486.4
Net income	597.6	(261.3)	203.8
<i>As a percentage of sales</i>	4.1%	(2.1)%	1.5%
Net income attributable to the Rexel Group	597.2	(261.2)	204.4
Net income per share (in euro per share)	1.97	(0.86)	0.68
Net recurring income ⁽³⁾	575.0	277.7	341.2
Net recurring income per share (in euro per share)	1.89	0.91	1.13

(1) See paragraph 5.1.1.1 "Financial position of the Group" of this Universal Registration Document.

(2) EBITA (earnings before interest, taxes and amortization) is defined as the operating income before amortization of intangible assets recognized upon purchase price allocation and before other incomes and expenses. The Adjusted EBITA ("Adjusted EBITA") is defined as the restated EBITA of the estimated non-recurring impact resulting from fluctuations in copper-based cable prices. See paragraphs:

- "Margin deterioration resulting from raw materials price fluctuation, including that of copper" of Section 2.1.3 "Financial risks", and
- 5.1.1.4 "Impact of changes in copper price" of this Universal Registration Document.

EBITA and Adjusted EBITA are not accepted accounting measures with standard and generally accepted definitions. They should not be considered as an alternative to operating income, net income, cash flow from operating activities or as a measure of liquidity. EBITA and Adjusted EBITA can be calculated in different ways by companies having similar or different operations.

(3) Net recurring income is defined as net income restated:

- for the non-recurring impact resulting from fluctuations in copper-based cables prices,
- other income and expenses, and
- financial expenses associated with refinancing transactions,
- after deducting the tax impact of the above-mentioned items and other non-recurring tax effects.

The table below presents a reconciliation of EBITA and Adjusted EBITA with operating income:

(in millions of euros, unless specified otherwise)

	2021	2020	2019
Operating income	911.8	(3.4)	486.4
(-) Other income ⁽¹⁾	(12.4)	(25.0)	(26.9)
(+) Other expenses ⁽¹⁾	57.0	554.9	203.7
(+) Amortization of intangible assets arising on the purchase price allocation of acquisitions	7.3	10.5	14.3
= EBITA	963.7	537.0	677.5
(+)/(-) Non-recurring effect resulting from changes in copper-based cable prices ⁽²⁾	(57.8)	(10.6)	7.6
= Adjusted EBITA	906.0	526.4	685.1
Adjusted EBITA margin (in % of sales)	6.2%	4.2%	5.0%

(1) See note 8 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2021 included in Section 5.2 "Consolidated Financial Statements" of this Universal Registration Document.

(2) See paragraphs "Margin deterioration resulting from raw materials price fluctuation, including that of copper" of Sections 2.1.3 "Financial risks" and 5.1.1.4 "Impact of changes in copper price" of this Universal Registration Document.

The table below presents the reconciliation of net income with net recurring income:

<i>(in millions of euros)</i>	2021	2020	2019
Net income	597.6	(261.3)	203.8
(+)/(-) Non-recurring effect resulting from changes in copper-based cable prices ⁽¹⁾	(57.8)	(10.6)	7.6
(-) Other income ⁽²⁾	(12.4)	(25.0)	(26.9)
(+) Other expenses ⁽²⁾	57.0	554.9	203.7
(+) Financial expenses related to refinancing transactions	22.6	(4.2)	20.8
(-) Tax impact of the items above and other non-recurring tax effects	(32.1)	24.0	(67.8)
= Net recurring income	575.0	277.7	341.2

(1) See paragraphs "Margin deterioration resulting from raw materials price fluctuation, including that of copper" of Sections 2.1.3 "Financial risks" and 5.1.1.1.4 "Impact of changes in copper price" of this document.

(2) See note 8 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2021 included in Section 5.2 "Consolidated Financial Statements" of this Universal Registration Document.

■ Principal key figures from the table of consolidated cash flow of Rexel

<i>(in millions of euros)</i>	2021	2020	2019
Cash flow from operating activities	717.7	706.9	552.7
(-) Repayment of lease liabilities	(188.9)	(172.3)	(175.2)
(+) Paid interests	56.1	66.5	82.3
(+) Paid taxes	199.0	88.5	118.2
= Cash flow from operating activities before net interest and income taxes	783.9	689.6	578.0
(-) Acquisition of tangible and intangible fixed assets	(109.3)	(109.6)	(124.3)
(+) Disposal of tangible and intangible fixed assets	6.1	33.0	7.9
= Free cash flow before net interest and income taxes ⁽¹⁾	680.6	613.0	461.6
Conversion rate of the cash flow (in % of EBITDAaL) ⁽²⁾	65.7%	101.2%	62.5%

(1) Free cash flow before net interest and income taxes is defined as the net change in cash flow from operating activities before deduction of net interest paid and before deduction of income tax paid, less net operating investments.

(2) EBITDAaL (earnings before interest, taxes, depreciation, amortization and after leases) is defined as EBITA before amortization of fixed assets less capitalized lease payments in accordance with IFRS 16. EBITDAaL is not a standardized accounting aggregate that meets a single, generally accepted definition. It is used to assess the level of free cash flow before interest and taxes.

The table below presents the reconciliation between EBITA and EBITDAaL:

<i>(in millions of euros)</i>	2021	2020	2019
EBITA	963.7	537.0	677.5
(+) Amortization of fixed assets	300.7	283.9	281.6
= EBITDA	1,264.4	820.9	959.1
(+) Capitalized leased payments	(229.3)	(215.0)	(220.7)
= EBITDAaL	1,035.2	605.9	738.4

■ Principal key figures of Rexel's consolidated balance sheet

(in millions of euros, unless specified otherwise)

	2021	2020	2019
Total assets	11,553.7	9,963.2	11,074.8
Non-current assets	5,999.7	5,400.3	6,074.4
Working capital requirements	1,753.6	1,286.6	1,654.3
Shareholders' equity	4,560.8	3,794.8	4,235.3
Net financial debt ⁽¹⁾	1,551.2	1,334.9	1,945.9
Other non-current liabilities	1,641.1	1,557.3	1,547.4

(1) See note 18.1 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2021 included in Section 5.2 "Consolidated Financial Statements" of this Universal Registration Document.

■ Leverage Ratio

The Leverage Ratio corresponds to adjusted total net debt relative to adjusted EBITDA. Calculation such as provided by the Senior Facility Agreement is detailed as follows:

(in millions of euros)

	2021	2020	2019
Net financial debt ⁽¹⁾	1,551.2	1,334.9	1,945.9
Redemption costs	(28.8)	(19.2)	(27.9)
Foreign exchange effect ⁽²⁾	(35.8)	16.1	(8.2)
Adjusted total net debt	1,486.6	1,331.8	1,909.8
EBITDAaL	1,035.2	605.9	738.4
Effect of changes in scope of consolidation	55.5	(2.0)	(0.2)
Share-based payments and employee profit sharing	52.3	28.3	28.8
Non-recurring effect related to changes in copper-based cable prices	(58.3)	(10.6)	7.6
Adjusted EBITDA	1,084.7	621.7	774.5
Leverage Ratio (Adjusted total net debt / Adjusted EBITDA)	1.37x	2.14x	2.47x

(1) See note 18.1 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2021 included in section 5.2 "Consolidated Financial Statements" of this Universal Registration Document.

(2) Effect of conversion of amounts denominated in currencies other than Euro on the basis of the relevant average foreign exchange rate against Euro over the last twelve months.

1.2 History and development

1.2.1 Corporate name

The corporate name of Rexel is “Rexel”.

1.2.2 Place and number of registration

Rexel is registered in the Trade and Companies Register (*Registre du commerce et des sociétés*) of Paris under identification number 479 973 513 RCS Paris.

The LEI (Legal Entity Identifier) of Rexel is 969500N6AVPA51648T62.

1.2.3 Date and term of incorporation

Rexel was incorporated on December 16, 2004 as a *société par actions simplifiée*, for a term of ninety-nine years. Except in the event of extension or early dissolution, such term will expire on December 16, 2103.

Rexel was converted into a French *société anonyme* with a Management Board and a

Supervisory Board by a decision of the Combined General Shareholders' Meeting of its members on February 13, 2007.

Rexel was converted into a French *société anonyme* with a Board of Directors by a decision of the Combined General Shareholders' Meeting on May 22, 2014.

1.2.4 Registered office, legal form, and applicable law

The registered office of Rexel is located at: 13, boulevard du Fort de Vaux, 75017 Paris, France (telephone: +33 (0)1 42 85 85 00).

Rexel is a *société anonyme* under French law, with a Board of Directors. It is governed, in particular, by the legislative and regulatory provisions of Book II of the French Commercial Code.

The website of Rexel is www.rexel.com/en.

The information on the website of Rexel does not form part of the Universal Registration Document, unless it is incorporated by reference therein.

1.2.5 History of the Rexel Group

Rexel Distribution was founded in 1967, under the name “*Compagnie de Distribution de Matériel Electrique* (CDME)”. It adopted the name of Rexel in 1993, and later Rexel Distribution in 2007.

The shares of Rexel Distribution were admitted for trading on the *Second Marché* of the Paris stock market on December 8, 1983. They were admitted for trading on the *Premier Marché* of the Paris stock market in 1990. In 1990, Pinault-Printemps-Redoute (“PPR”) became the majority shareholder of Rexel Distribution upon acquisition of *Compagnie Française de l'Afrique Occidentale* (C.F.A.O.), of which CDME, renamed Rexel and later Rexel Distribution, was a subsidiary.

On December 10, 2004, through its subsidiary Saprodis S.A.S., PPR entered into a purchase agreement with a consortium of funds and investment capital companies. This consortium was composed of Clayton Dubilier & Rice, Eurazeo S.A. and Merrill Lynch Global Private Equity (which became BAML Capital Partners). Under this contract, PPR transferred a controlling stake representing 73.45% of the share capital of Rexel Distribution. This disposal was followed by a share price guarantee and by a public buyout offer followed by a compulsory squeeze-out. The shares of Rexel Distribution were then delisted from the regulated Euronext market on April 25, 2005. Rexel's shares were admitted for trading on the

regulated Euronext market on April 4, 2007. After the last disposals that took place during 2014, the consortium no longer held any share in Rexel.

The Rexel Group initially developed its wholesale distribution operations for low and ultra-low voltage electrical products in France. It next undertook its international development by making acquisitions.

The Group's sales growth is based on an organic growth cornerstone and an external growth strategy. The organic growth strategy, which aims to outperform our market, is based on our differentiated value offering for our customer segments, through the constantly improving service level, thanks in particular to a dense branch network coupled with our customized digital offer, the expertise of our sales and logistics teams and the depth and breadth of our product ranges.

The strategy of selective external growth has supplemented the organic growth. The Rexel Group thus acquired companies of regional, national, or international scale. This enabled it to reinforce its position in targeted zones. It has also acquired companies in countries with strong growth potential. Since 2010, the Rexel Group has completed 49 consolidating acquisitions, most of which were completed by 2016 and include the Hagemeyer transaction in 2008 as well as the US distribution business of General Electric in 2006 and Platt in the US in 2012. After a period from 2016 to 2020 when the Group focused on its internal organization and deleveraging, the new strategic roadmap was presented in February 2021 and Rexel announced its intention to expand its addressable market through targeted acquisitions. This M&A strategy aims at strengthening its market share in key countries of the electrical distribution sector and acquiring technology and services that supplement its existing offer through smaller transactions. Thus, during 2021, four acquisitions and one equity investment were made, three in North America and two in France:

- the acquisition of utility distribution business in Canada on February 2021. The Group is thus strengthening its position in the attractive utilities segment in Canada. In this country, more than 60% of electricity production comes from hydroelectricity;
- the acquisition of Mayer in the United States, signed on November 8, 2021, as part of the Group's drive to strengthen its market share in key countries. Mayer is a major distributor of electrical products and services in the East of the United States. This transaction strengthened Rexel's presence in the Southeast and Mid-Atlantic regions with a particular focus on high-growth areas. Based in Birmingham, Alabama and established in 1930, Mayer operates 68 branches in 12 states, with a strong presence in Alabama, Florida, Georgia, and Pennsylvania. It has 1,200 employees and generated \$1.2 billion in

revenue over the last twelve months through August 2021. Mayer's network strongly complements Rexel's and its well established reputation will benefit both companies;

- the acquisition of Winkle in the United States, an industrial automation business in Eastern Ohio, Western Pennsylvania and Western New York with c. USD30m of annualized sales;
- the acquisition of Freshmile Services, an independent electric vehicle charging station operator offering both services and monitoring software. Founded in 2016, is one of the leading providers of charging services for electric vehicles in Europe. Its value proposition encompasses both the operation of charging points and electric mobility services. The company manages more than 8,000 charging points and provides services to more than 50,000 EV drivers, accessing 100,000 charging points in roaming. With this acquisition, Rexel is evolving towards becoming a service provider in remote management of connected objects, allowing energy efficiency. It also allows Rexel to further leverage its product offering in e-mobility solutions including EV charging stations and now offers an end-to-end solution in this attractive business including training, financing and subsidizing;
- a 25% stake in Trace Software International, a French company founded in 1990 and specialized in software design for non-residential building and industries such as energy industries.

Finally, since early 2015, Rexel has been dynamically and regularly reviewing its business portfolio in order to refocus on its "core" businesses. In addition, the Group:

- sold in September 2015 six of its companies previously acquired in Latin America;
- in April 2016, disengaged from its activities in Poland, Slovakia and the Baltic States;
- announced a plan to focus its business portfolio in February 2017, as part of the announcement of its previous strategic roadmap. The whole disinvestment from communications plan represents an updated sales amount of €650 million and has been carried out between early 2017 and the end of 2018, including:
 - the sale of all of its operations in South East Asia, including Thailand, Indonesia, Singapore, Vietnam, the Philippines, Macau and Malaysia;
 - the finalization of divestment agreements of non-industrial activities in China and its portfolio restructuring in Germany, Spain and the United Kingdom;
- refocused its electrical distribution activities in the United States, with the signing of the agreement for the sale of Gexpro Services to LKCM Headwater on December 31, 2019. Gexpro had 400 employees and made approximately \$260 million in sales. Completion occurred in the first quarter of 2020.

1.3 Business and strategy

The Rexel Group considers itself to be one of the leading global distributors in low and ultra-low voltage electrical products in 2021 in terms of sales and number of branches. At December 31, 2021, it operated in 24 countries, essentially spread over three geographical regions: Europe, North America and Asia-Pacific.

In 2021, the Rexel Group's sales reached €14,690.2 million, of which 56% was generated in Europe, 35% in North America and 9% in Asia-Pacific. Rexel Group generated an Adjusted EBITA of €906.0 million in 2021, representing 6.2% of sales.

The Rexel Group serves three end-markets in which it provides electrical products. It operates in connection with construction, extension, renovation or upgrading projects:

- The residential market, which includes housing, building complexes, buildings and public housing;

■ The breakdown of the Rexel Group's sales in 2021 by end-market and by region is as follows:

	NORTH AMERICA	EUROPE	ASIA-PACIFIC	REXEL GROUP
Residential	9%	40%	14%	27%
Commercial	59%	37%	20%	43%
Industrial	32%	23%	66%	30%

For these markets, the Rexel Group is a key link of the value chain between electrical equipment suppliers and customers and end-users. It offers its solutions and services to various customers:

- electrical equipment contractors;
- end-users with internal installation departments;
- parts manufacturers and panel builders;
- industrial companies; and
- tertiary companies.

The degree of customer concentration in some countries or product ranges can be higher than in others, however this diversity allows the Rexel Group to avoid being dependent on any customer.

Following an evolution of the product reporting, the Rexel Group's offering can now be broken down into fifteen families (compared to eight families previously): building equipment and control; software applications; cables; industrial processes; electrical power distribution and management; electric heating, air conditioning and ventilation; hydraulic heating and plumbing; ductwork; lighting; household appliances, IT and

- The commercial market, which includes stores, health institutions, schools, offices, hotels, public facilities as well as energy power plants, public networks and transport infrastructure; and
- The industrial market, which includes plants and other industrial sites.

The balanced breakdown of its activity between these three end-markets (residential, commercial and industrial) and between the geographic regions is a factor of global resilience.

multimedia products; infrastructure and networks; tools, measurement and fastening; sanitary ware; and finally services.

The Group also offers specific services and software, which enhance and complement the product offering. The services provided include logistics, technical assistance, financing, systems operation and training. The Group can therefore meet all of its customers' needs.

As at December 31, 2021, the Rexel Group has a network of 63 logistical centers, of 1,966 branches grouped around different commercial banners. It makes out 3.5 billion euros of sales online, representing approximately 24% of its global revenue. Rexel employs 26,019 people (full time equivalent).

The operational sectors on which the consolidated financial statements presented by the Rexel Group are based are set forth in note 5 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2021. See section 5.2 "Consolidated financial statements" of this Universal Registration Document.

1.3.1 Rexel Group's Markets

1.3.1.1 The professional distribution market for low and ultra-low voltage electrical products

A market driven by long-term growth factors

The Rexel Group operates in the market for the professional distribution of low and ultra-low voltage electrical products. It anticipates structural growth in its market over the long term, driven by the increasing consumption of electricity in the residential, commercial and industrial markets. The share of energy consumption linked to electricity would increase by 2.5% per year until 2050. The portion of energy in electricity consumption, should grow from 19% of the mix in 2020 to 42% in 2050. This anticipated growth trend is based, in particular, on a conjunction of macroeconomic trends such as:

- The development of access to electricity linked to demographic growth and distribution, as well as increasing urbanization, creating demand for the construction of new infrastructures;
- Recovery plans of States in Europe (Green deal) and of the United States, decided as a result of the Covid-19 pandemic;
- The aging of population and the advent of new medical solutions and the upkeep of elderly people at home thanks to connected objects; and
- The development of countries' industrialization.

In addition to macroeconomic factors, the Rexel Group considers that the professional distribution market is driven by a conjunction of different structural and contextual growth factors. On this basis, it anticipates an increase in the medium term of the electrical distribution market of at least 3% per year. Furthermore, it estimates its potential market at approximately 180 billion euros. The structural growth factors considered are as follows:

- Energy issues awareness entailing the will to increase active energy efficiency of equipment. The desire to promote low-carbon energy favors the future development of electricity. The same applies to the willingness of customers to pay more for products or solutions that help protect the environment. This awareness also results in the development of solutions to reduce energy consumption or in the production of new energy

solutions. New opportunities arise as a result of the above;

- The desire of governments to reduce the share of carbon-based energy, particularly in the context of the Paris and Glasgow Agreements;
- The desire of governments to promote greater energy efficiency in buildings, in particular through connected objects that optimize certain energy-consuming systems and through incentives to adopt certain types of electrical equipment;
- The development of the Internet of Things. It results in increased functionalities, in particular in terms of security, ease of use and energy efficiency. This leads to the modernization of existing installations. The offer tends to lean towards complex systems of connected products, steerable on-site or remotely, and of interconnected multi-purpose products. This emergence paves the way for a trend towards more added value and the need for consistent offerings, including software offerings;
- A changing regulatory environment, which varies by country. The modification of safety and energy consumption standards, in particular, constitutes a factor for equipment renewal, sometimes supported by specific public incentives;
- The multiplication of electrical uses, along with the development, for instance, of offers for solar panels, electric vehicles, air conditioning systems. This equipment requires electrical installations. They replace traditional systems resorting to other energy sources, in many cases carbon energy sources;
- The development of technical assistance and maintenance services. These services address, in particular, the technological evolution of installations and customers' increasing demand for value-added services;
- The consolidation of international customers in search of a value-consistent service delivery offer across all countries in which they operate; and

- The ongoing development and renewal of the higher value-added product offer. This encourages regular growth and an increase in the price of the average basket. This trend is clear in the most technical product categories, such as industrial automation, lighting, security and communication. It also relies on the change in

safety and energy efficiency standards, as well as increasing demand from end-users in these two fields. Indeed, this evolution supports the renewal and shift to more advanced products. In 2021, green revenues represented approximately 47.6% of Group sales, *i.e.*, the best estimate to date.⁽¹⁾

A fragmented market

At global level, the market for the professional distribution of low and ultra-low voltage electrical products is characterized by a large number of players.

Levels of market consolidation are very different depending on the country. In the United States, the market can be divided into two categories of players: multi-regional distributors (including the Rexel Group) and players with a more regional and local presence. This configuration can be explained by the geographical scope of the market and the historical presence of numerous local players. In such environment, local consolidation is essential.

However, in some countries a limited number of distributors hold a large share of the market. It is the case, for instance, in Australia, Canada, France, Norway, the Netherlands, the United Kingdom, Sweden or Switzerland. This configuration results

from the historical presence of players that have consolidated and structured these markets.

This market fragmentation in some countries, combined with the search for productivity savings and economies of scale, favors distributor consolidation. Indeed, the Rexel Group believes that size, materialized by the market share, has a direct impact on the quality of its operations and profitability in a given country.

In parallel, in some countries, small-sized distributors of electrical products are looking to increase their relative size by forming central purchasing offices. These can be national distribution chains as well as independent distributors managing one or several branches. Similar dynamics exist with certain independent customers. Such customers thus decide to gather in groups purchasing agencies in order to increase their negotiating power in respect of professional distributors.

1.3.1.2 The geographical breakdown of the Rexel Group markets

The Rexel Group's businesses are spread over three main geographical regions: Europe, North America, and Asia-Pacific. The Rexel Group's 2021

sales amounted to €14,690.2 million, broken down as follows:

	IN MILLIONS OF EUROS	IN PERCENTAGE
Europe	8,273.8	56%
North America	5,122.6	35%
Asia-Pacific	1,293.8	9%
Total	14,690.2	100%

The presence of the Rexel Group in various countries over several continents limits its exposure to the fluctuations of local economic cycles.

Europe

According to its estimates, the Rexel Group is the second player in the market for the professional distribution of low and ultra-low voltage electrical products in Europe. It held a 2020 market share of more than 16%. It considers that it occupies the first or second place in 10 of these countries. It

considers that the residential, commercial and industrial markets represented respectively 40%, 37% and 23% of its 2021 sales in Europe.

At December 31, 2021, the Rexel Group was located in 17 European countries.

(1) See Section 4.7 "Green turnover" of this Universal Registration Document.

North America

According to its estimates and based on its 2020 sales, the Rexel Group's market share was over 5% for the professional distribution of low and ultra-low voltage electrical products market in North America.

In 2021, Rexel has made two significant acquisitions (Mayer in the United States and the utilities distribution business in Canada) which will

add more than one percentage point of market share on a proforma basis.

In this region, the Rexel Group operates essentially in the industrial and commercial markets and to a lesser extent in the residential market. The Rexel Group considers that the residential, commercial and industrial markets represented respectively 9%, 59% and 32% of its 2021 sales in North America.

Asia-Pacific

Based on its estimates and its 2020 sales, the Rexel Group considers that it is number two in Asia-Pacific, with a market share of approximately 2% in 2020.

According to its estimates, the residential, commercial and industrial markets represented

respectively 14%, 20% and 66% of the Rexel Group's 2021 sales in Asia-Pacific.

At December 31, 2021, the Rexel Group was located in 5 Asia-Pacific countries.

The risks associated with the general economic environment are described in paragraph "Significant worsening of the global economic environment or in the main countries in which the Group operates" of Section 2.1.1 "Commercial and strategic risks" in this Universal Registration

Document. The competitive risks are described in paragraph "Reinforced competition from digital players and suppliers" of Section 2.1.1 "Commercial and strategic risks" in this Universal Registration Document.

1.3.2 The Rexel Group's businesses and competitive advantages

1.3.2.1 A global player with strong local presence

A major player at the global level

The Rexel Group is a worldwide expert in the professional omnichannel distribution of electrical products and services for the energy world. It is 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.

At December 31, 2020, the Rexel Group estimates that it held globally a market share of more than 6%.

This position allows it to have competitive advantages compared to distributors whose size or organization are different. It may for example:

- Meet the demands of customers operating in several geographical zones while offering a comparable and adapted to local specifics level of service and advice worldwide;
- Determine and apply the good practices in terms of business management and

development within its network; to this end, it carries out Group-wide operations in the most important functions, *i.e.*, purchasing, logistics, sales and training;

- Benefit from equivalent or better purchasing conditions than its smaller competitors; to this end, it enters into partnership agreements with its strategic suppliers;
- Share IT, digital and artificial intelligence solutions and streamline contracts with partners in these areas;
- Ensure that its clients, in all areas, apply the strictest environmental and social standards in the sector; and
- Better identify external growth opportunities in countries targeted by the Rexel Group; integrate acquired businesses according to processes defined on the basis of its experience.

A strong local leadership

The three main geographical zones where Rexel operates are Europe, North America and Asia-Pacific. Based on its 2020 sales, the Group is one of the main players in these three zones. Moreover, the countries in which it considers that it has a market share over 15% represent nearly 60% of its sales. The Rexel Group is convinced of the importance of reaching a critical size on each of its markets. This is a guarantee of quality and profitability for its operations in such countries.

The Rexel Group's local leadership is primarily based on the following factors:

- Its ability to offer customers a range of products and services adapted to local needs, more comprehensive than other independent distributors;
- An extensive network of branches paired with webshops. It can therefore provide an omnichannel offering that fits customers' needs in terms of proximity to their operations. With

the expansion of digital transactions, Rexel develops its Click & Collect offers in which orders are placed in lockers available at all times;

- Its attractiveness for suppliers as a leading distributor in a given geographical zone to promote their products;
- A logistics organization adapted to customer demand and market density; and
- Its ability to hire qualified personnel with deep knowledge of the local market and of the product offering; its ability to provide them with ongoing training;

At December 31, 2021, the Rexel Group had 1,966 branches. In the context of the Covid-19 crisis, Rexel decided not to close the sales outlets. The Group thus protected its network's density and its customer proximity. By geographical zone, the number of branches changed as follows between December 31, 2019 and December 31, 2021:

(Number of branches)	AT DECEMBER 31		
	2021	2020	2019
Europe	1,096	1,097	1,094 ⁽¹⁾
North America	637 ⁽³⁾	570	584 ⁽²⁾
Asia-Pacific	233	239	238
Total	1,966	1,906	1,916

(1) Prior year adjustment of 6 branches in Germany.

(2) Including Gexpro Services branches disposed of in February 2020.

(3) Including Mayer's 68 branches in the United States.

The Rexel Group regularly checks the fit of its branch network with market needs. This can lead to branch openings, transfers, regrouping or closures. With changing technology and customer habits, the agency concept is strengthened by two factors:

- the increasing power of digital data; and

- the available product offering search engines, with optimized delivery in terms of location and deadlines, adapted to customers' needs.

Strategic relations with suppliers, capitalizing on these global/local and physical/digital dual assets

The Rexel Group makes sure to adapt its supply structure to the specificities of each country or geographical zone, and to optimize its purchasing conditions. To this end, it has implemented partnerships with its suppliers at several levels:

- On a global level, the Rexel Group considers around forty international suppliers as "strategic suppliers". These suppliers are present in

different countries, on one or several continents. They operate with the Rexel Group in international development programs;

- At each country level, the Rexel Group subsidiaries negotiate specific purchasing conditions with their suppliers; and
- At a local level, the branches may also negotiate specific sales conditions with their suppliers.

Rexel's policy of concentrating suppliers aims at rationalizing the Group's purchasing policy. It also intends to strengthen its relations with the most important suppliers. Thanks to its digital transformation, Rexel upgraded its services. The Group now offers its suppliers joint digital marketing proposals or the sharing of analytical data through a dedicated portal.

In this way, the Rexel Group promotes the development of sustainable relations with its strategic suppliers. These suppliers have indeed the ability to contribute to the growth of its business, both on global and local levels. The development of these relations also takes into account the technological innovation of the suppliers, in terms of products and services, and their digital innovation.

These privileged relations enable the Rexel Group:

- To have more bargaining power;

- To obtain productivity gains;
- To generate economies of scale on the logistical level; and
- To benefit from the supplier's marketing resources, as well as their support in introducing innovations on the market.

The Rexel Group's active supplier management has resulted in a gradual concentration in its purchases.

Short- to medium-term contracts are the framework of Rexel's relations with its suppliers. The Group has strategic relationships with a number of them.

The Rexel Group considers that it has generally favorable relations of interdependence with most of its major suppliers. This thus limits the inherent risks in a concentration of suppliers, as shown in the table below:

	AT DECEMBER 31	
	2021	2020
<i>(number of suppliers to achieve)</i>		
50% of purchases	26	26
80% of purchases	302	350
100% of purchases	9,068	9,986

Rexel is committed to creating and developing long-term relationships with its suppliers, in line with the Rexel Group's sustainable development approach (see chapter 4 "Corporate responsibility" of this Universal Registration Document). These

relationships with suppliers are also regularly reviewed as part of the Rexel Group's vigilance plan (see Section 4.7 "Vigilance plan" of this Universal Registration Document).

1.3.2.2 An extensive and innovative range of products and services

Fifteen product families

Further to an evolution of the Rexel Group's product reporting, its offering is now spread across fifteen families and aims at covering all needs of its customers (electrical product contractors, industrial and commercial customers):

- industrial processes (representing 19% of 2021 sales), which include:
 - cable accessories and marking (cable ties, industrial sheathing);
 - connectors and connections (connectors, industrial plugs); and
 - control and signaling units, motor controls and protection, machine safety devices, pneumatics;
- cables (representing 17% of 2021 sales) for the distribution of electrical current;

- distribution and management of electrical energy (representing 16% of 2021 sales), which include:
 - equipments for controlling renewable energies (e.g. photovoltaic panels and batteries for energy storage); and
 - systems for connection to the electricity grid and energy management;
- lighting (representing 13% of 2021 sales), which includes:
 - LED and non-LED interior lighting (representing 6% of 2021 sales) such as waterproof lighting, portholes, bathroom wall lights, industrial pendant lights, machine tool lamps, floor lamps, decorative lighting strips;

- LED and non-LED outdoor lighting (representing 2% of 2021 sales) such as outdoor wall and ceiling lights, lanterns, sign and signage lighting, outdoor projectors;
 - LED and non-LED sources (representing 2% of 2021 sales) such as low-energy incandescent, halogen or fluorescent bulbs or tubes; and
 - various LED and non-LED lighting / equipment (representing 3% of 2021 sales);
 - building equipment and control (representing 8% of 2021 sales), which includes:
 - building automation (home automation systems, presence detectors, stand-alone controls and automation);
 - terminal equipment; and
 - building accessory products, connection and fixing;
 - piping (representing 7% of 2021 sales);
 - tooling, measuring and fastening (representing 4% of 2021 sales), including in particular protective and safety equipment and hand tools;
 - electric heating, air conditioning and ventilation (representing 4% of 2021 sales), covering all products and services related to HVAC;
 - hydraulic heating and plumbing (representing 3% of 2021 sales);
 - security and communication (representing 3% of 2021 sales), which mainly include:
 - voice, data and image transmission devices (VDI), and;
 - detection (intrusion and fire), surveillance and access control equipment;
- The product families (and percentages) presented above correspond to the sole activity of professional distribution of electrical equipment. They do not include:
- the specific services of certain specialized entities of the Rexel Group, such as Rexel Energy Solution or Capitol Light in the United States;
 - sanitary equipments;
 - software applications;
 - infrastructure and networks;
 - household appliances (small and large), IT and multimedia products;
 - services.
- The Rexel Group's sales in these other activities were approximately 6% in 2021.

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A wide range of products and solutions, at the forefront of innovation

Among these fifteen product families, the Rexel Group offers a wide range of technical solutions. Thanks to these solutions, it can address local consumption behavior, comply with applicable standards as and follow technological innovations. The product range may, therefore, be widened, in particular within the framework of MRO (Maintenance, Repair and Operations) contracts. The product offer is generally marketed under the suppliers' brands. Their brand awareness is an important element in the contractors' purchase decision. Thus, the change in the product range is the result of a dynamic, continuous approach that is sensitive to customer requirements.

The Rexel Group permanently develops and adapts its product offer. It ensures that it takes into account innovations offered by suppliers, technological innovations, and new customer demands. These demands are, in particular, associated with increased needs for comfort, security, ergonomics, home automation, automation, and energy performance. In each of these product categories, manufacturers develop innovations to meet the changes in user needs or

applicable standards. This is verified in particular, in the area of energy consumption management. The innovations allow the Rexel Group to improve the value of its offer.

On the technical level, the Rexel Group has technical mastery of all product families responding to the needs of electrical contractors. Thanks to its close relations with its key strategic suppliers, it is a privileged contact between contractors and suppliers.

The Rexel Group positions itself as a trusted player in the value chain. It assesses the ethical, social and environmental performance of key suppliers in each country. This allows it to strengthen customer confidence in the Group's offer.

The Rexel Group also distributes its own-brand products including the BizLine, Gigamedia or Newlec brands. The product lines concerned are mainly commodities or adjacencies of Rexel's core business (tools, VDI equipment). The Group distributes them in a limited number of segments suitable for their development. They represent around 4% of 2021 sales.

Added-value services corresponding to customer needs

The Rexel Group positions itself for its customers as a technical solutions supplier. It enhances the value of its product offer by combining it with varied added-value services. These services are

carried out by qualified personnel, benefiting from continuous training that allows them to master technological changes.

The services provided by the Rexel Group help its customers to handle the technical changes involved in the distributed products families. They allow to support them along their projects. These services notably include:

- Training, support for automation programming and support for drafting cabling diagrams;
- Electrical installations design services;
- Support for major projects, in particular for logistics needs;
- Outsourcing programs for the supply chain, in particular in the following areas: inventory and assembly management, distribution of spare parts and outsourcing of logistics services;
- Technical and pre-manufacturing services, such as cable cutting;
- Provision of turnkey solutions and the calculation of potential savings, in particular in industry and energy efficiency; and
- Financing services adapted to their profiles.

These additional services increase the value of the Rexel Group's distributor role and help improve customer loyalty. In addition, these services are part of a customer loyalty and development policy. In particular, they allow widening customers' skills to products incorporating the most recent technological evolutions.

1.3.2.3 A model adapted to customer expectations

An omnichannel model with a growing digital share

The Rexel Group relies on nine distribution channels, both physical and remotely managed. It can therefore optimize contacts with customers and adapt to their preferences and needs. These channels are as follows:

- Branch network: local channel offering;
 - immediate availability of several thousand products;
 - the withdrawal of orders placed until the evening before on tens of thousands of additional references; and
 - access to the expertise of sales consultants;
- "Autostores" automated logistics models: positioned in metropolises. They offer a wide range of immediately available products;
- E-commerce site: an extensive offer and a wide range of services such as online chat with experts and the Click & Collect. This service allows to select a drop-off point to pick up the order, including safe lockers, as an example;
- Call center: in order to place orders or obtain a quick response to quotes and technical queries;
- Sales force: a unique and dedicated contact point for each customer for a customized response to its needs;
- Know-how center: access to specialists in all fields;
- EDI: a digital catalogue directly integrated into the customer's systems for simple and efficient ordering;
- Web-based configurator: online tools for product configuration; and
- Applications: they aim at making our customers' lives easier. As an example, sales applications allow them to create their shopping cart offline, geolocation helps identifying the nearest branch, etc.

The Rexel Group benefits from the complementarity of skills and expertise available in the various channels. This allows it to build complete and personalized solutions for its customers. The Rexel Group thus appears as a unique partner for the supply of electrical solutions and equipment.

This omnichannel offer improves customer loyalty and the share of purchases made with the Rexel Group. It represents a major competitive advantage, particularly in the face of players specializing in digital technology. It goes together with the will to increase the share of digital sales, *via* online tools and EDIs. This share amounts to approximately 24% of the Group sales in 2021.

An effective logistics model

The Rexel Group's distribution activities are based on an adaptable logistics model. This model is organized around four variants:

- Logistics centers. Generally used where customer density is high, they:
 - carry out logistics functions,
 - store a large number of referenced products,
 - are directly supplied by suppliers.

Sales of products are carried out by the branches attached to these distribution centers;

- Hub and spoke branches. With their implementation, the Rexel Group has developed in areas with lower customer density. Each hub branch provides logistics support to its spoke branches, in addition to its own sales activity;
- Autonomous branches. They are generally located in areas with lower customer density. They substitute for logistics centers or hub branches that would be economically inefficient. All products are stored in the branches, which are directly supplied by the suppliers; and

- New automated models of the Autostore type. Generally located close to metropolitan areas, they enable deliveries to be made on site or in racks in urban areas. For example, Rexel France entered into an agreement with a parking company to install lockers in city centers that are available at any time.

The choice of one of these distribution modes for a given region depends on numerous parameters, including:

- customer concentration,
- locally preeminent customer segments,
- market size,
- density of the branch network,
- product offer,
- competition,
- type and diversity of services to be supplied.

In addition, the Rexel Group can adapt these variants to take into account the characteristics of each region.

If the sales density allows it, the Rexel Group centralizes flows through logistics centers.

Qualified and experienced teams

Due to the technical nature of its business, the Rexel Group employs experienced personnel. Its employees have in-depth knowledge of product specificities, local needs and applicable regulations. This know-how and training offered to customers allows the Rexel Group to direct them to higher value-added systems for the end customer. It thus can improve such customers' loyalty and develop the market share held with them. The Rexel Group then appears as an advisor in technical solutions.

The Rexel Group's employees benefit from an active training program in performance-oriented technical and sales areas. The Group commits towards its employees to allow them to update their skills. This is a strong commitment in a

context of global digitization. To that end, Rexel relies on the development of its digital tool Rexel Academy. This platform gathers all modules available relating to the company's life and knowledge of new products.

Furthermore, in view of implementing its digital transformation, Rexel had to make arrangements to attract talent before mastering these new skills. It assists its sales force and teams in the introduction of the new digital tools made available to them.

Lastly, the Rexel Group's management is experienced in professional distribution. Its members have developed an expertise in sales, operational, financial and merger and acquisitions matters.

1.3.2.4 Strategy reflected in the operational and financial performance

Balanced cost structure

The Rexel Group has engaged in developing digitization and a sales organization. To this end, it relies on shared structures that allow costs flexibility.

The Covid-19 pandemic also revealed the adaptability of this cost structure in case of sudden and unexpected external events. Thereby, in the stages of decline, Rexel responds efficiently and with agility. This worldwide crisis has confirmed Rexel's capacity to adapt. The Group has been able to implement the various supporting government programs. It has also modified its

cost structure on a permanent basis in order to face an uncertain macroeconomic environment.

Based on 2021 financial information, the Rexel Group estimates that the structure of its operating expenses before amortization consists in:

- Variable costs depending on the level of activity, of 29%. These costs include for example transportation, commissions, etc.; and
- Fixed costs, flexible in the short- to medium-term, of 71%. These costs include for example salaries, rents or information systems costs).

Improving operational performance

Rexel aims at continuously increasing its profitability through gross margin enhancement and strict cost control.

Gross margin improvement results from:

- the improvement of customer services;
- the systematic implementation of pricing initiatives; and
- the supplier relationship management.

Rexel optimizes its costs base, by improving the productivity of processes while preserving the digital transformation of its organization.

In addition to these Group initiatives, the Rexel Group drove deep transformations to enhance its profitability. These transformations have targeted key countries including the USA, Germany, the UK and Spain.

Since 2017, the Rexel Group's priority has been to increase the quality of service. It has in particular improved network density and product availability, by relying, in particular, on artificial intelligence solutions. For example, in the United States, Rexel opened 57 additional sales outlets (branches/counters) over the 2017-2019 period and increased inventories of about €150 million between 2016 and 2018. Furthermore, Rexel upgraded its U.S model in early 2018. It has transitioned from a national approach by brand to a multi-banner regional approach, focusing on eight key regions (Northwest, Midwest, Northeast, Southeast, Florida, Gulf Central, Mountain Plains and California).

Through these initiatives, Rexel aims in particular at improving operational efficiency to increase its market shares and improve its profitability.

An economic model that generates cash flows

The Rexel Group generates major cash flow thanks to the association of three factors:

- operating profitability;
- a rigorous management of its working capital requirements; and
- low capital intensity.

Efficiently managing working capital requirements aims at reducing inventories and customer payment terms through the continuous optimization of logistics and credit management. It is a component of the manager's variable compensation. Several initiatives have contributed to reducing the working capital requirements of the Group as a percentage of sales, including:

- The deployment of the logistics model to a structure based on hub branches and regional distribution centers as well as;

- The implementation of debt recovery monitoring software.

Regarding operating investment, the Rexel Group has increased its gross capital expenditure over the last five years, at around 0.9% of its sales in order to accelerate its IT and digital transformation.

In 2021, Rexel demonstrated its capacity to optimize cash flow generation in times of economic downturns with a level of "cash flow before interest and taxes" of €680.6 million.

1.3.3 The Rexel Group's strategy and its mid-term ambition

Over the past five years, Rexel has proven its ability to structurally outperform the growing and increasingly attractive electrical distribution market. The demand in green energy and energy efficiency has boosted the Group's businesses.

The 2020 pandemic has validated the strategic choices made by Rexel to invest early and significantly in digital and sales force. The Group has proceeded with building its omnichannel model. This model allows to offer the right product at the right time as well as tailored services and solutions. The Group may thus accompany the increasingly technological and environmentally-friendly needs of its customers.

On February 11, 2021, Rexel hosted an investor presentation,⁽¹⁾ unveiling its mid-term ambitions. The Group's strategy relies on a growth, value-creation and ESG⁽²⁾ ambition approach. It is shaped as several strategic initiatives:

- Accelerating growth through "More Customers, More SKUs, More Digital". Over the 2016-2020 period, the Group outperformed its market⁽³⁾ by 50 bps. It now aims at outperforming its market by 50 to 100 bps by 2023;
- Improving operational and financial performance, in particular through digital. The objective is to reach an Adjusted EBITA margin above 6% in 2023, at constant scope and circa 6.5% including portfolio management;
- A balanced capital allocation around return to shareholders and investment in future growth. As an example, Rexel seizes any external growth opportunity in order to strengthen its position in certain geographies such as the United States or to add adjacent skills; and
- ESG targets for 2030:
 - A 35% reduction in CO₂ emissions of its operations (scopes 1 and 2) compared to 2016 and

- A 45% reduction in CO₂ emissions from the use of products sold (scope 3) compared to 2016.

In order to put short-term milestones on our long-term environmental objectives, the Group has introduced short-term targets in its 2 sustainability bond issuances (400 million euros issued in April and May 2021 and 600 million euros in November 2021). Rexel has committed to reducing:

- by 23% greenhouse gas emissions related to the consumption of products sold, per euro of sales (scope 3) by December 31, 2023, compared to 2016 ("Sustainable Performance Goal 1"); and
- by 23.7% greenhouse gas emissions related to energy consumption in its operations (scopes 1 and 2) by December 31, 2023, compared to 2016 ("Sustainable Performance Goal 2").

These targets are in line with Rexel's 2030 objectives of reducing the first KPI by 45% and the second by 35%.

The interest rate on the bonds will be increased by 25 basis points to 2.375% per annum from June 15, 2024, if Rexel does not achieve these sustainable performance targets compared to 2016.

Through the implementation of strategic initiatives and in a favorable context of recovery from the pandemic, Rexel has published better 2021 results than initially anticipated. Ahead of its medium-term strategic roadmap, Rexel will communicate a new roadmap at a Capital Market Day on June 16, 2022.

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(1) Presentation available on www.rexel.com.

(2) Environmental, social and governance criteria.

(3) Compared with organic sales growth of major suppliers in the United States and Europe.

1.3.3.1 Constant strengthening of the Group to guarantee profitable organic growth and benefit from structural gains caused by the transformation

An organic growing strategy based on a “More customers & More references & More digital” approach (“More customers, More SKUs, More Digital”)

Rexel targets both net customer gains and increasing the average basket with each customer, especially thanks to its digital offer. In 2021, the share of digital sales in the Group is €3.5 billion, circa 24%. This makes of Rexel a leading BtoB e-commerce player and reinforces the resilience of the model.

This “More Customers, More SKUs, More Digital” strategy benefits from the accelerated digitization of sales and operations. This digitization process includes the development and implementation of new tools and applications. The growth in demand for energy efficiency solutions and renewable energies is also a level for the performance of this strategy.

Consistent with this strategy, Rexel has:

- adapted its business KPIs;
- created new scorecards across the organization;
- revised its incentive policies; and
- proceeded with adapting its human resources strategy, in order to reflect the need for new skills.

Rexel renews its ambition to maintain organic sales growth above market growth in the markets between 50 and 100 bps where it operates. Simultaneously the Group ensures that it improves its profitability, particularly thanks to the

investments made. To that end, the Group intends in particular to capitalize on:

- Its digital offer, which supports its omnichannel value position. Rexel’s objective is to achieve more than a third of sales *via* the digital channel in 2023. The Group has invested approximately €300 million in its digital transformation. These investments have aimed at the construction of its data platform, artificial intelligence modules and cyber security.
- The deployment of its urban model with automated solutions such as Autostore, at major cities gate. Lockers located in city centers complement these solutions for a better “proximity” customer offer.
- Its “responsible” offer, which includes for instance energy auditing and CO₂ emission measurement activities. In addition to the above, it includes the promotion of its e-mobility, smart building or digital factory offers.
- The expansion of its potential market thanks to new offers:
 - supplier analytical portal;
 - software & services;
 - certified training;
 - support for customers in the deployment of connected solutions.

Continuous improvement of the gross margin and cost structure

In the medium term, Rexel plans to increase its Adjusted EBITA and improve its Adjusted EBITA margin. To this end, it intends to leverage the investments of the past five years for the development, team transformation and recent restructuring.

Beyond these investments, the continuous improvement of margin and costs is also based on the best practices shared within the Group, including:

- Managing the pricing conditions and customer discounts;
- Diminishing the number of suppliers in order to rationalize purchasing and further develop existing partnerships;

- Deploying its own brands offer;
- Optimizing its stock management aiming at reducing obsolescence;
- Optimizing sales force efficiency by intensifying business planning and regular training;
- Digitizing back office activities and regularly reviewing processes. This is reflected in particular in the digitization of:
 - invoicing, credit and payment processes, and
 - the administration of human resources;
- Reducing the surface area of branches;
- Flexibilizing costs; and
- Placing environmental and social performance at the core of the strategy.

1.3.3.2 Migration to a leading data-driven services company

Adoption of a service strategy, segmented around three types of product and service offers

The Rexel Group wishes to evolve towards a more segmented product and service offering adapted to the needs of its customers.

The approach is differentiated according to three types of product and service offers:

- “Proximity” value proposition. It represents approximately 60% of Group sales. It relies on a strengthened presence thanks to:
 - a density of agency/counter coverage,
 - a systematic omnichannel approach, and
 - continuous improvement in service levels;
- “Projects” value proposition. It represents approximately 27% of the Group sales. It relies on a process of offering specific products and solutions, supported by a catalogue of services dedicated to industrial or commercial projects; and

- “Specialty” value proposition. It represents approximately 13% of the Group sales. It relies on the ability to advise and satisfy customers with very specific needs, with on adapted products and solutions.

In future years, the Rexel Group plans to multiply digital approaches in addition to the physical networks. As an example, in the Proximity segment, Rexel launched in 2020 a new model of service in the Paris area. The customer promise revolves around an offer of products of more than 20,000 items. These products are instantly available on site or made available through a new service of lockers located in parking lots of central Paris. By combining a latest generation logistics tool, expanded hours and lockers on-site and off-site 24/7, Rexel significantly improves the “Proximity” customer offer.

Migration to a data-driven company

The second part of the Rexel Group’s transformation is to become a data-driven company. It is about using available and relevant data to make decisions based on facts and analyzes and not on simple beliefs or experiences. This transformation is derived along three axes:

- An internal axis. The performance is improved through the implementation of use cases based on algorithms and artificial intelligence. For instance, as of now, a predictive artificial intelligence solution sends alerts to salespersons in order to notify them that some customers are likely to see their sales decrease in the next six months and require greater attention;
- A customer focus. The Rexel Group aims at enriching customer experience. It will deepen its insight on its customers’ experience and use the data available to ensure an ever simpler and more fluid experience. Initiatives will be prioritized

starting with those with the greatest customer impact. As an example, we have implemented customized homepages on our websites. These homepages offer customers differentiated content based on their purchase profile category. This is an additional step towards an enriched customer experience. In this context, the Group ensures to comply with the various aspects of the legislative environment for the protection of personal data; and

- A supplier axis. The Rexel Group develops and generalizes a dedicated data analysis offer for each supplier. With this offer, each supplier receives factual information on its market positioning, its omnichannel offer and its digital conversion rate by product category. This supplier axis also includes a reprofiling of the combined way to best target our customers through field and digital marketing.

1.3.3.3 Accelerate profitable growth through targeted acquisitions

Ability to integrate acquisitions and accelerate profitable growth

In a fragmented market environment with numerous acquisition opportunities, the Rexel Group believes that its size and strong local market shares, as well as its experience in acquisitions and integration, enable it to implement a value-creating external growth strategy and extract identified synergies.

Capitalizing on its experience in external growth, Rexel continues to actively implement an acquisition strategy based on three axes:

- strengthening its market shares and/or size in key markets;
- expanding into new and/or related growth segments; and
- Investing in value-added models such as software and services.

Therefore, since 2010, the Rexel Group has made 49 consolidating acquisitions. The risks related to acquisitions are described in paragraph 2.1.1.2

"Risks related to acquisitions" of this Universal Registration Document.

1.3.4 Research and development, patents and licenses

Due to the nature of its business, the Rexel Group does not carry out any research and development activities. Its role is to distribute to its customers any innovations from suppliers. At the forefront of its industry, the Group is at the heart of the development of tomorrow's innovations. It intends to be recognized as a world reference in the use of artificial intelligence and data analysis for the energy industry. It has therefore naturally joined forces with four other major French groups and two prestigious schools, the *Institut Polytechnique* and HEC, to announce in September the launch of Hi! Paris. This interdisciplinary research center of excellence specializes in the fields of artificial intelligence and data analysis.

The Rexel Group's intellectual property policy is centered on the protection:

- of its brands: mainly the Rexel brand and own-brands such as BizLine, Newlec and Gigamedia; and
- of its domain names, in particular **rexel.com**.

This policy means that Rexel files or registers brands and domain names locally or with all the

countries where it operates. These procedures relate to the more widely-used ones, within the several registration classes of the products sold.

In addition, the Rexel Group uses intellectual property rights that are not necessarily registered. These include names, brands, logos, drawings, models or creations. They are unregistered either because they are used occasionally for a specific purpose (e.g. marketing campaign) or because they are difficult to protect. This second category, however, remains marginal. To the Rexel Group's knowledge, use of these rights does not violate any third party's rights.

In April 1998, Rexel Distribution signed an agreement on the coexistence and global use of the "Rexel" trade name worldwide. This agreement was entered into with a company that had already registered the trade name, and that operates in a different sector than the Rexel Group. Under the terms of this agreement, both companies are authorized to use the "Rexel" name for products and services that are not associated with the activities of the other company.

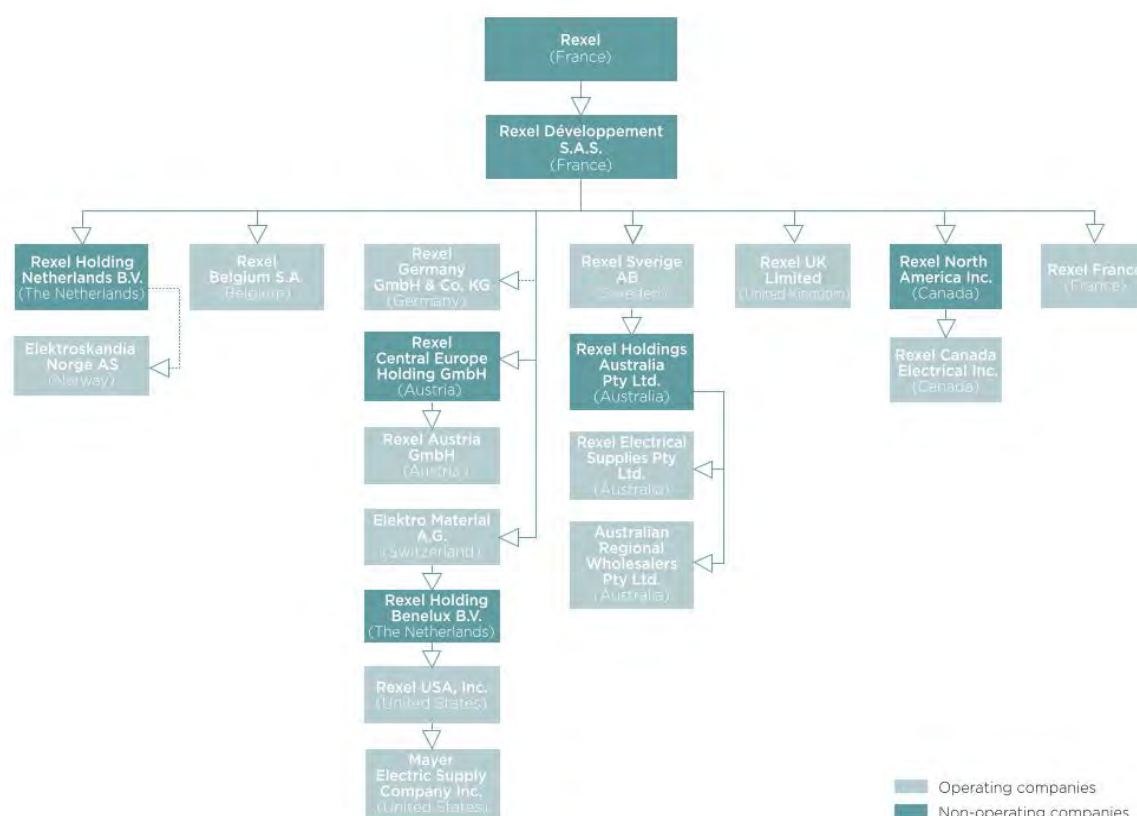
1.4 Organization

1.4.1 Organizational chart

The chart below is a simplified organizational chart of the Rexel Group as of December 31, 2021.

As at December 31, 2021, the Rexel Group comprised 96 companies. The list of all of the companies consolidated by Rexel as of

December 31, 2021, and their geographical location are presented in note 29 of the Notes to Rexel's consolidated financial statements, which are set out in Section 5.2 "Consolidated Financial Statements" of this Universal Registration Document.



* The dotted lines designate the indirect subsidiaries. All the companies mentioned in the simplified organizational chart here above are 100% held by the Rexel Group.

1.4.2 Principal subsidiaries as of December 31, 2021

The Rexel Group comprises Rexel and its subsidiaries.

Rexel is the parent company of the Rexel Group. It is the head of the tax consolidation Group implemented as of January 1, 2005. Rexel determines the orientation and strategy of the Rexel Group. Rexel has entered into loan agreements with Rexel Développement and certain of its subsidiaries within the terms set out in paragraph 3.3.2 "Main related party transactions" of this Universal Registration Document.

Rexel Développement is an operational holding company (*holding d'animation*). It centralizes the

functional and operating management teams of the Rexel Group. It employs the staff dedicated to the management of the Rexel Group. It holds the Rexel Group operational companies, directly or indirectly.

Rexel Développement has entered into service agreements with certain of its subsidiaries in various fields: financial, cash management, legal, accounting, human resources, activities (purchases, logistics) or IT systems.

Rexel Développement has entered into cash management agreements and/or loan agreements with certain of its subsidiaries in order to allow for their financing.

Rexel's principal direct and indirect subsidiaries are described below. They do not hold any strategic economic assets. This excludes the equity securities of the Rexel Group's companies and certain intellectual property rights, held, *inter alia*, by Rexel Développement.

Rexel Développement SAS is a simplified joint stock company (*société par actions simplifiée*) governed by the laws of France with a share capital of €1,259,192,454. Its registered office is at 13, boulevard du Fort de Vaux, 75017 Paris, France. It is registered under number 480 172 840 R.C.S. Paris. Rexel holds 100% of its share capital and acts as chairman of Rexel Développement SAS. Rexel Développement SAS provides services to the Rexel Group companies. These services include management, strategic planning, finance, human resources, IT/Telecoms and legal services. Furthermore, Rexel Développement SAS directly or indirectly holds Rexel Group operating investments. It provides, *inter alia*, cash management services for certain Rexel Group operating subsidiaries in France and abroad.

Europe

Rexel Austria GmbH is a company governed by the laws of Austria, with a share capital of €10,000,000. Its registered office is at 1A, Object 6, Stg. Walcherstr. 1020, Vienna, Austria. It is registered with the registry of commerce and companies of Vienna under number FN 155978f. Its main activity is the distribution of electrical products. It is wholly-owned by Rexel Central Europe Holding GmbH.

Rexel Germany GmbH & Co. KG is a limited partnership with a share capital governed by the laws of Germany (*Kommanditeinlage*) with a share capital of €13,001,000. Its registered office is at 57 Riedlerstr., 80939, Munich, Germany. It is registered with the registry of commerce and companies under number HRA 48737. Its main activity is the supply and distribution of electrical products as well as the acquisition and management of equity investments in other companies. It is indirectly wholly-owned by Rexel Développement.

Rexel Belgium SA is a company governed by the laws of Belgium, with a share capital of €30,000,002. Its registered office is at Zuiderlaan 91, 1731 Zellik, Belgium. It is registered with the Companies House under number 0437.237.396. Its main activity is the supply and distribution of electrical products. It is held by Rexel Développement (99.999%) and Rexel Holding Netherlands B.V. (0.0001%).

Rexel Sverige AB is a company governed by the laws of Sweden with a share capital of SKR 80,000,000 paid-up at SKR 46,500,000. Its registered office is at Prästgårdsgränd 4, 125 44 Älvsjö, Stockholm, Sweden. It is registered with the registry of commerce and companies under

number 556062-0220. Its main activity is the distribution of electrical products as well as holding equity investments in companies in the electrical products distribution business. It is wholly-owned by Rexel Développement.

Elektroskandia Norge AS is a company governed by the laws of Norway with a share capital of NOK 82,232,150. Its registered office is at Fugleåsen 6, N-1405, Langhus, Norway. It is registered with the registry of commerce and companies under number 977 454 700. Its main activity is the supply and distribution of electrical products. It is indirectly wholly-owned by Rexel Holding Netherlands B.V..

Elektro-Material A.G. is a joint stock company (*Aktiengesellschaft*) governed by the laws of Switzerland with a share capital of CHF 136,350,000. Its registered office is at Heinrichstrasse 200, 8005 Zurich, Switzerland. It is registered with the registry of commerce and companies under number CH-626.3.005.380-6. Its main activity is the distribution of electrical products, the management of shareholdings and the provision of services. It is wholly-owned by Rexel Développement.

Rexel France is a simplified joint stock company (*société par actions simplifiée*) governed by the laws of France with a share capital of €41,940,672. Its registered office is at 13, boulevard du Fort de Vaux, 75017 Paris, France. The company is registered with the registry of commerce and companies under number 309 304 616 R.C.S. Paris. Its purpose is to distribute all electrical and electronic products, household appliances, IT equipment and derivative products, and more generally the supply of all materials and products for the construction and manufacturing industries, local authorities and individuals. In addition, its purpose is also to hold and manage shareholdings in other companies. It is wholly-owned by Rexel Développement.

Rexel UK Limited is a limited company governed by the laws of the United Kingdom with a share capital of 30,000,000 pounds sterling. Its registered office is at Ground Floor, Eagle Court 2 - Hatchford Brook, Hatchford Way - B26 3RZ - Sheldon, Birmingham, United Kingdom. It is registered with the Companies House under number 434724. Its main activity is the sale of electrical products and the holding and the management of equity investments in other companies. It is directly wholly-owned by Rexel Développement.

North America

Rexel USA, Inc. is a corporation governed by the laws of Delaware with a share capital of US\$1,001. It is registered under number 20-5021845. Its registered office is at 5429 LBJ Freeway, Suite 600, Dallas, TX 75240, USA. Its main activity is the distribution of electrical products, the acquisition and management of equity investments in other

companies and the provision of services. It is wholly-owned by Rexel Holding Benelux B.V..

Mayer Electric Supply Company, Inc., is a corporation governed by the laws of Delaware with a share capital of US\$1,000. It is registered under number 63-0274133. Its registered office is at 3405 4th Avenue S., 35222 Birmingham, Alabama – USA. Its main activities are the distribution of electrical products and equipment, connected solutions, lighting, digital tools, DataCom technologies, power distribution and automation and control systems. It is wholly-owned by Rexel USA Inc..

Rexel North America Inc. is a Canadian corporation with a share capital of CAD 33,904,500 governed by the laws of Canada. It is registered under number 381380-1. Its registered office is at 505 Locke, suite 200, Saint Laurent, Quebec H4T, 1X7 Canada. Its main purpose is the acquisition and management of equity investments in other companies and the provision of services. It is wholly-owned by Rexel Développement.

Rexel Canada Electrical Inc. is a Canadian corporation with a share capital of CAD 1,829,744 governed by the laws of Canada. It is registered under number 428874 2. Its registered office is at 5600 Keaton Crescent, L5R 3G3 Mississauga, Canada. Its main activity is the distribution of electrical equipment. It is wholly-owned by Rexel North America Inc.

Asia-Pacific

Rexel Electrical Supplies Pty Ltd is a New South Wales corporation with a share capital of AUD 39,000,000 governed by the laws of New South Wales, Australia. It is registered under number ACN 000 437 758 NSW. Its registered office is at Level 2, Building 1, Riverview Business Park, 3 Richardson Place – North Ryde, NSW 2113, Australia. Its main activity is the distribution of electrical equipment. It is indirectly wholly-owned by Rexel Sverige AB.

Rexel Holdings Australia Pty Ltd is a New South Wales corporation with a share capital of AUD 249,598,471 governed by the laws of New South Wales, Australia. It is registered under number ACN 081 022 068 NSW. Its registered office is at Level 2, Building 1, Riverview Business Park, 3 Richardson Place – North Ryde, NSW 2113, Australia. Its main activity is the holding and management of interests in other companies. It is directly wholly-owned by Rexel Sverige AB.

The Rexel Group analyzes its sales based on geographic areas, to which the legal entities referred to above belong based on their localization. Therefore, an analysis of sales with a breakdown by legal entity would not be relevant. Breakdown of sales by geographic area is detailed in Section 5.1 “Activity Report” of this Universal Registration Document.

1.5 Property and equipment

The real estate strategy of the Rexel Group prioritizes operating leases as a predominant mode of occupancy of its commercial and logistical sites. This gives it greater operational flexibility to better adapt to developments in the market. For the past fifteen years, the Rexel Group has thus used sales and leasebacks for the majority of its real estate assets.

As of December 31, 2021, the property portfolio of the Rexel Group consisted essentially of the following sites:

- The registered office of Rexel and Rexel France, located in Paris, leased, having a surface area of 10,200 square meters, and the administrative seats of the Rexel Group’s operational entities, located in Europe, in North America and in Asia-Pacific, which are mainly leased. These sites house the management and operational functions of the Rexel Group;
- 63 logistical centers situated:
 - in Europe: France, Austria, Belgium, Finland, Germany, Italy, the Netherlands, Norway, Portugal, Slovenia, Spain, Sweden and United Kingdom;

- in North America: United States and Canada; and
- in Asia-Pacific: Australia, China and New Zealand.

The logistics centers are, mainly, leased. They have an average surface area between 12,000 square meters (10,000 square meters in 2019), for those in Europe (excluding France) and 20,000 square meters (17,000 square meters in 2019) for those situated in France; and

- 1,966 branches located in Europe, North America and Asia-Pacific. The points of sale are mixed-use sales and storage buildings. They are located in craft or industrial areas of activity. Their average surface area is 950 square meters (850 square meters in 2019). The branches are primarily leased.

The real estate assets of the Rexel Group do not contain any item of significant value with respect to the Rexel Group, taken as a whole. No investment of such type is foreseen. These assets are not burdened with sureties which could affect their current use or value.

1.6 Investments

1.6.1 Investments completed

The table below presents the details of the capital expenditures as well as of investments in subsidiaries and divestments for each of the years ended December 31, 2021, 2020, and 2019:

<i>(in millions of euros)</i>	2021	2020	2019	Total 2019-2021
Capital expenditure				
Information systems / Digital	51.2	63.8	77.3	192.3
Renovation and opening of branches	32.2	26.3	28.3	86.8
Supply chain	11.0	14.2	11.8	37.0
Other	8.6	7.7	8.0	24.3
Total gross capital expenditure	103.0	112.0	125.5	340.5
Change in fixed assets suppliers payable	6.3	(2.4)	(1.2)	2.7
Disposals of fixed assets	(6.1)	(33.0)	(7.9)	(47.0)
Total net capital expenditure	103.2	76.6	116.5	296.3
Acquisitions and disposals of subsidiaries				
Acquisitions	426.3	5.0	4.2	435.5
Disposals	9.6	(153.5)	(6.5)	(150.4)
Total acquisitions and disposals of subsidiaries	435.9	(148.5)	(2.3)	285.1

Gross capital expenditure made during 2021, 2020 and 2019 respectively represented 0.7%, 0.9% and 0.9% of the consolidated sales of the Rexel Group. They have been adjusted in 2021 along the decrease of the Group's sales in 2020.

Investments made during 2021 are described in paragraph 5.1.2.1 "Cash flow" of this Universal Registration Document. They were financed through cash assets.

1.6.2 Principal investments underway

The investments are part of the Rexel strategic plan. Ongoing investments are financed by the Group's cash flow.

New customer-relations, electronic marketing and development solutions are being deployed in Europe, in North America and in the Pacific. Moreover, in several countries, a plan for the

evolution and harmonization of information technology tools is also implemented.

To assist in the transformation of the model, Rexel gradually implements new digitization, data processing and robotization solutions in Europe, North America and China.

1.6.3 Principal investments contemplated

As of the date of this Universal Registration Document, no significant financial investment has been the subject of firm commitment with respect to third parties.

Capital expenditure of the Rexel Group mainly relate to its information systems, to the

acceleration of the digitization (including artificial intelligence solutions), to its logistical resources and to its branch network. Their amount is generally between €100 and €150 million or circa 0.9% of the Group's sales, this on an annual basis.

1.7 Regulations

The wholesale distribution of electrical equipment is subject to the regulations of ordinary law in matters of product liability and environmental responsibility.

1.7.1 Product liability

As a non-manufacturing distributor, the Rexel group could be held liable for the products it distributes under:

- on the one hand, the regulations on defective products, and
- on the other hand, the legal obligation to guarantee against hidden defects.

Directive 85/374/EEC⁽¹⁾, transposed by French Law No. 98-389⁽²⁾, establishes the principle of no-fault liability of the producer of a product causing personal injury or material damage. Any person who affixes its name, trademark or other distinctive mark to the product shall be considered a producer. In addition, if the producer cannot be identified by the person who suffered the damage, the seller may be held liable.

The legal obligation of guarantee against hidden defects is also a system of liability without fault. This obligation allows the purchaser to claim the

liability of the distributor if the purchaser acquires a product affected by a defect:

- not obvious at the time of delivery,
- existing before the sale, and
- making the product unfit for the use for which it is intended.

The purchaser may then request the distributor:

- to refund the price and return the object, or
- to keep the object and to return a portion of the price.

As a distributor, the Rexel Group's liability is covered by:

- the legal and contractual obligations of the manufacturers, and
- the warranties and insurance coverage obtained from the manufacturers and transferred to the clients.

1.7.2 Environmental regulations

The Group's activities are subject to European environmental regulations such as the so-called "RoHS" Directive, the so-called "REACH" Regulation and the so-called "WEEE" Directive. The Rexel

Group is also subject to specific local environmental regulations in the various countries where it operates.

The "RoHS" Directive and the "REACH" Regulation

Directive 2002/95/EC of the European Parliament and of the Council of January 27, 2003, complemented by Directive 2011/65/EU of July 1, 2011 and by Directive 2017/2102/EU of November 15, 2017, known as the "RoHS" (Restriction of Hazardous Substances) Directive, prohibits the use of certain dangerous substances in electrical and electronic equipment and encourages eco-designing, waste sorting and recycling of certain components rather than their disposal.

Regulation 1907/2006 of the European Parliament and of the Council of December 18, 2006, known as "REACH" (Registration Evaluation and Authorization of Chemicals), amended in 2018

by Regulation No. 2018/675/EU pertains to the registration, evaluation, and authorization of chemical substances as well as the restrictions applicable to such substances. This responsibility falls upon the manufacturer of the substances. The Rexel Group could at some point no longer receive such products if a supplier were compelled to cease the use of certain substances.

The Rexel Group operates as a non-manufacturing distributor on the European market of articles which may contain substances falling under this regulation. As such, the Rexel Group is required to transmit to its clients the information received from its suppliers pertaining to impacts on health and the environment. The Rexel Group takes the

(1) Council Directive 85/374/EEC of July 25, 1985 on the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products, as amended.

(2) Law No. 98-389 of May 19, 1998 on liability for defective products

obligations of the REACH Regulation into consideration. It endeavors to put into place adequate measures in order to conform. In each

subsidiary concerned by these regulations, a person has been appointed for the setting-up and follow-up of these procedures.

The “WEEE” Directive

The 2012/19/EU Directive of the European Parliament and of the Council of July 4, 2012, known as the “WEEE” Directive (Waste Electrical & Electronic Equipment) pertains to waste from electrical and electronic equipment. It requires:

- the selective collection of electrical and electronic waste,
- the selective processing of certain components, and
- waste recovery through recycling (material and energy recovery).

The WEEE Directive also sets out the obligation for the manufacturer:

- to label devices with reference to European standards, in particular, the French standard NF EN 50149 responds to this requirement; and

- to affix a pictogram on each one of the items of household electrical and electronic equipment, indicating that such products are subject to selective collection.

In this framework, the Rexel Group offers, for each sale, to take back a product of the same kind. This taken back is then collected by the eco-organizations which manage the relevant recycling facilities. The Rexel Group considers the impact from such mechanism to be minor. It complies with such regulations in the countries where it has been implemented.

2

Risk factors and internal control



2

Risk factors and internal control



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Investors are urged to carefully review the risks described in this chapter, as well as all of the other information set forth in this Universal Registration Document. Such risks are, as of the date of this Universal Registration Document, the risks that Rexel believes may have a material adverse effect on its financial condition, its results, its business activities or its prospects, should they occur. Rexel conducted a review of these risk factors and considers that there are no other significant risks than the ones described in this section. Note that there may, however, be other risks that have not yet been identified as of the date of this Universal Registration Document, or whose occurrence as of the date hereof is not considered likely to have a material adverse effect.

2.1 Risk factors

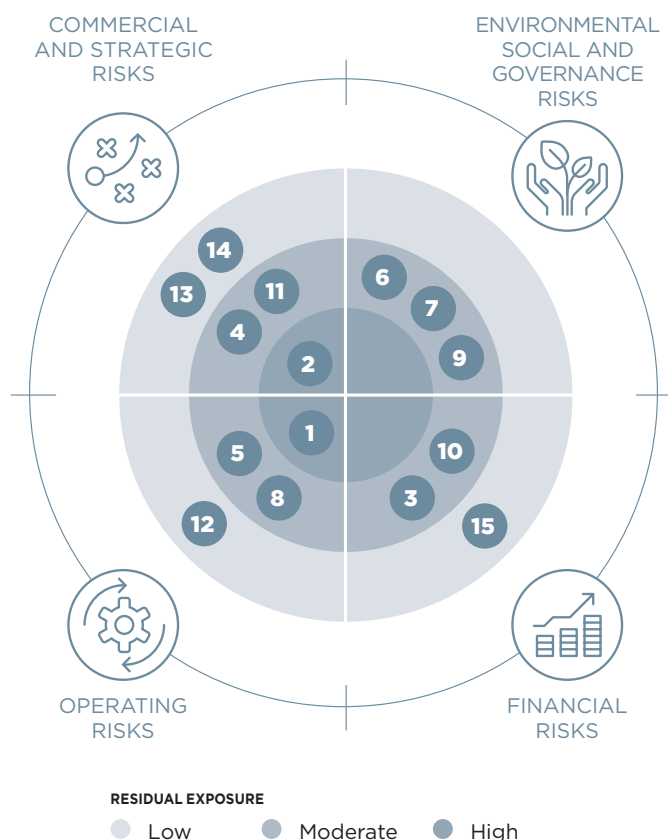
In a constantly changing environment, Rexel is committed to protecting the interests of its shareholders, employees, clients, suppliers, and all other stakeholders, while achieving its objectives. In this context, Rexel is implementing an active risk identification and management policy to be able to efficiently respond to internal and external threats likely to have a material adverse effect on its financial condition, its results, its business activities or its prospects.

The 15 risks presented in this chapter are the risks featured in the risk mapping updated annually as part of the internal control and risk management procedures deployed by the Rexel Group (described in paragraph 2.3 “The Rexel internal control and risk management system” of this Universal Registration Document). These risks are those that may have a material adverse effect on the Rexel Group, its activities, its financial condition, its results of operations or its perspectives. The 15 risks are grouped in four categories (commercial and strategic risks, operating risks, environmental risks, social and governance risks, as well as financial risks) and ranked based on Rexel’s level of residual exposure to these risks on a scale of Low/Moderate/High. This residual exposure results from the level of the potential impact on the Group if the risks were to occur, the likelihood that they would occur and the ability of the Group to reduce their impact or likelihood. The ranking, category and exposure of Rexel (including a quantitative analysis of the potential impact when possible) and the control mechanisms in place are mentioned for each of the risks presented below. The risks are ranked by order of importance within each category, the risks with the greatest residual exposure being presented first.

In parallel and for the purposes of the extra-financial performance declaration, Rexel carried out a more detailed analysis than the one undertaken by the Risk Committee of the main risks related to the environmental, social and societal consequences of its activities. The specific risks as well as the specific procedures availed to identify and analyze the risks are described in paragraph 4.1.3 “Main non-financial risks” of this Universal Registration Document. The specific risks that may, according to Rexel, have a material adverse effect are described in this section. Lastly, the vigilance plan (“plan de vigilance”) implemented for the Rexel Group is described in Section 4.7 “Vigilance plan” of this Universal Registration Document.

■ **Presentation of the main risks of the Rexel Group, featured in four categories and ranked according to the residual exposure of the Group to these risks:**

- 1 Unavailability of the information systems of the Group due to a malfunction or cyber-attack
- 2 Macroeconomic and/or geopolitical uncertainties impacting the activities of the Group
- 3 Profitability deterioration due to inadequate management of fluctuations in purchase prices and raw material prices (inflation/deflation)
- 4 Less favorable commercial and competitive environment for Rexel
- 5 Difficulties for Rexel to appropriately collect, enrich and exploit data
- 6 Unethical behavior within the Group (corruption, anticompetitive agreements, embargoes, personal data protection)
- 7 Events impacting the health and safety of Group employees or third parties (including psychosocial risks)
- 8 Increased human resources challenges related to talent attraction, development, retention and succession
- 9 Insufficient or inadequate actions to meet stakeholders' expectations in terms of environment protection and social responsibility
- 10 Significant fraud due to the misappropriation of assets or accounting manipulation
- 11 Difficulty for the Group to generate the synergies and results expected from significant acquisitions
- 12 Major disruption of Rexel's supply chain (due to internal and/or external causes)
- 13 Difficulties in adapting Rexel's business model and operations to changing customer expectations and the digital context
- 14 Difficulty for Rexel to strengthen its marketing capabilities to transition from a conventional marketing approach to a more customer and data-driven approach in every geography of the Group
- 15 Difficulties in collecting customer receivables and/or increased collection costs



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2.1.1 Commercial and strategic risks



Risk n° 2: Macroeconomic and/or geopolitical uncertainties impacting the activities of the Group

RESIDUAL EXPOSURE

● ● ● High

RISK IDENTIFICATION AND EXPOSURE

The Rexel Group operates in Europe, North America, and Asia-Pacific. These geographies accounted for approximately 56%, 35% and 9% of the revenue of the Group in 2021, respectively. In particular, the top three countries in which the Group operates (the United States, France and Canada) generated more than 57% of its sales, a concentration recently amplified by the acquisition of the company Mayer in the United States. Finally, Europe generated approximately 62% of the adjusted EBITA of the Group, compared to 35% for North America and 3% for Asia-Pacific⁽¹⁾.

As a result, any global macroeconomic and/or geopolitical uncertainty or any uncertainty specifically affecting the main countries in which the Group is present, for any reason whatsoever (political instability, geopolitical conflicts, health crisis, economic downturn, economic tensions, etc.), could result in adverse effects for Rexel, such as a decrease in sales, a deterioration of the Group EBITA (€906.0 million of adjusted EBITA as of December 31, 2021), an increase in bad debt (€128.6 million of impairment losses on receivables as of December 31, 2021, for a total of €2,481.8 million in outstanding receivables), or supply difficulties. In particular, concerning the uncertainties relating to the consequences of the UK's exit from the European Union ("Brexit") could impact Rexel's performance in these markets, even though, in 2021, the Group's results in the United Kingdom improved compared to 2020 (€728.0 million sales in the United Kingdom compared to €604.3 million in 2020). Regarding the current situation in Ukraine and Russia, the economical exposure of the Rexel Group is not material as Rexel, present in Russia, only generated 12 million euros of sales in 2021 in the country, representing less than 0.1% of its total 2021 sales.

In addition, Rexel is specifically sensitive to the building and renovation sectors as a distributor of electrical supplies for professionals (the residential and commercial markets accounted for 27% and 43% of the Group's revenue in 2021), which could be particularly impacted by economic and/or geopolitical uncertainties.

Lastly, regarding the Covid-19 pandemic, the Group has been exposed in 2021 in most of the countries where it operates to a major risk of contamination of its employees. Rexel was also confronted with the difficulties experienced by some of its suppliers in their procurement chain which could lead to the deterioration of the Group's sales if the situation worsens, particularly in the areas of lightning, solar panels and cables, more exposed to such dysfunctions, but also an increase in purchase prices that may not be properly managed by the Group (see risk "Profitability deterioration due to inadequate management of fluctuations in purchase prices and raw material prices (inflation/deflation)").

CONTROL SYSTEMS

The Rexel Group pays close attention to changes in the economic and geopolitical environment of the various markets in which it operates. An active, permanent and consistent monitoring, aiming at measuring and analyzing macroeconomic data is implemented by the country and regional management teams as well as by the Investor Relations Department of the Group. The results of this watch are communicated to the Group's management on a regular basis and are considered when establishing budget or updating the strategy of the Group.

Regarding the situation in Ukraine and Russia, the Group assesses the situation in real time and will take all the necessary measures about its presence in Russia to preserve best its interests and those of its employees and stakeholders.

With respect to Rexel's sensitivity to changes in the building and renovation sectors, the Group benefits from renovation and energy efficiency programs which could be maintained even if the economy is in poor shape. They could, therefore, at least partially offset a potential decline in demand in these markets.

Furthermore, while the current growth context is profitable for the Group, in case of economic downturn, the Rexel Group is able to adjust its cost policy (notably its variable costs) or postpone its investments if necessary to reduce the impact of a potential deterioration in the global economy. In 2021, gross investment totaled €103 million, i.e. 0.7% of sales, compared to €112 million in 2020 (i.e. 0.89% of sales), whereas distribution and administrative expenses amounted to €2,915.2 million in 2021 (i.e., approximately 19.8% of sales) compared to €2,576.9 million in 2020 (i.e. approximately 20.5% of sales).

Lastly, regarding the Covid-19 pandemic, Rexel continues to closely monitor its evolution and remains in permanent communication with the different entities of the Group to assess the situation and take the appropriate measures. As a priority, the Group has implemented all the appropriate measures to best protect the health and safety of its employees, customers and all stakeholders working with it, in compliance with local health recommendations. Rexel continues to pay particular attention to the collection of overdue receivables and the control of inventory levels, which is bearing fruit in terms of the Group's good performance with regard to cash generation, which is confirmed at December 31, 2021, with a positive free cash flow before interest and taxes of 680.6 million euros for the whole of 2021, compared to 613.0 million in 2020. In addition, with regard to supplier procurement difficulties, Rexel, as a multi-brand distributor, is in a position to find alternatives to potential product shortages.

Due to the exogenous nature of the risk and to the fact that the exposure is primarily concentrated on a few countries whose economies are interdependent, the residual exposure level of the Group is considered to be high.

(1) The breakdown of EBITA by geography excludes the negative contribution of the "Other" account, which mainly concerns the costs related to the Group's headquarter.



Risk n° 4: Less favorable commercial and competition environment for Rexel

RESIDUAL EXPOSURE

● ● Moderate

RISK IDENTIFICATION AND EXPOSURE

As an electrical supplies distributor, the Rexel Group is exposed to a risk of competition by digital players and its suppliers, in addition to the pre-existing risk of competition by traditional electrical supplies distributors (such as Sonepar or Wesco).

First, the Group's traditional competitors are increasingly structuring their omnichannel offer, following a strategy similar to Rexel's, which could reduce the Group's competitive edge in this area.

Moreover, some digital players specialized in online sales are already positioned in some markets of the Rexel Group, especially in the residential market, which accounts for approximately 27% of the Group sales. This risk would increase if major online players were also to position themselves in this market with significant technological and financial resources. This competition would lead to increased downward pressure on prices and potential loss of market shares and customers, with a negative impact on the results and margin of the Group.

The Rexel Group could also face stronger competition from its main suppliers who could sell their products directly to end customers. This evolution would primarily affect industrial markets (30% of the Group's sales) and commercial sales (43% of the Group's sales), especially major projects on these markets. The top five suppliers of the Group account for approximately 25% of purchases. A significant decline in the sales of products from these suppliers by Rexel could have a negative impact on Group sales and lead to a loss of market shares but could also result in a deterioration in purchase pricing conditions.

Finally, the Rexel Group is exposed in certain countries to the concentration of its customer base, in particular residential installers, who might join forces to form purchasing groups. Such concentrations could adversely affect the Group's results and profitability, due to the pressure on prices that could result from such purchasing groups.

CONTROL SYSTEMS

The Rexel Group has already implemented measures to limit the competition risk inherent in its business:

- First, the Group deployed a multi-channel strategy to best meet customer expectations. It relies on a physical network of approximately 1,900 branches and on sales functions gathering over 60% of the workforce of the Group aiming at answering customer expectations of proximity and expertise. This physical network is enhanced by the various digital initiatives based on artificial intelligence solutions deployed within the Group to provide additional added value to customers. In addition to its physical network and following an omnichannel approach allowing a seamless transition between physical and digital, Rexel is developing an online sales functionality in most of the countries in which the Group operates to meet customer expectations in terms of simplification of administrative tasks, availability of precise technical data and practicality. This approach is completed by a network of sales representatives (in stores and visiting clients) who answer customer questions and meet their expectations in the field or over the telephone, and who developed specific know-how to offer a differentiating customer experience and answer these customers' needs in terms of expertise and advice.
- Secondly, the Group developed an effective, high-performance logistics model, aiming at combining the ability to deliver on time, in full and with no damaged products, to deliver in a single parcel several items from different suppliers, thereby simplifying customers' receptions, to deliver the entire product catalog at D+1 or D+2 (depending on the geography) while working with reliable and well-suited transport providers. The logistics system is being continuously strengthened thanks to the gradual deployment of best practices inspired by the major e-commerce players (locker systems available 24 hours a day, parcel delivery in pick-up locations, express delivery, track-and-trace during delivery, etc.) to best meet customer needs.
- Lastly, the service of a very large number of customers requires a sophisticated receivables and credit risk management system which is specific to distribution companies. Rexel deployed this type of client risk management policy many years ago, and the results show a low level of trade accounts receivable losses (provision for expected credit losses and losses on receivables written-off of €50 million in 2021 on over €2,481.8 million of total receivable).

All of these elements are barriers to entry for digital platforms and for manufacturers who would try to sell directly to Rexel customers and help resisting to the traditional competitors in the electrical supplies distribution market.

In contrast, with respect to the risk linked to possible customer concentration moves, the Rexel Group has little room for maneuver to control this risk, other than to continue to emphasize its added value in the value chain and maintain its operational excellence.

Thus, the residual exposure of the Group is assessed as moderate.

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Risk n° 11: Difficulty for the Group to generate the synergies and results expected from significant acquisitions

RESIDUAL EXPOSURE

● ● Moderate

RISK IDENTIFICATION AND EXPOSURE

The Rexel Group defined and follows a strategy focused on strengthening its presence in its key markets, which is reflected in particular in external growth operations in certain promising markets. For instance, in the fall of 2021, Rexel acquired the Birmingham-based distributor of electrical products and services Mayer in the United States for \$456 million. This distributor brings in approximately \$1.3 billion in annual sales, which represents nearly 8% of Rexel's total sales in 2021.

Beyond the necessary work of integrating a new structure into the Group (alignment of certain procedures, integration into the IT environment, etc.), which could run into difficulties, such a structuring acquisition for the Group is accompanied by an ambitious integration plan, which notably anticipates synergies of approximately 1.5% of the sales acquired as of the second year, representing an amount of nearly \$20 million.

An inability for Rexel to generate such results could have adverse effects on the Group, first financially, but also in terms of reputation (in particular with investors) or could jeopardize possible future external growth operations.

CONTROL SYSTEMS

In order to mitigate the risk of not achieving the anticipated synergies and results of material acquisitions, Rexel has set up a structured process for following up each external growth project.

Firstly, upstream, the relevance of each acquisition and its alignment with the Group's strategy are examined by an Investment Committee made up of members of the Group's senior management and the relevant senior executives. This committee meets several times during the entire acquisition process in order to carry out an in-depth analysis of each project so as to best prepare for their operational completion and, throughout the acquisition process, the Rexel Group is assisted by specialized advisors. Any significant acquisition or disposal is then submitted to the approval of Rexel's Board of Directors, which validates its relevance and timeliness.

As part of this preparatory work, a comprehensive integration plan is prepared, detailing the various stages envisaged in order to achieve the synergies and results expected from the external growth operation. In this plan, the risks that may have been identified during the due diligence phases are addressed and actions put in place to manage them.

As for the post-acquisition phase, a project governance structure is set up as soon as the acquisition is finalized, and is responsible for deploying and applying the measures set out in the integration plan. Regular progress reviews are organized in order to follow synergies.

Given these monitoring procedures, and taking into account the size of Rexel's latest acquisitions, the Group's residual exposure is assessed as moderate.



Risk n° 13: Difficulties in adapting Rexel's business model and operations to changing customer expectations and the digital context

RESIDUAL EXPOSURE

● Low

RISK IDENTIFICATION AND EXPOSURE

In a highly competitive environment, where consumption patterns and customer and business partner expectations are shifting in a context of increased digitalization, the Rexel Group must continue to adapt its business model to offer higher value-added services while leveraging the benefits of digital technology.

Indeed, customer behavior is shifting, driven in particular by the digital experience of B to C (business to consumer) customers. The expectation of an omnichannel offer combined with high value-added services, the importance of a seamless customer experience and the sensitivity to price, quality and expertise are all part of this evolution.

In addition, suppliers have growing expectations towards their distributors in terms of digital transformation, to ensure that their products benefit from efficient and plural distribution channels.

While Rexel has undertaken a transformation of its business model, the roll-out of new tools and solutions, whether or not with a digital application, to enhance the services provided to customers and suppliers, may temporarily face difficulties in their adoption by the Group's employees, and primarily by the sales forces in the various countries. Newly developed tools may not achieve their intended objectives or fully meet the expectations of customers and suppliers. Finally, in the event of an unfavorable economic environment and/or a significant decline in the Group's sales and operating margin, this digital transformation strategy could be reconsidered, since it is based on a significant capital expenditure program (€51.6 million of gross capital expenditure related to information systems and digital in 2021, i.e. 50% of the Group's gross capital expenditure). Finally, the planned transformation may only partially meet the expectations of customers, considering the evolution of the markets in which the Group operates.

Any difficulty that the Group may face and that delays or hinders the transformation of its model could adversely affect the Group's results, due to customer dissatisfaction, the loss of certain sales, or even of certain customers, but could also affect the expected return on capital expenditure relating to these innovative initiatives, which could tarnish the Group's image and reputation with its shareholders and the market in general, or the Group's financial rating.

It could also deteriorate relations with its main suppliers.

CONTROL SYSTEMS

The Rexel Group has launched a transformation of its model to become a leading service company in the use of digital and data. This transformation is based on the centralized coordination of initiatives developed at regional level (Europe, North America, Asia-Pacific). Such a strategy limits the Group's dependence on a single, global technology or solution while benefiting from various initiatives, the best of which will then be rolled out at Group level. Finally, the Rexel Group is rolling out a major training and support program for its teams in order to ensure rapid and strong adoption of the new digital tools within the Group.

This transformation has led to strong growth in the Group's digital sales, which now approach 24% of sales, and even nearly 34% in Europe (compared to 20% and 30% respectively at the end of 2020), placing Rexel among the digital leaders in its industry.

As far as suppliers are concerned, Rexel's digital transformation is leading to the development of tools for analyzing customer purchase behavior, providing them with final markets insights.

In addition, despite the Covid-19 pandemic, the Group continues to implement its strategic roadmap without compromising on digital capital expenditure. Thus, the Group has invested €51.6 million in gross capital expenditure related to information systems and digital in 2021 (i.e. 50% of the Group's gross capital expenditure), compared to €63.8 million in 2020 (i.e. 57% of the 2020 gross capital expenditure).

Finally, while the transformation to digital and services is an important part of the Group's short- and medium-term strategy, its delay would only slightly limit the Group's immediate ability to continue sales through its traditional distribution channels and branch network, which remain its primary source of sales in 2021.

As a result, the Group's residual exposure is assessed as low.



Risk n° 14: Difficulties for Rexel to strengthen its marketing capabilities to switch from a conventional to a more customer and data driven marketing approach in every geography of the Group

RESIDUAL EXPOSURE

● Low

RISK IDENTIFICATION AND EXPOSURE

As a distributor of electrical equipment, one of the priorities of the Rexel Group is to strengthen, in each country and for each market in which it operates, its marketing capabilities to switch from a conventional marketing approach to a more customer and data driven approach, to better answers its customers' needs and expectations in terms of product and service offering.

This strengthening first relies on the drafting of an appropriate offer plan in every geography of the Group to select the products and references that best meet the needs and expectations of its customers.

This plan allows Rexel to select the products that the company wishes to offer for each market, and thus to select those for which it is able to provide competitive prices and high levels of availability.

The drafting of this offer plan is a complex exercise within the Rexel Group because of the number of countries in which it operates (electrical standards are prone to changes and customer profiles differ from country to country) but also due to the highly variable weight of each different market within these countries. For example, in 2021, the residential market accounted for approximately 44% of sales in France, compared to 0% in China and 9% in North America, while the industrial market accounted for approximately 17% of sales in France, compared to 100% in China and 32% in North America. Thus, each entity has to draw up an offer plan tailored to its own specific characteristics.

This complexity is reinforced by the ever-growing advanced technological innovation and frequently changing standards of the products provided by the Rexel Group. The rapid development of home automation, the widespread use of the Internet of Things and the progress of robotization increased the need for extensive technical skills to build this offer plan and for more frequent updates than in the past.

Relying on this conventional marketing approach, the Group pursues its transformation towards a more customer- and data- driven approach, to increase its relevance and adapt to the changes in customer expectations and behaviors. Such change also requires specific technical and business skills, in every country and every market in which Rexel operates.

As a result, and given this complexity, the risk for Rexel of not being able to strengthen its marketing capabilities and leverage them to reinforce its customer and data driven marketing approach in every geography of the Group is increased. If this risk were to occur, it could result in a deterioration in the relevance of the Group's product and service offering, and a deterioration in the Group's reputation among its customers (Rexel positioning itself as a provider of expertise and advice). Consequently, this deterioration could result in a potential loss of market share. In addition, if these difficulties to strengthen the Group's marketing capabilities could result in an inadequate offer plan in one or several countries where Rexel operates, it could lead to an increase in the level of Rexel inventory (stemming from a demand for alternative products from customers) and thus, a potential decrease in the inventory turnover that could induce obsolescence and hence an increase in the inventory depreciation (which amounted to €100.5 million in 2021 compared to €80.6 million in 2020). This could lead to a negative impact on the Group financial performance.

CONTROL SYSTEMS

The strengthening of Rexel's marketing capabilities to build a more data and customer driven marketing approach in each of the countries and markets in which Rexel operates remains one of the top priorities of the Group.

For this purpose, the Group constantly reinforces its marketing capabilities, especially through the generalization of a global marketing framework for all of its entities. This framework specifies the best practices to be deployed in terms of customer segmentation, product segmentation, offer plan or even measurement of customer satisfaction. This deployment relies on Rexel's experienced teams benefiting from the technical skills required to roll-out such approach. Nevertheless, the deployment of the aforementioned initiatives remains of gradual progression within the Rexel Group.

In addition, the best practices and innovative initiatives developed in several countries of the Group are identified by the central teams and promoted throughout the rest of the Group. In particular, some entities of the Group have also deployed digital solutions for analyzing customer behavior to help them select the products to be included in their offer plan. Those solutions are currently being promoted by Rexel.

Moreover, Rexel continuously invests in its customer and data driven marketing transformation. In 2021, the Group invested €51.6 million in gross capital expenditure related to information systems and digital (representing 50% of total gross capital expenditure of the Group), compared to €63.8 million in 2020 (representing 57% of total 2020 gross capital expenditure). Some of these investments have been dedicated to tools strengthening data and customer driven marketing capabilities. For instance, Rexel developed and deployed in a large number of branches across the Group an artificial intelligence solution which aims to optimize the assortment of each branch to better answer customer expectations.

Finally, as the marketing approach is only drawn up at country level, the impact of an inadequate approach for a given country would be limited to that country.

Consequently, Rexel residual exposure is considered to be low.

2.1.2 Operating risks



Risk n° 1: Unavailability of the information systems of the Group due to a malfunction or cyber-attack

RESIDUAL EXPOSURE

● ● ● High

RISK IDENTIFICATION AND EXPOSURE

The Rexel Group's strategy partially relies on the digital transformation of its business activities, *via* the improvement of the Group's management systems, through the increase in its digital sales using its merchant website or EDI solutions or through the development of innovative digital solutions provided to customers or suppliers. In addition to traditional information systems, on which part of the operations of the Group depends, Rexel is deploying several data and algorithm solutions which improve the management of its customer portfolio and of the product assortment in the branches.

This strategy, added to a Covid-19 pandemic context favorable to digital, has led to an increasing demand on the Group's information systems (ERPs, warehouse management systems, customer relationship management software, etc.) but also to a significant increase in the share of digital sales within the Group. In 2021, the Rexel Group generated over €3.4 billion (approximately 24% of its total sales) through its digital services, compared to approximately €2.6 billion in 2020 (approximately 20.8% of its total sales in 2020).

Therefore, any major malfunction or force majeure event affecting Rexel's systems or those of one of its IT service providers could adversely affect the Group's business, financial condition or results. In the same way, any significant cyber-attack, regardless of type (ransomware, phishing, etc.) which could interfere with the proper operation of the information systems and of the webshop of the Group on which all of the solutions mentioned above rely, could result in an increasingly significant loss in revenue, related to both the failure of the information systems and the potential loss of strategic commercial data. This type of attack could also impact the image and reputation of the Group but could also result in additional expenses (related to the reactivation of tools) or disrupt the Group's operations.

CONTROL SYSTEMS

The Rexel Group has implemented an internal control process relating to information systems in order to ensure their continuity and resilience. This process provides for the establishment of IT backup plans, incident handling procedures, rules relating to the management of changes made in production environments, control of access rights and authorizations and data backup rules. Rexel routinely conducts assessments of the level of protection of its critical information systems by external service providers and has defined an organization, governance principles and equipped itself with the necessary technology to increase its security against intrusion attempts.

In addition, the IT architecture is specific to each country, thus limiting the Group's exposure to a major global shutdown of its activities. In addition, in the event of an information system outage, the Group's physical network of branches and dedicated procedures temporarily allow the Group to continue to serve and deliver to its customers.

More specifically, concerning the risk of cyber-attack, the Rexel Group has deployed a global and sophisticated IT security system within all of the entities of the Group. It includes an analysis of all the risks that can impact the Group's information systems, a dedicated organization and governance, and reinforced investments in technology and human resources to detect attacks, reduce the weaknesses in internal and open systems and increase the protection against intrusion attempts. In addition, the digital solutions of Rexel do not collect nor store its customers' bank information, thereby reducing the risk of banking information theft *via* a cyber-attack. Since the information systems of the main countries are mostly independent, any potential risk of contagion between countries and systems is limited.

Finally, due to the context of increased cyber-attacks during the Covid-19 pandemic, the Group has increased its efforts to prevent and raise awareness among its employees while continuing to strengthen its protection against cyber-attacks.

Nevertheless, considering the fundamental importance of IT tools and due to the increasing frequency and sophistication of targeted and contagious cyber-attacks, the residual exposure level of the Group is assessed as high.

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Risk n° 5: Difficulties for Rexel to properly collect, enrich and exploit data

RESIDUAL EXPOSURE

● ● Moderate

RISK IDENTIFICATION AND EXPOSURE

In an increasingly connected world, and as the Group fully rolls out its digital transformation strategy, Rexel has become fully aware of the value of data.

It has become key for Rexel to be able to identify, collect, classify, enrich and properly exploit all the data that the Group handles, whether relating to customers, products, suppliers or even transactions, especially in a context where the value of this data will be a major factor in the Group's value creation.

Indeed, the data collected by Rexel's information systems is becoming crucial to improving the Group's operations and the service provided to customers. As an example, transactional data is analyzed in order to identify purchasing behavior and to allow sales teams to focus on the least satisfied customers. Similarly, this data is used to optimize the range of products available in branch inventory by identifying key products for which immediate availability in store is necessary and those for which next-day delivery from logistical centers is possible. Product data is used to provide customers with alternatives to products that are out of supply.

The processing, enrichment and use of a growing volume of data requires extensive work to classify, clean and characterize this data, but also requires increased performance from the Group's information systems. If Rexel were unable to manage and exploit the data it collects in all the countries in which the Group operates, for whatever reason (IT failure, insufficient stringency in data classification, etc.), this could hinder the good performance of the various digital tools it uses and therefore jeopardize the effectiveness and expected return from these tools. This could affect the service level provided to customers as well as the financial performance of the Group.

CONTROL SYSTEMS

The Rexel Group is fully aware of the necessity to exploit and manage the data it collects as efficiently as possible.

A large number of capital expenditures have been undertaken (€51.6 million in gross capital expenditure related to information systems and digital in 2021 compared to €63.8 million in 2020) in particular to standardize the segmentation of the customer base, which contributes to the optimization and acceleration of its digital tools and its marketing approach.

In particular, the Group has set up two digital centers, in France and the United States, bringing together more than 150 digital and data experts, to support the various data management and exploitation solutions within the Group's entities.

However, the fragmentation of the Group's information systems, inherited in particular from Rexel's history of external growth, could make the exploitation of data more complex and slow down the implementation of global data projects.

As a result, the Group's residual exposure is assessed as moderate.



Risk n° 8: Increased human resources challenges related to talent attraction, development, retention and succession

RESIDUAL EXPOSURE

● ● Moderate

RISK IDENTIFICATION AND EXPOSURE

The added value and the transformation strategy of the Rexel Group rely on the quality of its teams and their ability to manage and push forward the company, develop its commercial relationships with nearly 636,000 customers and deliver its products. Therefore, the human resources strategy of Rexel is designed to attract, recruit, develop and retain its employees, who are increasingly qualified and able to provide customers with expertise and both differentiating and appropriate technical advice. In 2021, the Group hired 4,452 new staff, out of a total workforce of 26,418 employees (including Mayer employees). However, the ongoing effort to recruit and maintain the Group's teams faces challenges resulting from increasingly tense job market conditions (full employment zones, strong salary competition), notably in the United States and in China as well as in logistical jobs in general.

The inability of the Group to attract key resources and to recruit the staff required to conduct company business could lead to a decline in sales, the loss of certain customers, or a deterioration of delivery conditions or service level promised by the Group.

In addition, Rexel employees must develop very specific know-how to offer a differentiating customer experience. This expertise relies on skills that need to be regularly updated, otherwise the Group would be unable to meet customer expectations and deliver the best possible service.

The inability of the Group to develop its employees' skills and maintain them at the level required to implement the company's strategy could have a negative impact on the service offered to its customers and, as result, decrease their satisfaction and degrade the performance of the Group.

Also, while 3,813 employees under permanent contracts left the Rexel Group in 2021 (compared to 3,736 in 2020), of which 63% resigned (48.5% in 2020), the Group is aware of the negative impact that too high employee turnover would have on the company. The inability to limit this turnover rate and to retain employees with key skills within the company could result in a loss of knowledge and know-how, additional recruiting costs, deterioration of the quality of service provided to customers and, therefore, of the financial results of Rexel.

Finally, while at December 31, 2021, 33.3% of the Group's employees were over 50 years old (compared to 32.8% at the end of 2020) while those under 30 years old represented 16.4% (compared to 15.6% in 2020), it is crucial for Rexel to prepare the replacement of its employees in key positions, whether at the head office or within its subsidiaries, who are likely to leave the Group and retire in the near future. Any failure by the Group to prepare for these departures and organize the replacement for these key positions (in particular by identifying and training talent) could affect the Group's revenues and financial performance. As at December 31, 2021, the average age of all Group employees was decreasing to 43.5 years (compared to 43.6 years at the end of 2020).

CONTROL SYSTEMS

Talent recruitment is a key issue for Rexel, which operates in a highly competitive environment. To support the transformation and digitalization of its business, the Group especially relies on its employer brand and, more specifically, has implemented an ambitious recruitment and communication strategy aimed at strengthening the Group attractiveness.

The number of employees hired in 2021 (4,452 recruitments) demonstrates that the Rexel Group is able to attract and recruit new staff. The digital transformation undertaken by the Group also enables it to partially reduce pressure on human resources via the automation of certain processes, while raising productivity, allowing resource redeployment and increasing the appeal of the Group.

Employee development also remains a strategic priority for the Group. Rexel intends to promote a culture of knowledge and experience sharing and offer tailor-made training to employees. In particular, the Rexel Group is committed to offering a rich training possibilities to its employees, whether face-to-face or remotely through the Group's online training platform (Rexel Academy), to develop their skills. In 2021, 292,242 hours of training were provided (excluding safety training), compared to 254,406 hours in 2020, covering approximately 88% of the total workforce compared to 91.2% in 2020.

To retain talents as effectively as possible, numerous measures have been taken at country level to promote the integration of new employees and reduce turnover (mentoring, follow-up interviews, induction seminars, etc.). Functional and geographic mobility is also an important driver of talent retention, offering employees opportunities for career development. In 2021, 3,157 employees on permanent contracts benefited from mobility (1,986 in 2020), representing 12.9% of the workforce on permanent contracts (8.2% in 2020).

In addition, and in order to retain talents within the company, several programs have been launched to strengthen the corporate culture in the service of performance (such as the continuous development and performance management program, the top 100 development program, and the identification and development of high-potential employees in key managerial and business skills). To retain its key talents, the Group also strengthened its leadership training programs, in particular through the "Group Advanced Leadership" a 9-month cycle program with a blended learning system that combines face-to-face and e-learning, and which is complemented by external coaching and personal development sessions. The Rexel Group analyzes the reasons for employees' departures and, in most of the Group's subsidiaries, organizes exit interviews with departing employees to understand the reasons for their resignation and draw up action plans to retain talents as effectively as possible.

Lastly, in order to prepare as effectively as possible for successions in key positions, the Group's Human Resources Department is continuously identifying positions that may become vacant and, in collaboration with local teams, is organizing internal or external succession plans.

Despite all of the above control systems, the Group's residual exposure is considered to be moderate.

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Risk n° 12: Major disruption of Rexel's supply chain (due to internal and/or external causes)

RESIDUAL EXPOSURE

● Low

RISK IDENTIFICATION AND EXPOSURE

As a distributor of electrical products for professionals, it is essential for Rexel to have a high-performance end-to-end supply chain, from supplier to customer. Indeed, one of the major components of the Group's added value for its customers is its logistical efficiency, allowing it to deliver a wide array of products to its customers in a very short time, at the agreed time and place. This performance is the result of several factors unique to Rexel:

- its ability to anticipate and adequately supply products, in order to have at all times the quantity and variety of products required to meet customers' needs, while also foreseeing any supply difficulties that Rexel's suppliers may experience and limiting the quantity of products in inventory so as not to affect the Group's profitability;
- a network of warehouses, logistics centers and branches wisely located in the regions where the Group operates to ensure that products are delivered and/or made available to customers as quickly as possible; and
- a reliable internal or external transport network capable of delivering to customers in a timely manner and with satisfactory quality, without damaging the products.

Any disruption in the supply chain, whether due to internal causes within Rexel's logistical organization or external causes (failure of suppliers, failure of logistical subcontractors, etc.), could result in temporary or extended disruptions to the Group's business and prevent the supply of its branches and/or delivery to its customers. In addition to the financial consequences of such disruptions, both in terms of lost sales and profitability, such a situation could also harm Rexel's image and reputation among its customers, whose expectations in terms of quality and delivery times are increasing, and among its suppliers, who may be tempted to turn to other distribution channels.

CONTROL SYSTEMS

The Rexel Group places great emphasis on the operational continuity of its supply chain.

Firstly, although the Group's logistical centers work with standardized processes and are supported by warehouse management systems (WMS) common to several countries, the Group's logistical organization remains defined on a national, and not a global, level, which limits the risk of global disruption of the Rexel supply chain. If a malfunction occurs in a distribution center, disruptions can be limited by using another center or by inter-branches transfers.

In addition, various daily service quality indicators that are common to all Group entities, as well as data relating to the safety of logistical platforms and their employees, are reported by the entities and monitored in detail by the country and Group teams. The purpose of this routine monitoring is to identify any issues as quickly as possible and to take corrective action if necessary.

With respect to the risk of supply difficulties on the supplier's part, the logistical teams work in close cooperation with the suppliers and the purchasing teams in order to obtain the most accurate information possible as to potential supplier difficulties so as to allow for the implementation of corrective actions (increase in quantity to be stored, identification of alternative products, etc.).

Finally, the Rexel Group has set up and steers initiatives to share best practices and international working groups on the development of the Lean approach between the various countries in which it operates in order to harmonize and improve service levels within the Group.

Thanks to all these control systems, the Rexel Group is able to process a very large number of lines each month (approximately 6 million) while having an average rate of orders delivered complete and on time to customers of approximately 90% in 2021.

As a result, the Group's residual exposure is assessed as low.

2.1.3 Financial risks



Risk n° 3: Profitability deterioration due to inadequate management of fluctuations in purchase prices and raw material prices (inflation/deflation)

RESIDUAL EXPOSURE

● ● Moderate

RISK IDENTIFICATION AND EXPOSURE

In an inflationary context, resulting in particular from the strong economic recovery in 2021 following the Covid-19 pandemic but also from the recent geopolitical events in Ukraine and Russia, Rexel is faced with a sharp increase in the prices of raw materials and products sold by the Group. For instance, between January and December 2021, the price of copper rose from approximately \$7,900 per ton to \$9,525 per ton, an increase of nearly 20%.

While, at first glance, an inflationary context constitutes an opportunity for Rexel, such an increase requires strong discipline to pass on this inflation to its customers, without which the Group would see its margin shrink. This discipline requires rapid and consistent updating of sales prices, in response to fluctuations in purchase prices, but also by focusing on long-term sales contracts entered into with customers, to ensure that these contracts do not lead to a risk of deterioration in the sales margin (in the event that Rexel commits to resale prices for products whose purchase price increase in the meantime).

Given the high volatility of prices, any inability of the Group to effectively pass through this inflation could materially affect the Group's profitability, as sales of cables, for instance, which are approximately 60% copper, represent approximately 17% of the Group's sales in 2021.

In addition, the Rexel Group is also exposed to variations in the prices of other raw materials, in particular oil, for which rising prices impact the transportation costs of products distributed by the Rexel Group. In 2021, these transportation costs represented 2.2% of the Rexel Group's sales, compared to 2.3% in 2020. A significant increase in prices could lead to additional transportation expenses and thus adversely affect the Group's profitability.

Finally, although the current environment is inflationary, the context could change in the coming months or years, and the prices of raw materials and products that Rexel distributes could decrease. Such a decline could result in a decrease in the Group's sales but also adversely affect the Group's margin.

CONTROL SYSTEMS

Although the Group does not have direct control over changes in the price of raw materials and the purchase prices of the products it resells, Rexel has implemented the necessary tools to monitor and assess the level of risk and its impact. A specific monthly reporting system has been developed and is subject to regular reviews.

In addition, the Group reports financial results adjusted for the non-recurring effects of changes in copper prices, so that the market can assess the Group's financial results without considering the impact of copper price volatility on its results.

With respect to the ability to pass on inflation to its customers, the Rexel Group has demonstrated significant discipline in this regard, as evidenced by the increase in its gross margin as a percentage of sales from 24.5% in 2020 to 26.0% in 2021. Such an increase, in an inflationary environment, demonstrates the Group's ability to pass on this inflation to its customers.

As a result, the Group's residual exposure is assessed as moderate.

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Risk n° 10: Significant fraud due to the misappropriation of assets or accounting manipulation

RESIDUAL EXPOSURE

● ● Moderate

RISK IDENTIFICATION AND EXPOSURE

The Rexel Group is a global distribution company, and as such is exposed to a risk of fraud by misappropriation of internal or external assets daily. Given that fraud attempts are becoming increasingly sophisticated and diverse (IT pirating, social engineering, phishing, etc.), the Rexel Group could become a victim of fraud, which could entail significant financial consequences. In particular, and notably due to the growing proportion of revenue achieved through online sales (near 24% of sales in 2021, compared to 20.8% in 2020), the Rexel Group is exposed to the risk of fraudulent payment methods (such as stolen credit cards) and identity theft, which is not always detected immediately given the credit lines and payment terms granted to customers.

Although the misappropriation of assets in the warehouses and branches is limited given the low unit value of the items stored, Rexel is nevertheless exposed to the risk of merchandise theft as the Group operates logistic centers and branches which carry inventory (valued at a total of €2,057.2 million as of December 31, 2021).

The Group could also be a victim of accounting fraud in one or more of its subsidiaries or even at head office, which could result in financial penalties and, potentially, prison sentences for Group managers and harm the Group's reputation.

CONTROL SYSTEMS

The Rexel Group has deployed a control system dedicated to the fight against fraud for many years. The Group conducts fraud awareness-raising and training actions for its employees on a regular basis. Rexel implemented robust accounting and financial controls, designed to prevent and detect any fraud attempt, and introduced increasingly higher-performing information system security tools. The accounting and consolidation controls are centralized at Group level, which limits potential accounting manipulation within the subsidiaries.

However, considering in particular the current context of increasing fraud (for example, according to the Euler Hermes - DFCG barometer published in September 2021, two out of three French companies have suffered a fraud attempt in 2021), the Group's residual exposure is assessed as moderate.



Risk n° 15: Difficulties in collecting customer receivables and/or increased collection costs

RESIDUAL EXPOSURE

● Low

RISK IDENTIFICATION AND EXPOSURE

As a distributor of electrical products to professionals, one of the Rexel Group's business characteristics is to grant a significant number of its customers a line of credit. Thus, as at December 31, 2021, the total amount of trade receivables held by the Group represented €2,353.2 million, compared to €1,899.7 million as at December 31, 2020.

In view of the economic context linked to the Covid-19 pandemic, which may have weakened some of the Group's customers, Rexel cannot rule out that some of its customers may no longer be able to pay their debt, in particular in the event of bankruptcy of these customers.

Such a default situation of a large number of customers would adversely affect the Group's financial results and profitability by increasing the amount of impairment of receivables due to the risk of customer default, which amounted to €89.5 million at December 31, 2021, compared to €66.9 million at December 31, 2020. In addition, such a situation could significantly increase the cost of credit insurance, adversely affecting the Group's profitability.

CONTROL SYSTEMS

The Group has long had an effective and efficient system for managing customer receivables. Before granting a customer credit, the Group analyzes the creditworthiness and commercial potential of each customer, based on various sources of information, in order to decide whether or not to grant credit based on the risk of each customer. In addition, once credit has been granted, the Group has a highly developed credit management organization and procedures, specifying the various stages of invoicing and follow-ups to ensure payment of customer receivables, including contentious management in the event of non-payment when required. This system explains the low percentage of impairment of trade receivables of €128.6 million at December 31, 2021 out of total receivables of €2,353.2 million, i.e. an impairment rate of 5.5%, compared with 5.4% at December 31, 2020 (€101.8 million of impairment for a total of €1,899.7 million outstanding at December 31, 2020).

Finally, the Group has set up credit insurance schemes in certain key countries. The amount of receivables covered by these programs amounted to €912.3 million as of December 31, 2021, i.e. 38.8% of the Group's total receivables, compared to €808.8 million as of December 31, 2020 (approximately 43% of customer receivables). In addition, in certain countries, the Group benefits from additional guarantees in accordance with local legal requirements, in particular in the United States and Canada. The amounts covered by these guarantees represented €116.8 million at December 31, 2021, compared with €174.9 million at December 31, 2020.

As a result, the Group's residual exposure is assessed as low.

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2.1.4 Ethics and environmental risks



Risk n° 6: Unethical behavior within the Group (corruption, anticompetitive agreements, embargoes, personal data protection)

RESIDUAL EXPOSURE

● ● Moderate

RISK IDENTIFICATION AND EXPOSURE

As a specialist in the distribution of electrical supplies for professionals, the Rexel Group could be exposed, like any other distributor for professionals, to the risk of unethical behavior, including the risk of corruption, anticompetitive agreements, non-compliance with embargoes or the failure to protect personal data:

- With respect to the risk of corruption, the Rexel Group answers public and private calls for tender for construction and renovation projects on a regular basis. Rexel also operates in some countries in which the level of perceived corruption (established by the NGO Transparency International) is relatively high, like India, Russia and China. These elements could expose the Rexel Group to a risk of corruption;
- With respect to the risk of anticompetitive agreements, on September 6, 2018, raids were performed in the offices of Rexel in relation to a judiciary investigation from the *Tribunal de Grande Instance* of Paris (Paris magistrate's court). This investigation, conducted with the assistance of the French Competition Authority, mainly deals with the mechanisms of price formation on the market of distribution of electrical equipment. At this point, Rexel is not party to the proceedings and therefore is not aware of the practices that it might be accused of. While information has been released in the press, it does not allow to determine the offences that Rexel could be accused of. It is therefore not possible to evaluate the degree of probability of formal indictments being made against Rexel nor of a possible adverse judgment and thus to evaluate the financial risk which Rexel is potentially exposed to;
- With respect to the risk of non-compliance with sanctions and embargoes (including the sanctions implemented by OFAC - the Office of Foreign Assets Control), the Rexel Group carrying out few international transactions, especially with countries subject to an embargo, its exposure to this risk is limited;
- Lastly, with respect to the risk related to the protection of personal data, and within the framework of a digital strategy based on the collection and advanced use of data, some of the personal information of Group customers, suppliers and/or employees could be inadequately or insufficiently protected due to external or internal causes.

Any unethical behavior could have a negative impact on the Group's reputation or image. This could result in the loss of customers or a decline in employee commitment. It could also result in a conviction for the Group, which could lead to financial penalties and potentially involve prison terms for Group management. Some of the penalties and fines could involve a percentage of the sales of the Group (up to 10% for illegal agreements, 2 to 4% for non-compliance with the GDPR).

CONTROL SYSTEMS

The Rexel Group and its management have been committed to a consistent and repeated ethical approach that reflects the standards of loyalty, integrity, respect and transparency of the Group. This commitment has been embodied in an Ethics Guide since 2007. It was updated in 2013 and 2017 to reflect the Group's strategy and the legislative and regulatory requirements applicable. This guide and the Anti-Corruption Code of Conduct and Guide for the Prevention of Anti-Competitive Practices which complete it form the ethics corpus of reference of the Rexel Group. They have been provided to all Group employees and are published in the local languages of the countries in which the Group operates on a dedicated public Internet page (<https://ethique.rexel.com/en>).

Extensive ethics training (compliance with competition law, prevention of corruption, protection of personal data, etc.) has also been provided to all Group employees through classroom sessions or e-learning to raise awareness on this ethical approach. In addition, and in application of the Sapin II Law, Rexel has deployed a comprehensive anticorruption program based on the recommendations of the *Agence Française Anticorruption* (French Anticorruption Agency). With respect to the risk related to embargoes, while Rexel carries out few international transactions, the Group has nevertheless implemented dedicated procedures to ensure that no sales violate any sanctions or embargoes in effect and has provided specialized training to the most exposed employees. With respect to the protection of personal data and compliance with the GDPR, the Group has deployed a complete system to ensure compliance in all affected countries. It includes training, dedicated procedures and the strengthening of personal data security. Lastly, with respect to the risk of anticompetitive agreements, the Group has strengthened its policies and training for its employees to limit any risk of competition law non-compliance.

As a result, the Group's residual exposure is considered to be moderate.



Risk n° 7: Events impacting the health and safety of Group employees or third parties (including psychosocial risks)

RESIDUAL EXPOSURE

● ● Moderate

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
<p>In terms of health and safety, the main risks to which the Rexel Group's employees and third parties (customers, subcontractors, etc.) are exposed are related to road traffic, falls, the use of machines, the handling of equipment and cables and sedentary and computer work. Indeed, approximately 15% of the Rexel Group's employees work in warehouses and approximately 60% work in sales positions and may regularly travel by car in the context of their duties, directly exposing them to a health and safety risk at work. Similarly, Rexel itself operates nearly 1,700 trucks and vans daily to carry out its deliveries, which could result in accidents involving employees of the Group and/or third parties. In the particular context of the Covid-19 pandemic, the Group's employees and/or third parties are also exposed to a risk of contamination by the virus.</p> <p>The number of working days lost as a result of work-related accidents was 6,930 in 2021, compared with 7,271 in 2020 and 6,690 in 2019. In 2021, the vast majority of work-related accidents resulting in lost time were in the logistics function (148 accidents, or 64%) and the commercial/sales function (74 accidents, or 32%). The Rexel Group's work accident frequency rate, calculated as the number of work accidents resulting in a work stoppage per million hours worked, was 5.4 in 2021. This rate increased compared to 2020 (5). The Rexel Group's work-related accident severity rate, defined as the number of working days lost due to temporary disability per 1,000 hours worked, was 0.16 in 2021, compared to 0.17 in 2020 and 0.15 in 2019.</p> <p>In addition to these risks to employees' physical health, there is also a psychosocial risk, which may be related to the stress experienced by some employees and which may have intensified due to the Covid-19 pandemic, as a result of travel restrictions imposed by various governments, but also due to the partial unemployment measures implemented in some Group entities.</p> <p>The human consequences could be dramatic in the event of a serious impact on the health or safety, physical or mental, of an employee or a third party. Beyond these significant human consequences, any accident negatively affecting the physical or mental integrity of an employee of Rexel or a third party could also adversely affect the Group from a financial, legal or reputational standpoint.</p>	<p>A responsible, effective and consistent safety policy has been implemented since 2015 in the countries where the Group operates. This policy was fully updated in 2021 and distributed to all Group subsidiaries. To reinforce a responsible culture and practices, the Group is enriching and completing the procedures and rules in place to promote a common framework for all entities. In order to create common practices within the Group in terms of safety, Rexel has put in place 10 safety principles. These 10 principles establish a global approach and promote safe and responsible practices and behaviors and address the key risks to which Rexel is exposed as a result of its activity. Safety-related training courses are held throughout the Group every year. 17,482 employees benefited from it in 2021, compared with 19,051 in 2020.</p> <p>In addition, some countries have chosen to commit to the OHSAS 18001 occupational health and safety certification process. Subsidiaries in Austria, Finland, Spain, China and the United Kingdom have implemented this health and safety risk management method.</p> <p>With regard to the Covid-19 pandemic, the Group has implemented strict hygiene and physical separation measures at each of the sites it operates in order to protect employees and third parties on these premises as much as possible, in compliance with all local government regulations. The Group has also implemented extensive remote working for all positions that allow it, thereby limiting the risk of contamination for its employees. Where remote working was not possible, measures were implemented to reinforce the cleaning of premises or to separate the various teams working on site.</p> <p>Finally, with regard to psychosocial risks, the Group is constantly attentive to the quality of life at work, with numerous initiatives to promote well-being at work and limit psychosocial risks: the right to disconnect, promotion of sporting activities, stress management, development and training initiatives (including managerial training), implementation of a culture of exchange between managers and employees, etc.</p> <p>As a result, the Group's residual exposure is assessed as moderate.</p>

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Risk n° 9: Insufficient or inadequate actions to meet stakeholders' expectations in terms of environment protection and social responsibility

RESIDUAL EXPOSURE

● ● Moderate

RISK IDENTIFICATION AND EXPOSURE

As part of its environmental policy, Rexel has analyzed greenhouse gas emissions within its value chain. As a specialist in the distribution of electrical supplies for professionals, the Rexel Group does not operate any production sites nor factories. As a consequence, the most significant sources of emissions in the Group's value chain are related to the use of the products sold by Rexel, which represent more than 93% of the greenhouse gas emissions of its value chain.

Present in 24 countries in 2021 and at over 2,000 sites (branches, logistics centers, head offices), the Group is nevertheless faced with an environmental challenge which is due more to the dispersion of its impacts than to their extent.

- First, Rexel manages a large vehicle fleet for its logistics operations. The Group's in-house logistics fleet consumed 5.0 million liters of diesel fuel and 1.8 million liters of gasoline in 2021, i.e. energy consumption of 70,690 MWh (note that transport is outsourced by some entities of the Group). The commercial fleet consumed nearly 4.6 million liters of diesel fuel and 2.8 million liters of gasoline. This amounts to an energy consumption of 75,676 MWh. The Group also consumes energy to provide heat and electricity to the sites it operates in. In all, the Group's internal CO₂ emissions (direct or indirect emissions from the energy consumption of buildings and the Rexel vehicle fleet) totaled 87,572 ktCO₂ in 2021, compared to 59,955 ktCO₂ in 2020.
- In addition, the Group consumes, due to its activity, resources for a range of packaging needs. The total quantity of packaging (cardboard, plastic, wood and other) consumed by the Rexel Group in 2021 is estimated at 16,431 tons, based on a scope which includes 100% of the Rexel Group's sales, compared with 14,757 tons in 2020 (based on a scope which included 100% of the Group's sales).
- The Group distributes products that have a strong impact on the environment because of the resources and energy used to manufacture them and the fact that recycling is not consistent. Indeed, about 57 million tons of electrical supplies are disposed of around the world every year (according to the estimate of the Global E-waste Monitor 2020 study) and only 17% are recycled.

In addition, the Group is facing growing expectations from its various stakeholders (both internal and external) regarding corporate social responsibility, regarding diversity, gender equality, responsible practices in the value chain or the workplace well-being of its employees.

Considering these growing expectations from stakeholders, both in terms of environmental and social responsibility, the Group's inability to meet them could affect its image and reputation or its sales (in a context of increased customer awareness social and environmental issues).

CONTROL SYSTEMS

In 2019, the Rexel Group carried out a study to identify the environmental and social impacts of its activities throughout its value chain. This study, presented in paragraph 4.1.2.1 "Sustainable development approach" of this Universal Registration Document, identified the main expectations of its stakeholders (customers, suppliers, exports, NGOs, employee representatives, etc.) and identified a sustainable development strategy for the Group, which is both aligned with its strategic priorities and anchored in the day-to-day running of its activities.

In 2021, and after achieving before the target the objectives it had previously set for itself, the Group has embarked on an even more ambitious global policy aimed at reducing its environmental impact:

- The Group has committed to reduce the level of greenhouse gases emitted from the use of the products it sells by 45% by 2030 (per euro of revenue compared to 2016). At the end of 2021, the Group had already succeeded in reducing them by 29.5% compared to 2016.
- The Group has also committed to reduce the level of greenhouse gases emitted by its operations by 35% by 2030 (direct or indirect emissions from the Group's operations) compared to 2016. By the end of 2021, Rexel had already reduced its emissions by 24.8% compared to 2016.

In this context, Rexel is implementing concrete actions to achieve its greenhouse gas emission reduction targets, starting with the most significant ones, namely those linked to the use of the products sold. To this end, Rexel selects the most energy-efficient products from its catalog and promotes them to its customers.

In addition, several Rexel subsidiaries (24% of sites) undertook the ISO 14001 certification process, attesting to their commitment to the continuous improvement of their environmental approach. Furthermore, some entities also committed to implementing energy management systems that meet ISO 50001 standards. These entities account for approximately 15% of Group sites and 7% of the energy consumption on Group sites.

This ambitious policy is regularly rewarded by the Group's performances in various international rankings or evaluations (CDP, DJSI, etc.), as detailed in paragraph 4.1.2.3 "Extra-Financial ratings" of this Universal Registration Document.

Lastly, the Group implemented procedures to assess its third parties, notably its suppliers, to identify potential environmentally unacceptable behaviors with a target of 80% of the volume of direct purchases assessed on CSR criteria.

Regarding its social responsibility, the Group has implemented concrete actions to meet the expectations of its stakeholders: promotion of responsible practices in the value chain, promotion of the employment of people with disabilities, promotion of gender equality in the company, fight against discrimination, fostering intergenerational diversity and senior employment, fight against fuel poverty through the Rexel Foundation, etc.

As a result, the Group's residual exposure is considered to be moderate.

2.2 Insurance

The Rexel Group's insurance policy focuses on the coverage of insurable risks the occurrence of which could result in a material negative impact on its business activities or endanger them. Accordingly, the Rexel Group has implemented insurance programs that cover its business and its whole infrastructure against material damage and losses (property damage and subsequent operating losses) caused by unforeseeable and difficult to control events, as well as civil liability insurances. These programs cover all the risks related to the businesses and locations of the Rexel Group.

In accordance with the risk management procedure described below, the Rexel Group implements a policy of prevention and protection to reduce the probability of occurrence, and the severity of losses, in particular: awareness-raising procedures and actions, audit of main sites, follow-up of guidelines from security professionals.

In addition, the Rexel Group believes that the impact of potential losses on its financial situation may be mitigated given the density of its network, which limits the impact of accidents on one or more of its sites.

The insurance programs of the Rexel Group underwritten by leading international insurance companies cover in particular the following risks:

- Property damage to the assets of the Rexel Group caused by an external unexpected event,

including fire, explosion, water damage, lightning, storm, flooding, natural hazards, as well as subsequent operating losses; and

- Civil liability: bodily injury, property damage and financial losses caused to third parties by the Rexel Group during its activities, for operating risks and after delivery.

Given its international operations and applicable regulations, the Rexel Group has taken out local insurance policies to take into account local practices and/or obligations in the relevant countries.

These policies are regularly analyzed (based on Rexel Group's experiences, exchanges with the market, industry practices, and the advice of brokers) to check the adequacy of coverage with regards to potential risks. Coverage limits significantly exceed the amount of losses experienced in the past.

In addition, risks of payment default for receivables are covered by local credit insurance policies taken out in countries where such credit insurance is available and where the Rexel Group can obtain favorable conditions. The contractual terms of this insurance are negotiated at the Rexel Group level through credit insurance companies of international renown. The resulting coverage is obtained subject to certain conditions on an individual basis for each customer.

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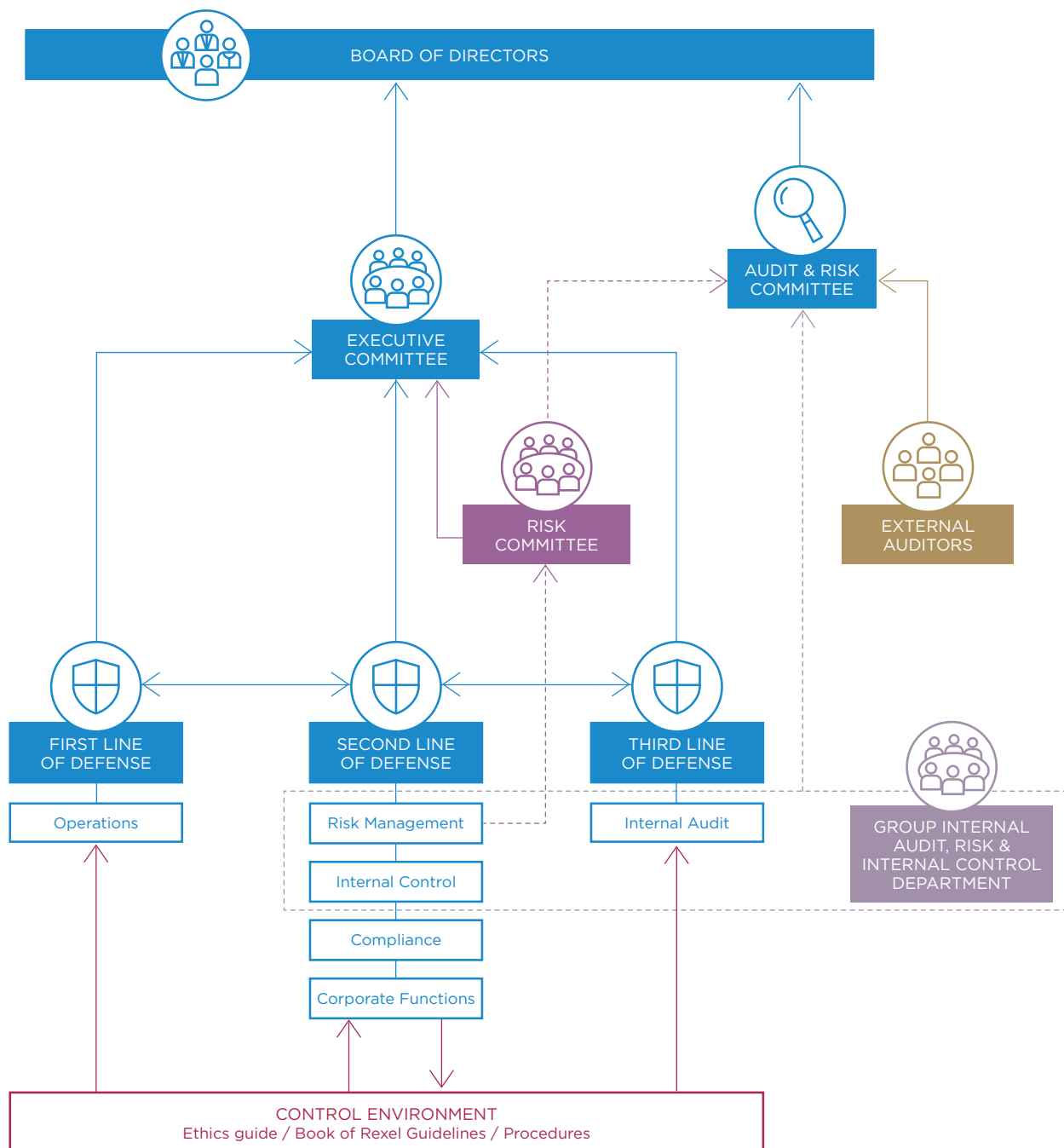
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2.3 The Rexel internal control and risk management system

The Rexel Group implemented an internal control and risk management system over 10 years ago. It is based on the COSO (Committee Of Sponsoring Organizations of the Treadway Commission) standard and on the frame of reference of the *Autorité des marchés financiers* (AMF), together with its implementation guide. The internal control

and risk management system is summarized in the following diagram and described in the following three sections which cover the control environment, the three lines of defense model in Rexel and the steering and monitoring of Rexel's internal control system, respectively.



2.3.1 Rexel's control environment

The Rexel Group's internal control system is based on a solid control environment, which is the reference for operations within the Group.

2.3.1.1 A control environment based on Rexel's ethics commitment

The first building block of Rexel's control environment is the ethics commitment of the Group and its management, reflecting the standards of loyalty, integrity, respect and transparency of the Group. This commitment has been embodied in an Ethics Guide since 2007. It was updated in 2013 and 2017 to reflect the Group's strategy and the legal and regulatory requirements applicable. The guide

and the Group's Anti-Corruption Code of Conduct and Guide for the Prevention of Anti-Competitive Practices which completed it form the ethical corpus of reference of the Group. They have been provided to all Group employees and are published in the local languages of the countries in which the Group operates on a dedicated public Internet page (<https://ethique.rexel.com/en>).

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2.3.1.2 The Book of Rexel Guidelines, the cornerstone of the control environment of Rexel

The cornerstone of Rexel's control environment is the Book of Rexel Guidelines, the Rexel Group's internal control frame of reference. This manual presents and describes the risks, the control objectives and the related controls that all Group entities must implement for each of the processes within the company. After a major update in 2020 by Group Internal Control Department, the manual has been updated again in 2021, in close cooperation with the different functional directions and the operational entities of Rexel to better adapt it to the strategy, the organization and the risks of the Group. This new 2021 version has been significantly circulated within the Group,

especially to the management of each entity. It includes about 230 controls for each operational entities, of which 60 critical controls covering all Group activities: governance, communication, strategy, sustainable development, sales, purchasing, logistics, information systems, human resources, financial and accounting information, treasury, taxes, legal affairs, compliance, real estate, insurance, etc. Each control mentions the risks that it is designed to mitigate and all the Group guidelines or policies that can ease its implementation in the operating entities. This facilitates the appropriation and implementation of the framework by Rexel's entities.

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2.3.1.3 The procedures, manuals and instructions of the functional departments, operationally complementing the control environment, particularly for the processing of accounting and financial information

The Book of Rexel Guidelines is completed with procedures, instructions and manuals established by the functional departments of the Group to ensure operational implementation within the Rexel entities. These procedures deal with all the processes within the Group and are widely communicated to all the entities.

In particular, the Group developed procedures for management reporting and the preparation of financial statements: the Rexel Group's Finance Department defined a set of directives, tools and standards to secure the quality, completeness, truthfulness and consistency of the information provided to the Group and published for the markets. The financial statements of the Rexel Group are prepared in accordance with IFRS

standards as adopted by the European Union and are based on information provided by the financial departments of the entities. The latter are responsible for ensuring that this information complies with the Rexel Group standards (especially accounting methods and accounts structure, included in a Reporting Manual) and observance of the detailed instructions issued by the financial department. This data is transmitted by the Financial Departments of the entities in a set format using a single consolidation tool that is used in preparing monthly reports and external financial information at each stage of consolidation: monthly reporting, budget, forecasting and strategic plan. This single format guarantees consistency between the different data used for internal steering and external communication.

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2.3.2 The stakeholders of Rexel's internal control system, structured around the three lines of defense model

The internal control and risk management system of the Rexel Group is structured around the concept of three lines of defense which provides clear and effective assignment of the roles and

responsibilities for everyone in the company and allows the application and monitoring of the internal control system.

2.3.2.1 The operations of the entities of the Group: the first line of defense

The Rexel Group and its network of branches form a decentralized organization in which the principles of responsibility and accountability of each person are at the core of the definition of roles. For this purpose, the different operational functions of the Group are informed about compliance with the rules and about the Group's procedures and instructions to create a first, effective line of control.

Each entity of the Group is responsible for establishing an internal control system based on the control environment presented above and for complementing it with local procedures when appropriate. The operations managers define the appropriate controls at the operational level for the processes for which they are responsible, through the application of the rules and procedures developed at the Group level, especially the Book of Rexel Guidelines.

2.3.2.2 The functional departments of the Group: an essential part of the second line of defense

In addition, and to support operations, the functional departments at Group level form a key essential part of the second line of defense in Rexel. The departments rely on the opinion of Group internal control and internal audit to identify the needs for cross-functional actions the Rexel Group. Each functional department supports the entities of the Group in the setting-up of action plans to reduce identified risks in their areas of expertise.

Among these departments, the ethics and compliance department holds a key position within Rexel's second line of defense since it is responsible for preparing and updating the Ethics Guide and the other compliance rules and procedures. This corpus of ethics documents is implemented in the entities, under the responsibility of this department, through a certain number of mechanisms and concrete actions that ensure sharing and adoption of Rexel's ethical values: regular communication on ethics, training and awareness-raising for Group employees, creation of a Group ethics whistleblowing line, creation of a Group ethics committee, etc.

Lastly, the Group financial department also plays a major role within the second line of defense in Rexel:

- Jointly with executive management and in close cooperation with Group entities, it contributed

to the elaboration of a three-year strategic plan, the first year of which constitutes its budget. The plans are consolidated at the Rexel Group level and submitted for approval to the Rexel Board of Directors.

- It conducts periodic business activity reviews with executive management and the regional departments which provide insight into financial and economic changes with respect to activities, the assessment of operational decisions to be taken, the analysis of gaps between targets and performance, the steering of the financial structure and the monitoring of the implementation of action plans.
- It ensures the consistency of feedback from the entities before aggregating the results and the consolidation entries and prepares detailed and documented analysis of the data, explaining changes in the scope of consolidation, exchange rate impacts and non-recurring operations.
- Each month, it provides the Board of Directors with a summary report on financial performance and provides the Audit and Risk Committee of the Group with the annual, half-year and quarterly financial statements which are then approved by the Board of Directors.

2.3.2.3 The Group Internal Audit, Risk Management and Internal Control Department: the cornerstone of the system at the border between the second and third lines of defense

The cornerstone of the internal control and risk management system of Rexel is the Group Internal Audit, Risk Management and Internal Control Department, which combines the key functions of the second and third lines of defense. These functions, grouped in 2019, generated strong synergies and strengthened the Group's internal control system.

The department is structured around two services to ensure the independence between internal audit and internal control: an internal control and risk management service (with one manager and one internal controller at the end of 2021) and an internal audit service (with one manager and five internal auditors at the end of 2021).

As part of his risk management duties, the internal control and risk manager is responsible for identifying the risks to which the Group is exposed, for annually updating the Group risk mapping and for following the action plans intended to reduce the impact or likelihood of the main risks identified in the Group. The action plans may include the implementation of controls, the transfer of financial consequences (insurance mechanism or equivalent) or an adjustment to the organization. The manager carries out these duties under the supervision of the Risk Committee, a committee appointed by the Group Executive Committee to assist them with risk management (see paragraph 2.3.3.1 "Steering by the Group Executive Committee" in this Universal Registration Document).

As part of his internal control duties, the manager is also responsible for maintaining and updating the Book of Rexel Guidelines based on the risks identified and on the Group's situation and strategy, and for deploying and coordinating the annual self-assessment exercise to assess the compliance of operating rules with the Book of Rexel Guidelines (presented in paragraph 2.3.1.3 "The procedures, manuals and instructions of the functional departments, operational complements to the control environment, in particular for the processing of accounting and financial information" of this Universal Registration Document), *via* a questionnaire sent to the local management of the entities and using the dedicated Group information system. The results are shared with the Executive Committee, the operational departments of the entities and the Audit and Risk Committee, which share them with the Board of Directors. The last self-assessment was rolled out during the summer

of 2021, and covered all the processes included in the Book of Rexel Guidelines. The self-assessments enable the identification of the action plans to be implemented to correct any non-compliances revealed and identification of the best practices and support needs within the different entities.

Given that the self-assessment approach is not, by nature, sufficient to guarantee that the internal control system is being implemented effectively, the Rexel Group completes it with internal audits. Group internal audit is responsible for ensuring that the entities comply with the rules of the Rexel Group and, more generally, for evaluating the operational, financial, health and safety or fraud risks in the areas covered by the audits. The Group internal audits are conducted under the supervision of the internal audit manager who works with a team of five auditors at the end of 2021. The role, the scope and the responsibilities of internal audit have been defined in an Internal Audit Charter, officially approved by the Audit and Risk Committee. Based on a plan approved by the Audit and Risk Committee in February 2021, the Group internal audit team was able to carry out 16 assignments in 2021 despite travel restrictions and constraints related to the Covid-19 pandemic. Following each audit and based on recommendations by the auditors, action plans are prepared by the relevant entities to address the weaknesses identified in the audit report. The assignments also include a verification of the results of the self-assessments conducted by the entities, since nearly all of the controls subject to self-assessment are reviewed during a standard audit of all accounting, financial and operational processes. The Group Internal Audit Department established a follow-up process for the implementation of the action plans to ensure that the weaknesses identified are corrected.

This central system is completed with 21 local internal controllers and auditors (at the end of 2021) in the main Group subsidiaries (Australia, Austria, Canada, France, Germany, the United States and the United Kingdom) who report functionally to the Director of Internal Audit, Risk Management and Internal Control and who are responsible for supervising the successful local deployment of the Group's internal control system and for conducting audits of the processes, branches and logistics centers. In 2021, the local internal controllers and auditors carried out 471 audits of the branch network and logistics centers.

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2.3.3 Steering and monitoring of the internal control system

2.3.3.1 Steering by the Group Executive Committee

The Group Executive Committee is responsible for steering Rexel's internal control system.

With respect to risk management, the Executive Committee implemented a dedicated Risk Committee in 2010, which reports to it and is responsible for steering the risk mapping and management system implemented by the risk manager. The Committee gathers approximately a dozen members representing the different countries and functions within the Group (sourcing, supply chain, human resources, finance, legal, IT, etc.) as well as several managing directors of subsidiaries of the Group to be as close as possible from the reality of Rexel's operations. It met 4 times in 2021 for the update of the Group risk mapping and reported on its work and formulated its recommendations to the Executive Committee.

In addition, the Group Internal Audit, Risk Management and Internal Control Department, which hierarchically reports to the Group Chief Financial Officer (member of the Group Executive Committee), presented to the Group Executive Committee a complete picture by country of the control environment at Rexel. They detailed the salient aspects resulting from local risk mapping, of the self-assessment of internal control, of the work done by internal audit (when applicable) and of the work done by external audit. This communication helps the Rexel Group's Management to share with local management teams not only the risk management measures and objectives, but also the necessary information to align their decisions and activities with the defined objectives.

2.3.3.2 Monitoring of the system by the Audit and Risk Committee of the Board of Directors

The Rexel Group Audit and Risk Committee is responsible for monitoring the Group's internal control system and the Group Internal Audit, Risk Management and Internal Control Director functionally reports to it. Each quarter, this Director presents to the Rexel Audit and Risk Committee a summary of the work done by the internal audit, internal control and risk management teams, including the main conclusions of the internal audit assignments undertaken and a follow-up on the progress made by the corresponding action plans.

As part of this process, each quarterly meeting of the Audit and Risk Committee provides an opportunity to summarize the risk management, internal control and audit activities carried out during the preceding quarter. The Audit and Risk Committee is also responsible for the annual approval of the Group risk mapping and the internal audit plan. The Audit and Risk Committee formulates its recommendations and proposals to the Board of Directors based on these presentations.

2.3.3.3 Monitoring process carried out by external audit

Lastly, the external auditors take part in the internal control system monitoring process. In addition to the diligence conducted in certifying the financial statements, they verify each year the reliability of the results of the self-assessment campaign with respect to a segment of the framework, changing every year. Although the

scope of this review is limited, this verification applies to all Rexel Group entities, and the internal audit teams follow up with more comprehensive verifications on a limited number of entities. Thus allowing the Rexel Group to improve the reliability of the self-assessments.

3

Corporate governance



3

Corporate governance



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This Chapter 3 is the report on corporate governance required by article L.225-37 of the French Commercial Code.

This report is drawn up by the Board of Directors in collaboration with the Group's Executive Management, General Secretary including the Legal Department and the Sustainable Development Department, the Corporate Communications Department as well as the Human Resources Department of the Rexel Group.

Rexel refers to the corporate governance principles of listed companies set out in the corporate

governance code (the AFEP-MEDEF Code) established by the *Association française des entreprises privées* (Afepe) and the *Mouvement des entreprises de France* (Medef), in its version as revised in January 2020. The aspects on which the Company departs from the guidelines are set out in section 3.5 "Implementation of the AFEP-MEDEF corporate governance Code of listed companies – Paragraph 27.1 of the AFEP-MEDEF Code" of this Chapter.

This code is available on the website of Medef (www.medef.fr) or at the registered office of Rexel.

3.1 Administration Bodies and Management

Rexel is a French *société anonyme* with a Board of Directors. This governance model is aimed at:

- Simplifying the decision-making process;
- Speeding up the implementation of the Rexel Group's strategy;

- Strengthening the Board of Directors' responsibility; and
- Creating greater proximity between the Directors and the members of the Executive Committee.

Dissociation of the duties of Chairman of the Board of Directors and Chief Executive Officer

The Board of Directors is chaired by Ian Meakins, non-executive and independent corporate officer.

The Chief Executive Officer is Guillaume Texier, executive member of the Board of Directors.

By dissociating the duties of Chairman and of Chief Executive Officer, the Board of Directors

aimed at better serving the interests of the Rexel Group. The Rexel Group operates in a difficult macroeconomic and competitive environment. Dissociating the duties allows the Chief Executive Officer to focus all of his efforts on the implementation of the Rexel Group's strategy.

3.1.1 Board of Directors

In accordance with Rexel's by-laws, the Board of Directors is made up of a minimum of 5 members and a maximum of 15 members. This number is established subject to the exceptions provided for by law in the event of a merger.

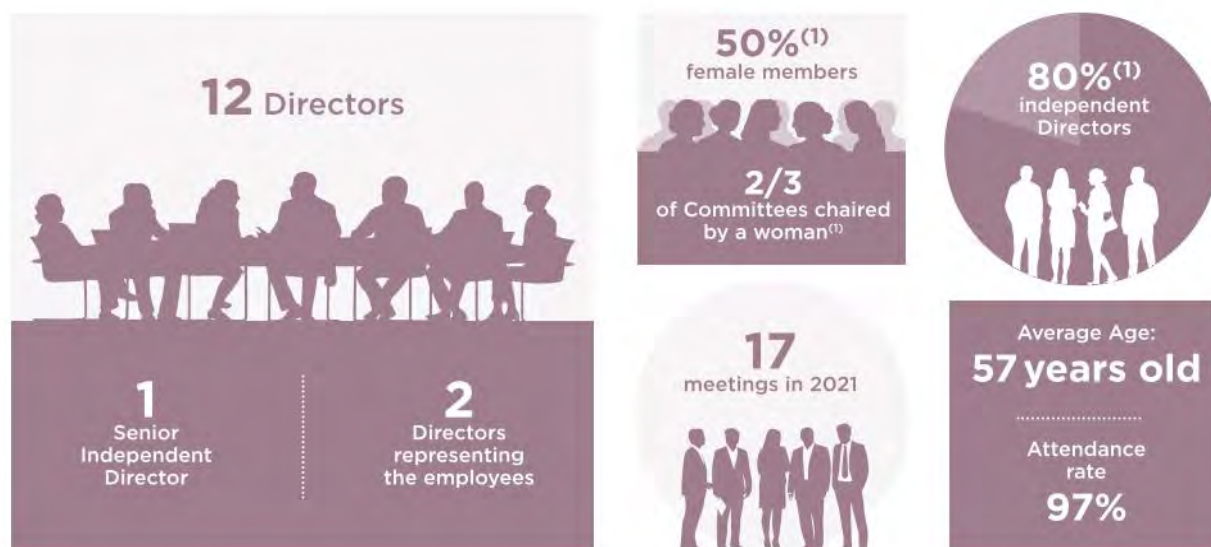
The Directors are appointed for a maximum term of 4 years.

The Board of Directors is renewed in quarters, rounded to the higher whole number every year. This allows it to be fully renewed every four years.

As at December 31, 2021, the Board of Directors was made up of 12 Directors, including two Directors representing the employees.

Excluding the Directors representing the employees, the Board of Directors had:

- 80% of independent members (*i.e.* 8 members out of 10); and
- 50% of female members (*i.e.* 5 females out of 10).



(1) Excluding the Directors representing the employees.

Committees

The Committees are responsible for providing the Board of Directors with their opinions, proposals or recommendations. Their powers are strictly advisory and they discharge their duties under the Board of Directors' responsibility. The three

Committees of the Board of Directors are the following: the Audit and Risk Committee, the Nomination Committee and the Compensation Committee.



(1) Excluding the Directors representing the employees.

Since January 1, 2022, (i) Marcus Alexanderson has been a member of the Audit and Risk Committee, bringing the number of members to 6, the independence rate to 83%, the representation of women to 50% and the average age of 60, (ii) Maria Richter has been a member of the Nomination

Committee, replacing Marcus Alexanderson, bringing the independence rate to 100%, the representation of women to 60% and the average age to 62, and (iii) Brigitte Cantaloube has been a member of the Compensation Committee, replacing Maria Richter, bringing the average age to 57.

The table below summarizes the membership of the Board of Directors as at December 31, 2021:

NAME	DUTIES WITHIN THE BOARD OF DIRECTORS OF REXEL	GENDER	NATIONALITY	AGE	INDEPENDENCE	OTHER DUTIES OF BOARD MEMBER HELD IN LISTED COMPANIES	MEMBERSHIP OF A COMMITTEE			DATE OF FIRST APPOINTMENT	DATE OF EXPIRY OF TERM OF OFFICE	NUMBER OF SHARES
							AUDIT AND RISK COMMITTEE	NOMINATION COMMITTEE	COMPENSATION COMMITTEE			
DIRECTOR												
Ian Meakins	Chairman	Male	British	65	Yes	Yes	●	●	●	July 1, 2016 ⁽¹⁾	2024 Shareholders' Meeting	115,250
François Henrot	Deputy Chairman Senior Independent Director	Male	French	72	Yes	Yes		●	●	October 30, 2013 ⁽²⁾	2025 Shareholders' Meeting	7,133
Marcus Alexanderson ⁽³⁾	Director	Male	Swedish	46	No	No		●	●	May 15, 2017	2025 Shareholders' Meeting	5,000
François Aue	Director Chairman of the Audit and Risk Committee	Male	French	65	Yes	Yes	■			May 23, 2019	2023 Shareholders' Meeting	3,000
Julien Bonnel ⁽⁴⁾	Director representing the employees	Male	French	35	–	No			●	November 17, 2017	2025 Shareholders' Meeting	4,625
Brigitte Cantaloube ⁽⁵⁾	Director	Female	French	54	Yes	No	●			February 12, 2020	2024 Shareholders' Meeting	1,000
Barbara Dalibard	Director	Female	French	63	Yes	Yes			●	December 3, 2021 ⁽⁶⁾	2022 Shareholders' Meeting	2,400
Toni Killebrew ⁽⁷⁾	Director representing the employees	Female	US	43	–	No		●		November 19, 2020	2024 Shareholders' Meeting	–
Elen Phillips	Director	Female	US and British	62	Yes	No	●	●		March 8, 2016	2023 Shareholders' Meeting	5,000
Maria Richter ⁽⁸⁾	Director	Female	US and Panama	67	Yes	Yes	●		●	May 22, 2014	2025 Shareholders' Meeting	6,500
Guillaume Texier	Director	Male	French	48	No	Yes				April 22, 2021, effective September 1, 2021	2025 Shareholders' Meeting	10,000 ⁽⁹⁾
Agnès Touraine ⁽¹⁰⁾	Director Chairwoman of the Nomination Committee and of the Compensation Committee	Female	French	66	Yes	Yes		■	■	February 10, 2017	2023 Shareholders' Meeting	1,112

● Committee member ■ Committee chairman

(1) In his capacity as Director, Ian Meakins has been Chairman of the Board of Directors since October 1, 2016.

(2) In the capacity of member of the Supervisory Board, and subsequently in the capacity of Director as of May 22, 2014.

(3) Since January 1, 2022, Marcus Alexanderson has been a member of the Audit and Risk Committee and is no longer a member of the Nomination Committee.

(4) Appointed on November 17, 2017 and renewed on April 22, 2021 by the most representative trade union in France, pursuant to the provisions of section 7.1 of article 14 of the by-laws of Rexel and articles L.225-27-1 and L.22-10-7 of the French Commercial Code. In accordance with the provisions of the AFEP-MEDEF Code, the Directors representing the employees are not taken into account in the calculation of the independence rate of the Board of Directors and Committees. In accordance with Article 14 of the bylaws, the Directors representing the employees are not required to hold a minimum number of shares of the Company.

(5) Since January 1, 2022, Brigitte Cantaloube has also been a member of the Compensation Committee.

(6) Co-opted by the Board of Directors on December 3, 2021 to replace Herna Verhagen, who resigned.

(7) Appointed on November 19, 2020 by the European Works Council, pursuant to the provisions of section 7.1 of article 14 of the by-laws of Rexel and articles L.225-27-1 and L.22-10-7 of the French Commercial Code. In accordance with the provisions of the AFEP-MEDEF Code, the Directors representing the employees are not taken into account in the calculation of the independence rate of the Board of Directors and Committees. In accordance with Article 14 of the bylaws, the Directors representing the employees are not required to hold a minimum number of shares of the Company.

(8) Since January 1, 2022, Maria Richter has been a member of the Nomination Committee and is no longer a member of the Compensation Committee.

(9) Shares purchased on February 17, 2022.

(10) Agnès Touraine has been Chairwoman of the Nomination Committee since December 3, 2021.

The table below presents the main characteristics of the Board of Directors and of the Committees of the Board of Directors of Rexel as at December 31, 2021:

■ Board of Directors

NUMBER OF MEETINGS	AVERAGE ATTENDANCE RATE	NUMBER OF DIRECTORS	INDEPENDENCE RATE ⁽¹⁾	REPRESENTATION OF WOMEN ⁽¹⁾	AVERAGE AGE
17	97%	12	80%	<ul style="list-style-type: none"> • 50% • 2 committees out of 3 chaired by a woman 	57

(1) Excluding the Directors representing the employees.

■ Audit and Risk Committee

NUMBER OF MEETINGS	AVERAGE ATTENDANCE RATE	NUMBER OF DIRECTORS ⁽¹⁾	INDEPENDENCE RATE ⁽¹⁾	REPRESENTATION OF WOMEN ⁽¹⁾	AVERAGE AGE ⁽¹⁾
5	100%	5	100%	60%	63

(1) Since January 1, 2022, Marcus Alexanderson has been a member of the Audit and Risk Committee, bringing the number of members to 6, the independence rate to 83%, the representation of women to 50% and the average age to 60.

■ Nomination Committee

NUMBER OF MEETINGS	AVERAGE ATTENDANCE RATE	NUMBER OF DIRECTORS	INDEPENDENCE RATE ⁽¹⁾⁽²⁾	REPRESENTATION OF WOMEN ⁽¹⁾⁽²⁾	AVERAGE AGE ⁽²⁾
10	100%	6	80%	40%	59

(1) Excluding the Director representing the employees.

(2) Since January 1, 2022, Maria Richter has been a member of the Nomination Committee, replacing Marcus Alexanderson, bringing the independence rate to 100%, the female representation rate to 60% and the average age to 62.

■ Compensation Committee

NUMBER OF MEETINGS	AVERAGE ATTENDANCE RATE	NUMBER OF DIRECTORS	INDEPENDENCE RATE ⁽¹⁾	REPRESENTATION OF WOMEN ⁽¹⁾	AVERAGE AGE ⁽²⁾
7	98%	7	83%	50%	59

(1) Excluding the Director representing the employees.

(2) Since January 1, 2022, Brigitte Cantaloube has replaced Maria Richter as a member of the Compensation Committee, bringing the average age to 57.

3.1.1.1 Membership of the Board of Directors

As at December 31, 2021, the Board of Directors was made up of 12 Directors, the details of whom are set out below.

IAN MEAKINS

(65 years old)

Professional address:

Rexel
13, Boulevard du Fort de Vaux
75017 Paris – France

Number of Rexel shares held:

115,250

Experience and expertise

Chairman of the Board of Directors, Member of the Audit and Risk Committee, the Nomination Committee and the Compensation Committee

Ian Meakins was co-opted as Director by the Board of Directors on July 1, 2016, in replacement of Rudy Provoost. He was also appointed Chairman of the Board of Directors on July 1, 2016, effective October 1, 2016. His co-option as well as the renewal of his term of office have been approved by the Shareholders' Meeting of May 23, 2017. Ian Meakins' term of office as Director was renewed during the June 25, 2020 Shareholders' Meeting.

Ian Meakins is a British citizen.

He was Chief Executive Officer for Wolseley from July 2009 to August 2016, when he retired. He was previously Chief Executive Officer for Traveler, an international company dealing with currency exchange and payments.

Before that he was Chief Executive Officer for Alliance UniChem plc until its merger with Boots in July 2006. Between 2000 and 2004, he was President in charge of European Major Markets and Global Supply for Diageo plc, a company for which he has held various international management positions for more than 12 years. Ian Meakins was also the non-executive Chairman of the Learning Network until November 30, 2020.

He was a non-executive Director and senior director of Centrica plc.

Ian Meakins is a graduate of Cambridge University.

Term of office

First appointment:

July 1, 2016

Current term of office:

From June 25, 2020, until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2023

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Chairman of the Board of Directors of Rexel
- Member of Rexel's Audit and Risk Committee
- Member of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Strategic Investment Committee
- Member of Rexel's Nomination and Compensation Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

- Non-Executive Chairman of Compass Group (United Kingdom – listed company)

Over the last five financial years:

In France

–

Abroad

- Non-Executive Chairman of The Learning Network (The Netherlands – non-listed company)
- Chief Executive Officer of Wolseley plc (United Kingdom – listed company)
- Chairman of Wolseley plc Executive Committee (United Kingdom – listed company)

FRANÇOIS HENROT

(72 years old)

Professional address:
Rothschild & Cie
23 bis, avenue de Messine
75008 Paris – France

Number of Rexel shares held:
7,133

Experience and expertise

Senior Independent Director, Deputy Chairman of the Board of Directors, Member of the Nomination Committee and Member of the Compensation Committee

François Henrot has served on the Board of Directors of Rexel as Senior Independent Director referent and Deputy Chairman of the Board since May 22, 2014. He served as interim Chairman of the Board of Directors between July 1, 2016, and October 1, 2016. He was previously a member of the Supervisory Board of Rexel further to his co-option on October 30, 2013, to replace Manfred Kindle. The ratification of his co-option as member of the Supervisory Board was approved by the Shareholders' Meeting of May 22, 2014. The renewal of his term of office has been approved by the Shareholders' Meeting of May 23, 2017, and subsequently by the Shareholders' Meeting of April 22, 2021.

François Henrot is a French citizen.

He was Managing Partner of Rothschild & Cie from 1998 to 2021, and serves as Chairman of the investment bank of the Rothschild Group. He started his career in 1974 at the French Council of State. In 1979, he became Director of France's Telecommunications Department. In 1985, he joined the Compagnie Bancaire where he became COO and Chairman of the Management Board. He was a Management Board Member at Compagnie Financière de Paribas from 1995 to 1998 before joining Rothschild. He is a member of the Supervisory Board of Rothschild & Co (the holding company of the Rothschild Group), and of Yam Invest NV and a Director of Cobepa, which he presides.

François Henrot is a graduate of the *École Nationale d'Administration* (ENA) and of the University of Stanford.

Term of office

First appointment:

October 30, 2013 (as member of the Supervisory Board)

May 22, 2014 (as Director)

Current term of office:

From April 22, 2021 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2024

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Senior Independent Director of Rexel
- Deputy Chairman of the Board of Directors
- Member of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Strategic Investment Committee
- Chairman of the Board of Directors of Rexel from July 1, 2016 to September 30, 2016
- Member of Rexel's Supervisory Board
- Chairman of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee
- Member of Rexel's Strategic Committee
- Chairman of Rexel's Nomination and Compensation Committee
- Member of Rexel's Audit and Risk Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- Chairman of the investment bank of the Rothschild Group (France – non-listed company)
- Member of the Supervisory Board of Rothschild & Co (holding of the Rothschild Group) (France – listed company)
- Special Senior Advisor of Rothschild & Cie (France – non-listed company)
- Vice-President of Rothschild Europe (France – non-listed company)

Abroad

- Member of the Supervisory Board of Yam Invest NV (The Netherlands – non-listed company)
- Chairman of the Board of Directors of Cobepa (Belgium – non-listed company)

Over the last five financial years:

In France

- Managing partner of Rothschild & Cie Banque (France – non-listed company)

Abroad

–

MARCUS ALEXANDERSON

(46 years old)

Professional address:

Cevian Capital
Engelbrektsgatan, 5
114 32 Stockholm – Sweden

Number of Rexel shares held:

5,000

Experience and expertise

Director, Member of the Nomination Committee and member of the Compensation Committee

Marcus Alexanderson was co-opted as Director by the Board of Directors on May 15, 2017, to replace Pier-Luigi Sigismondi. His co-option as well as the renewal of his term of office were approved by the Shareholders' Meeting of May 24, 2018. The renewal of his directorship was subsequently approved in advance by the Shareholders' Meeting of April 22, 2021.

Marcus Alexanderson is a Swedish citizen.

He is a partner of Cevian Capital AB, an investment advisor to Cevian Capital, an investment fund managing EUR 13 billion of assets and investing in listed European companies. He joined Cevian Capital at its founding in 2002 and is co-responsible for the investment and active shareholding businesses of Cevian. Previously, Marcus Alexanderson was an investment analyst with AB Cutos (Sweden).

Marcus Alexanderson holds a Master of Science in Economics and Business Administration from the Stockholm School of Economics.

Term of office

First appointment:

May 15, 2017 (co-option)

Current term of office:

From April 22, 2021 until the Shareholders' Meeting deciding on the accounts for the financial year ended December 31, 2024

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Nomination Committee*
- Member of Rexel's Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Nomination Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

- Partner of Cevian Capital AB (Sweden – non-listed company)

Over the last five financial years:

In France

–

Abroad

–

* Since January 1, 2022, Marcus Alexanderson has been a member of the Audit and Risk Committee and is no longer a member of the Nomination Committee.

FRANÇOIS AUQUE

(65 years old)

Professional address:
77, rue Madame
75006 Paris – France

Number of Rexel shares held:
3,000

Experience and expertise

Director and Chairman of the Audit and Risk Committee

François Auque has been a Director and Chairman of the Audit and Risk Committee of Rexel since May 23, 2019. Previously, he was appointed as Observer of Rexel on October 24, 2018 with a view to proposing his candidacy as Director, replacing Fritz Froehlich.

François Auque is a French citizen.

He is a partner at InfraVia Capital Partners.

He was Chairman of the Airbus Ventures Investment Committee from July 2016 to September 2018. Previously, for 16 years, he headed the Space Division of the Airbus group as a member of the Group Executive Committee.

Previously, he was Chief Financial Officer of Aerospatiale Matra after having been Chief Financial Officer and together Corporate Executive Vice-President of Aerospatiale from 1991 to 2000. He began his career at the French Court of Auditors (*Cour des Comptes*), then joined the Suez Group and Credisuez.

He has been a member of various Boards of Directors: Dassault Aviation, Arianespace, GIFAS, Starsem (Russia), MBDA, OneWeb (United Kingdom/United States), Seraphim Space Fund (United Kingdom) and Chairman of the Board of *Bordeaux École de Management*.

François Auque is a graduate of *École des hautes études commerciales* (HEC), *Science-Po Paris* and *École nationale d'administration* (ENA).

Term of office

First appointment:

May 23, 2019

Current term of office:

From May 23, 2019 until the Shareholders' Meeting deciding on the accounts for the financial year ended December 31, 2022

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Chairman of the Audit and Risk Committee of Rexel

Abroad

–

Over the last five financial years:

In France

- Observer of the Board of Directors and of the Audit and Risk Committee of Rexel

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- Partner at InfraVia Capital Partners
- Director of Airbus Defence and Space Holding SAS (France – non-listed company)

Abroad

- Director of CyberArk (United States – listed company)

Over the last five financial years:

In France

- Director of Arianespace (France – non-listed company)
- Director of Starsem (France – non-listed company)
- Director of MBDA (France – non-listed company)

Abroad

- Deputy Director of OneWeb (United Kingdom/United States – non-listed company)
- Director of Seraphim Space Fund (United Kingdom – non-listed company)
- Director of Airbus Espana (Spain – non-listed company)
- Director of Airbus North America (United States – non-listed company)

JULIEN BONNEL

(35 years old)

Professional address :

Rexel Spain
Avenida de la Recomba, 7
28914 Leganès – Madrid
Spain

Number of Rexel shares held:

4,625
(In accordance with Article 14 of the by-laws, the Director representing the employees does not have to hold a minimum number of shares of the Company)

Experience and expertise

Director representing the employees, member of the Compensation Committee

Julien Bonnel was appointed on November 17, 2017 and renewed on April 22, 2021 as Director representing the employees by the most representative trade union in the French subsidiaries of the Rexel Group.

Julien Bonnel is a French citizen.

He has been Sales Director and Chief Transformation Officer within Rexel Spain since 2018. He joined the Rexel Group in 2012, when he worked within the Strategy Division of the Group, subsequently as a branch Manager in Nîmes and finally as Head of Hérault division of Rexel France. He started his career as a consultant and strategy with Estin & Co (2009-2012).

Julien Bonnel is a graduate of the *École Centrale de Paris*.

Term of office

First appointment:

November 17, 2017

Current term of office:

From April 22, 2021 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2024

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Compensation Committee

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- CEO (*Président*) of Evariste (France – non-listed company)
- CEO (*Gérant*) of GFA Henri (France – non-listed company)

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

BRIGITTE CANTALOUBE

(54 years old)

Professional address:
Rexel
13, Boulevard du Fort de Vaux
75017 Paris – France

Number of Rexel shares held:
1,000

Experience and expertise

*Director, member of the Audit and Risk Committee**

Brigitte Cantaloube was co-opted as Director by the Board of Directors on February 12, 2020, in replacement of Thomas Farrell. Her co-option as well as the renewal of her term of office were approved by the Shareholders' Meeting of June 25, 2020.

Brigitte Cantaloube is a French citizen.

She was Chief Digital Officer for PSA group from February 2016 to November 2017, in charge of leading the digital transformation of the Group as well as the management of the partnerships with global digital players. She had previously occupied various executive positions within Yahoo! Group and in particular, as Vice-President and Commercial Director in charge of EMEA, based in London, from 2014 to 2016, Managing Director of Yahoo! France from 2009 to 2014, Commercial Director for Yahoo! France from 2008 to 2009, Commercial Director for Display from 2006 to 2007. Previously, she was Advertising Director of *L'Express magazine* in charge of the advertising market and the advertising revenue from 2002 to 2006.

Brigitte Cantaloube had started her career as Sales Executive within L'Expansion group (1992-2002) where she held a number of executive positions, notably Sales Director in charge of *La Vie Financière magazine* (1996-1999) and Partnerships and Marketing Director in charge of the internet department of L'Expansion group (2000-2002).

She has a Master's Degree in Management from EDHEC Business School Lille.

* Since January 1, 2022, Brigitte Cantaloube has also been a member of the Compensation Committee.

Term of office

First appointment:

February 12, 2020 (co-option)

Current term of office:

From June 25, 2020, until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2023

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Audit and Risk Committee*

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

BARBARA DALIBARD

(63 years old)

Business address:
Rexel
13, Boulevard du Fort de Vaux
75017 Paris - France

Number of Rexel shares held :
2,400

Experience and expertise

Director, member of the Compensation Committee

Barbara Dalibard was co-opted as a Director by the Board of Directors on December 3, 2021 to replace Herna Verhagen, who resigned, for the remainder of her predecessor's term of office, i.e. until the Shareholders' Meeting of April 22, 2022. Her co-option and the renewal of her term of office as Director for a period of four years will be submitted to the Shareholders' Meeting for approval.

Barbara Dalibard is a French citizen.

Barbara Dalibard was Chief Executive Officer and member of the Board of Directors of SITA (*Société Internationale de Télécommunication Aéronautique*) from 2016 to 2021. She has held various duties in several companies in the new technology industry.

Barbara Dalibard has also spent most of her career at Orange, where she held various management positions, including that of CEO of Orange Business Services. She was also CEO of SNCF Voyageurs and chaired or was a member of the Board of Directors of several international subsidiaries of SNCF (Voyages sncf.com, NTV, Eurostar). She was a member of the Board of Directors of Société Générale and a member of the Supervisory Board of Wolters Kluwer and is currently Chairman of the Supervisory Board of Michelin.

Barbara Dalibard is an alumna of the *École normale supérieure*, an associate professor of mathematics, a graduate engineer of the *École nationale supérieure des télécommunications* (ENST) and an honorary general engineer of the *Corps des Mines*. She is an officer of the *Légion d'honneur*, an officer of the *Ordre du mérite*, a member of *Académie des technologies* and an honorary doctor of *École Polytechnique de Montréal*.

Term of office

First appointment:

December 3, 2021 (co-option)

Current term of office:

From December 3, 2021 until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021

The renewal of her term of office until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025 is subject to approval by the Shareholders' Meeting of April 22, 2022

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of the Compensation Committee of Rexel

Abroad

-

Over the past five financial years :

In France

-

Abroad

-

Titles and duties outside the Rexel Group:

Current:

In France

- Chairman of the Supervisory Board of Michelin (France - listed company)
- Member of the Board of Directors of the *Institut Polytechnique de Paris* (public entity - not listed)
- Non-voting member of the Supervisory committee of Castillon (France - non-listed company)

Abroad

-

Over the past five financial years :

In France

-

Abroad

- Chief Executive Officer and Director of SITA (Switzerland - non-listed company)

TONI KILLEBREW

(43 years old)

Professional address:

Rexel USA
Gexpro Midwest Region
3830 Hanna Circle, Suite A
Indianapolis, IN 46241

Number of Rexel shares held:

–
(In accordance with Article 14 of the by-laws, the Director representing the employees does not have to hold a minimum number of shares of the Company)

Experience and expertise

Director representing the employees, member of the Nomination Committee

Toni Killebrew was appointed as a Director representing the employees by the European Works Council on November 19, 2020.

Toni Killebrew is a US Citizen.

She has been a District Sales Manager within Rexel USA (Gexpro Midwest Region) since March 2020. Toni Killebrew joined Rexel as part of the acquisition of GE Supply in 2006, under the Global Sales Organization. She started her career with GE Supply in 2000 and has held positions in Sales and Operations since that time.

Toni Killebrew holds a Bachelor of Science in Business Management from the University of Evansville and an MBA in Finance from the Kelley School of Business at Indiana University.

Term of office

First appointment:

November 19, 2020

Current term of office:

From November 19, 2020, until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2023

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Nomination Committee

–

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

–

Over the last five financial years:

In France

–

Abroad

ELEN PHILLIPS

(62 years old)

Professional address:

Rexel
13, Boulevard du Fort de Vaux
75017 Paris – France

Number of Rexel shares held:

5,000

Experience and expertise

Director, Member of the Audit and Risk Committee and Nomination Committee

Elen Phillips was co-opted as Director by the Board of Directors on March 8, 2016 in replacement of Isabel Marey-Semper. Her co-option as well as the renewal of her term of office have been approved by the Shareholders' Meeting of May 25, 2016.

The renewal of her term of office as Director was also approved by anticipation by the Shareholders' Meeting of May 23, 2019.

Elen Phillips is a dual citizen of the United Kingdom and the United States.

She was Vice-President Fuel Sales and Marketing of Shell Oil for the American continent from 2010 until her retirement from the Shell Group at the end of March 2016.

She had previously occupied various executive positions within the Shell Group, in particular as Vice-President in charge of the Shell International worldwide distribution network from 2004 to 2010 and Manager of the Shell Retail International distribution network from 2002 to 2004 and Chief Executive Officer in charge of network development of Shell Oil from 2000 to 2002. She also served as Chief Executive Officer Retail Sales for the Gulf Coast region of the United States of Motiva Enterprises LLC from 1998 to 2000. Previously, she was Commercial Manager Retail for the East region of Shell Oil from 1997 to 1998. She acted as consultant within the enterprise transformation team of Shell Oil from 1995 to 1997 and as commercial manager in charge of aircraft fuels of Shell Oil Products from 1993 to 1995. She was also in charge of program development for Shell Chemical from 1991 to 1993 as well as of the strategic development of Shell International Chemical from 1988 to 1990. She had started her career within the Shell Group in 1983, and was in charge of business development and of product management until 1988.

Elen Phillips holds a BSc in Chemistry & Business (Salford University) and a Master in Business Science (Manchester Business School).

Term of office

First appointment:

March 8, 2016 (co-option)

Current term of office:

May 23, 2019 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2022

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Audit and Risk Committee
- Member of Rexel's Nomination Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Strategic Investment Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

–

Over the last five financial years:

In France

–

Abroad

- Vice-President, Fuel Sales and Marketing of Shell Oil for the American continent (United States – listed company)

MARIA RICHTER

(67 years old)

Professional address:

Rexel
13, Boulevard du Fort de Vaux
75017 Paris – France

Number of Rexel shares held:

6,500

Experience and expertise

*Director, Member of the Audit and Risk Committee and Member of the Compensation Committee**

Maria Richter was co-opted as Director by the Board of Directors on May 22, 2014, to replace Roberto Quarta. Her co-optation and the renewal of her directorship have been approved by the Shareholders' Meeting of May 27, 2015. The renewal of her term of office was approved by anticipation by the Shareholders' Meeting of May 24, 2018, and subsequently by the Shareholders' Meeting of April 22, 2021.

Maria Richter is a dual citizen of the Republic of Panama and the United States.

A former Investment Banker, she currently sits as a non-executive Director on public and private company boards. From 2003 to July 2014, she was a Non-Executive Director of National Grid plc and Chairwoman of its Finance Committee and a member of its Audit Committee and Appointments Committee. Since 2008, she has been a Director of Bessemer Trust, a US wealth management company and is a member of its Compensation Committee. Since January 1, 2015 she has also served as a Non-Executive Director of Johannesburg based Anglo Gold Ashanti and a member of the company's Audit and Risk Committee and Human Resources & Compensation Committee. Since May, 2019, she also serves as a Chairman of the company's Human Resources & Compensation Committee and a member of the Nomination Committee. From September, 2017, to September, 2019, she also served as non-executive Director of Barclays Bank plc. She began her career as an attorney for the then law firm Dewey Ballantine (1980-1985) before joining The Prudential (1985-1992) where she held a number of executive positions latterly as a Vice-President of Prudential Power Funding Associates. She joined Salomon Brothers (1992-1993) as Vice-President and then joined Morgan Stanley (1993-2002) as Executive Director and Head of Independent Power and Structured Finance and later became Managing Director and Head of South America Investment Banking and Managing Director of Corporate Finance Retail.

Maria Richter has a Bachelor of Arts degree from Cornell University and a Juris Doctor degree from Georgetown University Law Center.

* Since January 1, 2022, Maria Richter has been a member of the Nomination Committee and is no longer a member of the Compensation Committee.

Term of office

First appointment:

May 22, 2014

Current term of office:

From April 22, 2021 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2024

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Audit and Risk Committee
- Member of Rexel's Compensation Committee*

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Compensation Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

- Director and member of the Compensation Committee of Bessemer Trust (United States – non-listed company)
- Non-executive Director, Chairman of the Human Resources & Compensation Committee, member of the Audit and Risk Committee and member of the Nomination Committee of Anglo Gold Ashanti (South Africa – listed company)

Over the last five financial years:

In France

–

Abroad

- Director of Pro Mujer International (United States – non-listed organization) and Chairwoman of the Board of Trustees of Pro Mujer UK (United Kingdom – non-listed organization)
- Non-executive Director and member of the Risk Committee and Compensation Committee of Barclays Bank plc (United Kingdom – listed company)

GUILLAUME TEXIER

(48 years old)

Professional address:

Rexel
13, Boulevard du Fort de Vaux
75017 Paris - France

Number of Rexel shares held:

10,000⁽¹⁾

Experience and expertise

Director, Chief Executive Officer

Guillaume Texier has been a Director of Rexel since September 1, 2021.

Guillaume Texier is a French citizen.

He began his career in the French administration where he was, *inter alia*, a technical advisor to the cabinets of the ministers in charge of ecology and industry.

Guillaume Texier joined Saint-Gobain in 2005 where he was successively Group Planning and Strategy Director, Chief Executive Officer Gypsum of CertainTeed in Canada, Chief Executive Officer Roofing Materials of CertainTeed in the United States, Chief Executive Officer of the Ceramic Materials business worldwide and CFO of Saint-Gobain from 2016 to 2018 and Senior Executive Vice-President, of the Southern Europe, Middle East and Africa regions, where he managed all of Saint-Gobain's activities in the region, including construction materials distribution and the production of glass, gypsum, insulation, mortars, for a scope representing approximately €12 billion in sales in 2020 and employing over 40,000 people.

He has also been a member of the Veolia Board of Directors since 2016 and Chairman of Institut Mines Telecom Atlantique since 2016.

He is a graduate of *École Polytechnique* and of *Mines Paris Tech*.

Term of office

First appointment:

April 22, 2021, effective September 1, 2021

Current term of office:

From September 1, 2021 until the Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2024

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- CEO of Rexel
- Director of Rexel France

Abroad

- Director and Chairman of Rexel USA
- Chairman and CEO of Rexel North America Inc.

Over the last five financial years:

In France

–

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- Member of the Board of Directors of Veolia (France – listed company)
- Chairman of Institut Mines Telecom Atlantique (France – public entity, non-listed)

Abroad

–

Over the last five financial years:

In France

- Assistant CEO, CEO South Europe, Middle-East, Africa of Saint Gobain (France – listed company)

Abroad

–

(1) Shares purchased on February 17, 2022.

AGNÈS TOURAINE

(66 years old)

Professional address:
Act III Consultants
5, rue Budé
75004 Paris – France

Number of Rexel shares held:
1,112

Experience and expertise

Director, Chairwoman of the Compensation Committee and of the Nomination Committee

Agnès Touraine was co-opted as Director by the Board of Directors on February 10, 2017 in replacement of Marianne Culver.

Her co-option was approved by the Shareholders' Meeting of May 23, 2017.

The renewal of her term of office was approved by anticipation by the Shareholders' Meeting of May 23, 2019.

Agnès Touraine is a French citizen.

She is also the CEO and founder of Act III Consultants, a consultancy firm dedicated to digital transition. Previously, she acted as Chairwoman and CEO of Vivendi Universal Publishing after having spent 10 years at Groupe Lagardère and 4 years at McKinsey. She is a Director of GBL, Proximus and SNCF, and of the Supervisory Board of Tarkett. She previously acted as non-executive Director of Cable&Wireless Plc (UK), Neopost and Darty Plc. She is also a member of the Board of various non-profit organizations such as IDATE and the French American Foundation.

Agnès Touraine was also Chairwoman of the IFA (*Institut Français des Administrateurs*) until May, 2019.

She is a graduate in law of Sciences-Po Paris and of Columbia University Business School (MBA).

Term of office

First appointment:

February 10, 2017 (co-option)

Current term of office:

From May 23, 2019 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2022

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Chairwoman of Rexel's Compensation Committee
- Chairwoman of Rexel's Nomination Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Nomination and Compensation Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- Member of the Supervisory Board of Tarkett (France – listed company)
- Member of the Supervisory Board of 2iPartners (France – non-listed)
- Member of the Supervisory Board of the French American Foundation (France – association, non-listed)
- Director of SNCF (France – non-listed company)

Abroad

- Director of Proximus (Belgium – listed company)
- Director of GBL (Belgium – listed company)

Over the last five financial years:

In France

- Chairwoman of the IFA (*Institut Français des Administrateurs*, France – association, non-listed)

Abroad

- Director of Darty Plc (United Kingdom – listed company)
- Director of Keesing (The Netherlands – non-listed company)

Departure, nomination and renewal of members of the Board of Directors

During the financial year ended on December 31, 2021, the following changes took place in the membership of the Board of Directors:

DIRECTOR	APPOINTMENT/ CO-OPTION/ APPROVAL	RE-ELECTION	LEAVE	COMMENTS
François Henrot		X		Renewal of term of office as director by the Shareholders' Meeting of April 22, 2021.
Marcus Alexanderson		X		Renewal of term of office as director by the Shareholders' Meeting of April 22, 2021.
Maria Richter		X		Ratification of the co-option and renewal of term of office as director by the Shareholders' Meeting of April 22, 2021.
Patrick Berard			X	Termination of the Director's duties as of September 1, 2021
Guillaume Texier	X			Appointment as Director by the Shareholders' Meeting of April 22, 2021, effective September 1, 2021
Herna Verhagen			X	Resignation from her Director duties effective November 29, 2021
Barbara Dalibard	X			Co-option as Director to replace Herna Verhagen as of December 3, 2021

It will be proposed to the Shareholders' Meeting of April 21, 2022 to:

- ratify the co-option of Barbara Dalibard as Director decided by the Board of Directors on December 3, 2021 and, since her term of office expires at the close of the Shareholders' Meeting of April 21, 2022, to renew her term of office for a period of four years;

- renew in advance for a term of 4 years the terms of office as Director of François Auque and Agnès Touraine, pursuant to article 14.2 of the by-laws, which provides for a renewal in quarters, rounded up to the nearest whole number each year.

Succession plan

The Nomination Committee drew up a succession plan for the Chief Executive Officer, based on different hypothesis (including in case of anticipated or unforeseen situations).

The Nomination Committee works together with the other Committees of the Board of Directors. The Committee also solicits the contribution of the General Secretary, the Group Human Resources Manager and the Chief Executive Officer. These contributions aim, in particular, at defining the criteria, identifying internally the candidates, and conducting interviews. In addition, the Board of Directors is led to meet with the candidates. The appropriate profile of the officer in terms of leadership and personality has been defined based on several selection criteria. In particular, the Nomination Committee ensures compliance with Rexel's non-discrimination and diversity policies, in particular the search for a balanced representation of men and women in senior management.

A recruitment advisory firm assists it throughout the whole process, from the definition of the

required profile to the presentation of potential candidates for the functions of Chief Executive Officer or Directors.

The succession plan is reviewed two times per year.

The Board of Directors has been informed of the progress of the works relating to the establishment of the succession plan in 2021 and has been informed regularly of its implementation, as the case may be, after each meeting of the Nomination Committee. The Chairman of the Audit and Risk Committee and the Chairwoman of the Compensation Committee were involved in the work of the Nomination Committee, in particular as part of the review of the succession plan of the Chief Executive Officer. The Board of Directors has to approve the implementation of the plan and the candidate and submit the project to the Shareholders' Meeting, if necessary.

Succession plans have also been drawn up for the Chairman and the Vice-Chairman of the Board of Directors.

Implementation in the context of the succession of Patrick Berard

As part of the succession plan for the Chief Executive Officer, the Board of Directors, on the recommendation of the Nomination Committee, which worked in depth with the Chairwoman of the Compensation Committee and the Chairman of the Audit and Risk Committee, in particular, has decided to appoint Guillaume Texier as the new Chief Executive Officer as of September 1, 2021.

Guillaume Texier was selected after an extensive search process carried out by the Nomination Committee with the assistance of a leading recruitment firm and was unanimously considered the best candidate.

Patrick Berard has agreed to stay on until March 1, 2022 and ensure a smooth transition in the implementation of Rexel's strategic roadmap presented in February 2021.

3.1.1.2 A membership of the Board of Directors based on skills and diversity

Diversity policy within the Board of Directors

The Board of Directors is committed to ensuring effective diversity among its members and among the members of its Committees. A team made up of members with diverse and complementary profiles, whether in terms of age, gender, nationality or qualifications, who also benefit from the necessary experience and expertise to manage the Group's strategy and achieve its objectives, is indeed a key factor to ensure a proper administration of Rexel.

The policy implemented by the Board of Directors therefore aims at recruiting diverse profiles, having recognized experience and expertise to ensure cohesiveness among the directors and to allow the Board of Directors and its Committees to carry out their operations thoroughly and efficiently and in line with the businesses of the Rexel Group.

The diversity policy of the Board of Directors is organized in accordance with the following principles:

- Presence of members with complementary and recognized skills: the Board of Directors strives to ensure a balanced composition, seeking complementarity among its members in terms of experience in international business, management, finance and digital, strategy, regulation, social and environmental responsibility, and the retail sector (see the matrix of directors' skills in section 3.1.1.2 "A Board of Directors focused on skills and diversity" of this Universal Registration Document);
- Search of generational balance: the Board of Directors seeks to maintain an ongoing balance

in the age distribution of its members. As at December 31, 2021, the members of the Board of Directors were between 35 and 72 years of age (including Directors representing employees);

- Presence of independent members: the Board of Directors endeavors to ensure that the proportion of independent members on the Board and on each of its Committees complies with market recommendations and, in particular, with the requirements of the AFEP-MEDEF Code;
- Diversity of nationalities and multicultural dimension: in addition to the need for each director to have international experience, the diversity policy aims to bring together directors of various nationalities and cultures;
- Balanced representation of men and women: the Board of Directors seeks a balance of men and women both within the Board and in its Committees, with the aim of maintaining a gender balance of around 50%.

Appointments of new profiles are submitted by the Board of Directors to the General Shareholders' Meeting, after receiving recommendations from the Nomination Committee. The Nomination Committee reviews the profile, skills and experience of each of the directors and verifies that they are in line with the policy determined by the Board of Directors (see paragraph 3.1.5 "Non-discrimination and diversity policy within management bodies" of this Universal Registration Document).

Members with complementary and recognized skills

The Board of Directors estimates that its current membership allows it to benefit from the complementarity and recognized skills of its members. Indeed, the Directors have the practical and industry skills allowing the Board to carry out its operations thoroughly and efficiently.

Similarly, in its works relating to the evolution of its membership, the Board of Directors takes into account the current skills of its members and identifies the skills to be sought among candidates.

The skills represented within the Board of Directors, at December 31, 2021, are set out below.

■ Skills matrix of the Directors

	INTERNATIONAL EXPERIENCE	MANAGEMENT EXPERIENCE	FINANCE	STRATEGY	DISTRIBUTION INDUSTRY	REGULATIONS	DIGITAL	SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY
DIRECTORS								
Ian Meakins	✓	✓	✓	✓	✓			
François Henrot	✓	✓	✓	✓	✓			
Marcus Alexanderson	✓		✓	✓				
François Auque	✓	✓	✓	✓			✓	✓
Julien Bonnel	✓	✓		✓	✓			
Brigitte Cantaloube	✓	✓		✓			✓	
Barbara Dalibard	✓	✓					✓	
Toni Killebrew	✓	✓			✓			✓
Elen Phillips	✓		✓		✓	✓		✓
Maria Richter	✓	✓	✓			✓		✓
Guillaume Texier	✓	✓	✓	✓	✓			✓
Agnès Touraine	✓			✓		✓	✓	✓

Directors with a diversity of nationalities provide a multicultural dimension to the Board of Directors

As at December 31, 2021, 5 Directors were foreign nationals (United States, Panama, United Kingdom, Sweden).

This cultural diversity among the Directors allows the latter to benefit from various visions and to better grasp the international issues at stake for the Rexel Group.

Independent directors

The Board of Directors and each of the Committees are composed of independent members elected or co-opted as such. They comply with the principles and good practices of corporate governance set out in the internal rules of the Board of Directors.

Definition of independence and related criteria

The definition of independence as well as the independence criteria are set by reference to the AFEP and MEDEF corporate governance guidelines.

Accordingly, in assessing the situation of each Director, the Board of Directors analyzes the following criteria:

- Not be (or have been, over the past five years) an employee or an executive corporate officer of the Company or of a company included in its scope of consolidation, or an employee, an executive corporate officer or a Director of its parent company or of any company consolidated by the parent company;

- Not be an executive corporate officer of a company in which the Company holds a directorship (whether directly or indirectly) or in which an employee appointed as a Director or an executive corporate officer of the Company (currently or over the past five years) hold as directorship;
- Not be a client, supplier, investment banker, finance banker, counsel (or be directly linked to such persons):
 - Of significant importance to the Company or its Group;
 - Or for whom the Company or its Group presents a substantial part of its business.

For the purpose of the analysis of this criterion, the Board of Directors analyzes:

- The weight of the supplier in the total expenses of the Group/the weight of the client in to the total sales of the Group, or the fact that the Company or its Group represents a substantial part of the business of the supplier/of the client; and
- The appraisal of exclusive relationships;
- Not have any close family ties with a corporate officer;
- Not have been a Statutory Auditor of the business in the past five years;
- Not be a Director of the business for more than twelve years. The loss of the capacity of independent Director occurs after twelve years.

Furthermore, a non-executive corporate officer cannot be considered as independent if he or she receives:

- variable compensation in cash;
- shares; or
- any compensation related to the performance of the company or the group.

Directors representing significant shareholders of the company or of its parent company may be considered as independent. To this end, such shareholders must not participate in the control of the company. Nevertheless, beyond a threshold of 10% of share capital or voting rights held, the Nomination Committee provides a report to the Board of Directors, which systematically questions the capacity of independent Director. For such purpose, it considers the shareholding structure of the Company and the existence of potential conflicts of interest.

The Board of Directors may find that even where a Director satisfies the criteria recommended by

AFEP and MEDEF, that Director may not be qualified as independent. This may be due to his/her individual situation or to the situation of Rexel, in light of its shareholder base or for any other reason. Conversely, the Board of Directors may consider that a director who does not satisfy the criteria detailed above is nonetheless independent.

Qualification procedure for independent members

The Nomination Committee reviews the designation of independent members each year and draws up a report to the attention of the Board of Directors on the matter. The Board relies on such report to review the situation of each director with respect to independence criteria.

The Board of Directors submits the findings of its review to the shareholders in the annual report.

The findings of the report of the Board of Directors are mentioned in paragraph below.

As of December 31, 2021 and in accordance with the guidelines of the AFEP-MEDEF Code in connection with the percentage of independent members within Board of Directors and Committees, and in particular guideline 9.3, which provides that the Directors who represent employees shall not be accounted for when determining the percentage of independent directors within the Board of Directors:

- 8 members out of 10 of the Board of Directors, excluding the director representing employees, were considered as independent: François Auque, Brigitte Cantaloube, Barbara Dalibard, François Henrot, Ian Meakins, Elen Phillips, Maria Richter and Agnès Touraine, *i.e.*, an independence rate of 80%;
- 5 members out of 5 of the Audit and Risk Committee were considered as independent: François Auque, Brigitte Cantaloube, Ian Meakins, Elen Phillips and Maria Richter, *i.e.*, an independence rate of 100%;⁽¹⁾
- 4 members out of 5 of the Nomination Committee, excluding the director representing employees, were considered as independent: François Henrot, Ian Meakins, Elen Phillips and Agnès Touraine, *i.e.*, an independence rate of 80%⁽²⁾; and
- 5 members out of 6 of the Compensation Committee, excluding the director representing employees, were considered as independent: Barbara Dalibard, François Henrot, Ian Meakins, Maria Richter⁽³⁾ and Agnès Touraine *i.e.*, an independence rate of 83%.

(1) Since January 1, 2022, Marcus Alexanderson has been a member of the Audit and Risk Committee, bringing the number of members to 6 and the independence rate to 83%.

(2) Since January 1, 2022, Maria Richter has been a member of the Nomination Committee, replacing Marcus Alexanderson, bringing the independence rate to 100%.

(3) Since January 1, 2022, Brigitte Cantaloube has been a member of the Compensation Committee, replacing Maria Richter.

Based on the report drawn up by the Nomination Committee, the Board of Directors of February 10, 2022 reviewed the status of each Director (except for the Directors representing the employees). It relied to this end on the independence criteria established by the AFEP-MEDEF Code.

In particular, the status of François Henrot has been analyzed. The review considered in particular whether or not the existing business relationship between Rexel and the Rothschild Group is significant. It allowed the Nomination Committee to conclude that there was no significant business relationship between Rexel and the Rothschild Group. These findings took into consideration the following elements:

- The fees paid to the Rothschild Group represent a small percentage of the consolidated turnover of Rexel (approximately 0.018% in 2021); and
- The type of missions provided by the Rothschild Group to Rexel. Those financial consulting missions do not fall under the field of intervention

of François Henrot within the Rothschild Group. Those missions are not provided by departments or offices under his responsibility and François Henrot is not informed, within the Rothschild Group, of the missions carried out for the benefit of Rexel. Indeed, “Chinese walls” need to be implemented. Furthermore, François Henrot is no longer a member of the Rothschild Group’s Managing Partners and is acting only as a special advisor.

In consideration of the report established by the Nomination Committee, the Board of Directors concluded that the Directors met the independence criteria within the meaning of the AFEP-MEDEF Code. Marcus Alexanderson and Guillaume Texier are not concerned by these findings.

This analysis did not cover Julien Bonnel and Toni Killebrew as Directors representing the employees.

The findings of this review are set out in the table below.

■ **Summary table of the independence criteria of the Directors compared to the criteria of the AFEP-MEDEF Code**

	NOT BEING OR HAVING BEEN WITHIN THE LAST FIVE YEARS AN EMPLOYEE, EXECUTIVE CORPORATE OFFICER OR DIRECTOR WITHIN THE GROUP	ABSENCE OF CROSS-DIRECTORSHIPS	ABSENCE OF BUSINESS RELATIONS	ABSENCE OF FAMILY TIES	NOT BEING AN AUDITOR OR FORMER AUDITOR	NOT BEING A DIRECTOR FOR MORE THAN 12 YEARS	NOT REPRESENTING A SHAREHOLDER HAVING MORE THAN 10%, ALONE OR IN CONCERT	DECIDED CHARACTERIZATION
DIRECTOR								
Ian Meakins	✓	✓	✓	✓	✓	✓	✓	Independent
François Henrot	✓	✓	✓ ⁽¹⁾	✓	✓	✓	✓	Independent
Marcus Alexanderson	✓	✓	✓	✓	✓	✓	⁽²⁾	Not independent
François Auque	✓	✓	✓	✓	✓	✓	✓	Independent
Julien Bonnel								Director representing the employees ⁽³⁾
Brigitte Cantaloube	✓	✓	✓	✓	✓	✓	✓	Independent
Barbara Dalibard	✓	✓	✓	✓	✓	✓	✓	Independent
Toni Killebrew								Director representing the employees ⁽³⁾
Elen Phillips	✓	✓	✓	✓	✓	✓	✓	Independent
Maria Richter	✓	✓	✓	✓	✓	✓	✓	Independent
Guillaume Texier	⁽⁴⁾	✓	✓	✓	✓	✓	✓	Not independent
Agnès Touraine	✓	✓	✓	✓	✓	✓	✓	Independent

(1) Please see above for an analysis of the situation of François Henrot.

(2) Marcus Alexanderson represents Cevian, a shareholder representing more than 10% of the share capital.

(3) In accordance with the guidelines of the AFEP-MEDEF Code, the Directors representing the employees are not accounted for in the calculation of the independence rates of the Board and of the Committees.

(4) Guillaume Texier has been serving as Chief Executive officer of Rexel since September 1, 2021

Balanced representation of men and women

As at December 31, 2021, the Board of Directors comprised 5 female members out of a total of 10 members excluding directors representing the employees, *i.e.*, 50%. Its composition was therefore

in compliance with the provisions of articles L.225-18-1 and L.22-10-3 of the French Commercial Code. Also, two out of the three Committees of the Board of Directors are chaired by a female: the

Nomination Committee and the Compensation Committee are chaired by Agnès Touraine.

In addition, with a view to achieving a balanced representation of women and men, and in accordance with Article L.225-53 of the French Commercial Code, the Board of Directors has implemented a selection process that guarantees the presence of at least one person of each gender among the candidates in the event of the appointment of a Deputy Chief Executive Officer. The process is organized primarily around internal departments and external service providers in charge of conducting the recruitment. These parties must identify, contact and select candidates of each gender to the extent possible. The

recruitment process is then carried out in such a way as to ensure that at least one person of each gender is present among the candidates. Once the profiles have been selected, the Nomination Committee makes its recommendations to the Board of Directors. It includes at least one candidate of each gender. Finally, the Board of Directors makes its decision taking into account the recommendations of the Nomination Committee.

The percentage of women will remain of 50% in the context of the renewal of the term of office of three Directors, François Auque, Barbara Dalibard and Agnès Touraine, proposed at the Shareholders' Meeting of April 21, 2022.

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Multiple corporate offices

Regarding multiple corporate offices, Rexel aims to comply with the recommendations of the AFEP-MEDEF Code.

The Board of Directors reviews the suggested appointments and the appointments of Directors

or of the Chief Executive Officer within a Board of Directors of another listed company. This review determines the potential impact of such appointments on the limitations on multiple corporate offices in accordance with the recommendations of the AFEP-MEDEF Code.

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Results of the diversity policy

In accordance with the diversity policy that it determined, the Board of Directors submitted to the approval of the Shareholders' Meeting of

April 22, 2021, the renewal of the term of office of François Henrot, Marcus Alexanderson and Maria Richter as Directors.

5

3.1.1.3 Rules governing the membership and operation of the Board of Directors

The Board of Directors is made up, organized and performs the missions entrusted to it in accordance with applicable laws and regulations, the Company's by-laws and its internal regulations.

The internal regulations of the Board of Directors were adopted on May 22, 2014, which were last updated on February 12, 2020. This update further clarified the process for the evaluation of the Board of Directors. The internal regulations were adopted pursuant to Rexel's by-laws and set forth the provisions governing the organization and

operation of the Board of Directors and the rights and responsibilities of its members. These internal regulations are not enforceable against third parties and may not be invoked by such parties against Directors.

The Board of Directors' internal regulations are available on the Company's website (www.rexel.com/en) and the main stipulations of the internal regulations are reproduced or summarized below.

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Membership of the Board of Directors

Without prejudice to the exception provided by law on the event of a merger, the Board of Directors comprises at least 5 members but no more than 15 members, appointed or renewed in

office by the Ordinary Shareholders' Meeting for a period of 4 years in accordance with the provisions of the by-laws.

Chairman, Deputy Chairman and Senior Independent Director, Executive Management

The Board of Directors elects a Chairman and, as the case may be, a Deputy Chairman from among its members who are natural persons in accordance with the provisions of the by-laws.

Chairman

The Chairman convenes the Board of Directors. He organizes and directs its work and reports thereon to the Shareholders' Meeting. He oversees the proper functioning of Rexel's bodies and ensures, in particular, that the directors are able to carry out their assignments.

The Chairman is also in charge of:

- Ensuring that the corporate governance principles are defined and implemented;
- Ensuring efficient operation of the Board of Directors and of its Committees with the assistance of the Nomination Committee. It organizes the replacements and successions of members of the Board of Directors as well as the nominations on which to resolve;
- Ensuring that the Directors have access to all the documentation and information necessary for performing their duties. These documents must be accessible within the required timeframe, under a clear and appropriate form;
- Where applicable, assisting and advising the Chief Executive Officer while respecting the executive duties of the latter;
- Contributing to the promotion of the values and image of Rexel both within and outside of the Group; and
- Preserving the quality of the relationship with the shareholders in close coordination with the action taken in this respect by the Chief Executive Officer.

To such effect, the Chairman:

- Is kept informed of significant events of the life of Rexel and of its Group;
- May access any documents and information deemed necessary or useful for the discharge of his/her duties;
- May attend meetings of any Committees of which he/she is not a member, without the right to vote; and
- May meet current or potential shareholders and transmit their concerns in relation to governance to the Board.

The Chairman reports on his duties to the Board of Directors.

Works of the Chairman

During the financial year ended December 31, 2021, the Chairman of the Board of Directors:

- Kept himself abreast of shareholders' expectations, particularly in terms of governance,

activity and prospects, and ensured that any concerns they may have were discussed in the Board;

- Discussed on a number of occasions with the Chief Executive Officer in relation to various material and strategic events for Rexel. Following these exchanges, he ensured that material points (such as the regular monitoring of the situation in terms of activity and human resources in times of health crisis, digital transformation, investment and divestment transactions, succession plans and country performance) were presented and discussed by the Board;
- Discussed several times with the members of the Executive Committee and various employees of the Group to discuss organizational, strategic, commercial and other issues in particular in the context of the Covid-19 crisis;
- Implemented the succession plan for the Chief Executive Officer in close collaboration with the other directors, in particular the Committee Chairmen, and with the assistance of a leading recruitment firm. This work resulted in the appointment of Guillaume Texier as Chief Executive Officer on September 1, 2021;
- Took an active part in the search for a new Director and in her recruitment by interacting with the other members of the Nomination Committee and meeting with candidates. Thus, Barbara Dalibard was co-opted as Director by the Board of Directors of December 3, 2021; and
- Discussed on a regular basis, and at least once per month, with each of the Chairmen of the Committees in order to make sure that all of the points to be discussed within the Board of Directors are also reviewed by the members of the Committees and presented to the Directors for discussion; the Chairman also ascertained that the Board and Committee meetings are well organized and that the meeting schedule and working meetings are effective; and that the Board and Committee members' meetings are conducted in an appropriate manner.

Deputy Chairman

In the absence of the Chairman, the Deputy Chairman serves as Chairman and enjoys the same prerogatives.

In addition, the Deputy Chairman also performs the functions of Senior Independent Director. The Deputy Chairman acting as Senior Independent Director must qualify as an independent member under the criteria defined by the AFEP-MEDEF Code.

The appointment of a Deputy Chairman is mandatory where the functions of Chairman of the Board of Directors and of Chief Executive Officer

are exercised by a single person. In such case, the Deputy Chairman shall also perform the functions of Senior Independent Director.

In his/her capacity as Senior Independent Director, the Deputy Chairman is in charge of:

- Managing potential conflict of interest situations, if any;
- Where applicable, assisting and advising the Chairman of the Board of Directors in respect of the corporate governance principles or the organization of the Board of Directors and of its Committees, while respecting the duties of the latter; and
- Conducting annual assessments of the organization and operation of the Board of Directors and its Committees.

For such purpose, the Deputy Chairman/Senior Independent Director:

- Presents the potential conflicts of interest identified to the Chairman of the Board of Directors and to the Board of Directors, as well as his/her recommendations as to how to address them;
- May access any documents and information he/she deems necessary or useful for the discharge of his/her duties;
- May attend meetings of any Committees of which he/she is not a member, without the right to vote;
- May call a meeting of the Directors in the absence of the executive corporate officers, at least once a year; and
- May meet current or potential shareholders and inform the Board of Directors of their concerns in relation to governance.

The Deputy Chairman reports on his/her work to the Board of Directors.

Works of the Deputy Chairman and Senior Independent Director

During the financial year ended December 31, 2021, the Deputy Chairman and Senior Independent Director, François Henrot:

- Chaired the General Shareholders' Meeting of Rexel on April 22, 2021, and presented the "Corporate Governance" of Rexel to the shareholders as well as the "Compensation of Managers" including a presentation of the Board of Directors, the suggested nominations or renewals of Director and the details of the compensation policy of corporate officers;

- Discussed on a regular basis with the Chief Executive Officer and the members of the Board of Directors in relation to the Covid-19 crisis, on impacts from a health perspective and on the Group's activity;
- Spoke on several occasions with the Chairman of the Board of Directors Ian Meakins in respect of the best practice recorded in France on the governance of listed companies, particularly in terms of the compensation of executive corporate officers;
- Participated in the implementation of the succession plan for the Chief Executive Officer in close collaboration with the Chairman of the Board of Directors and the other directors and with the assistance of a leading recruitment firm. This work resulted in the appointment of Guillaume Texier as Chief Executive Officer as of September 1, 2021;
- Actively participated in the search for and recruitment of a new director by interacting with the other members of the Nomination Committee and meeting with candidates. Thus, Barbara Dalibard was co-opted as Director by the Board of Directors of December 3, 2021; and
- Presented the governance of Rexel and the operation of the Board of Directors and of its Committees during the governance roadshow organized at the beginning of 2021 with various investors. The compensation policy for executive directors was discussed at these meetings and a report on these discussions was presented to the Board so that it is fully informed of the expectations of the main investors.

Executive Management

The Company's Executive Management is performed, under his/her responsibility, by the Chairman of the Board of Directors, or by another private person, who need not be a Director. This other private person is appointed by the Board of Directors and bears the title of Chief Executive Officer.

The Chief Executive Officer is Guillaume Texier, who has replaced Patrick Berard as of September 1, 2021.

The information concerning the Executive Management of Rexel are developed in detail in paragraph 3.1.3 "Executive Management" of this Universal Registration Document.

Board of Directors observer (*censeur*)

The Board of Directors may appoint up to 3 observers (*censeurs*) for up to 4 years, who may be but are not required to be shareholders. Observers are appointed for a maximum term of

4 years. They may attend and take part in the meetings of the Board of Directors and of the Committees with an advisory vote.

Operation of the Board of Directors

Competence

The Board of Directors determines the Company's business orientations and oversees their implementation. It addresses any and all matters pertaining to the proper operation of the Company and settles the Company's business through its deliberations. These duties are subject to the powers specifically assigned to the Shareholders' Meeting and shall take place within the scope of the corporate purpose.

In its relationships with third parties, the Company is bound even by the *ultra vires* acts of the Board of Directors. Nevertheless, Rexel is not bound if it is able to prove that the third party was aware that the act was *ultra vires* or could not be unaware of it in the circumstances. The mere publication of the by-laws shall not suffice to establish such proof.

The Board of Directors undertakes the controls and verifications it deems fit.

Each director receives all of the information required for the purpose of discharging his/her duties and may obtain copies of any and all documents he/she deems useful from the Chairman.

If he/she deems necessary, each Director may benefit from training in connection with the specificities of Rexel, its businesses and industry. The Covid-19 crisis has complicated the implementation of trainings in 2021. In addition, the training modules on the prevention of corruption risks available within the Group have been kept accessible to Directors.

Taking into account their specific status, the Directors representing the employees benefit from a preparation time of 15 hours prior to each meeting, as well as of 40 hours of training time per year. These training sessions may concern, in particular, the operation of the Board of Directors, the rights and duties of a Director and the business of Rexel.

The Board of Directors has the following powers, *inter alia*:

(i) Powers in the area of control:

- It controls the management;
- It reviews the financial position, liquidity and commitments of Rexel and its subsidiaries;
- It reviews the liquidity of Rexel and its subsidiaries;
- It reviews the financial statements auditing process and information provided to the shareholders and to the market; and
- It authorizes related-party agreements.

(ii) Powers in the area of nomination:

- It appoints and dismisses the Chairman of the Board of Directors and the Deputy Chairman of the Board of Directors;
- It appoints and dismisses the Chief Executive Officer and the Deputy Chief Executive Officers, determines their number within the limits provided by the by-laws;
- It chooses the executive management organization method (separation of the functions of Chairman from the functions of Chief Executive Officer, or merger of both functions);
- It co-opts the Directors; and
- It is informed on the appointment, dismissal/ termination of the members of the Executive Committee.

(iii) Powers in the area of compensation:

- It determines the compensation of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers;
- It allocates the compensation of Directors; and
- It issues opinions on the compensation of the Executive Committee members.

(iv) Preparation of reports to be submitted to General Shareholders' Meetings:

Each year, the Board of Directors submits a report on the Company's situation and business during the financial year and on the financial statements for the financial year to the Ordinary Annual Shareholders' Meeting. It also presents a report on corporate governance.

The Board of Directors submits recommendations on the reappointment of the Directors.

(v) Powers to grant prior authorization to the Chief Executive Officer to make certain decisions:

The Board of Directors grants the Chief Executive Officer the authorizations required by law or by a provision of the by-laws.

Under Rexel's by-laws and the internal regulations of the Board of Directors, the following decisions require the prior authorization of the Board of Directors:

- Adoption of the annual budget;
- Adoption of the strategic plan;
- Proposed shareholder resolutions in relation to distributions to shareholders, including dividends or reserves;

- Proposed shareholder resolutions in relation to the replacement of the Statutory Auditors;
- Adoption of significant changes to the accounting methods;
- Rexel's acceptance of and resignation from any office as a member of a Board of Directors or equivalent body. This provision also includes the nomination and dismissal of the Company's permanent representatives at such boards or equivalent bodies;
- Proposed shareholder resolutions and exercise of delegations of authority or powers granted by the Shareholders' Meeting. These relate to the issue of shares or securities conferring access to the share capital of the Company:
 - of a company that holds more than one-half of its share capital (whether directly or indirectly),
 - of a company whose share capital is more than 50% held by the Company (whether directly or indirectly), or
 - of securities conferring the right to the allotment of debt securities,
- Proposed resolutions to the Shareholders' Meeting in relation to share buyback programs;
- Acquisitions and disposals of any businesses, holdings in any companies or assets, and incurrence of any investment expenditure. These transactions are carried out, in each case, for an enterprise value in excess of an amount determined by the Board of Directors;
- Decisions to create a business division or subsidiary or to invest in a business division or to acquire an interest in a business in a country where the Company is not active;
- Indebtedness (including by means of bond issues) or assumption of liabilities, in each case for an amount in excess of a threshold determined by the Board of Directors;
- Allotment of stock options, free shares or other plans involving Company equity-securities in favor of employees of the Company or its subsidiaries;
- Signing of any merger, demerger or contribution agreement;
- Listing of securities of the Company or of any of its subsidiaries on a regulated market;
- Any transaction resulting in a significant change in the business of the Company and its subsidiaries; and
- Any settlement or compromise in relation to any dispute involving an amount in excess of a threshold determined by the Board of Directors.

Prior consultation of the Committees

Insofar as possible and depending on the circumstances, any deliberation of the Board of Directors on a matter falling within Committee's

scope of competence shall be preceded by a referral of the relevant matter to the Committee. This deliberation may take place only after the relevant Committee has submitted its recommendations or proposals.

Meetings

The Board of Directors meets whenever the best interests of the Company so require, and at least once every quarter, at meetings convened by its Chairman or Deputy Chairman in accordance with the provisions of the by-laws.

The convening notice and the documents necessary to the duties of the Directors are sent three business days prior to each meeting of the Board of Directors.

Meetings held by videoconference or other means of telecommunication

The Directors can take part in Board meetings by videoconference or any other means of telecommunication. They must do so in accordance with the law and the provisions of the by-laws.

Majority rules

In accordance with the Company's by-laws, decisions are made by majority vote of the Directors who are present or represented. Each Director holds one vote and may not represent more than one fellow Director.

In the event of a tie, the Chairman of the meeting shall have a casting vote if (and only if) the Board of Directors comprises an even number of Directors in office. This principle applies only at meetings presided by the Chairman of the Board of Directors.

Code of Conduct of the Board of Directors

The Board of Directors, a collegiate body, is required to act in Rexel's corporate interests under all circumstances.

The Directors carry out their duties with loyalty and professionalism.

The Directors make sure to avoid conflicts of interest between their personal interests and those of Rexel. Accordingly:

- The Directors ensure that their independence of judgment, decision and action is at all times protected. They agree not to be influenced by any factors contrary to the corporate interest that they are duty bound to defend; and
- The Directors undertake to avoid conflicts between their moral and material interests and those of the Company. They inform the Senior Independent Director of any effective or potential conflicts of interest in which they may be involved. In such case, they abstain from taking part in the debates and in any decision on the relevant matters and do not receive any

document relating to the situation that creates, even potentially, a conflict of interests.

The Senior Independent Director may review, at his own option, any current or potential conflict of interests that he may become aware of. He may conduct the necessary investigations to identify or prevent such conflicts of interest. However, if he is involved, the Chairman is responsible for identifying the conflict and conducting investigations.

Compensation

The Ordinary Shareholders' Meeting may allocate a compensation to Directors. The amount of such compensation recorded in Rexel's operating expenses. It remains valid until another decision is made by the Shareholders' Meeting. The Board of Directors allocates the compensation among the Directors as it deems appropriate.

In addition, Directors reside on another continent than the place of meeting of the Board. They may therefore receive a specific time and travel allowance for their journey. Its amount is decided by the Board of Directors.

The Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officers and the Directors may receive a compensation in accordance with applicable law and the Company by-laws.

Holding of shares by the Directors

For their whole term of office, the Directors must hold at least one thousand shares of Rexel. If a Director does not hold the required number of shares at the date of his/her appointment, or if he/she ceases to hold such number of shares during the course of his/her term of office, he/she shall be deemed to have resigned from his/her duties. This provision shall not apply if the director takes the necessary steps within the time requirements of applicable law and regulations.

In addition to the above requirement, each Director, as an individual member or as permanent representative of a legal entity, shall hold a number of Rexel shares under the registered form (*sous la forme nominative*), during his or her term of office. This number of shares of Rexel correspond to an amount at least equal to the gross amount of the fixed portion on yearly theoretical basis of the activity-based compensation received by such Director. If a Director were not to hold a sufficient number of shares, he/she shall progressively acquire them over a period of four years by using the activity-based compensation received.

These share retention obligations do not apply to the Directors representing the employees or to the observers.

Board Committees

The Board of Directors may create Committees to assist it in carrying out its duties (see paragraph 3.1.2 "Committees of the Board of Directors" of this Universal Registration Document).

The internal regulations of the Board of Directors set the rules that apply to each Committee. It determines, in particular, those rules relating to their composition and operational procedures, as well as certain rules that are specific to each of the Committees.

Assessment of the organization and operation of the Board of Directors

The Board of Directors of Rexel undertakes a self-assessment of its performance on a periodic basis and at least once a year. The assessment of the performance of the Board of Directors is conducted by the Senior Independent Director. In the absence of a Senior Independent Director it is conducted by an independent Director appointed by the Board of Directors. It may take the form of anonymous questionnaires sent to each Director. Once a year, the results of such assessment are presented to and debated at a meeting of the Board of Directors. The presentation and deliberations take place under the conduct of the Senior Independent Director or in his/her absence,

of an independent Director appointed by the Board of Directors. On this occasion, the various items of the mission and duties of the Board and of the Directors are reviewed and assessed. As the case may be, recommendations are made for the improved operation of the Board.

In addition, an assessment of the Board of Directors' performance is carried out at least once every three years, with the assistance of an external consultant. It may be carried out under the guidance of the Senior Independent Director, or, in his/her absence, by the independent Director appointed by the Board.

For 2021, the assessment of the composition, the organization and operation of the Board of Directors and of its Committees was carried out based on a question form sent to the Directors.

The assessment showed that the composition, functioning, organization and missions of the Board of Directors and Committees are adequate and that the Directors and the Executive Team communicate adequately. The assessment also highlights that improvements could be made, in particular with regard to the organization and functioning of the Board of Directors. In particular, suggestions were made to improve the organization of the Board of Directors in order to

devote more time to discussions on the Group's extra-financial performance, long-term strategy, talent management and social and environmental matters. With respect to the functioning of the Board of Directors, although the constraints related to the Covid-19 pandemic have been appropriately addressed, it is suggested that the number of meetings between Directors and the Executive Team be increased, as well as on-site visits, when the health situation so permits. In addition, the Directors have expressed an interest in increasing the frequency of meetings without the presence of executive Directors, as well as training sessions dedicated to strategic issues and digital tools.

3.1.1.4 The work of the Board of Directors during the 2021 financial year

CHAIRMAN	NUMBER OF MEMBERS	INDEPENDENCE RATE ⁽¹⁾	FEMALE DIRECTORS ⁽¹⁾	NUMBER OF MEETINGS HELD IN 2021	AVERAGE ATTENDANCE RATE
Ian Meakins	12	80%	50%	17	97%

(1) Excluding the Directors representing the employees.

During the financial year ended on December 31, 2021, the Board of Directors met on 17 occasions.

In connection with the Covid-19 health crisis, the Board of Directors monitored the impacts of the crisis regarding the Group's activity, the health and safety of employees, discussing on a regular basis with the Executive Committee.

The Board of Directors deliberated on, *inter alia*:

- The review of the financial statements for the financial year ended December 31, 2020, and the related financial disclosure;
- The review of the 2020 Universal Registration Document and its amendment;
- The compensation of the executive corporate officers;
- The yearly approval and review of the related party agreements;
- The decision concerning the distribution;
- The preparation of Rexel's Ordinary and Extraordinary Shareholders' Meeting of April 22, 2021;
- The review of the quarterly disclosure on sales;
- The review of the work of the Committees of the Board of Directors;

- The Rexel Group's budget for the 2022 financial year as well as the strategic multi-year plan;
- The envisaged disposals and acquisitions of the Rexel Group; the review of strategic matters;
- The risk-mapping review;
- The evolution of the membership of the Board of Directors;
- The implementation of a free share plan;
- The succession plan of the CEO and of the members of the Executive Committee and of the country CEOs;
- The assessment of the Board of Directors;
- The social and environmental responsibility of the Group; and
- The implementation of the share repurchase plan.

The Board of Directors was further informed of the progress made on the main structuring projects conducted by the Rexel Group subsidiaries.

During the financial year ended December 31, 2021, the non-executive directors met on two occasions without the presence of the Chief Executive Officer. During these meetings, the non-executive directors discussed, *inter alia*, the succession of the Chief Executive Officer and his remuneration arrangements.

The meetings of the Board of Directors are generally organized in persons. In 2021, given the Covid-19 pandemic, the meetings of the Board of

Directors have mainly been held remotely. The attendance rate at the meetings of the Board of Directors and of the Committees was as follows:

	BOARD OF DIRECTORS		AUDIT AND RISK COMMITTEE		NOMINATION COMMITTEE		COMPENSATION COMMITTEE	
	NUMBER OF MEETINGS	ATTENDANCE RATE	NUMBER OF MEETINGS	ATTENDANCE RATE	NUMBER OF MEETINGS	ATTENDANCE RATE	NUMBER OF MEETINGS	ATTENDANCE RATE
DIRECTORS								
Ian Meakins	17	100%	5	100%	10	100%	7	100%
François Henrot	16	94%	-	-	10	100%	7	100%
Marcus Alexanderson ⁽¹⁾	17	100%	-	-	10	100%	7	100%
François Auque	17	100%	5	100%	-	-	-	-
Patrick Berard ⁽²⁾	11	85%	-	-	-	-	-	-
Julien Bonnel	17	100%	-	-	-	-	7	100%
Brigitte Cantaloube ⁽³⁾	17	100%	5	100%	-	-	-	-
Barbara Dalibard ⁽⁴⁾	2	100%	-	-	-	-	1	0%
Toni Killebrew	17	100%	-	-	5	100%	-	-
Elen Phillips	16	94%	5	100%	10	100%	-	-
Maria Richter ⁽⁵⁾	17	100%	5	100%	-	-	7	100%
Guillaume Texier ⁽⁶⁾	4	100%	-	-	-	-	-	-
Agnès Touraine ⁽⁷⁾	17	100%	-	-	-	-	7	100%
Herna Verhagen ⁽⁸⁾	13	87%	-	-	10	100%	-	-
Average rate		97%		100%		100%		98%

(1) Since January 1, 2022, Marcus Alexanderson has also been a member of the Audit and Risk Committee and is no longer a member of the Nomination Committee.

(2) Patrick Berard's term of office as a Director ended on September 1, 2021.

(3) Since January 1, 2022, Brigitte Cantaloube has also been a member of the Compensation Committee.

(4) Barbara Dalibard was co-opted as a Director and member of the Compensation Committee by the Board of Directors on December 3, 2021.

(5) Since January 1, 2022, Maria Richter has also been a member of the Nomination Committee and is no longer a member of the Compensation Committee.

(6) Guillaume Texier was appointed as Director, replacing Patrick Berard, by the Shareholders' Meeting of April 22, 2021, effective as of September 1, 2021.

(7) Since December 3, 2021, Agnès Touraine has also served as Chairwoman of the Nomination Committee, replacing Herna Verhagen.

(8) Herna Verhagen's duties as a Director and as Chairman of the Nomination Committee ended as of November 29, 2021.

3.1.2 Committees of the Board of Directors

The Board of Directors may create Committees to assist it in carrying out its duties.

As at December 31, 2021, the three Committees of the Board of Directors were as follows:

- the Audit and Risk Committee;
- the Nomination Committee; and
- the Compensation Committee.

The Committees are responsible for submitting their opinions, proposals or recommendations to the Board of Directors. Their powers are strictly advisory. They discharge their duties under the Board of Directors' responsibility.

In order to validly deliberate, at least half of the members must be in presence. A Committee member may not be represented by another member.

The Committee's recommendations or proposals are issued by a majority vote of the members. The Chairman does not have a casting vote in case of a tie.

After having informed the Chairman of the Board of Directors, and notified the Chief Executive Officer in cases (i) and (ii) below, and expressly subject to reporting thereon to the Board of Directors, each of the Committees may, in the exercise of its duties:

- Have Rexel provide it with any document that it deems useful for the performance of its duties;
- Organize a meeting with the Chief Executive Officer or any other person that the Committee deems fit to meet with; and

- (iii) Be assisted in its meeting by any third party of its election (expert, counsel, lawyer or Statutory Auditor).

The Committees may also invite the Chief Executive Officer to attend their meetings.

Each of the Board of Directors' Committees may draw up internal regulations that shall be approved by the Board of Directors and which complement the provisions of its internal regulations.

3.1.2.1 Audit and Risk Committee

CHAIRMAN	NUMBER OF MEMBERS	INDEPENDENCE RATE	NUMBER OF MEETINGS HELD IN 2021	AVERAGE ATTENDANCE RATE
François Augue	5 ⁽¹⁾	100% ⁽¹⁾	5	100%

(1) Since January 1, 2022, the Audit and Risk Committee has had 6 members, bringing the independence rate to 83%.

Members of the Audit and Risk Committee

As at December 31, 2021, the Audit and Risk Committee was made up of the following members:

- François Augue (Chairman and Independent Director);
- Brigitte Cantaloube (Independent Director);
- Ian Meakins (Independent Director);
- Elen Phillips (Independent Director); and
- Maria Richter (Independent Director).

The members of the Audit and Risk Committee are appointed on the basis of specific skills in the financial or accounting fields. The relevant experience fields include the preparation, audit and analysis of financial statements, as well as accounting issues and risk follow-up and management issues.

Each of the members of the Audit and Risk Committee has skills in the financial and/or accounting fields. In addition, they are informed of the Rexel Group's accounting, financial or operational specificities.

The independence criteria of the Directors are set out in paragraph 3.1.1.3 "Rules governing the membership and operation of the Board of Directors" of this Universal Registration Document. Within the Audit and Risk Committee, at December 31, 2021, all of the members were therefore considered as independent, *i.e.*, an independence rate of 100%.

Since January 1, 2022, Marcus Alexanderson (non-independent Director) has also been a member of the Audit and Risk Committee, bringing the independence rate to 83%.

Operation of the Audit and Risk Committee

The main provisions of the internal regulations of the Audit and Risk Committee are set out below. Such provisions take into account the conclusions of the working group on Audit Committee set up by the AMF.

Members

The Audit and Risk Committee is made up of a maximum of 7 members and includes independent Directors. At least one of the independent Directors must have expertise in financial and accounting matters.

The executive corporate officers cannot be members of this Committee.

The members of the Audit and Risk Committee are appointed for their expertise in accounting and finance matters.

Competence

The Audit and Risk Committee monitors the elaboration and the control of the financial and accounting information. It assists the Board of Directors in ascertaining the accuracy and fairness of the company and consolidated financial statements of Rexel and the quality of the information provided. It plays a role during the preparation of the parent company and consolidated financial statements, which are drawn up annually, half-yearly and quarterly in accordance with applicable regulations. Its role also includes preparing any deliberations with respect to the financial statements of Rexel. During these various phases, it is to make recommendations and submit proposals to the Board of Directors in all areas listed below:

- Review and audit of the accounting and financial information:
 - Knowledge of the scope of consolidation, accounting methods and audit procedures;

- Review of the drawing-up process of the financial information, and where applicable, determination of guidelines in order to guarantee their integrity;
- Review of the half-yearly and annual financial statements, and in particular analysis of provisions, and of material risks and off-balance sheet commitments;
- Knowledge of accounting positions taken in recognizing material transactions;
- Submission of recommendations to the Board of Directors on proposed adoptions of material changes to accounting methods;
- Review of the Group's financial position, review and issue recommendations to the Board of Directors on any borrowing or assumption of liabilities by the Company in an amount exceeding the threshold which such transactions are subject to prior approval by the Board of Directors; and
- Review of the procedures for preparing information provided to shareholders and to the market and review of the Group press releases relating to accounting and financial information.
- Follow-up of the performance of their duties by the Statutory Auditors:
 - Monitoring of the work of the Statutory Auditors of the consolidated and company quarterly, half-yearly and annual financial statements;
 - Reporting to the Board of Directors:
 - on the outcome of the mission of certification of the financial statements;
 - on the manner in which this mission contributed to the integrity of the financial information; and
 - on the role carried out in this process, and immediate information on any difficulty encountered.
 - Follow-up of the controls carried out by the Audit Office Control Board (*Haut Conseil du commissariat aux comptes*).
- Control of the Statutory Auditors and monitoring of the independence of the Statutory Auditors:
 - Steering of the selection procedure applicable to the Statutory Auditors;
 - Submission of recommendations to the Board of Directors on the proposals to the general meeting of shareholders with respect to appointing, replacing and reappointing the Statutory Auditors;
 - Knowledge of the amount of fees paid to the Statutory Auditors and recommendation thereon to the Board of Directors;
 - Ascertaining that the Statutory Auditors comply with the independence criteria; and
 - Approval of the provision of services other than the certification of financial statements by the Statutory Auditors.
- Monitoring the efficiency of internal control, risk management and internal audit procedures:
 - Submission of recommendations on the mission and organization of the Group's internal audit department and its action plan;
 - Review of the main conclusions made by the internal audit department within its work, followed by a report to the Board of Directors;
 - Review of the contribution of the internal audit department within the evaluation of the risk management process and of the internal control; and
 - Review of the organization and of the implementation of the internal control guidelines within the Group and review of the process for identifying and monitoring risks.

Operations

The Audit and Risk Committee meets at least 4 times per year and whenever it deems it necessary. It also meets prior to those meetings of the Board of Directors at which matters falling within its scope are to be reviewed. The frequency and duration of Audit and Risk Committee meetings must allow for in-depth review and discussion of the matters falling within the Committee's scope.

The work of the Audit and Risk Committee during the financial year ended on December 31, 2021

The Audit and Risk Committee met on 5 occasions in the course of the 2021 financial year, in particular prior to the meetings where it was called to resolve on the financial statements and the revenue. The Audit and Risk Committee reported on its work to the Board of Directors.

The attendance rate at the meetings of the Audit and Risk Committee amounted to 100% for the 2021 financial year.

The following attended each of these meetings:

- The Group Chief Financial Officer,
- The Chief Financing, Cash Flow and Tax Officer,
- The Group Chief Financial Controller,
- The Group Chief Accounting Officer,
- The Group Chief Internal Audit Officer, and
- The Statutory Auditors.

Other members of the management of the Rexel Group attended some of these meetings when matters requiring their expertise were on the agenda.

In addition, the Audit and Risk Committee may ask to hear the Chief Executive Officer if it deems it necessary in view of the matters on the agenda.

In 2021, its work related to, in particular the review of:

- The financial statements for the financial year ended December 31, 2020, the summary half-year financial statements as at June 30, 2021 and the quarterly revenue (1st and 3rd quarters);
- The proper application of the accounting principles;
- The proper operation of Rexel's internal control bodies (see in particular Chapter 2 "Risk factors and internal control" of this Universal Registration Document);

- The tax situation of the Rexel Group;
- The financing and refinancing conditions of Rexel;
- The allocation of results; and
- The risk environment, especially in connection with the Covid-19 crisis on health and activity of the Group.

The Statutory Auditors presented their findings in connection with the audit of the annual financial statements for the financial year ended December 31, 2020, the limited review of the summary half-year financial statements as at June 30, 2021 and of the procedures followed for the purpose of the summary of quarterly financial information as at March 31, 2021 and September 30, 2021. They were also heard by the members of the Committee at each meeting excluding the presence of the management of the Rexel Group.

3.1.2.2 Nomination Committee

CHAIRWOMAN	NUMBER OF MEMBERS	INDEPENDENCE RATE	NUMBER OF MEETINGS HELD IN 2021	AVERAGE ATTENDANCE RATE
Agnès Touraine ⁽¹⁾	6	80 % ⁽²⁾⁽³⁾	10	100 %

(1) Agnès Touraine replaced Herna Verhagen as Chairwoman of the Nomination Committee on December 3, 2021.

(2) Excluding the director representing the employees.

(3) As at January 1, 2022, the independence rate was increased to 100% due to the replacement of Marcus Alexanderson by Maria Richter.

Members of the Nomination Committee

As at December 31, 2021, the Nomination Committee was made up of the following members:

- Agnès Touraine (Chairwoman and Independent Director);
- Marcus Alexanderson (non-Independent Director);
- François Henrot (Senior Independent Director);
- Toni Killebrew (Director representing employees)
- Ian Meakins (Independent Director); and
- Elen Phillips (Independent Director).

The independence criteria of the Directors are detailed in the paragraph 3.1.1.3 "Rules governing the membership and operation of the Board of Directors" of this Universal Registration Document. At December 31, 2021, 4 out of 5 members of the Nomination Committee were considered as independent, i.e., an independence rate of 80% (excluding the director representing employees).

Since January 1, 2022, Maria Richter (independent director) has replaced Marcus Alexanderson on the Nomination Committee, bringing the independence rate to 100%.

Operation of the Nomination Committee

The main stipulations of the internal regulations of the Nomination Committee are set out below.

Members

The Nomination Committee is made up of a maximum of 7 members and includes independent

Directors. It is chaired by an independent Director. The executive corporate officers cannot be members of the Nomination Committee.

Powers

The Nomination Committee has the following responsibilities:

- Make proposals in relation to appointment, termination/dismissal and on the renewal of the offices of the Directors and of the Chairman of the Board of Directors, of the members and of the Chairman of the Committee, of the Chief Executive Officer and of the Deputy Chief Executive Officers. It also issues recommendations on the candidates considered, in terms of expertise, availability, appropriateness and complementarity with other Directors or of executive management;
- Be informed of any appointment, dismissal or termination of the functions of any Executive Committee member;
- Proposals in relation to the qualification as independent Directors;
- Verify compliance with the independence criteria and issue opinions thereon, as required, and advise the Chairman of the Board of Directors on the number of independent directors;
- Be in a position at any time to formulate a proposal on a potential successor to the

Chairman of the Board of Directors or to the Chief Executive Officer; and

- Issue a recommendation, on the Chief Executive Officer's proposal, on the Company's acceptance of and resignation from any office as a Director or any equivalent body and on the nomination and dismissal of permanent representatives of Rexel on such Board of Directors or equivalent bodies.

In connection with the aforementioned powers, the members of the Committee may invite the executive corporate officers to participate in the works. This allows them to express their views on the proposed appointments, except where their personal situation is concerned.

Operations

The Nomination Committee meets at least once per year and whenever it deems it necessary. It meets prior to those meetings of the Board of Directors at which matters falling within its scope are to be reviewed. The frequency and duration of Nomination Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within the Committee's scope.

The work of the Nomination Committee during the financial year ended December 31, 2021

The Nomination Committee met on 10 occasions during the 2021 financial year.

The attendance rate at the meetings of the Nomination Committee for the 2021 financial year was 100% for the Nomination Committee.

It reported on its work to the Board of Directors.

In 2021, its work related to, in particular, the review of:

- The report of the Nomination Committee on the independence of the Directors;
- The diversity policy of the Board of Directors;
- The annual review of the independence of the members of the Board;

- The Rexel policy on diversity and feminization of leading bodies;
- The yearly renewal of the directors and the evolution of the membership of the Board of Directors and of Committees;
- The co-option of a new Director replacing Herna Verhagen, who has resigned; and
- The appointment of a new Chief Executive Officer and the review of the succession plans of the Country CEOs and Executive Committee members.

The Chairman of the Audit and Risk Committee and the Chairwoman of the Compensation Committee were associated with the work of the Nomination Committee on the succession of the Chief Executive Officer.

3.1.2.3 Compensation Committee

CHAIRWOMAN	NUMBER OF MEMBERS	INDEPENDENCE RATE	NUMBER OF MEETINGS HELD IN 2021	AVERAGE ATTENDANCE RATE
Agnès Touraine	7	83% ⁽¹⁾	7	98%

(1) Excluding the Director representing the employees.

Members of the Compensation Committee

As at December 31, 2021, the Compensation Committee was made up of the following members:

- Agnès Touraine (Chairwoman and Independent Director);
- Marcus Alexanderson (non-Independent Director);
- Julien Bonnel (Director representing the employees);
- Barbara Dalibard (Independent Director);
- François Henrot (Senior Independent Director);
- Ian Meakins (Independent Director); and

- Maria Richter (Independent Director).

Since January 1, 2022, Brigitte Cantaloube (independent Director) has replaced Maria Richter on the Compensation Committee.

The independence criteria of the Directors are detailed in the paragraph 3.1.1.3 “Rules governing the membership and operation of the Board of Directors” of this Universal Registration Document. At December 31, 2021, 5 members out of 6 of the Compensation Committee were considered as independent *i.e.*, an independence rate of 83% (excluding the Director representing the employees).

Operation of the Compensation Committee

The main stipulations of the internal regulations of the Compensation Committee effective as at December 31, 2021, are set out below.

Members

The Compensation Committee is made up of a maximum of 7 members and includes independent directors. It is chaired by an independent director. The executive corporate officers cannot be members of this Committee.

Powers

The Compensation Committee has the following responsibilities:

- Make recommendations to the Board of Directors on the compensation of the Chairman of the Board of Directors and of the Chief Executive Officer and Deputy Chief Executive Officers, and on the rules for determining the variable components of such compensation as well as any additional items such as retirement schemes and benefits in kind;
- Make recommendations to the Board of Directors on the allocation of the Directors' compensation;
- Be informed of the proposed severance payments in connection with the termination of the employment contract of the Chief Executive

Officer or Deputy Chief Executive Officers, and provide its opinion in relation thereto to the Chairman of the Board of Directors;

- Express its views on the stock options and free shares allotment policy in respect of all categories of beneficiaries and particularly the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Company's Executive Committee; make a recommendation on the allotment periodicity and allotment terms and conditions; and
- Make recommendations on the compensation policy for members of the Executive Committee. On this occasion, the Committee may invite the executive corporate officers to participate in the meeting dedicated to the compensation of the members of the Executive Committee.

Operations

The Compensation Committee meets at least once each year and, in any case, each time that it deems necessary and prior to those Board of Directors' meetings at which matters falling within its scope of competence are to be reviewed. The frequency and duration of Compensation Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within its scope of competence.

The work of the Compensation Committee during the financial year ended on December 31, 2021

The Compensation Committee met on 7 occasions in the course of 2021.

The attendance rate at the meetings was 98% for the Compensation Committee.

It reported on its work to the Board of Directors.

In 2021, its works related to, in particular:

- The variable compensation in respect of the financial year ended December 31, 2020 of the Chief Executive Officer;
- The compensation in respect of the financial year ended December 31, 2021 of the corporate officers;
- The compensation policy in respect of the new Chief Executive Officer;
- The Directors' compensation;
- The review of the main characteristics of the free share allocation plans;

- The follow-up of the regulatory updates; and
- The analysis of the reports of agencies in voting council.

The developments in connection with the terms of compensation of the executive corporate officers are set out in paragraph 3.2 "Compensation of the corporate officers" of this Universal Registration Document.

The executive corporate officers may be invited to participate in the meetings by the members of the Committee in order to express their views on the compensation of the members of the Executive Committee.

3.1.3 Executive Management

As of the date of this Universal Registration Document, Rexel's executive management is exercised by a Chief Executive Officer. This mode of executive management results from the decision of the Board of Directors to dissociate the functions of Chairman of the Board of Directors and of Chief Executive Officer (please see paragraph "Dissociation of the duties of Chairman of the Board of Directors and of Chief Executive Officer" in the introduction of paragraph 3.1 "Administration bodies and management" of this Universal Registration Document).

The Board of Directors has appointed Guillaume Texier as Chief Executive Officer with effect from

September 1, 2021, to replace Patrick Berard, who resigned on that date. Guillaume Texier was appointed Chief Executive Officer by the Board of Directors on March 25, 2021 for a term of four years, expiring at the end of the Shareholders' Meeting called in 2025 to resolve on the financial statements for the year ending August 31, 2025.

The decisions requiring the prior authorization of the Board of Directors are described in paragraph 3.1.1.3 "Rules governing the membership and operation of the Board of Directors" of this Universal Registration Document.

3.1.4 Executive Committee

Rexel's operational organization is structured around an Executive Committee.

The Executive Committee includes as at the date of this Universal Registration Document 11 members, including 4 in charge of key operating activities:

Guillaume Texier	Chief Executive Officer
Group duties	
Luc Dallery	Group Chief Human Resources & Communications Officer
Laurent Delabarre	Group Chief Financial Officer
Guillaume Dubrulle	Group Purchasing and Supplier Relationship Director
Constance Grisoni	Group Strategy Director
Isabelle Hoepfner-Leger	General Secretary and Secretary of the Board of Directors
Nathalie Wright	Group Digital and IT Transformation Director & Chief Executive Officer Nordics
Operational functions	
Jeff Baker*	Chief Executive Officer and Senior Vice-President of Rexel USA
Pierre Benoît	Chief Executive Officer United Kingdom / Ireland - Benelux
Roger Little	Chief Executive Officer Canada
Thomas Moreau	Chief Executive Officer of Rexel France

* As announced on March 7, 2022, Brad Paulsen will succeed to Jeff Baker on April 18, 2022.

The Executive Committee meets on a regular basis to:

- define the Rexel's Group strategy;
- coordinate initiatives (particularly with respect to operations);
- monitor the Rexel Group's performance; and
- ensure the implementation of cross-divisional projects.

3.1.5 Non-discrimination and diversity policy within management bodies

Rexel is committed to work towards non-discrimination and diversity within the Board of Directors, the Executive Committee, positions of greater responsibility within its organization and more generally within the Group.

Its ambition relies on the search, management and retention of talents guaranteeing dynamic career development and personal fulfillment.

Its belief is that a mixed team contributes to sustainable performance.

Its transformation culture is based on an inclusive management style that supports the commitment of its teams, while respecting the differences of each individual.

Thus, in order to comply with the guidelines of the AFEP-MEDEF Code and the AMF in terms of the diversity of its members, particularly in terms of the representation of women and men, the Executive Management and Human Resources have set up action plans with monitoring indicators.

The main ambitions and achievements are as follows:

• Hiring and promoting talented women to positions of greater responsibility:

By 2025, the Rexel Group ambition is to reach a number of women representing 30% of the Group Senior Executives. To this end, the Group's policy of non-discrimination and diversity within the Group's management bodies aims, in particular, to set annual objectives adapted to each of the countries in which the Group operates.

The number of women in the Group Senior Executives population was 19% in 2021 and 2020 and 15% in 2019.

In 2021, 68 non-manager women were promoted to managers, *i.e.* 1.5% of non-manager women (78, *i.e.*, 1.7% in 2020), and 242 men, *i.e.* 1.6% of non-manager men (180, *i.e.*, 1.2% in 2020). In addition, equal representation of men and women on the Board of Directors was maintained in 2021 with the co-option of Barbara Dalibard as a Director to replace Herna Verhagen who resigned on November 29, 2021.

Similarly, in connection with Herna Verhagen's departure in 2021, two of the three committees will continue to be chaired by a woman: Agnès Touraine for the Compensation Committee and the Nomination Committee.

In line with the principle of equal representation of men and women throughout the Group's internal organization, parity has been maintained among the Directors representing employees, considering the reappointment of Julien Bonnel in 2021 and the appointment of Toni Killebrew in 2020.

• Ensuring access to training for women:

The Group Advanced Leadership program, designed to provide employees with the tools and keys to success to increase their visibility and leadership, has welcomed 27% women since its launch in 2018.

More generally, in 2021, 19% of employees who received training were women (22.2% in 2020), although they represented 22.7% of the total workforce (22.6% in 2020).

• Ensuring equal compensation treatment for men and women:

Rexel is aiming at achieving equal pay within the organization.

In 2021, 80% of women on open-ended contracts with at least one year's length of service benefited from an increase (65.5% in 2020), compared with 75% of men on open-ended contracts with at least one year's length of service (62.2% in 2020).

• Ensuring access to professional mobility for women:

Rexel strives to guarantee and ensure gender equality regarding job mobility schemes. In 2021, 11.8% of women benefited from job mobility (8.3% in 2020) compared to 13.2% of men (8.2 in 2020).

For more information, Rexel's performance on gender equality is described in the extra-financial performance declaration (chapter 4, section 4.3.4.1 Gender equality).

3.1.6 Statements concerning the Board of Directors

To Rexel's knowledge, there are no family ties between the Directors and the members of Rexel's Executive Management:

- No Director or member of Rexel's Executive Management has been convicted of fraud within the last five years;
- No Director or member of Rexel's Executive Management has been associated with any "bankruptcy", receivership or liquidation within the last five years;
- No Director or member of Rexel's Executive Management has been the subject of any official

public incrimination or sanctions by statutory or regulatory authorities within the last five years; and

- No Director or member of Rexel's Executive Management has been disqualified by a court from:
 - acting as a member of an administrative, management or supervisory body of any issuer; or
 - participating in the management or conduct of the business of any issuer within the last five years.

3.1.7 Conflicts of interests

Directors who have a conflict of interests must inform the Senior Independent Director. The Board of Directors has appointed François Henrot as Deputy Chairman of the Board of Directors and Senior Independent Director in charge of (*inter alia*) managing conflict of interest situations.

All potential conflicts of interests are submitted to a debate within the Board of Directors.

Directors who are in a situation of conflict of interests shall abstain from taking part in the discussions and in the vote of the relevant decisions.

As of the date of this Universal Registration Document and to Rexel's knowledge, there exists no situation that could give rise to a conflict between the private interests of Directors or of Rexel's executive management and Rexel's interests.

3.1.8 Service agreements between Directors and Rexel or one of its subsidiaries

There are no service agreements between Directors or members of Rexel's executive management and

Rxel or any of its subsidiaries and providing for the award of any benefits.

3.2 Compensation of Corporate Officers

The Board of Directors refers to the recommendations of the AFEP-MEDEF Code for determining the corporate officers' compensation

and benefits in kind. It also makes such decisions based on the recommendations of the Compensation Committee.

3.2.1 Compensation policy applicable to corporate officers for the financial year 2022 subject to shareholders' approval (Article L.22-10-8 of the French Commercial Code)

Pursuant to Article L.22-10-8 of the French Commercial Code, the following section describes

the compensation policy applicable to corporate officers for the financial year 2022.

3.2.1.1 General principles of the 2022 compensation policy

The compensation policy is set by the Board of Directors following the recommendation of the Compensation Committee. The Board of Directors may decide on an item or undertaking in favor of its Chairman or Chief Executive Officer. In that case, the latter may not take part in the deliberations or vote on the relevant item or undertaking.

The compensation policy covers non-executive corporate officers, *i.e.*, the directors.

It also covers managing corporate officers, who are, in accordance with the governance structure in place:

- The Chairman of the Board of Directors (non-executive corporate officer); and
- The Chief Executive Officer (executive corporate officer).

The policy submitted to the Shareholders' Meeting describes all items of compensation. It was established in accordance with all of the AFEP-MEDEF recommendations.

The compensation policy for corporate officers thus aims to take into account:

- the company's best interest;
- market practices;
- the performance of its executives.

It allows to promote the Group's performance and competitiveness. Thus, the compensation and benefit items of all kinds for corporate officers are analyzed in an exhaustive and consistent manner, in line with the Group's strategy.

The compensation policy takes into account the need to attract, motivate and retain high-

performing and experienced managers. The business sector of the Group is, indeed, characterized by strong competitiveness. It is distinguished by major economic and financial challenges, as well as societal and environmental ones.

The compensation policy also takes into account the specific nature of the Group's activities, in line with the compensation and employment conditions of its employees⁽¹⁾. It conforms to market practices observed in companies in the same sector. It takes into account the expectations of shareholders and other stakeholders. These expectations relate in particular to social and environmental responsibility, transparency and performance.

The compensation items paid to corporate officers consists of a fixed and a variable component. The fixed component is used to retain and motivate executives. The variable component is based on financial and non-financial criteria. The financial criteria are based on the budget and on performance indicators analyzed by Rexel. The non-financial criteria include social, societal and environmental criteria. The Board of Directors ensures that the variable compensation component is sufficiently significant in relation to the fixed compensation. The compensation policy thus maintains consistency between the overall compensation of corporate officers and the Group's financial and non-financial performance.

The 2022 compensation policy is identical to the 2021 compensation policy for the directors and the Chairman of the Board of Directors.

(1) In particular, the compensation structure, the assessment criteria or the evolution of compensation according to business lines, geographies or employee categories.

The 2022 compensation policy for the Chief Executive Officer is identical to the 2021 compensation policy for the Chief Executive Officer applicable as of the appointment of Guillaume Texier as Chief Executive Officer.

The compensation policies for the Chairman of the Board of Directors and the Chief Executive Officer are defined for the entirety of their terms of office and cannot be reviewed during the course thereof.

Furthermore, the Board of Directors analyzes and takes into account the votes of the last Shareholders' Meeting.

Below are the votes relating to the 2021 compensation policy and the votes relating to the compensation elements paid or granted for the 2020 financial year at the Shareholders' Meeting of April 22, 2021:

RESOLUTION	% VOTE	FAVORABLE OPINION / UNFAVORABLE OPINION
#5	99,93%	Favorable opinion
<i>Approval of the compensation policy, attributable to the Chairman of the Board of Directors for the 2021 financial year, referred to in Article L.22-10-8 of the French Commercial Code</i>		
#6	99,84%	Favorable opinion
<i>Approval of the compensation policy attributable to Directors for the 2021 financial year, referred to in Article L.22-10-8 of the French Commercial Code</i>		
#7	97,91%	Favorable opinion
<i>Approval of the compensation policy attributable to the Chief Executive Officer for the 2021 financial year, referred to in Article L.22-10-8 of the French Commercial Code</i>		
#8	98,55%	Favorable opinion
<i>Approval of information referred to in Article L.22-10-9, I of the French Commercial Code for the financial year ended December 31, 2020</i>		
#9	99,28%	Favorable opinion
<i>Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or granted for the 2020 financial year to Mr. Ian Meakins, Chairman of the Board of Directors</i>		
#10	96,51%	Favorable opinion
<i>Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or granted for the 2020 financial year to Mr. Patrick Berard, Chief Executive Officer</i>		
#25	96,58%	Favorable opinion
<i>Approval of the compensation policy applicable to the Chief Executive Officer for the year 2021, as from the appointment of Guillaume Texier as Chief Executive Officer, referred to in Article L.22-10-8 of the French Commercial Code</i>		

The Board of Directors determines the compensation policy applicable to the directors, the Chairman of the Board of Directors and the Chief Executive Officer in order to preserve the

company's corporate interest. The compensation policy also contributes to its business strategy and sustainability.

Non-executive corporate officers (the Directors)

The compensation policy for Directors aims to attract members with a variety of profiles and skills. Their task consists in:

- participating in the work of the Committees;
- guarantee their independence;
- contribute to the proper operation of the Board.

Therefore, the levels of compensation defined in the compensation policy must make it possible to attract and retain Directors who, through their

contribution to the work of the Board and their involvement, are capable of:

- contributing to the development of the company's business strategy;
- overseeing its implementation; and
- ensuring its long-term sustainability.

These compensation levels remain reasonable, consistent with Rexel's market practices. The variable portion depends exclusively on the level of attendance of the directors in the meetings of the specialized committees.

The executive corporate officers (the Chairman of the Board of Directors and the Chief Executive Officer)

The compensation policy of non-executive corporate officers, *i.e.*, the Chairman of the Board of Directors, aims at attracting and retaining executives who are able to develop an efficient working relationship with the members of the Board of Directors and to contribute to the strategic development of the Company.

The compensation policy of executive corporate officers, *i.e.*, the Chief Executive Officer, aims at attracting, retaining and motivating efficient executives. These executives will develop the Group's performance and competitiveness in the medium and long term, by aligning their interest with that of the shareholders, and in order to preserve the company's best interest, while contributing to its continuity and its commercial strategy. The compensation policy takes into account market practice. It relies on the executives' performance and of other stakeholders in the company. It is in line with the policy applicable to other managers of the Group.

In order to achieve these objectives efficiently, the Board of Directors determines on an exhaustive basis and measures the various items of the compensation of executive corporate officers. To this end, studies are carried out annually by independent consulting firm Willis Towers Watson. They are based on a panel of French and European companies in related sectors and of comparable size in terms of sales, headcount and market capitalization. They thus allow the Board of Directors to assess the competitiveness of executives' compensation.

The Board of Directors intends to position the fixed annual compensation of executive corporate officers at the median of the reference market. It ensures that it proposes for the Chief Executive Officer a more dynamic short-term target variable compensation and long-term target variable compensation. Nonetheless, these compensation items are fully subject to demanding performance criteria. The Board of Directors examines the balance of the various components of compensation. It seeks a consistent trend in the compensation of the Chairman of the Board of Directors and of the Chief Executive Officer, compared to the average and median compensation of the company.

The compensation policy would apply to newly appointed corporate officers or those whose term of office is renewed.

Exceptional circumstances may lead the Board of Directors to derogate from the implementation of the compensation policy, in accordance with Article L.22-10-8 of the French Commercial Code. This measure must be temporary, in accordance with the best interest of the Company and necessary to ensure the Group's continued existence or viability. In such circumstances, the derogatory compensation policy shall be defined by the Board of Directors, on the proposal of the Compensation Committee. It shall take into account the best interest of the Group and the particular situation it is going through. In order to best address these circumstances, the Board of Directors may waive all elements of compensation and/or benefits of any kind making up the compensation policy for corporate officers.

3.2.1.2 Compensation policy applicable to Directors for the financial year 2022

The Shareholders' Meeting of Rexel may allocate compensation pursuant to the provisions of articles L.225-45 and L.22-10-14 *et seq.* of the French Commercial Code. The provisions of this compensation policy would apply, under the same terms and conditions, to directors newly appointed or whose term of office would be renewed during the 2022 financial year.

Directors are appointed for a maximum term of 4 years. The term of office of each of the Directors in office on December 31, 2021 is specified in paragraph 3.1.1.1 "Composition of the Board of Directors" of this Universal Registration Document. Each director may be removed from office at any time by the Company's Ordinary Shareholders' Meeting under the conditions set forth in article L.225-18 of the French Commercial Code and article 14.2 of the Company's by-laws.

Global envelope

On May 22, 2014, Rexel's Shareholders' Meeting granted an aggregate envelope of €1,315,000 in

directors' attendance fees, that has not been modified since this date.

Rules of allocation of the compensation to be paid in respect of 2022

The Board of Directors decided to renew for 2022 the rules of allocation of compensation defined for 2021, within the limit of the unchanged envelope of €1,315,000, *i.e.*:

- Fixed portion: €40,000;⁽¹⁾
- Variable portion: €8,000 per Committee meeting, up to a maximum amount of €40,000 per member⁽²⁾;
- For the members serving as Chairman of a Committee:
 - an additional amount of €15,000 for the chairmanship of the Nomination Committee;
 - an additional €15,000 for the chairmanship of the Compensation Committee; and
 - an additional amount of €25,000 for the chairmanship of the Audit and Risk Committee;

- For the Deputy Chairman and Senior Independent Director of the Board of Directors: a fixed portion of €100,000, the variable portion remaining identical to that mentioned above. The Deputy Chairman and Senior Independent Director of the Board of Directors is not entitled to compensation in connection with the chairmanship of a Committee; and
- For members coming from a different continent to attend the Board of Directors meetings: a fixed travel allowance of €2,500 per stay.

It is restated that the directors must comply with an obligation to hold shares of the Company over their term of office, *i.e.*, 4 years (of an amount equivalent to the theoretical fixed portion of the annual activity-based compensation). This share retention obligation does not apply to the directors representing the employees.

Summary table of directors' compensation policy for 2022:

STATUS	FIXED PORTION	COMMITTEE CHAIRMANSHIP	DEPUTY CHAIRMAN AND SENIOR INDEPENDENT DIRECTOR	VARIABLE PORTION	TOTAL	MAXIMUM PERCENTAGE OF VARIABLE PORTION IN RESPECT OF THE WHOLE COMPENSATION
Director	40,000	-	-	40,000	80,000	50%
Director and Chairman of the Audit and Risk Committee	40,000	25,000	-	40,000	105,000	38%
Director and Chairman of Compensation / Nomination	40,000	15,000	-	40,000	95,000	42%
Deputy Chairman and senior independent director	-	-	100,000	40,000	140,000	29%

This table allows to assess the importance of the variable portion as a proportion of total compensation, as well as the respective importance of the fixed and variable items making

up the total compensation and benefits of any kind that may be granted to directors.

Directors are not eligible for the free share plan.

3.2.1.3 Compensation policy applicable to the Chairman of the Board of Directors for the financial year 2022

The term of office of the Chairman of the Board of Directors is specified in paragraph 3.1.1.1 "Composition of the Board of Directors" of this Universal Registration Document. The Chairman of

the Board of Directors may be dismissed at any time by the Board of Directors, under the conditions provided for in Article L.225-47 of the French Commercial Code.

Fixed compensation

The Chairman of the Board of Directors benefits from a fixed annual compensation, excluding any other compensation item. The fixed compensation

therefore represents 100% of the total compensation of the Chairman of the Board of Directors.

(1) The Chairman and Deputy Chairman of the Board of Directors do not qualify for this fixed portion.

(2) The Chairman of the Board of Directors does not qualify for this variable portion.

This fixed annual portion is determined by the Board of Directors at the beginning and for the whole term of office of the Chairman of the Board of Directors. The amount of this annual compensation takes into account two categories of criteria:

- criteria specific to each person, such as experience, seniority, responsibilities; and
- criteria based on the sector's business activity and the general economic environment, based on the market studies carried out by independent consultancy firm Willis Towers Watson.

The Board of Directors aims to position the annual fixed compensation of the Chairman of the Board of Directors at the median of the reference market.

The amount of the fixed compensation allocated to the Chairman of the Board of Directors was €500,000 until December 31, 2020 pursuant to the compensation policy applicable during the

financial year. In view of market practices and of the new non-executive duties assumed by Ian Meakins as of December 1, 2020, the Board of Directors decided, in full agreement with him, to reduce his annual gross fixed compensation as Chairman of the Board of Directors to an amount of €300,000 as of January 1, 2021.

As a result, the fixed compensation awarded to the Chairman of the Board of Directors amounts to €300,000 for the 2022 financial year.

The compensation policy would apply under the same terms and conditions to the Chairman of the Board of Directors newly appointed or reappointed, it being specified that the fixed yearly compensation normally awarded to the Chairman of the Board of Directors amounts to €500,000, which was reduced to €300,000 for Ian Meakins, taking into account market practices and the non-executive duties he has been carried out since December 1, 2020.

Other compensation

The Chairman of the Board of Directors does not benefit from any other compensation item.

3.2.1.4 Compensation policy applicable to the Chief Executive Officer for the financial year 2022

The compensation policy is applicable for the entire duration of the corporate office.

The term of office of the Chief Executive Officer is specified in paragraph 3.1.3 "Executive Management" of this Universal Registration Document. The Chief Executive Officer may be removed from office at any time by the Board of Directors under the conditions set forth in article L.225-55 of the French Commercial Code and article 19.2 of the Company's by-laws.

In order to assess the respective importance of the fixed, variable and exceptional components making up the total compensation and benefits of any kind that may be granted to the Chief Executive Officer in respect of his term of office, please refer to section 3.2.1.6 "Summary tables of the compensation policy for the financial year 2022 - (*Say on Pay Ex-ante*)" of this Universal Registration Document.

Fixed compensation

The compensation policy provides for the allocation of a fixed annual compensation to the Chief Executive Officer.

This fixed annual compensation is determined by the Board of Directors at the beginning and for the whole term of office of the Chief Executive Officer. The compensation policy would apply under the same terms and conditions to a Chairman of the Board of Directors newly appointed.

The amount of the annual fixed compensation is determined according to criteria specific to each person, such as experience, seniority and responsibilities. It also takes into account criteria

relating to the sector's business activity and the general economic environment, based on studies carried out by independent consultancy firm Willis Towers Watson.

The Board of Directors intends to position the fixed annual compensation of the corporate officers at the median of the reference market. It also ensures that it proposes for the Chief Executive Officer a more dynamic short-term target variable compensation and long-term target variable compensation, both of which are integrally subject to demanding performance criteria. The Board of Directors shall examine the balance of these items.

In accordance with the compensation policy adopted by the Board of Directors on February 10, 2022 and submitted to the Shareholders' Meeting for approval, the fixed annual compensation of Guillaume Texier as Chief Executive Officer amounts to €800,000.

Guillaume Texier's fixed compensation would represent 45% of his total annual compensation (fixed compensation + target variable compensation).

The fixed compensation is set for the entire duration of Guillaume Texier's term of office as Chief Executive Officer.

Short-term variable compensation

The Chief Executive Officer qualifies to receive variable annual compensation.

The annual target variable compensation is defined as a percentage of the fixed compensation. It is also determined for the term of office. Its aim is to correlate the compensation of the Chief Executive Officer with the results of operations of the Rexel Group. The variable compensation is calculated on the basis of the achievement of criteria relative to the performance of the Rexel Group and to the individual performance. In addition, variable compensation is limited to a cap expressed as a percentage of the target variable compensation.

The Board of Directors aims at setting the target short-term variable compensation above the market median and to making it fully subject to challenging performance criteria.

The compensation policy does not provide for a mechanism to request the return of all or part of the variable compensation. However, the variable compensation due for a financial year may only be paid after the approval of the Shareholders' Meeting approving the accounts for that financial year.

In accordance with the compensation policy adopted by the Board of Directors at its meeting of February 10, 2022 and submitted for approval to the Shareholders' Meeting of April 21, 2022, the target variable compensation is set at 120% of the annual fixed compensation.

The variable compensation would represent 55% of the total compensation (fixed compensation + target variable compensation) per year.

In the event of outperformance, the variable compensation is capped at 162% of the fixed compensation. Quantitative targets can achieve a maximum result of 150% and qualitative targets can achieve a maximum result of 100%.

The variable compensation would only be subject to an effective payment if the demanding criteria defined by the Board of Directors are met.

The criteria used by the Board of Directors to assess the performance of variable compensation are, for the period from January 1 to December 31, 2022:

- On the one hand, financial criteria based on Rexel's results as well as the aggregates that the Group uses in the context of the analysis of

its financial situation. The financial portion represents 70% of the annual variable target compensation. These criteria are:

- gross margin in volume terms (40%);
- adjusted EBITA in volume terms (40%); and
- average operating working capital requirement as a percentage of sales (20%).

The gross margin volume criterion has been retained since 2020, replacing the criterion linked to the sales volume growth. This choice is consistent with the Group's strategic plan to increase the Group's profitability.

- On the other hand, non-financial criteria which represent 30% of the annual variable target compensation. These criteria are:
 - the sustainable development plan of the company (25%);
 - the strategic roadmap (25%);
 - the continuation of the Group's digital transformation (25%); and
 - good management of talents (25%).

These criteria are specified in 3.2.1.6 "Summary tables of the compensation policy for the financial year 2022 - (*Say on Pay Ex-ante*)" of this Universal Registration Document.

Demanding financial criteria are thus combined with non-financial criteria favoring the Group's development and competitiveness in a responsible and sustainable environment. This formula is part of the compensation policy, aligning the interests of managers with those of shareholders. It is in line with the company's best interest and its commitments in terms of Corporate Societal Responsibility. The combination of these criteria thus contributes to the company's business strategy and sustainability.

The Board of Directors determines on an annual basis the criteria and the expected level of achievement. The financial criteria are disclosed at the start of the financial year. The expected level of achievement and the performance achieved shall be communicated very precisely *ex-post* in the Universal Registration Document. Their *ex-post* communication is justified by the desire to safeguard the company's interests. It allows not

communicating *ex-ante* indications on its strategy that may be exploited by its competitors. The non-financial criteria are also described in order to preserve the Rexel Group's interest in a highly competitive environment. Their rate of achievement is specified *ex-post*.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of variable compensation items can only be made subject to the approval of the compensation items of the relevant person by a shareholders' meeting.

Long-term variable compensation

In order to involve the senior executives in the Group's development and performance and to align their interests with those of the shareholders, the Board of Directors may grant performance shares.

The Chief Executive Officer is eligible for the annual performance shares plan, which is the historical mechanism used to motivate and retain employees and top managers of the Group.

The shares allotted to the Chief Executive Officer are fully subject to performance criteria and conditions assessed over minimum periods of 3 years.

In accordance with the objectives determined by the Board of Directors and in the best interest of shareholders, the performance criteria on the basis of which the shares will be allotted are as follows:

- yearly average EBITA growth rate (40%);
- average free cash flow before interest and taxes/EBITDAaL ratio (20%);
- the achievement of an ESG index: internal multi-criteria relating to the implementation of the Corporate Social Responsibility policy (20%): carbon footprint reduction scopes 1 and 2, carbon footprint reduction scope 3, sustainability stakeholder engagement, gender diversity across the organization and for the leadership team, reduced frequency of working accidents, high level of adherence of employees to ethics and compliance values as captured by the employee satisfaction survey; and
- the relative Rexel share performance compared to the SBF 120 GR index (20%).

As previously indicated regarding the annual variable compensation, the nature of the financial criteria, their weight and their level of achievements targeted are clearly defined by the Board of Directors at the time of the allocation on the basis of the targets determined by the Board of Directors' meeting. The expected level of achievements targeted and the achieved performance are disclosed in a precisely manner *ex-post* in the Universal Registration Document.

Their *ex-post* disclosure is justified by the willingness to preserve the Rexel Group's interests. It allows not to disclose *ex-ante* any sensitive indication on its long-term strategy in a highly competitive environment. The implementation of demanding financial criteria makes it possible to ensure the compensation of executives, to retain them over the long-term in line with the Group's performance. It respects the corporate best interest while contributing to the company's commercial strategy and sustainability.

These shares are also allocated subject to presence criteria of 3 years.

As a result, the vesting period for the shares is 3 years, with no retention period.

The Chief Executive Officer has a retention obligation of at least 20% of the shares vested under these mechanisms until the end of his functions.

Furthermore, a limit was introduced in 2015, aiming at ensuring a balance between the various components of the corporate officers' compensation. Thus, for a given financial year, the annual value of the performance shares allocated to the Chief Executive Officer, cannot exceed 100% of his annual fixed and variable target compensation (120% of the annual fixed compensation).

In accordance with the compensation policy, the cap of 100% would be €1,760,000 based on annual fixed and variable compensation for 2022.

An additional limit also provides that the number of shares allocated to corporate officers cannot exceed 10% of the aggregate amount of free shares allocated to all of the beneficiaries⁽¹⁾.

The performance share allotment plans provide for the loss of unvested shares in the event of a departure from the Group (except in the event of retirement, death or disability).

Beneficiaries undertake to waive all hedging mechanisms for stock options and performance shares received from the Company, in accordance with the insider trading policy adopted by the Board of Directors and the AFEP-MEDEF Code.

(1) *i.e.*, a maximum of 0.14% of the share capital over a period of 26 months, based on the twenty-second resolution of the Shareholders' Meeting of April 21, 2022, which provides for a maximum ceiling of 1.4%.

The criteria, the choice of which must contribute to the achievement of the objectives of the compensation policy, are detailed in paragraph 3.2.1.6 “Summary tables of the compensation policy for the financial year 2022 - (*Say on Pay Ex-ante*)” of this Universal Registration Document.

The Board of Directors is committed to ensuring that the performance criteria adopted contribute to

the stability of the Chief Executive Officer. They are to reflect the Group's performance objectives and strategy in the short, medium and long term. The Board has thus ensured that these performance criteria are demanding and correspond to the Group's key growth and profitability factors. This allows to maintain a balance between short and long-term performance and the promotion of the Group's development for all stakeholders.

Retirement Plan

Medium-term collective savings scheme

The Board of Directors wished to put in place, as of 2016, a scheme allowing executives to progressively build up medium-term savings (Article 82 of the French General Tax Code). This scheme provides for the payment of an annual contribution at the benefit of the executive. This contribution is proportional with the compensation effectively received and capped. Its beneficiary is subject to social security charges and income tax. It is paid by Rexel in two forms: a mid-term investment vehicle of a life insurance type, and partly in cash. This allows the beneficiary to pay for taxes and social

charges due in respect of all of the contribution. This yearly system may be terminated upon each new calendar year.

The Board of Directors has considered that this type of scheme was more adapted and attractive for executives of the Group than other schemes such as supplemental retirement schemes. Also, it is more favorable to the interests of the shareholders and the best interest of the company, taking into account in particular the payments made by the beneficiary.

The main characteristics of this scheme are as follows:

OBJECTIVE AND LINK WITH THE STRATEGY	APPLICATION	MAXIMUM POTENTIAL VALUE	PERFORMANCE METRICS
New medium-term collective savings scheme To allow the setting up of a medium-term savings scheme for senior executives. No long-term undertakings for Rexel.	To offer an appropriate scheme for senior executives in mobility/ international profiles.	<p>The annual contribution is equal to:</p> <ul style="list-style-type: none"> • 20% on the portion of compensation paid ranging between 4 and 20 PASS (1 PASS = €41,136 in 2022), • plus 10% on the portion of compensation paid ranging between 20 and 40 PASS. <p>The variable compensation taken into consideration will be limited to 80% of the fixed annual compensation.</p>	The contribution is based on the effective fixed and variable compensation (capped).

Specific situation

As a reminder, Guillaume Texier did not benefit from the collective medium-term savings scheme (Article 82 of the French General Tax Code) for the period from September 1, 2021 to December 31, 2021.

The Board of Directors, on the recommendation of the Compensation Committee, has decided that the collective medium-term savings plan of Article 82 of the French General Tax Code will be applicable as of January 1, 2022, in application of the compensation policy applicable to the Chief Executive Officer.

Exceptional compensation

The Board of Directors believes that the possibility of granting exceptional compensation to executive corporate officers should not be excluded. This principle is based on the best interests of the Group and its stakeholders. Exceptional compensation occurs in very specific circumstances, as provided for in the AFEP-MEDEF Code (article 25.3.4), in

particular in the event of significant transactions for the Rexel Group due to:

- their size or nature;
- the changes implied in the organization or activities of the Rexel Group;
- the involvement they require or the difficulties they present; or

- transactions that do not fall within the scope of routine missions of the executive corporate officer.

The payment of such compensation items must be motivated and the reasons for their implementation must be explained. In any case, this exceptional compensation would be capped at 100% of the annual fixed compensation of the relevant executive corporate officer. They would only be considered if they contribute directly or indirectly to the objectives of the compensation policy.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of exceptional compensation items can only be made subject to the approval of the compensation items of the relevant person by a Shareholders' Meeting.

It is reminded that Guillaume Texier has not received any exceptional compensation since the beginning of his term of office as Chief Executive Officer.

Recruitment allowances

Similarly, the Board of Directors intends to focus on the internal development of talents in succession plans. Nevertheless, it considers that a recruitment indemnity for an executive corporate officer may be envisaged. This indemnity would be justified by the best interest of the Group in order to attract a new talented top executive (Article 25.4 of the AFEP-MEDEF Code). It would be proportional to the loss effectively suffered by the executive upon his/her change of duties. It would, in particular, take into account the annual variable compensation and long-term compensation. In any event this indemnity would be capped at two thirds of two years of global compensation of the previous duties. In accordance with the requirements of the AFEP-MEDEF Code, total compensation includes the fixed and variable portions.

In any case, these compensation items would meet the requirements of the AFEP-MEDEF Code and comply, in particular, with the principles of measure and fair balance among the various interests in presence. These compensation items shall be properly disclosed and clearly justified.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of a recruitment indemnity can only be

made subject to the approval of the compensation items of the relevant person by a Shareholders' Meeting.

Specific situation

In accordance with the compensation policy adopted by the Board of Directors at its meeting of March 25, 2021 and approved by the Shareholders' Meeting of April 22, 2021, it has been decided to pay Guillaume Texier a recruitment indemnity of €800,000, which is less than 50 % to the estimated losses of long-term variable compensation (corresponding to the benefit of bonus share plans for the last three years) suffered by Guillaume Texier as a result of the termination of his duties within the Saint-Gobain Group. This recruitment indemnity, which may only be paid after the approval of Guillaume Texier's compensation by the Shareholders' Meeting of April 21, 2022, is in the best interest of the Group insofar as it allows the Group to attract profiles with the skills and experience required to perform the duties of Chief Executive Officer of Rexel. It is specified that this payment does not exceed the ceiling of two thirds of two years of total compensation of the previous position.

Activity-based compensation

Further to the decision of the Board of Directors of February 10, 2016, no intragroup activity compensation is paid. Furthermore, no activity

compensation shall be paid to an executive corporate officer who carries out the duties of director of the Rexel Group.

Benefits in kind

Executive corporate officers may also be granted benefits in kind. These benefits result from the duties carried out within the Rexel Group. These may include:

- a healthcare/welfare collective coverage;
- a basic and a supplemental retirement scheme;

- a health checkup;
- tax advice;
- pension advice; and
- the availability of a company car.

The Chief Executive Officer may also be granted benefits in kind, subject to the following conditions:

OBJECTIVE AND LINK WITH THE STRATEGY	APPLICATION	MAXIMUM POTENTIAL VALUE
Company car To apply the policy applicable to the executives of Rexel.	Eligibility of executive officers in respect of the general policy of Rexel relating to vehicles.	Value of the policy applicable to the executives of Rexel.
Healthcare insurance/death and disability To protect the executive corporate officers by applying the same coverage as to other employees.	Eligibility of the executive officers to the coverage offered to employees.	Contribution to a collective insurance policy (the rules are identical for all employees).
Unemployment "GSC" coverage To protect executive corporate officers against unemployment.	Subscription of unemployment coverage for executive officers.	Contributions applicable based on the GSC set of criteria.

Multi-year compensation

The Board of Directors does not provide for any multi-year compensation at the benefit of executive corporate officers.

Severance and/or non-compete indemnity

The compensation policy of executive corporate officers determined by the Board of Directors provides, under certain conditions, the payment of severance and/or non-compete compensatory allowance.

In order to protect the interests of the shareholders and the competitiveness of the Group, the Board of Directors, after receiving a favorable opinion from the Compensation Committee, may provide for the payment of a severance indemnity and/or a non-compete compensatory allowance, within the limits of Article R.22-10-14, III of the French Commercial Code and the recommendations provided for in Article 24 of the AFEP-MEDEF Code in force.

Pursuant to the recommendations referred to in article 25.5 of the AFEP-MEDEF Code, the severance and/or non-compete compensation would be capped at an amount not exceeding 18 months of the monthly reference compensation of the relevant executive (defined as the sum of (i) the last gross annual fixed compensation received, divided by 12, and (ii) the average of the last two gross annual variable compensation items received, excluding any exceptional bonus, divided by 12). In the event that the executive is dismissed or his/her term of office is not renewed due to an acquisition or change of control before he/she has received gross annual variable compensation for two financial years, the monthly reference compensation shall be defined as the sum of (i) the last gross annual fixed compensation received divided by 12, and (ii) the amount corresponding to any variable compensation (excluding any exceptional bonus) awarded to the executive until the date of termination of his/her duties, divided by

the number of whole months elapsed between the date of taking office and the date of termination of his/her duties.

Severance payments may only be paid in the event of dismissal, other than for gross negligence or gross misconduct, of the duties of the Chief Executive Officer, it being specified that the non-renewal of the term of office of the Chief Executive Officer does not qualify as a forced departure and does not result in the payment of the indemnities referred to above. As an exception, severance payments may be paid if the non-renewal of the term of office of the Chief Executive Officer results from an acquisition or change of control of Rexel within the meaning of Article L.233-3 of the French Commercial Code for the benefit of any person acting alone or in concert, including as a result of a public tender offer under French regulations.

The severance indemnity is not applicable in the event of:

- resignation;
- termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*); or
- retirement leave or compulsory retirement leave.

The position adopted by the Board of Directors is more restrictive than the guidelines referred to in article 24.5.1 of the AFEP-MEDEF Code. These provide for the payment of indemnities in case of forced departure "independent of the form of such departure".

In addition, in accordance with the provisions of Article R.22-10-14, III, of the French Commercial Code, the payment of a non-compete indemnity is excluded if the Chief Executive Officer exercises

his retirement rights after the termination of his duties in the Company.

The payment of such indemnities is also subject to performance criteria to be assessed over 2 years, set forth below:

- The payment of 60% of the indemnity would be dependent on the level of EBITA of the Rexel Group. The level of EBITA is calculated on the basis of the audited consolidated financial statements of Rexel for the last two financial years ended prior to the date of termination of the corporate office. The payment would be due at 100% if the level of EBITA reached on average 60% of the budgeted values for these two financial years on average; and
- The payment of 40% of the indemnity would be dependent on the level of ATWC (average trade working capital requirement) of the Rexel Group. The level of the ATWC is calculated on the basis of the audited consolidated financial

statements of Rexel for the last two financial years preceding the date of termination of the corporate office. This payment would be due at 100% if the level of ATWC reached a maximum on average 125% of the budgeted performance for these two financial years.

With respect to the non-compete allowance⁽¹⁾, the Board of Directors reserves the right to waive the application of this clause in the event of the executive's departure⁽²⁾.

The Board of Directors may decide that an executive will not qualify for severance indemnities and/or non-compete compensatory allowance in respect of his/her corporate office. This decision would rely on specific circumstances, taking into account the profile, career, etc.

The Board of Directors has decided that Chief Executive Officer Guillaume Texier would qualify for severance indemnity.

3.2.1.5 Compensation governance

The Compensation Committee ensures the proper implementation of the principles described above in connection of its works and recommendations to the Board of Directors. It relies on these principles to define the policies and implement them when determining the amounts or valuation of the compensation or benefits.

It is reminded that when the Board of Directors decides on an item or undertaking in favor of its Chairman or Chief Executive Officer, the interested parties may not take part in the deliberations or vote on the relevant item or undertaking.

3.2.1.6 Summary tables of the compensation policy for the financial year 2022 - (Say on Pay Ex-ante)

At its meeting of February 10, 2022, the Board of Directors decided on the following items

concerning the compensation of corporate officers for 2022.

■ Directors

In accordance with the compensation policy that is determined for the duration of the term of office, the compensation of the directors has been unchanged for the 2022 financial year and is composed of the following items:

DESCRIPTION	AMOUNT
Fixed annual compensation	The annual gross fixed compensation of directors was maintained at €40,000. This fixed compensation is determined for the whole term of office. For the Deputy Chairman and Senior Independent Director of the Board of Directors: a fixed portion of €100,000.
Variable annual compensation	The variable compensation is maintained at €8,000 per Committee meeting, up to a maximum amount of €40,000 per member. For the Deputy Chairman and Senior Independent Director of the Board of Directors: the fixed portion remains identical, i.e., €40,000.

(1) For a limited period of 12 months.

(2) The Board of Directors can assess the interest for the Group to activate the non-compete clause or to waive it depending on the effective risk of competition when the executive leaves (in particular in the event that the executive could continue to carry out missions or duties with competitors).

DESCRIPTION	AMOUNT
Deferred variable compensation	Directors do not benefit from any deferred variable compensation.
Multi-annual variable compensation	Directors do not benefit from any multi-annual variable compensation.
Exceptional compensation	Directors do not benefit from any exceptional compensation.
Benefits of any kind	Directors do not benefit from any benefit in kind.
Long-term compensation: performance share allocation	Directors do not benefit from any long-term compensation.
Severance indemnity	Directors do not benefit from any severance indemnity.
Non-compete indemnity	Directors do not benefit from any non-compete indemnity.
Supplemental retirement scheme	Directors do not benefit from any supplemental retirement scheme.
Compensation as Committee Chairman	The directors who chair the Audit and Risk Committee, the Nomination Committee and the Compensation Committee receive additional annual compensation of €25,000, €15,000 and €15,000 respectively. The Deputy Chairman and Senior Independent Director of the Board of Directors does not receive compensation in connection with the chairmanship of a Committee.
Travel Allowance	Directors coming from a different continent to attend the Board of Directors meetings are entitled to a fixed travel allowance of €2,500 per stay.

■ Ian Meakins, Chairman of the Board of Directors

DESCRIPTION	AMOUNT
Fixed annual compensation	Ian Meakins' gross annual fixed compensation amounts to €300,000 as from January 1, 2022, unchanged since January 1, 2021.
Variable annual compensation	Ian Meakins does not benefit from any variable annual compensation.
Deferred variable compensation	Ian Meakins does not benefit from any deferred variable compensation.
Multi-annual variable compensation	Ian Meakins does not benefit from any multi-annual variable compensation.
Exceptional compensation	Ian Meakins does not benefit from any exceptional compensation.
Benefits of any kind	Ian Meakins does not benefit from any benefit in kind.
Long-term compensation: performance share allocation	Ian Meakins does not benefit from any other long-term compensation.
Severance indemnity	Ian Meakins does not benefit from any severance indemnity.
Non-compete indemnity	Ian Meakins does not benefit from any non-compete indemnity.
Supplemental retirement scheme	Ian Meakins does not benefit from any supplemental retirement scheme.

■ Guillaume Texier, Chief Executive Officer

FIXED ANNUAL COMPENSATION	
DESCRIPTION	AMOUNT
Fixed annual compensation	The fixed annual compensation is set to €800,000.

VARIABLE ANNUAL COMPENSATION

Guillaume Texier's target annual variable compensation is set at 120% of his gross fixed annual compensation.

Variable compensation for 2022 is made up of 70% quantitative criteria and 30% qualitative criteria. The quantitative criteria may reach a maximum of 150% if the financial results exceed 100% of the quantitative criteria set. The individual portion of the variable compensation is capped at 100% achievement.

The maximum variable compensation may not exceed 162% of the fixed compensation.

The quantitative criteria are: volume-adjusted gross margin (40%), volume-adjusted EBITA (40%) and average operating working capital as a percentage of sales (20%).

The qualitative criteria are: sustainable development (25%), strategic roadmap (25%), digital transformation (25%) and talent management (25%).

DESCRIPTION	AMOUNT
The annual variable compensation is made up of two parts:	The target variable compensation is set at 120% of the gross fixed annual compensation for the duration of the mandate.
• Quantitative Objectives:	Target value: 120% of fixed compensation $120\% \times 800,000 = €960,000$
- Target portion: 70% of annual variable target compensation $70\% \times 960,000 = €672,000$	Maximum value: 162% of fixed compensation $(1,008,000 + 288,000) / 800,000 = 162\%$
- Maximum share $70\% \times 150\% = 105\%$ of annual variable target compensation $\times 960,000 = €1,008,000$	
• Qualitative Objectives:	
- Target portion: 30% of annual variable target compensation $30\% \times 960,000 = €288,000$	
- Maximum share $30\% \times 100\% = 30\%$ of annual variable target compensation $\times 960,000 = €288,000$	

Quantitative targets⁽¹⁾

FINANCIAL CRITERIA	WEIGHT	MINIMUM	TARGET	MAXIMUM
Adjusted margin in volume terms	40%	Payment of the first euro if the result reaches 95% target	100% payout if result reaches 100% target	Payout limited to 150% if result reaches 105% target
Adjusted EBITA in volume terms ⁽²⁾	40%	50% payment if the result reaches 95% target	100% payout if result reaches 100% target	Payout limited to 150% if result reaches 105% target
Average operating working capital requirement as a percentage of sales	20%	50% payment at the achievement of 95% of the objective	100% payout if result reaches 100% target	Payout limited to 150% if result reaches 105% target
Total ⁽³⁾	100%	Calculation on a linear basis between the points.		

(1) The criteria and the expected level of achievement are determined on an annual basis by the Board of Directors. The financial criteria are disclosed at the start of the financial year. The expected level of achievement and the performance reached are disclosed *ex-post* in this Universal Registration Document. This *ex-post* disclosure is justified by the desire to protect the Group's interests by not disclosing *ex-ante* indications on its strategy that could be exploited by its competitors.

(2) The financial criteria for EBITA and Gross Margin are referred to as adjusted, as they are adjusted for the non-recurring effect of changes in copper prices. As a reminder, the non-recurring effect is the effect of changes in the price of copper on inventories. There is no adjustment to EBITA, nor to Gross Margin, for the so-called recurring effect of copper, *i.e.*, the impact of the variation in copper prices on sales.

(3) As a reminder, and in line with previous years, in the event of outperformance, payments are capped at 150%. Demanding trigger thresholds will be communicated *ex-post*.

Qualitative Objectives⁽¹⁾

NON-FINANCIAL CRITERIA	WEIGHT	DESCRIPTION ⁽¹⁾
Sustainable development	25%	<ul style="list-style-type: none"> Make substantial progress on each dimension of Rexel's sustainability roadmap including: <ul style="list-style-type: none"> Internal efforts, measured by the progress made on the Scopes 1 & 2 roadmaps; Role vis-à-vis Rexel's suppliers, measured by the proportion of suppliers committed to ESG objectives (ESG charters); Role vis-à-vis Rexel's customers, measured by the proportion of green products and solutions sold; Training and awareness-raising of Rexel's employees on sustainable development issues, measured by training hours and internal opinion surveys.
Strategic roadmap	25%	<ul style="list-style-type: none"> Establish a detailed strategic plan with the objective of a formal presentation to the markets during the year 2022.
Digital transformation	25%	<ul style="list-style-type: none"> Continued implementation of Rexel's digital roadmap, measured by the improvement in the portion of online sales and the number of specific data tools deployed.
Talent Management	25%	<ul style="list-style-type: none"> Progress in the development of succession plans for members of the Executive Committee and, more generally, the organization of talent management within Rexel.
Total	100%	

(1) Non-financial criteria are communicated at the beginning of the financial year, based on precise, concrete and measurable objectives. The expected level of achievement and the performance achieved are communicated *ex-post* in the Universal Registration Document. This *ex-post* communication is justified by the desire to protect the Group's interests by not communicating *ex-ante* indications of its strategy that could be exploited by its competitors. As a reminder, and in line with previous years, in the event of outperformance, payments are capped at 100%.

Assuming that all of the objectives detailed above are achieved, the maximum fixed and variable annual compensation from January 1 to December 31, 2022 or, in application of the applicable compensation policy, would be as follows:



2021 FIXED COMPENSATION IN €	TARGET 2022 VARIABLE COMPENSATION AS A PERCENTAGE OF FIXED COMPENSATION	VARIABLE COMPENSATION 2022 TARGET IN €	FIXED AND VARIABLE COMPENSATION 2022 TARGET IN €	FINANCIAL PART OF TARGET VARIABLE COMPENSATION IN % AND IN €	INDIVIDUAL PORTION OF TARGET VARIABLE COMPENSATION IN % AND IN €	MAXIMUM ACHIEVEMENT OF THE FINANCIAL PORTION	MAXIMUM ACHIEVEMENT OF THE INDIVIDUAL PORTION	MAXIMUM ACHIEVEMENT OF VARIABLE COMPENSATION 2022 AS A % OF TARGET AND IN €	MAXIMUM ACHIEVEMENT OF VARIABLE COMPENSATION 2022 AS A % OF FIXED COMPENSATION AND IN €
				70%	30%	150%	100%	135%	162%
800,000	120%	960,000	1,760,000	672,000	288,000	1,008,000	288,000	1,296,000	1,296,000

EXCEPTIONAL COMPENSATION

The compensation policy provides for the possibility of paying exceptional compensation under the restrictive conditions described in section “Exceptional compensation” of paragraph 3.2.1.4 “Compensation policy applicable to the Chief Executive Officer for the 2022 financial year” of this Universal Registration Document.

RECRUITMENT INDEMNITY

The compensation policy provides for the possibility of paying a recruitment indemnity proportional to the loss actually incurred by the executive when changing duties, and in particular on the annual variable portion and long-term compensation.

In accordance with the compensation policy adopted by the Board of Directors at its meeting of March 25, 2021 it has been decided to pay Guillaume Texier a recruitment indemnity of €800,000, which is less than 50% to the estimated losses of long-term variable compensation (corresponding to the benefit of a free share allocation plan covering the last three years) suffered by Guillaume Texier as a result of the termination of his duties within the Saint-Gobain Group. This payment may only be paid after approval of Guillaume Texier's compensation by the Shareholders' Meeting of April 21, 2022.

BENEFITS OF ANY KIND

Guillaume Texier receives benefits in kind consisting of a company car *inter alia* (in accordance with the policy applicable to Rexel's managers).

LONG-TERM VARIABLE COMPENSATION

The Board of Directors considers that share allocation mechanisms, that also benefit to other keys functions in the company, are particularly adapted to the duties of executive corporate officer. They reflect the level of responsibility of these duties and their capacity to contribute directly to the long-term performance of the company in line with the interests of the shareholders.

The shares allotted to Guillaume Texier are fully subject to performance criteria assessed over periods of at least three years.

These shares are also allotted subject to a presence criterion of three years. As a result, the vesting period is 3 years, with no further retention period.

Furthermore, the allotment is limited by two specific caps in value and in number of shares:

- the annual value of the performance shares granted to the Chief Executive Officer in respect of a financial year may not exceed 100% of his annual fixed and variable target compensation for that financial year (as defined in section “Long-term variable compensation” of paragraph 3.2.1.6 “Summary tables of the compensation policy for the financial year 2022 - (*Say on Pay Ex-ante*)” of this Universal Registration Document); and
- the number of shares allotted to the corporate officers cannot exceed 10% of the total performance shares allotted to all of the beneficiaries.

The Chief Executive Officer has a lock-up obligation in respect of 20% of the shares vested in connection with these schemes until the termination of his/her duties.

DESCRIPTION	AMOUNT
Allotments of shares fully subject to demanding performance criteria assessed over a period of 3 years (corresponding to the vesting period) and condition of presence, without additional retention period.	Maximum number of shares that may be allocated: 10% of the total amount allocated to all beneficiaries (within the overall limit of the percentage of share capital authorized by the Shareholders' Meeting of April 21, 2022) ⁽¹⁾ . Maximum value of the shares at grant: 100% of the annual target fixed and variable compensation of Guillaume Texier.

(1) i.e., a maximum of 0.14% of the share capital over a period of 26 months, for a maximum limit of 1.4% over the same period.

Performance criteria

CRITERIA	WEIGHT	TRIGGERING THRESHOLD	TARGET	MAXIMUM	COMMENTS
Average growth of EBITA 2021-2024	40%	50% of shares vest if the average performance reaches 85%	100% of shares vest if the target is reached	115% of shares vest if the average performance reaches at least 125% of target	Calculation on a linear basis between the points
Average between years 2022, 2023 and 2024 of the free cash flow before interest and taxes/EBITDAal ratio	20%	50% of shares vest if the average performance reaches 90%	100% of shares vest if the target is reached	115% of shares vest if the average performance reaches at least 120% of target	Calculation on a linear basis between the points
ESG index - 6 criteria to capture the ESG roadmap roll out	20%	50% of shares vest if the average performance reaches 85%	100% of shares vest if the target is reached	115% of shares vest if the average performance reaches at least 125% of target	Calculation on a linear basis between the points
Relative performance of the Rexel share compared to the SBF 120 GR ⁽¹⁾ index	20%	Vesting equal to 50% if the performance of the Rexel share is equal to the performance of the SBF 120 GR index	Vesting equal to 100% if the performance of the Rexel share outperforms the SBF 120 GR index by 5%	Vesting equal to 115% if the performance of the Rexel share outperforms the SBF 120 GR index by 10%	
	100%	The performance level of each criterion is combined with the weight of each criterion in order to obtain a weighted global level of performance. In any case, said global level is limited to 100% of the initial allotment			

- (1) The relative performance criterion of the Rexel share compared to the SBF 120 GR index has replaced the previously determined TSR criterion based on a panel of selected companies. This change is due to the difficulty to establish and update a representative panel of companies comparable to Rexel (in particular from a geographical, strategic challenges, digital transformation in product and services sales point of view). The SBF 120 GR index, which Rexel is part of, better integrates some of these criteria. The weighting of this criterion, the triggering threshold, the target and maximum vesting have been determined based on a comparable structure to that of the TSR criterion previously used, in line with market practices.

SEVERANCE AND/OR NON COMPETITION CLAUSE

Guillaume Texier may be entitled to a severance payment upon termination of his duties as Chief Executive Officer, in accordance with the terms of the compensation policy.

The Board of Directors considered that Guillaume Texier would not be eligible for a non-compete indemnity in respect of his corporate office.

SUPPLEMENTAL RETIREMENT SCHEME

Guillaume Texier benefits from the collective medium-term savings scheme (Article 82 of the French General Tax Code) for the year 2022.

Any allocation of shares to Guillaume Texier, Chief Executive Officer will be subject to the achievement of demanding performance objectives adapted to Rexel's current environment. These objectives will be determined in accordance with the criteria defined by the Board of Directors.

The performance levels relating to the internal performance criteria will be assessed at the end of the three-year period and will correspond to the achievement of targets as determined by the Board of Directors. The performance level relating to the Rexel share will be also assessed after the three-year period.

These demanding targets have resulted in moderate levels of vesting for the latest plans delivered: respectively 35.2% for the April 2013 plan, 36% for the May 2014 Transition 2+2 plan, 31% for the May 2014 Key Managers plan, 18% for the July 2015 Key Managers 3+2 plan, 45% for the June 23, 2016 (3+2) and (4+0) plans. 74% for the May 23, 2017 (3+2) and (4+0) plans and 40% for the 2018 (3+0) plan.

The expected level of achievement and the performance reached are disclosed *ex-post* in

detail in this Universal Registration Document. The main financial criteria over three years are based on the objectives determined by the Board of Directors.

The performance criteria used for the long-term compensation now include an environmental and social criterion, in line with the Group's commitment in its last annual report. The Board of Directors has decided, on the recommendation of the Compensation Committee, to replace the financial criterion relating to sales with an ESG index based on internal criteria, in order to meet expectations in relation to the recommendations of the AFEP-MEDEF Code, as well as those of the various voting advisory agencies, which recommend the inclusion of an ESG criterion in variable compensation schemes.

More generally, performance shares are granted to a significant number of employees (between 800 and 1,000 on average per year) and it is important that these key financial criteria measuring the Group's performance can also be used for these plans.

3.2.2 Compensation of corporate officers for the 2021 financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)

The information in this section is required by article L.22-10-9, I of the French Commercial Code. They concern the compensation paid or allocated to the corporate officers for financial year 2021. They are submitted to the vote of the shareholders in accordance with Article L.22-10-34, II of the French Commercial Code.

Compensation and other benefits paid in 2021 or granted in respect of 2021 are in accordance with the compensation policy approved by the Company's Shareholders' Meeting in 2021.

Moreover, the performance measurement of the financial criteria is based on the Group's results as publicly disclosed and audited. The measurement of the performance of non-financial criteria is the result of a rigorous assessment by the Board of Directors. The details thereof are described within certain limits imposed by the protection of information deemed confidential in a competitive environment. In all cases, performance levels are determined in accordance with the Group's performance. They are in line with the Company's best interest, on the basis of factual and objective criteria.

3.2.2.1 Compensation and other benefits paid or allocated to Directors

Allocation rules and amount of compensation paid during the year 2021 or allocated in respect of financial year 2021

In the scope of the envelope authorized by the Shareholders' Meeting and upon the recommendation of the Nomination and Compensation Committees, the Board of Directors has decided to allocate the compensation for financial year 2021 as follows:

- Fixed portion: €40,000⁽¹⁾;
- Variable portion: €8,000 per Committee meeting, up to a maximum amount of €40,000 per member⁽²⁾;
- For the members serving as Chairman of a Committee: an additional amount of €15,000 for the chairmanship of the Nomination Committee and an additional €15,000 for the chairmanship

of the Compensation Committee and an amount of €25,000 for the chairmanship of the Audit and Risk Committee;

- For the Deputy Chairman and Senior Independent Director of the Board of Directors: a fixed portion of €100,000, the variable portion remaining identical to that mentioned above. The Deputy Chairman and Senior Independent Director of the Board of Directors is not entitled to compensation in connection with the chairmanship of a Committee; and
- For members coming from a different continent to attend the Board of Directors meetings: a fixed travel allowance of €2,500 per stay.

(1) The Chairman and Deputy Chairman of the Board of Directors do not qualify for this fixed portion.

(2) The Chairman of the Board of Directors does not qualify for this variable portion.

On the recommendation of the Compensation Committee, the Board of Directors' meeting of February 10, 2022 set the compensation of the directors and former observer as follows:

	YEAR ENDED DECEMBER 31										
	2021					2020					
	FIXED PORTION	VARIABLE PORTION	RELATIVE VARIABLE/FIXED PROPORTION	TRAVEL ALLOWANCE	TOTAL	FIXED PORTION	VARIABLE PORTION	RELATIVE VARIABLE/FIXED PROPORTION	TRAVEL ALLOWANCE	REDUCTION	TOTAL
DIRECTORS											
Ian Meakins	-	-	-	-	-	-	-	-	-	-	-
François Henrot ⁽¹⁾	100,000	40,000	40%	-	140,000	100,000	40,000	40%	-	-10,000	130,000
François Auque	65,000	40,000	62%	-	105,000	65,000	40,000	62%	-	-6,500	98,500
Marcus Alexanderson	40,000	40,000	100%	-	80,000	40,000	40,000	100%	-	-4,000	76,000
Patrick Berard ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-
Julien Bonnel ⁽³⁾	40,000	40,000	100%	-	80,000	40,000	40,000	100%	-	-4,000	76,000
Brigitte Cantaloube	40,000	40,000	100%	-	80,000	35,400	40,000	113%	-	-4,000	71,400
Barbara Dalibard ⁽⁴⁾	3,600	-	N/A	-	3,600	-	-	-	-	-	-
Elen Phillips	40,000	40,000	100%	-	80,000	40,000	40,000	100%	2,500	-4,000	78,500
Toni Killebrew	40,000	40,000	-	2,500	82,500	4,700	-	-	-	-	4,700
Maria Richter	40,000	40,000	100%	2,500	82,500	40,000	40,000	100%	2,500	-4,000	78,500
Guillaume Texier ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-
Agnès Touraine ⁽⁶⁾	56,200	40,000	71%	-	96,200	55,000	40,000	73%	-	-5,500	89,500
Herna Verhagen ⁽⁷⁾	50,250	40,000	103%	-	90,250	55,000	40,000	73%	-	-5,500	89,500
Total					920,050						792,600

(1) Including the compensation as Deputy Chairman of the Board of Directors.

(2) Patrick Berard's term of office as a Director ended on September 1, 2021.

(3) The entire compensation allocated to Julien Bonnel as Director representing the employees is paid to the designated trade union. Julien Bonnel also receives compensation as employee of Rexel France SAS.

(4) Barbara Dalibard was co-opted as a Director by the Board of Directors on December 3, 2021.

(5) Guillaume Texier was appointed as a Director by the Shareholders' Meeting of April 22, 2021, with effect from September 1, 2021.

(6) Agnès Touraine was appointed as Chairwoman of the Nomination Committee in addition to her corporate offices as of December 3, 2021.

(7) Herna Verhagen's term of office as a Director ended on November 29, 2021.

■ **Summary table of compensation paid to directors and to the Observer for the last three financial years (in euros)**

	YEAR ENDED DECEMBER 31		
	2021	2020	2019
DIRECTORS			
Ian Meakins	-	-	-
François Henrot ⁽¹⁾	140,000	130,000	140,000
François Auque ⁽²⁾	105,000	98,500	66,000
Marcus Alexanderson	80,000	76,000	82,500
Patrick Berard ⁽³⁾	-	-	-
Julien Bonnel ⁽⁴⁾	80,000	76,000	82,500
Brigitte Cantaloube	80,000	71,400	-
Barbara Dalibard ⁽⁵⁾	3,600	-	-
Elen Phillips	80,000	78,500	95,000
Toni Killebrew	82,500	4,700	-
Maria Richter	82,500	78,500	95,000
Guillaume Texier ⁽⁶⁾	-	-	-
Agnès Touraine	96,200	89,500	97,500
Herna Verhagen ⁽⁷⁾	90,250	89,500	95,000
Total	920,050	792,600	925,150

(1) Including the compensation as Deputy Chairman of the Board of Directors.

(2) François Auque was appointed Director and Chairman of the Audit and Risk Committee by the Shareholders' Meeting of May 23, 2019, and was a member of the Board of Directors as Observer from January 1 to May 23, 2019.

(3) Patrick Berard's term of office as a Director ended on September 1, 2021.

(4) The entire compensation allocated to Julien Bonnel as Director representing the employees is paid to the designated trade union. Julien Bonnel also receives compensation as employee of Rexel France SAS.

(5) Barbara Dalibard was co-opted as a Director by the Board of Directors on December 3, 2021.

(6) Guillaume Texier was appointed as a Director by the Shareholders' Meeting of April 22, 2021, with effect from September 1, 2021.

(7) Herna Verhagen's term of office as a Director ended on November 29, 2021.

Payment of directors' compensation would be suspended in the event of non-compliance with the parity rules.

The compensation policy does not provide for a mechanism to request the return of all or part of the variable compensation of directors.

3.2.2.2 Compensation and other benefits paid or allocated to Ian Meakins, Chairman of the Board of Directors

Compensation and options/shares allotted during the last two financial years

(in €)	2021	2020
IAN MEAKINS		
Compensation allocated in respect of the financial year	300,000	450,000
Valuation of the options allocated during the financial year	N/A	N/A
Valuation of the performance shares allocated during the year	N/A	N/A
Total	300,000	450,000

Gross compensation over the last two financial years summary table

	2021		2020	
(in €)	COMPENSATION ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	COMPENSATION PAID DURING THE FINANCIAL YEAR	COMPENSATION ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	COMPENSATION PAID DURING THE FINANCIAL YEAR
IAN MEAKINS				
Fixed compensation	300,000	300,000	450,000	450,000
Variable compensation	N/A	N/A	N/A	N/A
Activity compensation	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A
Total	300,000	300,000	450,000	450,000

Fixed compensation

In view of market practices and the new non-executive functions assumed by Ian Meakins since December 1, 2020, the gross annual fixed

compensation of Ian Meakins has been reduced to €300,000 as of January 1, 2021.

Annual variable compensation

Ian Meakins does not benefit from any annual variable compensation.

Other compensation items

Ian Meakins does not benefit from any other compensation items.

■ Employment agreement/supplemental retirement plan/severance indemnities/non-compete clause

	EMPLOYMENT AGREEMENT	SUPPLEMENTAL RETIREMENT PLAN	SEVERANCE INDEMNITIES	NON-COMPETE CLAUSE
Ian Meakins	No	No	No	No

3.2.2.3 Compensation and other benefits paid or allocated to Patrick Berard, Chief Executive Officer until September 1, 2021

Compensation and options/shares allotted during the last two financial years

(in €)	2021	2020
PATRICK BERARD		
Compensation allocated in respect of the financial year	1,297,090	1,251,242
Valuation of the options allocated during the financial year	N/A	N/A
Valuation of the performance shares allocated during the year	0	841,000
Total	1,297,090	2,092,242

Gross compensation over the last two financial years summary table

	2021		2020	
(in €)	COMPENSATION ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	COMPENSATION PAID DURING THE FINANCIAL YEAR	COMPENSATION ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	COMPENSATION PAID DURING THE FINANCIAL YEAR
PATRICK BERARD				
Fixed compensation	466,667 ⁽¹⁾	466,667 ⁽¹⁾	585,000	585,000
Variable compensation	825,522 ⁽²⁾	659,880 ⁽³⁾	659,880	656,565
Activity compensation	N/A	N/A	N/A	N/A
Benefits in kind	4,901	4,901	6,362	6,362
Total	1,297,090	1,131,448	1,251,242	1,247,927

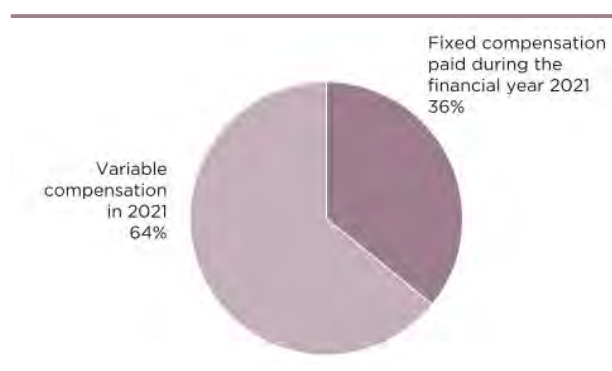
- (1) After *prorata* adjustment of €700,000 corresponding to the fixed annual compensation for the period from January 1, 2021 to December 31, 2021, in accordance with the compensation policy applicable to the Chief Executive Officer for financial year 2021, until the end of Patrick Berard's term of office as Chief Executive Officer.
- (2) Payment submitted to the prior approval of the Shareholders' Meeting of April 21, 2022.
- (3) Payment approved by the Shareholders' Meeting of April 22, 2021.

Compensation structure

The main compensation of the Chief Executive Officer is made of a fixed compensation, an annual variable compensation and a long-term compensation.

The allotment of these fixed, annual target-based compensation and performance shares is presented below. According to the graph below, 64% of the compensation of the Chief Executive Officer is subject to performance criteria (mainly financial).

For the visibility of the graph above, the amount of the benefit in kind (a car) included into the fixed compensation is equal to €4,901 for the financial year ended December 31, 2021, after adjustment of the amount on a *prorata basis*.



Fixed compensation

The annual gross fixed compensation of Patrick Berard has been determined at €700,000.

In view of the termination of Patrick Berard's duties as Chief Executive Officer with effect from

September 1, 2021, the Board of Directors' meeting of February 10, 2022 adjusted his gross fixed annual compensation on a *prorata basis* for the period between January 1, 2021 and August 31,

2021, thereby reducing the gross fixed annual compensation paid to Patrick Berard for financial year 2021 from €700,000 to €466,667.

As of September 1, 2021, Patrick Berard's employment contract was reactivated. His fixed compensation for the period ended December 31, 2021 amounted to €171,667 as an employee.

Annual variable compensation

2021 – Reminders and background information

The annual variable target-based compensation has been determined at 130% of the annual fixed compensation.

The annual variable target-based compensation has been assessed based on:

- Quantitative targets of 75%; and
- Qualitative targets of 25%.

The quantitative targets set for 2021 were volume-adjusted gross margin (40%), volume-adjusted EBITA (40%) and average operating working capital (20%).

These targets were capped at a maximum of 150%, if they exceed 100% of the targets.

The qualitative targets set for 2021 were digital transformation (33.34%), Corporate Social Responsibility policy (33.33%) and the stability and development of a high-performance management team (33.33%).

These targets were capped at a maximum of 100%, of achievement.

Therefore, the maximum variable compensation represented 179% of the fixed compensation.

It is specified that in view of the termination of Patrick Berard's duties as Chief Executive Officer as of September 1, 2021, the Board of Directors has deemed appropriate to assess the performance and achievement of objectives taking into account the period from January 1 to December 31, 2021 and to distribute it on a *pro rata basis* from January 1 to August 31, 2021, *i.e.*, 8 months.

Performance assessment for 2021

On February 10, 2022, the Board of Directors assessed the performance of the Chief Executive Officer and determined an overall performance of 136.1% of the target variable compensation, *i.e.* a gross amount of €825,522 to be paid in consideration of the 2021 financial year. Thus, the variable compensation set by the Board of Directors for the Chief Executive Officer represents 176.90% of his fixed compensation.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of the 2021 variable compensation will be subject to the approval of the Combined Shareholders' Meeting of April 21, 2022.

The achievement levels for the 2021 criteria referred to above are as follows:

2021 FIXED COMPENSATION IN €	2021 TARGET VARIABLE COMPENSATION IN PERCENTAGE OF THE FIXED COMPENSATION	2021 TARGET VARIABLE COMPENSATION IN €	QUANTITATIVE PART OF THE TARGET VARIABLE COMPENSATION (%)	QUALITATIVE PART OF THE TARGET VARIABLE COMPENSATION (%)	2021 RESULT QUANTITATIVE PART	2021 RESULT QUALITATIVE PART	ACHIEVEMENT OF THE 2021 QUANTITATIVE PART	ACHIEVEMENT OF THE 2021 QUALITATIVE PART	TOTAL ACHIEVEMENT AS A PERCENTAGE OF THE TARGET VARIABLE COMPENSATION	AMOUNT IN € TO BE PAID IN RESPECT OF 2021 VARIABLE COMPENSATION
A	B	(A x B) = C	D	E	F	G	(D x F) = H	(E x G) = I	(H + I) = J	(C x J)
466,667	130%	606,667	75%	25%	148.10%	100%	111.1%	25%	136.1%	825,522

Performance analysis

The Board of Directors assessed the performance for the financial year 2021 on the basis of the objectives described below.

Details concerning the 2021 quantitative targets:

2021 CRITERIA	WEIGHT	2021 OBJECTIVES	MINIMUM	TARGET	MAXIMUM	ACHIEVED 2021		
						LEVEL OF PERFORMANCE IN % OF OBJECTIVES	PAYMENT LEVEL BEFORE WEIGHTING	LEVEL OF PERFORMANCE IN % OF OBJECTIVES
Adjusted gross margin in volume	40%	3,296.0	Payment of the 1st euro if the result has reached 95% of the objective	100% payment if result reaches 100% of target	Payment capped at 150% if result reaches 105% of target	112.9%	150.00%	60.00%
Adjusted EBITA by volume	40%	651.4	Payment at 50% if the result has reached 95% of the objective	100% payment if result reaches 100% of target	Payment capped at 150% if result reaches 105% of target	132.8%	150.00%	60.00%
Average operating working capital	20%	14.19 %	Payment at 50% if the result has reached 95% of the objective	100% payment if result reaches 100% of target	Payment capped at 150% if result reaches 105% of target	104.0%	140.3%	28.10%
100 %		Linear calculation between points					148.1%	

Details regarding 2021 qualitative targets:

NON-FINANCIAL CRITERIA	WEIGHTING	ACHIEVEMENT	PERFORMANCE	WEIGHTED PERFORMANCE
Digital transformation	33.34%	<ul style="list-style-type: none"> Digital sales penetration (defined as the ratio of Web and EDI sales to total sales) increased by 222 bps from 2020 to 2021, reaching 24% in 2021, making Rexel a major digital player at the forefront of its industry. Rexel relies increasingly on the use of digital technology and data analysis. To reduce customer "churn", an alert system provides sales representatives with information that enables them to better serve their customers. Rexel has been actively supporting research into artificial intelligence, particularly since September 2020 and the launch, in association with Total, L'Oréal, Capgemini and Kering, of Hi! Paris, an interdisciplinary research center of excellence in the fields of artificial intelligence and data analysis. The Group is extremely vigilant and demanding in terms of cyber security and has set up a program to protect the identity of users, data and Rexel services. 	100%	33.34%
Stability and development of a high performance management team	33.33%	<ul style="list-style-type: none"> Guillaume Texier has been appointed Chief Executive Officer of Rexel on September 1, 2021. Patrick Berard's employment contract was reactivated on the same date, for a period of 6 months, thus contributing to a smooth transition by bringing his knowledge of the company and its ecosystem during this period. 	100%	33.33%
Corporate Social Responsibility Policy	33.33%	<ul style="list-style-type: none"> As a player in the energy transition, Rexel has set ambitious environmental targets, aligned with a trajectory well below the +2°C of the Paris Climate Agreement and validated by the Science-Based Target (SBTi) initiative. These targets were met in 2021. Rexel successfully completed a €300 million Sustainability-Linked Bond issue on April 27, 2021, linked to the achievement of its greenhouse gas emission reduction targets. The D&I (Diversity & Inclusion) program was finalized in early 2021 for the next 5 years. The 2021 objectives have been achieved. 	100%	33.33%
Total	100%			100%

All of the data reviewed by the Board of Directors reflect the successful achievement of the objectives and ambitions set by the Board of Directors have been successfully achieved, as reflected in the performance of the Chief Executive Officer for the financial year 2021.

As of September 1, 2021, Patrick Berard's employment contract was reactivated. His variable compensation for the period ending December 31, 2021 amounted to €183,573 as an employee.

Repayment clause

The compensation policy does not provide for a mechanism to request the return of all or part of the variable compensation of the Chief Executive Officer.

Other items of compensation for the relevant period

The various benefits in kind were as follows:

- healthcare/welfare insurance; health checkup;
- basic and supplementary pension;
- tax and pension consultancy; and
- availability of a company car (€4,901 for 2021).

Long-term compensation: allocation of subscription or purchase options and allocation of performance shares

Subscription or purchase options

No option of subscription or purchase of shares has been allocated to Patrick Berard by Rexel or any of the company of the Rexel Group for the financial year ended December 31, 2021.

No option of subscription or purchase of shares has been exercised during the financial year ended December 31, 2021.

The insider trading policy of Rexel binds corporate officers not to use hedging options to cover their

risk in respect of the options, issued shares resulting from the exercise of options and from performance shares.

Allotment of performance shares

The number of performance shares allocated to Patrick Berard by Rexel and by any Group company during the financial year ended December 31, 2021, is detailed below:

BENEFICIARIES	DATE OF ALLOTMENT	PLAN NAME	NUMBER OF SHARES	VALUE OF ALLOCATED SHARES	VESTING DATE	TRANSFERABILITY DATE
Patrick Berard	N/A	3+0	0	0	N/A	N/A

It is reminded that Patrick Berard did not receive any shares in respect of the 2021 financial year.

In addition, he remains eligible for deliveries under the plans granted in 2019 and 2020 under the same conditions as the other beneficiaries.

History of the last performance shares allocated, acquired or transferable during the financial year ended December 31, 2021 for Patrick Berard

GRANT DATE	OCTOBER 20, 2021	APRIL 22, 2021	SEPTEMBER 28, 2020	MAY 23, 2019	MAY 24, 2018
Number of shares allotted	0	0	100,000	100,000	100,000
Adjustment of number of shares in 2019	N/A	N/A	N/A	103,442	103,442
Adjustment of number of shares in 2021			102,738	106,274	106,274
Vesting date	October 20, 2024	April 22, 2024	September 28, 2023	May 23, 2022	May 24, 2021
Performance rate	N/A	N/A	N/A	N/A	40%
Number of shares irrevocably vested	0	0	0	0	42,510
Transferability Date	October 21, 2024	April 23, 2024	September 29, 2023	May 24, 2022	May 25, 2021
Number of lost shares at December 31, 2020	0	0	0	0	63,764

In the context of the end of Patrick Berard's term of office as Chief Executive Officer, the Board of Directors has decided not to grant him free shares for the year 2021.

In addition, the vested shares held by Patrick Berard will be maintained, in accordance with the plans' regulations. These plans provide for an exception to the presence requirement in the event of retirement.

Supplemental defined-benefit retirement plan, within the meaning of Article L.137-11 of the French Social security Code (Article 39 of the French General Tax Code)

Patrick Berard was born in 1953 and joined the Rexel Group in 2003.

Considering his career and seniority the Board of Directors' meeting of July 1, 2016 decided not to interrupt the supplemental defined-benefit retirement plan in which Patrick Berard has been maintained in his capacity as an employee prior to accepting the duties of corporate officer.⁽¹⁾ This decision has been maintained by the Board of Directors meeting of May 24, 2018 upon the renewal of the corporate office of Chief Executive Officer of Patrick Berard as of July 1, 2018.

In order to comply with former article L.225-42-1 of the French Commercial Code, the Board of Directors decided that the contingent rights that may be acquired by Patrick Berard in respect of his duties as Chief Executive Officer in connection with this scheme would be subject to the achievement of annual performance condition.

The performance criteria were determined by the Board of Directors of July 1, 2016, and subsequently upheld by the decision of the Board of Directors dated May 24, 2018. They have been aligned with the criteria of the annual variable compensation of the Chief Executive Officer (financial portion and individual portion). The performance criteria will be achieved if the annual variable compensation reaches at least 60% of the target variable compensation for the relevant year (as described in paragraph 3.2.2.3 "Compensation and other benefits paid or allocated to Chief Executive Officer Patrick Berard until September 1, 2021" of this Universal Registration Document).

Therefore, it is only in case of achievement of these annual performance criteria that:

- The time of exercise in the capacity of Chief Executive Officer by Patrick Berard will be taken into consideration for the calculation of his seniority; and
- The compensation received in respect of the duties of Chief Executive Officer will be taken into consideration for determining the average of the three years of highest compensation.

The Board of Directors of February 10, 2022 acknowledged the achievement of the performance criteria for the 2021 financial year. Indeed, the level of the variable compensation for 2010 has reached a performance of 148,10%. The activity period and the compensation received in respect of the duties of corporate officer over the considered period shall therefore be retained for the calculation of the contingent rights (within the limits provided by the retirement scheme described below).

Characteristics of the defined-benefit retirement scheme that benefited to Patrick Berard

Patrick Berard, in his capacity as Chief Executive Officer, benefited from a supplementary defined-benefit retirement scheme, within the meaning of Article L.137-11 of the French Social security Code, made up of two successive regimes:

- A first regime set up unilaterally, effective from May 31, 2005 and amended for the last time with effect from September 1, 2016 (Regime 1). This regime was frozen as at June 30, 2009; and
- A second regime set up unilaterally on March 30, 2009, with effect from July 1, 2009 and amended for the last time with effect from September 1, 2016 (Regime 2). This regime was frozen as at December 31, 2019.

The contingent rights that the Chief Executive Officer may acquire in respect of his activity as corporate officer, in connection with this scheme⁽²⁾, shall only be granted if performance criteria such as those described above are met.

Also, it is restated that in accordance with the laws and regulations⁽³⁾, and following the decision of the Board of Directors, at its meeting of December 17, 2019, approved by the Shareholders' Meeting of June 25, 2020, rights were frozen, consisting of the interruption at December 31, 2019 of the acquisition of new contingent rights under the plan. On the other hand, end-of-career compensation will be taken into account, in accordance with the terms of the plan's regulations and of the order.

(1) Decision of the Board of Directors dated February 10, 2016 setting up the medium-term collective savings scheme.

(2) Consideration of the compensation for Regimes 1 and 2 and consideration of seniority only for Regime 2.

(3) Law No. 2019-486 of May 22, 2019 relating to the growth and transformation of companies, known as the "PACTE Law" and Order No. 2019-697 of July 3, 2019 relating to supplementary occupational retirement schemes.

The main characteristics of these schemes were as follows:

	REGIME 1	REGIME 2
Effective date	<ul style="list-style-type: none"> May 31, 2005 Rights frozen as of June 30, 2009 	<ul style="list-style-type: none"> July 1, 2009 Rights frozen as of December 31, 2019
Reference compensation	<ul style="list-style-type: none"> Average of the three best calendar years of gross compensation Gross compensation includes fixed compensation, exclusively contractual annual bonuses and benefits in kind (excluding exceptional bonuses, hardship allowances and the like) 	<ul style="list-style-type: none"> Average of the three best calendar years of gross compensation Gross compensation includes fixed compensation, exclusively contractual annual bonuses limited to 80% of the fixed compensation (excluding exceptional bonuses, hardship allowances and the like as well as benefits in kind) Global limit equal to 40 PASS
Length of service	<ul style="list-style-type: none"> Minimum length of service of 4 years 	<ul style="list-style-type: none"> Entry into the Rexel Group prior to January 1, 2010 (compliance with the minimum length of service requirement of 2 years provided for by the AFEP-MEDEF Code)
Rights acquisition formula	<ul style="list-style-type: none"> 2.5% per year of service For Patrick Berard, the potential accrued frozen rights amount to 10.0% 	<ul style="list-style-type: none"> 1.00% per year of service for the tranche between 4 and 20 PASS 0.50% per year of service for the tranche between 20 and 40 PASS
Applicable limits	<ul style="list-style-type: none"> Retirement pension under this plan and other supplemental retirement schemes of Rexel limited to 12.5% of the reference compensation For Patrick Berard, the potential accrued rights are below the cap 	<ul style="list-style-type: none"> Retirement pension limited to 20% of the reference compensation under Regime 2 Retirement pension under this plan and other supplemental retirement schemes of Rexel (including Regime 1) limited to 25% of the reference compensation Retirement pension under this plan and other supplemental retirement schemes of Rexel (including Regime 1) and compulsory regimes, limited to 50% of the reference compensation
Reversion pension	<ul style="list-style-type: none"> 60% of the supplemental pension calculated on the basis of length of service and reference compensation as at the date of death 	<ul style="list-style-type: none"> 50% of the supplemental pension calculated on the basis of length of service and reference compensation as at the date of death
Terms of entry into the regime	<p>Entry into this regime was subject to the following cumulative conditions:</p> <ul style="list-style-type: none"> Having an employee and/or corporate officer status; and Having a status and activity matching the definition of article L.3111-2 of the French Labor Code as well as a given level of responsibility; 	<ul style="list-style-type: none"> Having an employee and/or corporate officer status; Having joined the Rexel Group prior to January 1, 2010; and Having a status and activity matching the definition of article L.3111-2 of the French Labor Code as well as a given level of responsibility
Joint criteria for benefiting of the regime – general rule	<p>The benefit of this regime is subject to the following cumulative conditions:</p> <ul style="list-style-type: none"> Participating to the old-age insurance of the French Social security regime; Being part of Rexel Développement (or Rexel in respect of Regime 2) as at the date of their retirement or forced retirement; Putting an end to their professional career within Rexel Développement (or Rexel in respect of Regime 2), in accordance with the condition set forth in article L.137-11 of the French Social security Code; Having settled their retirement pension of the French Social security base regime. 	
Joints criteria for benefiting of the regime – specific situations	<p>The regime may be maintained in the following cases:</p> <ul style="list-style-type: none"> Redundancy after the age of 55 (except gross misconduct), subject to the beneficiary not exercising subsequently any other professional activity; Disability corresponding to the 2nd or 3rd class under the French Social security regime Early departure in the context of an early retirement company scheme; and Death prior to retiring from the company (upholding of the attached rights such as reversion pension). <p>The effective benefits occur as from the effective settlement of the retirement pension of the French Social Security base regime</p>	

It is reminded that these defined-benefit supplemental retirement scheme defined within the meaning of article L.137-11 of the French Social security Code was compliant with all of the guidelines of the AFEP-MEDEF Code.

AFEP-MEDEF GUIDELINES	
Eligibility criteria	Compliant
Number of corporate officers compared to the total number of beneficiaries	Compliant
Seniority criteria	Compliant
Challenging performance criteria	Compliant
Yearly accrual percentage	Compliant
Maximum vesting period	Compliant
Reference compensation	Compliant
Maximum amount of pension	Compliant
Information on potential rights	Compliant

This scheme corresponded to the characteristics of the schemes referred to in Article L.137-11 of the French Social security Code. It was subject to the related-party agreements procedure governed by former article L.225-42-1 of the French Commercial Code. It has been approved by the Shareholders' Meeting of May 23, 2019, due to the renewal of the corporate office as Chief Executive Officer of Patrick Berard.

The total provision booked by Rexel for all employees covered by this supplemental defined-benefit retirement plan corresponded to a zero liability at December 31, 2021.

As of December 31, 2021, the value of this plan asset was estimated approximately at €6.1 million. Insurance premiums are paid by Rexel to this plan asset depending on the financing needs as beneficiaries retire.

Patrick Berard was the last eligible beneficiary to this defined-benefit retirement scheme. This scheme, initially intended for executive managers whose status and duties corresponded to the provisions of article L.311-2 of the French Labor Code and closed in 2016, was cancelled from

September 1, 2021, date of termination of the duties of Chief Executive Officer Patrick Berard.

It is also indicated that at the closing of the 2021 financial year, the yearly amount of the retirement of the Chief Executive Officer under this scheme was estimated at €228,422. This estimation was based on the length of service acquired as at the date of closing of the financial year and on the compensation recorded during the last financial years, as if the Chief Executive Officer could benefit therefrom on the next day following the closing of the financial year.

This pension has been liable to:

- The general social contribution (CSG and CRDS) (8.8%), the special Social security contribution (1%), the CASA (additional solidarity contribution for autonomy at the rate of 0.3%) as well as to a specific contribution up to 14% (within the terms provided by article L.137-11-1 of the French Social security Code); and
- Personal income tax, after a 10% deduction.

Insurance premiums paid are subject to a 24% contribution, borne by Rexel.

Severance indemnities

The Board of Directors took into account Patrick Berard's career and his length of service within the Rexel Group. It decided to maintain and suspend the employment agreement held by Patrick Berard prior to his new duties.

The employment agreement of Patrick Berard is suspended during the exercise of his duties as Chief Executive Officer. This agreement provides under certain conditions, the payment of a severance and/or non-compete indemnity in case of termination by the employer (except for gross negligence (*faute grave*) or willful misconduct (*faute lourde*), or compulsory retirement leave). It is limited to a global amount of 18 months of monthly reference compensation (*i.e.*, the last annual fixed

compensation increased by the average amount of the last 2 bonuses received, divided by 12).

In case of reactivation of the employment agreement of Patrick Berard, these potential severance indemnities would be calculated without taking into account the exercise period of the corporate office. The seniority or fixed or variable compensation received as a corporate officer are not considered.

No severance indemnity has been granted to Patrick Berard by the Board of Directors, in respect of the termination of his duties as Chief Executive Officer. Nor has it granted him any non-compete indemnity in connection with the termination of such duties, taking into account his career and profile.

In view of the termination of his duties as Chief Executive Officer as of September 1, 2021 and the reactivation of his employment agreement following the termination of his term of office, Patrick Berard accepted on September 1, 2021 the employer's notice of retirement, which will take effect at the end of a 6-month notice period.

At the end of this period, Rexel Développement SAS will pay Patrick Berard a retirement indemnity in accordance with the applicable regulations. The retirement indemnity that has been paid in

February 2022 to Patrick Berard amounts to €310,650. The years of seniority retained for the calculation of this indemnity are the years during which Patrick Berard was an employee of Rexel, prior to his appointment as Chief Executive Officer.

It is reminded that in accordance with Article R.22-10-14, III of the French Commercial Code, Patrick Berard will not be paid any severance or non-compete indemnity since he retired after leaving office.

■ Employment agreement/supplemental retirement plan/severance indemnities/non-compete clause

	EMPLOYMENT AGREEMENT	SUPPLEMENTAL RETIREMENT PLAN	SEVERANCE INDEMNITIES	INDEMNITIES IN RELATION TO NON-COMPETE CLAUSE
Patrick Berard	Yes – agreement suspended during the term of corporate office and reactivated as of September 1, 2021	Yes – defined-benefit retirement scheme (within the meaning of Article 137-II of the French Social security Code) Rights frozen as of December 31, 2019	No – No indemnities provided for in respect of the corporate office	No – No indemnities provided for in respect of the corporate office

3.2.2.4 Compensation and other benefits paid or granted to Guillaume Texier, Chief Executive Officer as of September 1, 2021

Compensation and options/shares granted during the last two financial years

(in €)	2021	2020
GUILLAUME TEXIER		
Compensation awarded for the financial year	701,985	N/A
Valuation of options granted during the financial year	N/A	N/A
Valuation of performance shares granted during the year ⁽¹⁾	565,250	N/A
Recruitment indemnity	800,000	N/A
Total	2,067,235	N/A

(1) Valuation based on the IFRS 2 fair value used for the consolidated financial statements (€16.15 for 2021).

Summary table of gross compensation for the last two financial years

	2021		2020	
(in €)	COMPENSATION AWARDED FOR THE FINANCIAL YEAR	COMPENSATION PAID DURING THE FINANCIAL YEAR	COMPENSATION AWARDED FOR THE FINANCIAL YEAR	COMPENSATION PAID DURING THE FINANCIAL YEAR
GUILLAUME TEXIER				
Fixed compensation	266,667 ⁽¹⁾	266,667 ⁽¹⁾	N/A	N/A
Variable compensation	427,745 ⁽²⁾	N/A	N/A	N/A
Activity compensation	N/A	N/A	N/A	N/A
Benefits in kind	7,573	7,573	N/A	N/A
Recruitment indemnity	800,000	N/A	N/A	N/A
Total	1,501,985	274,240	N/A	N/A

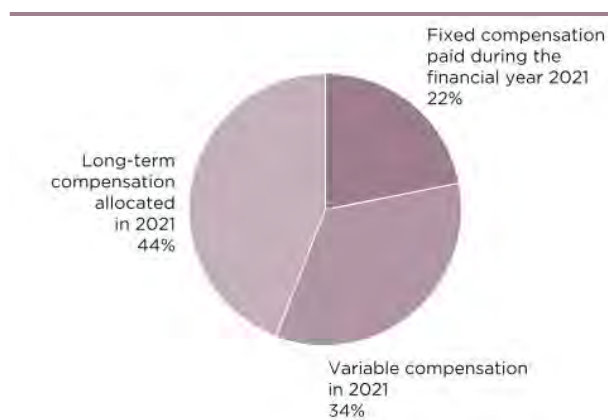
(1) After *prorata* adjustment of the €800,000 corresponding to the fixed annual compensation for the period from January 1, 2021 to December 31, 2021, in accordance with the compensation policy applicable to the Chief Executive Officer for financial year 2021, as from the appointment of Guillaume Texier as Chief Executive Officer.

(2) Payment subject to prior approval by the Shareholders' Meeting of April 21, 2022.

Compensation Structure

The main compensation of the Chief Executive Officer consists of fixed compensation, annual variable compensation and long-term compensation.

The breakdown of the weighting of these fixed, variable annual target and performance share items is shown below. It can be seen from this diagram that 78% of the Chief Executive Officer's compensation is subject to performance criteria (mainly financial).



It is specified that for the visibility of the above graph, the amount of the benefit in kind (car and corporate/executive officer GSC) included in the fixed compensation is equal to €7,573 for the financial year ended December 31, 2021.

Fixed compensation

Guillaume Texier's gross fixed annual compensation was set at €800,000.

Annual variable compensation

Financial year 2021 - reminders and context

Guillaume Texier's target annual variable compensation was set at 120% of his gross annual fixed compensation.

The annual variable target compensation was assessed on the basis of:

- quantitative criteria for 70%; and
- qualitative criteria for 30%.

The quantitative criteria set for 2021 were volume-adjusted gross margin (40%), volume-adjusted EBITA (40%) and average operating working capital (20%).

These targets were capped at a maximum of 150% if they exceeded 100% of the targets set.

The qualitative criteria set for 2021 were the development of an effective management team (33.4%), the updating of the medium-term plan and, in particular, the construction of the 2022 budget (33.3%) and the production of a report on the first 100 days in office (33.3%).

These targets were capped at a maximum of 100% achievement.

As a result, the maximum variable compensation could represent 162% of the fixed compensation.

It is specified that considering the appointment of Guillaume Texier as Chief Executive Officer as of September 1, 2021, the Board of Directors has considered appropriate to assess the performance and achievement of objectives taking into account the period from September 1 to December 31, 2021, on a *pro rata basis*, i.e., over 4 months.

2021 Performance Assessment

On February 10, 2022, the Board of Directors assessed the performance of the Chief Executive Officer and determined an overall performance of 133.7% of the target variable compensation, i.e. a gross amount of €427,745 to be paid in respect of the 2021 financial year. Thus, the variable compensation set by the Board of Directors for the Chief Executive Officer represents 160.45% of his fixed compensation.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, payment of the 2021 variable compensation is subject to approval by the Combined Shareholders' Meeting of April 21, 2022.

The achievement levels for the 2021 criteria mentioned above are as follows:

FIXED COMPENSATION 2021 IN EUROS	VARIABLE COMPENSATION 2021 TARGET AS A PERCENTAGE OF FIXED COMPENSATION	VARIABLE COMPENSATION 2021 TARGET IN EUROS	QUANTITATIVE PART OF THE TARGET VARIABLE COMPENSATION	QUALITATIVE PART OF THE TARGET VARIABLE COMPENSATION	RESULT 2021 QUANTITATIVE PART	RESULT 2021 QUALITATIVE PART	REALIZATION OF THE QUANTITATIVE PART 2021	COMPLETION OF THE QUALITATIVE PART 2021	OVERALL ACHIEVEMENT AS A PERCENTAGE OF TARGET VARIABLE COMPENSATION	AMOUNT IN € TO BE PAID AS VARIABLE COMPENSATION IN 2021
A	B	(A x B) = C	D	E	F	G	(D x F) = H	(E x G) = I	(H + I) = J	(C x J)
800,000	120%	960,000	70%	30%	148.10%	100%	103.7%	30%	133.70%	1,283,232
266,667	120%	320,000	70%	30%	148.10%	100%	103.7%	30%	133.70%	427,745

Performance analysis

The Board of Directors assessed the performance for financial year 2021 on the basis of the objectives described below.

Details of the 2021 quantitative criteria:

CRITERIA 2021	WEIGHT	2021 OBJECTIVES	MINIMUM	TARGET	MAXIMUM	ACHIEVED 2021		
						LEVEL OF PERFORMANCE IN % OF OBJECTIVES	PAYMENT LEVEL BEFORE WEIGHTING	LEVEL OF PERFORMANCE IN % OF OBJECTIVES
Adjusted gross margin in volume	40%	3,296.0	Payment of 1st euro if the result has reached 95% of the target	100% payment if result reaches 100% of target	Payment capped at 150% if result reaches 105% of target	112.9%	150.00%	60.00%
Adjusted EBITA in volume	40%	651.4	Payment at 50% if the result has reached 95% of the objective	100% payment if result reaches 100% of target	Payment capped at 150% if result reaches 105% of target	132.8%	150.00%	60.00%
Average operating working capital	20%	14.19%	Payment at 50% if the result has reached 95% of the objective	100% payment if result reaches 100% of target	Payment capped at 150% if result reaches 105% of target	104.0%	140.3%	28.10%
Total	100		Linear calculation between points					148.10%

Details of the 2021 quality criteria:

NON-FINANCIAL CRITERIA	WEIGHT	DESCRIPTION	PERFORMANCE	WEIGHTED PERFORMANCE
Development of a successful management team	33.34%	<ul style="list-style-type: none"> Appointment of two women to the Executive Committee, to the position of Director of Strategy and to the position of General Secretary and Secretary of the Board of Directors. Recruitment of a woman to replace the Chief Executive Officer for the Swiss subsidiary. Recruitment of Chief Executive Officers in progress in two countries of the Group. 	100%	33.34%
Update of the medium-term plan	33.33%	<ul style="list-style-type: none"> Construction of the 2022 budget. Preparation of the strategic plan for April 2022. In this context and in 2021: appointment of a Strategy Director, strategic plan already advanced. 	100%	33.33%
First 100 days report	33.33%	<ul style="list-style-type: none"> Comments at the end of the first 50 days presented to the October 2021 Board of Directors. Comments at the end of the first 100 days presented to the December 2021 Board of Directors. 	100%	33.33%
Total	100%			100%

All the data reviewed by the Board of Directors reflect a good achievement of the objectives and ambitions set by the Board of Directors through

the recognition of the performance of the Chief Executive Officer for the financial year 2021.

Recruitment Allowance

In accordance with the compensation policy adopted by the Board of Directors at its meeting of March 25, 2021 and approved by the Shareholders' Meeting of April 22, 2021, it has been decided to pay Guillaume Texier a recruitment allowance of €800,000, which is less than 50% to the estimated losses of long-term variable compensation (corresponding to the benefit of bonus share plans for the last three years) suffered by Guillaume Texier as a result of the termination of his duties within the Saint-Gobain Group. This payment,

which may only be paid after the approval of Guillaume Texier's compensation by the Shareholders' Meeting of February 10, 2022, is in the best interest of the Group insofar as it enables the Group to attract profiles with the skills and experience required to perform the duties of Chief Executive Officer of Rexel. It is specified that this payment does not exceed the ceiling of two thirds of two years of total compensation of the previous position.

Refund clause

The compensation policy does not provide for a mechanism to request the return of all or part of the Chief Executive Officer's variable compensation.

Other compensation items for the period under review

The various benefits in kind were as follows:

- health coverage/providence; health check-up;
- basic and supplementary pension scheme;
- tax and pension assistance; and
- provision of a company car (€7,573 for 2021).

Long-term compensation: stock options and performance shares

Share subscription or purchase options

No stock options have been granted to Guillaume Texier by Rexel or by any company of the Rexel Group for the financial year ended December 31, 2021.

No stock options were exercised for the year ended December 31, 2021.

Rexel's insider trading policy includes a commitment for corporate officers not to use options to hedge their risk on options, shares resulting from the exercise of options or on performance shares.

Allocation of performance shares

In accordance with the 2021 compensation policy, Guillaume Texier is eligible for the annual

performance share plans, a historical mechanism for motivating and retaining Group employees and managers. For 2021, as his duties began on September 1, 2021, and in order to enable him to benefit from the annual performance share plan, the Chief Executive Officer was entitled to an exceptional grant of 35,000 shares when he took up his duties.

The amount of this exceptional grant has been calculated on a *pro rata basis* for the period from the date on which the Chief Executive Officer's duties take effect until December 31, 2021.

The number of performance shares granted during the financial year ending December 31, 2021 to Guillaume Texier by Rexel and by any company of the Rexel Group is detailed below:

AWARDED	DATE OF GRANT	NAME OF THE PLAN	NUMBER OF SHARES	VALUATION OF SHARES GRANTED ⁽¹⁾	DATE OF VESTING	DATE OF TRANSFERABILITY
Guillaume Texier	October 20, 2021	3+0	35,000	€565,250	October 20, 2024	October 21, 2024

(1) Valuation based on the IFRS 2 fair value used for the consolidated financial statements (16.15 euros in 2021).

The number of shares granted and their value at grant are below the limits set by the Board of Directors. In particular, in accordance with the compensation policy, the 100% limit is equal to €586,667 based on the fixed and variable annual compensation for 2021, calculated *pro rata temporis* for the period from September 1, 2021 to December 31, 2021.

The performance criteria used and the method applied to determine their impact on the future vesting of the performance shares granted during the financial year ending December 31, 2021 are detailed in section 3.7.2.6 “Allocation of free shares” of this Universal Registration Document.

History of the last performance shares granted, vested or transferable during the financial year ended December 31, 2021 for Guillaume Texier

Date of grant of the plan	October 20, 2021
Number of shares granted	35,000
Date of acquisition	October 20, 2024
Performance rate	N/A
Number of vested shares	N/A
Date of transferability	October 21, 2024
Number of shares forfeited as of December 31, 2021	N/A

Pension Plan - Group Medium Term Savings Plan

Guillaume Texier does not benefit from the collective medium-term savings scheme (Article 82 of the French General Tax Code) for the year 2021.

Severance pay and/or non-compete indemnity

The compensation policy for executive corporate officers defined by the Board of Directors provides for the payment of severance pay and/or compensation for non-compete under certain conditions.

In order to protect the interests of shareholders and the competitiveness of the Group, the Board of Directors, after receiving the favorable opinion of the Compensation Committee, may provide for the payment of a severance payment and/or a non-compete indemnity, within the limits provided for in article R.22-10-14, III of the French Commercial Code and the guidelines provided for in article 24 of the AFEP-MEDEF Code in force.

In accordance with the guidelines of article 25.5 of the AFEP-MEDEF Code, severance payments and/or non-compete indemnities would be capped at 18 months of the reference monthly compensation of the relevant corporate officer (defined as the sum of (i) the last gross annual fixed compensation received, divided by 12, and (ii) the average of the last two gross annual variable compensation payments received, excluding any exceptional bonus, divided by 12. In the event that the corporate officer is removed from office or his/her term of office is not renewed due to an acquisition or change of control before he/she has received gross annual variable compensation for two financial years, the monthly reference

compensation will be defined as the sum of (i) the last gross annual fixed compensation received divided by 12, and (ii) the amount corresponding to any variable compensation (excluding any exceptional bonus) awarded to the corporate officer until the date of termination of his/her duties, divided by the number of whole months elapsed between the date of taking office and the date of termination of his duties).

Severance payments may only be paid in the event of dismissal, other than for gross negligence or gross misconduct, from the duties of the Chief Executive Officer, it being specified that the non-renewal of the term of office of the Chief Executive Officer does not qualify as a forced departure and does not result in the payment of such indemnities. By exception, severance payments may apply if the non-renewal of the term of office of the Chief Executive Officer results from an acquisition or change of control of Rexel within the meaning of Article L.233-3 of the French Commercial Code for the benefit of any person acting alone or in concert, including as a result of a public bid under French regulations.

Severance pay is not payable in the event of resignation, dismissal for serious or gross misconduct, retirement or non-renewal of a corporate officer's term of office. The position adopted by the Board of Directors is more

restrictive than the guidelines set out in article 24.5.1 of the AFEP-MEDEF Code, which provide for the payment of severance pay in the event of forced departure, “regardless of the form of the departure”.

In addition, in accordance with the provisions of article R.22-10-14, III of the French Commercial Code, the payment of a non-compete indemnity is excluded if the Chief Executive Officer exercises his/her right to retire after the termination of his/her duties in the Company.

The payment of these indemnities is also subject to performance conditions assessed over two years, as described below:

- The payment of 60% of the indemnity would depend on the EBITA level of the Rexel Group. This payment would be due up to 100% if the EBITA level, calculated on the basis of Rexel's audited consolidated financial statements for the last two financial years preceding the date of termination of the corporate mandate reached at least on average 60% of the budgeted values for these two years.

- The payment of 40% of the indemnity would depend on the level of the average operating working capital of the Rexel Group. This payment would be due up to 100% if the level of average operating working capital, calculated on the basis of the audited consolidated financial statements of Rexel for the last two financial years preceding the date of termination of the corporate office, reached on average 125% of the budgeted performance for these two financial years.

The Board of Directors reserves the right to waive the non-compete⁽¹⁾ indemnity upon the departure of the corporate officer⁽²⁾.

The Board of Directors may decide that a corporate officer will not be eligible for severance pay and/or non-compete indemnity in respect of his/her corporate office, taking into account particular situations (profile, career, etc.).

Accordingly, the Board of Directors considered that the Chief Executive Officer, Guillaume Texier, is not eligible for a non-compete indemnity in connection with the termination of his duties as Chief Executive Officer, considering his career and profile.

■ **Employment contract / supplementary pension plan / termination benefits / non-compete clause**

	WORK CONTRACT	SUPPLEMENTARY PENSION PLAN	INDEMNITY RELATED TO THE TERMINATION OF EMPLOYMENT	INDEMNITY RELATED TO A NON-COMPETE CLAUSE
Guillaume Texier	No	No	Yes - but no payment for financial year 2021	No

(1) For a limited period of 12 months.

(2) The Board of Directors may assess the interest for the Group to activate or waive the non-compete clause depending on the actual risk of competition upon the departure of the corporate officer (in particular in the event that the latter may continue to carry out missions or functions with competitors).

3.2.2.5 Summary tables concerning compensation paid or allocated to the corporate officers

Summary table of compensation, options and shares allocated to each corporate officer

A summary of all of the compensation items due to the managing corporate officers by the companies of the Rexel Group in respect of the financial years ended December 31, 2021 and December 31, 2020 is shown in the table below:

	FINANCIAL YEAR ENDED DECEMBER 31,	
	2021	2020
IAN MEAKINS		
Compensation allocated in respect of the financial year ⁽¹⁾	€300,000	€450,000
Valuation of the options allocated during the financial year	N/A	N/A
Valuation of the performance shares allocated during the year ⁽²⁾	(2)	N/A
Total	€300,000	€450,000
PATRICK BERARD⁽³⁾		
Compensation paid in respect of the financial year ⁽¹⁾	€1,297,090	€1,251,242
Valuation of the options allocated during the financial year	N/A	N/A
Valuation of the performance shares allocated during the year ⁽²⁾	N/A	€841,000
Total	€1,297,090	€2,092,242
GUILLAUME TEXIER⁽⁴⁾		
Compensation awarded for the year ⁽¹⁾	€701,985	N/A
Valuation of options granted during the year	N/A	N/A
Valuation of performance shares allocated during the year ⁽²⁾	€565,250	N/A
Recruitment indemnity	€800,000	N/A
Total	€2,067,235	N/A

(1) See paragraph 3.2.2 "Compensation of corporate officers for the financial year 2021 (articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)" of this Universal Registration Document.

(2) Valuation based on the IFRS 2 fair value determined for the consolidated financial statements (€16.15 for 2021 and €8.41 for 2020).

(3) Chief Executive Officer until August 31, 2021.

(4) Chief Executive Officer from September 1, 2021.

Summary table of the compensation of each corporate officer

	FINANCIAL YEAR ENDED DECEMBER 31,			
	2021		2020	
	ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	PAID DURING THE FINANCIAL YEAR	ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	PAID DURING THE FINANCIAL YEAR
IAN MEAKINS				
Fixed compensation	€300,000	€300,000	€450,000	€450,000
Variable annual compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Activity compensation	-	-	-	-
Benefits in kind	-	-	-	-
Total	€300,000	€300,000	€450,000	€450,000
PATRICK BERARD				
Fixed compensation	€466,667	€466,667	€585,000	€585,000
Variable annual compensation	€825,522 ⁽¹⁾	€659,880 ⁽²⁾	€659,880 ⁽¹⁾	€656,565 ⁽²⁾
Exceptional compensation	-	-	-	-
Activity compensation	-	-	-	-
Benefits in kind	€4,901	€4,901	€6,362	€6,362
Total	€1,297,090	€1,131,448	€1,251,242	€1,247,927
GUILLAUME TEXIER				
Fixed compensation	€266,667	€266,667	-	-
Annual variable compensation	€427,745 ⁽¹⁾	-	-	-
Exceptional compensation	€800,000 ⁽⁴⁾	-	-	-
Activity compensation	-	-	-	-
Benefits in kind	€7,573	€7,573	-	-
Total	€1,501,985	€274,240	-	-

(1) Variable compensation due in respect of the financial year ended December 31, 2021 and paid during the financial year ended December 31, 2022 after prior approval of the Shareholders' Meeting of April 21, 2022.

(2) Variable compensation due in respect of the financial year ended December 31, 2020 and paid during the financial year ended December 31, 2021 after prior approval of the Shareholders' Meeting of April 22, 2021.

(3) Variable compensation due in respect of the financial year ended December 31, 2018 and paid during the financial year ended December 31, 2019.

(4) Start-up allowance granted in respect of the financial year ended December 31, 2021 and to be paid during the financial year ending December 31, 2022 after prior approval by the Shareholders' Meeting of April 21, 2022.

3.2.2.6 Compensation ratio (article L.22-10-9 of the French Commercial Code)

Compensation ratios

Pursuant to the provisions of Article L.22-10-9 of the French Commercial Code, this report presents information on the ratios between the level of compensation of the Chairman of the Board of Directors, the Chief Executive Officer on the one hand, the average compensation on a full-time equivalent basis of employees and, on the other hand, the median compensation on a full-time equivalent basis of employees.

Since Rexel SA does not have any employees, which makes it impossible to apply equity ratios. As a result, the scope of consolidation consists of the two entities Rexel France SAS and Rexel Développement SAS. This scope represents more than 80% of the employees present on French territory. It is in line with provisions of Article 26.2 of the AFEP-MEDEF Code. The sample is considered to be representative of the Group's entire

population. Indeed, based on the information available through the Group's social reporting tool ("Enablon"), the Group's median and average salaries would be close to the median and average salaries of the sample selected. This constant is consistent with the Group's geographic positioning. In fact, more than 80% of the workforce are concentrated in the following countries: United States, France, United Kingdom, Canada, Germany, Australia, Sweden, Switzerland and Austria. In these countries observed wages are consistent with or even higher than those observed in France.

The scope of consolidation includes only employees:

- with French open-ended employment contracts;
- present over two full financial years;
- for all financial years under consideration.

In addition, the various ratios have been calculated on the basis of the compensation paid for the corresponding financial year. This compensation takes into account bonuses paid as well as performance shares delivered during the relevant financial year. The pension elements have not been taken into consideration.

The calculation of the equity ratio will be subject to the adjustments recommended by the potential recommendations of the AFEF-MEDEF Code. It will take into account, where applicable, any applicable legislative or regulatory changes.

	FINANCIAL YEAR				
	2021	2020	2019	2018	2017
IAN MEAKINS⁽¹⁾					
<i>Compensation paid during financial years</i>					
Ratio average compensation	7	10	12	11	11
Ratio median compensation	8	13	15	14	14
PATRICK BERARD⁽²⁾					
<i>Compensation paid during financial years</i>					
Ratio average compensation	45	44	44	39	24
Ratio median compensation	56	54	54	49	29
GUILLAUME TEXIER⁽³⁾					
<i>Compensation paid during financial years</i>					
Ratio average compensation	18				
Ratio median compensation	22				

(1) Ian Meakins was appointed to the position of Chairman of the Board on July 1, 2016.

(2) Patrick Berard was appointed to the position of Chief Executive Officer on July 1, 2016 and ceased his duties as of September 1, 2021, when he was replaced by Guillaume Texier.

(3) Guillaume Texier has served as Chief Executive Officer as of September 1, 2021.

Comments on the evolution of the ratios of the compensation of the executive corporate officers :

- Decrease in the compensation multiple for the Chairman of the Board between financial years 2020 and 2021

This decrease is due to the fact that Ian Meakins' remuneration has been adjusted from €500,000 to €300,000 as of January 1, 2021.

- Increase in Patrick Berard's compensation multiple between financial years 2020 and 2021

This increase is explained by the fact that, on the one hand, compensation had been reduced by 15% for part of the year due to the health crisis for executive corporate officers and, on the other hand, that the value of the shares effectively

delivered in financial year 2021 has risen sharply due to an increase in the stock market price at the time of the effective deliveries (€8.63 in 2020 versus €16.89 in 2021).

- Multiple of Guillaume Texier's compensation for the year 2021

Guillaume Texier was appointed as Chief Executive Officer of the Group on September 1, 2021, therefore there is no comparison with previous years. It is relevant to note that his compensation effectively paid in 2021 is composed solely of his fixed compensation (no payment of short- and long-term variable compensation).

3.2.3 Fixed, variable and exceptional items making up total compensation and benefits of any kind paid during financial year 2021 or allocated in respect of financial year 2021 and subject to shareholders' approval (Article L.22-10-34, II of the French Commercial Code)

The fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during financial year 2021 or allocated for financial year 2021 to the Chairman of the

Board of Directors and the Chief Executive Officer, subject to shareholder approval in accordance with Article L.22-10-34, II of the French Commercial Code, are presented below.

Fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during financial year 2021 or awarded in respect of financial year 2021 to Ian Meakins, Chairman of the Board of Directors, submitted for approval by the shareholders at the Shareholders' Meeting (9th resolution):

Ian Meakins (Non-executive Chairman of the Board of Directors) for the financial year ended December 31, 2021			
COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2021	AMOUNT PAID DURING FINANCIAL YEAR 2021	
Fixed annual compensation	€300,000	€300,000	<p>The amount of fixed compensation awarded to the Chairman of the Board of Directors amounted to €500,000 until December 31, 2020, in application of the compensation policy applicable during the financial year.</p> <p>The Board of Directors has decided, in full agreement with Ian Meakins, to reduce the gross annual fixed compensation of the Chairman of the Board of Directors to €300,000 as of January 1, 2021.</p> <p>This compensation had been determined by the Board of Directors taking into account market practices and the new non-executive duties assumed by Ian Meakins since December 1, 2020.</p> <p>See paragraph 3.2.2.5 "Summary tables relating to compensation paid or allocated to the corporate officers" of this Universal Registration Document.</p>
Variable annual compensation	Not applicable		Ian Meakins does not benefit from any variable annual compensation.
Deferred variable compensation	Not applicable		Ian Meakins does not benefit from any deferred variable compensation.
Multi-annual variable compensation	Not applicable		Ian Meakins does not benefit from any multi-annual variable compensation.
Exceptional compensation	Not applicable		Ian Meakins does not benefit from any exceptional compensation.
Benefits of any kind	Not applicable		Ian Meakins does not benefit from any benefit in kind.
Valuation of the long-term compensation: allocation of performance shares	Not applicable		Ian Meakins does not benefit from any long-term compensation item.
Severance indemnities	Not applicable		Ian Meakins does not benefit from any severance indemnity.
Non-compete indemnity	Not applicable		Ian Meakins does not benefit from any non-compete indemnity.
Supplemental retirement plan	Not applicable		Ian Meakins does not benefit from any supplemental retirement plan.

Fixed, variable and exceptional items making up the total compensation and benefits of all kinds paid during financial year 2021 or allocated in respect of financial year ended December 31, 2021, to Patrick Berard as Chief Executive Officer until September 1, 2021, submitted to the shareholders' approval at the Shareholders' Meeting (10th resolution):

Patrick Berard (Chief Executive Officer until September 1, 2021) for the financial year ended December 31, 2021

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2021	AMOUNT PAID DURING FINANCIAL YEAR 2021	
Fixed annual compensation	€466,667	€466,667	<p>The gross annual fixed compensation for the financial year ended December 31, 2021 amounts to €466,667. This amount is explained by the <i>pro rata</i> adjustment of the total annual amount of €700,000 for the period from January 1 to August 31, 2021, due to the termination of Patrick Berard's duties as Chief Executive Officer as of September 1, 2021.</p> <p>See paragraph 3.2.2.5 "Summary tables relating to compensation paid or allocated to the corporate officers" of this Universal Registration Document.</p>
Variable annual compensation for the 2021 financial year	€825,522	€659,880	<p>The gross variable annual compensation in respect of the financial year ended on December 31, 2021 determined by the Board of Directors of February 10, 2022, amounts to €825,522.</p> <p>The variable compensation was based for 75% on quantitative criteria and for 25% on qualitative criteria. Quantitative performance stood at 148.10% and qualitative performance stood at 100%.</p> <p>This amount thus corresponds to 136% of the target variable compensation (the target variable compensation was determined at 130% of the fixed annual compensation), i.e. 177% of the fixed compensation for the relevant period.</p> <p>For details on the calculation of the variable compensation for 2021, please see paragraph 3.2.2.3 "Compensation and other benefits paid or allocated to Patrick Berard, Chief Executive Officer until September 1, 2021", of this Universal Registration Document.</p> <p>In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of the 2021 variable compensation is subject to the approval of the Shareholders' Meeting of April 21, 2022.</p> <p>The gross variable annual compensation allocated in respect of financial year 2020 (€659,880) was approved by a vote of the Shareholders' Meeting of April 22, 2021.</p>
Pluriannual variable compensation	Not applicable		Patrick Berard does not benefit from any pluri-annual variable compensation.
Exceptional compensation	Not applicable		Patrick Berard does not benefit from any exceptional compensation in respect of his corporate office.
Valuation of benefits in kind	€4,901		<p>Patrick Berard received benefits in kind in the amount of €4,901, consisting of a company car.</p> <p>See paragraph 3.2.2.3 "Compensation and other benefits paid or allocated to Patrick Berard, Chief Executive Officer until September 1, 2021" of this Universal Registration Document.</p>
Valuation of the long-term compensation: allocation of performance shares	€0		Patrick Berard has not benefited from any allocation of free shares during the 2021 financial year.
Severance indemnity	Not applicable		Patrick Berard does not benefit from any severance indemnities in respect of his corporate office.
Non-compete indemnity	Not applicable		Patrick Berard does not benefit from any non-compete indemnity in respect of his corporate office.

Patrick Berard (Chief Executive Officer until September 1, 2021) for the financial year ended December 31, 2021

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2021	AMOUNT PAID DURING FINANCIAL YEAR 2021	
Supplemental retirement plan	No payment		<p>Patrick Berard was born in 1953 and he joined the Rexel Group in 2003. Considering his career and seniority, the Board of Directors decided on July 1, 2016 not to suspend the supplemental defined-benefit retirement plan, in which Patrick Berard has been maintained in his capacity as an employee prior to accepting the duties of corporate officer.</p> <p>The Board of Directors of July 1, 2016 decided to maintain the benefit of the scheme of defined benefit supplemental retirement plan that Patrick Berard benefited from as an employee prior to his appointment as Chief Executive Officer of Rexel. In accordance with the applicable laws and regulations,⁽¹⁾ new contingent rights under the scheme from December 31, 2019 were frozen under the scheme from which Patrick Berard benefited.</p> <p>Periods of employment after December 31, 2019 will therefore not be taken into account for the assessment of seniority used to calculate the amount of the additional pension. On the other hand, end-of-career compensation will be taken into account, in accordance with the terms of the plan's regulations and Order No. 2019-697 of July 3, 2019 relating to supplementary occupational retirement schemes.</p> <p>As a reminder, Patrick Berard did not benefit from the collective medium-term savings scheme (Article 82 of the French General Tax Code) and did not benefit from any payment in such respect in connection with his departure.</p>

(1) Law No. 2019-486 of May 22, 2019, known as the "PACTE Law".

Fixed, variable and exceptional items of total compensation and benefits of any kind paid during financial year 2021 or granted in respect of financial year 2021 to Guillaume Texier, Chief Executive Officer as of September 1, 2021, submitted for shareholder approval at the Shareholders' Meeting (11th resolution) :

Guillaume Texier (Chief Executive Officer as of September 1, 2021) for the year ended December 31, 2021

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2021	AMOUNT PAID IN FINANCIAL YEAR 2021	
Fixed annual compensation	€266,667	€266,667	<p>Gross fixed annual compensation for the year ended December 31, 2021 amounts to €266,667. This amount is explained by the <i>pro rata</i> adjustment of the annual global amount of €800,000 for the period from January 1 to December 31, 2021, due to the appointment of Guillaume Texier as Chief Executive Officer as of September 1, 2021.</p> <p>See paragraph 3.2.2.5 "Summary of compensation paid or granted to corporate officers" of this Universal Registration Document.</p>
Variable annual compensation in respect of the 2021 financial year	€427,745	Not applicable	<p>The gross annual variable compensation for the fiscal year ending December 31, 2021, approved by the Board of Directors on February 10, 2022, is €427,745.</p> <p>The variable compensation consisted of 70% quantitative and 30% qualitative criteria. Quantitative performance as a percentage amounted to 148.10 % and qualitative performance to 100 %.</p> <p>This amount corresponds to 134% of the target variable compensation (the target variable compensation was set at 120% of the annual fixed compensation), <i>i.e.</i> 160% of the fixed compensation for the period under review.</p> <p>For details of the calculation of the 2021 variable compensation, see paragraph 3.2.2.4 "Compensation and other benefits paid or granted to Guillaume Texier, Chief Executive Officer as of September 1, 2021" of this Universal Registration Document.</p> <p>In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, payment of the 2021 variable compensation is subject to approval by the Shareholders' Meeting of April 21, 2022.</p>
Multi-annual variable compensation	Not applicable		Guillaume Texier does not receive any multi-year variable compensation for his mandate.
Exceptional compensation	Not applicable		Guillaume Texier does not receive any exceptional compensation for his mandate.
Benefits of any kind	€7,573		<p>Guillaume Texier received benefits in kind, including the use of a company car as well as the GSC corporate/executive officer benefit in the amount of €7,573.</p> <p>See paragraph 3.2.2.3 "Compensation and other benefits paid or granted to Guillaume Texier, Chief Executive Officer as of September 1, 2021" of this Universal Registration Document.</p>

Guillaume Texier (Chief Executive Officer as of September 1, 2021) for the year ended December 31, 2021

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2021	AMOUNT PAID IN FINANCIAL 2021	
Valuation of the long-term compensation: allocation of performance shares	€565,250 <i>(valuation based on the IFRS 2 fair value used for the consolidated financial statement, i.e. €16.15 for 2021)</i>		<p>Pursuant to the authorization granted by Rexel's Shareholders' Meeting of June 25, 2020, the Board of Directors decided on October 20, 2021 to proceed with the grant of Rexel performance shares.</p> <p>In this context, 35,000 shares, fully subject to performance conditions, were granted to Guillaume Texier in 2021.</p> <p>This number of shares is the maximum number that may be acquired in the event of outperformance of the performance criteria and corresponds to a maximum vesting percentage of 100%, i.e., €586,667 on the basis of the fixed and variable annual compensation for 2021, calculated on a <i>prorata basis</i> for the period from September 1, 2021 to December 31, 2021.</p> <p>The specific allocation limits for corporate officers have been respected:</p> <ul style="list-style-type: none"> the annual value of the performance shares granted is less than 100% of the annual fixed and variable target compensation for that year (i.e., €586,667, after adjustment on a <i>prorata basis</i> over the period from September 1, 2021 to December 31, 2021); and the number of shares granted to Guillaume Texier is less than 10% of the total number of shares granted to all beneficiaries. <p>The definitive acquisition of the shares granted to Guillaume Texier is entirely subject to the conditions of presence and performance assessed over a period of three years as described in the applicable compensation policy.</p>
Recruitment allowance	€800,000		<p>In accordance with the 2021 compensation policy adopted by the Board of Directors at its meeting of March 25, 2021, it was decided to pay Guillaume Texier a recruitment allowance of €800,000, which is less than 50% to the estimated losses of long-term variable compensation (corresponding to the benefit of a free share allocation plan covering the last three years) suffered by Guillaume Texier as a result of the termination of his duties within the Saint-Gobain Group.</p> <p>This recruitment allowance may only be paid after approval of Guillaume Texier's compensation by the Shareholders' Meeting of Shareholders on April 21, 2022.</p>
Severance indemnity	Not applicable		Guillaume Texier would be eligible for a severance indemnity in respect of his corporate office capped at a sum not exceeding 18 months of the monthly reference compensation.
Non-compete indemnity	Not applicable		Guillaume Texier is not entitled to any non-compete indemnity in respect of his office.
Supplemental retirement plan	Not applicable		Guillaume Texier is not entitled to the collective medium-term savings scheme (Article 82 of the French General Tax Code).

3.3 Ordinary agreements and related party transactions

3.3.1 Ordinary agreements

Rexel has set up an internal control procedure with respect to ordinary course agreements and regulated agreements.

This procedure has been established in accordance with applicable regulations as resulting from the law No. 2019-486 to favor the growth and the transformation of enterprises of May 22, 2019 (known as Loi PACTE). It also relies on marketplace recommendations, in particular the recommendation from the French *Autorité des marchés financiers* No. 2012-05 of July 2, 2012, as amended on October 5, 2018.

In a joint-stock company with a Board of Directors, agreements referred to under article L.225-38 of the French Commercial Code, are referred to as “related-party agreements”. They are subject to a specific procedure and must be submitted to the prior approval of the Board of Directors and covered by a special report from the auditors with a view to submit them to the approval of the Shareholders’ Meeting.

The following are excluded from this control procedure:

- Agreements relating to ordinary course transactions and entered into under normal conditions; and

- Intragroup transactions between two companies, one of which company holding directly or indirectly 100% of the share capital of the other company.

The internal procedure thus describes:

- 1) the relevant parties and the criteria to be considered to qualify an ordinary course transaction and a transaction entered into under normal conditions;
- 2) the procedure to identify the agreements. It relies on an assessment conducted by the General Secretary and the Legal Department of Rexel with the support of the relevant teams. It also includes a review of ordinary course transactions entered into under normal conditions at least once per year; and
- 3) the specific procedures to be applied depending on whether the agreement is:
 - an ordinary course transaction entered into under normal conditions, submitted to an annual review of the Board of Directors; or
 - a regulated agreement, submitted to the prior approval of the Board of Directors and the approval of the Shareholders’ Meeting as well as an annual review.

3.3.2 Main related-party transactions

The material agreements entered into between Rexel and related parties concern:

- the members of Rexel’s executive management,
- Rexel’s Directors,
- the shareholders of Rexel, and
- the subsidiaries of Rexel.

They are referred to in Articles L.225-38 *et seq.* of the French Commercial Code, and that were in force at December 31, 2021. They relate to the

compensation of corporate officers of Rexel as well as the relations within the Rexel Group. These agreements are described below.

The main transactions with related companies are also described in detail in note 25 of the consolidated financial statements of the Company for the year ended December 31, 2021 which are set out in section 5.2 “Consolidated Financial Statements” of this Universal Registration Document.

3.3.2.1 Compensation of Corporate Officers

In accordance with Order No. 2019-697 of July 3, 2019 relating to supplementary occupational retirement schemes, the retirement scheme referred to below was frozen, on December 31,

2019, as authorized by the meeting of the Board of Directors of December 17, 2019 and by the Shareholders’ Meeting of April 22, 2021.

Supplemental defined-benefit retirement plan

The Board of Directors of July 1, 2016 decided to maintain, upon the renewal of his term of office, the benefit of the scheme of defined-benefit supplemental retirement plan that Patrick Berard benefited from. Patrick Berard benefited from this scheme as an employee prior to his appointment as Chief Executive Officer of Rexel. In order to comply with former Article L.225-42-1 of the French Commercial Code, the Board of Directors decided that the contingent rights that may be acquired by Patrick Berard in respect of his duties as Chief Executive Officer in connection with this scheme would only be granted subject to the achievement of annual performance criteria. This decision has been upheld by the Board of Directors meeting of May 24, 2018, which decided on the renewal of the corporate office as Chief Executive Officer of Patrick Berard as from July 1, 2018.

This scheme was approved by the Shareholders' Meeting of May 23, 2019.

At the closing of the 2021 financial year, the yearly amount of the retirement of the Chief Executive Officer under the plan was estimated at €228,422. This estimation has been made based on the length of service acquired as at the date of closing of the financial year and on the compensation recorded during the last financial years, as if the Chief Executive Officer could benefit from it from the next day after the end of the financial year. No amount was paid to Patrick Berard during the financial year ended December 31, 2021.

No other member of the executive management or Directors of Rexel benefits from this scheme.

In accordance with the applicable laws and regulations⁽¹⁾, new contingent rights under the scheme from December 31, 2019 were frozen under the scheme from which Patrick Berard benefited. Periods of employment after December 31, 2019 will therefore not be taken into account for the assessment of seniority used to calculate the amount of the additional pension. However, end-of-career compensation will be taken into account, in accordance with the terms of the plan's regulations and Order No. 2019-697 of July 3, 2019 relating to supplementary occupational retirement schemes.

The amendment of undertakings of defined-benefits retirement plans for the benefits of Patrick Berard in his capacity as Chief Executive Officer, was authorized by the Shareholders' Meeting of April 22, 2021.

The Board of Directors of April 22, 2021, on the occasion of the renewal of the corporate office as Chief Executive Officer of Patrick Berard, decided to uphold, with effect from June 25, 2020, Rexel's commitments to the benefit of Patrick Berard in his capacity as Chief Executive Officer of Rexel, pursuant to the supplementary defined-benefit retirement plan contract of May 31, 2005 (closed to any new seniority after June 30, 2009) and of July 1, 2009.

Items of compensation due or likely to be due further to the termination of the duties of the corporate officers

Patrick Berard

The Board of Directors decided not to grant to Patrick Berard any severance indemnity resulting from the termination of his duties as Chief Executive Officer of Rexel. Nor has it awarded him with any non-compete indemnity in connection with the termination of such duties. These provisions take into account his career and profile.

The employment agreement of Patrick Berard had been suspended during the exercise of his duties as Chief Executive Officer of the Company, then reactivated upon termination of his duties on September 1, 2021, provided, under certain conditions, the payment of such indemnities. The global amount of such indemnities is limited to 18 months of monthly reference compensation. It is equal to the last annual fixed compensation increased by the average amount of the last

2 bonuses received, divided by 12. The employment agreement of Patrick Berard also provided for a potential non-compete indemnity under certain conditions, the indemnification of which would range within the total limit of 18 months of monthly reference compensation as described above.

In view of the termination of his duties as Chief Executive Officer as of September 1, 2021 and the reactivation of his employment agreement following the termination of his term of office, Patrick Berard accepted on September 1, 2021 the employer's notice of retirement, which will take effect at the end of a six-month notice period.

At the end of this period, Rexel Développement SAS will pay Patrick Berard a retirement indemnity in accordance with the applicable collective bargaining agreement. The contractual retirement indemnity that has been paid on February, 2022 to

(1) Law No. 2019-486 of May 22, 2019, known as the "PACTE Law".

Patrick Berard amounts to €310,650. The years of seniority retained for the calculation of this indemnity are the years during which Patrick Berard was an employee of Rexel, prior to his appointment as Chief Executive Officer.

It is reminded that in accordance with the provisions of Article R.22-10-14, III of the French Commercial Code, Patrick Berard will not be paid any severance or non-compete indemnity since he retired after leaving office.

3.3.2.2 Relations within the Rexel Group

The main agreements entered into within the Rexel Group include the following:

- A tax integration agreement entered into on May 9 and May 24, 2012, April 28, 2014, April 20, 2015, February 8 and February 14, 2017 between Rexel and each of the companies included in the tax integration perimeter of the Rexel Group

constituted on January 1, 2005 under the conditions and forms required under Article 223 A *et seq.* of the French general tax Code.

These agreements are current agreements entered into under ordinary terms by Rexel. They are not subject to the procedure referred to in Articles L.225-38 *et seq.* of the French Commercial Code.

3.3.3 Agreements between the executives or shareholders of Rexel and Rexel's subsidiaries

Agreements entered into between:

- the Chief Executive Officer; or
- one of the Directors of Rexel; or
- one of its shareholders holding more than 10% of the share capital of Rexel;

and, on the other hand, companies controlled by Rexel within the meaning of Article L.233-3 of the French Commercial Code, include the following agreement:

- The employment agreement between Patrick Berard and Rexel Développement, suspended since July 1, 2016 and reactivated as of September 1, 2021⁽¹⁾.

3.3.4 Special reports of the Statutory Auditors in relation to the related party agreements

3.3.4.1 Special report of the Statutory Auditors in relation to the related party agreements for 2021

This is a free translation into English of the Statutory Auditors' report on related party agreements and commitments issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Rexel S.A.

13, boulevard du Fort de Vaux - CS60002 - 75017 Paris

Share capital: €1,528,582,455

Statutory Auditors' Report on regulated agreements

Shareholders' meeting for the approval of the financial statements for the year ended December 31, 2021

To the Shareholders' meeting of the Company Rexel S.A.,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms, conditions and the reasons underlying

the company's interest of agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements. In accordance with article R.225-31 of the French

(1) See paragraph 3.2 "Compensation of corporate officers" of this Universal Registration Document.

Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial

Code (*Code de commerce*) in relation to the implementation during the year of agreements already approved by the Shareholders' meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements.

AGREEMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorized during the financial year

We hereby inform you that we have not been advised of any agreement authorized during the financial year to be submitted to the approval of

the Shareholders' meeting pursuant to article L.225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

We inform you that we have not been advised of any agreements which were already approved by

the Shareholders' meetings in prior years, and which remained current during the financial year.

Paris-La Défense and Neuilly-sur-Seine, February 14, 2022

The Statutory Auditors
French original signed by

KPMG Audit
Department of KPMG S.A.

Jean-Marc Discours

PricewaterhouseCoopers Audit

Amélie Wattel Pierre Clavié

3.3.4.2 Special reports of the Statutory Auditors in relation to the related party agreements for 2020 and 2019

The special reports of the Statutory Auditors of Rexel in relation to the related party agreements for the financial year ended December 31, 2020, and December 31, 2019, are set out respectively in the Universal Registration Document filed with the

Autorité des marchés financiers on March 11, 2021 under number D.21-0111, and in the Registration Document filed with the *Autorité des marchés financiers* on March 9, 2020, under number D.20-0111.

3.4 Insider trading policy

Following the transformation of Rexel into a *société anonyme* with a Board of Directors, Rexel adopted on May 22, 2014, its Insider trading policy (the “Policy”), initially adopted in 2007, in order to comply with the general rules of the French financial markets authority (“AMF”). This Policy was then updated on February 10, 2017 and on February 12, 2020. Its purpose is to specify the applicable regulations in respect of security transactions and to impose compliance with the rules concerning market abuse, in particular insider trading.

This Charter is available on the website of Rexel (www.rexel.com/en).

Pursuant to the guidelines of the AMF relating to the “Market Abuse” regulation,⁽¹⁾ the Policy has been completed by an internal procedure of characterization and management of privileged information (the “Procedure”). The Procedure creates an *ad hoc* internal Committee in charge of determining whether the information submitted to it should be characterized as inside information. It also implements an internal processing procedure for inside information.

3.5 Implementation of the AFEP-MEDEF corporate governance Code for listed companies – Paragraph 27.1

Rexel refers to the corporate governance principles of listed companies set out in the corporate governance Code (the AFEP-MEDEF Code). This Code is established by the *Association française des entreprises privées* (Afepe) and the *Mouvement des entreprises de France* (Medef).

It is available on the website of Medef (www.medef.com/en) or at the registered office of Rexel.

Rexel believes that it complies with the corporate governance principles as defined in the AFEP-MEDEF Code. Indeed, the principles that it sets forth are compatible with the organization, size and means of the Rexel Group, with the following exceptions:

AFEP-MEDEF GUIDELINES	REXEL GROUP PRACTICE AND EXPLANATIONS
Allocation of compensation to corporate officers (guideline 21.1) The terms of allocation of such compensation must take into account effective participation of the directors in the Board and the committees, and thus include a prevailing variable part.	The Board of Directors considers that each Director is also member of one or two committees with the exception of Patrick Berard, then of Guillaume Texier, due to their capacity as Chief Executive Officers. Also, the directors, many of whom reside abroad, make themselves largely available to attend the various meetings of the Board of Directors and of the Committees. Thus, in 2021, <ul style="list-style-type: none"> • the Board of Directors has met on 17 occasions, • the Audit and Risk Committee on 5 occasions, • the Nomination Committee met on 10 occasions, and • the Compensation Committee met on 7 occasions. The Board of Directors has consequently estimated not necessary to modify the variable part of the compensation that already takes into account of the effective attendance of the Directors to the committees. Due to the context of health crisis, most of the meetings were held by teleconference.

(1) European Regulation No. 2014/596 of April 16, 2014.

AFEP-MEDEF GUIDELINES

REXEL GROUP PRACTICE AND EXPLANATIONS

Termination of the employment agreement in case of corporate mandate (guideline 22)

It is recommended, that a manager who becomes an officer of the company should terminate his employment agreement with Rexel or a company of the Group, either by way of settled termination, or by resignation.

The Nomination and Compensation Committee had recommended that the employment agreement entered into between Rexel Développement SAS and Patrick Berard, in its amended version of November 4, 2015, be upheld. It has been suspended, in accordance with case law in this respect, since July 1, 2016.

Patrick Berard joined the Group in 2003. He had a seniority of over thirteen years within the Rexel Group, as of July 1, 2016. Furthermore, he was 63 years old and was therefore approaching the end of his professional career. Then an employee of the Rexel Group, he had accepted to take over the duties of Chief Executive Officer in connection with the change in governance of Rexel and to assume responsibility for the management of the Rexel Group. He would therefore be likely to suffer material prejudice as a result of the loss of his capacity as employee in connection with his appointment as Chief Executive Officer as of July 1, 2016.

In 2021, following the termination of Patrick Berard's duties as Chief Executive Officer on September 1, 2021, his employment agreement was reactivated on that date, and Rexel Développement SAS then notified him of his retirement on September 1, 2021.

3.6 Deeds of incorporation and by-laws

The main provisions described below are drawn from the by-laws of Rexel as updated on June 25, 2020.

3.6.1 Corporate purpose (article 3 of the by-laws)

Rexel's main purpose is to engage in the following business activities, directly or indirectly, in France and abroad:

- To acquire, hold, manage and, if applicable, sell or assign shares, any other tradable securities and any other equity interests in any French or foreign company or group, whether publicly traded or privately held;
- To provide services to such companies or groups by detaching personnel or otherwise, in particular to provide all advice and assistance in their respective organization, investments and financing, and to coordinate their policies in the areas of development, product range, procurement and distribution;
- To acquire, hold, manage and, where appropriate, the assignment or other transfer of any industrial or intellectual property right, of any process as well as the taking or licensing of such rights, directly or indirectly related to the objects described above; and
- More generally, to carry out any transactions, in particular industrial, business, financial, stock market, civil, real property and other property transactions that are directly or indirectly related to the purposes of Rexel described above or to purposes that are similar or connected or likely to facilitate such purposes, in particular by way of lending or borrowing or granting guarantees and security interests covering its obligations or those of affiliated companies.

3.6.2 Management and administration bodies (articles 14 to 23 of the by-laws)

3.6.2.1 Board of Directors (articles 14 to 18 of the by-laws)

Membership (article 14 of the by-laws)

1. The Board of Directors is made up of a minimum of five members and a maximum of fifteen members, subject to the exceptions provided for by law in the event of a merger.

During the Company's lifetime, Directors are renewed or reappointed by the ordinary Shareholders' Meeting.

2. They are appointed for a maximum term of four years.

The term of office of a Director expires at the end of the ordinary Shareholders' Meeting convened to approve the financial statements for the previous financial year and held during the year in which the term of office of such director is due to expire.

The Board of Directors is renewed in quarters, rounded up to the nearest whole number every year so that it is fully renewed every four years. The order of early termination of the terms of office is determined by unanimous decision of the Directors present or represented or, if unanimity cannot be reached, by random draw. The mandate of the persons so designated lapse on the date set by the unanimous decision of the Board of Directors or on the date set by the Chairman of the Board of Directors before the draw. The renewal of Directors is then carried out in the order of the length of service.

Directors are always eligible for renewal.

They may be dismissed at any time by the ordinary Shareholders' Meeting.

No individual over the age of 70 years of age may be appointed as a Director if the appointment would result in more than one third of the number of directors who have passed that age.

3. Where, at the close of a financial year, the portion of share capital held - under Article L.225-102 of the French Commercial Code - by the employees of Rexel and of its affiliated companies within the meaning of Article L.225-180 of such Code, is above 3%, a Director representing the employee shareholders is appointed by the Shareholders' Meeting in accordance with the terms and conditions of the laws and regulations in force and of the by-laws, to the extent the Board of Directors does not already include an employee shareholder and Director, or elected employee Director.

The candidates for appointment as employee shareholder Director are appointed as follows:

a) Where the voting right attached to the shares held by the employees or by the mutual funds of which they are members is exercised by the members of the Supervisory Board of such mutual funds, the candidates are appointed by such board from among its members; and

b) Where the voting right attached to the shares held by the employees (or by the mutual funds of which they are a member) is directly exercised by such employees, the candidates are appointed at the time of the consultation provided under Article L.225-106 of the French Commercial Code, either by the employee shareholders in a special meeting called for this specific purpose, or pursuant to a written consultation. Only those candidacies presented by a group of shareholders representing at least 5% of the shares held by the employees who exercise their voting right in their personal capacity are admissible.

4. The Directors may be individuals or legal entities. Any legal entities must, at the time of their appointment, appoint a Permanent Representative who is subject to the same conditions and obligations and who incurs the same liability as if he/she were a director in his/her own name, without prejudice to the joint and several liability of the legal entity he/she represents. This office of Permanent Representative is concurrent with the term of office of the legal entity that he/she represents. It must be renewed each time the term of office of the legal entity comes up for renewal.

Should the legal entity dismiss its representative, it must notify Rexel thereof without delay, by registered mail, and of the identity of its new Permanent Representative. The same shall also apply in the event of the death, resignation or disability of the Permanent Representative.

5. Should one or more seats on the Board of Directors become vacant between two Shareholders' Meetings, as a result of the death or resignation of members, the Board of Directors may co-opt one or more persons to serve as interim members.

Any co-option of directors by the Board of Directors is subject to ratification by the shareholders at the next ordinary Shareholders' Meeting.

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The resolutions adopted and actions carried out shall be valid notwithstanding the absence of ratification.

If the number of Directors falls below three, the remaining directors shall immediately convene an Ordinary Shareholders' Meeting to complete the number of the Board of Directors.

A Director who is appointed to replace another Director shall remain in office only for the remainder of his predecessor's term.

6. No person may be appointed as Director unless he/she complies with the rules on combining offices, conflicts of interests and disqualification or prohibitions as provided by law.

The number of Directors who are linked to Rexel by an employment agreement may not exceed one third of the Directors in office.

7.1 In accordance with Articles L.225-27-1 and L.22-10-7 of the French Commercial Code, the Board of Directors includes one or two Directors representing the employees of the Group, to be appointed as follows.

When the number of Directors, calculated in accordance with the law, is below or equal to eight, the Board of Directors shall include a Director representing the employees appointed by the trade union having obtained the large number of votes in the first round of the elections referred to in Articles L.2122-1 and L.2122-4 of the French Labor Code within the Company and its subsidiaries, either direct or indirect, the registered office of which is established on the French territory.

When the number of Directors exceeds eight, and subject to this criterion still being satisfied upon the date of his/her appointment, a second Director representing the employees shall be appointed by the European Works Council. This appointment shall take place within a term of six months as

from the crossing of the threshold of eight Directors.

In case of vacancy, for any reason whatsoever, of the office of a Director representing the employees, the vacant office shall be filled in accordance with the provisions of Article L.225-34 of the French Commercial Code.

7.2 The term of office of the employee Directors shall be of four years.

The duties of the Director appointed pursuant to Articles L.225-27-1 and L.22-10-7 of the French Commercial Code shall expire at the end of the ordinary Shareholders' Meeting called to approve the financial statements of the previous financial year, held in the year during which his or her term of office expires.

In addition, their term of office shall cease *ipso jure* when these employee representatives no longer meet the eligibility criteria provided for in Article L.225-28 of the French Commercial Code, or in case of termination of their employment agreement in accordance with Article L.225-32 of such code.

The decrease to eight or less than eight of the number of Directors appointed by the General Shareholders' Meeting does not affect the term of office of all of the employee representatives within the Board of Directors, which shall expire upon the end of its normal term.

7.3 The provisions of Article 15 of these by-laws do not apply to the Directors representing the employees who are not obliged to hold a minimum number of Rexel shares.

7.4 In the event that the obligation of appointment of one or several Directors representing the employees pursuant to Articles L.225-27-1 and L.22-10-7 of the French Commercial Code becomes void, the corporate office of the Director(s) representing the employees within the Board of Directors would cease upon the end of its term.

Shares held by Directors (article 15 of the by-laws)

For their whole term of office, the Directors must hold at least one thousand (1,000) Rexel shares. If, at the date of his/her appointment, a Director does not hold the required number of shares, or if, during the course of his/her term of office, he/she ceases

to hold such number of shares, he/she shall be deemed to have resigned from his/her duties unless he/she takes the necessary steps within the time requirements of applicable law and regulations.

Chairman of the Board of Directors – Deputy Chairman of the Board of Directors – Officers of the Board of Directors (article 16 of the by-laws)

1. The Board of Directors elects from among its members who are individuals a Chairman and, as the case may be, a Deputy Chairman who shall serve in this capacity for the duration of their term of office as directors, unless the Board of Directors decides to appoint a new Chairman and, as the case may be, a new Deputy Chairman.

2. The Chairman of the Board of Directors may not be more than 68 years of age; his/her term of office automatically lapses on December 31 of the year of his/her 68th birthday.

The Chairman of the Board of Directors represents the Board of Directors. The Chairman calls meetings

of the Board of Directors and organizes and conducts the work of the Board of Directors and reports on such works to the Shareholders' Meeting. The Chairman sees to the proper operation of Rexel's bodies and, in particular, makes sure that the directors are able to discharge their duties.

Subject to complying with the provisions of the laws and regulations, the Chairman is always eligible for reappointment.

3. In the absence of the Chairman, the Deputy Chairman serves as Chairman and enjoys the same prerogatives as the Chairman.

The Deputy Chairman may also perform the functions of Senior Independent Director. The Senior Independent Director's functions are defined in the Rules of Procedure of the Board of Directors.

As an exception to the foregoing, the appointment of a Deputy Chairman is mandatory where the functions of Chairman of the Board of Directors

and of Chief Executive Officer are exercised by the same person; in such case, the Deputy Chairman shall also perform the functions of Senior Independent Director.

Subject to complying with the provisions of the laws and regulations, the Deputy Chairman is always eligible for reappointment.

4. The Board of Directors also appoints a secretary who is not required to be a Director and who serves as an officer of the Board, alongside the Chairman and the Deputy Chairman. In the secretary's absence, the Board of Directors appoints one of its members or a third party to discharge the secretary's duties.

5. The Board of Directors is chaired by the Chairman or, in the Chairman's absence, by the Deputy Chairman or, in the Deputy Chairman's absence, by a director chosen by the Board at the beginning of the meeting.

Deliberations of the Board of Directors (article 17 of the by-laws)

1. The Board of Directors meets whenever the best interests of the Company so require, and at least once every quarter, at meetings convened by its Chairman or Deputy Chairman.

The Board of Directors may be held physically, by videoconference or any other forms of telecommunication, or by written consultation under the terms provided for by applicable law and in accordance with the following provisions.

2. Meetings held physically, by videoconference or any other forms of telecommunication.

Unless agreed to in writing by all members of the Board of Directors, meeting notices must be given in writing, including by fax or e-mail, at least three (3) days before the date of the meeting, together with the agenda of the meeting and all documents that have been prepared for submission to the Board of Directors. However, when all members of the Board of Directors are present or represented at a meeting (including if they are participating or represented during a telephone or videoconference), the meeting may be held without prior notice and without observing such three (3) day notice period.

Meetings are held at the registered office or at any other place specified in the notice of meeting.

However, if the Board of Directors has not met in more than two months, a group of Directors representing at least one third of the Directors in office may request the Chairman to call a meeting of the Board of Directors on a given agenda. In all other cases, the agenda is determined by the Chairman and must be mentioned in the meeting notice.

The Board of Directors is duly convened only if a quorum consisting of at least half of its members is in attendance.

Decisions are approved by a majority of votes of the members present or represented; each member of the Board of Directors has one vote and may not represent more than one fellow member.

In accordance with the applicable regulations, the Board of Directors shall draw up the Rules of Procedure defining the methods of participating and voting at Board meetings held by videoconference or any other forms of telecommunication.

If allowed by the Rules of Procedure of the Board of Directors, Directors who participate in Board meetings by videoconference or any other forms of telecommunication shall be deemed present for the purpose of calculating the quorum and majority, in accordance with the Rules of Procedure.

In the event of a tie, the Chairman of the meeting has a casting vote, if and only if the Board of Directors comprises an even number of Directors in office and only at meetings chaired by the Chairman of the Board of Directors.

3. Written consultations.

The Board of Directors may also, at the Chairman's discretion, convene by written consultation on decisions such as provided for by the law. In the event of a written consultation, the Chairman sends to each Director, alternatively (i) by registered mail with acknowledgement of receipt, or (ii) by e-mail with acknowledgement of receipt, the wording on the proposed decisions as well as any document useful to their information.

Directors shall have a 5-day period (ending at 11.59 PM, Paris time, on the last day of this delay) from the sending date of the draft decisions, to send their vote in writing. This vote shall be addressed alternatively (i) through registered mail with acknowledgement of receipt, or (ii) e-mail with acknowledgement of receipt, to the attention of the Chairman of the Board of Directors at the registered office of the Company.

The Board of Directors is duly convened with written consultations only if a quorum consisting of at least half of its members has replied within the previously mentioned delay.

Decisions are taken by a majority of votes of the members who replied, each member corresponding to one vote.

In the event of a tie, the Chairman has a casting vote, if (and only if) an even number of Directors in office voted in accordance with the provisions.

4. An attendance register is kept and signed by the Directors who attend the Board meeting; such register must show the name of any Directors who attended the meeting by videoconference or other forms of telecommunication, or who voted by correspondence.

5. The deliberations of the Board of Directors (including by written consultation) are recorded in minutes, which are drawn up in accordance with applicable law and signed by the Chairman of the meeting and at least one Director or, if the Chairman is unavailable, by at least two Directors, subject to the laws applicable to decisions taken by written consultation.

Copies or excerpts of these minutes are certified by the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officers, the Director temporarily acting as Chairman or an authorized representative.

Powers of the Board of Directors (article 18 of the by-laws)

1. The Board of Directors defines Rexel's business orientations and sees to their implementation. Subject to the powers expressly assigned to the Shareholders' Meetings and within the scope of the corporate purpose, it handles matters relating to the proper operation of Rexel and settles Rexel's affairs through its deliberations.

In its relations with third parties, Rexel is bound even by the *ultra vires* acts of the Board of Directors, unless it is able to prove that the third party knew that the act was *ultra vires* or could not be unaware of it in the circumstances, provided always that the mere publication of the by-laws shall not suffice to establish such proof.

The Board of Directors conducts the controls and verifications it deems fit.

Each Director receives all information required for the performance of his/her functions and may obtain copies of any and all documents he/she deems useful from the Chairman.

2. The Board of Directors grants the Chief Executive Officer the prior authorization to grant

sureties, endorsements and other guarantees, to sell real property, to dispose of equity interests, in whole or in part, and to grant security interests.

3. The Rules of Procedure of the Board of Directors define the decisions requiring the prior authorization of the Board of Directors.

4. The Board of Directors may entrust one or more of its members or third parties who need not be shareholders with special mandates for one or more specific purposes.

5. The Board of Directors may, from among its members, appoint one or more special committees which operate under its responsibility, and determines their membership and responsibilities.

The rules of operation of such Committees are determined by the Rules of Procedure of the Board of Directors and, as the case may be, detailed in the rules of procedure drawn up by each Committee and approved by the Board of Directors.

Observers (*censeurs*) (article 21 of the by-laws)

The Board of Directors may appoint up to three observers (*censeurs*). The observers are called to attend and participate in Board meetings in an advisory capacity. They may be members of the committees created by the Board of Directors.

They need not be chosen from among the shareholders and may receive compensation determined by the Board of Directors.

The observers are appointed for a maximum term of four years. The observers may always be renewed in office. The duties of the observers may be terminated at any time.

3.6.2.2 Executive Management (article 19 of the by-laws)

1. Rexel's executive management is performed, under his/her responsibility, by the Chairman of the Board of Directors, or by another private person, who need not be a Director, appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors elects one of the aforementioned two forms of executive management by majority decision as described in Article 17 §2 of the by-laws. The shareholders and third parties are informed of such election in accordance with the rules provided by law.

This form of executive management remains valid until another decision is made, in accordance with the same rules.

The change in Rexel's executive management method does not entail any changes to the by-laws.

2. Where the Company's executive management is performed by the Chairman, the provisions of the legislation and regulations and of the by-laws in relation to the Chief Executive Officer apply to the Chairman, who then bears the title of Chairman and Chief Executive Officer.

Where the Board of Directors elects to dissociate the functions of Chairman of the Board of Directors from the Company's executive management, the Board appoints the Chief Executive Officer and determines the Chief Executive Officer's term of office and scope of powers, in accordance with the law and the by-laws. The Board of Directors' decisions limiting the Chief Executive Officer's powers are ineffective vis-à-vis third parties.

To perform his/her functions, the Chief Executive Officer must be less than 70 years of age. If the Chief Executive Officer reaches the age of 70 while in office, such functions automatically lapse and the Board of Directors appoints a new Chief Executive Officer. The Chief Executive Officer however remains in office until the date of the meeting of the Board of Directors held to appoint his/her successor. Subject to the aforementioned age limit, the Chief Executive Officer is always eligible for reappointment.

The Chief Executive Officer may be dismissed at any time by the Board of Directors.

In the event of temporary unavailability of the Chief Executive Officer, the Board of Directors may appoint a director to perform the functions of Chief Executive Officer.

3. The Chief Executive Officer is vested with the broadest powers to act in the name of Rexel, in all circumstances. The Chief Executive Officer exercises such powers within the scope of the corporate purpose and subject to the powers which the law expressly assigns to the Shareholders' Meetings and the Board of Directors. He/she represents the Company in its relationships with third parties.

The Chief Executive Officer may request the Chairman to call a meeting of the Board of Directors on a given agenda.

If the Chief Executive Officer is not also a Director, he/she may attend Board meetings in an advisory capacity.

4. On a proposal from the Chief Executive Officer, the Board of Directors may appoint up to a maximum of five private persons to assist the Chief Executive Officer and bearing the title of Deputy Chief Executive Officer; the Board of Directors determines the scope and term of their powers, it being understood that, vis-à-vis third parties, the Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

The Deputy Chief Executive Officer(s) may be dismissed at any time by the Board of Directors, on a proposal from the Chief Executive Officer.

In the event of unavailability or termination of the functions of the Chief Executive Officer, unless the Board of Directors decides otherwise, the Deputy Chief Executive Officer(s) retain their functions and powers until a new Chief Executive Officer is appointed.

5. The Chief Executive Officer and, as the case may be, the Deputy Chief Executive Officer(s), may be authorized to grant delegations of powers, subject to the limitations provided by the laws and regulations in force.

3.6.2.3 Compensation of the Directors, Chairman, Chief Executive Officer, Deputy Chief Executive Officer and Officers of the Board of Directors (article 20 of the by-laws)

1. The ordinary Shareholders' Meeting may allocate a fixed annual amount to the Directors as compensation for their activities; such amount is included in the operating expenses of the Company and remains in effect until the Shareholders' Meeting decides otherwise. The Board of Directors allocates the compensation between Directors as it deems fit. For companies in which shares can be traded on a regulated

market, the allocation is determined under the terms provided for by law.

The Board of Directors allocates this compensation among the Directors as it deems fit.

2. The compensation of the Chairman of the Board of Directors, of the Chief Executive Officer and of the Deputy Chief Executive Officers is determined by the Board of Directors. Such compensation may be fixed or proportional, or both fixed and proportional.

3. The Board of Directors may allot exceptional compensation for special missions or duties assigned to Directors; any such compensation is recorded as operating expenses and is subject to approval by the ordinary Shareholders' Meeting in accordance with the procedure set forth in Articles L.225-38 to L.225-42 of the French Commercial Code.

4. The Board of Directors may authorize the reimbursement of travel and other expenses incurred by its members in the best interest of Rexel.

No compensation other than that provided herein, whether permanent or temporary, may be allocated to the Directors, unless they are linked to Rexel by an employment agreement under the conditions authorized by law.

3.6.2.4 Agreements entered into by Rexel with its shareholders or managers (article 22 of the by-laws)

Any agreement entered into between the Company and its shareholders or any one of them, or between the Company and its managers or any

one of them, in each case whether directly or through an intermediary, is subject to the applicable procedure as defined by law.

3.6.2.5 Liability (article 23 of the by-laws)

The Directors and the Chief Executive Officer are individually or, as the case may be, jointly and severally liable towards Rexel and third parties for any breach of the provisions of the laws and regulations applying to public companies (*sociétés*

anonymes) or of the provisions of the by-laws, and for their personal negligence in the performance of their duties, in accordance with the provisions of the law.

3.6.3 Rights and obligations attached to the shares (articles 8, 9, 11, 12 and 13 of the by-laws)

Payment of shares (article 8 of the by-laws)

Shares subscribed for in cash are issued and paid-up under the terms and conditions provided for by law.

Form of the shares (article 9 of the by-laws)

The Rexel shares may be in registered or bearer form, at the shareholder's discretion, not with standing certain legal or regulatory provisions that may in certain cases require that the shares be in registered form.

The Rexel shares are registered on a securities account under the terms and conditions provided for by law.

Sale and transfer of shares (article 11.1 of the by-laws)

The shares are freely negotiable unless otherwise provided by law or regulation. They are transferred

from one account to another in accordance with the terms and conditions provided for by law.

Rights and obligations attached to the shares (article 12 of the by-laws)

1. Each share grants rights to a share of ownership in the corporate assets and in the distribution of profits, which is proportional to the percentage of the share capital that it represents.

Each share also gives its holder the right to vote and to be represented at Shareholders' Meetings under the terms and conditions provided for by law and by the by-laws.

2. Shareholders are responsible for the company's liabilities only up to the amount of their contributions.

The rights and obligations attached to the shares remain attached thereto irrespective of the transferee.

Owners of shares are automatically bound by the by-laws and by any decisions of the Shareholders' Meetings.

3. Whenever more than one share is required to exercise a particular right, in the event of a share exchange, consolidation or allotment, or as a result

of an increase or reduction in share capital, or in the event of a merger or other transaction involving the share capital, shareholders who own only one share or who do not own the minimum number of shares required may at their own initiative consolidate their shares for the purpose of exercising said right, or buy or sell the requisite number of shares.

Indivisibility of the shares – Legal ownership (*nue-propriété*) – Beneficial ownership (*usufruit*) (article 13 of the by-laws)

The shares are indivisible with regard to Rexel.

The co-owners of split shares must be represented vis-à-vis Rexel by only one of the co-owners or by a single representative. If no agreement can be reached concerning the appointment of a representative, such representative shall be appointed by order of the President of the

commercial court acting at the request of the first owner to take the initiative to refer the matter to such court.

Voting rights attached to shares belong to the beneficial owner (*usufruitier*) at ordinary meetings and to the legal owner (*nu-propriétaire*) at extraordinary meetings.

3.6.4 Changes to shareholders' rights

Insofar as the by-laws contain no specific provisions covering changes to shareholders' rights

attached to shares, such changes are subject to the provisions of the law.

3.6.5 Shareholders' Meetings (articles 25 to 33 of the by-laws)

3.6.5.1 Shareholders' Meetings (article 25 of the by-laws)

Shareholders' decisions are made at Shareholders' Meetings, which are either ordinary, extraordinary or special meetings depending on the type of decision on which the shareholders are requested to vote.

Any duly convened Shareholders' Meeting represents all the shareholders.

Decisions made in Shareholders' Meetings are binding upon all shareholders, including those who are absent, incapacitated or dissenting.

3.6.5.2 Notices of Meetings (article 26 of the by-laws)

Shareholders' Meetings are called by the Board of Directors or by any person authorized by the law for such purpose, within the time periods and in accordance with the conditions set forth by law.

Shareholders' Meetings are held at the company's registered office or at any other location indicated in the meeting notice.

3.6.5.3 Agenda (article 27 of the by-laws)

1. The agenda of Shareholders' Meetings is set by the party that convened the meeting.
2. Shareholders, at a Shareholders' Meeting, may not deliberate on a matter that is not referred to in

the agenda, which cannot be amended upon serving a second notice. They may, however, under any circumstances, dismiss one or more Directors and appoint their replacements.

3.6.5.4 Access to Shareholders' Meetings (article 28 of the by-laws)

1. The right to participate in Shareholders' Meetings is subject to the registration or recording

of the shares within the conditions and deadlines set out by the regulations in force.

2. A shareholder may be represented by another shareholder, by his or her spouse or by his or her civil solidarity pact (PACS) partner.

Furthermore, a shareholder may be represented by any other legal entity of individual of his/her choice:

- (i) Where the Rexel shares are admitted to trading on a regulated market;
- (ii) Where the Rexel shares are admitted to trading on a multilateral trading facility that complies with the legal and regulatory provisions aiming at protecting investors against insider trading, price manipulation and the dissemination of false information in accordance with the conditions laid down in the General Regulation of the *Autorité des marchés financiers*, appearing on a list drawn up by the AMF in accordance with the terms of its General Regulation.

The proxy form, as well as the withdrawal of the proxy form, if applicable, must be in writing and notified to Rexel, in accordance with the provisions laid down by law.

3. Any shareholder may vote by mail, by sending a ballot to Rexel under the conditions provided for by law.

This form may be on the same document as the proxy form; in this case, the single document must contain the statements and information provided for by the regulations. In order for mail ballots to be counted, Rexel must receive the ballots three (3) days before the date of the meeting. The electronic signature may take the form of a procedure compliant with the first sentence of the second subparagraph of article 1367 of the French Civil Code.

If the Board of Directors so decides when it convenes the meeting, shareholders may also participate and vote in the meeting by electronic or another form of telecommunication that enables them to be identified under the conditions provided for by law.

4. Shareholders who participate in a meeting by videoconference or other forms of telecommunication that enable them to be identified under the conditions provided for by law are deemed to be present for purposes of calculating the quorum and majority.

3.6.5.5 Attendance sheet – Officers of the meeting – Minutes of meetings (article 29 of the by-laws)

1. An attendance sheet containing the information required by law is kept for each meeting.

This attendance sheet, which is duly initialed by shareholders present and by any proxies, and to which any proxy forms and postal ballots are attached, is certified as true and accurate by the officers of the meeting.

2. Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by the Deputy Chairman of the Board of Directors, or by a director specially authorized for this purpose.

If the Shareholders' Meeting is convened by the Statutory Auditor or Auditors, by a representative of the court or by the receivers, the meeting is chaired by one of them.

In any event, in the absence of the person who is authorized or appointed to chair the meeting, the shareholders shall elect a chairman of the meeting.

Ballots are counted by the two shareholders in attendance who hold the largest number of shares, either personally or by proxy, and who agree to perform this task.

The officers of the meeting appoint a secretary who is not required to be a shareholder.

The duties of the officers of the meeting are to verify, certify and sign the attendance sheet; to ascertain that the deliberations are duly carried out; to settle any incidents arising at the meeting; to count the votes cast and to ascertain that they are valid; and to draw up the minutes of the meeting and to sign them.

3. Minutes of the meetings are drawn up and copies or excerpts thereof are delivered and certified in accordance with the law.

3.6.5.6 Quorum – Voting – Number of votes (article 30 of the by-laws)

1. The quorum for ordinary and extraordinary Shareholders' Meetings is calculated on the basis of the total number of shares comprising the share capital, less any shares disqualified from voting pursuant to the provisions of the law.

In the case of votes submitted by mail, only those ballots received by Rexel prior to the meeting within the time period and under the conditions set forth by law will count towards the quorum.

2. At ordinary and extraordinary Shareholders' Meetings, each shareholder shall have as many votes as shares he owns or represents, in his own name or by proxy, with no limitations of any kind. Pursuant to the option provided for in Article L.22-10-46 of the French Commercial Code, shares fully paid up that have been held in a registered form for 2 years at the name of the same shareholder do not benefit from double voting rights.

3. Voting takes place and the votes are cast, as decided by the officers of the meeting, by a show of hands, by electronic means or by any form of

telecommunication that enables the shareholders to be identified in accordance with the applicable regulations.

3.6.5.7 Ordinary Shareholders' Meetings (article 31 of the by-laws)

1. Ordinary Shareholders' Meetings are held to make all decisions that do not amend the by-laws.

Ordinary Shareholders' Meetings are held at least once each year, within the times specified by the applicable laws and regulations, to resolve on the financial statements and, if applicable, on the

consolidated financial statements for the past financial year.

2. While voting in accordance with the quorum and majority requirements applicable to ordinary meetings, the ordinary Shareholders' Meeting exercises the powers assigned thereto by law.

1

3.6.5.8 Extraordinary Shareholders' Meetings (article 32 of the by-laws)

1. Only the extraordinary Shareholders' Meeting is authorized to amend any provision of the by-laws. However, it may not increase the obligations of shareholders, subject to transactions resulting from an exchange or consolidation of shares duly approved and carried out.

2. While voting in accordance with the applicable quorum and majority requirements, the extraordinary Shareholders' Meeting exercises the powers assigned thereto by law.

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3.6.5.9 Shareholders' right to information (article 33 of the by-laws)

The shareholders have a right to receive the documents they need to take an informed decision on the management and operation of Rexel and to vote accordingly.

The type of such documents and the conditions under which they are sent or made available to shareholders are determined by law.

4

3.6.6 Provisions likely to have an impact on the occurrence of a change of control of Rexel

To Rexel's knowledge, there exists no provision in the by-laws that would result in delaying, deferring or preventing a change of control of Rexel.

As indicated in paragraph 3.7.5 "Agreements potentially leading to a change of control" of this Universal Registration Document, to the best knowledge of Rexel, there are no agreements entered into among shareholders. Furthermore,

provisions of the senior credit agreement and of the bonds likely to have an impact in case of change of control of Rexel are described in note 22.1 of the Notes to the consolidated financial statements of the Company for the financial year ended December 31, 2021, set out in paragraph 5.2.1 "Consolidated Financial Statements as of December 31, 2021" of this Universal Registration Document.

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3.6.7 Identification of shareholders and ownership threshold disclosures (articles 10 and 11 of the by-laws)

3.6.7.1 Identification of shareholders (article 10 of the by-laws)

Rexel stays informed about the composition of its shareholding base in accordance with applicable laws.

In this respect, Rexel may avail itself of all legal provisions, for identification of the holders of securities conferring immediate or future voting rights at Rexel's Shareholders' Meetings.

8

3.6.7.2 Ownership threshold disclosures (article 11.2 of the by-laws)

In addition to the legal obligation to notify Rexel whenever the ownership thresholds provided by law are crossed, any individual or legal entity, acting alone or in concert, coming into possession, directly or indirectly within the meaning of the law (and in particular, of Article L.233-9 of the French Commercial Code), of a number of shares representing 2.5% of the share capital or voting rights, is required to disclose to Rexel the total number of shares and voting rights it owns by sending a notice by registered mail with acknowledgement of receipt to the registered office or, for shareholders who are not French residents, by any equivalent means, within 5 trading days from the date it has crossed one of these thresholds, stating the total number of securities held giving future access to the share capital and the number of voting rights attached thereto. This declaration of crossing of threshold shall also state whether the shares or voting rights attached thereto are held on behalf of or in concert with other individual or legal entities and shall also indicate the date on which the threshold was crossed. Such disclosure must be made for any additional multiple of 2.5% of the share capital or voting rights without any limitation, including when it exceeds 5%.

Failure to duly make such disclosure under the conditions specified above shall result in the disqualification for voting purposes of the shares that should have been disclosed under the conditions provided for by law, if so requested by one or more shareholders separately or together owning at least 2.5% of the share capital or voting rights and duly recorded in the minutes of the Shareholders' Meeting.

Any shareholder whose ownership interest and/or voting rights in Rexel falls below one of the aforesaid thresholds, for any reason whatsoever, is also required to disclose this fact to Rexel, under the same conditions and within the same periods of time specified above.

In calculating the aforesaid thresholds, the denominator must take into account the total number of shares making up the share capital and to which voting rights are attached, including shares that are disqualified for voting purposes, as published by Rexel as required by law (Rexel must publish the total number of shares with voting rights and the number of such shares that have been disqualified for voting purposes).

3.6.8 Special provisions governing changes to share capital (article 7 of the by-laws)

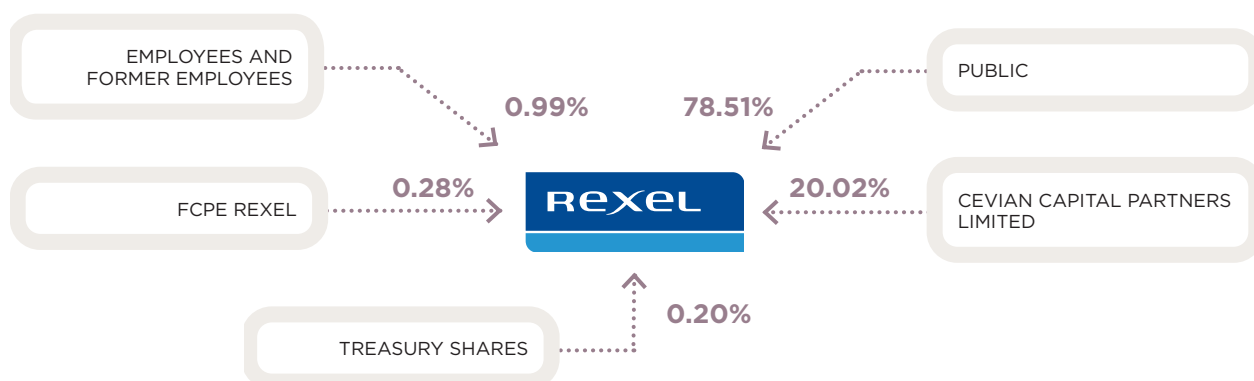
Rexel's share capital may be increased or reduced in all ways and by all manners authorized by law.

The extraordinary Shareholders' Meeting may also decide to divide the shares or to group them together.

3.7 Shareholders

3.7.1 Principal shareholders

The chart below shows the simplified shareholding structure of Rexel as of December 31, 2021:



3.7.2 Share capital and voting rights

3.7.2.1 Breakdown of shares and voting rights by shareholder

The table below shows the breakdown of the shareholding and of the voting rights of Rexel as of December 31, 2021, 2020, and 2019. Each Rexel share gives right to one vote.

SHAREHOLDERS	AT DECEMBER 31,											
	2021				2020				2019			
	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF CAPITAL AND THEORETICAL % OF VOTING RIGHTS ⁽¹⁾	% OF EXERCISABLE VOTING RIGHTS ⁽²⁾	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF CAPITAL AND THEORETICAL % OF VOTING RIGHTS ⁽¹⁾	% OF EXERCISABLE VOTING RIGHTS ⁽²⁾	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF CAPITAL AND THEORETICAL % OF VOTING RIGHTS ⁽¹⁾	% OF EXERCISABLE VOTING RIGHTS ⁽²⁾
Cevian Capital Partners Limited ⁽³⁾	61,202,309	61,202,309	20.02%	20.06%	61,202,309	61,202,309	20.10%	20.18%	53,521,593	53,521,593	17.60%	17.70%
First Eagle Investment Management LLC ⁽⁴⁾	-	-	-	-	23,023,337	23,023,337	7.56%	7.59%	23,023,337	23,023,337	7.57%	7.61%
Employees and former employees	3,018,755	3,018,755	0.99%	0.99%	4,400,044	4,400,044	1.45%	1.45%	3,991,610	3,991,610	1.31%	1.32%
FCPE Rexel	852,268	852,268	0.28%	0.28%	1,100,718	1,100,718	0.36%	0.36%	1,154,749	1,154,749	0.38%	0.38%
Public	240,029,694	240,029,694	78.51%	78.67%	213,550,216	213,550,216	70.15%	70.41%	220,661,812	220,661,812	72.56%	72.98%
Treasury shares	613,465	613,465	0.20%	0.00%	1,148,482	1,148,482	0.38%	0.00%	1,748,912	1,748,912	0.58%	0.00%
TOTAL	305,716,491	305,716,491	100%	100%	304,425,106	304,425,106	100%	100%	304,102,013	304,102,013	100%	100%

(1) Percentages of voting rights calculated based on all of the shares entitling to voting rights, including shares disqualified for voting purposes.

(2) Percentages calculated by excluding treasury shares held by Rexel that are disqualified for voting purposes.

(3) Based on the declarations of crossing of threshold dated July 1, 2016, September 14, 2017, November 21, 2018 and March 10, 2020.

(4) Based on the declarations of crossing of threshold dated September 11, 2015 and February 11, 2016.

Also, Rexel has received the shareholding threshold disclosures set forth in paragraph 3.7.2.2 "Shareholding threshold disclosures" of this Universal Registration Document.

3.7.2.2 Shareholding threshold disclosures

During the financial year ended December 31, 2021 and as of the date of this Universal Registration

Document, Rexel received the following thresholds crossing disclosures:

COMPANY	DATE OF THE DECLARATION	LEGAL AND BY-LAW THRESHOLDS	TYPE OF CROSSING	% OF CAPITAL AND VOTING RIGHTS AFTER CROSSING	NUMBER OF SHARES HELD AFTER CROSSING
Amundi	January 24, 2022	2.5%	Down	2.49%	7,628,503
First Eagle Investment Management, LLC	June 16, 2021	2.5%	Down	2.48%	7,584,751
First Eagle Investment Management, LLC	April 8, 2021	5%	Down	4.70%	14,298,914
First Eagle Investment Management, LLC	February 12, 2021	7.5%	Down	7.48%	22,770,033
Pzena Investment Management, LLC	February 12, 2021	5%	Down	4.92%	14,982,307

To Rexel's knowledge and based on the declarations of crossing of thresholds that it has received, no shareholder other than those referred

to above holds, as of December 31, 2021, more than 5% of the share capital and/or voting rights of Rexel.

3.7.2.3 Interests held by managers in the share capital of Rexel

Rexel interests held by Directors and the Chief Executive Officer

As of December 31, 2021, the Directors and corporate officers held the following ownership interests in Rexel's share capital:

	NUMBER OF SHARES	% OF THE SHARE CAPITAL AND VOTING RIGHTS
DIRECTORS		
Ian Meakins (Chairman)	115,250	0.04%
François Henrot	7,133	NS
Marcus Alexanderson	5,000	NS
François Auque	3,000	NS
Julien Bonnel (Director representing the employees) ⁽¹⁾	4,625	NS
Brigitte Cantaloube	1,000	NS
Barbara Dalibard	2,400	NS
Toni Killebrew (Director representing the employees) ⁽¹⁾	-	NS
Elen Phillips	5,000	NS
Maria Richter	6,500	NS
Guillaume Texier	10,000 ⁽²⁾	NS
Agnès Touraine	1,112	NS

(1) In accordance with Article 14 of the by-laws, the directors representing the employees do not have to hold a minimum number of shares of the Company.

(2) Shares purchased on February 17, 2022.

Transactions on Rexel securities carried out by the Directors, the Chairman and the Chief Executive Officer

During the financial year ended December 31, 2021, the following transactions disclosures were made:

	DATE OF THE TRANSACTION	NATURE OF THE TRANSACTION	NUMBER OF SHARES	PRICE BY SHARE	TOTAL AMOUNT
CHIEF EXECUTIVE OFFICER					
Patrick Berard	March 4, 2021	Transfer	10,235	15.4169	€157,791.97
Patrick Berard	March 4, 2021	Transfer	6,150	15.4427	€94,972.61
Patrick Berard	March 4, 2021	Transfer	9,636	15.4118	€148,508.10
Patrick Berard	March 4, 2021	Transfer	16,039	15.41	€247,160.99
Patrick Berard	March 4, 2021	Transfer	34,980	15.4243	€539,542.01
Patrick Berard	March 4, 2021	Transfer	146,803	15.4528	€2,268,517.40
Patrick Berard	March 4, 2021	Transfer	61,022	15.4364	€941,960
Patrick Berard	March 4, 2021	Transfer	6,908	15.3875	€106,296.85
Patrick Berard	March 4, 2021	Transfer	11,853	15.4013	€182,551.61
Patrick Berard	March 4, 2021	Transfer	29,793	15.4247	€459,548.09
Patrick Berard	March 4, 2021	Transfer	6,187	15.4796	€95,772.29

3.7.2.4 Employees shareholding

In accordance with the authorizations granted by the Shareholders' Meetings, Rexel implemented, in 2012, 2013 and 2016 employee shareholding plans carried out through share capital increases reserved for members of the PEG or the PEGI, through Share Incentive Plan ("SIP") in the United Kingdom or through free shares allocation plans,

subject to a presence condition (subject to certain exceptions).

As of December 31, 2021, the number of shares held by employees in the context of the employee shareholding plans, directly or through employee investment funds (FCPE), was 1,236,223 shares, i.e. 0.40% of the share capital and voting rights of Rexel.

3.7.2.5 Subscription or purchase options for Rexel shares

The last subscription or purchase options plan ended on November 30, 2016.

3.7.2.6 Allotment of free shares

Free shares granted in the financial year ended December 31, 2017

Free share plans created on May 23, 2017

The Extraordinary Shareholders' Meeting of May 25, 2016, authorized the Board of Directors to carry out the free share allocation. The Board of Directors, at its meeting of May 23, 2017, decided to allocate 1,873,975 Rexel free shares under 2 plans.

On May 23, 2017, in the context of the authorization granted to the Board of Directors to carry out the allocation of free shares, the Board of Directors decided that the Chief Executive Officer, who is beneficiary of an allotment of free shares, shall retain 20% of the vested shares in the registered form. This obligation applies until the end of his term of office.

The table below summarizes the free shares allotments carried out during the financial year ended December 31, 2017:

PLAN	REXEL 2017 3+2	REXEL 2017 4+0
Shareholders' Meeting	May 25, 2016	
Board of Directors	May 23, 2017	
Number of beneficiaries	187	476
Initial number of free shares allocated	643,200	1,230,775
Corporate officer		
• Patrick Berard	100,000 ⁽¹⁾	-
Ten first employees ⁽²⁾	259,000	
Date of final vesting	May 23, 2020	May 23, 2021
Date of transferability of shares	May 24, 2022	May 24, 2021
Number of valid shares at December 31, 2020	-	598,843
Number of adjusted shares	-	15,961
Number of cancelled or expired shares ⁽³⁾	-	20,540
Number of shares delivered	-	595,030
Number of vested shares at December 31, 2021	-	-
Number of valid shares at December 31, 2021	-	-

(1) Adjusted amount: 103,442. The number of performance shares still under vesting on July 5, 2019 was adjusted by decision of the Chief Executive Officer dated July 5, 2019 (upon delegation of power granted by the Board of Directors on May 23, 2019). This decision is to protect the rights of beneficiaries and is due to the payment of an amount of €0.347 per share to the shareholders integrally deducted from the "Issue premium" account.

(2) Given the number of shares allocated to employees, the ten first allocations have been indicated.

(3) Condition of presence not met or condition of performance not achieved.

As of December 31, 2021, there were no shares allocated and undelivered.

During the year ended December 31, 2020, the Board of Directors' meeting of June 24, 2020

recorded the delivery of 595,030 ordinary shares of the Company, acquired on May 24, 2021 under the "Rexel 2017 4+0 Plan" granted on May 23, 2017.

During the financial year ended December 31, 2021, the beneficiaries who have permanently vested shares under the 3+2 plan. This plan provides for a condition of presence during 3 years and the following performance criteria:

PERFORMANCE OF THE PERFORMANCE SHARES PLANS GRANTED IN 2017	WEIGHT	OBJECTIVE	TRIGGER	TARGET	MAXIMUM	% ACHIEVEMENT (NOT WEIGHTED)	% PERFORMANCE SHARES ACQUIRED (WEIGHTED)
2016-2019 average of adjusted EBITA margin growth in value	30%	+6.6%	50% of shares vest if the target achieved at 75%	100% of shares vest if the target is reached	150% of shares vest if target reached at 125%	90.30%	24.00%
2016-2019 average growth of organic sales	30%	+2.64%	50% of shares vest if target achieved at 75%	100% of shares vest if the target is reached	150% of shares vest if target reached at 125%	109.80%	36.00%
2017, 2018 and 2019 Average ratio of free cash flow before interest and taxes/EBITDA	20%	67.7%	50% of shares vest if target achieved at 90%	100% of shares vest if the target is reached	150% of shares vest if achievement reaches or exceeds 120%	93.80%	14.00%
TSR ranking of Rexel compared to a panel of companies (Companies of Stoxx Europe TMI "Electronic & Electrical Equipment") after a reference period of 3 years	20%	70 th percentile	50% of shares vest if the Rexel's TSR ranking is in the median of the TSR of the panel	100% of shares vest if the Rexel's TSR performance reaches the 70th percentile of the panel	150% of shares vest if the Rexel's TSR performance reaches the 90th percentile of the panel	0.00%	0.00%
							74%

During the financial year ended December 31, 2021, the shares definitively vested by the corporate officers are as follows:

BENEFICIARIES	NUMBER OF SHARES PERMANENTLY VESTED
Patrick Berard	0

Free shares granted in the financial year ended December 31, 2018

Free shares plans created on May 24, 2018

The extraordinary Shareholders' Meeting of May 24, 2018, authorized the Board of Directors to carry out the free share allocation. The Board of Directors of May 24, 2018 decided to allot 1,900,032 free Rexel shares in connection with 3 plans.

On May 24, 2018, in connection with the authorization granted to the Board of Directors to carry out the allocation of free shares, the Board of Directors decided that Chief Executive Officer, who will be the beneficiary of an allocation of free shares, shall retain 20% of such shares in the registered form. This obligation applies until the end of his term of office.

The table below summarizes the free share allotments carried out during the financial year ended December 31, 2018:

PLAN	REXEL 2018 PERFORMANCE SHARES 3+0	REXEL 2018 PERFORMANCE AND RESTRICTED SHARES 3+0	REXEL 2018 RESTRICTED SHARES 3+0
Shareholders' Meeting		May 24, 2018	
Board of Directors		May 24, 2018	
Number of beneficiaries	87	601	139
Initial number of Performance shares allocated	1,007,625	522,407	-
Initial number of Restricted shares allocated ⁽¹⁾	-	300,500	69,500
Corporate officer			
• Patrick Berard ⁽²⁾	100,000 ⁽²⁾	-	-
Top ten employees ⁽³⁾	321,300		
Final vesting date		May 24, 2021	
Date of transferability of shares		May 25, 2021	
Number of valid Performance shares at December 31, 2020 ⁽¹⁾	814,277	439,912	-
Number of valid Restricted shares at December 31, 2020 ⁽¹⁾	-	247,604	64,750
Number of adjusted shares	21,296	19,224	1,785
Number of shares cancelled or expired under the presence criteria ⁽⁴⁾	18,621	12,298	3,108
Number of shares permanently vested at December 31, 2021	490,454	266,909	N/A
Number of valid Performance shares at December 31, 2021	327,016	428,310	63,427
Number of valid Restricted shares at December 31, 2021	-	-	-

(1) As the conditions applied to restricted shares are different from those for performance shares, the allocation of the allotment is made by type of shares.

(2) Adjusted amount: 103,442. The number of performance shares still under vesting on July 5, 2019 has been adjusted by decision of the Chief Executive Officer dated July 5, 2019 (upon delegation of power granted by the Board of Directors on May 23, 2019). This decision is to protect the rights of beneficiaries and is due to the payment of an amount of €0.347 per share to the shareholders integrally deducted from the "Issue premium" account.

(3) Given the number of shares allocated to employees, the ten first allocations have been indicated.

(4) Condition of presence not met or condition of performance not achieved.

As of December 31, 2021, there were no shares allocated and undelivered.

During the financial year ended December 31, 2020, the Board of Directors' meeting of May 25,

2021 recorded the delivery of 818,753 shares of the Company's ordinary shares, vested as of May 24, 2021 under the "Rexel 2018 3+0 Plan" granted on May 23, 2018.

During the financial year ended December 31, 2021, the beneficiaries definitively vested shares under the "Rexel 2018 3+0 Plan". This plan provides for a condition of presence over 3 years and the following performance conditions:

ACHIEVEMENT OF PERFORMANCE ON SHARE PLANS GRANTED IN 2017	WEIGHTING	OBJECTIVE	TRIGGER POINT	TARGET	MAXIMUM	PERCENTAGE OF PERFORMANCE ACHIEVEMENT BEFORE WEIGHTING	PERCENTAGE OF PERFORMANCE SHARES VESTED AFTER WEIGHTING
Average EBITA growth by value between 2017-2020	30%	+€49M	50% vesting if target achievement is 75%	Vesting equal to 100% if the target is reached	Vesting equal to 150% if target achievement reaches 125%	00.00%	00.00%
Average organic sales growth 2016-2019	30%	+2.4%	50% vesting if target achievement is 75%	Vesting equal to 100% if the target is reached	Vesting equal to 150% if target achievement reaches 125%	50.00%	15.00%
Average between the years 2017, 2018 and 2019 of the free cash flow before interest and taxes/ EBITDA ratio	20%	70.6%	50% vesting if 90% of the target is achieved	Vesting equal to 100% if the target is reached	Acquisition equal to 150% if achievement is greater than or equal to 120%	50.00%	10.00%
Rexel's TSR ranking compared to a panel of companies (Stoxx Europe TMI "Electronic & Electrical Equipment" companies) at the end of a 3-year reference period	20%	70 th percentile	Acquisition equal to 50% if Rexel's TSR is ranked at the median of the TSR of the companies in the panel	Vesting equal to 100% if Rexel's performance reaches the 70th percentile of the TSR of the companies in the panel	Acquisition equal to 150% if Rexel's performance reaches the 90th percentile of the TSR of the companies in the panel	73.20%	15.00%
							40%

During the financial year ended December 31, 2021, the following shares have been vested on a permanent basis by the corporate officers:

BENEFICIARIES	NUMBER OF SHARES PERMANENTLY VESTED
Patrick Berard	42,512

Free shares granted in the financial year ended December 31, 2019

Free shares allotment plans set up on May 23, 2019

The Extraordinary Shareholders' Meeting held on May 24, 2018 authorized the Board of Directors to allot free shares. The Board of Directors of May 23, 2019 decided to allot 2,082,522 free shares of Rexel in connection with 3 plans.

On May 23, 2019, in the context of the authorization granted to the Board of Directors to carry out the allotment of free shares it was decided that the Chief Executive Officer, who will be the beneficiary of an allotment of free shares shall retain 20% of such shares in the registered form. This obligation applies until the end of his term of office.

The table below summarizes the free share allocations carried out during the financial year ended December 31, 2019:

PLAN	REXEL 2019 PERFORMANCE SHARES 3+0	REXEL 2019 PERFORMANCE AND RESTRICTED SHARES 3+0	REXEL 2019 RESTRICTED SHARES 3+0
Shareholders' Meeting		May 24, 2018	
Board of Directors		May 23, 2019	
Number of beneficiaries	79	693	267
Initial number of Performance shares allocated	1,016,875	585,647	-
Initial number of Restricted shares allocated ⁽¹⁾	-	346,500	133,500
Corporate officer			
• Patrick Berard	100,000 ⁽²⁾	-	-
Top ten employees ⁽³⁾	330,100		
Final vesting date		May 23, 2022	
Date of transferability of shares		May 24, 2022	
Number of valid Performance shares at December 31, 2020	972,623	559,470	-
Number of valid Restricted shares at December 31, 2020	-	327,376	130,018
Number of adjusted shares ⁽⁴⁾	25,985	24,897	3,202
Number of free shares cancelled or expired ⁽⁵⁾	76,750	55,404	5,833
Number of free shares irrevocably vested at December 31, 2021	-	-	-
Number of valid Performance shares at December 31, 2021	921,858	539,537	-
Number of valid Restricted shares at December 31, 2021	-	316,602	127,387

(1) As the conditions applied to restricted shares are different from those for performance shares, the allocation of the allotment is made by type of shares.

(2) Adjusted amount: 103,442. The number of performance shares still in the vesting period as of July 5, 2019 was adjusted by decision of the Chief Executive Officer on July 5, 2019 (on delegation of powers granted by the Board of Directors on May 23, 2019). This decision was intended to protect the rights of the beneficiaries and followed the distribution to shareholders of €0.347 per share, fully deducted from the issue premium.

(3) Given the number of shares allocated to employees, the first ten allocations were retained.

(4) The number of shares still in the vesting period as of April 29, 2021 was adjusted by decision of the Chief Executive Officer on May 3, 2021. This decision was intended to protect the rights of beneficiaries and followed the distribution to shareholders of a sum of 0.46 euro per share, taken in full from the issue premium.

(5) Condition of presence not met or performance condition not met.

Free shares allocated and not yet delivered at December 31, 2021, may result in the creation of 1,905,584 new shares. This creation would result in a dilution of 0.62%.

The valuation of the shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the vesting period.⁽¹⁾

(1) See note 19 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2021 set out in section 5.2.1 "Consolidated Financial Statements as of December 31, 2021" of this Universal Registration Document.

During the financial year ended on December 31, 2021, no share was permanently vested.

For information purposes, the performance of the May 23, 2019 plans will be known during the financial year ending December 31, 2022 (*i.e.*, subsequent to the publication of this Universal Registration Document) taking into account the

assessment period of the relative performance of the Rexel share compared to the SBF 120 GR index.

As a reminder, in connection with the Rexel 3+0 Restricted Shares plan, the shares allotted are not subject to the performance criteria above, but only to a three-year presence criterion.

Free shares granted in the financial year ended December 31, 2020

Free share allocation plans set up on September 28, 2020

The Extraordinary Shareholders' Meeting held on June 25, 2020 authorized the Board of Directors to allot free shares. The Board of Directors of September 28, 2020 decided to allot 1,566,140 free shares of Rexel in connection with three plans.

On September 28, 2020, in the context of the authorization granted to the Board of Directors to

carry out the allotment of free shares it was decided that the Chief Executive Officer, who will be the beneficiary of an allotment of free shares shall retain 20% of such shares in the registered form. This obligation applies until the end of his term of office.

The table below summarizes the free share allocations carried out during the financial year ended December 31, 2020:

PLAN	REXEL 2020 PERFORMANCE SHARES 3+0	REXEL 2020 PERFORMANCE AND RESTRICTED SHARES 3+0	REXEL 2020 RESTRICTED SHARES 3+0
Shareholders' Meeting	June 25, 2020		
Board of Directors	September 28, 2020		
Number of beneficiaries	142	551	328
Initial number of Performance shares allocated	890,920	323,620	-
Initial number of Restricted shares allocated ⁽¹⁾	-	220,400	131,200
Corporate officer			
• Patrick Berard	100,000	-	-
Top ten employees ⁽²⁾	337,240		
Final vesting date	September 28, 2023		
Date of transferability of shares	September 29, 2023		
Number of valid Performance shares at December 31, 2020	890,200	321,780	0
Number of valid Restricted shares at December 31, 2020		219,600	130,800
Adjusted number of shares ⁽³⁾	23,837	15,003	3,575
Number of free shares cancelled or expired prior to adjustment ⁽⁴⁾	31,944	14,142	0
Number of free shares irrevocably vested at December 31, 2021	-	13,053	6,965
Number of valid Performance shares at December 31, 2021	882,093	316,701	0
Number of valid Restricted shares at December 31, 2021	0	221,487	127,410

(1) As the conditions applied to attendance shares are different from those applied to performance shares, the allocation of the grant is made by type of share.

(2) Given the number of shares allocated to employees, the first ten allocations were retained.

(3) The number of shares still in the vesting period as of April 29, 2021 was adjusted by decision of the Chief Executive Officer on May 3, 2021. This decision was intended to protect the rights of beneficiaries and followed the distribution to shareholders of a sum of 0.46 euro per share, taken in full from the issue premium.

(4) Condition of presence not met or performance condition not met.

Free shares allocated and not yet delivered at December 31, 2021, may result in the creation of 1,538,691 new shares. This creation would result in a dilution of 0.50%.

The valuation of the shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the vesting period.⁽¹⁾

During the financial year ended on December 31, 2021, no share was permanently vested.

For information purposes, the performance of the September 28, 2020 plans will be known during the financial year ending December 31, 2023 (*i.e.*, subsequent to the publication of this Universal Registration Document) taking into account the assessment period of the relative performance of the Rexel share compared to the SBF 120 GR index.

As a reminder, in connection with the Rexel 3+0 Restricted Shares plan, the shares allotted are not subject to the performance criteria above, but only to a three-year presence criterion.

Free shares granted in the financial year ended December 31, 2021

Plan of April 22, 2021

Rexel's Extraordinary Shareholders' Meeting of June 25, 2020 authorized the Board of Directors to carry out an allocation of free shares.

The Board of Directors of April 22, 2021 decided to allot 1,877,025 free shares of Rexel in connection with two plans.

The table below summarizes the free share allocations carried out during the financial year ended December 31, 2020:

PLAN	REXEL 2021 PERFORMANCE SHARES 3+0	REXEL 2021 RESTRICTED SHARES 3+0
Shareholders' Meeting	June 25, 2020	
Board of Directors	April 22, 2021	
Number of beneficiaries	215	938
Initial number of Performance shares allocated	1,409,625	-
Initial number of Restricted shares allocated ⁽¹⁾	-	467,400
Corporate officers		
• Patrick Berard	0	-
Top ten employees ⁽²⁾	332,400	-
Final vesting date	April 22, 2024	
Date of transferability of shares	April 23, 2024	
Number of adjusted shares ⁽³⁾	38,198	13,402
Number of free shares cancelled or expired ⁽⁴⁾	34,456	12,961
Number of free shares irrevocably vested at December 31, 2021	-	-
Number of valid Performance shares at December 31, 2021	1,413,367	-
Number of valid Restricted shares at December 31, 2021	-	467,841

(1) As the conditions applied to attendance shares are different from those applied to performance shares, the allocation of the grant is made by type of share.

(2) Given the number of shares allocated to employees, the first ten allocations were retained.

(3) The number of shares still in the vesting period on 29 April 2021 was adjusted by decision of the Chief Executive Officer on 3 May 2021. This decision aimed to protect the rights of the beneficiaries and followed the distribution to the shareholders of an amount of 0.46 euro per share, deducted from the issue premium account.

(4) Condition of presence not met or performance condition not met.

The shares allocated and not yet delivered on December 31, 2021 could give rise to the creation

of 1,881,208 new shares and thus lead to a dilution of 0.62 %.

(1) See note 19 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2021 set forth in section 5.2.1 "Consolidated Financial Statements as of December 31, 2021" of this Universal Registration Document.

The valuation of the shares corresponds to the value retained in the context of the application of IFRS 2, before the effect of the spreading of the expense over the vesting period.⁽¹⁾

During the financial year ended December 31, 2021, no shares vested.

For information purposes, the performance of the plans from April 22 to September 20, 2020 will be known during the financial year ending on

December 31, 2024 (after the publication of this Universal Registration Document) taking into account the assessment period of the relative performance of the Rexel share compared to the SBF 120 GR index.

As a reminder, under the Rexel 3+0 Attendance Share Plan, the shares granted are not subject to the above performance conditions but only to a three-year presence condition.

BENEFICIARIES	PLAN NAME	NUMBER OF SHARES	VALUE OF ALLOCATED SHARES ⁽¹⁾	VESTING DATE	TRANSFERABILITY DATE	CONDITIONS ⁽²⁾
CORPORATE OFFICERS						
Patrick Berard	REXEL 3+0 Performance Shares	0	€-	April 22, 2021	April 23, 2024	-2
FIRST TEN EMPLOYEES						
Employee #1	REXEL 3+0 Performance Shares	45,000	€688,950.00	April 22, 2021	April 23, 2024	-2
Employee #2	REXEL 3+0 Performance Shares	40,000	€612,400.00	April 22, 2021	April 23, 2024	-2
Employee #3	REXEL 3+0 Performance Shares	40,000	€612,400.00	April 22, 2021	April 23, 2024	-2
Employee #4	REXEL 3+0 Performance Shares	40,000	€612,400.00	April 22, 2021	April 23, 2024	-2
Employee #5	REXEL 3+0 Performance Shares	30,000	€459,300.00	April 22, 2021	April 23, 2024	-2
Employee #6	REXEL 3+0 Performance Shares	30,000	€459,300.00	April 22, 2021	April 23, 2024	-2
Employee #7	REXEL 3+0 Performance Shares	30,000	€459,300.00	April 22, 2021	April 23, 2024	-2
Employee #8	REXEL 3+0 Performance Shares	30,000	€459,300.00	April 22, 2021	April 23, 2024	-2
Employee #9	REXEL 3+0 Performance Shares	30,000	€459,300.00	April 22, 2021	April 23, 2024	-2
Employee #10	REXEL 3+0 Performance Shares	17,400	€266,394.00	April 22, 2021	April 23, 2024	-2

(1) The valuation of the shares granted is based on the fair value of the instruments at the grant date, i.e., €15.31.

(2) See table below for the performance criteria for the 2020 plans.

The shares allocated and not yet delivered as of December 31, 2021 could give rise to the creation of 1,881,208 new shares and thus result in a dilution of 0.62%.

The valuation of the shares corresponds to the value retained in the context of the application of IFRS 2, before the effect of the spreading of the expense over the acquisition⁽²⁾ period.

(1) See note 19 to the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2021 set forth in paragraph 5.2.1 "Consolidated financial statements as of December 31, 2021" of this Universal Registration Document.

(2) See note 20 to the consolidated financial statements of the Rexel Group for the year ended December 31, 2021 set forth in paragraph 5.2.1 "Consolidated financial statements as of December 31, 2021" of this Universal Registration Document.

The table below summarizes the performance criteria adopted and the method used in order to determine their impact on the future vesting of the performance shares of the Rexel 3+0 Performance Shares and Rexel 3+0 Performance and Restricted Shares plans:

CRITERIA	WEIGHT	TRIGGER	TARGET	MAXIMUM	COMMENTS
Average annual growth of EBITA in value 2020-2023	30%	50% of shares vest if the average performance reaches 75% of target	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches or exceeds 125% of target	Calculation on a linear basis between the points
Average annual organic sales growth 2020-2023	30%	50% of shares vest if the average performance reaches 75% of target	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches or exceeds 125% of target	Calculation on a linear basis between the points
Average between the years 2021, 2022 and 2023 of ratio of free cash flow before interest and taxes/ EBITDA	20%	50% of shares vest if the average performance reaches 90% of target	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches or exceeds 120% of target	Calculation on a linear basis between the points
Relative performance of the Rexel share compared to the SBF 120 GR index	20%	50% of shares vest if Rexel's share performance exceeds the performance of the SBF 120 GR index	100% of shares vest if Rexel's share performance exceeds the performance of the SBF 120 GR index by 5%	150% of shares vest if Rexel's share performance exceeds the performance of the SBF 120 GR index by 10%	-
	100%	The performance level of each criterion is combined with the weight of each criterion in order to obtain a weighted global level of performance. In any case, said global level is limited to 100% of the initial grant.			

During the financial year ended on December 31, 2021, no share was permanently vested.

For information purposes, the performance of the April 22, 2021 plans will be known during the financial year ending December 31, 2024 (i.e., subsequent to the publication of this Universal Registration Document) taking into account the assessment period of the relative performance of the Rexel share compared to the SBF 120 GR index.

As a reminder, in connection with the Rexel 3+0 Restricted Shares plan, the shares allotted are not subject to the performance criteria above, but only to a three-year presence criterion.

Plan of October 20, 2021

Rexel's Extraordinary Shareholders' Meeting of June 25, 2020 authorized the Board of Directors to carry out an allocation of free shares.

The Board of Directors of October 20, 2021 decided to allot 53,450 free shares of Rexel in connection with two plans.

On October 20, 2021, in the context of the authorization granted to the Board of Directors to carry out the allotment of free shares it was decided that the Chief Executive Officer, who will be the beneficiary of an allotment of free shares shall retain 20% of such shares in the registered form. This obligation applies until the end of his term of office.

The table below summarizes the free share allocations carried out during the financial year ended December 31, 2020:

PLAN	REXEL 2021 PERFORMANCE SHARES 3+0	REXEL 2021 RESTRICTED SHARES 3+0
Shareholders' Meeting	June 25, 2020	
Board of Directors	October 20, 2021	
Number of beneficiaries	4	21
Initial number of Performance shares allocated	43,400	-
Initial number of Restricted shares allocated ⁽¹⁾	-	10,050
Corporate officers	-	
• Guillaume Texier	35,000	-
Top ten employees ⁽²⁾	13,800	-
Final vesting date	October 20, 2024	
Date of transferability of shares	October 21, 2024	
Number of free shares cancelled or expired ⁽³⁾	0	0
Number of free shares irrevocably vested at December 31, 2021	-	-
Number of valid Performance shares at December 31, 2021	43,400	-
Number of valid Restricted shares at December 31, 2021	-	10,050

(1) As the conditions applied to attendance shares are different from those applied to performance shares, the allocation of the grant is made by type of share.

(2) Given the number of shares allocated to employees, the first ten allocations were retained.

(3) Condition of presence not met or performance condition not met.

The shares allocated and not yet delivered on December 31, 2021 could give rise to the creation of 53,450 new shares and thus lead to a dilution of 0.02 %.

The valuation of the shares corresponds to the value retained in the context of the application of IFRS 2, before the effect of the spreading of the expense over the vesting period.⁽¹⁾

During the financial year ended December 31, 2021, no shares vested.

For information purposes, the performance of the plans of October 20, 2021 will be known during the financial year ending on December 31, 2024 (after the publication of this Universal Registration Document) taking into account the assessment period of the relative performance of the Rexel share compared to the SBF 120 GR index.

As a reminder, under the Rexel 3+0 Attendance Share Plan, the shares granted are not subject to the above performance conditions but only to a three-year presence condition.

(1) See note 19 to the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2021 set forth in paragraph 5.2.1 "Consolidated financial statements as of December 31, 2021" of this Universal Registration Document.

During the financial year ended December 31, 2021, the Board of Directors granted the following shares to the corporate officers and to the top ten employees of the Rexel Group:

BENEFICIARIES	PLAN NAME	NUMBER OF SHARES	VALUE OF ALLOCATED SHARES ⁽¹⁾	VESTING DATE	TRANSFERABILITY DATE	CONDITIONS ⁽²⁾
CORPORATE OFFICERS						
Guillaume Texier	REXEL 3+0 Performance Shares	35,000	€565,250	October 20, 2021	October 21, 2024	-2
FIRST TEN EMPLOYEES						
Employee #1	REXEL 3+0 Performance Shares	2,800	€45,220.00	October 20, 2021	October 21, 2024	-2
Employee #2	REXEL 3+0 Performance Shares	2,800	€45,220.00	October 20, 2021	October 21, 2024	-2
Employee #3	REXEL 3+0 Performance Shares	2,800	€45,220.00	October 20, 2021	October 21, 2024	-2
Employee #4	REXEL 3+0 Performance Shares	900	€14,697.00	October 20, 2021	October 21, 2024	-2
Employee #5	REXEL 3+0 Performance Shares	900	€14,697.00	October 20, 2021	October 21, 2024	-2
Employee #6	REXEL 3+0 Performance Shares	900	€14,697.00	October 20, 2021	October 21, 2024	-2
Employee #7	REXEL 3+0 Performance Shares	900	€14,697.00	October 20, 2021	October 21, 2024	-2
Employee #8	REXEL 3+0 Performance Shares	600	€9,798.00	October 20, 2021	October 21, 2024	-2
Employee #9	REXEL 3+0 Performance Shares	600	€9,798.00	October 20, 2021	October 21, 2024	-2
Employee #10	REXEL 3+0 Performance Shares	600	€9,798.00	October 20, 2021	October 21, 2024	-2

(1) The valuation of the shares granted is based on the fair value of the instruments at the grant date, i.e., €15.31.

(2) See table below for the performance criteria for the 2020 plans.

The valuation of the shares corresponds to the value retained in the context of the application of

IFRS 2, before the effect of the spreading of the expense over the acquisition⁽¹⁾ period.

(1) See note 20 to the consolidated financial statements of the Rexel Group for the year ended December 31, 2021 set forth in paragraph 5.2.1 "Consolidated financial statements as of December 31, 2021" of this Universal Registration Document.

The table below summarizes the performance criteria adopted and the method used in order to determine their impact on the future vesting of the performance shares of the Rexel 3+0 Performance Shares and Rexel 3+0 Performance and Restricted Shares plans:

CRITERIA	WEIGHT	TRIGGER	TARGET	MAXIMUM	COMMENTS
Average annual growth of EBITA in value 2020-2023	30%	50% of shares vest if the average performance reaches 75% of target	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches or exceeds 125% of target	Calculation on a linear basis between the points
Average annual organic sales growth 2020-2023	30%	50% of shares vest if the average performance reaches 75% of target	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches or exceeds 125% of target	Calculation on a linear basis between the points
Average between the years 2021, 2022 and 2023 of ratio of free cash flow before interest and taxes/ EBITDA	20%	50% of shares vest if the average performance reaches 90% of target	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches or exceeds 120% of target	Calculation on a linear basis between the points
Relative performance of the Rexel share compared to the SB 120 GR index	20%	50% of shares vest if Rexel's share performance exceeds the performance of the SBF 120 GR index	100% of shares vest if Rexel's share performance exceeds the performance of the SBF 120 GR index by 5%	150% of shares vest if Rexel's share performance exceeds the performance of the SBF 120 GR index by 10%	-
	100%	The performance level of each criterion is combined with the weight of each criterion in order to obtain a weighted global level of performance. In any case, said global level is limited to 100% of the initial grant.			

During the financial year ended on December 31, 2021, no share was permanently vested.

For information purposes, the performance of the October 20, 2021 plans will be known during the financial year ending December 31, 2024 (*i.e.*, subsequent to the publication of this Universal Registration Document) taking into account the

assessment period of the relative performance of the Rexel share compared to the SBF 120 GR index.

As a reminder, in connection with the Rexel 3+0 Restricted Shares plan, the shares allotted are not subject to the performance criteria above, but only to a three-year presence criterion.

3.7.2.7 Aggregate dilution

The number of shares freely allocated by Rexel which have not yet been delivered may result in the creation of 5,378,933 new shares. This would

represent 1.76% of the share capital and voting rights of Rexel at December 31, 2021.

3.7.3 Shareholders' voting rights

Each share of Rexel entitles the holder to one vote. Consequently, as of the date of this Universal Registration Document, the Rexel's shareholders hold the same number of voting rights as the number of shares they own. Shares fully paid up

that have been held in a registered form for 2 years at the name of the same shareholder do not benefit from double voting rights. This provision applies Article L.22-10-46 of the French Commercial Code.

3.7.4 Control structure

The creation of Committees of the Board of Directors, the appointment of independent Directors and at the Committees of the Board of Directors, the performance of reviews of the operation and work of the Board of Directors and of its Committees, in accordance with the rules described in section 3.1 “Administration Bodies and

Management” of this Universal Registration Document, enable Rexel, *inter alia*, to avoid being controlled in an “abusive manner” within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017.

3.7.5 Agreements potentially leading to a change of control

Rexel is not aware of any other agreements between its shareholders.

3.8 Share capital

3.8.1 Share capital subscribed and authorized but non-issued

As at December 31, 2021, Rexel's share capital amounted to €1,528,582,455 divided into 305,716,491 shares with a par value of 5 euros each. They were fully paid-up and subscribed, and were of the same class. As at December 31, 2020, its share capital amounted to €1,522,125,530 divided into 304,425,106 shares with a par value of €5 each.

The Combined Shareholders' Meetings held on June 25, 2020 and April 22, 2021 granted various authorizations to the Board of Directors, which used such powers and authorizations as described below. In addition, at its meeting held on February 10, 2022, the Board of Directors decided to submit to the approval of the Shareholders' Meeting of April 21, 2022 certain projects of delegations and authorizations under the terms described below.

CURRENT AUTHORIZATIONS					PROPOSED AUTHORIZATION TO THE SHAREHOLDERS' MEETING TO BE HELD ON APRIL 21, 2022		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
AUTHORIZATIONS SUBJECT TO RENEWAL BY THE SHAREHOLDERS' MEETING OF APRIL 21, 2022							
Rexel's repurchase of its own shares							
Share repurchase	April 22, 2021 (resolution 14)	18 months (October 21, 2022)	10% of the share capital at the date of completion Total maximum amount: €250,000,000 Maximum repurchase price: €30	Use under the liquidity contract entered into with Natixis and Oddo for market-making purposes : <ul style="list-style-type: none">Acquisition of 6,468,681 shares at an average price of €16.68; andSale of 6,632,966 shares at an average price of €16.69	18	18 months	10% of the capital on the date of completion Total maximum amount: €250,000,000 Maximum redemption price : €30
Decrease in the share capital by cancelling shares							
Decrease in the share capital by cancelling shares	April 22, 2021 (resolution 15)	18 months (October 21, 2022)	10% of the share capital on the date of cancellation by 24-month period	N/A	19	18 months	10% of the share capital on the date of cancellation by 24-month period

CURRENT AUTHORIZATIONS					PROPOSED AUTHORIZATION TO THE SHAREHOLDERS' MEETING TO BE HELD ON APRIL 21, 2022		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Employee shareholding, allocation of share subscription or purchase options, free share allocations							
Issuance with cancellation of preferential subscription rights to the benefit of the members of a share savings plan	April 22, 2021 (resolution 21)	26 months (June 22, 2023)	<p>2% of the share capital as at the date of the decision of the Board of Directors</p> <p>This maximum to be deducted from the €720 million maximum provided for by resolution 16 of the Shareholders' Meeting of April 22, 2021</p> <p>This maximum to be deducted from the 2% maximum provided for by resolutions 20 and 21 of the Shareholders' Meeting of April 22, 2021</p> <p>The issue price will be determined in accordance with the conditions set out in Articles L3332-19 <i>et seq.</i> of the French Labor Code. The maximum discount is set at 20% of the average of the opening prices during the twenty trading days preceding the date of the Board of Directors' decision setting the opening date for subscriptions.</p>	N/A	20	26 months	<p>2% of the share capital as at the date of the decision of the Board of Directors</p> <p>This maximum to be deducted from the joint maximum amount of €720M provided for in resolution 16 of the Shareholders' Meeting of April 22, 2021</p> <p>This maximum to be deducted from the joint maximum amount of 2% provided for by resolutions number 20 and 21 of the Shareholders' Meeting of April 22, 2021</p> <p>The issue price will be determined on the basis of an average of the Company's share price on the regulated market of Euronext in Paris over a period of up to twenty trading sessions prior to the date of the decision setting the opening date of the subscription period.</p>
<p>Issuance with cancellation of the preferential subscription right reserved for certain categories of beneficiaries in order to allow employee shareholding transactions</p> <p>The categories of beneficiaries are (a) employees and corporate officers of non-French companies related to the Company, (b) mutual funds or other employee shareholding entities invested in the Company's shares, (c) banking institutions or their subsidiaries that intervene for the purposes of setting up an employee shareholding plan and/or (d) financial institutions mandated in connection with a "Share Incentive Plan".</p>	April 22, 2021 (resolution 22)	18 months (October 21, 2022)	<p>1% of the share capital as at the date of the decision of the Board of Directors</p> <p>This maximum to be deducted from the €720 million maximum provided for by resolution 16 of the Shareholders' Meeting of April 22, 2021</p> <p>This maximum to be deducted from the 2% maximum provided for by resolutions 21 and 22 of the Shareholders' Meeting of April 22, 2021</p>	N/A	21	18 months	<p>1% of the share capital as at the date of the decision of the Board of Directors</p> <p>This maximum to be deducted from the €720M maximum provided for by resolution 16 of the Shareholders' Meeting of April 22, 2021</p> <p>This maximum to be deducted from the joint maximum amount of 2% provided for by resolutions number 20 and 21 of the Shareholders' Meeting of April 22, 2021</p>

CURRENT AUTHORIZATIONS					PROPOSED AUTHORIZATION TO THE SHAREHOLDERS' MEETING TO BE HELD ON APRIL 21, 2022		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Performance share allotments	June 25, 2020 (resolution 18)	26 months (August 24, 2022)	1.4% of the share capital as at the date of the decision of the Board of Directors	Allocation on September 28, 2020 of 1,566,140 shares i.e. €7,830,700 Allocation on April 22, 2021 of 1,877,025 shares, i.e. €9,385,125 Allocation on October 20, 2021 of 53,450 shares, i.e. €267,250	22	26 months	1.4% of the capital as of the date of the Board of Directors' decision
Allotment of free shares to the members of the personnel and to the corporate officers members of a shareholding plan	June 25, 2020 (resolution 19)	26 months (August 24, 2022)	0.3% of the share capital as at the date of the decision of the Board of Directors	Delivery on July 1, 2021 of 188,334 shares or €941,670	23	26 months	0.3 % of the capital as of the date of the Board of Directors' decision
AUTHORIZATIONS NOT SUBJECT TO RENEWAL AT THE SHAREHOLDERS' MEETING OF APRIL 21, 2022							
Increase in share capital							
Issuance with upholding of preferential subscription rights	April 22, 2021 (resolution 16)	26 months (June 21, 2023)	Capital securities: €720,000,000 (144,000,000 shares) This maximum is common to resolutions 17 to 22 of the Shareholders' Meeting of April 22, 2021 Debt securities: €1,000,000,000 This maximum is common to resolutions 17 to 22 of the Shareholders' Meeting of April 22, 2021	N/A	N/A	N/A	N/A
Issuance by way of a public offering other than those referred to in article L.411-2, 1° of the French Monetary and Financial Code, with cancellation of preferential subscription rights	April 22, 2021 (resolution 17)	26 months (June 21, 2023)	Capital securities: €140,000,000 (28,000,000 shares) This maximum is common to resolutions 17 and 18 of the Shareholders' Meeting of April 22, 2021 This maximum is to be deducted from the maximum provided for in resolution 16 of the Shareholders' Meeting of April 22, 2021 Debt securities: €1,000,000,000 This maximum is to be deducted from the maximum provided for in resolution 16 of the Shareholders' Meeting of April 22, 2021 The issue price is set in accordance with the legal provisions applicable on the date of issue (on this date, the weighted average of the quoted prices of the Company's shares during the last three trading sessions preceding the start of the public offering, possibly reduced by a discount of 10%)	N/A	N/A	N/A	N/A

CURRENT AUTHORIZATIONS					PROPOSED AUTHORIZATION TO THE SHAREHOLDERS' MEETING TO BE HELD ON APRIL 21, 2022		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Issuance by way of an offer as referred to in article L411-2, 1° of the French Monetary and Financial Code, with cancellation of the preferential subscription right	April 22, 2021 (resolution 18)	26 months (June 21, 2023)	Capital securities: €140,000,000 (28,000,000 shares) This maximum is to be deducted from the maximum provided for in resolutions 16 and 17 of the Shareholders' Meeting of April 22, 2021 Debt securities: €1,000,000,000 This maximum is to be deducted from the maximum provided for in resolution 16 of the Shareholders' Meeting of April 22, 2021 The issue price is set in accordance with the legal provisions applicable on the date of issue (on this date, the weighted average of the quoted prices of the Company's shares during the last three trading sessions preceding the start of the public offering, possibly reduced by a discount of 10%)	N/A	N/A	N/A	N/A
Authorization to increase the amount of the initial issue, with or without pre-emptive subscription rights	April 22, 2021 (resolution 19)	26 months (June 21, 2023)	15% of the initial issue This maximum is to be deducted from the maximum applicable to the initial issue and from the maximum provided for in resolution 16 of the Shareholders' Meeting of April 22, 2021	N/A	N/A	N/A	N/A
Issuance of up to 10% of the capital stock in consideration for contributions in kind	April 22, 2021 (resolution 20)	26 months (June 21, 2023)	10% of the capital on the date of the Board of Directors' decision to issue This maximum is to be deducted from the maximum provided for in resolutions 16 and 17 of the Shareholders' Meeting of April 22, 2021	N/A	N/A	N/A	N/A
Capital increase by incorporation of premiums, reserves, profits or others whose capitalization would be allowed	April 22, 2021 (resolution 23)	26 months (June 21, 2023)	200,000,000 € (i.e. 40,000,000 shares) This maximum is not to be deducted from any other maximum	N/A	N/A	N/A	N/A

3.8.2 Securities not representative of share capital

As of the date of this Universal Registration Document, Rexel has not issued any securities not representing share capital.

3.8.3 Treasury shares and purchase by Rexel of its own shares

Information on the share repurchase plan approved by the Shareholders' Meeting of April 22, 2021

Characteristics of the share repurchase plan

The Combined Shareholders' Meeting of April 22, 2021, authorized the Board of Directors to purchase or cause to be purchased a maximum number of Rexel shares. This number represents up to 10% of its share capital. This measure is in

line with the provisions of Articles L.225-209 *et seq.* of the French Commercial Code and in accordance with Articles 241-1 to 241-7 of the French financial markets authority (AMF) general rules, and with European regulations applicable to market abuse.

The characteristics of this repurchase plan are as follows:

RELEVANT SECURITIES	SHARES
Maximum percentage of share capital that may be repurchased	10% (being specified that the number of shares acquired by Rexel with a view to being retained and subsequently delivered as payment or exchange consideration in connection with a merger, demerger or contribution may not exceed 5% of Rexel's share capital)
Maximum number of securities that may be purchased	A number of shares representing up to 10% of the share capital at the date of the purchase
Aggregate maximum amount of the plan	€250 million
Maximum price per share	€30
Duration of the plan	18 months, <i>i.e.</i> until October 21, 2022

The objectives of the plan, in order of highest to lowest priority, are the following:

- Ensuring liquidity and activity in the market for the shares of Rexel through an investment services provider. This provider acts independently under a liquidity agreement. It acts in compliance with an AMF-accredited insider trading policy;
- Satisfying the obligations arising out of allocations of stock options, allocations of free shares or any other granting, allocation or sale of shares to the employees or the corporate officers of Rexel or of an associated enterprise and carrying out any hedging operation relating to such transactions. These provisions apply in accordance with the conditions set forth by the market authorities and at such times that the Board of Directors or any person acting upon the authority of the Board of Directors implements such actions;
- Ensuring the coverage of the undertakings of Rexel under rights with a settlement in cash and relating to the positive evolution of the trading price of the share of Rexel granted to the employees or the corporate officers of Rexel or of an associated enterprise;
- Retaining shares and delivering shares in the future to an exchange or as a consideration in the context of external growth transactions, in accordance with applicable regulations;

- Granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to shares of Rexel;
- Cancelling all or part of the shares so repurchased, in accordance with applicable laws and subject to an authorization being granted by the Extraordinary Shareholders' Meeting; and
- Any other action that is or will become permitted by French law or the AMF or any purpose that may comply with the regulations in force.

The acquisition, sale or transfer of the shares may be carried out by any means, on the market or over the counter, including through:

- transactions involving blocks of securities or takeover bids;
- option mechanisms;
- derivatives;
- purchase of options; or
- of securities;
- in conformity with the applicable regulatory conditions.

In the event of a public tender offer on Rexel shares paid for in full in cash, Rexel may not pursue the implementation of its share repurchase plan.

Overview of the share repurchase plan

As at December 31, 2021, Rexel held 613,465 shares of €5 nominal value each. The shares include 196,294 shares under the liquidity agreement entered into with Oddo and Natixis and 417,171 shares previously acquired and held for the attribution to employees.

In connection with this liquidity agreement, Rexel has purchased 6,468,684 shares (representing 2.12% of the share capital of Rexel) during the 2021

financial year at an average price of €16.68 and for a total amount of €107,901,196.51. The shares have been acquired for market-making purposes in the scope of a liquidity agreement entered into with Oddo and Natixis. Furthermore, in connection with this liquidity agreement, Rexel has sold 6,692,966 shares for an average price of €16.69.

In total, transactions carried out by Rexel on its own shares for the year ended December 31, 2021, mainly consisted of:

Number of shares cancelled during the last 24 months	0
Number of shares held by Rexel as treasury shares as of December 31, 2020	1,148,482
• Share purchases	6,468,681
• Share disposals	6,692,966
• Share transfers	(310,732)
• Shares cancelled	0
• Number of treasury shares held at December 31, 2021	613,465
Percentage of capital directly or indirectly held by Rexel as of December 31, 2021	0.2%
Book value of the treasury shares	€8,837,886.79
Market value of the treasury shares as at December 31, 2021	€10,938,080.95
Details of transactions carried out by Rexel in 2021, by objective:	
• Liquidity agreement	
<i>Share purchases</i>	6,468,681
<i>Share disposals</i>	6,692,966
<i>Number of treasury shares held at December 31, 2021</i>	196,294
• Cancellation of shares	
<i>Number of cancelled shares</i>	0
<i>Number of treasury shares held at December 31, 2021</i>	0
• Allocation to employees	
<i>Share purchases</i>	0
<i>Share transfers</i>	(310,732)
<i>Number of treasury shares held at December 31, 2021</i>	417,171

Rexel did not hold open, buy or sell positions on derivative instruments as of December 31, 2021.

The costs incurred by Rexel, under the liquidity agreement, within the context of the

implementation of the share repurchase plan amount to €45,000 (Oddo and Natixis) for the financial year ended on December 31, 2021.

Description of the share repurchase plan submitted to the approval of the Shareholders' Meeting

Information on the share repurchase plan submitted to the approval of the Shareholders' Meeting

At its meeting of February 10, 2022, the Board of Directors decided to submit a resolution to the Shareholders' Meeting of April 21, 2022 authorizing it to purchase or cause to be purchased a

maximum number of Rexel shares. This number of shares represents up to 10% of Rexel's share capital. This resolution is in accordance with the provisions of Articles L.22-10-62 *et seq.* of the French Commercial Code, of Articles 241-1 to 241-7 of the General Regulation of the *Autorité des marchés financiers* and of European regulations applicable to market abuse.

Objectives of the share repurchase plan for 2022

The objectives of the plan, in order of highest to lowest priority, are as follows:

- Ensuring liquidity and activity in the market for the Rexel shares through an investment services provider. This service provider acts independently. It acts under a liquidity agreement and in compliance with the market practice by the AMF;
- Satisfying the obligations arising out of allocations of stock options, allocations of free shares or any other granting, allocation or sale of shares to the employees or the corporate officers of Rexel or of an associated enterprise and establishing hedging operations relating to such transactions. These provisions apply in accordance with the conditions set forth by the market authorities and at such times that the Board of Directors or person acting upon the authority of the Board of Directors implements such actions;
- Ensuring the coverage of the undertakings of Rexel under rights with a settlement in cash and relating to the positive evolution of the trading price of the share of Rexel granted to the employees or the corporate officers of Rexel or of an associated enterprise;
- Retaining shares and delivering shares further to an exchange or as a consideration in the context of external growth transactions, in accordance with the applicable regulations;
- Granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to Rexel shares;
- Cancelling all or part of the shares so repurchase in accordance with the conditions set forth by the applicable laws and subject to the approval by the general meeting of shareholders; and
- Any other action that is or will become permitted or accepted by French law or the AMF or any purpose that may comply with the regulations in force.

Maximum portion, number and characteristics of shares that may be acquired in connection with the 2022 repurchase plan

The maximum portion of share capital that may be authorized to be repurchased would amount to 10% of the total number of shares making up the share capital, at any time whatsoever. This percentage applies to an adjusted share capital based on the transactions that affect it further to the Shareholders' Meeting. The number of shares purchased by Rexel in view of holding them for subsequent payment or exchange in a merger,

spin-off or contribution may not exceed 5% of Rexel's share capital at such date.

For information purposes, based on the existing share capital as at December 31, 2021 and having deducted the 613,465 shares held at this date, the maximum number of shares that may be purchased amounts to 29,958,184.

The shares that Rexel considers purchasing are ordinary shares.

Maximum purchase price

The maximum purchase price per share would be set at €30. In the event of a share capital transaction, including by way of a capitalization of reserves and free share allocation, share split or reverse share split, such price would be adjusted

accordingly in order to take into account the impact of such transactions on the share price.

The maximum amount of funds intended to finance the share repurchase plan would amount to €250 million.

Terms of purchase and sale

The acquisition, sale or transfer of shares can be effected or paid for by all means, on the market or over the counter, including by means of:

- block trade transactions or public offers;
- optional mechanisms;
- derivative instruments,

- purchases of options; or
- of securities;

in compliance with applicable regulations.

In the event of a public offer for Rexel's securities fully paid for in cash, Rexel would not be able to pursue the implementation of its share repurchase plan.

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Duration of the share repurchase plan

The share repurchase plan would have a duration of 18 months as from the Shareholders' Meeting, *i.e.* until April 20, 2024.

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Breakdown by objectives of the shares held by Rexel

As at December 31, 2021:

- 417,171 shares of €5 nominal value each were allocated to the implementation of all share subscription option plans and free share allocation plans of Rexel; and
- 196,294 shares of €5 nominal value each were allocated to the purchase, sale, conversion, transfer, loan, or availability of the shares. This

allocation is carried out in connection with a liquidity agreement entered into with Oddo and Natixis. This agreement came into force on July 1, 2018. It complies with the AMAFI Code of Ethics. It is also compliant with market practice accepted by the French financial markets authority (*Autorité des marchés financiers*) or to carry out counter-trend market transactions.

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3.8.4 Other securities giving access to the share capital

3.8.4.1 Subscription or purchase options for Rexel shares

Rexel has not issued any purchase or subscription option within the 2021 financial year.

In addition, the subscription or purchase options exercisable under the previous plans lapsed on November 30, 2016.

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3.8.4.2 Allocation of free shares

Rexel has issued options to subscribe for shares under the terms and conditions described in

paragraph 3.7.2.6 "Allotment of free shares" of this Universal Registration Document.

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3.8.5 Changes in share capital

The table below shows changes in the share capital of Rexel over the last three years, as of the date of the present Universal Registration Document.

TRANSACTION SETTLEMENT DATE	TRANSACTION	NUMBER OF SHARES ISSUED/ CANCELLED	NOMINAL AMOUNT OF CAPITAL INCREASE/ REDUCTION (€)	SHARE/ MERGER PREMIUM (€)	CUMULATIVE NOMINAL AMOUNT OF SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES	NOMINAL VALUE PER SHARE (€)
May 2, 2018	Share capital increase further to the final vesting of free shares	331,145	1,655,725	N/A	1,518,371,610	303,674,322	5
May 23, 2018	Share capital increase further to the final vesting of free shares	132,508	662,540	N/A	1,519,034,150	303,806,830	5
May 23, 2018	Share capital increase further to the final vesting of free shares	95,768	478,840	N/A	1,519,512,990	303,902,598	5
July 2, 2018	Share capital increase further to the final vesting of free shares	86,301	431,505	N/A	1,519,944,495	303,988,899	5
July 29, 2019	Share capital increase further to the final vesting of free shares	113,114	565,570	N/A	1,520,510,065	304,102,013	5
June 24, 2020	Share capital increase further to the final vesting of free shares	323,093	1,615,465	N/A	1,522,125,530	304,425,106	5
May 24, 2021	Share capital increase further to the final vesting of free shares	595,030	2,975,150	N/A	1,525,100,680	305,020,136	5
May 25, 2021	Share capital increase further to the final vesting of free shares	508,021	2,540,105	N/A	1,527,640,785	305,528,157	5
July 1, 2021	Share capital increase further to the free allocation of shares to employees participating in the PEGI and having subscribed to Opportunity 16	188,334	941,670	N/A	1,528,582,455	305,716,491	5

3.8.6 Pledges, guarantees and security interests

As of the date of this Universal Registration Document and to Rexel's knowledge, no Rexel shares have been pledged or are subject to a guarantee or security interest.

3.9 Other elements that may have an impact in case of tender offer

3.9.1 Control mechanisms in relation to employee shareholding

In the scope of the share capital increase reserved for employees, the employees' investments are carried out in certain jurisdiction through mutual funds (*fonds commun de placement*). The "Rexel Actionnariat Classique France" and the "Rexel Actionnariat Classique International" funds have been created in this context.

Each of these funds has a Supervisory Board, the main powers of which are as follows:

- It reviews the management report and financial statements of the fund, the financial, administrative and accounting management and adopts its annual report;
- It exercises the voting rights attached to the shares issued by Rexel and decides on the contribution of shares, and, in this respect, appoints one or several representatives of the fund at the Rexel Shareholders' Meetings;
- It may submit resolutions at Rexel Shareholders' Meetings;
- It grants its prior agreement to certain amendments to the rules of the fund: change of management company, dissolution, merger/

demerger, change in the orientations of management and classification; and

- It may take legal action to defend or enforce the rights or interests of its shareholders.

The Supervisory Board of the fund is independent of the Board of Directors of Rexel and its decisions are taken independently.

Decisions of the Supervisory Board of the fund are approved by a majority of votes of the members present or represented. In the event of a tie, the Chairman of the meeting has a casting vote.

The means available for the Supervisory Board to support its decisions and carry out its duties are as follows:

- organization of telephone conferences, if applicable, beyond the formal scope of the meetings;
- various information provided by Rexel, in order to assess the economic and financial position of the Rexel Group and its outlook;
- information provided by the management company.

3.9.2 Agreements entered into by Rexel to be amended or terminated in case of change of control

The agreements entered into by Rexel or which are likely to be amended or terminated in case of change of control are, in particular, the following:

- The Senior Credit Agreement (see note 22.1.1 of the Notes to the consolidated financial statements of Rexel for the financial year ended December 31, 2021, set out in paragraph 5.2.1 "Consolidated Financial Statements as of December 31, 2021" of this Universal Registration Document);
- The 2021 Senior Bonds (see note 22.1.2 of the Notes to the consolidated financial statements of Rexel for the financial year ended December 31, 2021, set out in paragraph 5.2.1 "Consolidated Financial Statements as of December 31, 2021" of this Universal Registration Document);

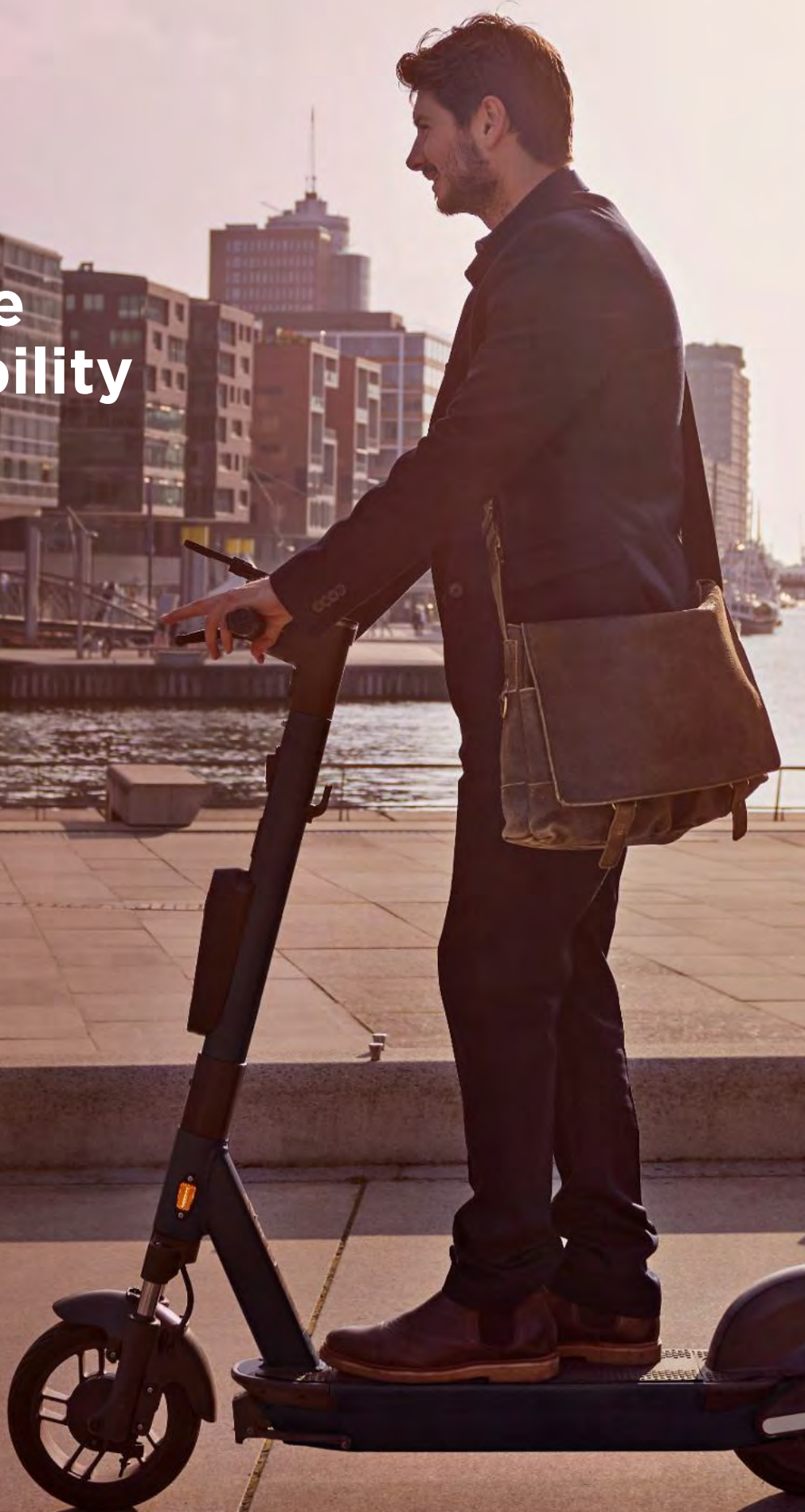
- The US\$ 40 million bilateral facility agreement entered into with Wells Fargo Bank International on June 27, 2014 and amended on June 26, 2015, on June 26, 2017, on June 26, 2020 and on June 24, 2021 (see note 22.1.1 of the Notes to the consolidated financial statements of Rexel for the financial year ended December 31, 2021, set out in paragraph 5.2.1 "Consolidated Financial Statements as of December 31, 2021" of this Universal Registration Document); and

- The securitization programs (see note 22.1.3 of the Notes to the consolidated financial statements of Rexel for the financial year ended December 2021, set out in paragraph 5.2.1 "Consolidated financial statements as of December 31, 2021" of this Universal Registration Document).

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4

Corporate responsibility



4

Corporate responsibility



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All of Chapter 4, “Corporate responsibility”, with the exception of Sections 4.8, 4.9 and 4.10, constitutes the Statement of Non-Financial Performance required by Articles L.225-102-1 and L.22-10-36 of the French Commercial Code. This

chapter was written by the Group Sustainable Development Department in collaboration with the General Secretary and the Group Human Resources Department.

4.1 Energy efficiency for a sustainable future

The electrical industry is going through a massive transformation. Energy management is a major challenge and an opportunity for development for Rexel, an expert in professional omnichannel distribution. Fostering energy innovation and progress in the communities in which the Group operates is both an ambition and a responsibility for the building of a sustainable future.

As a clean and safe energy, electricity is an essential lever for the sustainable transformation of local communities. Rexel is at the heart of the electrical industry, committed to limiting the rise in global temperatures below +2°C by the end of the century. Energy management alone can absorb 40%⁽¹⁾ of the emissions reductions needed to meet the targets of the Paris Agreement on climate change. Rexel distributes and develops products and solutions

that help to accelerate energy transition while reducing its own environmental footprint.

As a key player in the value chain, the Rexel Group encourages all its stakeholders to implement the responsible and ethical practices it applies to its operations and employees.

These convictions underlie the four pillars of the Group’s sustainable development strategy:

- acting with ethics and integrity;
- involving and supporting employees;
- improving environmental performance; and
- promoting responsible practices in 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.

4.1.1 Business model

4.1.1.1 Creating sustainable value for world of energy

The Rexel Group relies on solid fundamentals and diversified capital, which allow it to create value and share it with its shareholders, stakeholders and society as a whole.

Details of the Rexel Group’s business model may be found in Section 1.3 “Business and strategy” and summarized in pages 192 and 193 of this Universal Registration Document.

4.1.1.2 Adapting to the pandemic

The Rexel Group, in 2021, like all economic players, was once again affected by the Covid-19 pandemic across all its areas of operation. The Group again adapted to this particular context, to continue to serve its customers while protecting the health of its employees, subcontractors, service providers and partners.

As in 2020, the Group was able to adapt to very contrasting situations, according to the situation and the health measures implemented in each of its business areas. Priority was given to the health of Rexel’s employees, customers and partners at all times. The Group’s entities adjusted their resources and processes to the level of activity, while maintaining profitability. Since the start of the pandemic, the way work is organized was largely redesigned: strict health protocols were

put in place and new working methods were adopted, including teleworking which remained very significant in 2021 in a majority of subsidiaries. Rexel has thus demonstrated the robustness of its business model in a difficult environment.

The context of the epidemic generated supply difficulties in the industry, disrupting global production supply chains while consumer demand was particularly strong. This situation has led to inflation at its highest level in 25 years, notably due to the sharp rise in energy prices but also in materials.

Rexel’s sales returned to high levels in 2021. However, environmental and social results were again strongly impacted this year by the direct and indirect effects of the pandemic. The social, societal and environmental data presented below reflect this exceptional situation.

(1) IEA 2018 report, Energy Efficiency 2018.

4.1.2 Creating a responsible value chain

4.1.2.1 Sustainable development strategy

Using its leadership and proximity to all stakeholders, the Rexel Group conducts its activities in a sustainable and responsible manner.

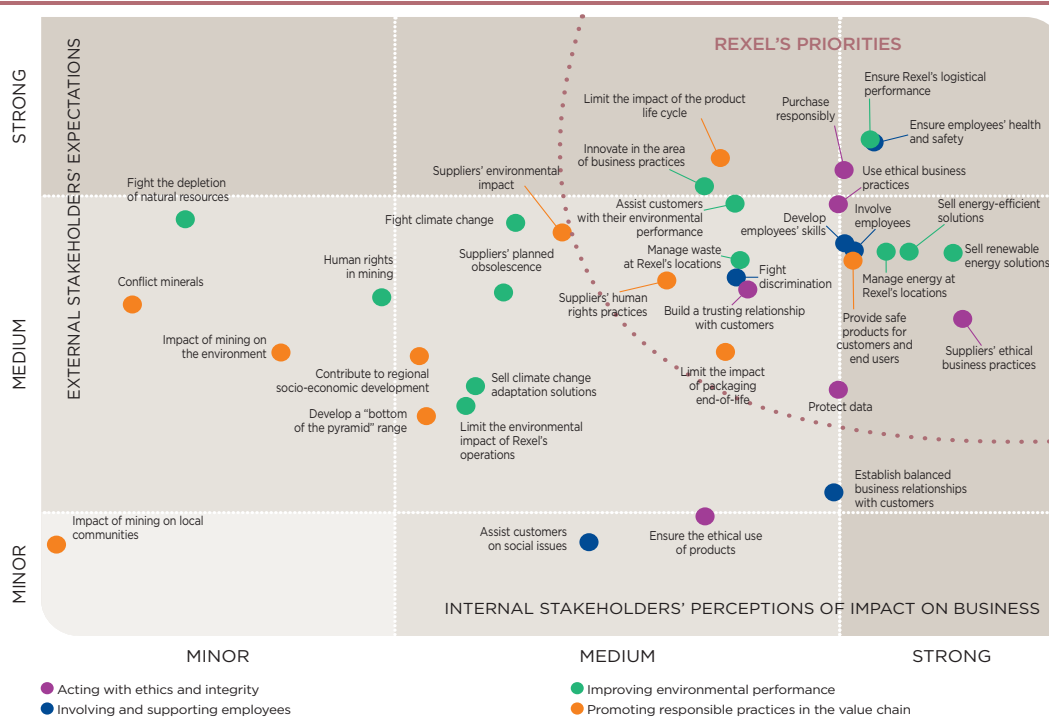
Since 2011, the Rexel Group has been a member of the United Nations Global Compact and is committed to advancing the ten universally accepted principles in the areas of human rights, labor, environment, and the fight against corruption.

As stated in its Ethics Guide, the Rexel Group respects and promotes the recommendations of the fundamental conventions of the International Labor Organization concerning respect for

freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor.

In 2019, the Rexel Group renewed the study to identify the environmental and social impacts of its activities throughout its value chain. This study led the Group to question its key stakeholders (customers, suppliers, NGOs, employee representatives, Group entity directors) on priority issues and to conduct an internal review of the impact of those issues on its activities.

■ Materiality matrix



(1) Range of services appropriate for low income populations.

The materiality analysis enabled the Group to redefine its sustainable development strategy, by both aligning it with its strategic priorities and rooting it in its daily business. This roadmap is structured around four pillars:

- Acting with ethics and integrity
 - making ethics the foundation of the Group's business activity; and
 - deploying the personal data protection program.
- Involving and supporting employees
 - attracting and retaining talent;

- developing employee engagement and employability; and
- supporting diversity, inclusion, and equal opportunity.

- Improving environmental performance
 - committing to the environment;
 - setting an example in its operations; and
 - managing resources in a sustainable manner.
- Promoting responsible practices throughout the value chain
 - developing relationships of trust from suppliers to customers;
 - creating value for customers; and
 - fighting fuel poverty.

REXEL'S BUSINESS MODEL

CREATING SUSTAINABLE VALUE FOR THE WORLD OF ENERGY

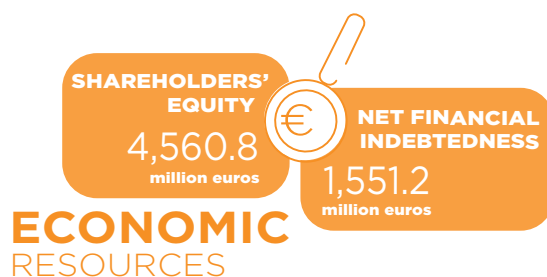
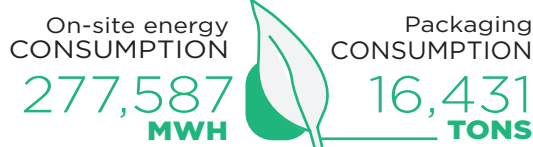
Rexel has made sustainable development challenges the engine of its growth and intends to play a catalytic role thanks to its unique position in the energy value chain.

Acting ethically in every situation, valuing and developing the skills of its 26,418 employees, engaging in dialogue with all stakeholders, reducing its environmental footprint, promoting energy efficiency and fighting fuel poverty through its Foundation are the key priorities of the Rexel Group's responsible commitment.

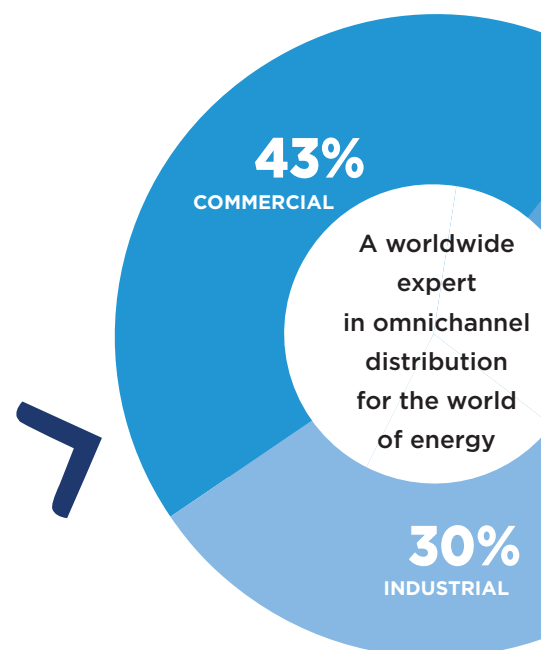
GROUP RESOURCES



ENVIRONMENTAL RESOURCES



REXEL'S MARKET



Rexel is one of the world's leading distributors of low and ultra-low voltage electrical products. The Group operates in 24 countries, spread mainly over three geographical regions: Europe, North America and Asia-Pacific.

The product range is enhanced by Rexel's expertise in logistics, technical support, financing and training.

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

* Including Mayer's headcount (USA).

** Including Mayer's branches (USA).

GROUP VALUE CREATION

SOCIAL VALUE

4,452
recruitments,
including
85.6% permanent
contracts



60,166
hours of
safety training



90% of
employees* are
proud to work
for Rexel

5.4

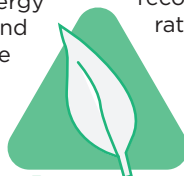
work accident
frequency rate



96.2%
of employees trained
(352,408 training hours
including one related to safety)

€1,597 millions
of sales
of energy
efficiency and
renewable
energy
products and
solutions

62.9%
recovery
rate



24.8% Greenhouse
Gas emissions (Scopes 1 & 2,
vs. 2016)

ENVIRONMENTAL VALUE

€3.5 Bn
online sales

€14,690.2
million in sales



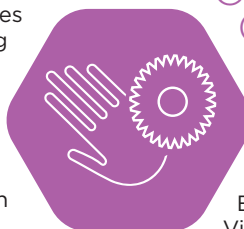
€139.6
million
paid out as dividend

ECONOMIC VALUE

64.1%
of direct purchases
assessed using
CSR criteria

175,000 people
positively
impacted by the
Rexel Foundation

SOCIETAL VALUE



CDP
Climate
B list

A CSR performance
recognized
by the DJSI,
FTSE4Good,
EcoVadis,
Vigeo,
Corporate Knights

KETS



* Employees who participated in the Pulse 2021 global survey.

Contribution to the Sustainable Development Goals

The United Nations Member States adopted the 17 Sustainable Development Goals (SDGs) in 2015, calling on all economic players to contribute to collectively solving the challenges of sustainable development. These SDGs list the challenges the world is facing, notably in terms of poverty, climate change, environmental damage, equal opportunities and peace.

Rexel's sustainable development strategy contributes to the achievement of these goals. The Group, based on the materiality analysis carried out

with its stakeholders and on its analysis of non-financial risks, believes it contributes significantly to six of these SDGs:

- SDG 7: clean and affordable energy;
- SDG 8: decent work and economic growth;
- SDG 11: sustainable cities and communities;
- SDG 12: sustainable consumption and production;
- SDG 13: measures to fight climate change;
- SDG 17: partnerships to achieve the goals.



Structuring corporate responsibility



Development and implementation of strategy and oversight of sustainable development performance require the involvement of all levels of the organization. The sustainable development strategy is coordinated by the Sustainable Development Department, which reports to the General Secretary.

Objectives, results, and areas of progress are presented once a year to the Rexel Board of Directors.

Issues related to sustainable development are handled by the General Secretary within the Executive Committee, the preferred body for the operational deployment of the Group's strategy.

Rexel's sustainable development strategy is based on a decentralized management in which the central functions contribute their expertise to the subsidiaries. Each subsidiary is therefore responsible for the operational implementation of

the Group's strategy and, in particular, for the deployment of ethical, social, environmental and governance policies and measures.

The Sustainable Development and Human Resources Departments and the General Secretary coordinate this deployment and monitor the implementation of the strategy throughout the year.

In addition, the Group's Internal Audit, Risk Management and Internal Control Department ensures that the internal control system is applied effectively. To do so, it relies on the Book of Rexel Guidelines as well as on audits at Group or local level. In 2021, two subsidiaries received an internal audit concerning the implementation of environmental and social reportings. In addition, the sustainable development strategy, its operational implementation, extrafinancial reporting and the monitoring of CO₂ emission reduction targets were the subject of an internal audit in 2021.

4.1.2.2 Stakeholders

For Rexel, social responsibility involves taking the expectations of stakeholders into consideration. The structure of the Group, its international dimension, its local network, and the specific nature of its business lines imply that management of dialogue with its partners will be decentralized, leaving the operational entities considerable autonomy to conduct business. Dialogue must be constructive, transparent, and based on mutual trust.

These regular discussions with stakeholders enable better identification of social, environmental, and economic issues and risks, and determine how the Group adapts to sociological, technological, and societal developments.

Employees and their representative bodies

To foster fruitful social relationships, Rexel promotes social dialogue and guarantees the principles of free expression and union representation. The Group's Ethics Guide, distributed to all employees, recalls the importance Rexel attaches to these principles. As of December 31, 2021, 14,405 employees are represented by the European Works Council.

Employee satisfaction and well-being are also a major concern for the Rexel Group. In 2021, the Rexel Group conducted its sixth internal survey, on the specific themes of diversity, inclusion and engagement. This survey was rolled out in 24 Group countries and is available in 14 languages.

Some subsidiaries regularly launch local surveys.

Customers

Rexel's mission is to support its customers around the world to create value and enable them to better manage their activities. The Group has offered its customers several information, dialogue, and listening opportunities (commercial events, trade shows, websites, satisfaction surveys, and training). Its omnichannel model and numerous points of contact enable it to maintain a close relationship with its professional customers.

Rexel's subsidiaries are constantly listening to customers. They solicit their feedback and assess their satisfaction through questionnaires and surveys. In 2021, 22 of 24 countries regularly recorded their customers' satisfaction rate using a common indicator, the *Net Promoter Score*. Surveys are also occasionally conducted on specific topics selected by subsidiaries.

Suppliers and subcontractors

The Rexel Group strives to establish a continuous and constructive dialogue with its suppliers and develop a lasting and balanced relationship with them while being mindful of social and environmental challenges.

The Group requires its suppliers and subcontractors to comply with the principles set out in its Sustainable Supplier Charter and in its Ethics Guide and, at the contractual level, with the general terms and conditions of purchase, which include clauses that mandate compliance with the fundamental conventions of the International Labor Organization.

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Professional associations and organizations

Rexel participates in public debates on issues that are strategic for its business activity and environment. This means that the Group and most of its subsidiaries are members of national or supranational professional associations. The Group is a member of the French Association of Private Enterprises (Afepe) and participates in professional associations such as Perifem, the Federation of Electrical Equipment Distributors (FDEME) and the EUEW (European Union of Electrical Wholesalers), where professional practices are discussed, shared and developed.

With a view to transparency and progress, the Rexel Group is also involved in various think-tanks to interact with its stakeholders, to facilitate the

exchange of experiences, for example, within the EpE (*Association Entreprises pour l'Environnement*), or to participate in innovative projects, such as within the PEP ecopassport association.

Rexel's commitment to this approach is not new: the Group signed the "French Business Climate Pledge" in 2015 and confirmed its decision to play a leading role in the fight against climate change, a decision reaffirmed every year since then.

The conditions for action of any employee with associations and authorities are defined in the Group's Anti-Corruption Code of Conduct.

The Rexel Group committed approximately €1.09 million to professional associations and organizations in 2021, compared to €1.02 million in 2020.

INDICATOR	MAIN TOPICS	UNIT	2021
Spending for professional organizations, trade associations or tax-exempt groups	Competitiveness, taxation, regulations including social and environmental, governance	Millions of euros	0.93
Spending for think tanks	Energy markets, Net Zero carbon strategy, social and environmental innovation, energy efficiency, circular economy	Millions of euros	0.16
Spending for local, regional or national political campaigns, organizations and/or candidates		Millions of euros	0
Spending for lobbying, interest representation or similar		Millions of euros	0
Other contributions and spending		Millions of euros	0

Schools and academia

In many countries, Rexel has relationships with schools and academic stakeholders, in particular in the commerce and energy fields. The Group is expanding its inclusion of young people, particularly through an ambitious policy of recruiting work-study students. Despite the context of the Covid-19 pandemic, the Group's subsidiaries have continued to recruit work-study students, mainly in France, Switzerland and Germany in 2021. 287 work-study students were recruited in this way.

In 2021, the Rexel Group also made a strong commitment to supporting technological innovation. Rexel made a commitment with four other large French companies to support the creation and development of H!Paris. This interdisciplinary research center brings together the Institut Polytechnique and HEC, two major French schools training and bringing together the best students and researchers in the fields new technologies, artificial intelligence, data analysis and social sciences. This patronage contributes to the financing of engineers and researchers working on data analysis and artificial intelligence and participates in the development of cutting-edge French techniques, at the same time as new solutions useful to the industry. At the same time, it will strengthen the attractiveness of French schools and research centers on an international scale.

In addition, the Rexel Foundation devotes part of its resources to supporting academic research programs, awarding scholarships to students at the beginning of their professional career or to researchers. This work is an opportunity to better understand energy consumption patterns and propose solutions to change behavior. The Group also makes available to its ecosystem the fruit of its energy efficiency work, reflections, and study.

Shareholders and investors

The Rexel Group transparently communicates to various stakeholders (shareholders and investors) its sustainable development outcomes, initiatives, and priorities. These exchanges take place on an occasional or recurring basis depending on the actors and events in the Group's life.

Associations, NGOs, civil society, and local communities

Civil society and local communities expect Rexel to have a positive impact on the local economy and support social development. In each country, initiatives are carried out with associations, NGOs and local actors to participate in local development and thus have a positive impact. Furthermore, one of the missions of the Rexel Foundation is to maintain a permanent dialogue with a network of associations through the financing of solidarity projects in its host countries. The Foundation also

participates in the promotion of innovative models via a social entrepreneurship support platform and became an operating foundation against fuel poverty by joining forces with local actors in Roubaix.

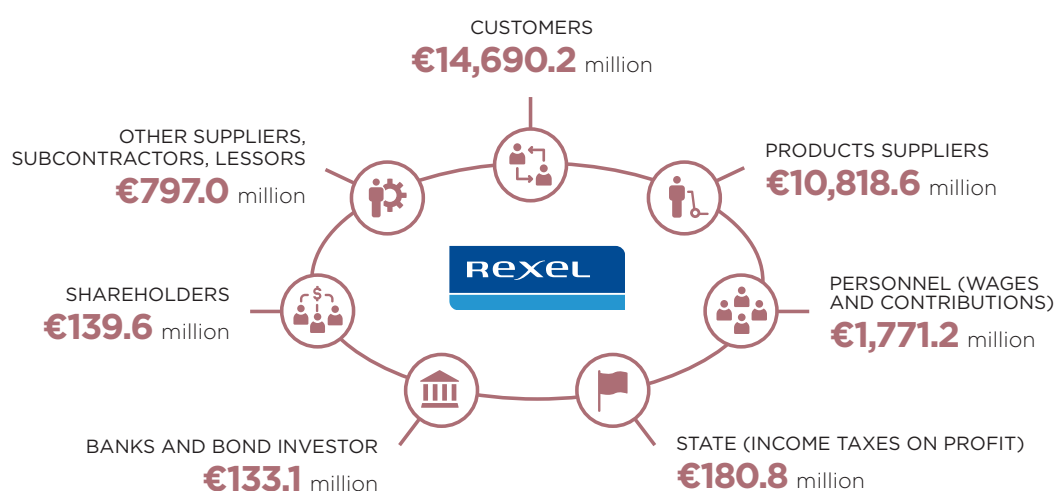
State and local authorities

Through its global and local presence (1,966 sites in 24 countries), the Group contributes significantly to the development and economic activity of regions and countries by supporting local employment and regional development.

Like any international group operating in multiple jurisdictions, the Rexel Group has structured its commercial and financial activities in accordance with various legal and tax obligations arising from the regulations in force into the various countries where the Group operates and from international treaties between these countries.

For the financial year ended December 31, 2021, the Rexel Group paid €180.8 million in corporate income tax in the countries in which it operates (compared to €140.7 million for the financial year ended December 31, 2020).

■ The Rexel Group's economic relationships with its main stakeholders



4.1.2.3 Non-financial ratings and indices

Thanks to the continuous improvement of its environmental, social, societal and governance strategy, the Rexel Group has its non-financial performance regularly recognised.

Dow Jones Sustainability Europe Index

In 2021, Rexel is part of the Europe index of the DJSI (Dow Jones Sustainability Europe Index). This index brings together the European leaders in terms of sustainable development identified by S&P Global as part of the annual assessment of corporate sustainability (Corporate Sustainability Assessment). Rexel obtains a rating of 68/100 (identical to the rating obtained in 2020) while the average rating for the sector (Trading Companies & Distributors) is 30/100 (it was 33/100 in 2020). The Group thus remains at the top of European companies and among the four best global companies in the sector.

Euronext Vigeo Europe Index and Eurozone Index

In 2021, Rexel is part of the Euronext Vigeo Europe 120 index and the Eurozone 120 index.

The V.E (Vigeo Eiris) indices are composed of the best-ranked listed companies in terms of corporate

responsibility performance. Rexel obtains an ESG score of 61/100, which reflects an advanced level of performance. The Group thus ranks second in the Vigeo ranking, out of 73 companies in the "Specialized Retail" sector (average score of 34/100).

FTSE4Good index series

In 2021, Rexel is part of the FTSE4Good index series which measures the performance of companies demonstrating strong environmental, social and governance (ESG) practices.

FTSE Russell gives Rexel an ESG rating of 3.3/5 in 2021 (compared to 3.9/5 in 2020) while its sector (Electrical Components & Equipment) obtains an average rating of 2.1/5.

CDP Climate Change

In 2021, Rexel received a B rating in the CDP's climate change assessment (A- rating in 2020). The companies in its sector obtained on average a C rating. The rating obtained confirms that the Group's performance in the fight against climate change is good and superior to the performance of the sector.

In 2021, Rexel also received an A- rating on the evaluation of its performance in terms of the commitment of its suppliers against climate change (Supplier Engagement Rating).

STOXX Index

In 2021, Rexel is included in the STOXX Global ESG Environmental Leaders index. This index brings together 267 leading global companies on environmental criteria, identified on the basis of ESG indicators provided by Sustainalytics.

EcoVadis- Advanced performance

The Group receives a rating of 71/100 (identical to the previous rating) which recognizes an Advanced level of performance and obtains a Gold rating. Rexel thus ranks in the top 3% of companies assessed by EcoVadis worldwide, all business sectors combined, and in the top 1% of its business sector.

MSCI ESG Rating AA

In 2021, Rexel obtained an AA rating from MSCI (identical to the 2020 rating), on a scale from AAA to CCC. AAA and AA ratings are awarded to leading companies in the management of the most significant ESG risks and opportunities.

Sustainalytics ESG Risk Rating

Rexel's exposure to ESG risks is considered low by Sustainalytics and its risk management is considered robust. Sustainalytics assigns Rexel a risk rating of 15.4 corresponding to a low ESG risk (10-20). This score improves compared to the previous assessment which was 18.7 (April 2021).

Rexel ranks 7th out of 177 companies in the Traders & Distributors sector.

This assessment carried out in 2021 allows Rexel to appear on the list of Sustainalytics' 2022 Top-Rated ESG Companies, which identifies leading companies in ESG risk management by sector.

Corporate Knights Ranking

According to the assessment made in 2020, the Group was ranked as the 1st company in its sector and 11th worldwide in the 2021 "Global 100" list of Corporate Knights. This ranking, a benchmark for assessing the sustainable performance of companies, rewards each year companies that manage to reconcile social responsibility and financial performance.

According to the assessment made in 2021, Rexel is ranked 43rd on the 2022 Carbon Clean 200™ list. This ranking, established jointly by Corporate Knights and the organization As You Sow, distinguishes the 200 global companies that contribute the most to the energy transition through their offer of sustainable products and services. This ranking is based on the criterion of turnover achieved with products and services contributing to the energy transition.

S&P Sustainability Yearbook

Based on the CSA assessment carried out in 2021 by S&P Global, Rexel is a member of the S&P 2022 Sustainability Yearbook (like the previous year). This recognizes companies that demonstrate advanced performance in the area of corporate sustainability. In order to be listed in this Directory, companies must be among the top 15% performers in their industry and not score more than 30% lower than the top performer in their industry. This Directory brings together 716 of the most successful companies in their industry out of more than 7,500 companies assessed.

4.1.3 Main non-financial risks

Non-financial risk mapping

In an ever-changing international environment, proactive risk management is an essential element in the sustainable development of the company's business activity and a goal shared by all employees. This process identifies areas of progress and opportunities.

Rexel is exposed to the risks described in Chapter 2 "Risk factors and internal control" of this Universal Registration Document, which are the risks that could have a significant negative impact on the Rexel Group and its activities, financial position, results, or outlook. The procedures for identifying and managing risks are described in Chapter 2 "Risk factors and internal control" of this Universal Registration Document.

In addition, when it compiled its Statement of Non-Financial Performance, Rexel conducted an analysis

of the main non-financial risks. The procedures for identifying, analyzing and assessing these risks are specific to the Statement of Non-Financial Performance and differ from the ones implemented during the internal control procedures.

The identification of non-financial risks involves making a list of all events, either potential or which occurred in the past, relating to the environmental and social consequences of the company's activity, human rights, or the fight against corruption and tax evasion, that may have significant consequences for employees, shareholders, business partners, other external stakeholders, the environment and its activities.

Non-financial risk mapping shows the main risks that are considered material and therefore require the attention of management.

Risk mapping

The non-financial risk mapping process is coordinated by the Sustainable Development Department, assisted by the Human Resources Department, the Finance Department, the Digital and IT Transformation Department, the Internal Audit, Risks and Internal Control Department, the Purchasing Department, the Strategy Department and the General Secretary. This process is reviewed each year taking into account the recommendations of the independent third-party body and the *Autorité des Marchés Financiers* on the basis of the 2020 SNFP.

Non-financial risk mapping is a three-stage process:

• Non-financial risks identified by a committee of internal experts

This step makes it possible to establish an exhaustive list of non-financial risks that could weigh on Rexel, its stakeholders or the environment. Risks are identified through interviews with Rexel stakeholders and existing risk mappings in the Group, supplemented by the results of various internal procedures, such as:

- Group risk mapping;
- materiality analysis of sustainable development challenges;
- Duty of Care law risk mapping;
- regular meetings with suppliers on sustainable development topics, in particular: results of suppliers' CSR assessments and presentation of the Sustainable Supplier Charter;
- reporting of environmental, social, and societal impacts;
- whistleblowing procedures; and
- any regulation that requires the identification, assessment, or mapping of risks that may be considered non-financial (including the French "Sapin 2" Law, the French "Energy Transition for Green Growth" Law, and the EU "General Data Protection Regulation").

■ Main non-financial risk factors

The policies and measures implemented by the Rexel Group to manage its main non-financial risks are monitored each year through the key

• Selection of main risks in internal working groups

This step makes it possible to select the main non-financial risks according to two criteria:

- the potential impact of these risks on the Group's stakeholders, on the environment and on the Group's activities;
- their probability of occurrence.

In 2021, a list of 15 non-financial risks was drawn up during a workshop organized by the Sustainable Development Department. During this workshop, all the risks were presented to the participants, as well as the risk selection criteria. The recommendations made in the 2020 SNFP by the independent third-party body as well as by the *Autorité des Marchés Financiers* were also taken into account.

Closer attention is given to the risks identified during the development of the Vigilance Plan. As these are considered major, the experts of the working groups ensure they are included in the list of relevant non-financial risks.

• Non-financial risk assessment and ranking

A special committee composed of the Human Resources Direction, the Finance Direction, the Digital and IT Transformation Direction, the Internal Audit, Risks and Internal Control Direction, the Purchasing Direction, the Strategy Direction and the General Secretary, assesses and ranks non-financial risks based on probability of occurrence and the severity of potential impacts. The risk horizon (short, medium or long term) is also estimated.

The 15 risks are classified according to the importance of Rexel's residual exposure to these risks, presented on a Low/Medium/High scale. This exposure was calculated taking into account:

- the potential impact of these risks on the Group's stakeholders, on the environment and on the Group's activities;
- their probability of occurrence; and
- the Group's level of control to reduce their impact or occurrence.

Rexel's policies and management measures, key performance indicators and exposure are presented in this Chapter for each of the non-financial risks set out below.

indicators presented in table above. The results and developments are presented in Section 4.6 "Summary of indicators".

CHALLENGES	DESCRIPTION OF RISKS AND OPPORTUNITIES	VIGILANCE PLAN	NON-FINANCIAL RISK EVALUATION AND HORIZON	SUSTAINABLE DEVELOPMENT GOALS
ACTING WITH ETHICS AND INTEGRITY				
Responsible governance	(-) Ineffective implementation of the sustainable development strategy. Heterogeneous deployment in countries and operations. (+) Management and employee commitment around a clear and transparent strategy.	Yes	Low Medium-term	Cross-cutting
Business ethics	(-) Practices contrary to anti-corruption regulations or competition laws that could lead to legal proceedings and damage the Company's reputation. (+) Strengthening relations with customers and suppliers, through shared ethical behavior and practices. Creating shared value.	Yes	Medium Short-term	Cross-cutting
Protection of personal data	(-) Insufficient protection of data held or managed by Rexel and belonging to customers (Rexel IT systems) and end users (products sold) from intrusion by external or internal third parties. (+) Trust of customers and partners.	Yes	Medium Short-term	11
INVOLVING AND SUPPORTING EMPLOYEES				
Attracting and retaining talent	(-) Inability to recruit key skills and loss of talent. (+) Recruitment of the best profiles, notably in specific areas of expertise in a context of tension in the labor markets.	No	Medium Short-term	4, 8
Employee development	(-) Mismatch between changes in the business and skills, loss of employee employability. (+) Enhancing value creation through qualified employees.	No	Medium Long-term	4, 8
Employee engagement	(-) Decrease in employees' ability to meet business needs, loss of productivity. (+) Employee well-being. Strengthening the contribution of employees to the business and its development, notably in competitive markets.	No	Low Medium-term	3, 8
Diversity, inclusion and equal opportunities	(-) Discrimination against employees and partners. Damage to reputation with consequences for attractiveness. (+) Creating value by being a reflection of society and customers.	No	Medium Medium-term	5, 8
Employee health, safety and well-being	(-) Attacks on the physical and mental health of employees with associated costs, increased absences and loss of motivation. (+) Productive work environment in line with employee expectations.	Yes	Low Short-term	3, 8
IMPROVING THE ENVIRONMENTAL PERFORMANCE				
Environmental performance of operations	(-) Lack of control in the environmental management of sites that could lead to localized environmental incidents, partial and imprecise reporting of environmental data, and demobilization of employees with regard to environmental matters. (+) Transformation of sites, particularly branches, to showcase environmental performance.	Yes	Low Short-term	7, 12
Climate commitment	(-) Physical climate risks related to increased energy consumption and greenhouse gas emissions across the entire value chain. Adaptation risks in the supply chain. (+) Transition to a zero carbon world leading to strong growth in electricity markets.	Yes	Low Medium-term	7, 13
Sustainable resource management	(-) Environmental footprint of solutions and risks related to the scarcity of key resources. (+) Development of environmentally-friendly solutions that meet customer expectations and stem from the circular economy.	Yes	Medium Medium-term	12
PROMOTING RESPONSIBLE PRACTICES THROUGHOUT THE VALUE CHAIN				
Working with suppliers	(-) Risks related to scandals affecting suppliers and their supply chains, in relation to their social and/or environmental practices. (+) Development of sustainable development partnerships to strengthen Rexel's relations with its suppliers.	Yes	Low Long-term	8, 12
Responsible offering for the energy transition	(-) Inadequacy of the Rexel offering plan compared to market expectations in terms of the environment and societal issues, leading to a fall in market share. (+) Increase in green sales, which could also improve the Group's financing by SRI investors.	Yes	Low Short-term	7, 11, 12, 13

CHALLENGES	DESCRIPTION OF RISKS AND OPPORTUNITIES	VIGILANCE PLAN	NON-FINANCIAL RISK EVALUATION AND HORIZON	SUSTAINABLE DEVELOPMENT GOALS
Customer relations	(-) Risk of deterioration in the quality of customer relations leading to a loss of trust, the basis of any ethical relation.	Yes	Low	8, 11, 12, 13
	(+) Supporting customers in their own sustainable development strategy and strengthening customer relations based on shared values.		Medium-term	
Fighting for energy progress	(-) Lack of knowledge of a market likely to grow significantly. Risk of disconnecting Rexel sites from their regional and economic realities.	No	Low	7, 17
	(+) Development of specific offers for “energy drains” and vulnerable populations, support for installers in these complex markets.		Long-term	

The “tax evasion” risk is included in the mapping of non-financial risks, in accordance with the requirements of French law (Law No. 2018-898 of October 23, 2018 on the fight against fraud),

however it does not stand out as one of the priority risks for the Group. It has been included in “business ethics” risk.

4.2 Acting with ethics and integrity

In a rapidly changing global energy industry, the renewal of product offerings, the digitization of activities, providing customer support for services with higher added value, and the establishment of partnerships with strategic suppliers on new

market segments can generate new risks. The Group ensures that all its employees and partners adopt responsible behaviors and practices in their day-to-day activities.

Commitment

The commitment to train more than 80% of employees most exposed to business ethics prior to the end of 2021 was reached.

4.2.1 Responsible governance

Strategy and policies

Rexel’s governance ensures the integration of the sustainable development approach into the Group’s overall strategy. It also ensures the consistency of the implementation of this approach at all levels of the Group: from decision-making bodies (notably the Board of Directors and the Executive Committee) to operations, in each Group subsidiary.

Governance principles

In terms of corporate governance, Rexel refers to the principles set out in the corporate governance code established by the French Association of Private Enterprises (Afp - *Association française des entreprises privées*) and the French Enterprise Movement (Medef - *Mouvement des entreprises de France*), known as the Afp-Medef Code. Rexel believes that it complies with the principles of corporate governance as defined by the Afp-Medef Code, insofar as the principles enacted are compatible with the organization, size and resources of the Rexel Group.

Board of Directors

Each year, the Board of Directors gives its opinion on the Group’s social and environmental responsibility and monitors its objectives and performance indicators, with a view to constant improvement.

The composition of the Board of Directors meets the diversity and gender equality requirements while ensuring the presence of several members with specific skills and knowledge in corporate, social and environmental responsibility.

The Chief Executive Officer’s variable compensation mechanism also reflects the Board of Directors’ desire to promote responsible governance: on the one hand, the Chief Executive Officer’s compensation includes a significant variable portion, which is established on the basis of the Group’s performance, both financial and non-financial, and, on the other, the variable compensation of the Chief Executive Officer includes at least one criterion related to social and environmental responsibility.

Lastly, the Group's governance structure, separating the functions of Chairman of the Board of Directors and Chief Executive Officer, ensures a balanced division of powers between the strategic and control functions performed by the Board of Directors and the operational and executive functions invested in the Chief Executive Officer.

Procedures and action plans

Composition and work of the Board of Directors

Whether addressing changes in the composition of the Board of Directors or of its Committees, the Nomination Committee strives to conduct its work in line with Rexel's diversity policy (see paragraph 3.1.1.2 "A composition of the Board of Directors focused on skills and diversity" of this Universal Registration Document).

In addition, Rexel has a stable Board of Directors, giving the Group a long-term outlook. As of January 1, 2022, the Directors (excluding Directors representing employees) had an average length of service on the Rexel Board of Directors of 4 years.

Director competency in social and environmental matters

In addition, in the context of the appointment or renewal of Directors, the Board of Directors takes into account the presence of members with competencies in social and environmental matters. As of the date of this Universal Registration Document, over 40% of the Directors had specific skills and knowledge in corporate social and environmental responsibility (see the skills matrix presented in paragraph 3.1.1.2 "A composition of the Board of Directors focused on skills and diversity" of this Universal Registration Document).

ESG reporting to the Board of Directors

The decisions taken by the Board of Directors and the strategic guidelines adopted by the Group must take into account the social and environmental challenges faced in the development of the Group's activities. To this end, an environmental reporting system was put in place and allows Directors to be informed of these matters.

At the meeting of the Board of Directors of December 15, 2021, a presentation on Rexel's social and environmental challenges and results was made by the Director of Sustainable Development in order to keep the Directors informed of these challenges and to allow them to take them into account when developing the Group's strategy.

Executive Committee

Responsible governance also relies on the Executive Committee, whose responsibility with regard to sustainable development is to ensure the objectives set by the Group are met, to integrate non-financial risks and opportunities into the Group's strategy and to undertake the structuring projects required for Rexel's sustainable transition.

Governance structure

Rexel's organizational structure aims to separate the functions of Chairman and Chief Executive Officer in order to better serve the Group's interests. The separation of functions allows the Chief Executive Officer to concentrate his or her efforts on the implementation of the Group's executive strategy.

Compensation mechanism for the Chief Executive Officer

In accordance with the recommendations of the Afep-Medef Code (paragraph 25.1.1), the Chief Executive Officer's compensation must include one or more criteria relating to corporate social and environmental responsibility. In particular, the performance criteria used for long-term compensation now include an environmental and societal criterion, in accordance with the Group's commitment in its last annual publication. On the recommendation of the Compensation Committee, the Board of Directors decided to replace the financial criterion relating to sales with an ESG index based on internal criteria.

ESG criterion for the variable compensation of the Chief Executive Officer for 2022

In accordance with the objectives defined by the Board of Directors on April 21, 2021 as communicated to the markets and to the shareholders, the long-term variable compensation policy for the Chief Executive Officer for 2022 sets, among the performance criteria, the achievement of a multi-criteria ESG index relating to the implementation of the Corporate Social Responsibility policy. This non-financial performance criterion represents 20% of the CEO's long-term variable portion.

ESG missions carried out in 2021 by the Executive Committee

In 2021, each member of the Executive Committee representing Group functions was assigned missions relating to sustainable development: governance, value chain, climate and Net Zero Standard, awareness-raising and training, transition financing, circular economy, etc. are among these missions. The members of the Executive Committee then appoint intermediaries and a team, usually cross-functional, to carry out the mission.

Each member of the Executive Committee thus becomes an ambassador for a sustainable development theme. Issues relating to sustainable development are coordinated by the General

Secretary within the Executive Committee. The Sustainable Development Department provides its technical expertise on all subjects.

Results and performance

Diversity of profiles and compliance with gender equality requirements on the Board of Directors

The composition of the Board of Directors and its committees fully complies with the provisions of the French Commercial Code and the recommendations of the Afep-Medef Code on diversity and gender equality.

With regard to parity, as of January 1, 2022:

- one in two Directors is a woman;
- at least 50% of each Committee is represented by women (excluding Directors representing employees); and
- two Committees out of three are chaired by women.

Rexel is also attentive to non-discrimination and diversity within the Executive Committee. It is convinced that the diversity of its teams helps to achieve sustainable performance.

With regard to gender equality on the Executive Committee, three members out of eleven are

women (27.3%) as of January 1, 2022. As of January 1, 2021, only one woman was among the ten members of the Executive Committee.

As regards national diversity and a multicultural dimension, 5 Directors were foreign nationals as of January 1, 2022 (United States, Panama, the Netherlands, United Kingdom, Sweden).

Independence of Directors

As of January 1, 2022, in accordance with the recommendations of the Afep-Medef Code relating to the proportion of independent members on Boards and Committees:

- 8 members out of 10 (excluding Directors representing employees) on the Board of Directors are considered independent (independence rate of 80%); and
- the Audit and Risks Committee has an independence rate of 83%, the Nomination Committee has an independence rate of 100%, and the Compensation Committee has an independence rate of 83%.

Key performance indicators

INDICATOR	UNIT	2021	2020
Percentage of Independent Directors*	%	80%	80%
Percentage of women on the Board of Directors	%	50%	50%

* Excluding the Directors representing the employees.

4.2.2 Business ethics

Strategy and policies

Ethics and accountability are at the heart of the Rexel Group's activities and processes throughout the value chain. The Group is convinced that responsible business management helps to maintain its reputation and contributes to the organization's competitiveness and attractiveness. This responsibility is expressed through employee awareness and is given effect through the distribution of tools, guides, and charters that compile the procedures to be adopted in the countries where the Group operates.

Compliance program

Rexel continues to deploy and update a common compliance program for all its subsidiaries. Internal control ensures that this program and the ethical rules to be followed are disseminated within the

Group effectively through the inclusion of business ethics controls in the internal control guidelines manual. It is updated and enriched each year to reflect new standards and regulations. On a regular basis, new business ethics controls are added.

To ensure that all entities and subsidiaries follow and comply with the procedures and the compliance program, a self-assessment campaign is conducted each year. It produces an annual inventory of the application of rules. The campaign's findings identify points of non-compliance within the Group. Where necessary, corrective action plans are implemented by subsidiaries. Internal audit can conduct audits of how the compliance program is deployed in the subsidiaries.

Procedures and action plans

In an ever-changing regulatory environment that differs from country to country, the implementation of internal procedures to ensure compliance of operations with local and international standards and regulations is essential. The Group regularly updates its policies and mobilizes the necessary resources to ensure the efficiency of its compliance program.

A common frame of reference: the Ethics Guide

For over ten years, Rexel has been committed to continuous improvement. This commitment resulted in the development of an Ethics Guide for all Rexel Group employees, partners, and suppliers. This guide covers business ethics (corruption, conflicts of interest, competition rules, customer and supplier relations, protection of personal data and use of social media, etc.) and employee-related topics (health and safety at work, discrimination and harassment, social dialogue). It presents the main principles adopted by the Group that each subsidiary and employee must implement and provides standards and references to comply with in the conduct of professional activities. To facilitate its distribution internally and to customers, suppliers, and all Group partners, the Ethics Guide is available in all Group languages and in digital format.

The Ethics Guide is regularly updated. As a result, the anti-corruption commitments were reviewed in the French context of the December 9, 2016 law on transparency, the fight against corruption and the modernization of economic life. This key support was enriched with specific documents such as the Anti-Corruption Code of Conduct, the Competition Law Guide, and the Environmental Charter, which detail the Group's more specific commitments. To strengthen the relationships of trust established between Rexel and its partners, a Sustainable Suppliers Charter complements the common reference framework. Written in 2020 and translated into 13 languages, it was deployed in 2021 to the suppliers and employees concerned.

Whistleblowing

There is a whistleblowing procedure for employees, external and temporary workers, suppliers, customers, and stakeholders in all countries. The system allows incidents to be reported in all Group languages. The whistleblowing procedures are available on the dedicated website (<https://ethique.rexel.com/en>). It is centralized and confidential. Each alert is handled by the Ethics Committee, an *ad hoc* committee composed of the General Secretary, the Human Resources Director and the Chief Compliance Officer. This new alert line takes into account the requirements of French laws relating to transparency, the fight against corruption and the modernization of the economy, on the one hand, and the duty of care of parent

companies and contracting companies, on the other. The system meets legal requirements, notably as regards the rights of whistleblowers.

Addressing a message to the Ethics Officer of a Rexel Group entity

The Ethics Officers, who are local relays, also answer questions concerning the Rexel Group's ethical practices that may be addressed to them. Whether or not they are an employee, anyone can ask questions with full confidentiality.

Anti-corruption program

In connection with its program to detect and prevent corruption, Rexel has established an Anti-corruption Code of Conduct that applies to the entire Group. This Code meets the requirements of French Law. It defines and illustrates the different types of behavior to be avoided. This Code of Conduct refers to payments and practices requiring special attention. It defines in particular the conditions of intervention of any employee with associations and authorities. It is appended to the rules of procedure, and it invites employees to inform all stakeholders (customers, suppliers, and partners) about the Group's commitments and applicable rules to prevent corruption. This document is available on the ethics and compliance website: <https://ethique.rexel.com/en>.

Fight against tax evasion⁽¹⁾

Each year, through the internal control self-assessment campaign, the Group's Financial Department ensures that the organization and controls (defined in its Internal Control Guidelines Manual) are in place and operating adequately, particularly in terms of compliance with tax legislation and the fight against fraud. The internal Audit Department also carries out missions of control of key financial processes, including tax, and issues a report on their effectiveness to the Audit Committee.

In accordance with applicable legislation, each legal entity complies with its tax reporting and settlement obligations. Intra-group transactions are governed by a transfer pricing policy based on OECD principles and recommendations.

In order to ensure tax compliance, the Tax Department regularly provides advice and support to operational teams in tax matters. It also monitors and assesses the impact of changes in tax regulations on the Group's activities. The Group regularly relies on the advice of its external tax advisors to identify and analyze the applicable laws and regulations with respect to its situation, activities and countries of establishment and to ensure compliance with these laws and regulations, particularly in the event of a major strategic operation.

(1) Article L.22-10-36 of the French Commercial Code.

Gifts & invitations and travel compliance guidelines

The Group is a key link in the value chain between electrical equipment suppliers, customers, and end-users. The proximity of salespeople to their suppliers and customers is an advantage. This commercial proximity must remain exemplary so that lasting business relationships can be maintained in a climate of trust and mutual respect. To provide a clear and structured framework for all its employees, the Group has put in place specific rules relating to business travel and gifts and invitations offered and received.

Update of the third-party due diligence guidelines

In order to improve the prevention of the risk of corruption in its business transactions and relations with third parties, the Group updated its third-party due diligence guidelines. The type and depth of the assessments depends on the risk identified. The assessments are carried out by various means using specific softwares or, in cases requiring an in-depth assessment, by sending an assessment questionnaire directly to the third party. This third-party due diligence process allows to assess the risk of entering into or continuing a business relationship.

Results and performance

Training on business ethics at Rexel

In 2021, the Group continued to train its employee with a view to developing and establishing a long-term culture of business ethics. The commitment to train more than 80% of employees most exposed to business ethics prior to the end of 2021 was reached.

Employee business ethics training

Compliance with the rules of ethics implies continuous mobilization of employees. For this reason, team training and information sessions are essential. There is a common training program for all employees, organized around e-learning modules, on the one hand, and a series of videos on the subject of compliance, on the other. The training sessions cover obligations in terms of competition, anti-corruption, personal data protection and commercial restrictions. They are available to employees *via* the online training tools of the Group, and in their language. Special face-to-face programs are also offered to the employees who are most exposed to some of these risks.

Propagation of a culture of business ethics

The integration of the Group's values and ethical principles in behaviors is a key factor for the strategy's success. This requirement is supported by a network of Compliance correspondents and a network of Ethics correspondents who work closely with local management. The establishment of a collaborative and decentralized structure enables the understanding of the ethical principles and the deployment of the action plans in the various countries where the Group operates.

Ethics queries

The requests received by the Ethics Officers are consolidated by the Rexel General Secretary, who classifies them according to their type, author, subject and geographical area.

In 2021, 49 ethics queries were made. All queries were processed, verified (by means of an audit or investigation led by the management of the country in question) and dealt with through preventive and/or corrective measures as appropriate.

Key performance indicators

INDICATOR	UNIT	2021	2020
Employees ⁽¹⁾ considered as sensitive who completed the training sessions			
Competition law	%	80%	80%
Anti-corruption	%	90%	86%
Annual ethic queries		49	57

(1) All employees excluding Distribution Center employees.

Ethics queries

		NUMBER OF QUERIES RECEIVED BY ETHICS OFFICERS IN 2021	NUMBER OF QUERIES RECEIVED BY ETHICS OFFICERS IN 2020
Type of query	Information	14	27
	Complaint	33	30
	Legal dispute	0	0
	Other	2	0
Source of query	Customers	5	2
	Rexel employees	38	49
	Suppliers	0	2
	Local authorities	0	1
	Employee representatives / trade unions	0	0
	Anonymous	3	1
	Other	3	2
Subject of query	Customer relations	6	4
	Supplier relations	0	3
	Relations between employees	17	16
	Discrimination	4	4
	Working conditions	9	10
	Anti-corruption	1	1
	Tax evasion	0	0
	Anti-fraud and anti-theft	12	19
	Environmental protection	0	0
Type of measures implemented	Preventive	12	7
	Corrective	18	50
Region	Europe	7	1
	North America	26	31
	Asia-Pacific	16	25

4.2.3 Protection of personal data

Strategy and policies

As regards the Group's subsidiaries operating in the European Economic Area (EEA), the General Data Protection Regulation (GDPR), which entered into force in 2018, has standardized the rules applicable to personal data protection within the European Union. The GDPR has defined the principles and obligations with which companies must comply in terms of data subjects' rights enforcement, transparency and security of their personal data processing.

The implementation of the regulation has taken place at Rexel Group's while digital impact is growing on its business activities and its internal procedures. Beyond compliance, the protection of personal data is a strong operational challenge for

the Rexel Group. This challenge was reinforced by the special circumstances of the year 2021, particularly the extensive use of remote working.

As of 2018, Rexel launched a GDPR compliance initiative for its subsidiaries operating in the EEA and Switzerland, mainly on data concerning:

- current and prospective customers, particularly in the context of e-commerce activities and energy optimization services or home automation solutions;
- employees working in all subsidiaries operating in the EEA; and
- the Rexel Group's suppliers and service providers.

A global roadmap recently extended to the United States

Rexel's action plan is the result of the efforts of a cross-functional working group.

This working group carried out a pilot approach analysis, which made it possible to map the processing of personal data in several Rexel subsidiaries in France and Europe. The feedback received, the experience gained, and the analysis of the pilot results led to the development of a data protection program with an EEA-wide roadmap.

Secondly, an analysis of the application of the GDPR for Rexel's subsidiaries operating outside the EEA was conducted. In 2019, a cross-

functional working group carried out the analysis and determined the roadmap to be rolled out in Rexel's subsidiaries in the United States in consideration of local regulations relating to data protection, in particular of the California Consumer Privacy Act.

Cross-functional initiatives

The roadmap is organized around several major initiatives that include the establishment of a record of data processing activities, employees training, management of the exercise of data subjects' rights, governance of procedures and data, contractual commitments, and IT protection.

Procedures and action plans

Personal data protection charter

The Group has an internal personal data charter that defines a set of rules to be respected within the framework of Rexel's activities. This charter incorporates the major personal data protection principles and consists of several policies and procedures to support Rexel's employees and partners in the performance of their activities.

For example, one of the procedures focuses on the practical application of the data subjects' rights, another on the principle of privacy by design. A special reporting system (e-mail alert line to the Group Data Protection Officer) was put in place for data breaches. Guidelines were written to determine and regulate the commitments required from providers for the protection of the personal data entrusted to them.

A process for updating policies and procedures was initiated in 2020 in order to reflect the regulatory changes, ensure the adjustment to Rexel's internal evolutions and to the special circumstances of the year 2020. For example, an enriched and improved version of the procedure applicable for personal data breach is being finalized.

Employee training

Various training and information sessions are offered in several formats, such as e-learning

modules on main data protection principles, on privacy by design, on contractual requirements and on the GDPR itself.

Special poster campaigns are also carried out. Finally, more targeted presentations are planned for the teams that process personal data more specifically, such as the human resources, e-commerce, IT, and general services departments.

Contractual commitments

Rexel's suppliers and service providers may process personal data on behalf of the Group. Rexel must ensure that its partners and suppliers apply adequate data protection levels. This involves reviewing and updating contractual commitments and the security policies put in place by those service providers.

International transfers of personal data

Over the past year, the authorities' requirements in terms of personal data protection reinforced the guidance of personal data transfers outside the EEA. In order to face these changes, a mapping exercise of personal data flow outside the EEA was initiated in every subsidiary of the Group in September 2020. This initiative will make it possible to reflect these new requirements in all relevant contractual documentation.

Results and performance

At December 31, 2021, 86% of the employees of the Rexel European subsidiaries were trained in the protection of personal data and in the operational implementation of the European

General Data Protection Regulation (compared to 92% at December 31, 2020). This difference is due to changes in the workforce of the Group European subsidiaries.

Key performance indicator

INDICATOR	2021	2020
Employees of the Rexel European subsidiaries trained in the protection of personal data and in the operational implementation of the European General Data Protection Regulation	86%	92%

4.3 Involving and supporting employees

Rexel's human resources policies are based on decentralized management, in which the central functions contribute their expertise to the subsidiaries. This grassroots structure is respectful of local conditions and strengthens Group flexibility, agility and team autonomy. It means finding the right balance between the initiatives of the Group Human Resources Department, which creates the roadmap, and their deployment at the local level.

These human resources policies are supported by tools that increase their efficiency. They include an online academy (Rexel Academy), a human resources information system (SuccessFactors), a digital job board, management and performance recognition tools, and a regular survey that measures employee engagement.

In 2020 and 2021, human resources policies were adjusted to take into account the Covid-19 pandemic context: implementation of adapted health policies, development of specific communication practices, increase of human resources processes and tools digitalization, adjustment of working methods, including remote working.

Rexel's business, the importance of customer relations and the ability to adapt to new sector challenges rely on the expertise and skills of its employees. As of December 31, 2021, the Group had 25,185 employees, compared to 24,818 as of December 31, 2020. Among these employees, 24,471 were permanent (compared to 24,198 in 2020).

■ Breakdown of employees by region

In accordance with the rules relating to the scope of social reporting (see methodology note section 4.7.2), the data in this section 4.3 does not include the

company Mayer (United States). This company was acquired in November 2021. Including Mayer, the total headcount is 26,418 as of December 31, 2021.

REGISTERED WORKFORCE (NUMBER OF EMPLOYEES) AS OF DECEMBER 31		
NUMBER OF EMPLOYEES	2021	2020
Total headcount	25,185 (26,418)*	24,818
By region		
Europe	15,214	15,040
North America	7,511 (8,744)*	7,320
Asia-Pacific	2,460	2,458

* Including Mayer (USA).

■ Breakdown of employees by gender and status at December 31, 2021

	MANAGERS				NON-MANAGERS			
	WOMEN		MEN		WOMEN		MEN	
Rexel Group	1,055	(19%)*	4,500	(81%)*	4,667	(23.8%) **	14,963	(76.2%) **
Europe	569	(18.7%)*	2,465	(81.3%)*	2,849	(23.4%) **	9,331	(76.6%) **
North America	392	(19.9%)*	1,574	(80.1%)*	1,239	(22.3%) **	4,306	(77.7%) **
Asia-Pacific	94	(16.9%)*	461	(83.1%)*	579	(30.4%) **	1,326	(69.6%) **
Total by status	5,555				19,630			

* As a percentage of managers.

** As a percentage of non-managers.

4.3.1 Attracting and retaining talent

Strategy and policies

Rexel's ability to locate and identify profiles in line with its strategic priorities is essential and requires active talent management.

Rexel's business lines evolve with the transformation of the business sector and its digitization, which makes an ambitious recruitment and career management approach all the more necessary. The Group constantly reviews and improves its structures and processes to anticipate future needs. These topics are at the heart of the various human resources policies of Rexel and its subsidiaries. The Group has more specifically put

in place an ambitious recruitment and communication strategy aimed at strengthening its business lines' the Group's attractiveness.

To attract the talent of tomorrow, it draws on a strong employee value proposition that values Rexel's culture and its commitments, but also on a process for integrating new employees.

The ability to attract talent goes hand in hand with the ability to retain it, notably through active career management, management and compensation policies.

4.3.1.1 Attracting talent

Procedures and action plans

Employee value proposition

Rexel's employee value proposition consists of five promises: "think ahead," "work with a great team," "make a personal impact," "learn from the best," and "earn the career you want". These promises embody collective energy and irrigate all of the Group's human resources policy and commitments. Each subsidiary embodies these promises locally.

Notably, Rexel shares its employee value proposition through specialized social networks. It is an instrument to attract candidates. Certain subsidiaries are recognized for their attractiveness and are included in national rankings, notably in Belgium and France.

Employee integration

Many measures are taken at the country level to promote the integration of new employees and reduce turnover. These include company intros, welcome booklets, tutorials, regular follow-up interviews, technical, product, or organizational training, inter-departmental rotations, and integration seminars.

At the Group level, a special onboarding site has been available to subsidiaries. It presents the activities and business lines to new employees before their arrival.

Results and performance

Recruitments

In 2021, following the resumption of the Group's commercial activities and in view of the context relating to Covid-19, the Group's recruitment increased. In 2021, the Rexel Group hired

4,452 employees, all types of contracts and statuses combined, compared to 2,475 new hires in 2020. Together, these hires accounted for 17.7% of the Rexel Group's total workforce, compared to 10% in 2020.

■ Number and characteristics of recruitments

	2021	2020
Number of recruitments	4,452	2,475
Of which:		
• Hires on open-ended contracts	3,811	2,072
• Hires on fixed-term contracts	641	403
• Hires of managers on open-ended contracts	325	259
• Hires of non-managers on open-ended contracts	3,486	1,813
• Women hired on open-ended contracts	823	418
• Men hired on open-ended contracts	2,988	1,654

Key performance indicator

INDICATOR	UNIT	SCOPE	2021	2020	VARIATION
New employee long-term integration rate	%	100%	76%	66.6%	+9.4 pts

The long-term integration rate, defined as the rate of new hires on permanent contracts still present within the Rexel Group one year after their recruitment, was 76%, compared to 66.6% in 2020. This rate increased in 2021 in a context of economic recovery, after the Covid-19 pandemic had weakened the job market in 2020 and led to the departure of employees.

The objective was to achieve a long-term integration rate of 80% by 2020. This objective was maintained for 2021 given the context of the pandemic in 2020.

The short-term employee integration rate, defined as the rate of new permanent hires present in the Group three months after their recruitment, was 88.3% in 2021, compared to 90.5% in 2020.

4.3.1.2 Retaining talent

Procedures and action plans

Performance review

The Rexel Group has a proactive policy to make an annual performance interview a standard practice for all its employees. All subsidiaries use the Group's information system to monitor employee performance reviews.

Mobility policy

Functional and geographical mobility is a major component of the human resources strategy and a lever for talent retention. Mobility promotion at Rexel, coupled with skills management, offers employees opportunities for growth. These opportunities are available on a Group job board. In 2021, nearly 5,570 offers were published on this portal.

Compensation and company benefits

The compensation policy is based on individual performance and company results. Compensation levels are defined for each country to satisfy two requirements: the competitiveness of the compensation offered and internal fairness.

In most countries in which the Rexel Group operates, supplemental health and provident insurance policies are offered to employees in addition to the legally mandated coverage. Membership in these supplemental plans is either voluntary or mandatory, depending on the country, and most frequently cover all employees. In addition, depending on local regulations, certain Group entities have set up supplemental pension programs for their employees.

The Rexel Group has set standard minimum coverage for business-related accidents through the "Rexel +" plan. This plan provides for an indemnity corresponding to one or two years of basic salary in the event of death or serious permanent disability. Launched on July 1, 2010, this plan is managed at the local level and illustrates Rexel's ongoing commitment to social responsibility. The "Rexel+" program consists of four local insurance policies that cover Austria, Luxembourg, and the United Kingdom, and a policy issued by France covering Slovenia under the freedom to provide services thus, allowing 3,306 employees to benefit from this coverage in 2021.

Furthermore, a number of benefits or services are often granted to employees in addition to what is legally required. They are either negotiated under collective agreements or granted unilaterally and offer, in particular, housing benefits, meal and/or

transport allowances, concierge services, childcare, family leave, medical assistance, legal assistance services, and support for assisting employees.

Results and performance

Performance review

In 2021, most entities organized annual individual performance interview sessions in which a total of 81.6% of employees took part (83.2% in 2020).

	2021	2020
Number of employees who received a performance review	20,580	20,648
% of employees reviewed in relation to the total workforce	81.6%	83.2%

Mobility

A total of 3,157 employees on open-ended contracts had mobility in 2021 (1,986 in 2020), representing 12.9% of the workforce on open-ended contracts (8.2% in 2020).

Of the 3,157 employees who changed positions internally in 2021, 1,627 were promoted (vertical mobility), around 6.6% of Rexel Group employees on open-ended contracts (928 in 2020, or 3.8% of the workforce). Of the promoted employees, 19% were non-managers who became managers (27.8% in 2020). Of the 3,157 employees who changed positions internally in 2021, 1,530 were involved in horizontal mobility, around 6.3% of Rexel Group employees on open-ended contracts (1,058 in 2020, or 4.4% of the workforce).

Compensation and company benefits

56% of Rexel Group employees on open-ended contracts are eligible for individual variable compensation (56.8% in 2020). This mainly affects sales functions and employees with managerial responsibilities.

Finally, 74.4% of Rexel Group employees are members of a profit-sharing or shareholding plan calculated on the basis of collective results (74.3% in 2020).

As of December 31, 2021, the number of shares held by employees and former employees under

employee shareholding plans represented 0.40% of Rexel's share capital and voting rights (0.51% at December 31, 2020). The Group's latest employee shareholding plan was launched in 2016.

Employment dynamics

The Rexel Group is aware of the challenge of workforce turnover, and it analyzes employees' reasons for leaving as well as changes in the integration rate of new hires (see Section 4.3.1.1 "Attracting talent" of this Universal Registration Document). In addition, most of the Group's subsidiaries organize exit interviews with departing employees to understand the reasons for their resignation.

• Recruitment

During 2021, the 4,452 hires on open-ended contracts and fix-term contracts (2,475 in 2020) represented 17.7% (10% in 2020) of the Group's total workforce (see Section 4.3.1.1 "Attracting talent" of this Universal Registration Document).

• Departures

During 2021, 3,813 employees on permanent contracts left the Rexel Group (compared to 3,736 in 2020). Resignations represent the main reason for departure (63% in 2021, compared to 48.5% in 2020).

The reasons for the departure are detailed hereafter.

■ Reasons for the departure of employees on permanent contracts in 2021

	NUMBER	AS A PERCENTAGE OF DEPARTURES
Number of departures	3,813	15.6% of all permanent employees
Of which:		
• Resignations	2,404	63%
• Redundancies (economic layoffs)	169	4.4%
• Dismissals for other reasons	536	14.1%
• Retirements or early retirements	348	9.1%
• Cessation and/or sale of activity	10	0.3%
• Other reasons	346	9.1%

In 2021, the number of resignations increased significantly compared to the previous year, notably due to a dynamic labor market in a context of recovery following the emergence of the Covid-19 pandemic.

In 2021, redundancies within the Rexel Group concerned 169 employees, compared to 616 in 2020; the most significant reorganization took place in Sweden.

Alternatives to dismissals have been put in place, such as internal redeployment solutions in the Swedish subsidiary. In addition, the reorganization was discussed with employee representatives to provide the affected employees with support measures, notably financial compensation.

• *Employee turnover rate of the Rexel Group at December 31*

The turnover rate is defined as the average of the entry and departure rates:

- the entry rate is defined as the total number of hires with open-ended contracts divided by the total workforce with open-ended contracts; and
- the departure rate is defined as the total number of departing employees with open-ended contracts divided by the total workforce with permanent contracts.

In 2021, the entry rate into the Rexel Group was 15.6% (8.6% in 2020).

In 2021, the departure rate for Rexel Group employees was 15.6% (15.4% in 2020).

This means that for 2021, the Rexel Group turnover rate was 15.6% (12% in 2020).

4.3.2 Employee development

Strategy and policies

The women and men of Rexel have developed very specialized know-how to offer a distinctive customer experience. This expertise is based on skills that are regularly updated. Developing a culture of sharing knowledge and experiences and offering customized training to employees are among the Group's strategic priorities.

Training is essential to acquire new expertise and master digital and other technologies. To prepare the teams for the world of energy of the future, the Group relies in particular on Rexel Academy, its online academy. This platform is accessible in 23 countries and offers different types of programs to develop professional and product

skills, promote personal development, and ultimately employability.

Policies specific to each subsidiary are put in place to enable each employee to be trained. The Rexel Group's subsidiaries set up training plans in several areas: development of managerial skills, product knowledge, sales techniques. These training courses are supplemented by training on health and safety (see Section 4.3.5 "Employee health, safety and well-being").

The annual performance review is an opportunity for employees to express their development aspirations and their training needs. This feedback contributes to the development of training plans.

Procedures and action plans

Rexel Academy

The programs are aligned with the Group's strategic priorities. In 2021, more than 381 new training courses were rolled out.

In 2021, several topics and training programs were identified to meet this objective. These include mastery of new digital technologies and the impact of data in the organization (CRM, pricing, webshop), collaborative tools, new sales techniques, and customer advice and service. The most followed business-oriented training on Rexel Academy was related to the webshop in the United States.

Flexible learning solutions (e-learning and face-to-face training) are offered to employees. Sessions are tailored to position, skills, development prospects, local requirements, and personal and collective goals. Some modules are designed by specialists (category managers, pricing, human resources or sustainable development experts) to better meet the needs of learners.

In 2021, Rexel Academy rolled out 281 transformation-specific modules.

The online Academy has also made it possible to provide extensive virtual training regarding barrier gestures to fight against the spread of the Covid-19 ("Zero Covid at Rexel").

In 2021, 24,800 people have access to the Rexel Academy, a penetration rate of 88%, and 21,822 of them have carried out at least one training session on the platform.

Managerial development programs

To retain its key talents, the Group has strengthened its training around leadership. Group

Advanced Leadership is a program ran on nine-month cycles with a blended learning system that combines face-to-face training and e-learning. It is complemented by external coaching and personal development sessions. In 2021, this program focused on a digital transformation-centered business case and its added value for the organization and employees. 91% of the participants in the last session of this program would recommend the training to a colleague or peer.

Many programs of this type are also deployed within the subsidiaries. For example, in the United States, the Grow Achieve Inquire Network (GAIN) program focuses on developing employee leadership and personal development around three areas of expertise: communication, operations management and business approach. This program is deployed in part on Rexel Academy's. The context of the pandemic did not prevent some of the subsidiaries from developing managerial development programs, notably thanks to IT tools. The German subsidiary launched the *Zusammen Führen* program aiming at developing leadership and cooperation. In Australia, the Branch Manager Boot Virtual Camp Program presents all the tools needed for all branch managers in order to allow them to better exercise their responsibilities and the Driving Branch Scorecard Virtual Program assists them in driving strategic changes. The subsidiary in China also launched the Leadership Excellence Acceleration Development (LEAD) program, which aims to strengthen the leadership of its participants.

Results and performance

85% of Pulse 2021 respondents feel "included in the training and development opportunities of their company."

Training

The total number of people who received training (excluding security training) was 22,104 in 2021, representing 87.8% of the total workforce, compared to 22,629 in 2020 (91.2%).

The number of hours of training provided (excluding safety training) was 292,242 hours as of December 31, 2021 (254,406 hours as of

December 31, 2020). The average number of training hours (excluding safety training) taken by employees (trained) in 2021 was 13.2 (11.2 in 2020). This increase is linked to the resumption of activity during the 2021 financial year.

In 2021, 197,172 hours of training were held online, compared to 122,721 hours in 2020.

Managers training

4,433 Group managers received training in 2021 (4,276 in 2020), 20.1% of people trained (compared to 18.9% in 2020).

■ **Total number of employees trained and of training hours (excluding safety training)⁽¹⁾**

	2021		2020	
	TOTAL NUMBER OF EMPLOYEES TRAINED (EXCLUDING SAFETY TRAINING)	TOTAL NUMBER OF TRAINING HOURS (EXCLUDING SAFETY TRAINING)	TOTAL NUMBER OF EMPLOYEES TRAINED (EXCLUDING SAFETY TRAINING)	TOTAL NUMBER OF TRAINING HOURS (EXCLUDING SAFETY TRAINING)
Rexel Group	22,104	292,242	22,629	254,406
Europe	12,743	143,657	12,755	128,283
North America	6,821	107,313	7,685	84,576
Asia-Pacific	2,540	41,272	2,189	41,547

(1) For the calculation of the number of people trained, all employees present for all or part of the year in 2021 are taken into account. However, for the calculation of the Total headcount, employees present at December 31, 2021 are taken into account.

Key performance indicator

INDICATOR	UNIT	SCOPE	2021	2020	VARIATION
Average hours of training per employee trained	Hours	100%	13.2	11.2	+17.9%

The Group had set itself the ambition of increasing this number of hours to more than 17 hours per employee trained in 2021.

4.3.3 Employee engagement

Strategy and policies

To remain a benchmark player and keep pace with market changes, employee engagement is essential. This engagement is based on an understanding of strategy, management, career development, company image, and teamwork. Engagement is regularly measured in order to implement the necessary action plans.

Rexel is aware that quality social dialogue helps maintain a high level of engagement *via* a

controlled social climate. Rexel attaches great importance to the freedom of expression and representation of its employees. The Group recognizes the importance of social partners. This principle is included in the Ethics Guide applicable in all countries in which the Rexel Group operates (see Section 4.2 “Acting with ethics and integrity” of this Universal Registration Document).

Procedures and action plans

Monitoring employee engagement

Rexel regularly conducts surveys to measure employee engagement as well as other specific topics.

In 2021, Rexel conducted a global *Pulse* survey entitled Diversity, Equity and Inclusion in order to gather the opinions of its employees on these issues, as well as to measure internal engagement. Thus, 24,082 employees were invited to respond to this online questionnaire comprising 11 questions, in 14 languages and administered in the Group's 24 countries. The open-ended question of this survey received 6,249 comments. The survey recorded a participation rate of 58%.

90% of respondents stated that they were proud to work for Rexel.

The previous survey took place in 2018 and focused notably on engagement, well-being, company image and career development.

In addition, Rexel makes the Satisfaxion *Pulse* tool available to its subsidiaries, it enables employee surveys to be carried out.

This tool has enabled subsidiaries in the Netherlands, Switzerland and Sweden to measure employee satisfaction on other issues, including their perception of the health crisis and the measures implemented.

Action plans to reduce absenteeism

Rexel is implementing special measures to reduce the absenteeism rate. These local actions include special monitoring by human resources managers, the establishment of regular reporting, consultation and training, regular medical visits and indexing of bonuses for showing up at work, post or schedule arrangements, and return-to-work reports. In Switzerland, for example, all managers are trained in conducting return-to-work interviews to limit absenteeism.

Social dialogue

The subsidiaries of the Rexel Group apply the regulations applicable to social dialogue and regularly discuss matters relating to business results and working conditions with employee representatives. The representation of Rexel Group employees is such that:

- 344 employees are involved in representative bodies (338 in 2020), representing 1.4% of the total number of employees with open-ended contracts in the Rexel Group (1.4% in 2020); and
- 120 employees are appointed by a trade union organization as representatives (121 in 2020), representing approximately 0.5% of the total number of employees with open-ended contracts in the Rexel Group (0.5% in 2020).

In 2021, at the local level, 34 agreements were negotiated and signed between the employee representatives and entities of the Rexel Group. In

total, 45% of the Rexel Group's workforce is covered by a collective agreement. Most of these agreements were signed in Spain, France, Belgium, Austria, and Germany and included quality of work life, wages, profit-sharing, employee shareholding, tele-working, and social dialogue. Other agreements signed previously are still in force. They notably concern professional gender equality and the professional integration of people with disabilities. Out of all the agreements, five were related to health and/or safety.

In 2021, profit-sharing agreements were negotiated and implemented the French subsidiaries. The employees of Rexel France, Rexel Développement, Sofinther, BizLine, Francofa Eurodis, Conectis and Esabora are covered by this type of agreement.

At the European level, the European Works Council was established in December 2005. This Council is an exchange and information platform that ensures the representation of the Rexel Group's 14,405 European employees. The Council is a forum for dialogue between management and the 20 employee representatives of the 15 European countries represented. It meets once a year. A steering committee comprises five permanent members and meets four times a year. In 2021, the European Works Council notably dealt with issues relating to the retention of the United Kingdom's representatives, despite its withdrawal from the European Union. It also addressed the proposed sale of Dismo, an entity belonging to the French subsidiary.

Results and performance

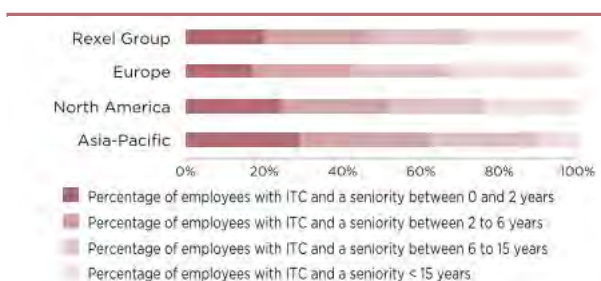
Absenteeism

The Rexel Group's absenteeism rate was 4.9% in 2021 (identical to 2020).

Seniority

Rexel employees' engagement is also reflected in their average seniority (11 years) and the variety of profiles.

■ Breakdown of permanent employees by seniority



There have been significant variations in seniority depending on geographical areas: renewal of employees is much faster in the Asia-Pacific region (62% of employees with open-ended contracts have less than 6 years of seniority), whereas in Europe, employees with more than 15 years of seniority account for 34% of the number of employees with open-ended contracts.

Social movements

In 2021, the total number of strike hours was 1,052 hours, due to a national movement in Belgium unrelated to Rexel's activity.

Key performance indicator

	2021	2018	VARIATION
Engagement*	90%	85%	+5 pts

* Favorable response rate to the question "I am proud to be associated with my company".

In 2021, 90% of employees responding to Rexel's global *Pulse* survey declared that they were "proud to be associated with their company", compared to 85% in 2018 during the previous survey.

In 2018, Rexel set itself the goal of achieving an engagement rate of 80% during the next global survey.

4.3.4 Diversity, inclusion and equal opportunities

Strategy and policies

Because diversity is a societal issue but also a lever for improving performance, Rexel adopts proactive policies to promote diversity at all levels of its human resources policies. Rexel wants to be an inclusive environment where all skills can flourish.

The importance given to diversity and inclusion is based on a statement of principles in the Ethics Guide (see Section 4.2 Business ethics). It expressly refers to dignity, diversity, and respect for people. The Ethics Guide also prohibits any form of discrimination against employees.

In 2021, Rexel shared its ambitions when the *Pulse* global survey was launched in 2021. This survey focused on the topics of diversity, equity and inclusion. Seven questions related to that specific topics were asked to all employees and one open question: "What does diversity and inclusion mean to you?".

91% of respondents believe that Rexel provides a working environment that is free from discrimination and harassment and 90% consider that the company has an environment that respects personal identities. Results reporting was conducted among teams in all subsidiaries. Some have implemented action plans on the basis of the results of this survey.

Rexel's various human resources policies (recruitment, compensation, careers, training, etc.) ensure that they have an inclusive approach at different levels, notably as regards equality between men and women and between different generations and as regards the integration of employees with disabilities. As a result, 89% of Pulse 2021 respondents believe that their direct manager works effectively with people who are not like them.

4.3.4.1 Diversity and gender equality

Procedures and action plans

Communities and partnerships

Women in Rexel (Wire) brings together female employees from different Group subsidiaries to share their ideas and inspire each other.

Initially launched by the subsidiary in the United States, Wire networks aim to foster collaboration, encourage development and inspire accountability by creating an environment that values individual diversity within the company. This is part of Rexel's commitment to inclusion. In addition to the national networks, a global Wire Leaders network involves 74 employees.

Furthermore, Rexel is part of an inter-company network, European Network for Women in Leadership which aims to create a dynamic favorable to the leadership of its participants. Thus, 7 women Rexel employees participate in this network of 49 members.

In 2021, more than 35 female Rexel employees in France are involved in the "*Capital Filles*" association, which aims at strengthening the autonomy and the confidence of young girls from priority neighborhoods and rural areas, as well as to support them in their educational choices and their discovery of the company.

Raising awareness and training

A section dedicated to diversity and inclusion was launched in Rexel Academy in 2019. In 2021, Rexel made a training program called “DE&I, My journey, My path” available to its subsidiaries. This Rexel Academy online training course is intended for all employees, more specifically for managers and people in charge of recruitment.

Equal pay

Rexel strives to respect equality between men and women in comparable situations in career development, training and compensation. Actions taken locally aim to reduce disparities and promote this equality.

In 2019, Rexel France and Rexel headquarters made commitments through agreements on professional gender equality, and which are still in force. These agreements provide concrete measures aimed at increasing the share of women within the Group, enabling them to build a professional career, reaching managerial positions, raising awareness on the themes of diversity, inclusion and parenthood, to take into account the latter to correct possible imbalances in compensation and to provide the adaptation of working conditions in

cases of pregnancy. Professional mix is encouraged during the recruitment process and, upstream, during the vocational orientation of the youngest. Rexel's headquarters renewed its commitments through a new agreement in 2021.

Other initiatives have been adopted by the Rexel Group's subsidiaries: promotion of balance between working time and family life, adoption of a charter on equality, promotion of equal pay. As such, the Swiss subsidiary obtained a certificate which ensures that it respects the principle of equal pay for work of equal value.

Governing bodies

Specific initiatives have been adopted on this basis regarding the governing bodies (see Chapter 3, Section 3.1.5 “Non-discrimination and diversity policies in the governing bodies” of this Universal Registration Document). These initiatives were recognized: in 2021, Rexel maintained its ranking regarding the representation of women in governing bodies of major French companies reported by the Secretary of State for gender equality and anti-discrimination in 2020. Parity has been achieved within the Board of Directors since 2020.

Results and performance

As of December 31, 2021, women accounted for 22.7% of the total workforce (22.6% in 2020). This percentage is in line with market realities and the low percentage of women in the specialized distribution sector.

The 2021 indicators show insignificant differences for the following data:

- Mobility and promotion

In 2021, 11.8% of women changed positions, compared to 13.2% of men (respectively 8.3% and 8.2% in 2020).

68 (1.5%) of non-manager women were promoted to managers (78 or 1.7% in 2020). As regards men, the rate was similar: 242 men, or 1.6% of non-manager men (180, or 1.2% in 2020).

- Salary increases

79.7% of women with open-ended contracts with at least one year of seniority received a raise in 2021, compared to 75.4% of men with open-ended contracts with at least one year of seniority.

- Recruitment

Of the employees with open-ended contracts hired in 2021, 21.6% were women and 78.4% were men (respectively, 20.2% and 79.8% in 2020).

- Training

In 2021, 22% of the employees who received training were women, whereas they accounted for 22.7% of the total workforce and 78% of the employees who received training were men, whereas they represented 78.3% the total workforce of the Rexel Group. In addition, 27% of the participants in all the sessions of the Group Advanced Leadership Program were women.

■ Breakdown of employees and training per gender (excluding safety training)



Key performance indicator

INDICATOR	UNIT	SCOPE	2021	2020	VARIATION
% of women recruited on open-ended contracts	%	100%	21.6%	20.2%	+1.4 pt

The share of women recruited on permanent contracts out of all recruitments was 21.6% in 2021 (compared to 20.2% in 2020).

The Group set itself the objective of achieving a recruitment rate of women on permanent contracts of 35% by the end of 2024.

4.3.4.2 Generational diversity

Procedures and action plans

Inter-generational diversity is a challenge for Rexel. 33.3% of the Group's workforce are senior employees (employees over the age of 50). This challenge is addressed through the implementation of proactive career management and skills policies (see Section 4.3.2 "Employee development" of this Universal Registration Document).

Rexel is developing the inclusion of young people, notably through a proactive policy of recruiting young graduates: they represented 7% of new hires in 2021.

In many countries, Rexel has relationships with schools and academic stakeholders, in particular in

the commerce and energy fields. The Group is expanding its inclusion of young people, particularly through an ambitious policy of recruiting work-study students and interns. Despite the context of the Covid-19 pandemic, the Group's subsidiaries have continued to recruit work-study students, mainly in France, Switzerland and Germany in 2021, 287 work-study students were recruited in this way. Rexel welcomes interns, mainly in France and China.

Specific actions at the local level have been put in place to promote inter-generational relations and mutual learning, such as at the Group's HQ where a mentoring program was set up in 2021 between young employees and experienced managers.

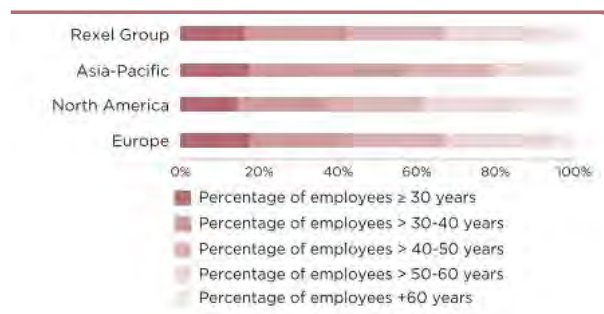
Results and performance

As of December 31, 2021, the average age of all Rexel Group employees was 43.5 (43.6 years old as of December 31, 2020).

The most represented age group is the 50s-60s (6,455 people), followed by the 40-50 age group (6,300 people). Seniors accounted for 14.7% of permanent hires in 2020 (15.9% in 2020) and young graduates accounted for 8.1% (7.1% in 2020).

Seniors (defined as employees over 50) accounted for 33.3% of the total workforce (32.8% in 2020) and under 30s accounted for 16.4% (15.6% in 2020).

■ Breakdown of permanent employees by age (Employees with open-ended contracts)



4.3.4.3 Employees with disabilities

Procedures and action plans

Promoting the employment of people with disabilities is a conviction that is part of a process of equal access to employment for all. In view of regulatory specificities, policies relating to this subject are carried out locally.

In France, the agreement for the professional integration of people with disabilities for the period 2021-2023 taken by Rexel France includes the following measures for awareness-raising, employee education and recruitment:

- a communication and information plan to raise awareness for employees and managers in charge of human resources targeting the recruitment and integration of people with disabilities. A quarterly newsletter on disability and occupational health is sent to all employees;
- a recruitment plan was launched with the publication of offers on specialized sites for professional and social integration (*Association AGEFIPH*) aimed at recruiting at least 12 people

with disabilities. In addition, Rexel France participates in the DuoDay event, which consists of a meeting between an employee and a person with a disability for immersion in the professional world; and

- an employment maintenance program with acoustic and ergonomic studies and post adaptations was also deployed to improve the working conditions of people with disabilities.

The agreement provides for an employment rate of persons with disabilities of 4.8% by 2023.

Results and performance

The indicators related to disability are highly dependent on local regulations. In 2021, the Rexel Group employed 580 employees who reported a disability (500 in 2020), or around 2.3% of its total workforce (2% in 2020).

Employees who declared themselves to be disabled in 2021 accounted for 2.4% of all hires

with open-ended contracts as of December 31, 2021 (1.4% in 2020).

The percentage of employees with disabilities from among the total workforce at Rexel France increased from 1.1% in 2008 to 3.7% in 2021.

4.3.5 Employee health, safety and well-being of employees

Strategy and policies

The health and safety of Rexel's employees is a daily concern, and Rexel strives to provide its employees with a working environment and working conditions that comply with requirements, and thus avoid risks.

In addition to its legal obligations, the Group's responsibility is demonstrated through the constant attention paid to the health and safety of its employees. The safety of employees and stakeholders has always been a priority for Rexel.

The main risks for employees relate to road traffic, falls, machine operation, materials handling, handling of cables, and computer work.

Through its health and safety policy, implemented since 2015, the Group wanted to implement shared minimum standards in each of its entities in order to guarantee an equivalent level of protection for all its employees. In 2021, Rexel updated this policy. At this time, Rexel reinforced requirements in terms of personal protective equipment, incorporated principles relating to psychosocial risks and pandemic risks, and introduced the notion of 'near miss'.

The Group policy aims to:

- guarantee a safe working environment wherever Rexel operates;
- build a culture of shared responsibility; and
- ensure employee commitment through the exchange of good practices.

In addition to employee health and safety, quality of life at work is also a priority for Rexel. Particular attention is paid to well-being so that everyone can work under the best conditions. Many initiatives illustrate this concern such as: the right to disconnect, teleworking systems, promotion of physical activity and stress management.

In the specific context of the health crisis, and in particular of remote working, particular attention has been paid to psychosocial risks and the subsidiaries have implemented initiatives to keep in touch with their employees notably through the enhancement of usual management and communication methods.

Procedures and action plans

Health and safety community

A community of health and safety referents representing all subsidiaries meets four times a year to discuss the Group's priorities in this area and discuss best practices. Launched in 2021, this community was informed of the Group's policy update.

Zero Covid at Rexel

Since 2020, in the context of the Covid-19 pandemic, the Group's subsidiaries adopted a set of "Zero Covid at Rexel" measures, to ensure systematic protection for employees, customers and Rexel's business partners. These measures aim in particular to comply with protective measures, to provide appropriate protective equipment and more generally to adopt appropriate behavior.

Local initiatives

Many local initiatives contribute to making Rexel a safe place for employees: for instance, good gesture and posture guides are distributed in France, Belgium and Australia.

Some countries have chosen to engage in the ISO 45001 occupational health and safety certification process. Subsidiaries based in Finland, China, the United Kingdom, Austria and Spain have implemented this health and security risk management method.

Well-being at work

The subsidiaries have developed specific approaches in relation to psychosocial risks through awareness-raising actions, training modules, notably for management, and professional and psychological assistance programs.

In Australia, a partnership was set up to raise awareness among employees about their mental health: this partnership takes the form of training

to combat anxiety and depression. In France, the Group's HQ and Rexel France has set up an employee psychological hotline. In Belgium, employees receive information on stress at work and the importance of ergonomics at work on a regular basis. In the United Kingdom, employees have access to an app to seek financial, mental and physical advice.

Other measures to protect the well-being of employees continued to apply. Accordingly, in the main French subsidiary Rexel France, a program against dependence (tobacco, alcohol, etc.) is available for employees who want to take advantage of it. Financial assistance is being offered. Employees can see specialty doctors. A program for family caregiver employees is also available.

Specific policies relating to caregivers have been adopted. Rexel France offers employees dealing with the illness or with loss of autonomy of a loved one a telephone platform that help them apply for assistance or choose a medical home or home caregiver. The purpose of this turnkey solution is also to prevent employee absenteeism. The plan also includes social support for employees in difficulty (housing, over-indebtedness, divorce, or occupational health).

Telework

In 2021, in the context of the Covid-19 pandemic, the Group's subsidiaries largely used teleworking to protect their employees while ensuring business continuity.

Most subsidiaries have set up a permanent teleworking system for the functions that allow it, in order to strengthen the balance between professional and personal time. Whenever possible, employee representatives were involved in this process.

Results and performance

■ Number of accidents

	2021	2020
Number of accidents leading to death	0	0
Number of accidents leading to time off work	232	217
Number of accidents not leading to time off work	610	514

In 2021, 842 work accidents were identified within the Rexel Group (731 in 2020): none resulted in death, 232 resulted in work stoppage (217 in 2020), and 610 did not lead to a work stoppage (514 in 2020).

The number of workdays lost as a result of work accidents was 6,930 in 2021, compared to 7,271 in 2020.

Most of the work-related accidents that resulted in work stoppage involved the logistics function (148 accidents, or 64%) and the commercial/sales function (74 accidents, or 32%).

■ Frequency rate of work accidents

	2021	2020
Frequency rate of work accidents	5.4	5

The Rexel Group accident frequency rate, calculated as the number of work accidents resulting in lost time per million hours worked, was

5.4 in 2021. The number of accidents at work increased slightly in 2021 compared to 2020; however, accident-related leaves were shorter.

■ Severity rate of work accidents

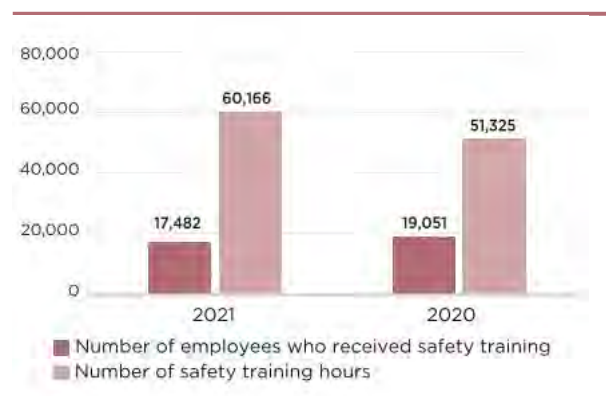
	2021	2020
Severity rate of work accidents	0.16	0.17

The Rexel Group severity rate for work accidents, defined as the number of workdays lost due to temporary disability per 1,000 hours worked, was 0.16 in 2021 compared to 0.17 in 2020.

Professional illnesses

In 2021, two occupational illnesses were recognized, compared to three in 2020.

■ Safety training



Key performance indicator

INDICATOR	UNIT	SCOPE	2021	2020	VARIATION
% of people who received safety training	%	100%	69.4%	76.8%	-7.4 pts

The share of people who received safety training was 69.4% of the total workforce in 2021 (17,482 employees). This share was 76.8% in 2020.

The Group aims to achieve a 100% rate of trained employees.

Working time

The duration of working time varies according to the regulations of the countries in which the Group operates.

On average in the Rexel Group, employees work 39 hours per week.

Breakdown of workforce by type of contract and function

The Rexel Group employs only a few people on fixed-term or temporary contracts. These types of contracts are used mainly to meet specific needs.

In 2021, the average monthly number of temporary workers working as full-time equivalents was 897, or 3.7% of the total monthly average workforce (2.9% in 2020). The use of temporary workers was a little more frequent in 2021, notably due to the resumption of activities following the Covid-19 pandemic.

■ Organization of working time

Part-time employment and overtime hours

	2021	2020
Percentage of part-time employees	3.6%	3.6%
Percentage of overtime hours / total working hours	1.2%	1 %
Number of overtime hours	513,721	422,571

The number of people employed part-time within the Rexel Group was 918 as of December 31, 2021 (898 in 2020), or 3.6% of the total workforce (3.6 in 2020).

Overtime

To manage the working time of its employees, the Rexel Group rarely relies on overtime: 513,721

overtime hours were worked in 2021 by all Rexel Group employees, or 1.2% of the annual number of hours worked (compared with 422,571 overtime hours, or 1% of the total annual number of hours worked in 2020).

4.4 Improving environmental performance

4.4.1 Environmental performance of operations

Strategy and policies

Based in 24 countries and over 2,000 sites (branches, logistics centers, head offices), the Rexel Group faces an environmental challenge that comes more from the dispersion of its impacts than their magnitude. Oversight of the environmental strategy is therefore a key element to coherently and sustainably managing the reduction of the footprint of sites, shipping, and the solutions marketed by the Rexel Group.

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. Objectives, results, and

projects are presented once a year to the Rexel Board of Directors.

The Group implements dedicated procedures, tools, and resources to manage its environmental impacts. It is essential for employees to take these challenges into account for this policy to be successful.

The Group's environmental strategy is structured on three levels:

1. procedures and rules common to all subsidiaries;
2. oversight of the implementation of said rules thanks to a reliable reporting and a structured network of experts; and
3. performance indicators that verify progress.

Procedures and action plans

Environmental Charter

To support the operational implementation of its policy, the Rexel Group has used an Environmental Charter for several years. Regularly updated to take account of changes in the Company, it is now published in 23 languages and deployed in all Rexel Group subsidiaries.

The Environmental Charter details the Rexel Group's three environmental commitments:

1. improving the environmental performance of buildings
 - by upgrading facilities with energy-efficient equipment for lighting, heating, cooling, etc.; and

- by managing, segregating and redirecting waste to recycling or other appropriate treatment channels;
2. reducing the environmental footprint of operations
 - by minimizing the use of packaging and paper; and
 - by optimizing transport flows and thereby reducing fuel consumption and associated greenhouse gas emissions;
 3. developing and promoting energy-efficient solutions
 - by providing customers with a wide selection of innovative products and services in energy management and renewable energy sources use; and
 - by training Rexel Group commercial teams on up-to-date technologies and providing them with specific marketing and information materials.

At the end of 2021, the Environmental Charter was on display in 93% of the Rexel Group's sites, compared to 94% in 2020.

Environmental reporting

To measure the performance of its subsidiaries, Rexel has set up centralized reporting. This management tool makes it possible to monitor the environmental impacts of all activities and have a global vision of the Group's environmental footprint *via* the monitoring of key indicators. The tool promotes the continuous improvement of performance and communication between Group subsidiaries.

Environmental information and reporting procedures are audited by an Independent Third Party each year. In addition to the regulatory response, this audit helps to ensure the reliability of the published information and to monitor the implementation of action plans.

The reporting guidelines are based on internationally recognized standards:

- Version 4 of the GRI (Global Reporting Initiative) sustainable development reporting guidelines: an internationally recognized framework, it defines a shared framework of performance indicators and reporting procedures. Rexel partially applies the GRI guidelines, focusing on performance indicators relating to the most material sustainable development challenges, in line with regulations on the SNFP;
- the GHG Protocol (Greenhouse Gas Protocol) to quantify and report greenhouse gas emissions in a transparent manner; and

- The recommendations of the TCFD inviting economic actors to report on their approach to identifying, managing and taking into account climate factors in their strategy and management.

Each year, an environmental reporting summary is sent to each country. This document contains physical and financial information and enables each subsidiary to compare itself with other Group entities over all indicators.

Network of environmental experts

Rexel relies on a network of 69 environmental officers, who are located in the subsidiaries. These experts are responsible for implementing Group policies, guiding strategy, and managing environmental reporting in addition to their operational responsibilities.

They are invited to participate every year to the international sustainable development seminar to discuss the Group's challenges and priorities and share best practices from the subsidiaries. In 2021, considering the health context, the seminar could not be held. It was replaced by online events: the program of these digital meetings included thematic workshops, the definition of Rexel's sustainable offer, a presentation on the Group's strategy and on the tools made available, the sharing of good practice among subsidiaries, and a presentation on the Rexel Foundation's work.

To foster dialogue and gather feedback from local offices, these meetings are supplemented by quarterly updates and regular informal exchanges led by the Group's Sustainable Development Department. A platform for exchange also provides this community with key documents to help spread best practices. An internal social network supplements the environmental officers and provides a place to share information about sustainable development and discuss the progress of their achievements.

Employee training

The Sustainable Development Department raises awareness among employees about environmental and societal issues. Sustainable development training is available *via* Rexel Academy. It presents the main challenges and principles of sustainable development with videos, case studies, and quizzes. The goal is to inform 100% of the Group's employees about sustainable development.

A comprehensive e-learning module on energy efficiency is also available to everyone, based on three levels of expertise. The purpose of this program is to help employees improve their level of knowledge, strengthen their expertise, and gain confidence when they talk about energy efficiency.

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Compliance with environmental regulatory requirements is a key aspect of the definition of environmental policy, at the Group level and at the local level. The main regulations that may have an impact on the Rexel Group's activities are described in Section 1.8.2 "Environmental regulations" of this Universal Registration Document.

Prevention and management of environmental incidents

The non-financial risk analysis shows that the Rexel Group's activities present a limited risk to the environment. However, environmental incidents are given special attention and are monitored on a daily basis *via* the EMS and annually through environmental reporting. In 2021, no Rexel Group entity reported any significant environmental incidents.

Some installations must be declared or registered with the administrative authorities, obtain environmental permits and operating licenses, and undergo regulatory controls. In France, for example, the Rexel Group is affected by

legislation concerning Installations Classified for the Protection of the Environment (ICPEs). As such, some installations, within logistics centers especially, have to be declared or registered depending on the level of hazard or inconvenience that they represent. These include covered warehouses where combustible materials, plastics, paper, and cardboard are stored and battery charging workshops. Obtaining and renewing these declarations and administrative authorizations is sometimes subject to local oversight.

Given the Rexel Group's profile, the environmental risk linked to its operations is low. The costs associated with the assessment, prevention, and treatment of environmental risks therefore represent small amounts that are integrated into the Rexel Group's investment processes and have not been identified separately. In addition, environmental risk is taken into account when new entities are acquired: an environmental audit procedure (due diligence) is systematically implemented.

Results and performance

Environmental management system

The Rexel Group continues to implement environmental management systems (EMS), which define and document procedures to control the environmental aspects of its activities and allow improvement plans to be managed. Since 2013, the Rexel Group has published its own environmental management standard to harmonize, support, and accelerate the deployment of the EMS in the subsidiaries.

Several subsidiaries have embarked on an ISO 14001 certification process, thus demonstrating

their commitment to the continuous improvement of their environmental strategy.

In addition, certain subsidiaries have also agreed to implement energy management systems that are compliant with ISO 50001. These subsidiaries represent 15% of the Group's sites and 7% of the Group's energy consumption.

Since 2018, Austria and the United Kingdom implemented a highly structured approach by obtaining four certifications (ISO 14001, ISO 9001, ISO 50001 and OHSAS 18001).

Key performance indicator

INDICATOR	UNIT	2021	SCOPE	CONSTANT SCOPE			
				2021	2020	VARIATION	SCOPE
Sites covered by an internal environmental management system	%	42.0%	100%	42.0%	42.6%	-0.6 pt	100%
Sites covered by a certified environmental management system	%	23.8%	100%	23.8%	23.9%	-0.1 pt	100%
Sites covered by a certified energy management system	%	14.7%	100%	14.7%	14.6%	0.1 pt	100%

4.4.2 Climate commitment

Strategy and policies

Climate strategy

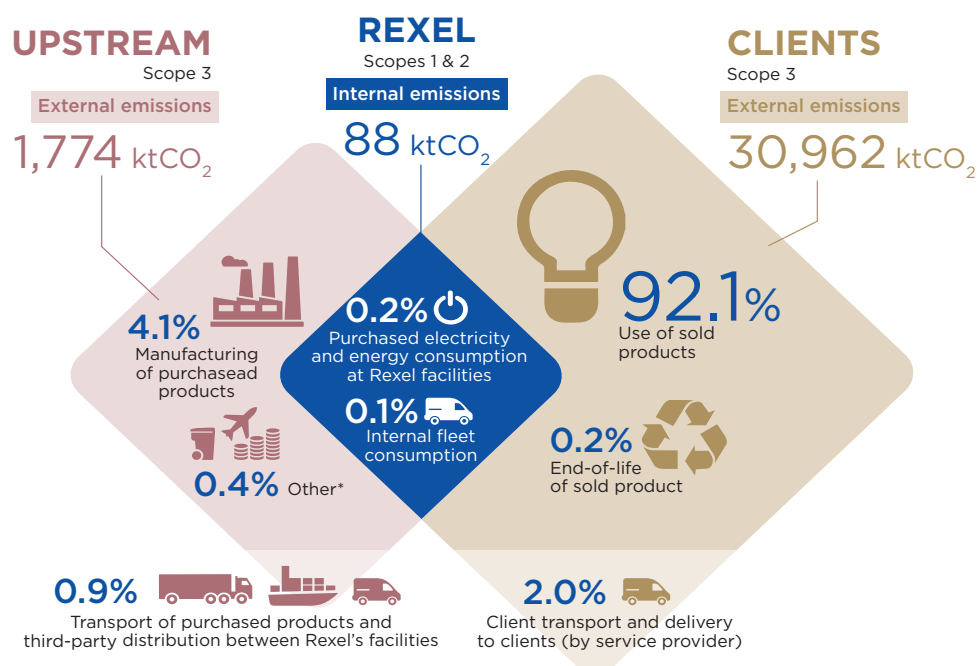
The fight against climate change is one of the major challenges of the 21st century. To limit the rise in global temperatures below 2°C by 2100, which is the goal of the Paris Agreement, the

global economy must change profoundly. As a player in this transformation, Rexel is undertaking innovative programs for managing energy sources and reducing greenhouse gas emissions throughout its value chain.

Rexel assesses each year its greenhouse gas emissions throughout its value chain. Analysis of the greenhouse gas emission assessment shows that internal emissions (Scopes 1 and 2 as defined hereafter) are relatively low. However, the Group

believes that it has a duty to set an example on this Scope.

The most significant emission items are linked to Scope 3, notably the use of products which represents more than 92% of the Group's greenhouse gas emissions.



The Rexel Group is therefore committed to limiting the rise in global temperatures well below +2°C by the end of the century and contributes to the fight against climate change:

- by offering its customers the products and solutions to accelerate the energy transition and adapt to climate change;
- 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.

Ambitious targets

Rexel's climate strategy is backed by two ambitious greenhouse gas emissions reduction targets.

Rexel is, firstly, committed to reducing its greenhouse gas emissions related to energy consumption in its operations (Scopes 1 and 2) by 35% by 2030, compared to 2016. While the ambition is high, Rexel can rely on the continuous improvement of its operational performance.

In addition, Rexel is committed to reducing greenhouse gas emissions related to the consumption of products sold by 45% per euro of

sales (Scope 3) by 2030, compared to 2016. This source of GHG emissions is by far the most significant in the electricity value chain with 92% of emissions. Rexel's unique position should enable it to direct the sector's growth towards an ambitious low carbon energy transition.

These targets are in line with the Paris Climate Agreement. The objective set for Scopes 1 and 2 is recognized by the Science Based Targets (SBTi) initiative as helping to limit global warming to "Well-Below 2 degrees". This international initiative is a collaboration between the United Nations Global Compact, the World Wildlife Fund (WWF), the CDP and the World Resources Institute (WRI). SBTi defines and promotes best practices for setting objectives using a scientific approach and independently evaluates companies' objectives.

A commitment embedded in the strategy

Climate is anchored in Rexel's strategy. To sustainably link the Group's financial and climate performance, Rexel made several bond issues in 2021 in relation to its two climate targets, with crossing points in 2023. Rexel has published its Sustainability-Linked Bond Framework, which covers debt instruments whose financial characteristics are linked to these objectives.

The Framework was established in accordance with the Sustainability-Linked Bond Principles (“SLPB”) published by the ICMA and was reviewed by VigeoEiris, which issued an opinion as an independent third-party expert (“SPO”). VigeoEiris assessed the relevance of the performance

indicators and the level of ambition of the objectives: Rexel achieved the “Advanced” grade, i.e. the highest level for these two criteria.

In total, these bonds represented a nominal amount of €1 billion in 2021.

Procedures and action plans

To reduce its impact on the climate and remain exemplary, the Group is, firstly, pursuing a structured operational performance approach with the implementation of energy efficiency and renewable energy solutions on its sites and for its vehicles. In addition, Rexel has made the climate a key issue in its strategy and promotes solutions for the transition to a zero carbon world.

Climate-related risk assessment

In addition to the non-financial risk analysis presented in Section 4.1.3, Rexel is carrying out a study of climate-related risks. Risks related to climate change are classified in two categories: transition risks and physical risks.

Transition risks

The fight against climate change requires major changes in societies. The implementation of mitigation and adaptation measures essential to the transition to a zero carbon world presents risks. For Rexel, a player in the energy transition, these risks take the form of rapid changes in its markets, new and divergent customer demands, and more frequent and stringent regulatory changes. The net climate-related transition risks were estimated to be low for Rexel, particularly given the control of these risks and the planned investments in the subject.

• Market risks

The transition to a zero carbon world necessarily involves a profound transformation of industries, and of commercial and residential buildings. The electrification of practices goes hand in hand with these changes and Rexel must be able to seize these opportunities, or risk losing market share in these highly competitive segments.

In the construction sector in particular, standards are changing rapidly to better consider climate change and set emission limits. Players in this market will turn to distributors and suppliers to identify solutions able to meet these new standards, and turn away from less effective solutions. In this context, an electrical equipment distributor must be able to support its customers *via* efficient technical solutions, but also *via* innovative financing solutions.

In 2020, Rexel conducted a study to quantify the financial and non-financial impacts of the zero carbon transition on its markets, as well as the effects of the recovery plans linked to the health

crisis. This study was presented to the Board of Directors in December 2020 and informed the Executive Committee's discussions on the Group's new sustainable development medium and long term strategy presented in 2021.

It was concluded that these market trends constitute a significant opportunity for business growth.

• Regulatory risks

The regulatory environment for greenhouse gas emissions is changing rapidly around the world. Rexel must be able to adapt its own buildings (branches, logistics centers, administrative centers) and its supply chain to more stringent standards and regulations.

Regulations also encourage investors to monitor the carbon intensity of their asset portfolios and to favor investments in low-emission activities and in the players most committed to the climate, in a given sector. This should lead electrical equipment distributors to invest in the operational performance of their own operations, to avoid devaluation and increased financing costs.

The regulatory risks weighing on the energy market constitute a growth opportunity for Rexel.

Physical risks

Climate change has a number of physical impacts that have serious repercussions on companies and investors. Extreme weather events (floods, droughts, storms, etc.) are becoming increasingly frequent and intense, and their impacts will worsen in the years and decades to come.

These extreme weather events can damage the facilities necessary for the Group's business, as well as those of its suppliers, disrupting production and the delivery of equipment to Rexel, and of deliveries to its customers. This can result in significant costs throughout the value chain: construction delays for buildings or production delays in industry; repair of damaged facilities; increased insurance costs.

Rexel, through its distribution activity, could suffer damage to its facilities, but the consequences remain limited due to its decentralized organization and dense regional network, which allow rapid adaptation in the event of an extreme climate event. The net climate-related physical medium and long term risks were estimated to be very low for Rexel, given the above.

In addition to the work on its own operations, at the end of 2021, Rexel began work to identify and assess the medium-term (2030) and long-term (2050) evolution of these climate changes for its commercial partners. The study of climate scenarios must make it possible to develop appropriate adaptation plans, mitigate risks and manage the associated financial impacts.

TCFD recommendations

In 2017, the Task force on Climate-related Financial Disclosure (TCFD) of the G20 Financial Stability Board published its final recommendations on climate-related disclosures for companies. The TCFD recommendations invite economic players to report on their approach to identifying, managing and taking into account climate factors in their strategy and management.

The TCFD correspondence table below shows how Rexel incorporates the TCFD recommendations.

THEMES	TCFD RECOMMENDATIONS	REFERENCE	PROGRESS
Governance Describe the organization's governance regarding climate-related risks and opportunities.	a) Describe the Board of Directors' oversight of climate-related risks and opportunities.	4.2.1	●●○○○
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	4.1.3, 4.4.2	●●○○○
Strategy Describe the existing and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning, to the extent that the information is relevant.	a) Describe the climate-related risks and opportunities that the organization has identified in the short, medium and long term.	4.4.2	●●○○○
	b) Describe the impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning.	4.4.2	●●○○○
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a scenario of 2°C or below.	-	○○○○○
Risk management Describe how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes to identify and assess climate-related risks.	4.1.3, 4.4.2	●●○○○
	b) Describe the organization's processes for managing climate-related risks.	4.1.3, 4.4.2	●○○○○
	c) Describe how processes to identify, assess and manage climate-related risks are integrated into the organization's risk management.	4.1.3, 4.4.2	●○○○○
Indicators & targets Describe the indicators and targets used to assess and manage climate-related risks and opportunities, to the extent that the information is relevant.	a) Describe the indicators used by the organization to assess climate-related risks and opportunities, in connection with its risk management strategy and process.	4.4.2	●●○○○
	b) Publish the greenhouse gas (GHG) emissions of Scope 1, Scope 2, and, if relevant, of Scope 3, and the corresponding risks.	4.4.2	●●●●●
	c) Describe the targets used by the organization to manage climate-related risks and opportunities, and its performance against the targets.	4.4.2	●●●●●

Improving the energy performance of sites

Improving building energy performance involves measuring and controlling consumption. For many years, Rexel has been pursuing a continuous improvement strategy that forms part of the core of its environmental management system.

Taking this further, a growing number of Group subsidiaries are implementing energy efficiency

action plans in the wake of energy audits or ISO 50001 certification.

This continuous improvement strategy, along with the widespread use of LED lighting and energy steering in branches and logistics centers, explains the continuous decline in the Rexel Group's energy consumption.

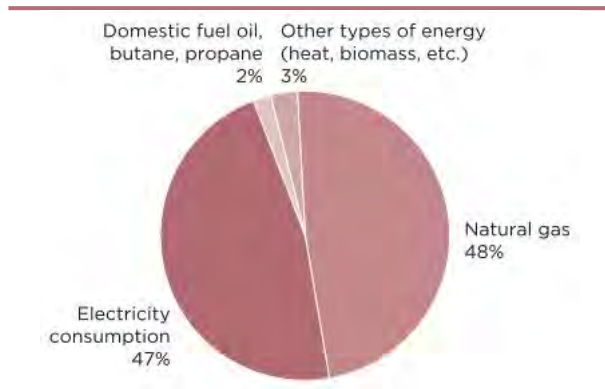
Rexel is continuing its efforts through the implementation of the following measures:

- the improvement of lighting equipment, through the use of LED and other low-power technologies and control and automation systems (home automation, presence and light sensors, etc.);
- the modernization of heating, air conditioning, and ventilation systems and better oversight (lower room temperature set point, etc.); and
- the management of energy consumption *via* annual environmental reporting or specific management measures and tools in certain subsidiaries (site-by-site management on a monthly basis, or even in real time).

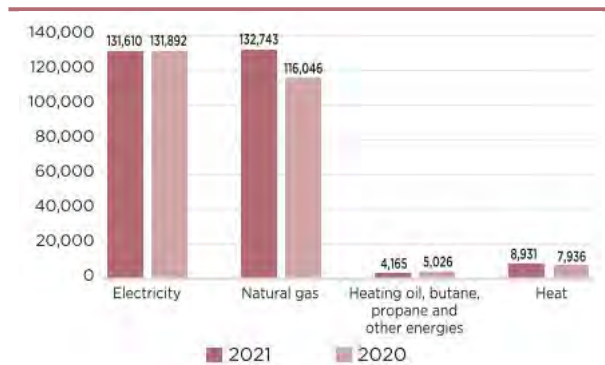
The Group strives to use renewable energy sources, as much as possible, by developing its own photovoltaic production capacities, subscribing to contracts with power suppliers that use certified renewable energy sources (photovoltaic, hydraulic, biomass, etc.), or by connecting directly to biomass-based heat networks.

In 2021, 20.4% of electricity consumption on-site came from contracts with suppliers that use certified renewable sources, compared to 17.8% in 2020.

■ On-site energy consumption by type (2021)



■ Energy consumption evolution (MWh), constant scope



Reduce the carbon footprint of shipping

Shipping is an important aspect of Rexel's sustainable development policy. The Group's activities entail continuous optimization of logistics, from suppliers to customers. The Group has logistics centers in each country and a flexible structure that allows it to optimize its supplies to meet customer needs. In addition, Rexel's sales activities require a daily presence of sales forces with customers in their local communities. As a result, Rexel works to reduce the impact of its shipping on the climate.

Logistics flows

The extensive network of branches throughout France and abroad, combined with a state-of-the-art supply chain that ensures "just-in-time" delivery of approximately 500,000 orders a day, are some of the challenges that make Rexel constantly optimize its organizational structure and processes.

In 2021, the Rexel Group's internal fleet for the shipment of goods consisted of 955 trucks and 729 vans in total. That fleet consumed 5.0 million liters of diesel and 1.8 million liters of gasoline, for total energy consumption of 70,690 MWh. On a constant scope, between 2020 and 2021, energy consumption increased by 2.4%.

Optimizing costs and increasing flexibility and service for customers while reducing the fuel consumption and mileage of its direct and indirect fleet are the goals that Rexel has set for itself to reduce its carbon footprint:

- pooling shipments: by subcontracting shipping to service providers that pool the fill of trucks with other local companies, Rexel streamlines its logistics operations and reduces its environmental impact;
- streamlining delivery routes: powerful planning tools can help reduce mileage, optimizing vehicle loading, using GPS systems to measure various performance indicators (fuel consumption, CO₂ emissions, distances traveled, loading rates, etc.) and introducing electric and hybrid vehicles also help to limit these impacts; and
- using "clean" carriers: taking environmental criteria into account in carrier selection is another one of the measures taken by the Group. The environmental performance of vehicles and their maintenance, driver training, and the monitoring of fuel consumption and greenhouse gas emissions are among the criteria for selecting its logistics partners.

In addition, to improve the management of global logistics, the Group provides delivery to some of its customers based in urban areas. This service will optimize the supply chain and provide a number of benefits across the country: reduction in kilometers traveled and greenhouse gas emissions, reduced road congestion or improved air quality. An increasing number of countries are offering cargo bike delivery, notably in dense urban centers in Europe.

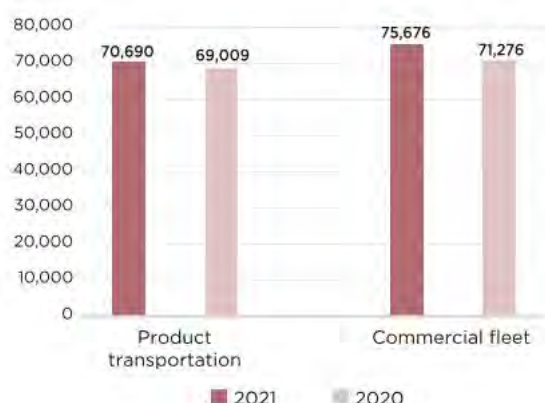
Commercial fleet

Rexel's activity requires a great deal of business travel. Most subsidiaries have a fleet of vehicles that they own or lease long-term. Sustainable fleet management reduces fuel consumption and the related emissions.

In 2021, the Rexel Group car fleet consisted of 5,016 cars and consumed nearly 4.6 million liters of diesel and 2.8 million liters of gasoline. This represents an energy consumption of 75,676 MWh. On a constant scope, between 2020 and 2021, energy consumption increased by 6.2%.

For several years, Rexel's indirect purchasing department has been deploying master agreements to streamline the company's vehicle fleet (cars and utility vehicles) and improve its environmental performance. Thanks to the partnerships signed with long-term lessors and certain car manufacturers, the Rexel Group gives its subsidiaries support as they implement this streamlining policy and encourages monitoring of performance indicators (fuel consumption, CO₂ emission rate per kilometer). In this context, the Group encourages the deployment of hybrid or electric fleets. In 2021, 1040 electric or hybrid vehicles compose the Group's fleet, compared to 738 in 2020. This represents 21% of the fleet.

■ Evolution of energy consumption by internal fleet (MWh), constant scope



Promoting solutions for a zero carbon world

Transition to a zero carbon world

To contribute to the fight against climate change, Rexel must accelerate the distribution of energy-efficient solutions and renewable energies to its 636,000 active customers around the world. Its responsibility as a distributor is to seek and encourage more energy-efficient, less impactful solutions for the planet.

Renewing and diversifying the products and services portfolio to promote solutions with lower energy requirements also contributes to the Group's economic performance. These solutions also help end-users reduce their energy bills and streamline their costs. These solutions are presented in Section 4.5.2 "Responsible offering for the energy transition" of this Universal Registration Document.

Beyond the satisfaction of the needs of customers and end-users, promoting energy efficiency solutions contributes to the Rexel's climate goals on Scope 3, under the Science Based Target initiative in particular.

Adapting to climate change

While Rexel considers that the main challenge concerning the environment to be drastically and rapidly reducing greenhouse gas emissions, the effects of climate change are now significant and will intensify in the short term: according to the IPCC, heat waves and extreme heat waves will be more frequent, longer and hotter in the years to come.

In the short term, air conditioning appears to be an effective means of combating the health effects of these heat waves. However, air conditioning already represents 10% of global electricity consumption, according to the International Energy Agency, and demand for air conditioners worldwide is expected to increase from 1.6 billion in 2018 to 5.6 billion in 2050. This would significantly increase global greenhouse gas emissions, and would therefore intensify the consequences of climate change.

The Group wants to participate in the effort to adapt our societies through its product and service offering, and an air conditioning offering is part of its plan. In view of its negative effects on the climate, the Sustainable Development Department is working with the purchasing and innovation teams of certain subsidiaries to identify solutions for the future, to replace current solutions. In the short term, this involves replacing refrigerant gases with a high global warming potential (GWP) with gases with a low GWP, such as R32, R290 or R744, or by using adiabatic and/or natural air conditioning. In the medium term, Rexel will support changes in construction and renovation standards by providing management systems to optimize the management of building energy flows.

Environmental information on products

Like Rexel, an increasing number of customers and end users have embarked on an ambitious environmental transition process. To support them in choosing the best performing products, it is essential to have reliable and complete environmental information on the products. For a number of years, Rexel has offered its customers, notably in France and in the Nordic countries, the environmental profiles of the products available.

In 2021, Rexel developed a decision support service for its customers, based on the

environmental profiles of products. This solution enables the Group's customers to know the greenhouse gas emissions, the consumption of natural resources or the water consumption of a basket of products, throughout the life cycle of these products. They can thus make informed choices to reduce their environmental impacts and those of their own customers and end-users. The solution is based on a methodology that was critically reviewed by Bureau Veritas. Currently being tested at Rexel France, the service will be rolled out across the Group from 2022.

Results and performance

Internal emissions (Scopes 1 and 2)

2021 Results

In 2021, Rexel further strengthened its monitoring of internal greenhouse gas emissions (Scopes 1 and 2), by moving from annual reporting to quarterly reporting for the Group's five countries with the highest emissions.

In 2021, emissions from Scopes 1 and 2 represented 87,620 tCO₂e, of which 64,346 tCO₂e for scope 1 and 23,274 tCO₂e for scope 2 « market-based ».⁽¹⁾

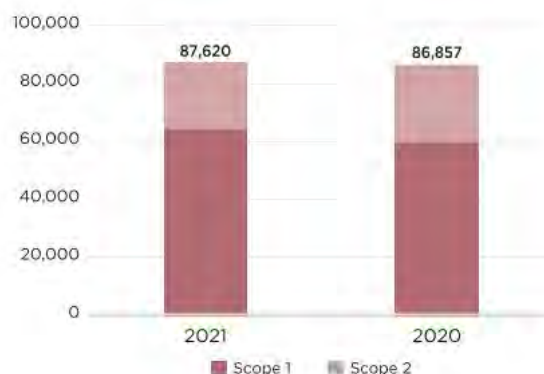
Despite an increase in activity of 16.7% in 2021 compared to 2020, Scopes 1 and 2 emissions only increased by 0.9% at constant scope over this period. This strong performance is due to:

- the consequences of the Covid-19 pandemic: reorganizations of working methods (homeworking, limitation of sales visits) and logistics have been carried out, and activity at certain sites may have been temporarily reduced. Based on the information reported by the countries, Rexel estimates that the pandemic has had the effect of reducing scopes 1 and 2 emissions by approximately 5,000 tCO₂e, i.e. a reduction of approximately 5%;
- the policy of continuous and structural improvement of the energy efficiency of buildings, which has led to a 15.7% reduction in emissions related to the electricity consumption of buildings (estimated at 13.2% excluding the pandemic effect);
- the regular renewal of delivery vehicle fleets and the optimization of truck load volumes, which has made it possible to limit the increase in emissions related to the transport of products to 2.6% between 2020 and 2021; and
- the will to increase purchases of green electricity and the production of renewable energy on site to accelerate the reduction of greenhouse gas emissions.

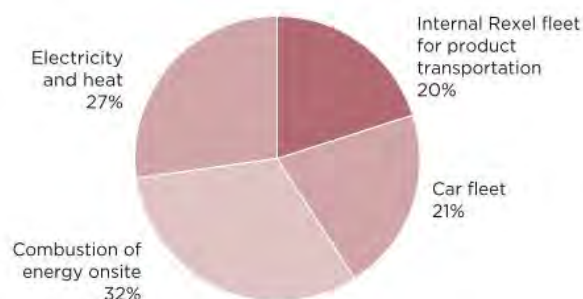
Monitoring the 2030 target

Rexel committed to reducing its Scope 1 and 2 emissions by 35% by 2030, compared to 2016. In addition Rexel set an objective within the Sustainability Linked Bonds to reduce Scope 1 and 2 emissions by 23.7 % in 2023 compared to 2016. In 2021, Rexel reduced its emissions by 24.8% compared to 2016, on a comparable basis.

■ Evolution of GHG emissions (Scopes 1 and 2), constant scope (tCO₂e)



■ Scope 1 and 2 direct GHG emissions by source (2021)



(1) *Market-based*: GHG emissions shall be calculated where possible using the emission factors specific to the energy supplier. Scope 2 "location-based" emissions, which are less accurate because they are calculated with national or regional emission factors, amount to 26,208 tCO₂e.

Value chain emissions (Scope 3)

2021 Results

In 2021, Rexel updated its evaluation of indirect greenhouse gas emissions (Scope 3). The Group notably improved the calculation of emissions linked to the use of products, now having greenhouse gas emission factors for nearly 160 product categories and by country.

Based on a robust and audited methodology, this heavy work offers the best estimate available. It may not however accurately reflect the actual emissions in Scope 3.

These emissions are estimated at 32.7 million tons of CO₂ equivalent (MtCO₂e) and represent more than 99.7% of the Group's climate impact:

- the first item is estimated at 30.2 MtCO₂e and concerns the use of the products sold by Rexel;
- the second and largest item corresponds to purchases of goods and services, which represent slightly over 1.4 MtCO₂e; and

- next is the upstream and downstream transport of goods and products, which represents under 0.9 MtCO₂e.

Thanks to the actions implemented to accelerate transition to a zero carbon world, the emissions related to the use of products sold decreased in intensity by -15.9% in 2021 vs. 2020.

Monitoring the 2030 target

Rexel committed to reducing its Scope 3 emissions related to the use of products sold per euro of sales by 45% by 2030, compared to 2016. In addition Rexel set an objective within the Sustainability Linked Bonds to reduce its Scope 3 emissions related to use of products sold per euro of sales by 23% in 2023 compared to 2016. In 2021, Rexel carbon intensity, defined as the ratio of Scope 3 emissions related to the use of products sold per euro of sales, was equal to 2.06 tCO₂e / k€ (2.92 in 2016).

Rexel reduced its carbon intensity by 29.5 % compared to 2016, on a comparable basis.

Key performance indicators

INDICATOR	UNIT	2021	SCOPE	CONSTANT SCOPE			
				2021	2020	VARIATION	SCOPE
Scopes 1 and 2 emissions	tCO ₂ e	87,620	100%	87,620	86,857	0.9%	100%
of which Scope 1 direct emissions	tCO ₂ e	64,346	100%	64,346	59,750	7.7%	100%
of which Scope 2 indirect emissions	tCO ₂ e	23,274	100%	23,274	27,107	-14.3%	100%
Scope 3 indirect emissions (estimate)	MtCO ₂ e	32.74	100%	32.74	32.96	-0.7%	100%
of which 1 - Purchase of products and services		1.36	100%	1.36	1.16	16.7%	100%
of which 2 - Fixed assets		0.07	100%	0.07	0.06	16.7%	100%
of which 3 - Energy-related emissions (not included in categories 1 and 2)		0.03	100%	0.03	0.02	6.4%	100%
of which 4 - Upstream product transportation		0.28	100%	0.28	0.24	16.7%	100%
of which 5 - Waste from operations		0.03	100%	0.03	0.03	6.8%	100%
of which 6 - Business travel		0.01	100%	0.01	0.01	16.7%	100%
including 7 - Commuting		0.00	100%	0.00	0.00	1.5%	100%
of which 8 - Upstream leased assets		0.00	100%	0.00	0.00	16.7%	100%
of which 9 - Downstream product transportation		0.66	100%	0.66	0.57	16.7%	100%
of which 10 - Transformation of products sold		0.00	100%	0.00	0.00	-	100%
of which 11 - Use of products sold		30.23	100%	30.23	30.80	-1.9%	100%
of which 12 - End of life of products sold		0.07	100%	0.07	0.06	16.7%	100%
of which 13 - Downstream leased assets		0.00	100%	0.00	0.00	-	100%
of which 14 - Franchises		NA	100%	NA	NA	-	100%
of which 15 - Investments		NA	100%	NA	NA	-	100%

Scopes 1+2 and Scope 3 performance, compared to 2016

	2016	2017	2018	2019	2020	2020 Comparable 2021	2021
SCOPES 1 + 2 (tCO ₂ e)	116,829	108,235	106,726	103,826	87,068	86,857	87,620
Y vs Y-1		-7.36%	-1.39%	-2.72%	-16.14%		0.88%
Y vs 2016		-7.36%	-8.65%	-11.13%	-25.47%		-24.82%

	2016	2017	2018	2019	2020	2021
SCOPE 3						
Use of sold products (ktCO ₂ e)	38,408	36,379	36,200	32,885	30,805	30,228
Sales (MEuros)	13,162.10	13,310.10	13,365.70	13,742.30	12,592.50	14,690.20
Intensity (tCO ₂ e/kEuros)	2.92	2.73	2.71	2.39	2.45	2.06
Y vs Y-1		-6.34%	-0.91%	-11.65%	2.23%	-15.89%
Y vs 2016		-6.34%	-7.18%	-17.99%	-16.17%	-29.48%

4.4.3 Sustainable resource management

Strategy and policies

Nearly 54 million tons of electrical and electronic equipment (EEE) was discarded in 2019⁽¹⁾ worldwide, and only 17% of it was integrated into a recycling channel. In 2030, it could be around 74 million tons of EEE that will be discarded, which shows the scale of the challenge.

Minimizing the waste generated in a branch or logistics center and offering its customers product collection and recycling solutions are Rexel's two priorities for sustainable resources management.

The Group encourages all of its branches, logistics centers, and subsidiary head offices, through its Environmental Charter, to:

- put in place a selective sorting system for paper, cardboard, plastic, and wood waste for recycling or recovery;
- ensure that hazardous waste (such as batteries and computer and electrical equipment) are sent for environmentally sound processing and recycling; and
- contribute, in accordance with local regulations, to the collection and recovery of some special customer waste such as so-called WEEE, waste from electrical and electronic equipment.

Procedures and action plans

Packaging

The Group has put in place a packaging reduction policy. Volume reduction and the use of innovative, recyclable packaging and reusable materials are just some of the long-term initiatives.

To deploy these actions more quickly and efficiently, a dedicated working group was launched in 2019. Bringing together operational supply chain managers and environmental experts from several of the Group's subsidiaries, it made it possible to define a method for the financial and environmental characterization of packaging flows, and then to launch targeted reduction actions. The working group's work continued in 2020 and was completed in 2021.

On the basis of this work, many initiatives have been implemented or accelerated;

- the reuse of pallets, wooden reels and boxes from suppliers for customer delivery has been promoted in most subsidiaries;
- reusable packaging is becoming increasingly widespread: the use of reusable plastic bins and metal boxes between logistics centers and branches helps to streamline packaging and limit the use of plastic films; and
- the use of very thin plastic films, when no viable alternative has been established, makes it possible to limit the environmental impact.

(1) 3rd edition of the UN's Global E-waste Monitor 2020.

Paper consumption

For several years, the Group has put in place action plans to reduce paper consumption, by raising employee awareness of better consumption habits and reduction of the number of catalogs and business documents printed.

The digitization of catalogs and brochures and the dematerialization of ordering, delivery, and billing processes have also contributed to this reduction in consumption.

Waste management

It is Rexel's responsibility to limit and recycle the waste generated by its business activity and help its customers reduce and manage their waste.

Ordinary waste

The Group's branches are encouraged to put in place selective sorting systems (for cardboard, plastic, and wood in particular) for recycling or recovery. The total quantity of waste recovered by Rexel, all materials combined (excluding WEEE and batteries), was approximately 20,472 tons in 2021 (20,039 tons in 2020), or 62.9% of the total waste generated (65.8% in 2020). At constant scope, there was a 2.2% increase of total recovered waste compared to 2020.

Special waste

The Group has set up a management and recovery system for waste from electrical and electronic equipment (WEEE) in its European subsidiaries and branches in accordance with the European

Directive. About 1,183 tons of this waste was sent for recycling, up 6.6% compared to 2020. Outside Europe, a number of subsidiaries have gone beyond the applicable legal requirements and also offer this service to their customers. Today 18 countries have implemented this type of procedure.

In France, the "*chez Rexel c'est 100% des équipements recyclés*" (at Rexel, 100% of equipment is recycled) program is based on a partnership with the eco-organization Ecosystem in place since 2016. Three solutions are proposed: deposit at a branch, provision of containers directly to customers, or on their sites. All used equipment can be recycled: building equipment, industrial equipment, network infrastructure, communication security, heating and air conditioning systems, power generators, measuring and mounting tools, lighting, and plumbing.

Circular economy

In view of the structural scarcity of natural resources and the economic shortages faced by the energy sector, Rexel wishes to develop its projects as part of the circular economy. Projects have been initiated, notably with the Group's strategic suppliers.

In 2021, Rexel Canada significantly accelerated its cable recovery and recycling program, by equipping itself with specific industrial machines capable of separating the materials from which the cables are made.

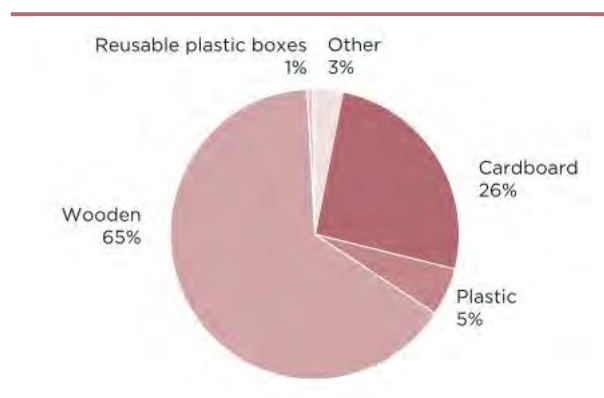
Results and performance

Packaging

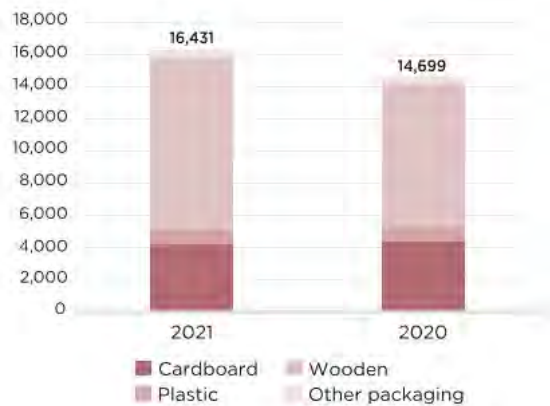
The 11.8% increase in packaging consumption recorded in 2021 compared to 2020 is mainly due to the resumption of activity this year, up 16.7% compared to 2020.

In 2020, packaging consumption was down by 13.2% compared to 2019 due to the 6.0% drop in activity. Over two years, packaging decreased by 3.0% against sales that increased by 6.5%, reflecting the results of the action plans rolled out in the organization since 2019. In particular, there was a -8.4% decrease in cardboard consumption over two years, while consumption of wooden packaging remained stable despite the growth in volumes. Wood and cardboard represent more than 90% of packaging tonnages.

■ Consumption by type of packaging (2021)



■ Evolution of packaging material consumption (tons), constant scope



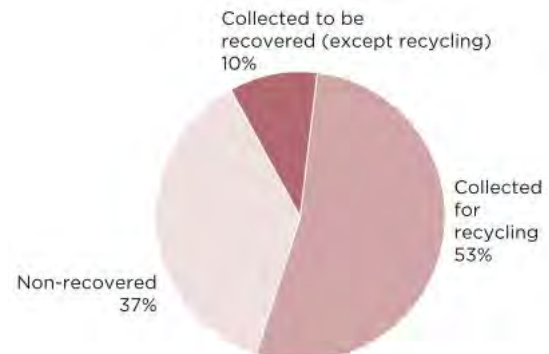
Waste

In 2021, as in 2020, in a difficult global health context, the Group's sites occasionally experienced difficulties in maintaining a high recovery rate. Waste collection was sometimes disrupted by the health measures put in place by national and local authorities. In some areas, selective sorting had to be put on hold by waste collection service providers during lockdown periods.

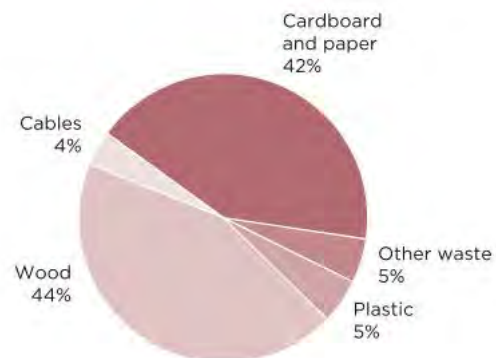
However, the action plans put in place to reduce the consumption of packaging partly explain the management of waste disposal over two years: between 2019 and 2021, the tonnage of waste

produced increased by 3.0%, against sales that were up 7%.

■ Waste generated by destination (2021)



■ Recycled waste by type (2021)



Key performance indicator

INDICATOR	UNIT	2021	SCOPE	CONSTANT SCOPE			SCOPE
				2021	2020	VARIATION	
Packaging consumption	Tons	16,431	100%	16,431	14,699	11.8 %	100%
Waste generated (excluding WEEE and batteries)	Tons	32,522	100%	32,522	30,452	6.8 %	100%
Recovery rate	%	62.9 %	100%	62.9 %	65.8 %	-2.9 pts	100%

4.4.4 Additional information about the environment

Based on the assessment of the Group's non-financial risks plus the materiality analysis of its sustainable development challenges, Rexel believes that the following information is insignificant in terms of its activity and the expectations of its stakeholders:

- water consumption;
- pollution and nuisances;
- discharges into water and soil;
- discharges into the air (except greenhouse gases);

- noise pollution;
- odor nuisance; and
- biodiversity.

Nevertheless, the Rexel Group has put in place a system to monitor some of these environmental aspects to prevent any deviations and anticipate future restrictions. Quantitative indicators for this information are presented in the summary table in Section 4.6 "Summary of indicators" of this Universal Registration Document.

4.5 Promoting responsible practices throughout the value chain

4.5.1 Working with suppliers

Strategy and policies

An essential link in the energy value chain, Rexel's ambition is to be a trusted partner for its suppliers, customers, and end-users alike. The creation of shared value involves sound and balanced relationships between all stakeholders and the regular and controlled assessment of social, societal, and environmental performance, at each stage.

Suppliers and subcontractors contribute to the growth of the Rexel Group through their capacity for innovation, demands for product quality, and ability to develop new markets. Rexel participates in their performance by supporting them in their development and supporting their activity through its omnichannel presence, the recognized

expertise of its sales teams, and its capacity for innovation in sales and logistics.

In 2021, the Rexel Group structured its supplier commitment strategy, which is co-managed by the Purchasing and Supplier Relations Department, the Sustainable Development Department and Rexel Strategic Suppliers Services. The approach adopted consists of:

- Favoring the suppliers who are the most advanced in terms of their social and environmental responsibility approach;
- Supporting suppliers wishing to commit; and
- Monitoring the progress made by all partners.

Procedures and action plans

Supporting and promoting supplier initiatives

In terms of sustainable development, 2021 marked a turning point in relations between Rexel and its suppliers. Until then, the Group had primarily focused on monitoring and improving the CSR performance of its business partners. Rexel thus initiated numerous meetings with the sales, technical and environmental teams of its main suppliers. It provided an opportunity to learn more about each party's sustainable development strategies, but above all to find points of convergence on topics that have become priorities for the sector.

Two priority areas have been identified and have generated work for Rexel and its suppliers for the coming years:

- Having standardized, verified and operable environmental and social information; and
- Inventing business models to make the circular economy operational.

To promote the emergence of the most effective solutions on these issues, Rexel is developing valuation tools for its customers. The first results are expected in the first half of 2022.

Sustainable development clauses in contracts

When it signs contracts with its suppliers, the Group requires them to comply with requirements

pertaining to rejection of forced labor and child labor, wage and benefit, health and safety, non-discrimination, respect and dignity, and freedom of speech and association, environment. In line with the Rexel Ethics Guide, suppliers promise to respect these principles and the rules of the International Labor Organization, in particular.

Sustainable Supplier Charter

To strengthen the relations of trust established between Rexel and its partners, a Sustainable Supplier Charter was drawn up in 2020 and rolled out in 2021 among the suppliers and employees concerned. The Charter is available in 13 languages and accessible on the website dedicated to ethics (<https://ethique.rexel.com>). This Charter formalizes the commitments expected from Rexel's suppliers, service providers and subcontractors in terms of ethics, respect for human rights, protection of employee rights, respect for the environment and compliance with applicable laws and regulations. It also reiterates Rexel's commitments to them.

By adhering to this Charter, the suppliers undertake to comply with and implement, and to ensure that their own suppliers, subcontractors and service providers, comply with and implement all principles set out therein, in accordance with their contractual commitments and with the applicable laws and regulations.

Committed to progress formalized especially through its Ethics Guide and its Charter for the Environment, the Rexel Group wishes to support its suppliers, whenever possible, in a process of continued improvement of their sustainable development performance. This Sustainable Supplier Charter completes the support system.

The Responsible Supplier Charter was rolled out to suppliers in all countries in 2021. This deployment made it possible to engage in dialogue with all the suppliers on their strategy in terms of sustainable development. Thanks to the actions carried out locally and centrally, exchanges with suppliers representing nearly 80% of the Group's direct purchases were carried out in 2021.

Supplier CSR assessment platform

Since 2015, Rexel has deployed tools to analyze the CSR performance of its suppliers to anticipate and control the risks specific to their activities. The system is based on control and monitoring procedures throughout the entire value chain. Since 2017, this system has been a key element of Rexel's response to the due diligence law, as specified in Section 4.10.2.2 "Regular assessment procedures for the situation of subsidiaries, subcontractors, or suppliers with whom an established commercial relationship is maintained with regard to risk mapping" of this Universal Registration Document.

The Group's approach is based on the use of a shared platform that collects social, ethical, and environmental data from its main suppliers. The system helps to prevent risks related to respect for human rights and fundamental freedoms, working conditions, and the environment. The approach focuses primarily on so-called "strategic" suppliers, which are suppliers whose added value is significant for the Group in terms of sales, geographic deployment, or innovation. The Group set itself an ambitious goal of covering 80% of its direct purchase volume in value in 2020.

Beyond the assessment, suppliers must provide evidence that long-term procedures are being implemented and that results are being monitored for all criteria assessed.

The assessment tool follows a structured and precise methodology and calendar. For each supplier, a two-person team is created. This

team includes a member of the sustainable development staff, who is tasked with guiding the process and the responsible purchaser for the supplier at the local level. He or she has a key role; to be in constant contact with the suppliers, explain the process, encourage participation, and communicate results. This involves gathering feedback from local offices and promoting the application of the ethical and sustainable development principles among suppliers in order to create shared value.

Each supplier receives individualized feedback from Rexel following the assessment. If needed, corrective or improvement actions may be implemented. These demanding assessment tools improve the transparency and traceability of Rexel's value chain and limit its risks. Data retrieval makes it possible to compare performances through common indicators and to share the results with all stakeholders. The objective is to initiate a collective dynamic of continuous improvement and to promote a relationship model based on trust and integrity. To this end, monitoring is in place to ensure that suppliers regularly reassess their performance and that this assessment evolves favorably and in line with the Group's expectations.

On-site audits

In addition to the evaluation platform, Rexel carries out on-site audits for certain suppliers located in risk-prone countries.

As part of the vigilance plan, Rexel incorporates additional controls relating to social, environmental and Human Rights performance into its on-site supplier and sub-contractor audits. Due to the pandemic, on-site audits could not be carried out in 2020. They resumed in 2021, in a context that remains complicated as regards travel to production sites. 11 on-site audits were carried out in 2021, at suppliers mainly located in Asia, but also in Europe.

Following these audits, progress plans are put in place. If the level of compliance is not satisfactory and the corrective measures requested are not implemented, collaboration with the supplier is terminated. In 2021, 8 additional audits were conducted to monitor progress plans and to ensure their implementation.

Results and performance

Sustainable Supplier Charter

As of December 31, 2021, the Sustainable Supplier Charter had already been endorsed by suppliers representing 50% of the Group's direct purchases. Supplier commitment must continue as part of the discussions on contractual commitments for 2022.

Supplier evaluation

Since the beginning of the process, more than 350 suppliers representing 77.4% of direct Group purchases have received a request to assess their performance in terms of sustainable development. This result is slightly below the 80% target that the Group had set for 2020.

As of December 31, 2021, 187 single suppliers, representing 64.1% of the Rexel Group's direct purchases (in value), responded to the assessment questionnaire.

The assessment of supplier performance is regularly reviewed. Thus, 119 suppliers representing 56.3 of the Group's direct purchases have been

assessed in the last two years. 8.1% of purchases were assessed over two years ago and will be reassessed in 2022.

80% of suppliers reassessed during the year in 2021 improved or maintained their level of sustainability performance.

Key performance indicators

INDICATOR	2021	2020	VARIATION
Direct purchases covered by the Sustainable Supplier Charter	50%	-	-
Direct purchases having received a request to assess their performance in terms of sustainable development	77.4%	77.0%	+0.4 pt
Direct purchases evaluated on sustainable development criteria	64.1%	60.1%	+4.0 pts

4.5.2 Responsible offering for the energy transition

Strategy and policies

Rexel uses its privileged position to inform its professional customers (leading contractors and craftsmen, installers, industrial leaders, and tertiary sector companies) about eco-friendly electrical and energy solutions and to encourage their adoption.

The Group has selected a range of solutions that responds to the structural trends of its market: the need for energy management for lower and smarter consumption and the necessary development of renewable energies. Nowadays, customers (industrialists, installers, and end-users) require electrical equipment to be comfortable, safe, ergonomically designed, and energy-efficient. By keeping up with changing trends in uses and

consumption patterns, Rexel allows installers to expand into new markets such as electric mobility, energy saving certificates, and the connected objects market.

In addition to this equipment, which is directly involved in the energy transition, Rexel is positioned as the world's benchmark energy distributor in terms of product responsibility. The Group ensures that the products sold comply with safety standards and meet with the relevant health and environmental regulations. To go further, Rexel is beginning to develop methods to assess the social and environmental impacts of products throughout the value chain.

Procedures and action plans

Energy-efficient

In connected homes, users of the Energieeasy Connect solution developed by Rexel deploy a dedicated application and programmable scenarios to control various home functionalities related to comfort, safety, and electricity consumption control. With over 40,000 installations in France and nearly 320,000 connected pieces of equipment to date, Rexel is strengthening its value proposition in this market.

In the energy renovation sector, the Primexel program developed by the Group, in partnership with *Économies d'Énergie*, positions Rexel as a committed player in energy transition. The tool allows professional customers eligible for Energy Efficiency Certificates (EECs) to simulate their savings and the amount of their premiums if they carry out work to reduce the energy consumption of buildings.

In response to the development of new types of aids, Rexel France launched a website in 2020 in partnership with Butagaz, a multi-energy supplier, and Drapo, a specialist in innovative financial solutions for installers. The platform makes it easier for installers to access all existing financial aid (CEE, Ma PrimeRénov, etc.) and simplifies their administrative tasks, thus contributing to the deployment of energy efficiency plans in buildings.

The energy efficiency solutions segment includes products and services that enable a measurable, direct or indirect reduction in energy consumption.

Electric mobility

Rexel is positioning itself in this high-potential sector with a range of charging stations for electric vehicles. The Group offers packaged solutions based on the number of vehicles to be recharged, the level of accessibility required, and the type of conventional or photovoltaic power supply. These

comprehensive solutions include a needs study, subsidy applications, lease financing if necessary, and the installation itself by a certified installer, which involves configuration of the electrical panel, connection, protection, commissioning, startup assistance, and the control panel.

In 2021, Rexel acquired Freshmile Services, an operator of charging stations for electric vehicles, offering both services and supervision software. Rexel strengthened its position by integrating Freshmile's software and services offering, which enables it to capture development opportunities in the growing electric mobility business.

Renewable energy solutions

Around the world, photovoltaic solar power solutions have proven their effectiveness in reducing greenhouse gas emissions from residential or tertiary buildings at increasingly competitive costs. Rexel provides a complete range of solutions: solar panels, fastening structures, inverters, special cables, and safety equipment.

In 2021, Rexel announced the acquisition of a minority stake in Trace Software International, a company that designs applications for the design and operation of electrical and solar installations for buildings and industry.

Environmental information on products

Like Rexel, an increasing number of customers and end users have embarked on an ambitious environmental transition process. To support them in choosing the best performing products, it is essential to have reliable and complete environmental information on the products. For a number of years, Rexel has offered its customers, notably in France and in the Nordic countries, the environmental profiles of the products available.

In 2021, Rexel developed a decision support service for its customers, based on the environmental profiles of products. This solution enables the Group's customers to know the greenhouse gas emissions, the consumption of natural resources or

the water consumption of a basket of products, throughout the life cycle of these products. They can thus make informed choices to reduce their environmental impacts and those of their own customers and end-users. The solution is based on a methodology that was critically reviewed by Bureau Veritas. Currently being tested at Rexel France, the service will be rolled out across the Group from 2022.

Compliance and product safety for customers and end-users

As a non-manufacturing distributor, Rexel's responsibility is to ensure that the products selected comply with the health and safety standards in force.

Rexel's commitment focuses on two areas:

- compliance with environmental regulations: a responsible person is identified within each subsidiary in question to ensure compliance with European regulations related to the RoHS directive for restricted chemical substances and the REACH regulation for the declaration of chemical substances. Assessment questionnaires are sent to suppliers at the request of customers. The Group also ensures compliance with the conflict minerals regulation; and
- information about the safety of products and solutions: installers are trained and made aware of the safety rules related to the on-site handling of products and equipment.

Conflict minerals

Rexel is committed to responsible sourcing and does not wish to fuel armed conflict through its purchasing practices or those of its suppliers. The Group requires its suppliers to ensure the compliance of their logistics chains and, in particular, the absence of conflict minerals in their supplies.

Rexel formalized this commitment in its Declaration on conflict minerals, available on its website www.rexel.com/en.

Results and performance

Rexel estimates its 2021 sales for energy efficiency solutions at €1,273.5 million, around 8.7% of Group total sales. These sales were particularly strong in Europe and Asia-Pacific, but were down in North America.

In 2021, Rexel generated sales of €323.4 million from sales of photovoltaic solutions, an increase of approximately 25.1% compared to 2020, on a comparable basis.

An additional indicator relating to green turnover is presented in Section 4.8 "Green turnover".

Key performance indicators

INDICATOR	UNIT	2021	2020	VARIATION
Sales linked to energy efficiency solutions	Millions of euros	1,273.5	1,269.7	0.3%
Sales linked to photovoltaic solutions	Millions of euros	323.4	258.5	25.1%

4.5.3 Customer relations

Strategy and policies

It is Rexel's responsibility as a distributor to guide customers toward the best products and the solutions best suited for them and support them in an industry in constant transformation. To go beyond their expectations and support them in a responsible way, the Group's primary concern is to provide them with excellent services, which are the foundation of the legitimacy and trust it enjoys with its customers.

At the heart of the value chain, Rexel plays a key role in connecting suppliers and customers. It is

Rexel's responsibility to inform suppliers of the needs, uses, and constraints of customers and end-consumers. It is also Rexel's role to inform customers and end-users about the specific features of products and prepare markets for future innovations. Rexel can thus assure its customers that the products it selects are manufactured under good conditions and meet environmental and social standards. This helps to develop and sustain a climate of trust within the energy value chain.

Procedures and action plans

Proximity and customer satisfaction

Product quality and availability are two essential vectors for customer satisfaction. Customer knowledge, the technical and financial expertise of sales teams, product innovation, and logistics excellence are among the levers and competitive advantages that contribute to customer loyalty and satisfaction.

Rexel has built a customer-focused structure based on an omnichannel model. The range of points of contact continues to grow and now includes branches, call centers, outside sales reps, technical expertise centers, EDI (Electronic Data Interchange), the webshop, the web configurator, new automated models of the Autostore types, and even mobile applications.

This organization relies on daily relationships of trust, a guarantee of shared and lasting value creation. In this context, Rexel is committed to providing its customers with complete and sincere information on the products and services offered.

The Group offers, for example, a product visual recognition web application for the immediate placement of orders. From one photo taken on-site, an installer can access all the specifications of a product and check its price and availability in a few seconds.

The extensiveness of the Group's distribution network is also a real competitive advantage. Its 1,966 branches (including Mayer's branches) are constantly adapting to changing needs and lifestyles. The establishment of mobile branches on construction sites or provision of supplies through

counters open day and night, as in Finland, are but a few examples.

This model makes it possible to maintain continuous contact with electricians. Electricians can go to a branch in the morning before going on-site and go to the webshop in the evening to place an order, which will be delivered the next day, either at the branch *via* Click & Collect, or directly at the site.

Because reliable provision of supplies is also a key factor in customer satisfaction, Rexel makes the optimization of logistics flows a priority. 63 logistics centers are committed to the next-day delivery of nearly 50,000 references to all customers worldwide. Customized tools such as kitting (preassembly of orders) keep customers continuously supplied and improve their productivity. Beyond its role as a distributor, the Group is positioned to be a facilitator for its customers.

Rexel's subsidiaries are constantly listening to customers. They solicit their feedback and assess their satisfaction through questionnaires and surveys. In 2021, 22 out of 24 countries regularly measured their customers' satisfaction rate using a common indicator, the Net Promoter Score. Surveys are also occasionally conducted in the other countries of the Group.

Installer training

New environmental regulations, financing offers backed by energy-efficient products, products with a strong technological or technical component, the installer and electrician professions and the skills required for them are changing.

To encourage customers to improve their skills, the Group focuses on advice, financial and technical assistance. Customers thus receive support to better sell, design, and install the new solutions safely on sites.

Training suited to the installer's needs is most often provided in branches by expert employees, external partners, or manufacturers. They are supplemented by tools (websites, installation tutorials, telephone hotline, and documentation) that enable customers to continuously train and maintain their expertise.

In 2020, Rexel France launched its training platform to enable professionals to develop their

skills and strengthen their know-how. The training offered, either remotely or face-to-face, mainly concerns connected housing, electric mobility and electrical safety.

Rexel's CSR performance: a trusted partner for its clients

Rexel's goal is to be a trusted partner in the energy value chain. The Group regularly responds to CSR assessment requests from its customers. With an EcoVadis score of 71/100, Rexel retained its Gold level and ranks in the top 3% of companies assessed by EcoVadis worldwide, all business sectors combined, and in the top 1% of its business sector.

Results and performance

In 2021, Rexel continued to deploy the NPS measurement effectively, since almost all countries have a rating.

Key performance indicator

INDICATOR	2021	2020
Percentage of countries monitoring the Net Promoter Score	22/24	18/25

4.5.4 Fighting for energy progress

Strategy and policies

Since 2013, Rexel has been committed through its Foundation for energy progress to working alongside associations, non-governmental organization, and partners to support solidarity projects and improve access for the most disadvantaged to energy efficiency. In doing so, it brings innovative solutions that meet today's societal challenges:

- economically, energy efficiency reduces energy dependence on fossil fuels;
- environmentally, it responds to the need to reduce greenhouse gas emissions; and
- socially, it facilitates access for everyone to energy and is a tool in the fight against fuel poverty.

Since its creation, the Rexel Foundation has had three main missions:

- providing support for solidarity projects of general interest led by NGOs, associations,

and partners to improve the access of disadvantaged populations to energy efficiency;

- promoting and supporting innovative solutions and models through an innovation platform and support for social entrepreneurship. This platform focuses on energy efficiency; and
- developing knowledge and awareness of energy efficiency by building a shared knowledge base through studies, conferences, workshops, and applied research programs.

In 2018, the Rexel Foundation added a fourth mission by deciding to act as an "operating" Foundation in order to fight against energy precariousness in Roubaix.

The Rexel Foundation for a better energy future helps to promote access to energy for all populations and fight against fuel poverty. In this context, it has set up partnerships with the French Funds and Foundations Center, Entreprises pour la Cité, and the Greater Paris Circle of Sustainable Investment.

Procedures and action plans

Inclusion of people experiencing fuel poverty in Roubaix

In 2018, the Foundation decided to take direct action on fuel poverty through a new collaborative

approach that puts forward the voices of vulnerable people. For three years now, local non-profit organizations, local authorities, business partners and employees have been meeting

regularly in Roubaix, to address residents facing fuel poverty. Collaborative workshops involving residents, local actors and experts allow us to think together on these life paths, in order to collectively find solutions to leave energy precariousness.

This approach was summarized in a booklet and the methodology was documented. These documents are available on the Rexel Foundation website in open source to strengthen the social impact of the project and transfer it to other territories.

Solutions emerged from the various collaborative workshops and their implementation by the collective, initiated in 2020, and continued this year. In particular, the inhabitants have set up weekly reception services, monthly "brico-café", and written a "Guide du Bâti" (a handbook to better understand housing technical characteristics).

Social entrepreneurship project in France

Since 2020, the Rexel Foundation has supported the project "*Un toit vers l'emploi*" ("A roof for employment") carried out by *Entrepreneurs du Monde*. This project aims to develop an offer of "tiny houses" in Rouen's metropole, and then other Normandy cities with a simultaneous support to search for a job for any homeless, houseless or insecure housing individual, wanting to improve his/her situation. The objective is also to ensure the local production of approximately forty eco-friendly houses by these individuals in precarious situations. Four pilot houses were made available in 2020.

In 2021, a first tiny house prototype came out of the workshop created for the economic integration of people living on the street. At the end of 2021, a total of eight people were able to benefit from this form of alternative housing and five of them found work.

In 2020, Rexel France employees contributed their expertise in order to add a photovoltaic solution with energy storage. The photovoltaic solution fed by free solar energy, without CO₂ emissions in use, and built with recyclable panels, makes it possible to provide a clean and autonomous energy source that respects the environment and the comfort of occupants. This support for the tiny houses that will leave the integration workshop in 2022 is expected to continue.

Social entrepreneurship project in India

In 2021, the Rexel Foundation continued to support the association LP4Y via the "Green Village" project in India, which supports the professional and social integration of young people living in extreme poverty. The initiative aims to develop the entrepreneurial spirit in young people living in disadvantaged rural areas that are remote from job opportunities. The initiative also pursues an objective of village sustainability. Every month, around 15 young adults aged 17 to 24 join

this project in Raipur and follow a program based on experiential learning through the management of micro-economic activities. They receive training in communication, teamwork, English and IT, before they are connected to the world of work through a network of partners and local actors.

At the end of 2021 and despite the delay due to the pandemic, 398 young adults were supported in this context and nearly 3,200 people benefited indirectly.

Rexel's employees in India also supported the project through training and awareness-raising sessions on sustainable development and energy solutions.

Patronage for young people involved in projects of general interest

In 2021, the Rexel Foundation supported a young woman who won the "*Déclics jeunes*" competition, organized every year by the *Fondation de France* for young people with original altruistic projects. The project led by this young graduate aims to develop the use of low-tech solutions as a means of fighting fuel poverty. There are a number of synergies with the Foundation's initiative in Roubaix.

Employee and partner involvement

The Foundation also encourages the Group's employees to get involved in the Foundation through the following initiatives:

- being an ambassador in their country to support the Foundation's teams; and
- sponsoring a project by submitting a solidarity project in line with the Foundation's positioning.

For example, in cooperation with the Rexel Foundation, Rexel France teams decided to support the "*Café joyeux*" project in 2019 to open a new café employing people with disabilities around Versailles. Initially scheduled to open in 2020, it will be inaugurated in 2022, after being delayed by the Covid-19 pandemic and due to uncertainties encountered in the choice of premises.

Several entities of the Rexel Group have also supported joint solidarity initiatives by making products, equipment, or skill-based sponsorship available free of charge.

Group involvement with disaster victims

In 2021, the Foundation renewed its commitment alongside the French State's Crisis and Support Center, *Electriciens Sans Frontières* and 12 other companies and foundations in the electricity sector, to jointly mobilize their resources and respond to natural or humanitarian disasters. In emergency situations, access to energy is essential to meet the essential needs of security, communication, drinking water and healthcare.

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Commitment to technological innovation

In 2021, the Rexel Group is also strongly committed to supporting technological innovation. At the end of 2020, Rexel had engaged with four other major French companies, to support the creation and development of H! Paris. This interdisciplinary research center brings together the Institut Polytechnique and HEC, two French prestigious high schools and bringing together the best students and researchers in the fields of new technologies, artificial intelligence, data analysis and social sciences. This sponsorship contributes to the financing of engineers and researchers working on data analysis and artificial intelligence and participates in the development of cutting-edge French techniques, as well as new solutions useful to industry. At the same time, it will strengthen the attractiveness of French schools and research centres on an international scale.

In 2021, an amount of €1.0 million was paid for sponsorship partnerships with the *Fondation de l'École Polytechnique* and the HEC Foundation.

Patronage in the service of arts and culture

In 2021, the Group supported an innovative project by the Museum of Modern Art in Paris combining Arts and Sciences. Alongside other sponsors, Rexel at the heart of the electricity sector has contributed to the financing of a digital mediation project aimed at helping the public rediscover the Electricity Fairy. Raoul Dufy's masterpiece *The Electricity Fairy* retraces history and presents the scientists and inventors who contributed to the development of electricity. Augmented reality devices should allow the public to better understand the scientific and societal significance of this work.

Results and performance

The total amount of Rexel Group donations, including funds paid by the Rexel Foundation, totaled €2,372,314 in 2021 and €836,225 in 2020.

The increase in the amount of donations in 2021 is mainly due to sponsorship partnerships in favor of technological innovation. In a proactive approach,

donations of equipment to associations also increased in 2021.

The Rexel Foundation is present in 20 countries. It has supported more than 74 projects for around 175,000 beneficiaries since its creation in 2013.

Key performance indicator

INDICATOR	UNIT	2021	2020
Total amount of donations by the Rexel Group	Euros	2,372,314	836,225

4.6 Sustainable development indicators

ETHICS						
INDICATOR	2021	SCOPE	CURRENT SCOPE			
			2021	2021	VARIATION	SCOPE
Queries received by ethics officers						
Number of queries received by ethics officers	49	100%	49	57	-14.04%	100%
Training						
Business ethics training penetration rate within Rexel						
Competition law training	80%	100%	80%	80%	0 pts	100%
Anti-corruption training	90%	100%	90%	86%	+4 pts	100%
Personal data protection training penetration rate within Rexel European subsidiaries	86%	100%	86%	92%	-6 pts	100%

SOCIAL				
INDICATOR	2021	SCOPE	CURRENT SCOPE	
			2020	VARIATION
Total headcount on December 31				
Total headcount	25,185 (26,418*)	100%	24,818	1%
TALENT ATTRACTION AND RETENTION				
Talent attraction				
Total number of external hires	4,452	100%	2,475	79.9%
Number of external hires on indefinite term contracts (ITC)	3,811	100%	2,072	83.9%
Number of external hires with fixed term contracts	641	100%	403	59.1%
Number of external hires of manager in ITC	325	100%	259	25.5%
Number of external hires of non managers in ITC	3,486	100%	1 813	92.3%
Number of women recruited in ITC	823	100%	418	96.9%
Number of men recruited in ITC	2,988	100%	1,654	80.7%
Employee integration				
Long term integration rate of new employees in ITC	76%	100%	66.6%	+9.4 pts
Short term integration rate of new employees in ITC	88.3%	100%	90.5%	-2.2 pts
Retain talent				
Performance review				
% of formal annual review completed	81.6%	100%	83.2%	-1.6 pts
Mobility				
% mobility of the total workforce	12.9%	100%	8.2%	+4.7 pts
% of horizontal mobility of employees on permanent contracts	6.3%	100%	4.4%	+1.9 pts
% of vertical mobility (promotions) of employees on permanent contracts	6.6%	100%	3.8%	+2.8 pts
% of non-managers promoted managers	19%	100%	27.8%	-8.9 pts
Compensation and Benefits				
% of employees on permanent contracts eligible for individual variable remuneration	56%	100%	56.8%	-0.8 pt
% of employees receiving a bonus based on collective results (e.g. profit-sharing and/or participation plan)	74.4%	100%	74.3%	+0.1 pt
Employment dynamics				
Number of departures of employees on permanent contracts	3,813	100%	3,736	2.1%
Number of redundancies	169	100%	616	-72.6%
Number of dismissals for other reasons	536	100%	423	26.7%
Number of retirements or early retirements	348	100%	253	37.5%
Number of departures due to sale of business	10	100%	373	-97.3%
Number of other departures	346	100%	257	34.6%
Number of resignations	2,404	100%	1,814	32.5%
Workforce Rotation on permanent contracts				
Turnover rate	15.6%	100%	12%	+3.6 pts
Entry rate	15.6%	100%	8.6%	+7 pts
Departure rate	15.6%	100%	15.4%	+0.2 pt

* Including Mayer (USA).

SOCIAL				
INDICATOR	2021	SCOPE	CURRENT SCOPE	
			2020	VARIATION
EMPLOYEES DEVELOPMENT				
Training				
Number of employees trained (including safety training)	24,231	100%	24,123	0.4%
Number of employees trained (excluding safety training)	22,104	100%	22,629	-2.3%
% of employees trained during the year/Total number of employees (excluding safety training)	87.8%	100%	91.2%	-3.4 pts
Total number of hours of training (including safety training)	352,408	100%	305,730	15.3%
Total number of hours of training (excluding safety training)	292,242	100%	254,406	14.9%
Among them, number of hours of online training	197,172	100%	122,721	60.7%
Among them, number of hours of physical training	95,071	100%	131,685	-27.8%
Average number of hours of training per employee trained	13.2	100%	11.2	17.9%
Training of managers				
% of managers trained out of total people trained	20.1%	100%	18.9%	+1.2 pt
EMPLOYEE ENGAGEMENT				
Absenteeism				
Absenteeism rate	4.9%	100%	4.9%	0 pt
Seniority				
Ancienneté moyenne des collaborateurs	11 years	100%	11 years	0%
Social Dialogue				
Number of hours of strikes	1,052	100%	1,558.5	-32.5%
% of employees involved at representative body level	1.4%	100%	1.4%	0 pt
% of employees designated to represent a trade union	0.5%	100%	0.5%	0 pt
% of employees covered by a collective agreement	45%	100%	45.4%	-0.4 pt
Engagement				
Engagement*	90%	100%	-	
DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY				
Diversity and gender equality				
Representation of women				
Number of women	5,722	100%	5,610	2%
% of women among the total workforce	22.7%	100%	22.6%	+0.1 pt
Promotion by gender				
% of men promoted to managers	1.60%	100%	1.2%	+0.4 pt
% of women promoted to managers	1.50%	100%	1.7%	-0.2 pt
Recruitment by gender				
% of women recruited on permanent contracts	21.6%	100%	20.2%	+1.4 pt
% of men recruited on permanent contracts	78.4%	100%	79.8%	-1.4 pt
Increase of salary by gender				
% of women on permanent contracts who received an increase with one year of seniority	79.7%	100%	65.5%	+ 14.2 pts
% of men on permanent contracts who received an increase with one year of seniority	75.4%	100%	62.2%	+ 13.2 pts
Training by gender				
% of women trained	22%	100%	22.2%	-0.2 pt
% of men trained	78%	100%	77.8%	+0.2 pt

* Favorable response rate to the question "I am proud to be associated with my company".

SOCIAL				
INDICATOR	2021	SCOPE	CURRENT SCOPE	
			2020	VARIATION
Generational diversity				
Average age of employees (permanent and fixed-term contracts)	43.5	100%	43.6	0%
% of employees >30 years of the total workforce	16.4%	100%	15.6%	+ 0.8 pt
% of employees >50 years of the total workforce	33.3%	100%	32.8%	+ 0.5 pt
% of employees >60 years of the total workforce	7.7%	100%	7.1%	+ 0.6 pt
Employees with disabilities				
% de collaborateurs déclarant un handicap	2.3%	100%	2%	+0.3 pt
% de collaborateurs recrutés qui déclaraient un handicap	2.4%	100%	1.4%	+1 pt
EMPLOYEES HEALTH, SAFETY AND WELL-BEING				
Number of accidents				
Number of fatal accidents	0	100%	0	0%
Number of accidents leading to a sick leave	232	100%	217	6.9%
Number of accidents not leading to a sick leave	610	100%	514	18.9%
Frequency rate	5.4	100%	5	0.4 pt
Severity rate	0.16	100%	0.17	0 pt
Number of recognized occupational diseases	2	100%	3	-33.3%
Health and safety training				
% of employees trained to health and safety	69.4%	100%	76.8%	- 7.4 pts
Number of hours of training related to safety	60,166	100%	51,325	17%

ENVIRONMENT

INDICATOR	UNIT	2021	SCOPE	CONSTANT SCOPE			
				2021	2020	VARIATION	SCOPE
CONSUMPTION OF RESOURCES							
On-site energy consumption	MWh	277,587	100.0%	277,587	260,901	6.4%	100.0%
Of which electricity consumption	MWh	131,610	100.0%	131,610	131,892	-0.2%	100.0%
Of which natural gas consumption	MWh	132,743	100.0%	132,743	116,046	14.4%	100.0%
Of which domestic fuel oil consumption	MWh	3,729	100.0%	3,729	4,521	-17.5%	100.0%
Of which butane, propane and other energies consumption	MWh	436	100.0%	436	505	-13.6%	100.0%
Of which heat consumption	MWh	8,931	100.0%	8,931	7,936	12.5%	100.0%
Of which biomass consumption	MWh	139	100.0%	139	0	-	100.0%
Energy consumption from internal fleet	MWh	146,367	100.0%	146,367	140,286	4.3%	100.0%
Of which transportation of products by the internal fleet	MWh	70,690	100.0%	70,690	69,009	2.4%	100.0%
Of which commercial fleet	MWh	75,676	100.0%	75,676	71,276	6.2%	100.0%
Water consumption	m³	534,950	100.0%	534,950	526,217	1.7%	100.0%
Packaging consumption	Tons	16,431	100.0%	16,431	14,699	11.8%	100.0%
Of which cardboard	Tons	4,261	100.0%	4,261	4,442	-4.1%	100.0%
Of which plastics	Tons	860	100.0%	860	890	-3.4%	100.0%
Of which wood	Tons	10,713	100.0%	10,713	8,887	20.5%	100.0%
Of which reusable plastic boxes	Tons	90	100.0%	90	77	15.5%	100.0%
Of which other packaging	Tons	509	100.0%	509	402	26.6%	100.0%
Paper consumption	Tons	1,838	100.0%	1,838	1,898	-3.2%	100.0%
Of which commercial paper	Tons	1,173	100.0%	1,173	1,110	5.7%	100.0%
Of which office paper	Tons	665	100.0%	665	789	-15.6%	100.0%
WASTE							
Waste generated	Tons	32,522	100.0%	32,522	30,452	6.8%	100.0%
Of which waste recovered	Tons	20,472	100.0%	20,472	20,039	2.2%	100.0%
Recovery rate	%	62.9%	100.0%	62.9%	65.8%	-2.9 pts	100.0%
GREENHOUSE GAS EMISSIONS							
Scope 1 direct emissions	tCO ₂ e	64,346	100.0%	64,346	59,750	7.7%	100.0%
Emissions related to on-site energy combustion	tCO ₂ e	27,949	100.0%	27,949	24,800	12.7%	100.0%
Emissions related to the transportation of products by the internal fleet	tCO ₂ e	17,656	100.0%	17,656	17,216	2.6%	100.0%
Emissions related to business travel by company cars	tCO ₂ e	18,741	100.0%	18,741	17,733	5.7%	100.0%

ENVIRONMENT

INDICATOR	UNIT	2021	SCOPE	CONSTANT SCOPE			
				2021	2020	VARIATION	SCOPE
Scope 2 indirect emissions	tCO₂e	23,274	100.0%	23,274	27,107	-14.1%	100.0%
Emissions related to the production of purchased and consumed electricity	tCO ₂ e	22,416	100.0%	22,416	26,601	-15.7%	100.0%
Emissions related to the production of purchased and consumed heat	tCO ₂ e	858	100.0%	858	507	69.2%	100.0%
Scopes 1 and 2 emissions	tCO₂e	87,620	100.0%	87,620	86,857	0.9%	100.0%
Scope 3 indirect emissions (estimate)	MtCO₂e	32.74	100.0%	32.74	32.96	-0.7%	100.0%
ENVIRONMENTAL MANAGEMENT SYSTEM							
Sites covered by an internal environmental management system	%	42.0%	100.0%	42.0%	42.6%	-0.6 pt	100.0%
Sites covered by a certified environmental management system	%	23.8%	100.0%	23.8%	23.9%	-0.1 pt	100.0%
Sites covered by a certified energy management system	%	14.7%	100.0%	14.7%	14.6%	0.1 pt	100.0%

VALUE CHAIN

INDICATOR	UNIT	2021	SCOPE	CONSTANT SCOPE			
				2021	2020	VARIATION	SCOPE
SUPPLIERS EVALUATION							
Direct purchases having received a request to assess their performance in terms of sustainable development	%	77.4%	100%	77.4%	77.0%	+0.4 pt	100%
Direct purchases evaluated on sustainable development criteria	%	64.1%	100%	64.1%	60.1%	+4.0 pt	100%
PRODUCT SAFETY							
European subsidiaries having implemented a management system for REACH and RoHS	%	100%	100%	100%	100%	-	100%
SALES OF ENERGY EFFICIENCY AND RENEWABLE ENERGY SOLUTIONS							
Sales of energy efficiency solutions	Millions of euros	1,273.5	100%	1,273.5	1,269.7	0.3%	100%
Sales of photovoltaic solutions	Millions of euros	323.4	100%	323.4	258.5	25.1%	100%

4.7 Methodology

4.7.1 Reporting principles

Quality reporting

The main goals of environmental and social reporting are to feed the dashboards of the Sustainable Development Department and the Human Resources Department on an annual basis in order to steer the deployment of the strategy, facilitate information sharing and the detection of good practices within the Rexel Group, meet external reporting requirements, notably the Statement of Non-Financial Performance (SNFP) in application of Articles L. 225-102-1, L.22-10-36, R.225-105 and R.225-105-1 of the French Commercial Code, and respond to stakeholders' requests (customers, investors, suppliers, rating agencies, NGOs, etc.).

The Rexel Group is therefore committed to providing environmental and social reporting that meets the following requirements: consistency (ensuring that data is comparable and established according to standard rules), exhaustiveness and accuracy (reported data provides a true image of reality), materiality (the data reflects the most significant issues), transparency and verifiability (the data sources, calculation and assumption methods are available and easy to access).

In each entity, two pairs are formed, one for the environment and the other for social matters, including:

- A contributor responsible for collecting all the data; and

- A validator who checks the relevance and consistency of the data across the reporting scope.

To ensure the quality of the data and therefore of reporting, checks are also carried out during the collection of information (automatic checks carried out by the collection and consolidation tool) and subsequently by the Sustainable Development Department and the Human Resources Department.

Some information indicated in Articles L.225-102-1, L.22-10-36, R.225-105 and R.225-105-1 of the French Commercial Code is not covered of this Universal Registration Document. The analysis of non-financial risks, as well as the materiality analysis, show that the following topics are not relevant or do not present significant risks in view of the Rexel Group's activities:

- food waste; and
- societal commitments promoting the fight against food insecurity, respect for animal welfare, and responsible, fair and sustainable nutrition.

Since 2008, a dedicated reporting software tool in the form of a secure internet platform has enabled the Rexel Group to make its data collection more reliable.

Based on international standards

The reporting standards notably draw on Version 4 of the GRI (Global Reporting Initiative) sustainable development reporting guidelines: an internationally recognized framework, it defines a shared framework of performance indicators and reporting procedures. Rexel partially applies the GRI guidelines, focusing on performance indicators relating to the most material sustainable development challenges, in line with regulations on the SNFP.

For climate-related indicators, Rexel relies on the definitions and recommendations proposed by the

GHG Protocol, on the one hand, and by the TCFD, on the other.

External verification

All of the material social information, including qualitative and quantitative data, is subject to external verification by one of the appointed Statutory Auditors, in order to increase stakeholder confidence in this information and in compliance with the Statement of Non-Financial Performance (SNFP) provision and its application decree.

4.7.2 Social reporting protocol

Update of the protocol

In 2021, the Human Resources Department continued its efforts to make the collection process more reliable and ensure the correct application of the rules defined in its reporting protocol, accessible in English and French. This social reporting protocol defines:

- the social reporting objectives;
- the scope of reporting;
- the procedures to collect and report information;
- the indicators selected and their definition, in order to ensure a due and uniform understanding thereof by all employees; and
- the formulas used to calculate certain indicators.

Reporting scope

The employee-related scope of reporting includes all fully consolidated legal entities having at least one employee. Acquired or newly created entities are included in the scope of reporting:

- in the year of acquisition if before November 1 (inclusive); or
- as from January 1 of year N+1 if after November 1.

The analysis of social data was carried out at current scope for 2020 and 2021.

The Rexel Group organizes social data into the following regions for analysis:

- North America: Canada and USA;
- Asia-Pacific: Australia, China, India, New Zealand and the UAE; and
- Europe: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Russia, Slovenia, Spain, Sweden, Switzerland and the UK.

Employment indicators are collected and consolidated *via* Enablon to which all reporting entities have access.

It should be noted that:

- the registered workforce is defined by the number of employees with an employment contract with the company (permanent or fixed-term contract), registered in the payroll system as of December 31 and regardless of the activity rate (full-time, part-time). Employees on extended leave (for example parental leave, sabbatical leave or leave of absence to start a business) are included in the reported workforce.

The following are excluded:

- interns (paid or unpaid);
- temporary employees;
- subcontractors;
- end-of-career employees (early retirement, pre-pensioners, persons having an effective working contract until their date of actual retirement); and
- employees who fall under the VIE scheme (International Volunteering Abroad);

- the inclusion of new employees is reported by reason:

- external hires on fixed-term or permanent contracts, regardless of the activity rate (full-time or part-time);
- integration of employees of acquired entities; and
- other reasons: for example, Group mobility (internal transfers of employees on permanent contracts, from one entity/company to another within the Rexel Group).

The following are excluded:

- promotions;
- changes in function or level within the same entity;
- hires of interns and temporary workers; and
- VIE scheme hires;

- Managers are defined as persons with at least one employee under their responsibility, or according to the application of local definitions such as the inclusion of any employee with cadre status for certain countries;
- in countries such as China and the USA where permanent employment (open-ended contract) is not common practice, the term "permanent employee" applies to any employee who is not hired for a specific project having a set period;
- the number of training hours is based in part on follow-up by Rexel Academy. This tool does not allow for an exhaustive review. This is why another part is based, for certain entities, on estimates (for example, on the basis of an average number of training hours per employee);
- the absenteeism rate is calculated with reference to the number of calendar days, as is the standard, on the basis of the total number of absentee days (for any reason) and the number of days in the year.

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- the frequency rate of work accidents only takes into account work accidents leading to at least one lost day (excluding the day of the accident);
- the severity rate of work accidents is calculated on the basis of lost days as a result of work accidents and of the number of hours worked. The number of hours worked corresponds to the actual duration of working time during which employees are exposed to the risk of an accident;
- the rules for calculating the number of days lost due to workplace accidents vary according to local legislation and may differ from those defined in the social reporting framework. Travel accidents are excluded;
- the improvement of the reporting process in 2021 made it possible to make the data more reliable and to modify the number of people trained in the United States in 2020; and
- in 2021, Rexel did not implement a methodology comparable to 2018 for the calculation of the engagement rate. This rate is therefore used with reference to the question presented in section “4.3.3 Employee engagement”.

4.7.3 Environmental reporting protocol

Update of the protocol

In 2021, the Sustainable Development Department continued its efforts to make the collection process more reliable and ensure the correct application of the rules defined in its reporting protocol, accessible in English and French. This environmental reporting protocol defines:

- the environmental reporting objectives;
- the scope of reporting;
- the procedures to collect and report information;
- the indicators selected and their definition, in order to ensure a due and uniform understanding thereof by all employees; and
- the formulas used to calculate certain indicators, such as conversion factors.

Reporting scope

The scope covered by the environmental reporting process aims to be identical to that selected to prepare the consolidated financial statements, as defined by Rexel Group’s Financial Department.

Entities acquired after November 1 of the current year are not included in the scope of consolidation because of the difficulty of obtaining certain information in the year of acquisition.

Mayer acquired on November 8, 2021 is not included in the environmental reporting.

Calculation of the indicator coverage scopes

Exceptionally, and if their reliability is not considered satisfactory, certain data of certain entities may be excluded from the reporting. This year, no entity has been excluded from the reporting scope, whatever the indicator considered, all entities having reliable and verifiable data in 2020 and 2021.

The exclusions are taken into account in the calculation of the coverage scopes. The coverage scopes for each indicator are indicated in the text and in the summary table in Section 4.6 “Summary of indicators” of this Universal Registration Document. They correspond to the ratio of the total sales of entities that have reported the indicator to the total sales of Rexel Group excluding entities acquired during the financial year.

Restatement of 2020 data

Some 2020 data required correction to be applied retroactively.

INDICATOR	RESTATEMENT
Energy consumption	The 2020 data was revised upwards following corrections applied <i>a posteriori</i> to the figures of the Austrian entity in terms of electricity consumption.
Water consumption	The 2020 data was revised downwards following corrections applied <i>a posteriori</i> to the figures of the French entity Francofa Eurodis.
Packaging consumption	The 2020 data was revised upwards following corrections applied <i>a posteriori</i> to the figures of the French entity Francofa Eurodis in terms of cardboard and wood packaging consumption and to the figures of the Belgian entity in terms of reusable plastic box consumption.
Paper consumption	The 2020 data was revised upwards following corrections applied <i>a posteriori</i> to the figures of the entity Rexel UK in terms of paper consumption for commercial publications.
Waste generated	The 2020 data was revised upwards following corrections applied <i>a posteriori</i> to the figures of the Norwegian entity and the French entity Francofa Eurodis in terms of the total amount of waste recovered.

Calculation of constant scope

To analyze changes from one year to another, the environmental indicators are also presented at constant scope. Data is restated as follows:

- data from year N-1 does not include: the de-consolidated entities (due to divestment) as well as entities for which data has been partially excluded in year N; and
- data from year N does not include: the newly consolidated entities (due to acquisition or scope widening) as well as entities for which data has been partially excluded in year N-1.

These restatements do not correct variations due to growth or reduction in activity within the entities.

Accounting for greenhouse gas emissions

Methodology and references

The methodology used by the Rexel Group to quantify its greenhouse gas emissions is based on the GHG Protocol framework.

Scope 1 represents direct GHG emissions, from sources held or controlled by Rexel. Thus, the Group has chosen to include emissions from vehicles on long term lease contracts over which it exercises operational control.

Scope 2 accounts for indirect GHG emissions resulting from the production of electricity and heat purchased by the Rexel Group. Rexel calculates its scope 2 emissions both in market-based and location-based methods. Unless indicated, scope 2 emissions are expressed in market-based method.

Scope 3 accounts for indirect GHG emissions resulting from the Rexel Group activities, but which come from sources that do not belong to the Group or over which the Group only exercises operational control or has a limited impact.

Emission factors used

In 2021, emission factors for Scope 1 are derived from the GHG Protocol ("Emission Factors from Cross-Sector Tools2014") with the exception of the "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 2021, the values applied are the most recent made available by the IEA and available in the Enablon software.

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.

Calculation of emissions related to transport

To obtain the most reliable data based on available activity data, the emissions due to transport are calculated:

- from fuel consumption, by applying an emissions factor for each fuel type (diesel, gasoline or LPG); and
- 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 tons), light utility vehicles such as vans (weight less than or equal to 3.5 tons) and heavy vehicles (weight over 3.5 tons).

Revenue from sales of energy efficiency and renewable energy sources solutions

In 2011, the definition of sales categories for energy efficiency and renewable energy sources was clarified. The energy efficiency solutions segment includes products and services that enable a measurable, indirect, or direct reduction in energy consumption. This includes eco-efficient lighting (sources and accessories), control systems (such as detectors and sensors), measurement systems (smart meters, etc.) and eco-efficient power systems.

The renewable energy sources segment includes photovoltaic solutions (all products, accessories and services associated with photovoltaic systems, off-grid or grid connected) and the sales of products and services for the wind power market (components and accessories supplied to the different sector players).

The sales figures for 2020 and 2021 are presented with comparable structures and exchange rates.

4.8 Green turnover

In addition to the indicators relating to sales of energy efficiency and renewable energy products presented in Section 4.5.2, and to align itself with the best practices observed in its sector, Rexel has been publishing a green turnover since 2020. This indicator covers the revenues generated through the distribution of products and services that provide customers with energy and CO₂ efficiency gains, without having a major negative impact on the environment.

In 2021, green turnover represented approximately 47.6% of the Group's activity. Green turnover includes the turnover achieved:

- the offering linked to energy efficiency, including eco-efficient lighting, control systems, measurement systems and eco-efficient power systems;
- the offering linked to electric mobility;
- the offering linked to the production of renewable energy;

- the heating and ventilation offering which provides comfort and energy efficiency to the end customer;
- the offering linked to the transport of electricity and data which provides energy efficiency, including industrial and local network cables;
- white and brown products with at least an A energy label or its equivalent in other countries.

Green turnover does not include tools, racks and cabinets, accessories, sanitary, oil heating, alarms, access controls, safety blocks, video surveillance, systems opening and emergency lighting.

Information presented here above have been established by the Rexel Group on the basis detailed above and does not constitute any information required to be published in accordance with, or compiled in accordance with the principles set forth under EU Taxonomy Regulation 2020/852 and the EU Delegated Act 2021/2178.

4.9 Taxonomy

The Taxonomy Regulation (EU Taxonomy Regulation 2020/852) is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

In this section, the Rexel Group as a non-financial undertaking, presents the share of the group turnover, capital expenditure (CapEx) and

operating expenditure (OpEx) for the reporting period corresponding to the fiscal year ended December 31, 2021, which are associated with Taxonomy-eligible economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation), as described in the delegated act (2021/2139 of June 4, 2021, the "Climate Delegated Act"), and in accordance with EU Taxonomy Regulation 2020/852 and the EU Delegated Act 2021/2178 (the "Disclosures Delegated Act").

4.9.1 Rexel activities

The Rexel Group has examined all Taxonomy-eligible economic activities listed in the Climate Delegated Act. After a thorough review, the Rexel Group concluded that the economic activity of distribution of electrical equipment, is not covered by the Climate Delegated Act (2021/2139 of June 4, 2021) and consequently is currently Taxonomy-non-eligible.

As a low-emission activity, distribution is not currently included in the list of eligible sectors.

The Rexel Group believes that the distribution, and in particular the distribution of electrical and energy equipment, nevertheless plays a fundamental role in achieving the European Union's sustainable growth objectives. Rexel, at the heart of the value chain, has the capacity to support and above all accelerate the energy transformation of industry and buildings:

- by providing its customers with environmental information on products, making it possible to provide the best technical, environmental and social solutions;
- by reducing its own environmental footprint; and
- by encouraging all of its stakeholders to commit to being an actor in the transition to a zero carbon economy.

4.9.2 Taxonomy KPIs

Turnover

The economic activity of the Rexel Group, distribution of electrical and energy equipment is not covered by the Climate Delegated Act. Therefore, the share of Taxonomy-eligible economic activities in the total turnover of the Rexel Group (KPI related to turnover) is nil.

Delegated Act and other economic activities listed in the delegated acts adopted under Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of the Taxonomy Regulation amounts to €322.2 millions for the year ended December 31, 2021.

Capital Expenditure

The Rexel Group has examined the definition of the numerator of the KPI related to the capital expenditure disclosed in section 1.1.2.2 of annex 1 to the Disclosures Delegated Act as well as the draft FAQ published by the European Commission on February 2, 2022 (question 11) which specify the eligible capital expenditure. The Rexel Group has concluded that:

- a) the amount of CapEx that is related to assets or processes corresponding to Taxonomy-eligible economic activities is nil;
- b) the amount of CapEx that is part of a plan to expand Taxonomy-eligible economic activities or enable Taxonomy-eligible economic activities to become Taxonomy-aligned is nil;
- c) the amount of Capex related to the purchase of output from Taxonomy-eligible economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate

Rexel has adopted an approach whereby Capex related to buildings, freight vehicles and company cars acquired or taken as a lease during the financial year, including those resulting from business combinations are considered "eligible" within the meaning of the European Regulation as long as they can be considered as participating in the objectives set out in the European Regulation.

As regards to leased assets, new contracts, renewals, remeasurements and extensions have been considered in the calculation of the numerator.

The Rexel Group has examined the definition of the denominator of the KPI related to the capital expenditure disclosed in section 1.1.2.1 of annex 1 of the Disclosures Delegated Act. The amount of Capex made of additions and changes in consolidation scope as reported in notes 12.1 – Intangible Assets, excluding goodwill 12.3 – Property, Plant and Equipment and 12.4 – Leases (Section 5.2 "Consolidated Financial Statements") amounts to €575.4 millions for the year ended December 21, 2021.

Consequently the KPI related to Capital Expenditure equaled 56,0%.

Operating Expenditures

The Rexel Group has examined the definition of the denominator of the KPI related to the operating expenditure disclosed in section 1.1.3.2 of annex 1 of the Disclosures Delegated Act as well as the draft FAQ published by the European Commission on 2 February 2022 (question 11) which specifies the eligible operating expenditure.

The Rexel Group concluded that the amount of non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and

equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets is negligible.

Consequently, Rexel chose to apply the exemption for OpEx KPI. This judgment has been made both on:

- quantitative criteria as the denominator of the KPI related to the operating expenditure is negligible
- qualitative criteria as in the Taxonomy definition, OpEx are mainly made of research and development, repair and maintenance costs, which are not relevant for our activities.

INDICATOR	2021
"Taxonomy eligible" sales	0
Capital expenditure Numerator	€322,2 M
Capital expenditure Denominator	€575,4 M
Capital expenditure KPI	56.0%
Operating expenses KPI	exemption

4.10 Vigilance plan

4.10.1 Overview of the vigilance plan

Law No. 2017-399 of March 27, 2017 on the duty of care of parent companies and contracting companies, requires large companies to implement vigilance measures to identify and prevent serious infringements of human rights and fundamental freedoms, as well as of the health and safety of people and the environment, that may result from the activities of their group and value chain.

Companies must implement a vigilance plan comprising five measures:

1. risk mapping with a view to their identification, analysis and prioritization (Section 4.7.2.1 "Risk mapping with a view to their identification, analysis and prioritization" of this Universal Registration Document);
2. regular assessment procedures to assess the position of subsidiaries, subcontractors or suppliers with whom an established commercial relationship is maintained with regard to risk mapping (Section 4.7.2.2 "Regular assessment procedures to assess the position of subsidiaries, subcontractors or suppliers with whom an established commercial relationship is maintained with regard to risk mapping" of this Universal Registration Document);
3. appropriate actions to mitigate risks or prevent serious harm (Section 4.7.2.3 "Appropriate

actions to mitigate risks or prevent serious harm" of this Universal Registration Document);

4. a whistleblowing and reporting mechanism relating to the existence or emergence of risks prepared in consultation with the representative trade union organizations in said company (Section 4.7.2.4 "Whistleblowing and reporting mechanism relating to the existence or emergence of risks prepared in consultation with the representative trade union organizations within the Group" of this Universal Registration Document); and
5. a system for monitoring the measures implemented and assessing their effectiveness (Section 4.7.2.5 "System for monitoring the measures implemented and assessing their effectiveness" of this Universal Registration Document).

To comply with French Law and preserve the Group's values, Rexel adopted the vigilance plan described below in 2017. It is based in particular on a process to identify major risks throughout the value chain, taking into account all upstream and downstream activities of Rexel and its stakeholders (employees, suppliers, users of products and services), as well as to review existing assessment procedures and mitigation measures at the Group and subsidiary levels.

At the same time, Rexel has set up its whistleblowing and reporting mechanism to comply with various applicable regulations. This vigilance plan reinforces the actions that have been in place for several years to identify and prevent serious infringements of human rights and fundamental freedoms and the health and safety

of individuals and the environment in subsidiaries and throughout the value chain.

The vigilance plan involves the Group Sustainable Development Department, the General Secretary, the Group Purchasing and Supplier Relationship Department, the Group Human Resources Department, the Group Finance Department, and external experts.

4.10.2 Measures of the vigilance plan

4.10.2.1 Risk mapping for identification, analysis and prioritization

Rexel has implemented a process to identify and assess its major risks related to human rights and fundamental freedoms, health and safety, and the environment. The methodology is summarized below. In 2018, this analysis was conducted at Group level throughout its value chain for all Rexel product families. It is updated regularly.

The methodology used to perform this mapping makes it possible to assess the risks specific to Rexel's activities and value chain. This risk mapping was conducted using statistical tools which made it possible to assess risks by product family and by country, supplemented by library research and interviews with internal and external experts for the types of risks most specific to Rexel, along with certain internal procedures, namely:

- Corporate risk mapping;
- materiality analysis of sustainable development challenges;
- risk mapping related to the Statement of Non-Financial Results;
- reporting of environmental, social, and societal impacts;
- whistleblowing procedures; and

- any regulation that requires the identification, assessment, or mapping of risks that may be considered non-financial (including the French "Sapin 2" Law, the French "Energy Transition for Green Growth" Law, and the EU "General Data Protection Regulation").

The meetings that are held regularly with suppliers on sustainable development topics, in particular the results of supplier CSR assessments and presentation of the Responsible Supplier Charter, make it possible to keep this risk mapping up to date.

Then, a group of internal experts selected the most relevant risks to the Rexel Group's activity in working group meetings organized by the Group Sustainable Development Department. Representatives of the European Works Council take part in these meetings.

Finally, the risk selection in the vigilance plan was made in close cooperation with the risk analysis carried out pursuant to the Law on Statements of Non-Financial Performance. Risks relating to the Duty of Vigilance are summarized in the table of non-financial risk factors in Section 4.1.3 "Main non-financial risks" of this Universal Registration Document.

4.10.2.2 Regular assessment procedures to assess the position of subsidiaries, subcontractors or suppliers with whom an established commercial relationship is maintained with regard to risk mapping

Rexel Group subsidiaries

The Rexel Group wants to set standards and, for several years, it has put in place measures to identify and prevent serious infringements of human rights and fundamental freedoms and the health and safety of individuals and the environment in its subsidiaries.

The Rexel Group and its network of branches are a decentralized structure that relies on the empowerment of the entire chain of command (see Section 2.3.3 "Steering and monitoring of the

internal control system" of this Universal Registration Document). The Internal Control Guidelines, which were revised in 2016, incorporate controls related to ethics, employee health and safety, and compliance with environmental, Human Rights laws and Fundamental Freedoms. The assessment system is based on the annual self-assessment of these controls by the subsidiaries and the implementation of action plans to improve their control.

To guide the Rexel Group's ethics strategy, a network of Ethics Officers has been established. They are appointed by the General Manager in each country and perform this function in addition to their other activities. They ensure that the Ethics Guide is distributed to all employees, take the initiative in implementing Rexel Group principles and ethical practices, and answer any questions that are submitted to them.

Supplier and subcontractor evaluation

Strategy

In 2015, the Rexel Group deployed a global platform to gather information about and assess its suppliers' and subcontractors' performance in terms of sustainable development.

Since then, evaluation campaigns have been launched regularly thanks to this global platform. At the end of 2021, over 350 suppliers, representing 77.4% of the Rexel Group's direct purchases, received an evaluation request.

The questionnaire covers 120 criteria divided into four categories: environment, social and human rights, ethics, and responsible purchasing. Suppliers and subcontractors must provide evidence that long-term procedures are being implemented and that results are being monitored for all criteria. The questionnaires are assessed by an external expert, who assigns a score for each of the four themes.

Beyond the platform, the assessment process follows a structured methodology and timetable that guarantee its success. To support its partners in this process, for each supplier, Rexel has set up a two-person team that includes one person from the Group's Sustainable Development Department, who guarantees compliance with the method, and a purchaser responsible for the supplier, who is responsible for explaining the process and involving the supplier and for communicating developments to all purchasing teams.

Each request for assessment is accompanied by information explaining the approach, the methodology to be followed, and the contact details of the persons in charge for Rexel. The Group sends numerous reminders, makes several telephone calls, and mobilizes its management to encourage its main suppliers to get involved.

At the end of each campaign, suppliers receive individualized feedback. A detailed report on CSR performance and areas of progress is distributed to all suppliers who participated in the campaign. Those who have declined, however, despite the Group's efforts, receive a personalized letter restating Rexel's commitments and warning of the consequences of a refusal.

In addition to the self-assessment performed by the subsidiaries, risk mitigation actions are conducted by the internal audit and/or external audit and the functional departments of the head office, which assist the entities in the implementation of those controls. This system is managed and overseen by the Rexel Audit and Risk Committee.

Commitment

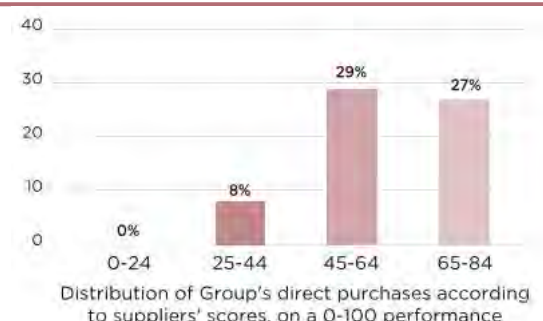
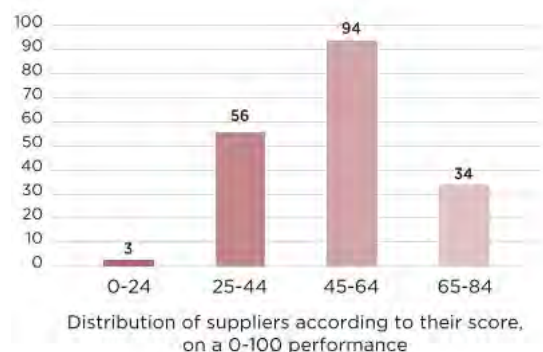
The Group has set itself the target in 2021 of evaluating the CSR performance of 80% of its volume of direct purchases (in value), a target initially set for 2020 and which had not been achieved.

Results

Since the beginning of the process, more than 350 suppliers representing 77.4% of the Group's direct purchases have received a request to assess their performance in terms of sustainable development.

As of December 31, 2021, 187 single suppliers, representing 64.1% of the Rexel Group's direct purchases (in value), responded to the assessment questionnaire.

The results are presented below:



Supplier on-site audits

In addition to these assessments, based on the risk mapping, in particular the cross-referencing of product-specific risks with country-specific risks, Rexel conducts on-site audits for certain targeted suppliers. In 2018, as part of the implementation of the vigilance plan, the Group undertook two actions:

- extend the scope of on-site audits to ensure that they cover all due diligence themes; and
- increase the number of on-site audits by focusing on the countries most at risk.

As part of its vigilance plan, Rexel incorporates additional controls relating to social, environmental and Human Rights performance

into its on-site supplier and subcontractor audits. Due to the pandemic, on-site audits could not be carried out in 2020. They resumed in 2021, in a context that remains complicated as regards travel to production sites. 11 on-site audits were carried out in 2021, at suppliers mainly located in Asia, but also in Europe.

Following these audits, progress plans are put in place. If the level of compliance is not satisfactory and the corrective measures requested are not implemented, collaboration with the supplier is terminated. In 2021, 8 additional audits were conducted to monitor progress plans and to ensure their implementation.

4.10.2.3 Appropriate actions to mitigate risks or prevent serious harm

In addition to the supplier assessments described above, Rexel requires its suppliers and subcontractors to comply with the principles set out in its Ethics Guide and, through contracts, with the general terms and conditions of purchase, which include clauses that mandate compliance with the fundamental conventions of the International Labor Organization and local legislation, especially with respect to minimum wages, working time, environment, health, and safety.

To strengthen the relationships of trust established between Rexel and its partners, a Responsible Supplier Charter was drafted in 2020 and rolled out in 2021 to the suppliers and employees concerned. The Charter is available in 13 languages and accessible on the website dedicated to ethics (<https://ethique.rexel.com>). This charter formalizes the commitments expected by Rexel from its suppliers, service providers and subcontractors in terms of ethics, respect for human rights, protection of employee rights, respect for the environment and compliance with applicable laws and regulations. It also recalls Rexel's commitments to them. By subscribing to this charter, suppliers undertake to respect and implement, and to have their own suppliers, subcontractors and service providers respect and implement, all of the principles set out therein, in compliance with their contractual commitments and applicable laws and regulations.

Committed to a formalized progress approach, in particular through its Ethics Guide and its Environmental Charter, the Rexel Group wishes to support its suppliers whenever possible in a process of continuous improvement of their sustainable development performance. This Responsible Supplier Charter completes this support system. As of December 31, 2021, the

Sustainable Supplier Charter had already been endorsed by suppliers representing 50% of the Group's direct purchases. Supplier commitment must continue as part of the discussions on contractual commitments for 2022.

Internally, compliance with the rules of ethics implies continuous mobilization of employees. For this reason, team training and information sessions are essential. These special sessions focus on competition, anti-corruption, data protection and trade restrictions. They are available in the Group's languages. Special face-to-face programs are also offered to the employees who are most exposed to certain risks.

The integration of the Group's values and ethical principles in behaviors is a key factor for the strategy's success. This requirement is supported by a network of Compliance correspondents and a network of Ethics officers who work closely with local management. The establishment of a collaborative and decentralized structure enables the understanding of the ethical principles and the deployment of the action plans in the various countries where the Group operates.

The effectiveness of this structure is reflected in the results of the most recent Satisfaxion internal commitment survey conducted by the Group in 2018: "86% of respondents are fully aware of Rexel's ethical commitments through the Ethics Guide", a five-point increase over the previous campaign (2015).

However, no control system, regardless of how old or well tested it is, can guarantee the absence of risk, and it is the responsibility of the Group and its subsidiaries to develop collaboration and control systems with suppliers and subcontractors to minimize risk and implement corrective action in cases where non-compliance is identified.

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4.10.2.4 Whistleblowing and reporting mechanism for the existence or emergence of risks prepared in consultation with the representative trade union organizations within the Group

Rexel has whistleblowing procedures for employees, external and temporary workers, suppliers, customers, and stakeholders in all countries. It allows incidents to be reported in all Group languages. The whistleblowing procedures are available on the dedicated website (<https://ethique.rexel.com/en>). It is centralized and confidential. Each alert is handled by the Ethics Committee, an *ad hoc* committee composed of the General Secretary, the Human Resources Director and the Compliance Officer. This new whistleblowing line takes into account the requirements of French laws relating to transparency, the fight against corruption and the modernization of the economy, on the one hand, and the duty of care of parent companies and contracting companies, on the other. The system

meets legal requirements, notably as regards the rights of whistleblowers.

The Ethics Officers, who are local relays, also answer questions concerning the Rexel Group's ethical practices that may be addressed to them. Whether or not they are an employee, anyone can ask questions with full confidentiality.

The table below summarizes the questions received in 2021 by all Ethics Officers according to their type, author, subject, and geographical area.

49 ethics cases were submitted to Rexel Group Ethics Officers during the year. All requests were processed, verified and followed up with preventive and/or corrective actions, as appropriate.

		NUMBER OF QUERIES RECEIVED BY ETHICS OFFICERS IN 2021	NUMBER OF QUERIES RECEIVED BY ETHICS OFFICERS IN 2020
Type of query	Information	14	27
	Complaint	33	30
	Legal dispute	0	0
	Other	2	0
Source of query	Customers	5	2
	Rexel employees	38	49
	Suppliers	0	2
	Local authorities	0	1
	Employee representatives / trade unions	0	0
	Anonymous	3	1
	Other	3	2
Subject of query	Customer relations	6	4
	Supplier relations	0	3
	Relations between employees	17	16
	Discrimination	4	4
	Working conditions	9	10
	Anti-corruption	1	1
	Tax evasion	0	0
	Anti-fraud and anti-theft	12	19
	Environmental protection	0	0
Type of measures implemented	Preventive	12	7
	Corrective	18	50
Region	Europe	7	1
	North America	26	31
	Asia-Pacific	16	25

4.10.2.5 System for monitoring the measures implemented and assessing their effectiveness

Rexel has established a Steering Committee tasked with the implementation of due diligence. The Committee coordinates and verifies the risk mapping as well as the action plan and its implementation. The Steering Committee assesses the relevance of risk mitigation actions and establishes action plans, notably:

- Launching campaigns for the CSR assessment of suppliers in 2020 and 2021, making it possible to cover, at the end of 2021, 77.4% of the Group's direct purchases (see Section 4.10.2.2 "Regular assessment procedures to assess the position of subsidiaries, subcontractors or suppliers with whom an established commercial relationship is maintained with regard to risk mapping" of this Universal Registration Document);
- Drawing up a Sustainable Supplier Charter in 2020 and rolling it out in 2021 among the suppliers and employees concerned, suppliers representing 50% of the Group's direct purchases having endorsed the Charter at the end of 2021 (see Section 4.10.2.3 "Appropriate actions to mitigate risks or prevent serious harm");
- Updating the whistleblowing mechanism (see Section 4.10.2.4 "Whistleblowing and reporting mechanism for the existence or emergence of risks prepared in consultation with the representative trade union organizations within the Group" of this Universal Registration Document); and
- Reviewing the scope of supplier and subcontractor audits to incorporate sustainable development criteria (see Section 4.10.2.2 "Whistleblowing and reporting mechanism for the existence or emergence of risks prepared in consultation with the representative trade union organizations within the Group" of this Universal Registration Document).
- Updating of the Ethics Guide

The Ethics Guide is regularly updated. As a result, the anti-corruption commitments were reviewed in 2018 in the French context of the December 9, 2016 law on transparency, the fight against corruption and the modernization of economic life. This key support was enriched with specific documents such as the Anti-Corruption Code of Conduct, the Competition Law Guide, and the Environmental Charter, which clarify the Group's more specific commitments.

- Continued deployment of the anti-corruption program

Rexel continues to strengthen its program to detect and prevent corruption with its Anti-Corruption Code of Conduct. This code meets the requirements of French Law. It defines and

illustrates the different types of behavior to be avoided. The code is appended to the rules of procedure, and it invites employees to tell all stakeholders (customers, suppliers, and partners) about the company's commitment to corruption prevention and the anti-corruption rules themselves. This document is available on the ethics and compliance website <https://ethique.rexel.com/en>.

- New guidelines relating to business gifts and travel

The Group is a key link in the value chain between electrical equipment suppliers, customers, and end-users. The proximity of 16,000 salespeople to their suppliers and customers is an advantage. This commercial proximity must remain exemplary so that lasting business relationships can be maintained in a climate of trust and mutual respect. To provide a clear and structured framework for all its employees, the Group has put in place specific rules relating to business travel and gifts and invitations offered and received.

- Stronger personal data protection

The Group has an internal personal data charter that defines a set of rules to be respected within the framework of Rexel's activities. This charter incorporates the major personal data protection principles and consists of several policies and procedures to support Rexel's employees and partners in the performance of their activities.

Various training and information sessions are offered to employees, in particular e-learning modules and special poster campaigns.

More targeted presentations are planned for the teams that process personal data more specifically, such as the human resources, e-commerce, IT, and general services departments.

Rexel's suppliers and service providers may process personal data on behalf of the Group. Rexel must ensure that its partners and suppliers apply adequate data protection levels. This involves reviewing and updating contractual commitments and the security policies put in place by those service providers.

In a general manner, the risks identification process will be reviewed regularly to incorporate potential changes in the Group's supply chain as well as changes in the assessment of impacts or probability of occurrence.

Rexel will ensure that the vigilance plan follows developments that affect the Group, particularly in the event of a change in strategy, significant external growth transactions, or the acquisition of new markets with new risks.

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4.11 Independent verifier's report

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

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

Year ended on the December 31, 2021

REXEL SA

13, Boulevard du Fort de Vaux 75 838 Paris Cedex 17

In our capacity as Statutory Auditor of Rexel SA (hereinafter the "entity"), appointed as an independent third party and accredited by Cofrac (Cofrac Inspection Accreditation n° 3-1060, whose scope is available at www.cofrac.fr), we conducted our work in order to provide a report expressing a limited assurance conclusion on the historical information (observed and extrapolated) of the consolidated non-financial information statement

(hereinafter respectively the "Information" and the "Statement"), prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for year ended on the December 31, 2021, included in the management report pursuant to the legal and regulatory provisions of articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures performed, as described in the « Nature and scope of our work » section, and the elements that we have collected, nothing has come to our attention that causes us to believe that the consolidated non-financial information

statement is not compliant with the applicable regulatory provisions and that the Information, taken as a whole, are not presented fairly in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to evaluate and measure the Information permits the use of different, but acceptable, measurement techniques that may affect comparability between entities and through time.

Consequently, the Information needs to be read and understood with reference to the Guidelines, significant elements of which are available upon request from the entity's headquarters.

Inherent Limitations in Preparing the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and due to the quality of the external data used. Certain Information are sensitive

to the methodological choices, assumptions and/or estimates used to prepare the Information presented in the Statement.

The entity's responsibility

The Board of Directors is responsible for

- selecting or establishing suitable criteria for preparing the Information;
- the preparation of the Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a

description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of those policies, including key performance indicators and if applicable the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);

- 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 in accordance with the entity's Guidelines as mentioned above.

Responsibility of the Statutory Auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R.225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R.225-105 I, 3 and II of the French Commercial Code, *i.e.*, the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved

in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax evasion legislation);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

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Regulatory provisions and professional standards applicable

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code and with the professional guidance of the French Institute

of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 (Revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*.

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Independence and quality control

Our independence is defined by the provisions of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of statutory auditors. In addition, we have implemented a system of quality control

including documented policies and procedures to ensure the compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

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Means and resources

Our work was carried out by a team of 5 people between November 2021 and February 2022 and took a total of 6 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social

responsibility. We conducted 10 interviews with people responsible for preparing the Statement, representing among others sustainable development, human resources, and compliance departments.

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Nature and scope of our work

We planned and performed our work considering the risk of material misstatement of the Information.

We consider that the procedures we performed were based on our professional judgment and allowed us to provide a limited level of assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities;

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- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
 - we verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III, as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
 - we verified that the Statement presents information set out in article L.225-105-1 II where relevant to the principal risks and includes an explanation for the absence of the information required under article L.225-102-1 III, 2;
 - we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes, including key performance indicators related to the principal risks;
 - we referred to documentary sources and conducted interviews to:
 - assessed the process used to identify and confirm the principal risks and the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendix. Our work was performed at the consolidation entity level;
 - we verified that the Statement covers the scope of consolidation, *i.e.*, all the companies included in the scope of consolidation in accordance with article L.233-16, within the limitations set out in the Statement;
 - we asked what internal control and risk management procedures the entity has put in place and assessed the data collection process implemented by the entity to ensure 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 appendix, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out at the consolidating entity (Rexel France, Rexel Netherlands, Elektroskandia Russia, Bizline, Rexel Sverige AB, Rexel Finland OY) which cover between 26% and 36% of the consolidated data selected for these tests;
 - we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.
- The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional guidance of the French Institute of Statutory Auditors ("CNCC"); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, the February 14, 2022

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Amélie Wattel
Partner

Pascal Baranger
Sustainable Development Director

Appendix: List of the information we considered most importantKey performance indicators and other quantitative results:

- Percentage of Independent Directors,
- Percentage of women on the Board of Directors,
- Employees considered as sensitive who completed the training sessions 'Competition law',
- Employees considered as sensitive who completed the training sessions 'Anti-corruption',
- Annual ethic queries,
- Employees of the Rexel European subsidiaries trained in the protection of personal data and in the operational implementation of the European General Data Protection Regulation,
- Long term integration rate,
- Average hours of training per employee trained,
- Engagement rate,
- Percentage of women recruited on open-ended contracts,
- Percentage of people trained to health and safety,
- Sites covered by an internal environmental management system,
- Sites covered by a certified environmental management system,
- Sites covered by a certified energy management system,
- Scopes 1, 2 and 3 emissions and their breakdown,
- Packaging consumption,
- Waste generated (excluding WEEE and batteries),
- Recovery rate,
- Direct purchases covered by the Sustainable Supplier Charter,
- Direct purchases having received a request to assess their performance in terms of sustainable development,
- Direct purchases evaluated on sustainable development criteria,
- Sales linked to energy efficiency solutions,
- Sales linked to photovoltaic solutions,
- Percentage of countries monitoring the Net Promoter Score,
- Total amount of donations by the Rexel Group,
- Total Headcount,
- Breakdown of total headcount by age and gender,
- Number of departures of employees and their overall breakdown,
- Number of employees trained,
- Number of accidents leading to a sick leave,
- Number of accidents not leading to a sick leave,
- Frequency rate,
- Severity rate,
- Percentage of part-time employees,
- Number of overtime hours,
- Water consumption,
- Amount of investment expenditure dedicated to lighting,
- Amount of investment expenditure dedicated to charging points for electric vehicles,
- Amount of investment expenditure dedicated to energy management systems.

Qualitative information (actions and results):

Ethic queries system,
 Training of employees in the protection of personal data,
 Mapping of international flows of personal data,
 Elements relating to the rationalization of emissions linked to logistics flows,
 Meetings with stakeholders to improve CSR performance,
 Deployment of the Sustainable Supplier Charter,
 On-site audits carried out at certain suppliers,
 Work carried out by the working group dedicated to packaging,
 Events contributing to the animation of the network of environmental correspondents.

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Financial and accounting information

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Financial and accounting information



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Consolidated results



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This document is a free translation from French to English of Rexel's original financial information for the year ended December 31, 2021 and is provided solely for the convenience of English speaking readers. In the event of any ambiguity or discrepancy between this unofficial translation and the original financial information for the year ended December 31, 2021, the French version will prevail.

Pursuant to Article 19 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference in this Universal Registration Document:

- the operating and financial review of the Rexel Group for the year ended December 31, 2020, the consolidated financial statements (as well as the related report of the Statutory Auditors) and the annual financial statements (as well as the related report of the Statutory Auditors) which are respectively included in pages 246 to 265, in pages 266 to 337, and 338 to 359, respectively, of the French version of the Universal Registration Document filed with the *Autorité des marchés financiers* on March 11, 2021, under number D.21-0111 ; and
- the operating and financial review of the Rexel Group for the year ended December 31, 2019, the consolidated financial statements (as well as the related report of the Statutory Auditors) and the annual financial statements (as well as the related report of the Statutory Auditors) which are respectively included in pages 246 to 263, in pages 264 to 336, and 338 to 359, respectively, of the French version of the Universal Registration Document filed with the *Autorité des marchés financiers* on March 9, 2020, under number D.20-0111.

The information in these documents that is not incorporated by reference is either irrelevant for the investor or is covered in another section of this Universal Registration Document.

5.1 Consolidated results

5.1.1 Operating and financial review

Rexel was incorporated on December 16, 2004. Shares of Rexel were admitted to trading on the Eurolist market of Euronext Paris on April 4, 2007. The Group consists of Rexel and its subsidiaries (herein after referred to as “the Group” or “Rexel”).

The activity report is presented in euros and all numbers are rounded to the nearest tenth of a million, except where otherwise stated. Totals and sub-totals presented in the activity report are first computed in thousands of euros and then rounded to the nearest tenth of a million. Thus, the numbers may not sum precisely due to rounding.

5.1.1.1 Financial position of the Group

5.1.1.1.1 Group Overview

The Group is a worldwide leader in the professional distribution of low and ultra-low voltage electrical products, based on sales and number of branches. The Group principally operates in three geographic areas: Europe, North America and Asia-Pacific. This geographic segmentation is based on the Group's financial reporting structure.

In 2021, the Group recorded consolidated sales of €14,690.2 million, of which €8,273.8 million were generated in Europe (56% of sales), €5,122.6 million in North America (35% of sales) and €1,293.8 million in Asia-Pacific (9% of sales).

The Group's activities in Europe (56% of Group sales) are in France (which accounts for 38% of Group sales in this region), the United Kingdom, Germany, Sweden, Switzerland, Belgium, Austria, the Netherlands, Norway, Finland, Spain, Ireland, Italy, Slovenia, Portugal, Russia and Luxembourg.

The Group's activities in North America (35% of Group sales) are in the United States and Canada. The United States account for 77% of Group sales in this region, and Canada for 23%.

The Group's activities in Asia-Pacific (9% of Group sales) are in Australia, China, New Zealand, India and Middle East. China accounts for 42% of Group sales in this region and Australia for 42%.

This activity report analyses the Group's sales, gross profit, distribution and administrative expenses, and operating income before amortization of intangible assets recognized on purchase price allocations and other income and other expenses (EBITA) separately for each of the three geographic segments, as well as for the “Other operations” segment.

5.1.1.1.2 Significant events of the reporting period

In 2021, the Group experienced a strong sales growth in a constrained environment marked by product scarcity and price increases, showing its ability to fully capture market recovery driven by electrification and energy transition and to ensure business continuity for its customers.

Rexel also resumed its external growth policy and finalized five acquisitions of which the two main following ones in North America:

- Mayer, a major distributor of electrical products and services in the Eastern part of the USA;

- A Utility distribution business in Canada.

Moreover, Rexel issued two sustainability-linked bonds, respectively of €400 and €600 million in order to extend its debt maturity profile, optimize its overall cost of financing and also to demonstrate its environmental engagement.

5.1.1.1.3 Seasonality

Despite the low impact of seasonality on sales, changes in the Group's working capital requirements lead to variations in cash flows over the course of the year. As a general rule, the

Group's EBITA and cash flows are the strongest in the fourth quarter while relatively lower in the three other quarters.

5.1.1.1.4 Impact of changes in copper price

The Group is indirectly exposed to fluctuations in copper price in connection with its distribution of cable products. Cables represent approximately 17% of the Group's sales and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect suppliers' commercial policies and the competitive environment of markets the Group operates in. Changes in copper price have an estimated "recurring" and "non-recurring" effect on the Group's performance, assessed as part of the monthly internal reporting process of the Rexel Group:

- The recurring effect related to the change in copper-based cable prices corresponds to the change in the value of the copper included in the sales price of cables from one period to another. This effect mainly relates to sales.
- The non-recurring effect related to the change in copper-based cable prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until such inventory has been rebuilt (direct effect on gross

profit). In practice, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, where appropriate, by the non-recurring portion of changes in distribution and administrative expenses (principally the variable portion of compensation of sales personnel, which accounts for approximately 10% of the change in gross profit).

The impact of these two effects is assessed for as much of the Group's total cable sales as possible over each period, and in any case covering at least a majority of sales. Group procedures require entities that do not have information systems capable of such comprehensive calculation to estimate these effects based on a sample representing at least 70% of sales during the period. The results are then extrapolated to all cables sold during the period for that entity. On the basis of the sales covered, the Rexel Group considers such estimates as reasonable to measure the two effects.

5.1.1.1.5 Comparability of the Group's operating results and adjusted EBITA

The Group undertakes acquisitions and disposals that may alter its scope of consolidation from one period to another. Currency exchange rates may also fluctuate significantly. In addition, the number of working days in each period also has an impact on the Group's consolidated sales. Lastly, the Group is exposed to fluctuations in copper price. For these reasons, a comparison of the Group's reported operating results over different periods may not provide a meaningful comparison of its underlying business performance. Therefore, in the analysis of the Group's consolidated results presented below, financial information is also restated to give effect to the following adjustments.

Excluding the effects of acquisitions and disposals

The Group adjusts its results to exclude the effects of acquisitions and disposals. Generally, the Group includes the results of an acquired company in its consolidated financial statements at the date of the acquisition and ceases to include the results of

a divested company at the date of its disposal. To neutralize the effects of acquisitions and disposals on the analysis of its operations, the Group compares the results of the current year against the results of the preceding financial year, as if the preceding financial year had the same scope of consolidation for the same periods as the current year.

Significant acquisitions

In 2021, Rexel completed two significant acquisitions:

- On November 8, 2021, the Group acquired Mayer Electric Supply Company, Inc., a major distributor of electrical products and services in the USA. Mayer operates in 68 branches located in 12 states in the Eastern part of the USA and posted 2021 annual sales of US\$1.3 billion;
- On February 1, 2021, Rexel acquired a Utility distribution business in Canada, focusing on utility hydro end-users and contractors with annual sales of circa €45 million.

In 2020, the Group did not proceed to any significant acquisitions.

Divestments

In 2021, the Group finalized the following disposals:

- On March 1, 2021 Rexel completed the disposal of an electrical equipment distributor to DIY customers in France (2020 sales of €32.5 million);
- On October 3, 2021 Rexel finalized the disposal of Rexel Arabia Electrical Supplies, a distributor operating in the Kingdom of Saudi Arabia (2020 sales of €15.1 million).

In 2020, two divestments were closed down by the Group:

- Gexpro Services business (distribution of c.parts products to OEM industries) divestment in the USA was finalized on February 28, 2020;
- The Spanish export business was disposed of on February 19, 2020.

Excluding the effects of exchange rate fluctuations

Fluctuations in currency rates against the euro affect the value of the Group's sales, expenses and other balance sheet items as well as the income statement. By contrast, the Group has relatively low exposure to currency transaction risk, as cross-border transactions are limited. To neutralize the currency translation effect on the comparability of its results, the Group restates its comparative period results at the current year's exchange rates.

Excluding the non-recurring effect related to changes in copper price

To analyze the financial performance on a constant adjusted basis, the estimated non-recurring effect related to changes in copper-based cable prices, as described in paragraph 5.1.1.4 Impact of changes in copper price above, is excluded from the information presented for both the current and the previous periods. Such information is referred to as "adjusted" throughout this activity report.

Excluding the effects of different numbers of working days in each period on sales

The Group's sales in a given period compared with another period are affected by the number of working days, which changes from one period to another. In the analysis of its consolidated sales, the Group neutralizes this effect by proportionally adjusting the comparative sales number of the comparative period to match with the current period's number of working days. No attempt is made to adjust any line items other than sales for this effect, as it is not considered relevant.

Accordingly, in the following discussion of the Group's consolidated results, some or all of the following information is provided for comparison purposes:

- On a constant and actual number of working days basis, which means excluding the effect of acquisitions and disposals and the effect of fluctuations in exchange rates. Such information is used for comparison of sales.
- On a constant and same-day basis, which means on a constant basis (as described above) and restated for the effect of different numbers of working days in each period. Such information is used only for comparisons related to sales; and
- On a constant basis, adjusted, which means on a constant basis (as described above) and adjusted for the estimated non-recurring effect related to changes in copper-based cable prices. Such information is used for comparisons of gross profit, distribution and administrative expenses, and EBITA. This information is not generated directly by the Group's accounting systems but is an estimate of comparable data in accordance with the principles explained above.

The Group uses the "EBITA" and "Adjusted EBITA" measures to monitor its performance. Neither EBITA nor Adjusted EBITA is an accepted accounting measure under IFRS. The table below reconciles reported operating income before other income and other expenses to Adjusted EBITA on a constant basis.

	YEAR ENDED DECEMBER 31	
	2021	2020
<i>(in millions of euros)</i>		
Operating income before other income and other expenses	956.4	526.5
Changes in scope of consolidation	—	10.0
Foreign exchange effects	—	(0.6)
Non-recurring effect related to copper	(57.8)	(10.5)
Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions	7.3	10.5
Adjusted EBITA on a constant basis	906.0	536.0

Rexel also uses the recurring net income measure to determine the level of dividends to be distributed according to its dividend policy: Rexel has committed to pay dividends representing at

least 40% of the recurring net income. The table below presents the reconciliation of net income with net recurring income:

	YEAR ENDED DECEMBER 31	
	2021	2020
<i>(in millions of euros)</i>		
Net income (as reported)	597.6	(261.3)
Non-recurring copper effect	(57.8)	(10.6)
Other expense & income	44.6	529.9
Financial expense	22.6	(4.2)
Tax expense	(32.1)	24.0
Recurring net income	575.0	277.7
Weighted average number of common shares adjusted for dilutive potential shares (in thousands)	304,019	303,485
Fully diluted earnings per share (in euros)	1.89	0.91

5.1.1.2 Comparison of financial results as of December 31, 2021 and as of December 31, 2020

5.1.1.2.1 Rexel Group's consolidated financial results

The following table sets out Rexel's consolidated income statement for 2021 and 2020, in millions of euros and as a percentage of sales.

In addition, the table below sets out the net effect of acquisitions and disposals and the effect

of exchange rate fluctuation on prior year comparative figures. This table also presents comparable data adjusted for copper price fluctuation according to paragraph 5.1.1.4.

	YEAR ENDED DECEMBER 31					
	2021		2020		Δ %	
	Reported	Adjusted	Reported	On a constant basis, adjusted	Reported	On a constant basis, adjusted
Sales	14,690.2	14,690.2	12,592.5	12,749.0	16.7%	15.2%
<i>Same-day basis</i>						15.6%
Gross profit	3,871.6	3,812.5	3,103.4	3,122.6	24.8%	22.1%
<i>as a % of sales</i>	26.4%	26.0%	24.6%	24.5%		
Operating expenses	(2,607.1)	(2,605.9)	(2,282.5)	(2,299.7)	14.2%	13.3%
Depreciation	(300.7)	(300.7)	(283.9)	(286.9)	5.9%	4.8%
Distribution and administrative expenses before amortization of intangible assets	(2,907.8)	(2,906.6)	(2,566.4)	(2,586.6)	13.3%	12.4%
<i>as a % of sales</i>	(19.8)%	(19.8)%	(20.4)%	(20.3)%		
EBITA	963.7	906.0	537.0	536.0	79.5%	69.0%
<i>as a % of sales</i>	6.6%	6.2%	4.3%	4.2%		
Amortization of intangible assets ⁽¹⁾	(7.3)	—	(10.5)	—	(30.3)%	—
Operating income before other income and expenses	956.4	—	526.5	—	81.6%	—
Other income and expenses	(44.6)	—	(529.9)	—	(91.6)%	—
Operating income/(loss)	911.8	—	(3.4)	—	n.a.	—
Net financial expenses	(133.1)	—	(117.2)	—	13.6%	—
Share of profit / (loss) in associates	(0.3)	—	—	—	n.a.	—
Pre tax income/(loss)	778.4	—	(120.6)	—	n.a.	—
Income taxes	(180.8)	—	(140.7)	—	28.5%	—
Net income/(loss)	597.6	—	(261.3)	—	n.a.	—
<i>Effective tax rate</i>	23.2%	—	n.a.	—	—	—

(1) Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions.

Sales

In 2021, Rexel's consolidated sales amounted to €14,690.2 million, as compared to €12,592.5 million in 2020.

On a reported basis, sales were up 16.7% year-on-year, including a neutral foreign exchange currency impact and a positive net scope effect of 1.2%:

- The positive net effect from the change in structure amounted to €150.8 million, mainly resulting from the acquisition of Mayer in the US

and a Utility distribution business in Canada in 2021 offsetting the disposal of Gexpro Services in the US occurred in 2020.

On a constant and same-day basis, sales increased by 15.6%, supported by a very favorable pricing environment both on cable and non-cable products. By geography, North America increased by 16.6%, Europe increased by 16.4% while Asia-Pacific increased by 7.5%.

On a constant and actual number of working days basis, sales increased by 15.2%.

After having demonstrated its resilience during the Covid-19 crisis in 2020, Rexel posted in 2021 a strong performance fostered by price inflation in a constrained environment, with the business still impacted by persistent supply chain tensions that disrupted activity both at our suppliers and at our customers. This unprecedented situation of supply chain tensions and product scarcity represents an opportunity for Rexel, allowing the Group to leverage its competencies (data driven, pricing tools to manage volatility, purchasing strategy...) to maximize customer satisfaction and ensure business continuity.

Starting from the first quarter of 2021, Rexel sales were above pre-crisis level, illustrating the Group's ability to capture the recovery. In the second quarter of 2021, sales were up 32.3% year-on-year, marked by a favorable comparable base since the second quarter of 2020 was the most impacted by the pandemic (down 17.7% on a constant and same-day basis). In the second half of 2021, the Group benefited from on-going recovery with volume accelerating in the fourth quarter on the backdrop of product scarcity.

The table below summarizes the impact on sales evolution of the number of working days, changes in scope and in currency effects:

	Q1	Q2	Q3	Q4	YEAR ENDED DECEMBER 31, 2021
Growth on a constant and same-days basis	8.6%	32.3%	11.5%	12.2%	15.6%
Number of working days effect	(2.1)%	1.6%	(0.1)%	(0.4)%	(0.4)%
Growth on a constant and actual-day basis	6.5%	33.9%	11.4%	11.8%	15.2%
Changes in scope effect	(0.7)%	0.1%	0.1%	4.9%	1.2%
Foreign exchange effect	(2.3)%	(1.4)%	0.9%	2.7%	—%
Total scope and currency effect	(3.0)%	(1.3)%	1.0%	7.6%	1.2%
Growth on a reported basis ⁽¹⁾	3.3%	32.1%	12.6%	20.3%	16.7%

(1) Growth on a constant basis and actual number of working days compounded by the scope and currency effects.

In addition, the Group benefited from further growth in digitalization, with digital sales now representing 23.7% of Group sales, as compared to 21.5% in 2020, on a constant basis.

Gross profit

In 2021, gross profit amounted to €3,871.6 million, up 24.8%, on a reported basis, as compared to €3,103.4 million in 2020.

The sales growth in 2021 translated into an adjusted gross margin improvement of 146 basis points year-on-year, on a constant basis, at 26.0% of sales, including a non-recurring impact of 80 basis point on non-cable-products inventory price inflation. Adjusted gross profit increased by 22.1% on a constant basis.

Distribution & administrative expenses before amortization of intangible assets

In 2021, distribution and administrative expenses before amortization of intangible assets amounted to €2,907.8 million, up 13.3% on a reported basis, as compared to €2,566.4 million in 2020.

On a constant basis, adjusted distribution and administrative expenses increased by 12.4%, mainly impacted by:

- An unfavorable base effect on personnel costs mainly due to Covid-related Government subsidies in 2020;

- Exceptional variable pay as a result of overachievement of business targets in 2021 linked to non-recurring impact on non-cable products inventory price inflation (degradation of circa 40 basis points).

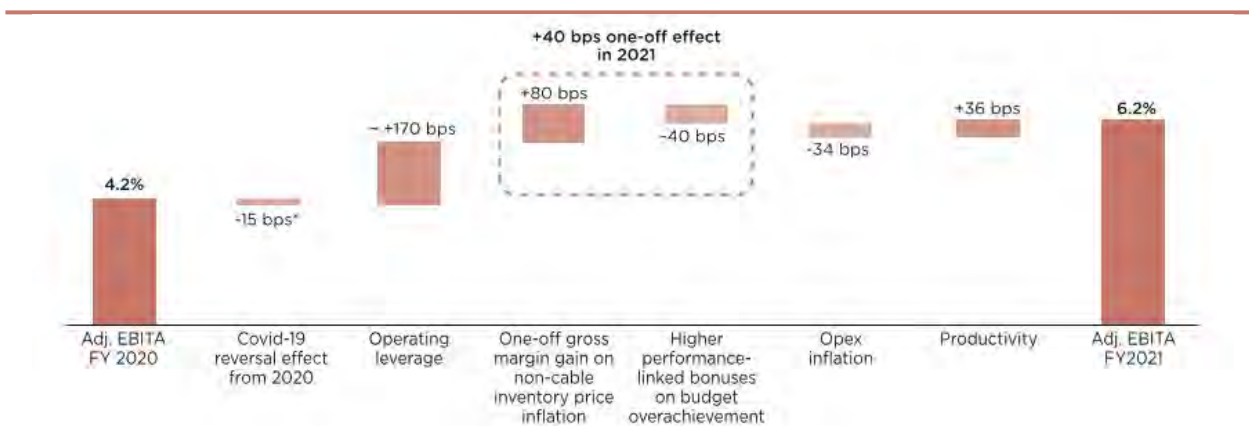
Distribution and administrative expenses before amortization of intangible assets represented 19.8% of sales in 2021 as compared to 20.3% of sales in 2020, reflecting the significant sales growth and higher productivity.

EBITA

In 2021, as a result, EBITA stood at €963.7 million, up 79.5%, on a reported basis, as compared to €537.0 million in 2020, including a negative foreign exchange currency impact of €0.6 million and a positive net scope effect of €10.0 million.

On a constant basis, adjusted EBITA increased by 69.0% to €906.0 million and adjusted EBITA margin stood at 6.2% of sales, up 196 basis points year-on-year, demonstrating the result of the Group profound transformation over the last 5 years and notably the digital transformation that translated into above-market sales growth, improved customer services and higher productivity. It also includes 40 basis points of positive one-off effects from non-cable products inventory price inflation, net of higher performance-linked bonuses.

The chart below displays the adjusted EBITA evolution:



Other income and expenses

In 2021, other income and expenses represented a net expense of €44.6 million, consisting mainly of:

- €23.4 million of impaired trade receivables in connection with the discontinuation of a non-core contract in China in 2021 and legal investigations initiated as a result;
- €9.8 million acquisition-related costs mostly in connection with Mayer Electric Supply in the USA and to a lesser extent, with a Utility distribution business in Canada;
- €7.3 million write-down of right-of-use and other fixed assets in Spain;
- €6.3 million of restructuring costs.

In 2020, other income and expenses represented a net expense of €529.9 million, consisting mainly of:

- €486.0 million goodwill impairment, of which €162.4 million on the UK, €108.2 million on the USA, €75.2 million on Canada, €74.6 million on Germany, €40.5 million on Australia, €17.5 million on Norway, due to economic environment downturn as a result of the Covid-19 health crisis;
- €32.5 million fair value adjustments of assets held for sale in connection with the expected divestment of Rexel Arabia Electrical Supplies and an electrical distribution to DIY customers business in France;
- €26.1 million restructuring plans mostly incurred in China, Germany, the US, Sweden, and the UK.

Partly offset by:

- €5.7 million disposal gains of Gexpro Services business in USA and a Spanish export business;
- €13.7 million gain mainly related to real estate properties divestments.

Net Financial expenses

Net financial expenses were €133.1 million in 2021 compared to €117.2 million in 2020, of which €40.4 million related to lease interest expenses (compared to €42.7 million in 2020).

In 2021, net financial expenses included a €22.6 million one-off expense related to the early redemption of the 2.75% 600 million senior notes due 2026 (€17.5 million loss) and the 2.125% 500 million senior notes due 2025 (€5.1 million loss). In 2020, the early repayment of the €300 million senior notes due 2024 resulted in a €4.2 million gain.

Net financial expenses on borrowings, excluding the above one-offs, stood at €70.1 million, down €8.6 million in 2021 compared to 2020 mainly due to the reduced average gross debt.

Effective interest rate of the gross financial debt stood at 2.42% down 3 basis points, year-on-year.

Lease interest expenses were down €2.3 million to €40.4 million due to the drop of the effective interest rate of lease liabilities (4.0% in 2021 versus 4.2% in 2020).

Income tax

Income tax expense was €180.8 million in 2021 compared to €140.7 million in 2020.

In 2021, income tax expense included a €32.2 million gain related to the deferred tax asset recognition in countries with tax losses carried forward (UK, Germany and New Zealand) as a result of better-than-expected future taxable income. In 2020, tax expense comprised a €28.4 million loss on the deferred tax asset write-down, due to uncertainty around their future recoverability on the backdrop of the Covid-19 crisis.

Excluding these non-recurring items, tax expense increased from €112.3 million in 2020 to €213.0 million in 2021 driven by strong post Covid-19 business recovery.

The effective tax rate stood at 23.2% in 2021 due to the €32.2 million one-off deferred tax gain. In

2020, the effective tax rate was negative due to the €124.9 million unfavorable effect of the non-tax deductible goodwill impairment loss.

Excluding one-offs, the effective tax rate decreased to 27.3% in 2021 from 30.7% in 2020, notably reflecting the decrease in the French tax rate from 32.2% to 28.4%. These one-offs consist in (i) the €32.2 million deferred tax gain in 2021, (ii) the €28.4 million deferred tax loss in 2020 and (iii) the €124.9 million effect on the non-tax deductible goodwill impairment loss in 2020.

Net income/(loss)

As a result of the above items, net income stood at €597.6 million in 2021, as compared to a net loss of €261.3 million in 2020.

Recurring net income stood at €575.0 million in 2021, up +107.0% compared to last year, corresponding to earnings per share of €1.89 (€0.91 in 2020).

5.1.1.2.2 Europe (56% of Group sales)

	YEAR ENDED DECEMBER 31					
	2021		2020		Δ %	
	Reported	Adjusted	Reported	On a constant basis, adjusted	Reported	On a constant basis, adjusted
Sales	8,273.8	8,273.8	7,083.3	7,103.6	16.8%	16.5%
<i>Same-day basis</i>						16.4%
Gross profit	2,308.9	2,272.2	1,899.8	1,902.9	21.5%	19.4%
<i>as a % of sales</i>	27.9%	27.5%	26.8%	26.8%		
Operating expenses	(1,516.5)	(1,515.2)	(1,361.4)	(1,363.9)	11.4%	11.1%
Depreciation	(170.6)	(170.6)	(158.6)	(159.3)	7.5%	7.1%
Distribution and administrative expenses before amortization of intangible assets	(1,687.1)	(1,685.8)	(1,520.1)	(1,523.2)	11.0%	10.7%
<i>as a % of sales</i>	(20.4)%	(20.4)%	(21.5)%	(21.4)%		
EBITA	621.8	586.4	379.8	379.7	63.7%	54.4%
<i>as a % of sales</i>	7.5%	7.1%	5.4%	5.3%		

Sales

In 2021, sales in Europe amounted to €8,273.8 million, up 16.8% on a reported basis, as compared to €7,083.3 million in 2020.

Exchange rate variations accounted for a increase of €46.3 million, mainly due to the appreciation of the British Pound and Swedish Krona against the euro.

The negative effect of divestments on the sales was €25.9 million.

On a constant and same-day basis, sales increased by 16.4% as compared to 2020, positioning Rexel above pre-crisis level in both volume and price (+11.8% as compared to 2019). Digital sales represented 33.9% of Europe sales (up 253 basis

points year-on-year), resulting in an increase of 25.8% as compared to 2020.

On a constant and actual number of working days basis, sales increased by 16.5%, impacted by a slight favorable calendar impact of 0.1 percentage point.

In **France**, sales amounted to €3,178.4 million in 2021, an increase of 21.3% as compared to 2020 on a constant and same-day basis (+13.6% as compared to 2019), mainly driven by an increased number of active customers, market shares gain. In the fourth quarter of 2021, sales were up 8.1%, sustained by an acceleration of price increases as well as robust activity in HVAC solutions, residential (renovation) and commercial segments, as compared to the fourth quarter of 2020.

In **Scandinavia** sales amounted to €1,081.5 million in 2021, an increase of 6.5% from 2020 on a constant and same-day basis (+10.3% as compared to 2019), with Sweden up 7.3% vs 2020 as the result of action plans to promote Small & Medium installers activity. In the fourth quarter of 2021, sales in Scandinavia were up 9.1% as compared to the fourth quarter of 2020.

In **the Netherlands**, sales amounted to €373.0 million in 2021, an increase by 13.2% from 2020 on a constant and same-day basis (+14.7% vs 2019), driven by a well orientation of all end-markets. In the fourth quarter of 2021, sales in Netherlands were up 16.8% as compared to the fourth quarter of 2020.

In **Belgium** and **Luxembourg**, sales amounted to €496.3 million in 2021, up 11.4% on a constant and same-day basis (+12.6% vs 2019). In the fourth quarter of 2021, sales in Belgium and Luxembourg were up 1.6% as compared to the fourth quarter of 2020, marked by the end of subsidies in Flanders in Photovoltaic products. The underlying business accelerated, supported by price increases on both cable and non-cable products

In **Germany**, sales stood at €817.1 million in 2021, a 17.9% increase compared to 2020 on a constant and same-day basis (+25.5% vs 2019), reflecting strong demand in the proximity business and in the industry end-market. In the fourth quarter of 2021, sales in Germany were up 15.1% as compared to the fourth quarter of 2020.

In the **United Kingdom**, sales amounted to €728.0 million in 2021, an increase of 16.8% from 2020 (-3.6% vs 2019) on a constant and same-day basis, reflecting the recovery with acceleration within the year after the extended lockdown in place in the first quarter of 2021. Residential and proximity business were well oriented (Denmans up 17.2% in 2021). In the fourth quarter of 2021, sales increased by 12.1% as compared to the fourth quarter of 2020 notably thanks to a public contract with the UK government (contribution +6.2% as compared to the fourth quarter of 2020).

In **Switzerland** and **Austria**, sales amounted respectively to €546.1 million and €476.0 million in 2021. Sales in Switzerland increased by 10.1% from 2020, on a constant and same-day basis, reflecting notably a recovery in the industrial market and price increase, especially in the fourth quarter (sales up 10.1%). Sales in Austria increased by 24.7% from 2020, on a constant and same-day basis driven by all segment and very strong year driven by proximity (residential & commercial). In the fourth quarter of 2021, sales in Austria were up 16.2% as compared to the fourth quarter of 2020 notably driven by a strong industrial demand.

Gross profit

In 2021, on a constant basis, adjusted gross profit increased by 19.4% and adjusted gross margin increased by 68 basis points to 27.5% of sales, also above its pre-crisis level (27.3% in 2019), leveraging strong pricing management along with positive country mix.

Distribution & administrative expenses before amortization of intangible assets

On a constant basis, adjusted distribution and administrative expenses before amortization of intangible assets increased by 10.7% in 2021, representing 20.4% of sales in 2021, a 107 basis points improvement as compared to 2020, benefiting from robust sales growth and digital productivity.

EBITA

In 2021, as a result, on a reported basis, EBITA amounted to €621.8 million, up 63.7% as compared to €379.8 million in 2020, including a positive foreign exchange currency impact of €1.2 million.

On a constant basis, adjusted EBITA increased by 54.4% as compared to 2020 and adjusted EBITA margin increased by 174 basis points to 7.1% of sales, including 20 basis points of positive one-off effects from non-cable products inventory price inflation, net of higher performance-linked bonuses.

5.1.1.2.3 North America (35% of Group sales)

	YEAR ENDED DECEMBER 31					
	2021		2020		Δ %	
	Reported	Adjusted	Reported	On a constant basis, adjusted	Reported	On a constant basis, adjusted
Sales	5,122.6	5,122.6	4,342.0	4,441.5	18.0%	15.3%
<i>Same-day basis</i>						16.6%
Gross profit	1,331.4	1,309.1	1,002.2	1,011.1	32.8%	29.5%
<i>as a % of sales</i>	26.0%	25.6%	23.1%	22.8%		
Operating expenses	(891.7)	(891.7)	(752.2)	(761.3)	18.5%	17.1%
Depreciation	(82.4)	(82.4)	(81.4)	(82.6)	1.2%	(0.2)%
Distribution and administrative expenses before amortization of intangible assets	(974.1)	(974.1)	(833.6)	(843.9)	16.8%	15.4%
<i>as a % of sales</i>	(19.0)%	(19.0)%	(19.2)%	(19.0)%		
EBITA	357.3	335.0	168.6	167.2	111.9%	100.4%
<i>as a % of sales</i>	7.0%	6.5%	3.9%	3.8%		

Sales

In 2021, sales in North America amounted to €5,122.6 million, up 18.0%, on a reported basis, as compared to €4,342.0 million in 2020.

Exchange rate variations accounted for a decrease of €83.6 million, mainly due to the depreciation of the US dollar against the euro.

The positive net effect of change in structure of €183.0 million was associated to the acquisition of Mayer in the US and a Utility distribution business in Canada offsetting the disposal of Gexpro Services in the US.

On a constant and same-day basis, sales increased by 16.6% as compared to 2020, above their pre-crisis level (+2.9% vs 2019) despite lower volumes. Digital sales represented 12.1% of North America sales (including Mayer), up 170 basis points year-on-year, resulting in an increase of 34.3% as compared to 2020.

In **the United States**, sales stood at €3,930.5 million in 2021, a 16.6% increase from 2020 on a constant and same-day basis. Sales were above the pre-crisis level in 2019 with an acceleration in the fourth quarter 2021 (+11.4% vs 2019) as compared to the third quarter 2021 (+2.8% vs 2019), with the three all-end-markets above pre-crisis level. The Northeast, Southeast, Mountain Plains and Florida faced a sequential improvement sustained by commercial activity when sales in the Southeast, the Midwest and Gulf Central were mainly driven by strong demand in industry.

In **Canada**, sales amounted to €1,192.1 million in 2021, a 16.5% increase from 2020 on a constant and same-day basis, mainly driven by higher

volume from the western part of the country thanks to proximity business and industrial projects and offsetting lower activity in the Quebec province impacted by a lesser level of commercial project. In the fourth quarter of 2021, sales in Canada were up 12.7% as compared to the fourth quarter of 2020 notably helped by a strong performance of the newly acquired Utility distribution business, above expectation.

Gross profit

On a constant basis, adjusted gross profit increased by 29.5% and adjusted gross margin increased by 279 basis points to 25.6% of sales, benefiting from pricing initiatives, a one-off effect reflecting price inflation on non-cable products, increased project selectivity and favorable business mix (more Proximity than Project business).

Distribution & administrative expenses before amortization of intangible assets

On a constant basis, adjusted distribution and administrative expenses before amortization of intangible assets increased by 15.4%, representing 19.0% of sales in 2021, stable year-on-year as a result of positive effect from sales growth and structural measures offsetting higher variable pay in 2021.

EBITA

In 2021, as a result, EBITA amounted to €357.3 million, up 111.9%, on a reported basis, as compared to €168.6 million in 2020, including a negative foreign exchange currency impact of €2.7 million.

On a constant basis, adjusted EBITA increased by 100.4% from 2020 and adjusted EBITA margin increased by 278 basis points to 6.5% of sales,

including 100 basis points of positive one-off effects from non-cable products price inflation, net of higher performance-linked bonuses.

5.1.1.2.4 Asia-Pacific (9% of Group sales)

	YEAR ENDED DECEMBER 31					
	2021		2020		Δ %	
	Reported	Adjusted	Reported	On a constant basis, adjusted	Reported	On a constant basis, adjusted
Sales	1,293.8	1,293.8	1,167.2	1,203.9	10.9%	7.5%
<i>Same-day basis</i>						7.5%
Gross profit	231.3	231.3	200.8	208.0	15.2%	11.2%
<i>as a % of sales</i>	17.9%	17.9%	17.2%	17.3%		
Operating expenses	(172.9)	(172.9)	(153.1)	(158.7)	12.9%	8.9%
Depreciation	(27.6)	(27.6)	(25.8)	(26.9)	7.0%	2.5%
Distribution and administrative expenses before amortization of intangible assets	(200.5)	(200.5)	(178.9)	(185.6)	12.1%	8.0%
<i>as a % of sales</i>	(15.5)%	(15.5)%	(15.3)%	(15.4)%		
EBITA	30.8	30.8	21.9	22.3	40.8%	37.9%
<i>as a % of sales</i>	2.4%	2.4%	1.9%	1.9%		

Sales

In 2021, sales in Asia-Pacific amounted to €1,293.8 million, up 10.9%, on a reported basis, as compared to €1,167.2 million in 2020.

Exchange rate variations accounted for a positive effect of €43.1 million, mainly due to the appreciation of almost all currencies against the euro.

The negative effect of divestments on the sales was €6.4 million.

On a constant and same-day basis, sales increased by 7.5% as compared to 2020, positioning Rexel above the pre-crisis level in both volume and price. Digital sales represented 4.7% of Asia-Pacific sales (up 34 basis points year-on-year), resulting in an increase of 16.0% as compared to 2020.

In **Australia**, sales amounted to €543.6 million in 2021, up 7.3%, on a constant and same-day basis. After a solid performance in the first semester, supported by small and medium contractors, the country was impacted during the third quarter of 2021 by lockdowns in large cities. In the fourth quarter of 2021 sales increased by 10.6% as compared to the fourth quarter of 2020 mainly due to the reopening of the country. The recovery was driven by industrial activity and the small & medium installers activity as well as a better pricing contribution.

In **China**, sales amounted to €543.0 million in 2021, a 4.2% increase compared to 2020, on a constant and same-day basis. After a strong increase of 60.1% in the first quarter of 2021 as compared to the first quarter of 2020, driven by better macro environment and government spending in infrastructure and automation as well as favorable base effect as the pandemic started earlier in China in 2020, the performance was affected by the termination of a non-core large aerospace contract. Restated for this effect, sales were up 18.4% in 2021 as compared to 2020 benefiting from better pricing environment offsetting lower volume growth. Activity remains impacted by scarcity of industrial products.

Gross profit

In 2021, on a constant basis, adjusted gross profit increased by 11.2% and adjusted gross margin increased by 60 basis-point to 17.9% of sales, with increased adjusted gross margin in Pacific offsetting negative business mix in China.

Distribution & administrative expenses before amortization of intangible assets

On a constant basis, adjusted distribution and administrative expenses before amortization of intangible assets increased by 8.0% as compared to 2020, representing 15.5% of sales in 2021, a 7 basis-point deterioration as compared to 2020.

EBITA

In 2021, as a result, EBITA amounted to €30.8 million, up 40.8%, on a reported basis, as compared to €21.9 million in 2020.

On a constant basis, adjusted EBITA increased by 37.9% from 2020 and adjusted EBITA margin increased by 52 basis points to 2.4% of sales, driven by better profitability in Pacific.

5.1.1.2.5 Other operations

	YEAR ENDED DECEMBER 31		
	2021	2020	Δ %
	Reported	Reported	Reported
Sales	—	—	—
Gross profit	—	0.6	—
Operating expenses	(26.1)	(15.7)	65.6%
Depreciation	(20.1)	(18.1)	11.4%
Distribution and administrative expenses	(46.2)	(33.8)	36.7%
EBITA	(46.2)	(33.2)	(39.2)%

This segment mostly includes unallocated centrally-hosted expenses and projects. In 2021, EBITA was negative by €46.2 million compared to

€33.2 million in 2020, mainly due to higher centrally-hosted projects and long-term incentives.

5.1.2 Liquidity and capital resources**5.1.2.1 Cash flow**

The following table sets out Rexel's cash flow statement for 2021 and 2020 together with a

reconciliation of free cash flow before and after interest and income tax paid.

	YEAR ENDED DECEMBER 31		
	2021	2020	Change
<i>(in millions of euros)</i>			
Operating cash flow before interest and taxes	1,181.8	739.5	442.3
Financial interest on borrowings paid ⁽¹⁾	(56.1)	(66.5)	10.4
Income tax paid	(199.0)	(88.5)	(110.4)
Operating cash flow before change in working capital	926.7	584.4	342.3
Change in working capital requirements	(209.0)	122.5	(331.5)
Net cash flow from operating activities	717.7	706.9	10.8
Net cash flow from investing activities	(542.3)	67.6	(609.9)
<i>o.w. Operating capital expenditures ⁽²⁾</i>	<i>(103.2)</i>	<i>(76.6)</i>	<i>(26.7)</i>
Net cash flow from financing activities ⁽³⁾	(299.7)	(580.2)	280.4
Net cash flow	(124.3)	194.4	(318.7)
Operating cash flow	1,181.8	739.5	442.3
Repayment of lease liabilities	(188.9)	(172.3)	(16.5)
Change in working capital requirements	(209.0)	122.5	(331.5)
Operating capital expenditures	(103.2)	(76.6)	(26.7)
Free cash flow before interest and taxes	680.6	613.0	67.5
Financial interest on borrowings paid	(56.1)	(66.5)	10.4
Income tax paid	(199.0)	(88.5)	(110.4)
Free cash flow after interest and taxes	425.5	458.0	(32.5)

(1) Excluding interest on lease liabilities.

(2) Net of disposals.

(3) Including lease liabilities repayment.

5.1.2.1.1 Cash flow from operating activities

Rexel's net cash flow from operating activities was an inflow of €717.7 million in 2021 compared to €706.9 million in 2020.

Operating cash flow

Operating cash flow before interest, income tax and changes increased from €739.5 million in 2020 to €1,181.8 million in 2021 as the result of EBITA increase driven by sales growth and digital transformation.

Interest and taxes

Net interest paid decreased from €66.5 million in 2020 to €56.1 million in 2021 reflecting lower effective interest rate in 2021 as compared to 2020 and the reduction of the average indebtedness.

Income tax paid increased by €110.4 million from €88.5 million in 2020 to €199.0 million in 2021

mainly driven by higher taxable income in 2021 following the strong post Covid-19 crisis recovery.

Change in working capital requirements

Change in working capital requirements accounted for an outflow of €209.0 million in 2021, as compared to a €122.5 million inflow in 2020, mainly to support the sales recovery. In 2021, net inventories and net trade receivables contributed respectively for a €349.3 million and a €158.7 million outflows to change in working capital requirements (respectively a €113.6 million and a €87.4 million inflows in 2020), driven by the high level of sales in an environment marked by product scarcity and price increases. Net trade payables contributed for a €183.9 million inflow in 2021 as compared to a €150.1 million outflow in 2020. The change in non trade working capital represented an inflow of €115.5 million, mostly due to the non-recurring high level of variable pay and customer rebates outstanding.

Working capital requirements as of December 31, 2021

	AS OF DECEMBER 31	
	2021	2020
Working capital requirement as a % of sales⁽¹⁾ at:		
Constant basis	10.8%	10.8%
<i>of which Trade Working capital</i>	13.6%	13.1%
	NUMBER OF DAYS	NUMBER OF DAYS
Net inventories	58.3	52.6
Net receivables	44.9	46.0
Net Payables	54.7	54.5

(1) Working capital requirements, end of period, divided by last 12-month sales.

As a percentage of sales over the last 12 months, on a constant basis, working capital requirements amounted for 10.8% as of December 31, 2021, stable year-on-year, as a result of an improving non trade working capital (variable bonus payable) offset by a deterioration of trade working capital. Indeed, the

better collection of trade receivables (one day decrease of sales outstanding) was largely offset by a 5.7 days increase in days of inventories, reflecting strengthened safety stock notably to sustain sales growth perspectives on the backdrop of product shortage.

5.1.2.1.2 Cash flow from investing activities

Cash flow from investing activities consisting of acquisitions and disposals of fixed assets, as well as financial investments, amounted to a

€542.3 million outflow in 2021, as compared to €67.6 million inflow in 2020.

(in millions of euros)	YEAR ENDED DECEMBER 31	
	2021	2020
Acquisitions of operating fixed assets	(103.0)	(112.0)
Proceed from disposal of operating fixed assets	6.1	33.0
Net change in debts and receivables on fixed assets	(6.3)	2.4
Net cash flow from capital expenditures	(103.2)	(76.6)
Acquisition of subsidiaries, net of cash acquired	(426.3)	(5.0)
Proceeds from disposal of subsidiaries, net of cash disposed of	(9.6)	153.5
Net cash flow from financial investments	(435.9)	148.5
Net change in long-term investments	(3.1)	(4.3)
Net cash flow from investing activities	(542.3)	67.6

Acquisitions and disposals of operating fixed assets

Acquisitions of operating fixed assets, net of disposals, accounted for an outflow of €103.2 million in 2021, as compared to €76.6 million in 2020.

In 2021, gross capital expenditures represented 0.7% of sales and stood at €103.0 million (€112.0 million in 2020). IT and Digital projects represented 50% of the total gross capex in 2021

(57% in 2020). Disposals of fixed assets were €6.1 million (€33.0 million in 2020) mainly driven by real estate properties disposals.

Acquisitions and disposals of subsidiaries

Net cash flow from financial investments accounted for an outflow of €435.9 million in 2021 mainly reflecting the purchase price of Mayer Electrical Supply Company in the USA (€361.5 million) and a Utility distribution business in Canada (€40.5 million).

5.1.2.1.3 Cash flow from financing activities

In 2021, net cash flow from financing activities represented a net cash outflow of €299.7 million, mainly resulting from the:

- Repayment of the respectively of €500 and €600 million senior notes due 2025 and 2026 including a redemption premium of 19.5 million;
- €188.9 million lease liabilities repayment; and
- Dividend distribution of €139.6 million.

Partly offset by the:

- €400 million and €600 million issuance of senior notes due 2028 with coupons of 2.125% for an amount net of transaction costs of €989.9 million;

- €108.0 million decrease in credit facilities and other borrowings.

In 2020, net cash flow from financing activities represented a net cash outflow of €580.2 million, mainly resulting from the:

- Repayment of the €300 million senior notes due 2024 for a total amount of €303.9 million including a redemption premium of €3.9 million;
- €172.3 million lease liabilities repayment;
- €93.0 million decrease in assigned receivables associated with securitization programs.

5.1.2.2 Sources of financing

In addition to the cash from operations, the Group's main sources of financing are bond issuances, securitization programs and multilateral credit lines. At December 31, 2021, Rexel's consolidated

net debt amounted to €1,551.2 million, up €216.3 million as compared to December 31, 2020, consisting of the following items:

	AS OF DECEMBER 31					
	2021			2020		
	CURRENT	NON CURRENT	TOTAL	CURRENT	NON CURRENT	TOTAL
<i>(in millions of euros)</i>						
Senior notes	—	999.5	999.5	—	1,105.5	1,105.5
Securitization	605.0	300.0	905.0	0.4	818.0	818.4
Bank loans	36.7	0.3	37.0	8.1	0.3	8.5
Commercial paper	125.5	—	125.5	50.0	—	50.0
Bank overdrafts and other credit facilities	68.7	—	68.7	58.6	—	58.6
Accrued interests	5.1	—	5.1	3.6	—	3.6
Less transaction costs	(3.6)	(9.2)	(12.9)	(3.7)	(8.6)	(12.3)
Total financial debt and accrued interest	837.5	1,290.5	2,128.0	117.0	1,915.2	2,032.2
Cash and cash equivalents			(573.5)			(685.4)
Accrued interest receivable			(1.4)			(0.8)
Debt hedge derivatives			(2.0)			(11.1)
Net financial debt			1,551.2			1,334.9

Senior Notes

In 2021, Rexel issued two sustainability-linked bonds, respectively of €400 and €600 million with the aim of extending its debt maturity profile and optimizing its overall cost of financing.

These notes are subjected to sustainability performance targets:

- a 23% reduction in greenhouse gas emissions related to the consumption of products sold per euro of turnover (scope 3) by December 31, 2023 from a 2016 baseline; and
- a 23.7% reduction in greenhouse gas emissions related to energy consumption (scope 1 & 2) in

its operations by December 31, 2023 from a 2016 baseline.

The notes bear interest at 2.125% annually and matures in 2028. The interest rate of the notes shall be increased by 25 basis points per annum from 2024, if the Group does not achieve the sustainability performance targets.

Proceeds received from these issuances were used to early repay the €500 and €600 million notes respectively due 2025 and 2026.

At December 31, 2021, the Group's liquidity amounted to €1,264.6 million (€1,459.5 million at December 31, 2020), consisting of the following items:

	DECEMBER 31	
	2021	2020
<i>(in millions of euros)</i>		
Cash and cash equivalents	573.5	685.4
Bank overdrafts	(68.7)	(58.6)
Commercial paper	(125.5)	(50.0)
Undrawn Senior credit agreement	850.0	850.0
Bilateral facilities	35.3	32.6
Liquidity	1,264.6	1,459.5

Senior Credit Facility Agreement

Under the Senior Credit Facility Agreement, Rexel must maintain a leverage ratio below 3.50 times as at June 30 and December 31 of each year. The indebtedness ratio, as calculated under the terms of the senior credit agreement, stood at 1.37x as of December 31, 2021 (as compared to 2.14x as December 31, 2020).

At December 31, 2021, Rexel's ratings by the financial rating agencies were as follows:

DECEMBER 31, 2021		
Rating agency	Moody's	Standard & Poor's
Long-term rating	Ba2	BB
Short-term rating		B
Outlook	Stable	Positive

5.1.3 Outlook

5.1.3.1 Comparison between the Rexel Group 2021 forecasts and achievements

For 2021, Rexel had expressed the following forecast, on the basis of the assumptions set forth in the Universal Registration Document filed with the *Autorité des marchés financiers* on March 11, 2021 under number D.21-0111. Rexel targeted, at comparable scope of consolidation and exchange rates:

- Same day sales growth of between 5% and 7%;
- An adjusted EBITA margin of circa 5%;
- Free cash flow conversion above 60%.

Rexel issued two successive trading updates on June 29, 2021 and January 12, 2022, raising its guidance for the full-year 2021:

- Same day sales growth of 15.3% (previous guidance: in the 12-15% range);
- Adjusted EBITA margin of 6.2% in FY 2021 (previous guidance: 5.7%).

On February 11, 2022, Rexel released its 2021 full year results, above its objectives:

- Same day sales increased by 15.6% in full-year 2021;
- Adjusted EBITA margin stood at 6.2%.

5.1.3.2 Rexel 2022 forecasts

In 2022, Rexel will continue to operate in favorable market conditions:

- Non-cable inflation continuing, adding to carry-over pricing impact
- Robust volume environment :
- Room for additional growth in the USA
- Continued high level of demand in Europe
- Record-high backlogs (US, France, Canada, UK...).

Labor and product availability will remain a factor at least in the first part of the year.

Leveraging its transformation and enhanced efficiency, Rexel targets for 2022, at comparable scope of consolidation and exchange rates (assuming no severe deterioration of the sanitary environment):

- Same-day sales growth of between 4% and 6%;
- An adjusted EBITA margin above 6%;
- Free cash flow conversion above 60%.

The above forecasts were prepared on the basis of the accounting principles adopted by the Group

to prepare its consolidated financial statements for the financial year ended December 31, 2021. Furthermore, these forecasts, and the underlying assumptions, were established in application of the provisions of Delegated Regulation (EU) No 2019/980 and the ESMA recommendations relating to forecasts. They have been determined on the basis of data, assumptions and estimates that are considered reasonable by the Rexel Group's management. These data, assumptions and estimates may change as a result of uncertainties relating to, among other things, the economic, financial, accounting, competitive and regulatory environment, or other factors that are currently unknown to the Rexel Group on the date of recording of this Universal Registration Document and in particular, the uncertainty surrounding the potential effects of the coronavirus epidemic on the business. In addition, the occurrence of some of the risks described in Chapter 2 "Risk factors" could have an impact on the Group's ability to achieve these objectives. The Rexel Group can give no assurances and provide no guarantee that the above forecasts will be met.

5.1.3.3 Strategic update

An updated strategic roadmap, will be presented at a Capital Market Day to be held at the Group's biggest branch in Zurich on June 16, 2022.

5.1.4 Dividend policy

The Board of Directors may propose a dividend distribution to the Shareholders' Meeting. Dividends that have not been claimed within five years after their payment date are transferred to the French State.

Rexel's medium-term objective is to generate a solid available cash flow before interest and taxes, thanks to a low capital intensity and a tight management of the working capital requirement, allowing for, *inter alia*, the funding of an attractive dividend representing at least 40% of the recurring net result.

In respect of the financial year ended on December 31, 2021, the Board of Directors will submit a proposal to the Shareholders' Meeting to be held on April 21, 2022, to distribute an amount of €0.75 per share, deducted from premium, payable in cash in early June 2022, in order to enable Rexel to comply with its commitments as regards the distribution of dividends to the shareholders.

Rexel has distributed the following amounts in respect of the last three financial years:

YEAR	TOTAL AMOUNTS DISTRIBUTED	AMOUNT DISTRIBUTED PER SHARE
2021	€228,827,270	€0.75 ^(*)
2020	€139,577,132	€0.46
2019	—	—

(*) Amount subject to the approval of the shareholders upon the Shareholders' Meeting.

5.1.5 Significant changes in the issuer's financial or commercial position

As at the date of issuance of this document, there have been no events subsequent to December 31, 2021 that would have had a material impact on Rexel's financial situation. Regarding the recent geopolitical events in Ukraine and Russia, the Rexel Group believes that its economic exposure in this region is not significant, as Rexel, with

operations in Russia, generated approximately €12 million in sales in 2021, which represents less than 0.1% of the Group's sales. The Group is assessing the situation in real time and will make the necessary decisions regarding its presence in Russia in the best interests of the Group and its employees and stakeholders.

5.1.6 Information on payments terms granted to suppliers and customers of Rexel

■ **Invoices received or issued, unpaid or overdue as at December 31, 2021 (article D.441-4 I of the French Commercial Code)**

	ARTICLE D.441-4 I. 1°: INVOICES RECEIVED, UNPAID AS OF DECEMBER 31, 2021	ARTICLE D.441-4 I. 2°: INVOICES ISSUED, UNPAID AS OF DECEMBER 31, 2021
(A) Overdue invoices		
Number of invoices concerned	8	1
Total amount of invoices concerned (including taxes) (in thousands of euros)	21	31
Percentage of total purchases for the year (excluding taxes)	0.1%	
Percentage of sales for the year (excluding taxes)		0.8%
(B) Invoices excluded from (A) relating to payables and receivables in dispute or not recognized		
Number of excluded invoices	2	
Total amount of excluded invoices (including taxes) (in thousands of euros)	7	
(C) Benchmark payment terms used (contractual or statutory terms – article L.441-6 or article L.443-1 of the French Commercial Code)		
Payment terms used to calculate overdue payments	Contractual terms: 30 days average Statutory terms: NA	Contractual terms: 30 days average Statutory terms: NA

5.1.7 Company results over the last five years (as required by article R.225-102 of the French commercial decree)

	JANUARY 1 TO DECEMBER 31				
(in euros)	2017	2018	2019	2020	2021
SHARE CAPITAL AT YEAR END					
a) Share capital	1,516,715,885	1,519,944,495	1,520,510,065	1,522,125,530	1,528,582,455
b) Number of issued shares	303,343,177	303,988,899	304,102,013	304,425,106	305,716,491
c) Number of convertible bonds	—	—	—	—	—
INCOME STATEMENT INFORMATION					
a) Sales, excluding sales taxes	1,900,545	2,234,707	1,256,921	1,437,674	4,027,503
b) Net income before taxes, depreciation and provisions	(70,780,934)	(27,864,731)	(74,281,399)	(44,758,027)	(84,032,760)
c) Income taxes	(86,022,026)	(54,447,774)	(58,111,590)	(46,428,531)	(22,918,786)
d) Net income	14,281,261	26,018,952	(14,542,954)	(6,783,866)	(53,245,790)
e) Amount distributed	126,851,362	132,965,266	—	139,577,760	228,827,269 ⁽¹⁾
EARNINGS PER SHARE					
a) Earnings per share after taxes but before depreciation and provisions	0.05	0.09	(0.05)	0.01	0.01
b) Earnings per share after taxes, depreciation and provisions	0.05	0.09	(0.05)	(0.02)	(0.02)
c) Amount paid per share	0.42	0.44	—	0.46	0.75 ⁽¹⁾
PERSONNEL					
a) Number of employees	—	—	—	—	—
b) Total remuneration	—	—	—	—	—
c) Total social charges and other personnel related expenses	—	—	—	—	—

(1) Proposed distribution to be voted at the annual general meeting April 21, 2022.

5.2

Consolidated financial statements



5.2 Consolidated financial statements 290

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Pursuant to Article 19 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference in this Registration Document:

- the consolidated financial statements and the audit report for the financial year ended December 31, 2020, set out on pages 266 to 337 of the French version of the Universal Registration Document for the financial year ended December 31, 2020, filed with the AMF on March 11, 2021, under number D.21-0111; and
- the consolidated financial statements and the audit report for the financial year ended December 31, 2019, set out on pages 264 to 336 of the French version of the Universal Registration Document for the financial year ended December 31, 2019, filed with the AMF on March 9, 2020, under number D.20-0111.

5.2 Consolidated financial statements

5.2.1 Consolidated financial statements as of December 31, 2021

Consolidated Statement of Profit or Loss

(in millions of euros)	Note	FOR THE YEAR ENDED DECEMBER 31	
		2021	2020
Sales	5	14,690.2	12,592.5
Cost of goods sold		(10,818.6)	(9,489.0)
Gross profit	6	3,871.6	3,103.4
Distribution and administrative expenses	7	(2,915.2)	(2,576.9)
Operating income before other income and expenses		956.4	526.5
Other income	8	12.4	25.0
Other expenses	8	(57.0)	(554.9)
Operating income		911.8	(3.4)
Financial income		3.3	3.8
Interest expense on borrowings		(52.4)	(65.7)
Non-recurring redemption gain (loss)		(22.6)	4.2
Other financial expenses		(61.4)	(59.5)
Net financial expenses	9	(133.1)	(117.2)
Share of profit / (loss) of associates		(0.3)	—
Net income before income tax		778.4	(120.6)
Income tax	10	(180.8)	(140.7)
Net income		597.6	(261.3)
Portion attributable:			
to the equity holders of the parent		597.2	(261.2)
to non-controlling interests		0.5	(0.1)
Earnings per share:			
Basic earnings per share (in euros)	11	1.97	(0.86)
Fully diluted earnings per share (in euros)	11	1.96	(0.86)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

		FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)	Note	2021	2020
Net income		597.6	(261.3)
Items to be reclassified to profit or loss in subsequent periods			
Net gain / (loss) on net investment hedges		(26.8)	5.2
Income tax		7.6	(1.7)
Net gain / (loss) on net investment hedges, net of tax		(19.2)	3.5
Foreign currency translation adjustment		188.2	(148.8)
Income tax		(4.1)	4.3
Foreign currency translation adjustment, net of tax		184.1	(144.5)
Net gain / (loss) on cash flow hedges		12.0	(5.7)
Income tax		(3.4)	1.3
Net gain / (loss) on cash flow hedges, net of tax		8.6	(4.4)
Items not to be reclassified to profit or loss in subsequent periods			
Net gain/ (loss) on remeasurements of net defined benefit liability	17.3	122.6	(44.7)
Income tax		(11.1)	5.8
Net gain/ (loss) on remeasurements of net defined benefit liability, net of tax		111.5	(38.9)
Other comprehensive income / (loss) for the period, net of tax			
Other comprehensive income / (loss) for the period, net of tax		285.0	(184.3)
Total comprehensive income / (loss) for the period, net of tax		882.7	(445.6)
Portion attributable:			
to the equity holders of the parent		882.4	(445.5)
to non-controlling interests		0.3	—

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

(in millions of euros)

	Note	AS OF DECEMBER 31	
		2021	2020
ASSETS			
Goodwill	12.1	3,401.7	3,192.2
Intangible assets	12.1	1,159.0	997.5
Property, plant and equipment	12.3	271.9	253.3
Right-of-use assets	12.4	1,047.1	895.5
Long-term investments	12.5	56.6	41.3
Deferred tax assets	10.3	63.9	29.7
Total non-current assets		6,000.2	5,409.5
Inventories	13.1	2,057.2	1,511.1
Trade accounts receivable	13.2	2,353.2	1,899.7
Current tax assets		10.5	4.8
Other accounts receivable	13.3	559.2	448.9
Assets held for sale		—	3.7
Cash and cash equivalents	18.1	573.5	685.4
Total current assets		5,553.5	4,553.7
Total assets		11,553.7	9,963.2

(in millions of euros)

	Note	AS OF DECEMBER 31	
		2021	2020
EQUITY AND LIABILITIES			
Share capital	14	1,528.6	1,522.1
Share premium	14	1,289.8	1,450.5
Reserves and retained earnings		1,741.9	822.5
Total equity attributable to equity holders of the parent		4,560.4	3,795.1
Non-controlling interests		0.5	(0.4)
Total equity		4,560.8	3,794.8
Interest bearing debt (non-current part)	18.1	1,290.5	1,915.2
Lease liabilities (non-current part)	12.4	975.1	837.0
Net employee defined benefit liabilities	17.2	208.9	320.9
Deferred tax liabilities	10.3	229.9	184.1
Provisions and other non-current liabilities	16	35.0	46.7
Total non-current liabilities		2,739.5	3,303.9
Interest bearing debt (current part)	18.1	832.4	113.3
Accrued interest	18.1	5.1	3.6
Lease liabilities (current part)	12.4	193.7	168.7
Trade accounts payable		2,170.0	1,807.3
Income tax payable		44.6	17.1
Other current liabilities	19	1,007.5	741.0
Liabilities directly associated with the assets held for sale		—	13.6
Total current liabilities		4,253.4	2,864.5
Total liabilities		6,992.9	6,168.4
Total equity and liabilities		11,553.7	9,963.2

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

		FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)		Note	
			2021
			2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income			911.8
Depreciation, amortization and impairment of assets and assets write off	7 - 8		315.6
Employee benefits			(11.3)
Change in other provisions			(6.5)
Other non-cash operating items			12.5
Financial interest paid on borrowings			(56.1)
Interest on lease liabilities	12.4		(40.4)
Income tax paid			(199.0)
Operating cash flows before change in working capital requirements			926.7
Change in inventories			(349.3)
Change in trade receivables			(158.7)
Change in trade payables			183.9
Change in other working capital items			115.1
Change in working capital requirements			(209.0)
Net cash from operating activities			717.7
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of tangible and intangible assets			(109.3)
Proceeds from disposal of tangible and intangible assets			6.1
Acquisitions of businesses or affiliates, net of cash acquired	4.1		(426.3)
Proceeds from disposal of businesses or affiliates, net of cash disposed of			(9.6)
Change in long-term investments			(3.1)
Net cash from investing activities			(542.3)
CASH FLOWS FROM FINANCING ACTIVITIES			
Disposal / (Purchase) of treasury shares			3.8
Acquisition of non-controlling interests			—
Issuance of senior notes net of transaction costs	18.2		989.9
Early repayment of senior notes	18.2		(1,119.6)
Net change in credit facilities, commercial papers, other financial borrowings	18.2		108.0
Net change in securitization	18.2		46.7
Repayment of lease liabilities	12.4		(188.9)
Dividends paid	15		(139.6)
Net cash from financing activities			(299.7)
Net (decrease) / increase in cash and cash equivalents			(124.3)
Cash and cash equivalents at the beginning of the period	18.1		685.4
Effect of exchange rate changes on cash and cash equivalents			12.4
Cash and cash equivalents reclassified to assets held for sale			—
Cash and cash equivalents at the end of the period	18.1		573.5
			685.4

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

(IN MILLIONS OF EUROS)

For the year ended december 31, 2020

	NOTE	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	CASH FLOW HEDGE RESERVE	REMEASUREMENT OF NET DEFINED BENEFIT LIABILITY	TOTAL ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT	NON- CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2020		1,520.5	1,451.2	1,404.4	57.1	(4.7)	(198.6)	4,230.1	5.2	4,235.3
Net income		—	—	(261.2)	—	—	—	(261.2)	(0.1)	(261.3)
Other comprehensive income		—	—	—	(141.0)	(4.4)	(38.9)	(184.3)	—	(184.3)
Total comprehensive income for the period		—	—	(261.2)	(141.0)	(4.4)	(38.9)	(445.5)	—	(445.6)
Cash dividends	15	—	—	—	—	—	—	—	—	—
Allocation of free shares and free shares canceled		1.6	(0.7)	(0.9)	—	—	—	—	—	—
Share-based payments	7	—	—	11.3	—	—	—	11.3	—	11.3
Acquisition of non-controlling interests		—	—	(8.7)	(0.4)	—	—	(9.1)	(5.6)	(14.7)
Disposal of subsidiaries		—	—	—	4.5	—	—	4.5	—	4.5
Disposal / (Purchase) of treasury shares		—	—	3.8	—	—	—	3.8	—	3.8
Balance at December 31, 2020		1,522.1	1,450.5	1,148.7	(79.7)	(9.1)	(237.5)	3,795.2	(0.4)	3,794.8

For the year ended december 31, 2021

	NOTE	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	CASH FLOW HEDGE RESERVE	REMEASUREMENT OF NET DEFINED BENEFIT LIABILITY	TOTAL ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT	NON- CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2021		1,522.1	1,450.5	1,148.7	(79.7)	(9.1)	(237.5)	3,795.2	(0.4)	3,794.8
Net income		—	—	597.2	—	—	—	597.2	0.5	597.6
Other comprehensive income		—	—	—	165.1	8.6	111.5	285.2	(0.2)	285.0
Total comprehensive income for the period		—	—	597.2	165.1	8.6	111.5	882.4	0.3	882.7
Cash dividends	15	—	(139.6)	—	—	—	—	(139.6)	—	(139.6)
Share premium transfer to retained earnings		—	(21.3)	21.3	—	—	—	—	—	—
Allocation of free shares and free shares canceled		6.5	0.2	(6.6)	—	—	—	—	—	—
Share-based payments	7	—	—	18.4	—	—	—	18.4	—	18.4
Disposal of subsidiaries		—	—	—	(0.2)	—	—	(0.2)	0.6	0.3
Disposal / (Purchase) of treasury shares		—	—	4.1	—	—	—	4.1	—	4.1
Balance at December 31, 2021		1,528.6	1,289.8	1,783.3	85.2	(0.4)	(126.1)	4,560.4	0.5	4,560.8

The accompanying notes are an integral part of these consolidated financial statements.

Accompanying Notes

1. General information

Rexel was incorporated on December 16, 2004. Shares of Rexel were admitted to trading on the Euronext market of Euronext Paris on April 4, 2007. The group consists of Rexel SA and its subsidiaries (hereafter referred to as “the Group” or “Rexel”).

The Group, headquartered in Paris, France, is mainly involved in the business of the distribution of low and ultra-low voltage electrical products to professional customers. It serves the needs of a large variety of customers and markets in the fields of construction, industry, and services. The product offering covers electrical installation equipment,

conduits and cables, lighting, security and communication, climate control, tools, renewable energies and energy management, and white and brown goods. The principal markets in which the Group operates are in Europe, North America (the United States and Canada) and Asia-Pacific (mainly in China, Australia and New Zealand).

These consolidated financial statements cover the period from January 1 to December 31, 2021 and were authorized for issue by the Board of Directors on February 10, 2022.

2. Significant events of the reporting period

In 2021, the Group:

- experienced a strong recovery of its business and overachieved pre-Covid-19 crisis sales and operating performance in an environment marked by product scarcity and price inflation;
- completed two main acquisitions in North America (see note 4.1):
 - Mayer, a major distributor of electrical products and services in the Eastern part of the USA. The company operates in

68 branches located in 12 States and posted annual sales of around US\$1.3 billion in 2021;

- a Canadian Utility distribution business focusing on utility hydro end-users and utility contractors with annual sales of €45 million in 2021;
- issued two sustainability-linked bonds, respectively of €400 and €600 million in order to extend its debt maturity profile and to optimize the overall cost of financing (see note 18.1.1).

3. Basis of preparation

3.1 Basis of preparation of the financial statements

The consolidated financial statements (hereafter referred to as “the financial statements”) such as reported for the year ended December 31, 2021 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as the standards of the International Accounting Standards Board (IASB) which are in force at December 31, 2021.

IFRS as adopted by the European Union can be consulted on the European Commission's website (www.efrag.org).

The financial statements are presented in euros and all values are rounded to the nearest tenth of a million, unless otherwise stated.

3.2 Basis of Consolidation

The consolidated financial statements include the financial statements for Rexel S.A., parent

company of the Group, its direct and indirect subsidiaries.

3.2.1 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The functional currency of Rexel and the presentation currency of the Group's financial statements are the euro.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the foreign exchange rate prevailing at that date. Exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the closing date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities that are measured at cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments

arising on consolidation are translated into euro at foreign exchange rates prevailing at the balance sheet date. The revenues and expenses of foreign operations are translated into euro at rates approximating the foreign exchange rates ruling at the dates of the transactions. All resulting translation differences are recognized as a separate component of equity (foreign currency translation reserve).

Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on disposal.

3.2.2 Use of judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed frequently, and thus the effect of changes in accounting estimates is accounted for from the date of the revision.

Main estimates and judgments made by the Group which have significant effect on the financial statements are described in the following notes:

- Business combinations (notes 4.1 and 12.1);
- Impairment of goodwill and intangible assets (note 12.2);
- Measurement of share-based payments (note 7);
- Employee benefits (note 17);

- Provisions and contingent liabilities (notes 16 and 22);
- Supplier rebates (notes 6 and 13.2);
- Lease contracts (note 12.4);
- Recognition of deferred tax assets (note 10.3);
- Climate change risk.

Climate change risks result both from more frequent extreme climatic event exposures and energy transitioning. The Group believes that financial impacts due to direct damages from extreme climatic events to its facilities remain limited due to its decentralized organization and its widespread geographic footprint.

Energy transitioning requires the adoption of low-carbon economic model. Rexel, as a distributor of electrical equipment and a player of energy efficiency, should benefit from steady increasing electrical usages fostered by regulatory changes and public investment plans.

4. Changes in Group structure

4.1 Business combinations

A business combination is a transaction or other event in which the Group obtains control of one or more businesses. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends and interests) or generating other income from ordinary activities. Business combinations are accounted for using the acquisition method:

- Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair value;
- The Group measures the non-controlling interests either at fair value, or at the proportionate share of the acquiree's identifiable net assets. This option is available for all business combinations based on a case-by-case analysis of each transaction.

Goodwill is determined at the acquisition date as the difference between:

- The fair value of the consideration transferred, including any contingent consideration (earn-out), plus the amount of any non-controlling interests; and
- The net of the acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

The subsidiaries are fully consolidated from the date on which control is obtained.

Costs attributable to the acquisition are expensed within "other expenses" in the period in which they are incurred.

Any contingent considerations (earn out) is recognized at acquisition-date fair value and remeasured within "other income or expenses" in the income statement at each reporting date.

Initial estimates of consideration transferred, fair values of assets acquired and liabilities assumed are finalized within twelve months after the date of acquisition and any adjustments are accounted for as retroactive adjustments to goodwill. Beyond this twelve-month period, any adjustment is directly recognized in the income statement.

The table below shows the purchase price allocation to identifiable assets acquired and liabilities assumed for the entities acquired in 2021:

<i>(in millions of euros)</i>	MAYER	CANADA UTILITY DISTRIBUTION BUSINESS	OTHER	TOTAL
Net assets acquired and consideration transferred				
Customer relationships and customer contracts	55.6	15.6	0.2	71.4
Distribution networks	70.0	—	0.3	70.3
Right-of-use assets	91.6	—	—	91.6
Other fixed assets	16.8	0.2	0.9	18.0
Other non current assets	3.4	—	4.1	7.5
Current assets	330.0	8.3	0.7	339.0
Net financial debt	2.2	—	0.2	2.4
Other non current liabilities	(33.6)	—	—	(33.6)
Lease liabilities	(91.6)	—	—	(91.6)
Current liabilities	(146.9)	(2.4)	(2.2)	(151.4)
Net asset acquired (except goodwill acquired)	297.5	21.7	4.3	323.6
Goodwill acquired	66.1	18.8	12.9	97.8
Consideration transferred	363.6	40.5	17.3	421.4
Cash acquired	(2.2)	—	(1.3)	(3.5)
Payments for acquisition of a group of net assets not yet consolidated	—	—	8.4	8.4
Net cash paid for acquisitions	361.5	40.5	24.3	426.3

Mayer Electrical Supply Company (USA)

On November 8, 2021, the Group acquired Mayer Electric Supply Company, Inc. ("Mayer"), a major distributor of electrical products and services in the USA. Mayer operates in 68 branches located in 12 states in the Eastern part of the USA and posted 2021 sales of €1.1 billion (US\$1.3 billion).

The Group acquired the full ownership in the company for a total consideration of €363.6 million.

As of December 31, 2021, the purchase price allocation was recognized on a provisional basis:

fair value measurement of inventories and trade receivables is in progress and should be finalized in the first half of 2022.

As part of the purchase price allocation, the Group recognized:

- distribution networks of €70.0 million with an indefinite useful life;
- customer contracts of €55.6 million with a useful life of 9 years;
- preliminary goodwill of €66.1 million.

This entity contributed for €8.4 million to the EBITA for the period ended December 31, 2021.

Canadian Utility distribution business

On February 1, 2021, the Group finalized the acquisition of a Canadian distribution business focusing on utility hydro end-users and utility contractor for a total consideration of €40.5 million. This business posted sales of €45 million in 2021.

As part of the purchase price allocation, the Group recognized:

- customer relationships and customer contracts of €15.6 million with a useful life of 7.5 years;
- goodwill of €18.8 million.

This business contributed for €3.4 million to the EBITA for the period ended December 31, 2021.

Other acquisitions

In 2021, the Group also completed the following acquisitions for an overall consideration of €17.3 million:

- 100% ownership interest in Freshmile Services, an electrical vehicle charging station operator

offering both services and supervision software headquartered in France;

- A 25% ownership interest in Trace Software International, a French company specialized in the development of software solutions and services dedicated to the commercial building. This investment is accounted for under the equity method.

On December 31, 2021, the Group also purchased the assets of Winkle Electric, a US-based electrical distributor specialized in industrial automation operating two branches in the North East, for an aggregate price of €8.4 million, of which €7.5 million were cashed-out at the transaction date. Due to the late acquisition date and the low materiality of this business relative to the group total assets, this investment was not consolidated at the reporting date and is recognized in "Other long term investment" (see note 12.5).

These entities are non-material relative to the Group's total assets, sales and operating income.

In 2020, the Group did not proceed to any significant business combination.

4.2 Divestments

In 2021, two sale transactions were closed down by the Group. They were recognized as Assets Held for Sale as of December 31, 2020:

- Disposal of an electrical equipment distributor to DIY customers in France resulting in a €2.4 million gain (see note 8). This entity posted sales of €32.5 million in 2020;
- Disposal of Rexel Arabia Electrical Supplies, a distributor operating in the Kingdom of Saudi

Arabia that posted sales of €15.1 million in 2020. The disposal gain was €0.4 million as part of the accumulated foreign currency transaction adjustment recycled into profit and loss.

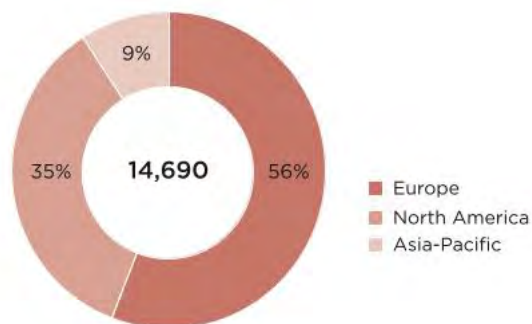
In 2020, the disposal of Gexpro Services and Suministros Erka S.L.U. (affiliate incorporated in Spain) were closed down by the Group. The two transactions resulted in a gain of respectively €4.2 million and €1.4 million recognized in other income (see note 8).

5. Segment reporting

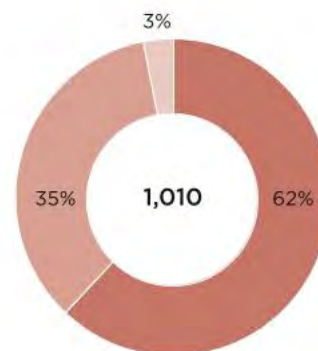
Segment information is presented by geographic segment (Europe, North America and Asia-Pacific) consistently with the Group's management reporting structure.

The Group's financial reporting is reviewed monthly by the Chief Executive Officer and the Chief Financial Officer acting together as Chief operating decision maker within the meaning of IFRS 8 "Operating Segments".

2021 SALES (in million of euros)
by operating segment



2021 EBITA (in million of euros)
by operating segment



	2021					
(in millions of euros)	EUROPE	NORTH AMERICA	ASIA-PACIFIC	TOTAL OPERATING SEGMENTS	CORPORATE OVERHEAD AND OTHER RECONCILING ITEMS	TOTAL GROUP
FOR THE YEAR ENDED DECEMBER 31						
Warehouse sales	7,894.1	3,530.6	1,219.3	12,644.1	—	12,644.1
Direct sales	622.3	1,629.4	75.7	2,327.4	—	2,327.4
Rebates, discount and services	(242.7)	(37.4)	(1.2)	(281.3)	—	(281.3)
Sales to external customers	8,273.8	5,122.6	1,293.8	14,690.2	—	14,690.2
EBITA ⁽¹⁾	621.8	357.3	30.8	1,010.0	(46.2)	963.7
Goodwill impairment	—	—	—	—	—	—
AS OF DECEMBER 31				—		
Working capital	748.8	894.8	145.0	1,788.6	(2.7)	1,785.9
Goodwill	2,030.3	1,295.1	76.3	3,401.7	—	3,401.7

(1) EBITA is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

	2020					
(in millions of euros)	EUROPE	NORTH AMERICA	ASIA-PACIFIC	TOTAL OPERATING SEGMENTS	CORPORATE OVERHEAD AND OTHER RECONCILING ITEMS	TOTAL GROUP
FOR THE YEAR ENDED DECEMBER 31						
Warehouse sales	6,731.1	2,759.1	1,038.0	10,528.3	—	10,528.3
Direct sales	562.9	1,612.6	130.2	2,305.7	—	2,305.7
Rebates, discount and services	(210.8)	(29.7)	(1.1)	(241.6)	—	(241.6)
Sales to external customers	7,083.3	4,342.0	1,167.2	12,592.5	—	12,592.5
EBITA ⁽¹⁾	379.8	168.6	21.9	570.2	(33.2)	537.0
Goodwill impairment	(257.1)	(183.4)	(45.5)	(486.0)	—	(486.0)

AS OF DECEMBER 31

Working capital	651.3	558.7	122.7	1,332.8	(18.3)		1,314.5
Goodwill	2,005.3	1,113.4	73.4	3,192.2	—		3,192.2

(1) EBITA is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

The reconciliation of EBITA with the Group's consolidated net income before tax breakdown as follows:

	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
<i>(in millions of euros)</i>		
EBITA	963.7	537.0
Amortization of intangible assets recognized upon allocation of the acquisition price of acquired entities	(7.3)	(10.5)
Other income and other expenses	(44.6)	(529.9)
Net financial expenses	(133.1)	(117.2)
Net income before tax	778.4	(120.6)

The reconciliation of the total allocated assets and liabilities with the Group's consolidated total assets is presented in the following table:

	AS OF DECEMBER 31	
	2021	2020
<i>(in millions of euros)</i>		
Working capital	1,785.9	1,314.5
Goodwill	3,401.7	3,192.2
Total allocated assets & liabilities	5,187.7	4,506.6
Liabilities included in allocated working capital	3,174.7	2,542.5
Other non-current assets	2,534.6	2,187.6
Deferred tax assets	63.9	29.7
Current tax assets	10.5	4.8
Other current assets	3.3	0.8
Assets classified as held for sale	—	3.7
Derivatives	5.5	2.0
Cash and cash equivalents	573.5	685.4
Group total assets	11,553.7	9,963.2

6. Gross profit

Sales

Rexel's performance obligations consist mainly of delivery of electrical products and associated transportation services to ship the products to the customer's site. Due to the nature of its business, contracts with customers are generally entered into for a period of less than one year.

Sales are recognized at the point in time when the control of the goods is transferred to the customer generally on delivery or shipment of the products.

Rexel's performance obligations are fulfilled through warehouse sales or direct sales:

- Warehouse sales consist in goods delivered directly from Rexel's inventory locations to customers.
- Direct sales are arrangements with customers whereby the Group engages a third-party supplier to ship the products directly to the customer, based on Rexel's purchase order with the customer, without any physical transfer to and from the Group's warehouse. For the vast majority of its direct sales transactions, the Group acts as a principal as:
 - it is ultimately responsible for fulfillment of the customer's order and has discretion in establishing pricing;
 - it obtains controls of the goods at the point in time they are shipped by the third-party supplier but does not transfer control of the products to the customer until they are delivered to the customer's site;
 - also, it has inventory risk relating to the specified goods as it bears the risk of loss during the transit and the risk of return from the customer subsequent to the delivery.

In very limited instances where these conditions are not fulfilled, the Group is deemed to act as an agent and recognizes commission income for the excess of the amount invoiced to the customer and the amount charged by the supplier.

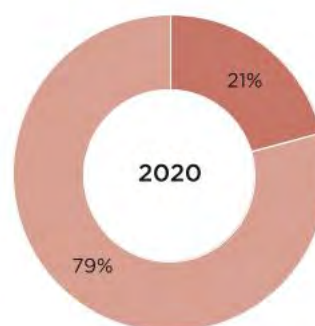
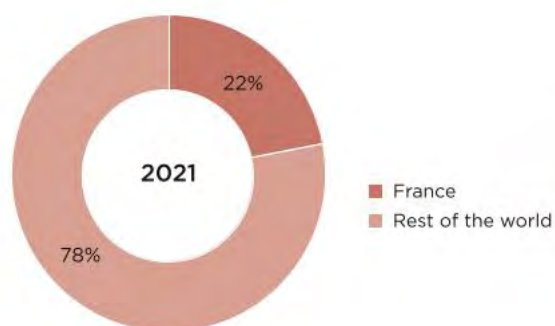
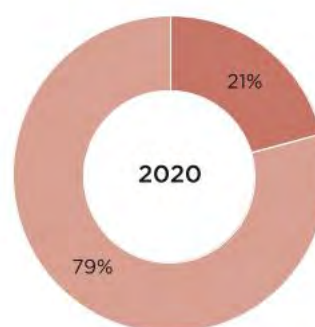
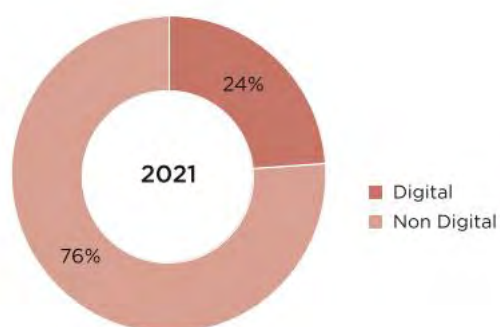
Volume rebates are retrospectively provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts and recognizes a refund liability for the expected future rebates.

Certain arrangements provide customers with a right to return the goods within a specified period. For goods that are expected to be returned, instead of sales, the Group recognizes a refund liability. To estimate the variable consideration for the expected goods returned, the Group applies the most likely amount method. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

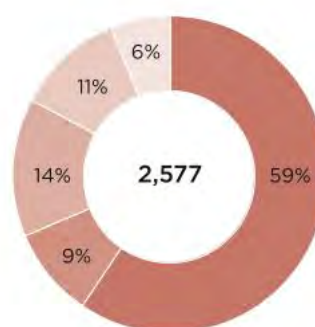
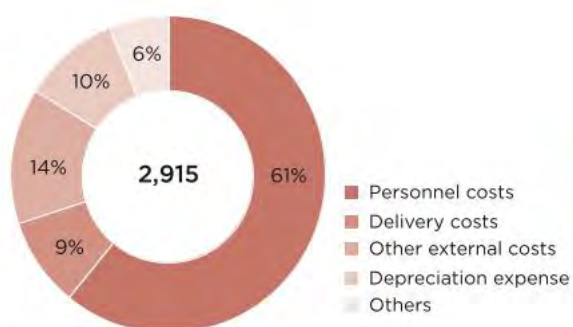
Cost of good sold

Cost of goods sold corresponds to the cost of purchases net of supplier rebates and commercial income, changes in inventory (including impairments), discounting revenue, exchange gains and losses on goods purchases, logistics costs and other costs.

In line with industry practice, Rexel enters into annual agreements with a number of suppliers whereby volume-based rebates, marketing support and other discounts are received in connection with the purchase of goods for resale from these suppliers. Part of volume-based rebates are determined by reference to guaranteed rates of rebate (unconditional rebates). These are calculated through a mechanical process with minimal judgment. Another part of volume-based rebates is subject to stepped targets, the rebate percentage increasing as volumes purchased reach agreed targets within a set period of time (conditional rebates). The majority of suppliers' rebate agreements apply to annual purchases eligible to rebates. Determination of the rebate amount is based on the most likely amount method which relies on estimate of purchases subject to rebates by category of products. They are accrued within other accounts receivable and recognized as a deduction of cost of goods or as a deduction of inventory for the goods in stock at the balance sheet date. Marketing support is recognized in the cost of goods sold once all relevant performance criteria have been met.

Domestic Sales**Digital Sales***

* Web and EDI (Electronic Data Interchange) solutions sales.

7. Distribution & administrative expenses

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Personnel costs ⁽¹⁾	(1,771.2)	(1,526.4)
Delivery costs	(269.3)	(241.3)
Other external costs	(413.5)	(359.1)
Depreciation expense ⁽²⁾	(300.7)	(283.9)
Building and occupancy costs	(114.2)	(107.2)
Amortization of intangible assets recognized upon the allocation of the acquisition price of acquired entities	(7.3)	(10.5)
Bad debt expense ⁽³⁾	(39.0)	(48.5)
Total distribution and administrative expenses	(2,915.2)	(2,576.9)

(1) 2020 personnel costs included the effects of temporary workforce reduction as part of partial unemployment measures and government grants recognized for €37.6 million as a result of the Covid-19 crisis.

(2) Including depreciation expense of right-of-use assets for €192.0 million for the year ended December 31, 2021 (€178.5 million for the year ended December 31, 2020) (see note 12.4).

(3) Including (i) a provision for expected credit losses and losses on receivables written-off of €26.6 million for the year ended December 31, 2021 (€39.8 million for the year ended December 31, 2020) and (ii) customer credit insurance premiums net of recoveries.

Personnel costs

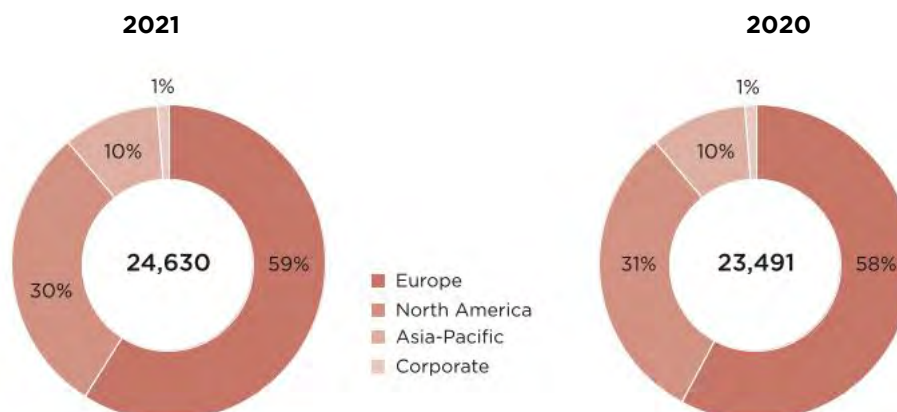
Personnel costs include short-term benefits and long-term benefits.

- Short-term benefits (wages, salaries, social security contributions, compensated absences, profit-sharing and bonuses) are expected to be settled before twelve months after the end of the reporting period. They are recognized within current liabilities and expensed when the service is provided by the employees;
- Post-employment and long-term benefits are described in note 17;
- Other employee expenses mainly include temporary work and external personnel.

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Salaries and social security charges	(1,693.5)	(1,503.0)
Share-based payments	(18.6)	(11.3)
Pension and other post-retirement benefits-defined benefit plans	(16.4)	(15.6)
Other employee expenses ⁽¹⁾	(42.7)	3.5
Total personnel costs	(1,771.2)	(1,526.4)

(1) In 2020, including government grants recognized for €37.6 million as a result of the Covid-19 crisis.

Average number of employees



Group average number of employees breakdown as follows:

	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Europe	14,602	13,571
North America	7,410	7,291
Asia-Pacific	2,427	2,465
Total operating segments	24,439	23,327
Corporate	191	164
Group average number of employees	24,630	23,491

The average number of full-time equivalent employees for the year ended December 31, 2020 included the effect of temporary workforce

reduction as part of partial unemployment measures implemented as a response to the Covid-19 crisis.

Share-based payments

Rexel has bonus share programs in place allowing employees to receive shares of the Group parent company.

These bonus shares may be restricted shares (subject to a 3-year service condition without any performance condition) or performance shares (subject to performance conditions in addition to service condition). Performance conditions are based on the (i) average growth of EBITA value, (ii) average organic sales growth, (iii) average ratio free cash flow before interest and tax to EBITDAaL (Earnings Before Interests, Tax, Depreciation, Amortization and after Leases) and (iv) Rexel share market performance compared to peers.

These programs are qualified as equity-settled plans. The fair value of bonus shares granted to employees is recognized as a personnel expense in the income statement with a corresponding increase in equity over the vesting period of the bonus shares. Fair value is measured at grant date based on the share price after deducting (i) the effect of restrictions attached to the dividend rights until the delivery date of the shares and (ii) the discount in relation with the market conditions attached to the bonus shares.

In the event of a distribution by the Group's parent company of a dividend by deduction from the issue premium, the number of free shares allocated may be adjusted in order to enable beneficiaries to invest the same amount as at the time the rights were allocated.

The terms and conditions of the shareholder-approved employee free share plans operated by the Group at December 31, 2021 were as follows:

PLAN	2017	2018	2019	2020	2021	
Grant date	05/23/2017	05/24/2018	05/23/2019	09/28/2020	04/22/2021	10/20/2021
Delivery date	05/24/2021	05/25/2021	05/24/2022	09/29/2023	04/23/2024	10/21/2024
Fair value per share (in euros)	12.48	10.71	8.74	8.48	15.36	15.98
Adjusted number of shares granted⁽¹⁾	1,938,858	2,000,471	2,207,425	1,608,555	1,928,625	53,450
Number of shares canceled since the origin	(951,728)	(1,181,718)	(301,841)	(69,864)	(47,417)	—
Number of shares delivered since the origin	(987,130)	(818,753)	—	—	—	—
Total maximum number of shares granted at December 31, 2021	—	—	1,905,584	1,538,691	1,881,208	53,450

(1) Number of shares have been adjusted to restore the initial value attributed to the beneficiaries following share premium distributions.

Expenses related to share based payment are summarized as follows:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Plans issued in 2016	—	(0.5)
Plans issued in 2017	(0.4)	(2.7)
Plans issued in 2018	(1.1)	(2.8)
Plans issued in 2019	(7.2)	(4.1)
Plans issued in 2020	(4.1)	(0.9)
Plans issued in 2021	(5.7)	—
Expense related to employee share purchase plan	(0.2)	(0.4)
Total share-based payment expenses	(18.6)	(11.3)

8. Other income & other expenses

Other operating income and expenses include:

- irrespective of their amount: gains and losses on asset disposals, asset impairment and write-offs, expenses arising from the restructuring or integration of acquired companies, separation costs, acquisition related costs from business combinations, gains or losses on earn out or settlement gain or loss on defined benefit;
- significant items such as disputes.

These items are presented separately in the income statement in order to allow the Chief Executive Officer and the Chief Financial Officer - acting together as Chief operating decision maker within the meaning of IFRS 8 "Operating Segments" - to assess the trading performance of the business segments.

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Gains on disposal of fixed assets ⁽¹⁾	3.8	13.7
Release of unused provisions	3.2	0.7
Gain on disposal of investments in consolidated companies ⁽²⁾	2.9	5.7
Gain on lease terminations	1.7	4.0
Gains on earn-out	0.6	0.4
Other operating income	0.3	0.5
Total other income	12.4	25.0
Acquisition costs ⁽³⁾	(9.8)	(1.5)
Restructuring costs ⁽⁴⁾	(6.3)	(26.1)
Impairment of goodwill and intangible assets with indefinite useful life ⁽⁵⁾	—	(486.0)
Impairment of other assets ⁽⁶⁾	(7.6)	(0.8)
Fair value adjustments of assets held for sale ⁽⁷⁾	—	(32.5)
Losses on non-current assets disposed of	(3.2)	(1.8)
Litigations ⁽⁸⁾	(26.0)	(0.4)
Other operating expenses	(4.1)	(5.8)
Total other expenses	(57.0)	(554.9)

(1) Mainly including gains on real estate properties divestments.

(2) In 2021, including a €2.4 million disposal gain of the electrical equipment distributor to DIY customers in France. In 2020, disposal gains were related to (i) Gexpro Services for €4.2 million and (ii) to the Spanish export business for €1.4 million (see note 4.2).

(3) In 2021, acquisition-related costs mostly in connection with Mayer in the USA and the utility distribution business in Canada.

(4) In 2020, including the effect of restructuring plans mostly incurred in China, Germany, US, Sweden, and the UK.

(5) In 2020, consisting in goodwill impairment losses mainly allocated to the United Kingdom (€162.4 million), USA (€108.2 million), Canada (€75.2 million), Germany (€74.6 million), Australia (€40.5 million) and to Norway (€17.5 million) (see note 12.2).

(6) In 2021, mainly including the effect of impairment of right-of-use assets and other fixed assets in Spain for respectively €4.8 million (see note 12.4) and €2.5 million (see note 12.3).

(7) In 2020, consisting in fair value adjustments of assets held for sale of (i) €21.5 million related to the expected sale of an electrical distributor to DIY customers in France and (ii) €11.1 million related to Rexel Arabia Electrical Supplies (see note 4.2).

(8) In 2021, including €23.4 million impaired trade receivables in connection with the discontinuation of a non-core contract in China and legal investigations initiated as a result.

9. Net financial expenses

Net financial expenses comprise:

- interest payable on borrowings and interest receivable on invested funds calculated using the effective interest rate method;
- foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in profit or loss;
- net financial expense on employee benefits obligation;
- derecognition gain and losses on financial debt extinction;
- interest expense component on lease liabilities; and
- losses on derecognized trade receivables assigned under off-balance sheet securitization and factoring programs.

	FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)	2021	2020
Interest income on cash and cash equivalents	1.2	1.5
Interest income on receivables and loans	2.0	2.2
Financial income	3.3	3.8
Interest expense on financial debt (stated at amortized cost)	(47.0)	(61.0)
Interest gain / (expense) on interest rate derivatives	(6.2)	(0.8)
Change in fair value of interest rate derivatives through profit and loss	0.9	(3.9)
Interest expense on borrowings	(52.4)	(65.7)
Non-recurring redemption gain (loss)⁽¹⁾	(22.6)	4.2
<i>Foreign exchange gain (loss)</i>	<i>0.1</i>	<i>2.1</i>
<i>Change in fair value of exchange rate derivatives through profit and loss</i>	<i>(0.3)</i>	<i>1.5</i>
Net foreign exchange gain (loss)	(0.2)	3.6
Net financial expense on employee benefit obligations	(7.3)	(8.0)
Interest on lease liabilities	(40.4)	(42.7)
Others ⁽²⁾	(13.6)	(12.4)
Other financial expenses	(61.4)	(59.5)
Net financial expenses	(133.1)	(117.2)

(1) In 2021, early redemptions related derecognition loss of the 2.75% €600 million senior notes due 2026 and the 2.125% €500 million senior notes due 2025. In 2020, early redemption related gain of the 2.625% €300 million senior notes due 2024 (see note 18.1.1).

(2) Mainly interests on derecognized trade receivables.

10. Income tax

Income tax represents the aggregate amount of current and deferred taxes included in the calculation of net income (loss) for the period. Income tax is recognized in the statement of income unless it relates to a business combination or to items recognized directly in equity or in other comprehensive income.

Current tax is:

- the expected tax payable on the taxable income for the year;
- calculated using tax rates enacted or substantively enacted at the balance sheet date; and
- inclusive of any adjustment to tax payable in respect of previous years.

Deferred tax is:

- provided using the balance sheet liability method;
- based on temporary differences between financial statements' carrying amounts of assets and liabilities and their respective income tax bases; and
- based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at balance sheet date.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same tax jurisdiction and the Group intends to settle its current tax assets and liabilities on a net basis.

A net deferred tax asset is recognized only to the extent it is probable that taxable profits will be available in the next five years to recover this asset.

Rexel and its French subsidiaries have formed a tax Group from January 1, 2005. Rexel uses tax

consolidation in other tax jurisdictions where similar options exist.

10.1 Income tax expense

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Current tax	(221.5)	(101.9)
Deferred tax ⁽¹⁾	43.0	(40.0)
Prior year adjustments on current tax or deferred tax	(2.2)	1.2
Total income tax expense	(180.8)	(140.7)

(1) Of which €32.2 million gain in 2021 in connection with (i) €26.5 million deferred tax asset recognition on prior year tax losses in the UK, Germany and New Zealand (€28.4 million deferred tax asset impairment in 2020) (see note 10.2) and (ii) €5.7 million deferred tax assets remeasurement in the UK due to change in tax rate enacted in 2021.

10.2 Effective tax rate

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31			
	2021		2020	
Income before tax and before share of profit in associates	778.4		(120.6)	
<i>French legal tax rate</i>		28.41%		32.02%
Income tax calculated at the legal tax rate	(221.1)		38.6	
Differences of tax rates between French and foreign jurisdictions	26.1	(3.3)%	(7.6)	
Changes in tax rates	5.4	(0.7)%	10.2	
(Current year losses unrecognized), prior year losses recognized ⁽¹⁾	27.0	(3.5)%	(41.7)	
(Non-deductible expenses), tax exempt revenues ⁽²⁾	(8.1)	1.0%	(133.5)	
Others	(10.0)	1.3%	(6.6)	
Actual income tax expense	(180.8)	23.2%	(140.7)	n.a

(1) In 2021, including deferred tax asset recognition on prior year tax losses as a result of improved future taxable profits in Germany (€13.0 million), the UK (€10.1 million) and New Zealand (€3.4 million). In 2020, including deferred tax assets write-down of €28.4 million in 2020 in the UK (€14.2 million), Germany (€10.5 million) and New Zealand (3.2 million) due to uncertainty around financial prospects in the backdrop of the Covid-19 crisis.

(2) Of which €124.9 million non tax-deductible goodwill impairment related effect in 2020.

10.3 Deferred tax assets and liabilities

Changes in net deferred tax assets / (liabilities) are as follows:

(in millions of euros)	2021	2020
Net deferred tax at the beginning of the year	(154.3)	(124.5)
Change in consolidation scope ⁽¹⁾	(33.6)	1.0
Deferred tax income (expense)	39.2	(45.5)
Other comprehensive income	(11.0)	9.7
Currency translation adjustment	(5.5)	6.4
Other changes	(0.7)	(1.5)
Net deferred tax at the end of the year	(166.0)	(154.3)

(1) Mainly reflecting the effect of Mayer's acquisition (see note 4.1).

Analysis of deferred tax assets and liabilities by nature is as follows:

(in millions of euros)	AS OF DECEMBER 31	
	2021	2020
Intangible assets	(333.1)	(290.6)
Property, plant and equipment	(0.9)	(6.3)
Leases	31.3	28.3
Financial assets	8.9	10.5
Trade accounts receivable	20.8	13.1
Inventories	9.9	18.3
Employee benefits	72.8	88.1
Provisions	11.3	10.5
Financing fees	1.5	1.2
Other items	(10.7)	(9.2)
Tax losses carried forward	210.3	191.0
Deferred tax assets / (liabilities), before allowance	22.2	54.9
Valuation allowance on deferred tax assets	(188.2)	(209.3)
Net deferred tax assets / (liabilities)	(166.0)	(154.4)
<i>of which deferred tax assets</i>	63.9	29.7
<i>of which deferred tax liabilities</i>	(229.9)	(184.1)

As of December 31, 2021, deferred tax assets arising on tax losses carried forward that are not expected to be used within five years were subject to a valuation allowance mostly in Spain

(€247 million), the United Kingdom (€207 million), Germany (€173 million) and Italy (€78 million). The expiry date of such tax losses carried forward is as follows:

(in millions of euros)	AS OF DECEMBER 31	
	2021	2020
One year	9.0	3.0
Two years	1.8	3.6
Three years	0.5	2.9
Four years	—	0.9
Five years	1.6	—
Thereafter	715.6	783.6
Total tax losses carried forward (tax basis) subject to a valuation allowance	728.5	794.0

10.4 Uncertain income tax treatments

In accordance with IFRIC 23 – Uncertainty over Income Tax Treatments, tax assets or liabilities should be recognized if there is uncertainty over their income tax treatment. The Group recognizes a tax liability whenever it considers the relevant tax authorities are unlikely to accept a given tax treatment and does not take into account the probability that this would not be detected by the tax authorities. Conversely, a tax receivable is recognized if the Group considers the relevant tax authorities are likely to refund tax paid. Assets and liabilities for which tax treatments are uncertain are estimated on a case-by-case basis depending on the most likely amount.

Manudax liquidation loss

In 2019, Manudax, a dormant affiliate of Rexel Holding Netherlands "RHNL" (formerly known as Hagemeyer NV) was liquidated and RHNL claimed the liquidation loss in its tax return. In 2020, the Dutch Tax Authorities challenged the amount of the deductible liquidation loss and asserted that it should be adjusted downwards by €19.3 million. In 2021, RHNL received a tax reassessment of €4.8 million corresponding to the disputed amount of the liquidation loss. The Group believes

that this reassessment has no solid ground but, as a precautionary measure, decided to pay the disputed amount and filed an objection letter to the tax authorities to contest the reassessment. If finally, the Tax Authorities would maintain their position then RHNL would decide to bring this matter before the Court. The Group believes that the matter will be resolved favorably in its interest and has therefore not recorded a provision on this reassessment.

11. Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options and bonus shares granted to employees. The number of potential dilutive shares does not take into account the bonus shares whose allocation is subject to future performance or market conditions not yet met at the balance sheet date.

Information on the earnings and number of ordinary and potential dilutive shares included in the calculation is presented below:

	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Net income attributed to ordinary shareholders (in millions of euros)	597.2	(261.2)
Weighted average number of issued common shares adjusted for non-dilutive potential shares (in thousands)	303,365	302,293
Basic earning per share (in euros)	1.97	(0.86)
Dilutive potential shares (in thousands)	654	1,192
Weighted average number of common shares adjusted for dilutive potential shares (in thousands)	304,019	303,485
Fully diluted earnings per share (in euros)	1.96	(0.86)

12. Long-term assets

12.1 Goodwill and intangible assets

Goodwill

Goodwill arising in a business combination represents a payment made in anticipation of future economic benefits arising from assets that are not capable of being identified individually and accounted for separately, such as market shares, the value of workforce, the potential to develop existing business assets and expected synergies from the combination. In the wholesale distribution sector, these synergies notably include those expected in terms of purchasing, logistics, network and administration.

Goodwill is allocated to cash-generating units (CGUs).

Goodwill is determined for as described in note 4.1.

Goodwill associated with an operation disposed of is included in the carrying amount of this operation when determining the gain or loss on the disposal. The amount of goodwill attributed to this operation is measured based on the relative values of (i) the operation disposed of and (ii) the portion of the cash-generating unit retained.

Impairment test for goodwill is described paragraph 12.2.

Other intangible assets with indefinite useful life

- Strategic partnerships acquired in business combinations arising from contractual rights. Their valuation is determined on the basis of a discounted cash flow model.
- Distribution networks considered separable assets as they could be franchised. They correspond to the value added to each branch through the existence of a network and include notably banners and catalogues. Their measurement is performed using the royalty relief method based on royalty rates used for franchise contracts, taking their profitability into account. The royalty rate ranges from 0.4% to 1.0% of sales depending on each country.

Strategic partnerships and distribution networks are regarded as having an indefinite useful life when there is no foreseeable limit to the period over which they are expected to generate net cash inflows for the Group.

Impairment test for other intangible assets with indefinite useful life is described in paragraph 12.2.

Software and other intangible assets

Software and other intangible assets are initially stated at cost or, when they are part of a business combination, at fair value. They are depreciated on a straight-line basis over their estimated useful lives.

Estimated useful life of software range from 3 to 10 years.

Other intangible assets mainly include customer relationships, recognized when an acquired entity establishes relationships with key customers through contracts. They are measured using an excess profit method.

Estimated useful lives is based on historical attrition ranging from 5 to 15 years.

<i>(in millions of euros)</i>	STRATEGIC PARTNERSHIPS	DISTRIBUTION NETWORKS	SOFTWARE AND OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS	GOODWILL
Gross carrying amount as of January 1, 2020	185.6	662.5	757.1	1,605.2	4,463.3
Change in consolidation scope	—	—	(0.2)	(0.2)	(4.0)
Additions	—	—	55.5	55.5	—
Disposals	—	—	(23.0)	(23.0)	—
Currency translation adjustment	—	(20.6)	(21.5)	(42.1)	(123.7)
Other changes	—	—	(0.9)	(0.9)	(11.8)
Gross carrying amount as of December 31, 2020	185.6	641.9	766.9	1,594.4	4,323.8
Change in consolidation scope ⁽¹⁾	—	70.3	73.6	143.8	97.8
Additions	—	—	44.9	44.9	—
Disposals	—	—	(15.3)	(15.3)	—
Currency translation adjustment	—	25.5	26.1	51.5	149.4
Other changes	—	—	1.5	1.5	—
Gross carrying amount as of December 31, 2021	185.6	737.6	897.6	1,820.8	4,571.1
Accumulated amortization and depreciation as of January 1, 2020	—	(29.1)	(548.6)	(577.7)	(677.8)
Change in consolidation scope	—	—	0.6	0.6	—
Amortization expense	—	—	(60.0)	(60.0)	—
Impairment losses	—	—	—	—	(486.0)
Release	—	—	22.0	22.0	—
Currency translation adjustment	—	0.2	17.0	17.2	25.6
Other changes	—	—	0.9	0.9	6.5
Accumulated amortization and depreciation as of December 31, 2020	—	(28.9)	(568.0)	(596.9)	(1,131.6)
Change in consolidation scope	—	—	(1.3)	(1.3)	—
Amortization expense	—	—	(59.7)	(59.7)	—
Release	—	—	14.1	14.1	—
Currency translation adjustment	—	(0.3)	(18.1)	(18.4)	(37.7)
Other changes	—	—	0.4	0.4	—
Accumulated amortization and depreciation as of December 31, 2021	—	(29.2)	(632.6)	(661.8)	(1,169.4)
Carrying amount as of January 1, 2020	185.6	633.3	208.5	1,027.5	3,785.5
Carrying amount as of December 31, 2020	185.6	613.0	198.9	997.5	3,192.2
Carrying amount as of December 31, 2021	185.6	708.4	265.0	1,159.0	3,401.7

(1) Mainly reflecting the effect of Mayer and Canada utility distribution business' acquisitions (see note 4.1).

Software and other intangible assets mainly include:

- software for a carrying amount of €127.9 million as of December 31, 2021 (€128.6 million as of December 31, 2020);

- customer relationships for a carrying amount of €76.8 million as of December 31, 2021 (€10.2 million as of December 31, 2020).

The table below sets forth the allocation of goodwill and intangible assets with indefinite useful life by cash generating unit:

		AS OF DECEMBER 31					
(in millions of euros)		2021			2020		
CGU	GEOGRAPHIC SEGMENT	GOODWILL	INTANGIBLE ASSETS	TOTAL	GOODWILL	INTANGIBLE ASSETS	TOTAL
France	Europe	1,079.8	169.4	1,249.2	1,066.8	169.4	1,236.2
United States	North America	879.6	223.2	1,102.8	749.5	139.7	889.2
Canada	North America	415.5	70.4	485.9	363.9	64.8	428.7
Switzerland	Europe	290.1	40.8	330.9	277.5	39.0	316.5
Sweden	Europe	180.6	18.3	198.9	184.5	18.7	203.2
Austria	Europe	89.8	13.0	102.8	89.8	13.0	102.8
Australia	Asia-Pacific	62.4	24.8	87.2	61.3	24.4	85.7
Belgium	Europe	79.4	—	79.4	79.4	—	79.4
United Kingdom	Europe	14.6	60.9	75.5	13.7	56.9	70.6
Germany	Europe	23.6	51.7	75.3	23.6	51.7	75.3
Norway	Europe	50.6	12.4	63.0	48.3	11.8	60.1
Other		235.9	209.2	445.0	234.1	209.2	443.2
Total		3,401.7	894.1	4,295.8	3,192.2	798.7	3,990.8

12.2 Impairment testing

Goodwill and other intangible assets with indefinite useful life are not amortized but subject to an impairment test at least once a year, in December, or as soon as there is an indication that it may be impaired (material adverse changes of a lasting nature affecting the economic environment or the assumptions and objective made at the time of acquisition).

Impairment test is performed at the country level, which represents the lowest level at which operations are monitored by management for the purpose of measuring return on investment.

Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is determined based on value-in-use. The calculation of the value-in-use is based on a discounted cash flow model. Cash flows are derived from the strategic plan prepared during the yearly budget process in November 2021 for the next two years and also include an extrapolation of three additional years and a normative terminal value. Prospects include the favorable effect expected from continuously increasing electrical usages as a result of climate change containment policies and energy transitioning boosted by the European green deal and US stimulus that should bring additional growth opportunities. A long-term growth rate based on inflation forecasts has been used for the calculation of the terminal value. Cash flows were discounted on the basis of the weighted average cost of capital net of tax calculated for each country. Country-specific risk is incorporated by applying individual risk-free rates and equity risk premium. The weighted average cost of capital reflects the time value of money and the specific risks of the assets, not already factored in the projected cash flow, by taking into account the capital structure and the financing terms and conditions of a standard market participant.

Impairment losses are recognized in the income statement (in "Other expenses"). Impairment losses in respect of goodwill may not be reversed. If a change in the useful life assessment (from indefinite to finite) is identified during the annual review, the modification is made on a prospective basis.

Value-in-use key assumptions

- EBITA Margin

EBITA margin is set on a country by country basis based on both historical and expected performance, Rexel's market share and characteristics of the local market and by

reference to other cash generating units within the Group with similar profile.

- Discount rate and long term growth rate

The following after tax discount rates and long term growth rate were used to estimate the value-in-use of the CGUs:

AS OF DECEMBER 31						
CGU	2021			2020		
	DISCOUNT RATE (WACC)	LONG TERM GROWTH RATE (g)	WACC - (g)	DISCOUNT RATE (WACC)	LONG TERM GROWTH RATE (g)	WACC - (g)
France	8.2%	1.3%	6.9%	8.0%	1.6%	6.4%
United States	8.2%	2.3%	5.9%	8.3%	2.2%	6.1%
Canada	8.4%	2.0%	6.4%	8.3%	2.0%	6.3%
Switzerland	7.5%	1.0%	6.5%	7.6%	1.0%	6.6%
Sweden	8.4%	1.9%	6.5%	8.0%	1.8%	6.2%
Austria	8.1%	2.0%	6.1%	8.1%	2.0%	6.1%
Australia	10.0%	2.4%	7.6%	9.8%	2.4%	7.4%
Belgium	7.9%	1.8%	6.1%	7.4%	1.7%	5.7%
United Kingdom	8.0%	2.0%	6.0%	7.9%	2.0%	5.9%
Germany	7.2%	2.0%	5.2%	7.1%	2.0%	5.1%
Norway	7.6%	2.0%	5.6%	7.5%	2.0%	5.5%
Other	7.9% to 15.7%	1.4% to 4.0%	6.0% to 11.7%	7.8% to 15.6%	1.4% to 4.0%	6.4% to 11.6%

Result of the impairment tests

As of December 31, 2021, no goodwill impairment was recognized as of December 31, 2021.

As of December 31, 2020, the goodwill impairment loss of €486.0 million recognized as a consequence of the Covid-19 health crisis were allocated to the following cash generating units:

(in millions of euros)			2020
CGU	GEOGRAPHIC SEGMENT	GOODWILL IMPAIRMENT	
United Kingdom	Europe	162.4	
United States	North America	108.2	
Canada	North America	75.2	
Germany	Europe	74.6	
Australia	Asia-Pacific	40.5	
Norway	Europe	17.5	
Other		7.6	
Total		486.0	

Sensitivity analysis

The table below summarizes the impact on cash generating units where a change of 50 bps in EBITA margin, discount rate or long term growth rate would lead on the recognition of an impairment expense:

(in millions of euros)				
CGU	GOODWILL AND INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE	EBITA MARGIN (-50 BPS)	DISCOUNT RATE (+50 BPS)	LONG TERM GROWTH RATE (-50 BPS)
Germany	75.3	(10.6)	—	—
Norway	63.0	(7.0)	—	—
Other	445.0	(1.3)	—	—
Total		(18.9)	—	—

12.3 Property, plant & equipment

Property, plant and equipment acquired are initially stated at cost, including all expenses directly attributable to the acquisition.

Property, plant and equipment acquired as part of a business combination are recognized at fair value, separately from goodwill.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives.

The estimated useful lives are as follows:

- Commercial and office buildings 20 to 35 years;
- Building improvements and operating equipment 5 to 10 years;
- Transportation equipment 3 to 8 years;
- Computers and hardware 3 to 5 years.

Land is not depreciated.

<i>(in millions of euros)</i>	LAND & BUILDINGS	PLANT & EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL PROPERTY, PLANT AND EQUIPMENT
Gross carrying amount as of January 1, 2020	181.9	668.7	36.0	886.6
Change in consolidation scope	0.3	0.1	0.2	0.6
Additions	2.1	47.7	6.8	56.6
Disposals	(13.9)	(39.1)	(1.5)	(54.6)
Currency translation adjustment	(3.3)	(13.1)	(0.4)	(16.7)
Other changes	(2.3)	(0.6)	(2.9)	(5.8)
Gross carrying amount as of December 31, 2020	164.8	663.7	38.2	866.7
Change in consolidation scope	12.3	4.6	0.2	17.1
Additions	2.6	41.8	13.7	58.1
Disposals	(6.1)	(37.2)	(0.3)	(43.6)
Currency translation adjustment	5.0	16.4	0.9	22.2
Other changes	(0.1)	3.8	(5.7)	(2.0)
Gross carrying amount as of December 31, 2021	178.4	693.1	47.0	918.6
Accumulated amortization and depreciation as of January 1, 2020	(106.5)	(482.3)	(24.5)	(613.4)
Depreciation expense	(5.0)	(48.7)	(2.1)	(55.9)
Release	4.5	36.5	0.4	41.3
Currency translation adjustment	1.7	8.4	—	10.2
Other changes	2.3	2.0	—	4.3
Accumulated amortization and depreciation as of December 31, 2020	(103.1)	(484.1)	(26.2)	(613.4)
Depreciation expense	(4.8)	(49.5)	(2.0)	(56.3)
Impairment losses ⁽¹⁾	(2.3)	(0.2)	—	(2.6)
Release	4.0	35.1	0.2	39.3
Currency translation adjustment	(3.0)	(10.8)	(0.1)	(13.8)
Other changes	—	0.1	—	0.1
Accumulated amortization and depreciation as of December 31, 2021	(109.1)	(509.5)	(28.1)	(646.7)
Carrying amount as of January 1, 2020	75.4	186.3	11.6	273.3
Carrying amount as of December 31, 2020	61.7	179.6	12.0	253.3
Carrying amount as of December 31, 2021	69.3	183.7	18.9	271.9

(1) Reflecting fixed assets impairment in Spain (see note 8).

12.4 Leases

The Group applies a single recognition and measurement model for all leases except for short-term leases and leases of low-value assets. The Group recognizes right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments.

Right-of-use assets

- At the commencement date, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.
- The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.
- Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease term

- Lease term represents the non-cancelable term of the lease, together with any periods covered by an option to extend or to terminate the lease if it is reasonably certain to be exercised.
- Relevant factors that create an economic incentive to exercise a renewal option are considered on a site by site basis among which: the cost of relocation (including the effect of potential business disruptions on operations resulting from a lease termination), the attractiveness of the location, and the investments in leasehold improvements.
- After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (*i.e.* adverse changes in the attractiveness of the location or business strategy change).
- Amendments to IFRS 16 “Covid-19-Related Rent concessions beyond June 30, 2021”:

The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification and Rexel elected to apply this practical expedient. This additional one-year exemption did not have a significant impact on the Group’s financial statements at December 31, 2021.

Lease liabilities

- At the commencement date, lease liabilities are measured at the present value of lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees if any. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.
- Variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.
- After the commencement date, lease liabilities increase to reflect the accretion of interest and reduced for the lease payments made. Lease liabilities carrying can also be remeasured if there is a modification (a change in the lease term, in the in-substance fixed lease payments or in the assessment to purchase the underlying asset).

Discount rate

- At the commencement date, and as the implicit interest rate of lease agreement is not readily available in the contracts, the Group uses the incremental borrowing rate (IBR) to measure the present value of lease liabilities.
- IBR is determined by reference to the 7-year currency swap applicable to each of the Group’s entities in their own functional currencies after adding back the Group’s credit spread. The Group credit spread is derived from the cost of issuing senior notes which is the primary source of funding of the Group.

Short-term leases and leases of low-value assets exemptions

The Group applies recognition exemptions for:

- Short-term leases (*i.e.* those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).
- Low-value assets to leases of office equipment (including copiers, printers, lap-tops) that are individually considered of low value.

Lease payments on short-term leases and leases of low-value assets are recognized as part of the distribution and administrative expenses on a straight-line basis over the lease term.

Set out below are the carrying amounts of right-of-use assets recognized and changes of the period:

<i>(in millions of euros)</i>	PROPERTIES	OTHER EQUIPMENTS	TOTAL RIGHT-OF-USE
As of January 1, 2020	827.9	70.3	898.2
Change in consolidation scope	(0.1)	(0.6)	(0.8)
Additions	166.3	41.8	208.1
Depreciation expenses and impairment	(144.5)	(34.5)	(179.0)
Currency translation adjustment	(28.2)	(2.9)	(31.1)
As of December 31, 2020	821.4	74.1	895.5
Change in consolidation scope ⁽¹⁾	81.6	10.1	91.7
Additions	188.2	31.2	219.5
Depreciation expenses and impairment ⁽²⁾	(159.9)	(37.1)	(197.0)
Currency translation adjustment	34.3	3.2	37.5
As of December 31, 2021	965.7	81.5	1,047.1

(1) Mainly reflecting the effect of Mayer's acquisition (see note 4.1).

(2) Including right-of-use impairment in Spain of €4.8 million (see note 8).

Set out below are the carrying amounts of lease liabilities recognized and changes of the period:

<i>(in millions of euros)</i>	AS OF DECEMBER 31					
	2021			2020		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Properties	158.2	921.9	1,080.1	137.6	789.2	926.8
Other equipments	35.5	53.1	88.7	31.1	47.9	78.9
Total lease liabilities	193.7	975.1	1,168.8	168.7	837.0	1,005.7

<i>(in millions of euros)</i>	2021	2020
As of January 1	1,005.7	1,010.0
Change in scope ⁽¹⁾	91.8	(0.5)
Additions	218.0	203.8
Interest expenses	40.4	42.7
Payments	(229.2)	(215.0)
Currency translation adjustment	42.1	(35.3)
As of December 31	1,168.8	1,005.7

(1) Mainly reflecting the effect of Mayer's acquisition (see note 4.1).

Set out below are the lease liabilities maturity of the period:

(in millions of euros)	DUE WITHIN						Total
	One year	Two years	Three years	Four years	Five years	Thereafter	
As of December 31, 2021	193.7	179.7	158.1	133.5	105.4	398.3	1,168.8
As of December 31, 2020	168.7	152.9	133.7	115.4	99.0	336.0	1,005.7

Set out below are the amounts recognized in profit or loss for the year ended December 31, 2021 and for the year ended December 31, 2020:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31		Statement of Profit and Loss classification
	2021	2020	
Depreciation of right-of-use assets	(192.0)	(178.5)	Depreciation expenses (note 7)
Interest on lease liabilities	(40.4)	(42.7)	Other financial expenses (note 9)
Rent on short term and low-value assets leases	(13.3)	(16.2)	Building and occupancy costs (note 7)
Impairment of assets	(5.0)	(0.4)	Other expenses (note 8)
Net gain on lease termination	1.7	4.0	Other income (note 8)
Total amount recognized in P&L	(248.9)	(233.8)	

12.5 Long-term investments

(in millions of euros)	AS OF DECEMBER 31	
	2021	2020
Deposits	41.7	31.9
Derivatives	1.7	9.1
Loans	0.4	—
Other long-term investments ⁽¹⁾	12.8	0.2
Long-term investments	56.6	41.3

(1) Including purchase price of Winkle Electric investment (see note 4.1).

13. Current assets

13.1 Inventories

Inventories are mainly composed of goods held for resale and are initially stated at cost.

At each reporting date, inventories are stated at the lower of (i) cost and (ii) net realizable value.

- Cost is calculated by reference to a first-in first-out basis, including freight in costs, net of any purchase rebates.
- Net realizable value is the estimated selling price at balance sheet date, less the estimated selling expenses, taking into account technical or marketing obsolescence and risks related to slow moving inventory.

(in millions of euros)	AS OF DECEMBER 31	
	2021	2020
Cost	2,157.7	1,591.7
Allowance	(100.5)	(80.6)
Inventories	2,057.2	1,511.1

Changes in the carrying amount of inventories:

(in millions of euros)	AS OF DECEMBER 31	
	2021	2020
As of January 1,	1,511.1	1,696.9
Change in consolidation scope ⁽¹⁾	120.9	0.2
Change in inventories at cost	371.5	(97.1)
Impairment net of release	(20.6)	(16.4)
Currency translation adjustment	74.3	(57.1)
Other changes	—	(15.3)
As of December 31,	2,057.2	1,511.1

(1) Mainly reflecting the effect of Mayer's acquisition (see note 4.1).

13.2 Trade accounts receivable

Trade receivables are initially measured at amortized cost which is reflected by the principal amount.

Impairment losses are recognized for expected credit losses (ECLs) to take into account credit risk. The Group applies a simplified approach:

- For non-defaulted receivables (when contractual payments are less than 30 days or non-due) ECLs are based the historical ratio of credit loss to sales;
- For defaulted receivables (when contractual payments are 30 days past-due), ECLs are based on a standard ageing matrix for defaulted receivables.

An additional allowance may be recognized on a case-by-case basis when there is objective evidence that the Group is unlikely to receive the outstanding contractual amounts in full.

Derecognition of trade receivables

Rexel runs several on-going securitization and factoring programs which allow the Group to assign eligible trade receivables and receive cash payments in exchange.

Trade receivables are derecognized from the balance sheet when the Group has transferred (i) its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to a third party under a 'pass-through' arrangement and (ii) substantially all the risks and rewards attached to the receivables.

When the Group evaluates that all the risks and rewards of the asset have not been transferred, the transferred receivables are still recognized in the balance sheet with an associated liability for the cash received in exchange of the assigned receivables.

Receivables in connection to securitization and factoring programs are disclosed note 18.

(in millions of euros)	AS OF DECEMBER 31	
	2021	2020
Nominal value	2,481.8	2,001.5
Impairment losses	(128.6)	(101.8)
Trade accounts receivable	2,353.2	1,899.7

Trade accounts receivable includes sales taxes collected on behalf of tax authorities that, in certain circumstances, may be recovered when the client defaults. Recoverable taxes amounted to €278.3 million as of December 31, 2021 (€234.3 million as of December 31, 2020).

The Group has implemented credit insurance programs in certain significant countries. Trade accounts receivable covered by these programs

amounted to €912.3 million as of December 31, 2021 (€808.8 million as of December 31, 2020).

Also, in some countries, the Group benefits from additional guarantees according to the specificities of local jurisdictions, notably in the United States and in Canada. Trade accounts receivable covered by these guarantees represented €116.8 million as of December 31, 2021 (€174.9 million as of December 31, 2020).

Impairment losses on trade accounts receivable*(in millions of euros)*

	2021	2020
As of January 1,	(101.8)	(98.0)
Change in consolidation scope	(1.9)	(0.1)
Net allowance ⁽¹⁾	(50.0)	(39.8)
Write off	31.8	34.7
Foreign exchange movement	(5.1)	2.1
Other changes	(1.7)	(0.6)
As of December 31,	(128.6)	(101.8)

(1) In 2021, including a provision for expected credit losses and losses on receivables written-off of €26.6 million recognized in distribution and administrative expenses (€39.8 million for the year ended December 31, 2020) and €23.4 million impaired trade receivables in China (see note 8).

As of December 31, 2021, all receivables are subject to an impairment loss estimated on aging-based matrix for €32.7 million as of December 31, 2021 (€30.8 million as of December 31, 2020).

In addition, trade receivables were subject to impairment losses estimated on an individual basis following the assessment of the customer default risk for €89.5 million (€66.9 million as of December 31, 2020).

Aging of receivables is detailed as follows:

<i>(in millions of euros)</i>	NON DUE	FROM 1 TO 30 DAYS	FROM 31 TO 60 DAYS	FROM 61 TO 90 DAYS	FROM 91 TO 180 DAYS	ABOVE 180 DAYS	TOTAL
2021	2,018.1	319.1	77.1	27.7	25.0	14.7	2,481.8
2020	1,669.3	207.9	55.7	21.4	20.9	26.4	2,001.5

13.3 Other accounts receivable

	AS OF DECEMBER 31	
<i>(in millions of euros)</i>	2021	2020
Suppliers' rebates and services ⁽¹⁾	336.9	255.8
VAT receivable and other sales taxes	23.5	20.3
Prepaid expenses	34.1	33.3
Derivatives	5.5	2.0
Other receivables	159.2	137.4
Total other accounts receivable	559.2	448.9

(1) Suppliers' rebates and services income recognized for the year ended December 31, 2021 were €980.5 million (€786.0 million for the year ended December 31, 2020).

14. Share capital and premium

Rexel's share capital is composed of ordinary shares, with a par value of €5.

Purchases of company treasury shares including those acquired through a liquidity agreement are recognized as a reduction in equity. Any gains or losses connected with the purchase, sale or cancellation of these shares are recognized directly in equity without affecting the income statement.

14.1 Changes in share capital and issuance premium

The following table shows changes in the share capital and issuance premium:

(in millions of euros)	NUMBER OF SHARES	SHARE CAPITAL	SHARE PREMIUM
As of January 1, 2020	304,102,013	1,520.5	1,451.2
Issuance of shares in connection with free shares plans ⁽¹⁾	323,093	1.6	—
Allocation of free shares	—	—	(5.9)
Free shares canceled	—	—	5.3
As of December 31, 2020	304,425,106	1,522.1	1,450.5
Issuance of shares in connection with free shares plans ⁽²⁾	1,103,051	5.5	—
Employee share purchase plan	188,334	0.9	0.2
Allocation of free shares	—	—	(10.4)
Free shares canceled	—	—	10.4
Cash dividends	—	—	(139.6)
Share premium transfer to retained earnings	—	—	(21.3)
As of December 31, 2021	305,716,491	1,528.6	1,289.8

(1) Issuance of 323,093 shares in connection with the 2016 bonus shares plan ("4+0 Plan").

(2) Issuance of 1,103,051 shares in connection with the 2017 and 2018 bonus shares plans.

14.2 Capital Management and treasury shares

The Group has a share repurchase plan approved in its Shareholders' Meeting of April 22, 2021 for a period of 18 months (ending October 22, 2022) with a maximum purchase amount of €250 million at a maximum share price of €30 and a number of shares representing up to 10% of the share capital.

The objectives of this program in decreasing order of priority are as follows:

- Ensuring liquidity and activity in the market for the shares through an investment services provider;
- Setting up any stock option plan of the Company, allotment of free shares or any other granting, allotment or sale of shares to the employees or the Corporate officer of the Company;
- Retaining and delivering shares further to an exchange or as a consideration in the context of external growth transactions within the limit of 5% of the share capital of Rexel;
- Granting shares in connection with the exercise of rights attached to securities conferring access to Rexel shares;

- Canceling all or part of any shares so repurchased;
- Any other actions that comply with applicable regulations in force.

In connection with this share repurchase plan, Rexel entered into an agreement with a financial institution to promote the liquidity of Rexel shares on the market, in compliance with the *Autorité des marchés financiers* (AMF) requirements, for an amount of €20.1 million as of December 31, 2021 (€18.3 million as of December 31, 2020).

As of December 31, 2021, Rexel held in aggregate 613,465 treasury shares (1,148,482 as of December 31, 2020), of which 417,171 shares to serve its free share plans, valued at an average price of €14.41 per share (€12.64 per share as of December 31, 2020) that were recognized as a reduction in shareholders' equity, for a total of €8.8 million (€14.5 million as of December 31, 2020).

Net capital gains realized on the sale of treasury shares in 2021 amounted to €1.7 million net of tax and were recognized as increase in shareholders' equity (net capital gains of €1.2 million in 2020).

15. Dividends

Dividends are recognized as a liability in the period in which the distribution has been approved by the shareholders.

	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Dividends per share (in euros)	0.46	—
Dividends paid in cash through share premium distribution (in millions of euros)	139.6	—

16. Provisions and other non-current liabilities

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation and when the amount can be estimated reliably.

If the effect of time value is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Provision for restructuring

A restructuring is a program that is planned and controlled by management that materially changes either the scope of the business or the manner in which that business is conducted.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for. Restructuring expenses are presented in “Other expenses” and principally include personnel costs (severance payments, early retirement costs, notice period not worked), branch closure costs and indemnities for the breach of non-cancelable agreements.

Provisions for litigation and claims

Provisions for litigation and claims include estimated costs for risks, disputes (including personnel disputes), litigation and third party claims, and the probable costs associated with warranties given by the Group in the context of the disposal of non-current assets or subsidiaries.

Any accepted assessment is recorded as a liability when the amount can be reasonably estimated.

(in millions of euros)	AS OF DECEMBER 31	
	2021	2020
Provisions	25.1	32.8
Derivatives	3.0	6.5
Other non-current liabilities ⁽¹⁾	6.9	7.3
Provisions and other non-current liabilities	35.0	46.7

(1) Including employee profit sharing related payables in France in the amount of €6.9 million (€7.3 million at December 31, 2020).

The variation in provisions is detailed in the table below:

<i>(in millions of euros)</i>	RESTRUCTURING ⁽¹⁾	OTHER LITIGATION & CLAIMS ⁽²⁾	LEASED ASSETS RESTORATION ⁽³⁾	TOTAL PROVISIONS
As of January 1, 2020	9.1	14.6	2.4	26.2
Increase	21.4	9.5	0.9	31.8
Use	(10.8)	(3.1)	(1.1)	(14.9)
Release	(0.4)	(0.2)	—	(0.6)
Currency translation adjustment	—	(0.1)	(0.1)	(0.1)
Other changes	(7.3)	(2.2)	—	(9.5)
As of December 31, 2020	12.1	18.6	2.1	32.8
Increase	2.4	6.8	—	9.2
Use	(8.6)	(2.7)	(0.5)	(11.8)
Release	(2.6)	(1.3)	—	(3.9)
Currency translation adjustment	0.1	0.1	0.1	0.3
Other changes	1.8	(3.3)	—	(1.5)
As of December 31, 2021	5.3	18.2	1.6	25.1

- (1) Provisions for reorganization and business transformation programs. These restructuring plans are associated with branch closures, optimization of distribution centers and back office reorganization. Provisions for restructuring activities undertaken at December 31, 2021, mainly concerned Europe for €3.7 million (€9.6 million in 2020), Asia-Pacific for €1.1 million (€1.5 million in 2020) and North America for €0.5 million (€1.0 million in 2020).
- (2) In 2021, other litigation and claims amounted to €18.2 million (€18.6 million in 2020), of which €2.7 million relating to litigation with French social security authorities (€2.7 million in 2020), €4.0 million to employee claims (€3.6 million in 2020) and €1.6 million to trade disputes (€2.2 million in 2020).
- (3) In 2021, provisions for lease assets restoration incurred mainly in the United Kingdom for €0.4 million (€0.9 million in 2020), in Switzerland for €0.9 million (€0.8 million in 2020) and in Belgium for €0.3 million.

17. Post-employment and long-term benefits

In accordance with the laws and practices of each country, the Group participates in post-employment benefits and other long-term benefits (during employment) offering pensions, lump-sum payments on retirement, jubilees, early retirement benefits, and health care and life insurance benefits in favor of former employees, including retired employees.

These benefits are classified as either:

- defined contribution plans recognized as an expense in profit and loss in personnel costs and will have no legal or constructive obligation to pay further contributions; or
- defined benefit plans when the Group guarantees a future level of benefits.

Group's net obligation

The Group's net obligation in respect of defined post-employment benefit plans and of long-term benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods.

As per IFRS-IC Interpretation IAS 19 "Attributing Benefit to Periods of Service" (May 2021), when the rights of an employee are capped, the recognition of the obligation start when the service actually grants rights and not over the entire period of employment. This interpretation did not have a significant impact on the Group's financial statements at December 31, 2021.

Benefit is discounted to determine its present value.

Discount rates are set by reference to market yields on high quality corporate bonds (AA rated-bonds by at least one of the top three rating agencies: Standard & Poor's, Moody's and Fitch) with a similar duration to the underlying obligation. Each future year expected benefit payments are discounted by the corresponding of the yield curve and when there is no deep market in bonds with a sufficiently long maturity to match the maturity of the benefit payments, the discount rate is estimated by extrapolating current market rates along the yield curve. Then a single discount rate is calculated that, when applied to all cash flows, results in the same interest cost as the application of the individual rates would have produced.

The calculation is performed periodically by an independent actuary using the projected unit credit method.

In addition, for post-employment benefit plans:

- The liability recognized in the balance sheet in respect of defined benefit schemes is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets;
- When the calculation results in plan assets exceeding liability, the recognized asset is limited to the present value of any currently available future refunds from the plan or reductions in future contributions to the plan;
- When the benefits of a plan are improved (reduced), the portion of the increased (decreased) benefit relating to past service by employees is recognized immediately as an expense (income) in the income statement. The current and past service costs as well as administrative costs paid from registered pension plans' assets are presented in the income statement as part of the distribution and administrative expenses. The net interest expenses (income) relating to the discounting of the net funded position (defined benefit obligation less plan assets) is presented in the income statement as part of the net financial expenses.

Remeasurements

Remeasurements including (i) actuarial gains and losses, (ii) actual return on plan assets including administrative expenses allocated to manage plan assets and (iii) changes in the effect of the asset ceiling are recognized in:

- Other comprehensive income for post-employments benefits;
- Distribution and administrative expenses for other long-term benefits.

17.1 Defined benefit plans description

The most significant funded defined benefit pension plans sponsored by the Group are in the United Kingdom, in Switzerland and in Canada. Related funds are managed through independent vehicles.

In the United Kingdom, Rexel operates deferred final salary defined benefits through the *Rexel UK Pension Scheme* fund. All sections under this plan are closed to new entrants with effect of April 5, 2002. Accrued benefits and pensions are subject to indexation. Statutory funding objectives are agreed between the Trustee board and the company. In that respect, the Trustee board carries out a full valuation of the Scheme at least every three years, after which a recovery plan of contributions is agreed with the company to restore any funding deficit. The most recent full valuation was performed on April 5, 2020. The Trustee board is also responsible for determining the investment strategy of the plan.

In Switzerland, Rexel provides a second pillar pension plan for its employees. Assets are managed through a pension fund "*Pension Kasse*", the *Elektro Material Pension Plan*. The plan runs under a contribution-based pension plan agreement with guaranteed return, thus qualifying as a defined benefit plan. The Pension Board "*Conseil de Fondation*" is responsible to set up

adequate company's and employee's contribution and asset allocation strategy that seeks to meet at least guaranteed return. A full valuation of this plan is performed each year.

In Canada, defined benefit pension plans mainly include:

- The Employees' Plan which is a registered plan and has both defined benefit and defined contribution provisions. The defined benefit provision of the plan has a career average type formula. This plan was closed to new entrants on January 1, 2000.
- The Executives' Pension Plan and the Supplementary Executives' Retirement Plan ("SERP") which provide retirees with a pension based on a percentage of their prior earnings. The Executives' Plan is a final average earnings defined benefit registered plan. The SERP has two provisions: the first provides benefit in excess of the limits of the Executives' Plan and the second portion provides a term annuity upon retirement based on a notional account.

A full actuarial valuation of Canadian plans is performed every three years. The most recent valuations were performed in 2021 for the Employees' Plan and in 2019 for the Executives' Plans.

17.2 Employee Benefit Plan information

The change in the present value of the obligation in respect of defined benefit plans is as follows:

(in millions of euros)	DEFINED BENEFIT OBLIGATIONS				
	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2020	546.3	258.7	250.2	210.1	1,265.3
Service cost	—	2.2	7.2	6.0	15.4
Interest cost	10.3	7.5	0.6	2.6	21.0
Benefit payments	(15.6)	(12.4)	(7.6)	(9.3)	(44.9)
Employee contributions	—	0.4	4.3	0.4	5.1
Change in consolidation scope	—	—	—	(0.6)	(0.6)
Currency translation adjustment	(29.7)	(17.5)	1.1	(2.3)	(48.4)
Past service cost / settlement and other	0.2	—	—	—	0.2
Remeasurements					
<i>Effect of change in demographic assumptions</i>	—	—	—	(1.2)	(1.2)
<i>Effect of change in financial assumptions</i>	57.5	21.5	(1.1)	8.4	86.4
<i>Effect of experience adjustments</i>	(10.5)	(1.4)	2.6	1.6	(7.6)
As of December 31, 2020	558.6	258.9	257.4	215.7	1,290.6
Service cost	—	2.3	7.2	6.4	15.8
Interest cost	8.6	6.4	0.6	2.0	17.7
Benefit payments	(17.4)	(13.5)	(10.2)	(8.9)	(50.0)
Employee contributions	—	0.4	4.4	0.4	5.1
Currency translation adjustment	37.8	21.7	11.0	2.2	72.7
Past service cost / settlement and other	—	—	—	0.9	0.9
Remeasurements					
<i>Effect of change in demographic assumptions</i>	(15.0)	—	(11.0)	—	(25.9)
<i>Effect of change in financial assumptions</i>	(22.7)	(15.1)	(8.7)	(12.2)	(58.7)
<i>Effect of experience adjustments</i>	(5.7)	(1.0)	2.6	(4.8)	(9.0)
As of December 31, 2021	544.2	260.2	253.3	201.7	1,259.3

The change in the fair value of the defined benefit plan assets breaks down as follows:

(in millions of euros)	PLAN ASSETS				
	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2020	411.4	193.2	247.5	101.0	953.1
Employer contributions	18.9	6.6	8.5	11.2	45.3
Employee contributions	—	0.4	4.3	0.4	5.1
Interest income	5.6	5.7	0.7	1.2	13.1
Benefit payments	(15.6)	(12.4)	(7.6)	(9.3)	(44.9)
Currency translation adjustment	(22.4)	(13.0)	1.1	(0.4)	(34.6)
Return on plan assets excluding interest income ⁽¹⁾	23.8	7.2	0.3	1.5	32.7
As of December 31, 2020	421.8	187.6	254.9	105.5	969.7
Employer contributions	7.1	6.9	6.5	7.2	27.8
Employee contributions	—	0.4	4.4	0.4	5.1
Interest income	4.3	4.7	0.7	0.9	10.5
Benefit payments	(17.4)	(13.5)	(10.2)	(8.9)	(50.0)
Currency translation adjustment	30.1	16.5	10.8	0.5	58.0
Return on plan assets excluding interest income ⁽¹⁾	36.0	14.1	(16.5)	(4.3)	29.2
As of December 31, 2021	481.8	216.6	250.6	101.3	1,050.4

(1) Of which €(39.6) million of asset ceiling on the Switzerland plan (€(12.0) million in 2020).

The change in the net liability / (asset) breaks down as follows:

<i>(in millions of euros)</i>	NET LIABILITY / (ASSET)				
	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2020	134.9	65.5	2.7	109.1	312.1
Service cost	—	2.2	7.2	6.0	15.4
Interest cost	4.7	1.8	—	1.5	7.9
Past service cost/settlement and other	0.2	—	—	—	0.2
Employer contributions	(18.9)	(6.6)	(8.5)	(11.2)	(45.3)
Change in consolidation scope	—	—	—	(0.6)	(0.6)
Currency translation adjustment	(7.3)	(4.6)	—	(1.9)	(13.7)
Remeasurements	23.3	12.9	1.2	7.4	44.9
As of December 31, 2020	136.8	71.4	2.5	110.2	320.9
Service cost	—	2.3	7.2	6.4	15.8
Interest cost	4.4	1.7	(0.1)	1.2	7.2
Past service cost/settlement and other	—	—	—	0.9	0.9
Employer contributions	(7.1)	(6.9)	(6.5)	(7.2)	(27.8)
Currency translation adjustment	7.7	5.2	0.1	1.8	14.7
Remeasurements	(79.4)	(30.1)	(0.6)	(12.8)	(122.8)
As of December 31, 2021	62.4	43.5	2.7	100.4	208.9

The reconciliation of the liability recognized on the balance sheet and the present value of the obligation in respect of defined benefit plans is as follows:

<i>(in millions of euros)</i>	LIABILITY RECONCILIATION				
	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
For the year ended December 31, 2020					
Defined benefit obligations	558.6	258.9	257.4	215.7	1,290.6
<i>of which Funded schemes</i>	558.1	236.8	254.9	126.4	1,176.2
<i>of which Unfunded schemes</i>	0.4	22.1	2.5	89.3	114.4
Fair value of plan assets	(421.8)	(187.6)	(254.9)	(105.5)	(969.7)
Recognized net liability for defined benefit obligations	136.8	71.4	2.5	110.2	320.9
For the year ended December 31, 2021					
Defined benefit obligations	544.2	260.2	253.3	201.7	1,259.3
<i>of which Funded schemes</i>	543.7	237.9	250.7	118.3	1,150.6
<i>of which Unfunded schemes</i>	0.5	22.2	2.6	83.4	108.7
Fair value of plan assets	(481.8)	(216.6)	(250.6)	(101.3)	(1,050.4)
Recognized net liability for defined benefit obligations	62.4	43.5	2.7	100.4	208.9

17.3 Re-measurements of the net defined benefit liability

(in millions of euros)	OTHER COMPREHENSIVE INCOME				
	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Return on plan assets excluding interest income and asset ceiling	(23.7)	(7.2)	(0.3)	(1.4)	(32.7)
Effect of change in demographic assumptions	—	—	—	(1.2)	(1.2)
Effect of change in financial assumptions	57.5	21.5	(1.1)	8.3	86.2
Effect of experience adjustments	(10.5)	(1.4)	2.5	1.8	(7.6)
OCI recognized for the year ended December 31, 2020	23.3	12.9	1.1	7.4	44.7
Return on plan assets excluding interest income and asset ceiling	(36.0)	(14.1)	16.5	4.3	(29.3)
Effect of change in demographic assumptions	(15.0)	—	(10.8)	—	(25.8)
Effect of change in financial assumptions	(22.7)	(15.0)	(8.7)	(12.0)	(58.4)
Effect of experience adjustments	(5.7)	(1.0)	2.3	(4.7)	(9.1)
OCI recognized for the year ended December 31, 2021	(79.4)	(30.1)	(0.7)	(12.4)	(122.6)

17.4 Employee Benefit expense

The expense recognized in the consolidated income statement breaks down as follows:

(in millions of euros)	EXPENSE				
	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service costs ⁽¹⁾	—	2.2	7.2	6.0	15.4
Past service costs ⁽³⁾	0.2	—	—	—	0.2
Net Interest expense ⁽²⁾	4.7	1.8	—	1.5	8.0
Other ⁽¹⁾	—	0.1	0.1	—	0.2
Expense recognized for the year ended December 31, 2020	4.9	4.1	7.3	7.5	23.7
Service costs ⁽¹⁾	—	2.3	7.2	6.4	15.8
Past service costs ⁽¹⁾	—	—	—	0.9	0.9
Net Interest expense ⁽²⁾	4.4	1.7	—	1.2	7.3
Other ⁽¹⁾	—	—	0.1	(0.3)	(0.3)
Expense recognized for the year ended December 31, 2021	4.4	4.0	7.2	8.1	23.7

(1) Recognized as personnel costs (see note 7).

(2) Recognized as net financial expenses (see note 9).

(3) Recognized as other expenses.

There have been no significant plan amendments or settlements for the years ended December 31, 2021 and December 31, 2020.

17.5 Plan asset allocation

(in millions of euros)	PLAN ASSETS CLASS		
	UNITED KINGDOM	CANADA	SWITZERLAND
Cash and cash equivalents	5.0	0.9	14.4
Equity instruments (quoted in an active market)	12.6	81.8	104.7
Debt instruments (quoted in an active market)	71.5	102.0	99.5
Real estate	—	—	62.7
Investment funds	328.0	—	—
Asset held by insurance company	4.2	2.9	1.3
Other	0.3	—	2.2
As of December 31, 2020	421.8	187.6	284.8
Cash and cash equivalents	3.0	1.0	14.5
Equity instruments (quoted in an active market)	19.4	94.8	125.5
Debt instruments (quoted in an active market)	101.7	87.0	108.0
Real estate	—	—	69.1
Investment funds	353.5	—	—
Asset held by insurance company	4.0	33.9	3.3
Other	0.4	—	2.9
As of December 31, 2021	481.8	216.7	323.4

17.6 Actuarial assumptions

The main actuarial assumptions are as follows:

	UNITED KINGDOM		CANADA		SWITZERLAND	
	2021	2020	2021	2020	2021	2020
Average plan duration (in years)	16	17	12	13	14	15
Discount rate (in %)	1.75	1.50	2.90	2.40	0.50	0.25
Future salary increases (in %)	N/A	N/A	3.00	3.00	0.50	0.50

17.7 Post-employment plan risks

In order to identify and deal with the risks in relation to the management of pension and other post-retirement plans, a pension committee made up by Finance and Human Resources representatives, meets on a quarterly basis. This pension committee, supported by experts, reviews, in particular, the funding of pension plans, and the performance of the pension plan's assets. It is informed of any material event in relation to the benefits granted to employees, the financial impact in relation to the plans, or changes in the regulations. The committee reports to Audit Committee on a yearly basis.

The Group's major defined benefit plans are subject to funding requirements that mainly fluctuate based on interest rates, performance of plan assets and changes in local regulations. Depending on changes in the above parameters, the Group may be required to make additional contributions to the pension funds in a defined time frame.

- Volatility in discount rates and inflation

The defined benefit liability is calculated by discounting future expected cash flows. Discount rates are determined based upon bonds yield prevailing at the measurement date which may fluctuate from one period to another. In addition, accrued benefits and pension annuities are usually subject to salary increase and conditional or unconditional indexation which vary depending on inflation level. Any change in the above parameters may adversely affect the defined benefit liability and the service cost, and thus triggers additional contributions to comply with local minimum funding requirements.

- Volatility in asset values

Plan assets mainly include equities, fixed incomes securities and other assets which values are subject to market volatility. A downturn in financial markets would result in an increase of the net liability and, therefore, in reduced funding ratios requiring additional contributions from the Group in a defined time frame.

Sensitivity analysis

(in millions of euros)	SENSITIVITY TO A 50 BASIS POINTS DECREASE IN DISCOUNT RATE				
	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service cost	—	0.1	0.5	0.3	1.1
Defined Benefit Obligation	45.7	16.2	19.3	12.5	93.6

(in millions of euros)	SENSITIVITY TO A 10% DOWNTURN IN FINANCIAL MARKET				
	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Plan assets	(1.9)	(9.5)	(12.5)	(0.5)	(24.5)

Risk Management

To mitigate risks identified above, the Group has already implemented or is currently setting up the following actions which include changes in the design of the defined benefit schemes as well as financial measures:

- Closure of defined benefits schemes, where appropriate, and move to defined contribution plans, with frozen benefit rights;
- Rationalization of benefits including the level of pension benefits, conversion rate factors and indexation caps;
- Selective additional cash contributions to increase funding level, on top of regular contributions;
- Inflation and Interest rate hedging;
- Adoption of investment strategies that broadly match the nature of the liabilities, with a progressive alignment of asset allocation and pension plans duration;
- Regular meetings with trustees;
- Periodic review of investment performance by independent advisors to monitor investment volatility.

17.8 Expected cash flows

(in millions of euros)	EXPECTED CASH FLOW				
	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Expected benefit payments for 2022	18.6	13.5	10.7	15.5	58.2
Expected benefit payments for 2023	17.8	13.8	8.9	9.2	49.7
Expected benefit payments for 2024	18.3	14.1	10.3	11.2	53.9
Expected benefit payments for 2025	19.5	14.4	8.5	10.9	53.3
Expected benefit payments for 2026 and after	127.9	89.3	53.4	69.5	339.9
Expected employer contributions for 2022	9.5	7.1	6.8	6.6	30.0

18. Financing and financial risk management

18.1 Net financial debt

The definition of the Group for the net financial debt is the following:

- gross financial debt (loans and borrowings, bank overdraft and derivative financial instruments);
- less cash and cash equivalents (cash balance and demand deposits with banks and other short-term highly liquid investments subject to an insignificant risk of change in value).

At initial recognition, gross debt is recognized at fair value through profit and loss. Loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Transaction costs and debt premiums are included in the amortized cost using the EIR calculation and, in effect, amortized through financial expenses over the life of the instrument. Loan and borrowing transaction costs comprise (i) fees and commissions paid to agents and advisers, (ii) levies by regulatory agencies and securities exchanges, and (iii) transfer taxes and duties. These costs do not comprise debt premiums, or allocations of internal administrative or overhead expenses.

Gains and losses are recognized in financial result when the liabilities are derecognized.

Cash and cash equivalents are carried at fair value through profit and loss.

The classification of financial instruments is explained in note 18.3.

As of December 31, 2021, Rexel's consolidated net debt stood at €1,551.2 million, consisting of the following items:

	AS OF DECEMBER 31,					
	2021			2020		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
<i>(in millions of euros)</i>						
Senior notes	—	999.5	999.5	—	1,105.5	1,105.5
Securitization	605.0	300.0	905.0	0.4	818.0	818.4
Bank loans	36.7	0.3	37.0	8.1	0.3	8.5
Commercial paper	125.5	—	125.5	50.0	—	50.0
Bank overdrafts and other credit facilities	68.7	—	68.7	58.6	—	58.6
Accrued interests ⁽¹⁾	5.1	—	5.1	3.6	—	3.6
Less transaction costs	(3.6)	(9.2)	(12.9)	(3.7)	(8.6)	(12.3)
Total financial debt and accrued interest	837.5	1,290.5	2,128.0	117.0	1,915.2	2,032.2
Cash and cash equivalents			(573.5)			(685.4)
Accrued interest receivable			(1.4)			(0.8)
Debt hedge derivatives ⁽²⁾			(2.0)			(11.1)
Net financial debt			1,551.2			1,334.9

(1) Of which accrued interests on Senior Notes for €2.2 million as of December 31, 2021 (€1.2 million as of December 31, 2020).

(2) Debt hedge derivatives include fair value hedge interest rate derivatives and foreign exchange derivatives designated as hedge of financial debt.

18.1.1 Senior notes

Main components of existing senior notes are detailed as follows:

(in millions of euros)	NOMINAL AMOUNT	DUE DATE	NOMINAL INTEREST RATE	CARRYING AMOUNT	
				AS OF DECEMBER 31	
				2021	2020
2021 Sustainability linked senior notes (November)	600.0	December 2028	2.125%	600.4	—
2021 Sustainability linked senior notes (May)	400.0	June 2028	2.125%	399.1	—
2019 Senior notes	600.0	June 2026	2.750%	—	600.7
2017 Senior notes	500.0	June 2025	2.125%	—	504.9
TOTAL				999.5	1,105.5

€600 million senior sustainability-linked notes due 2028

On November 10, 2021, Rexel issued €600 million of unsecured senior sustainability-linked notes. The notes were issued at 100% of their nominal amount and bear interest at 2.125% annually.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the notes semi-annually on

June 15 and December 15, starting from June 15, 2022. The notes mature on December 15, 2028 and are listed on the Luxembourg Stock Exchange.

The notes are redeemable in whole or in part at any time prior to December 15, 2024 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest.

On or after December 15, 2024, the notes are redeemable in whole or in part by paying a redemption price depending on target achievement and set forth as follows:

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)	
	PERFORMANCE TARGETS ACHIEVED	PERFORMANCE TARGETS NOT ACHIEVED
December 15, 2024	101.063%	101.188%
December 15, 2025	100.531%	100.594%
December 15, 2026 and after	100.000%	100.000%

€400 million senior sustainability-linked notes due 2028

On May 5, 2021, Rexel issued €300 million of unsecured senior sustainability-linked notes. The notes were issued at 100% of their nominal amount and bear interest at 2.125% annually. On May 18, 2021, the Group placed additional €100 million notes at a price of 100.875% of nominal (*i.e.* an issuance price of €100.9 million). The additional notes are fully fungible with the previously issued notes and have identical terms and conditions.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel pays

interest on the notes semi-annually on June 15 and December 15, starting from December 15, 2021. The notes mature on June 15, 2028 and are listed on the Luxembourg Stock Exchange.

The notes are redeemable in whole or in part at any time prior to June 15, 2024 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest.

On or after June 15, 2024, the notes are redeemable in whole or in part by paying a redemption price depending on target achievement and set forth as follows:

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)	
	PERFORMANCE TARGETS ACHIEVED	PERFORMANCE TARGETS NOT ACHIEVED
June 15, 2024	101.063%	101.188%
June 15, 2025	100.531%	100.594%
June 15, 2026 and after	100.000%	100.000%

Sustainability performance targets

The €400 million senior notes and the €600 million notes due 2028 are subjected to sustainability performance targets:

- a 23% reduction in greenhouse gas emissions related to the consumption of products sold, per euro of turnover (scope 3) by December 31, 2023 from a 2016 baseline; and
- a 23.7% reduction in greenhouse gas emissions related to energy consumption (scope 1 & 2) in its operations by December 31, 2023 from a 2016 baseline.

The interest rate of the Notes shall be increased by 25 basis points to 2.375% per annum from June 15, 2024, if the Group does not achieve one of the above targets.

As of December 31, 2021, the Group considers that these sustainability performance targets will be achieved.

€500 million notes due 2025 (early redeemed in May 2021)

On May 2021, proceeds from the issuance of the €400 million senior notes due 2028 together with available cash, were used to redeem its €500 million notes for a total amount of €505.3 million, including the applicable premium of €5.3 million.

A loss of €5.1 million has been recognized in the net financial expenses including the early redemption premium, unamortized transaction costs (€3.1 million) and a gain associated to fair value hedge adjustments (€3.4 million).

€600 million notes due 2026 (early redeemed in November 2021)

On November 2021, proceeds from the issuance of the €600 million senior notes due 2028 were used to redeem its €600 million notes for a total amount of €614.2 million, including the applicable premium of €14.2 million.

A loss of €17.5 million has been recognized in the net financial expenses including the early redemption premium, unamortized transaction

costs (€3.7 million) and a gain associated to fair value hedge adjustments (€0.4 million).

18.1.2 Securitization programs

Information with respect to Rexel's securitization programs including the off-balance sheet programs is provided in the table below:

	COMMITMENT AS OF DECEMBER 31, 2021	AMOUNT OF RECEIVABLES ASSIGNED AS OF DECEMBER 31, 2021	AMOUNT DRAWN DOWN AS OF DECEMBER 31, 2021	BALANCE AS OF DECEMBER 31		MATURITY
				2021	2020	
MAIN PROGRAMS	(in millions of currency)			(in millions of euros)		
France	€300.0	€458.8	€300.0	300.0	300.0	12/16/2023
Europe (excl. France)	€219.0	€333.1	€220.2	220.2	185.1	08/16/2022
United States - on balance sheet	US\$290.0	US\$500.7	US\$290.0	256.0	225.1	09/20/2022
United States - off balance sheet	US\$225.0	US\$224.2	US\$224.2	197.9	138.2	09/20/2022
Canada	C\$185.0	C\$286.0	C\$185.0	128.5	107.8	09/19/2022
TOTAL				1,102.7	956.3	
Of which:						
• on balance sheet:				905.0	818.4	
• off balance sheet:				197.9	138.2	

The total outstanding amount authorized for these securitization programs was €1,102.7 million and was totally used as of December 31, 2021.

These securitization programs pay interest at variable rates including a specific credit spread to each program.

On balance sheet programs

Rexel runs several on-going securitization programs which enable it to assign receivables to special purpose vehicles in exchange of cash payment amounting to the value of the receivables minus an amount committed to guarantee their recovery, which latter amount is only reimbursed, in whole or in part, after complete payment of the receivables.

The special purpose vehicles obtain the financing required to purchase these receivables, notably through the issuance of short-term debt instruments such as French, US, or Canadian commercial paper, which is rated by rating agencies. Under certain programs, Rexel also has the option of contributing its receivables in exchange for subscribing the securitization vehicle's subordinated notes.

Relevant subsidiaries remain responsible for the collection of receivables once assigned and retains a significant part of the late payment and credit risks. As a consequence, these receivables assignment programs do not qualify for derecognition under IFRS 9 requirements. Therefore, assigned receivables remain classified as

assets on the Group's balance sheet on the line "Trade accounts receivable" whereas the financing received is shown as financial debt.

Off Balance sheet program

The Group also entered into an agreement with Ester Finance Titrisation (the purchaser), a French subsidiary of CALYON, to sell a participating interest in eligible trade receivables of Rexel's US subsidiaries under a *Receivables Participation Agreement* ("RPA"). This agreement was amended in 2016 and allows the Group to assign eligible receivables and receive cash consideration up to a maximum amount of US\$225 million. The maturity of this program was extended to September 2022.

The purchase price of the receivables is equal to the face value of the receivables sold less a discount including a credit risk premium and the funding cost. Under the RPA, the Group is liable for collecting the receivables on behalf of the purchaser and receives servicing fees as remuneration of this obligation. As part of this transaction, the Group entered into a Collateral and Intercreditor Agreement to secure the performance of its obligations under the RPA. The obligations of the Group under the RPA guarantee the transfer of cash collected by the Group on behalf of the purchaser, as well as the payment of expenses and allowances due by the Group. However, these guarantees do not include any compensation obligation in relation to unrecovered receivables.

As a result of this agreement, credit risk, interest risk and late payments risk attached to the receivables assigned in relation to the Ester program are transferred to the purchaser through the credit and funding discounts. The dilution risk is not considered for risks and rewards analysis as this risk is not attached to the receivables but is analyzed as a risk of misuse of the securitization program as disputed receivables are not eligible to the program or as a risk attached to the servicing of the receivables that is guaranteed by a collateral.

Therefore, receivables sold under this agreement are derecognized from the balance-sheet at the transfer date and the difference between the sale price and the carrying value of these receivables is recorded in the income statement as a financial expense.

As of December 31, 2021, derecognized receivables totaled €197.9 million (€138.2 million as of December 31, 2020) and the discounting loss was recorded as a financial expense for €5.3 million

18.1.3 Factoring arrangements

In addition to its securitization programs, Rexel entered into factoring agreements in France and Belgium. Under these arrangements, Rexel assigns trade receivables to the factor and receives cash payment for a maximum amount of €95 million.

As a result of these arrangements, the Group transfers the credit risk, interest risk and late payment risk to the factor, and remains liable for collecting the receivable on behalf of the factor.

18.1.4 Commercial paper program

Rexel runs a €300 million commercial paper program, with fixed maturities ranging from one to six months depending on the notes, issued to diversify its investor base and minimize the cost of financing.

18.1.5 Promissory notes

In order to manage its credit risk in China, the Group discounts without recourse to various financial institutions non-matured promissory notes issued by banks ("Bank Acceptance Drafts") that are received from customers as payment of trade receivables. Rexel transfers risks and

(€5.7 million in 2020). Cash collected under the servicing agreement in relation to derecognized receivables and not yet transferred to the purchaser totaled €25.2 million and was recognized in financial liabilities (€23.6 million as of December 31, 2020).

The Group did not retain any interests in the receivables sold under this program.

Covenant

Securitization programs are subject to certain covenants concerning the quality of the trade receivables portfolio including dilution (ratio of credit notes to eligible receivables), delinquency and default criteria (aging ratios measured respectively as overdue and doubtful receivables to eligible receivables).

As of December 31, 2021, Rexel had satisfied all of these covenants. All the programs are on-going programs and therefore are not subject to seasonality other than seasonality arising in the ordinary course of business.

As of December 31, 2021, Rexel derecognized the trade receivables sold to the factor for €68.6 million (€74.2 million as of December 31, 2020). Cash collected on behalf of the factor in relation with the transferred receivables was recognized in financial liabilities for €20.4 million as of December 31, 2021 (€25.8 million as of December 31, 2020).

As of December 31, 2021, the company had issued €125.5 million of commercial paper (€50.0 million as of December 31, 2020).

benefits associated with discounted Bank Acceptance Drafts.

As of December 31, 2021, Bank Acceptance Drafts were derecognized from the balance sheet for €70.6 million (€74.5 million as of December 31, 2020).

18.1.6 Cash and cash equivalents

(in millions of euros)

	AS OF DECEMBER 31	
	2021	2020
Cash at bank	572.6	684.5
Cash in hand	0.9	0.9
Cash and cash equivalents	573.5	685.4

18.2 Change in net financial debt

As of December 31, 2021, and December 31, 2020, the change in net financial debt was as follows:

<i>(in millions of euros)</i>	2021	2020
As of January 1,	1,334.9	1,945.9
Issuance of senior notes net of transaction costs	989.9	—
Repayment of senior notes	(1,119.6)	(303.9)
Transaction costs and refinancing costs	—	(0.4)
Net change in credit facilities, commercial papers and other financial borrowings	108.0	0.2
Net change in credit facilities	(21.8)	(304.1)
Net change in securitization	46.7	(93.0)
Net change in financial liabilities	24.9	(397.1)
Change in cash and cash equivalents	124.3	(194.4)
Effect of exchange rate changes on net financial debt	36.9	(24.7)
Effect of acquisition	1.1	—
Amortization of transaction costs	3.7	4.3
Non-recurring redemption costs/ (gain)	22.6	(4.2)
Effect of assets held for sale classification	—	1.3
Other changes	2.7	3.9
As of December 31,	1,551.2	1,334.9

18.3 Market risks and financial instruments

The financial risks for which the Group is exposed are mainly interest rate risk and foreign exchange risk. In order to manage its exposure to market risks, Rexel use derivative financial instruments such as forward currency contracts or interest rate swap.

Derivative financial instruments are initially recognized at fair value. Most interest and foreign currency exchange rate derivatives used by the Group are designated as hedging instruments.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Change in fair value from one period to the next are recognized differently on whether the instrument is designated for accounting purposes as (i) a fair value hedge of an asset or a liability or an unrecognized firm commitment, (ii) a cash flow hedge or (iii) a hedge of net investment in a foreign operation.

(i) Fair value hedges

- Consist in hedging the variability of the fair value hedged item measured at amortized cost including fixed rate indebtedness such as senior notes;
- Changes in fair value of the hedging instrument are recognized in the income statement such as the change in value of the hedged item which is symmetrically recognized in the income statement for the period. Except for the ineffective part of the hedge, these two revaluations offset each other within the same line items in the income statement;
- For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining life of the hedging instrument using the effective interest rate method. When the hedged item is derecognized, the unamortized fair value is recorded immediately in profit or loss.

(ii) Cash flow hedges

- Consist in hedging the variability in cash flows of a recognized asset or liability, or a highly probable forecasted transaction;
- The effective part of any gain or loss on the derivative financial instrument is recognized in the cash-flow hedge reserve as other comprehensive income. The ineffective part is recognized immediately in profit or loss;

- When the forecasted transaction subsequently results in the recognition of a non-financial asset or liability, the associated cumulative gain (loss) is removed from the cash flow hedge reserve and included in the initial cost or other carrying amount of the non-financial asset or liability;
- For cash flow hedges, other than those described in the previous paragraph, the associated cumulative gain (loss) is reclassified from the cash flow hedge reserve to profit or loss under the same line item as the hedged item – i.e. under “Operating income and expenses” for cash flows from operations and under “Financial income and expense” otherwise – when the hedged cash flow occurs;
- If the hedged relationship is no longer expected to take place, the cumulative unrealized gain (loss) recognized as other comprehensive income is immediately reclassified to profit or loss.

(iii) Net investment in foreign operations hedges

- Consist in hedging the exchange rate risk relating to the equity of an investment in a consolidated subsidiary.
- Changes in fair value of the effective portion are recognized directly in other comprehensive income under “net gain/ (loss) on net investment hedges”. The ineffective portion is recognized immediately in “Financial income and expenses”. Gains and losses accumulated in equity are recognized in the income statement when the foreign operation is disposed of.

Derivatives that do not qualify for hedge accounting are accounted for as trading instruments and changes in their fair value are recognized in the income statement.

The Group has applied the amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement” and IFRS 7 “Financial Instruments: Disclosures”.

Rexel has conducted a Group-wide project to identify all contracts that could be affected by this reform and amended all the contracts where necessary its counterparties for the purpose of taking these index changes into account.

Hedging derivative instruments indexed to a benchmark rate are presented below. As of

December 31, 2021, the Group’s exposure to financial instruments indexed to floating rates with a maturity date beyond the implementation date of the reform is low. The potential impact on financial information of the replacement of an existing benchmark rate by another will take effect as soon as Phase 2 of the benchmark interest rate reform is adopted.

As allowed by these amendments the Group did not take into account uncertainties about the future of benchmark interest rates in assessing the effectiveness of hedging relationships.

18.3.1 Interest rate risk

Rexel is exposed to interest rate risk through its indebtedness and cash management. Hedged items include borrowings, cash and cash equivalents and highly probable forecasted transactions derived from the budget. The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s interest-bearing debt, including senior notes, securitization and factoring arrangements, credit facilities and commercial paper. The risk component is limited to the risk-free interest rate, excluding credit spread and other financing components.

In order to hedge its exposure to changing interest rates, the Group has adopted an interest rate hedging strategy aimed at maintaining a 80% hedging ratio on a one-year rolling basis, 50% on a two-year rolling basis, 25% on a three-year rolling basis of its net financial debt at fixed or capped rates with the remainder at variable interest rates with a flexibility of +/- 20%. To manage this, the Group mainly enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The breakdown of financial debt between fixed and variable rates, before and after hedging, is as follows:

(in millions of euros)	AS OF DECEMBER 31	
	2021	2020
Senior Notes and other fixed rate debt	987.0	1,086.9
Floating to fixed rate swaps	1,072.8	812.7
Fixed to floating rate swaps	(600.0)	(550.0)
Sub-total fixed or capped rate instruments	1,459.8	1,349.6
Floating rate debt before hedging	1,137.6	933.4
Floating to fixed rate swaps	(1,072.8)	(812.7)
Fixed to floating rate swaps	600.0	550.0
Cash and cash equivalents	(573.5)	(685.4)
Sub-total floating rate debt instruments	91.4	(14.7)
Total net financial debt	1,551.2	1,334.9

Fair value hedge derivatives

As of December 31, 2021, the portfolio of interest rate swaps used as hedge for exposure of changes in fair value of its senior notes disclosed in note 18.1.1 is as follows:

	TOTAL NOTIONAL AMOUNT (in millions of currency)	TOTAL NOTIONAL AMOUNT (in millions of euros)	MATURITY	WEIGHTED AVERAGE FIXED RATE RECEIVED	FLOATING RATE PAID	FAIR VALUE ⁽¹⁾ (in millions of euros)
SWAPS PAYING VARIABLE RATE						
Euro	250.0	250.0	June 2022	0.54%	Euribor 3M	1.4
	50.0	50.0	June 2023	0.31%	Euribor 3M	0.6
	300.0	300.0	June 2028	(0.02)%	Euribor 3M	(1.4)
Total		600.0				0.6

(1) Derivative instruments are presented at fair value, including accrued interest receivable for €0.2 million.

As of December 31, 2020, the portfolio of interest rate swaps associated with these derivatives qualifying as fair value hedges related to the bonds was as follows:

	TOTAL NOTIONAL AMOUNT (in millions of currency)	TOTAL NOTIONAL AMOUNT (in millions of euros)	MATURITY	WEIGHTED AVERAGE FIXED RATE RECEIVED	FLOATING RATE PAID	FAIR VALUE ⁽¹⁾ (in millions of euros)
SWAPS PAYING VARIABLE RATE						
Euro	500.0	500.0	June 2022	0.57%	Euribor 3M	8.1
	50.0	50.0	June 2023	0.31%	Euribor 3M	1.1
Total		550.0				9.1

(1) Derivative instruments are presented at fair value, including accrued interest receivable for €0.3 million.

Fair value change of the hedging swaps and senior notes were as follows:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Fair value change of the hedging swaps	(4.8)	(2.9)
Fair value change of the senior notes	1.3	0.2

Cash flow hedge derivatives

In accordance with the policy described above, the Group has entered into several fixed interest rate swap contracts.

Cash-flow hedge swaps mature until January 2025. The Group intends to renew a significant portion of these swaps in order to hedge the

variability of future interest expense related to its floating interest debt mainly associated with securitization programs, in accordance with the strategy described above. The allocation of hedging instruments among currencies hinges upon the Group's expectations concerning trends of the interest rates linked to those currencies.

Interest rate swap contracts classified as cash flow hedges were as follows:

As of December 31, 2021:

	TOTAL NOTIONAL AMOUNT (in millions of currency)	TOTAL NOTIONAL AMOUNT (in millions of euros)	MATURITY	FLOATING RATE RECEIVED	WEIGHTED AVERAGE FIXED RATE PAID (RECEIVED)	FAIR VALUE ⁽¹⁾ (in millions of euros)
SWAPS PAYING FIXED RATE						
American dollar	100.0	88.3	January 2022	Libor USD 3M	2.54%	(0.5)
	125.0	110.4	April 2023	Libor USD 3M	1.47%	(1.5)
	200.0	176.6	December 2023	Libor USD 3M	0.74%	0.5
	100.0	88.3	January 2025	Libor USD 3M	1.01%	0.4
Canadian dollar	90.0	62.5	March 2022	CDOR 3M	1.70%	(0.2)
	20.0	13.9	January 2023	CDOR 3M	1.11%	—
	50.0	34.7	December 2024	CDOR 3M	1.77%	—
Australian dollar	75.0	48.0	June 2023	BBSW AUD 3M	0.65%	(0.1)
Swiss franc	100.0	96.8	March 2022	Libor CHF 3M	(0.75%)	—
	160.0	154.9	December 2022	Saron	(0.67%)	—
	50.0	48.4	November 2024	Saron	(0.28%)	(0.3)
Euro	150.0	150.0	March 2023	Euribor 3M	(0.53%)	0.1
Total		1,072.8				(1.6)

(1) Derivative instruments are presented at fair value, including accrued interest payable for €1.0 million.

As of December 31, 2020:

	TOTAL NOTIONAL AMOUNT (in millions of currency)	TOTAL NOTIONAL AMOUNT (in millions of euros)	MATURITY	FLOATING RATE RECEIVED	WEIGHTED AVERAGE FIXED RATE PAID (RECEIVED)	FAIR VALUE ⁽¹⁾ (in millions of euros)
SWAPS PAYING FIXED RATE						
American dollar	250.0	203.7	December 2021	Libor USD 3M	2.88%	(5.2)
	100.0	81.5	January 2022	Libor USD 3M	2.54%	(2.0)
	125.0	101.9	April 2023	Libor USD 3M	1.47%	(3.0)
Canadian dollar	50.0	32.0	August 2021	CDOR 3M	2.34%	(0.3)
	90.0	57.6	March 2022	CDOR 3M	1.70%	(0.9)
Australian dollar	75.0	47.2	June 2023	BBSW AUD 3M	0.65%	(0.6)
Swiss franc	100.0	92.6	March 2022	Libor CHF 3M	(0.75%)	—
	50.0	46.3	October 2021	Libor CHF 3M	(0.43%)	(0.1)
Euro	150.0	150.0	March 2023	Euribor 3M	(0.53)%	—
Total		812.7				(12.2)

(1) Derivative instruments are presented at fair value, including accrued interest receivable for €1.4 million.

The change in fair value of the cash flow hedging instruments for the year ended December 31, 2021 was recorded as a €11.6 million increase in cash flow hedge reserve before tax (€5.4 million decrease for the year ended December 31, 2020). The ineffectiveness recognized in profit and loss in 2021 was immaterial.

Sensitivity to interest rate variation

As of December 31, 2021, a 1% increase in interest rates on variable debt after effective interest rate hedging would lead to an increase in the current annual interest expense estimated to €6.0 million and a €13.3 million gain related to the change in fair value of the hedging instruments of which a €0.8 million in the net financial expenses and €12.5 million in other comprehensive income.

18.3.2 Foreign exchange risk

The Group's financing policy is to centralize external borrowings and to provide financing to its foreign subsidiaries in their own functional currencies. The foreign currency risk arises principally from intercompany financings denominated in currencies other than euro and is managed at corporate level. In order to neutralize foreign exchange risk exposure, the Group's parent company incurs external indebtedness in foreign currencies other than euro or enters into foreign exchange derivatives (forward contracts or exchange rate swaps).

For the year ended December 31, 2021, unrealized exchange loss in other comprehensive income related to external borrowings qualified as net investment hedges accounted for €26.8 million before tax.

As of December 31, 2021, the notional value of foreign exchange derivatives was €477.1 million (€700.1 million of forward sales and €223.0 million of forward purchases). Forward contracts are recognized at their fair value for a net positive amount of €1.7 million. The change in fair value of forward contracts for the year ended December 31, 2021 was recorded as a financial loss of €0.3 million.

Sensitivity to changes in foreign exchange rates

On an annual basis, a 5% increase (or decrease) of the euro against the main currencies (US dollar, Canadian dollar, Australian dollar and British Pound) would lead to a decrease (increase) in

sales of €321.0 million and a decrease (increase) in operating income before other income and other expenses of €19.7 million.

The Group's financial liabilities and shareholders' equity are likewise included on its consolidated balance sheet after conversion at the financial year-end exchange rate. Thus, a 5% appreciation (depreciation) of the euro against the other currencies as compared to the closing exchange rates as of December 31, 2021 would result in a corresponding decrease (increase) in financial debt and shareholders' equity of €40.0 million and €137.7 million respectively.

Financial debt per repayment currency

The table below presents the financial debt's sensitivity to exchange rate changes for each repayment currency:

(in millions of euros)	EURO	US DOLLAR	CANADIAN DOLLAR	AUSTRALIAN DOLLAR	NORWEGIAN KRONA	SWEDISH KRONA	BRITISH POUND	SWISS FRANC	CHINESE RENMINBI	OTHER	TOTAL
Financial liabilities	1,553.6	285.0	128.5	0.4	—	0.1	107.2	(11.0)	53.2	9.1	2,126.1
Cash and cash equivalents	(354.7)	(161.8)	(9.8)	32.9	(5.0)	(17.5)	(6.4)	(38.5)	(4.7)	(9.4)	(574.9)
Net financial position before hedging	1,198.9	123.2	118.7	33.3	(5.0)	(17.4)	100.8	(49.5)	48.5	(0.3)	1,551.2
Impact of hedges	(447.4)	352.8	(13.9)	1.4	(9.8)	15.4	(221.2)	319.4	3.1	0.2	—
Net financial position after hedging	751.5	476.0	104.8	34.7	(14.8)	(2.0)	(120.4)	269.9	51.6	(0.1)	1,551.2
IMPACT OF A 5% INCREASE IN EXCHANGE RATES	—	23.8	5.2	1.7	(0.7)	(0.1)	(6.0)	13.5	2.6	—	40.0

18.3.3 Liquidity Risk

The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its financial liabilities when they are due. The Group aims to maintain the level of its cash and cash equivalents and available credit facilities at an amount in excess of its cash outflows on financial liabilities over the next 12 months.

As of December 31, 2021, the remaining contractual cash flows in relation to financial indebtedness and derivative instruments, including interest owed, are as follows:

(in millions of euros)	DUE WITHIN						TOTAL
	ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS	FIVE YEARS	THEREAFTER	
Senior notes	—	—	—	—	—	999.5	999.5
Securitization	605.0	300.0	—	—	—	—	905.0
Others	236.1	0.1	0.1	0.1	0.1	—	236.3
Total gross financial debt before transaction costs	841.1	300.1	0.1	0.1	0.1	999.5	2,140.8
Interests owed in relation to financial indebtedness	32.1	26.0	23.5	21.4	21.3	37.3	161.6
Interests owed (to receive) on derivatives	(0.6)	(1.7)	(0.4)	0.6	0.8	1.6	0.3
Total	872.6	324.4	23.2	22.1	22.2	1,038.4	2,302.7

The €400 million senior notes issued in May 2021 and the €600 million notes issued in November 2021 respectively mature in June 2028 and December 2028.

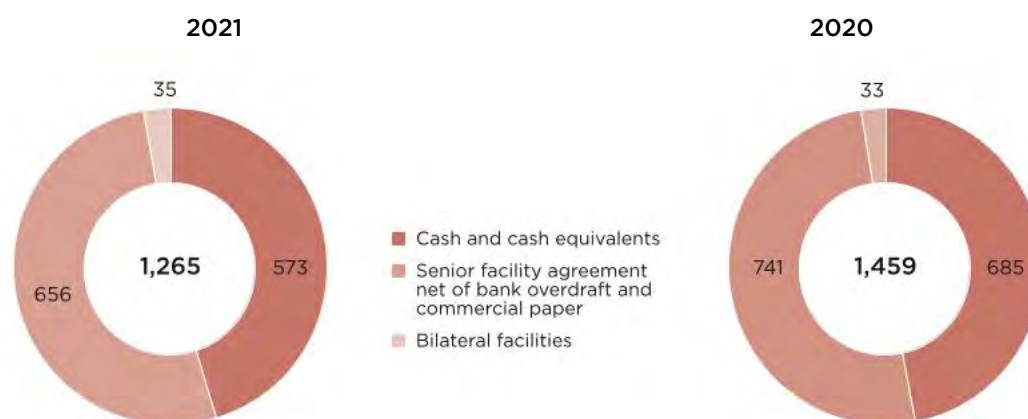
Securitization programs mature in 2022 and 2023 as a result of amendments executed in 2019 and 2020. The financing under securitization programs directly depends on the amounts and quality of transferred receivables. In the event that the relevant companies do not comply with certain obligations, these securitization programs may have to be repaid early, which could have an

adverse effect on the Group's liquidity and financial situation. In addition, if the special purpose entities to which the receivables have been transferred were unable to issue short-term debt (commercial paper) under conditions that are equal to those available up to now, the Group's liquidity and financial position could be affected.

As of December 31, 2021, Group's liquidity stood at €1,264.6 million (€1,459.5 million as of December 2020) and exceeds the repayment obligation of its financial indebtedness due in the next twelve months. It breaks down as follows:

Group's liquidity

(in million of euros)



Senior Facility Agreement

The Senior Facility Agreement initially executed on March 15, 2013 subsequently amended – the latest amendment being dated January 31, 2018 – provides multicurrency revolving credit facility for an aggregate maximum initial amount of €850 million with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et

Commercial, HSBC France, ING BANK N.V., French branch, Natixis and Société Générale as Mandated Lead Arrangers and Bookrunners. Facilities can also be drawn down through swingline loans for an aggregate amount of €137.8 million.

This Senior Facility Agreement matures in 2025 for €829 million and in 2024 for €21 million.

Interest and margin

This facility bears interest at a rate determined in reference to (i) EURIBOR rate when funds are made available in Euro, LIBOR rate for other currencies and EONIA rate for swingline loans, (ii) an applicable margin ranges from 0.60% to 2.25% depending on the leverage ratio, (iii) other costs such as mandatory costs or utilization and non-utilization fees. As from January 3, 2022, EONIA is replaced by ESTR plus 8.5 basis points.

Leverage ratio

This facility is subject to the ratio of to (i) adjusted total net debt relative to (ii) adjusted EBITDA and determined on a pre-IFRS 16 basis:

"Adjusted EBITDA" means, in relation to a measurement period, consolidated operating income without double counting before other income (or expenses) as defined in the relevant consolidated accounts of the Group:

- Including the last 12 months of Adjusted EBITDA of any Subsidiary acquired in that measurement period *pro rata* the participation of the Group;
- Including proceeds related to commodity price derivatives entered into to hedge exposure to the price fluctuation of certain commodities which do not qualify for cash flow hedge accounting as per applicable IFRS;
- After adding back EBITDA of assets held for sale and not taking into account EBITDA of assets sold during the measurement period;
- After adding back net operational depreciation/amortization;
- Taking no account of any expense referable to equity settled share based compensation of employees or management, to the extent the balance of it is taken in account into financial indebtedness;
- After adding back non-cash employee share, incentive or remuneration scheme costs entered into as part of equity-based remuneration of employees of the Group, as well as legal profit sharing, to the extent the balance of it is taken into account in financial indebtedness;
- Excluding the non-recurring impact of the evolution of the copper prices as disclosed in the press release published in connection with the consolidated financial statements for such measurement period;
- After adding back any other restructuring and/or acquisition costs relating to any permitted acquisition.

"Adjusted total net debt" means:

- Any indebtedness for or in respect of interest bearing debt (whether or not in cash or in kind, both current and non-current) but which shall:
 - Exclude any upfront, legal, advisory costs related to the implementation of such debt as well as the financial charges accounted for as a result of the repayment of any outstanding debt of the borrower;
 - Exclude intragroup loans between members of the Group;
 - Include any indebtedness for or in respect of any amount payable in respect of securities issued by any member of the Group which are not mandatorily redeemable in shares; and
 - Include any other amount raised under any other transaction accounted for as borrowing under the accounting standards;
- Any indebtedness for or in respect of accrued interest (including capitalized interest and any payment in kind) other than in respect of intragroup loans between members of the Group; less
- Cash and cash equivalents.

This ratio may exceed 3.50 on three accounting dates during the life of the Senior Facility Agreement, being specified that only two of such three accounting dates may be consecutive, and provided that (i) such ratio does not exceed 3.75 times on two accounting dates during the life of the Senior Facility Agreement and (ii) such ratio does not exceed 3.90 times on one accounting date during the life of the Senior Facility Agreement.

As of December 31, 2021, this credit facility was undrawn.

Other facilities

Rexel can also access to a €35.3 million bilateral term loan agreement (US\$ 40.0 million) with Wells Fargo Bank international which matures in June 2024.

As of December 31, 2021, this facility was undrawn.

The trade accounts payables, amounting to €2,170.0 million as of December 31, 2021 (€1,807.3 million as of December 31, 2020), are due in less than one year and are funded through recurring positive free cash flow from operating activities.

18.3.4 Counterparty risk

The financial instruments that could expose the Group to counterparty risk are mainly trade accounts receivable, cash and cash equivalents and derivative instruments.

Credit risk with respect to trade accounts receivable is limited due to the large number of customers, the diversity of their activities (contractors, manufacturers, municipalities) and their geographical spread in France and abroad. In addition, credit insurance programs have been implemented within the Group.

Counterparty risk concerning cash, cash equivalents and derivatives instruments is likewise limited by the quality of the relevant counterparties, which are the Group's traditional banking partners for its financing and are almost exclusively based in Europe.

As of December 31, 2021, the maximum risk corresponding to the total accounts receivable amounted to €2,353.2 million (€1,899.7 million as of December 31, 2020) and is detailed in note 13.2 Trade accounts receivable.

The outstanding amount was €580.7 million as of December 31, 2021 (€696.6 million as of

December 31, 2020), which equals the net book value of the aforementioned items.

The maximum counterparty risk on the Group's other financial assets was €538.1 million (€479.0 million as of December 31, 2020) and mainly corresponds to supplier discounts receivable.

18.4 Carrying amount and fair value of financial instruments by accounting category

The following table shows the carrying amounts and fair values of financial assets and liabilities in the balance sheet by accounting category as defined in IFRS 9 and the related fair value hierarchy as defined in IFRS 13:

- As of December 31, 2021

(in millions of euros)	NOTE	ACCOUNTING CATEGORIES			CARRYING AMOUNT	FAIR VALUE	FAIR VALUE HIERARCHY ⁽¹⁾
		MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	MEASURED AT FAIR VALUE THROUGH OCI	STATED AT AMORTIZED COST			
ASSETS							
Derivative instruments	12.5/13.3	6.1	1.2	—	7.2	7.2	2
Deposits	12.5	—	—	41.7	41.7	41.7	
Loans	12.5	—	—	0.4	0.4	0.4	
Trade accounts receivable	13.2	—	—	2,353.2	2,353.2	2,353.2	
Supplier rebates receivable	13.3	—	—	336.9	336.9	336.9	
Other accounts receivable	13.3	—	—	159.2	159.2	159.2	
Cash and cash equivalents	18.1	573.5	—	—	573.5	573.5	
LIABILITIES							
Senior notes	18.1	—	—	999.5	999.5	1,007.2	1
Other financial debts, including accrued interest	18.1	—	—	1,128.5	1,128.5	1,128.5	
Derivative instruments	16/19	4.1	1.6	—	5.7	5.7	2
Trade accounts payable		—	—	2,170.0	2,170.0	2,170.0	
Customer rebates payable	19	—	—	203.3	203.3	203.3	
Other liabilities	19	—	—	338.7	338.7	338.7	

(1) Fair value hierarchy:

- Level 1: quoted market prices (current bid prices for financial assets/current ask prices for financial liabilities) and cash.
- Level 2: internal model using observable factors.

- As of December 31, 2020

(in millions of euros)	NOTE	ACCOUNTING CATEGORIES			CARRYING AMOUNT	FAIR VALUE	FAIR VALUE HIERARCHY ⁽¹⁾
		MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	MEASURED AT FAIR VALUE THROUGH OCI	STATED AT AMORTIZED COST			
ASSETS							
Derivative instruments	12.5/13.3	11.2	—	—	11.2	11.2	2
Deposits	12.5	—	—	31.9	31.9	31.9	
Trade accounts receivable	13.2	—	—	1,899.7	1,899.7	1,899.7	
Supplier rebates receivable	13.3	—	—	255.8	255.8	255.8	
Other accounts receivable	13.3	—	—	137.4	137.4	137.4	
Cash and cash equivalents	18.1	685.4	—	—	685.4	685.4	
LIABILITIES							
Senior notes	18.1	—	—	1,105.5	1,105.5	1,113.9	1
Other financial debts, including accrued interest	18.1	—	—	926.7	926.7	926.7	
Derivative instruments	16/19	0.2	12.2	—	12.4	12.4	2
Trade accounts payable		—	—	1,807.3	1,807.3	1,807.3	
Customer rebates payable	19	—	—	161.7	161.7	161.7	
Other liabilities	19	—	—	263.5	263.5	263.5	

(1) Fair value hierarchy:

- Level 1: quoted market prices (current bid prices for financial assets/current ask prices for financial liabilities) and cash.
- Level 2: internal model using observable factors.

19. Other current liabilities

(in millions of euros)	AS OF DECEMBER 31	
	2021	2020
Customer rebates payable	203.3	161.7
Personal and social obligations	385.1	235.8
VAT payable and other sales tax	70.4	68.3
Derivatives	2.7	5.9
Other liabilities	338.7	263.5
Deferred income	7.3	5.7
Total other current liabilities	1,007.5	741.0

20. Related party transactions

Expenses relating to compensation of the Executive Committee members of the Group are as follows:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Salaries and other short-term benefits ⁽¹⁾	11.3	6.1
Post-employment benefits (service costs)	0.4	0.3
Indemnities at termination of contract	0.7	1.3
Free shares and stock options ⁽²⁾	3.9	1.8

(1) Comprising social security contributions and payroll taxes paid by the Group.

(2) Share-based payment expense is detailed in note 7.

In the event of a breach of employment contract, the Group could have to compensate the

Executive Committee members a total amount of €12.9 million.

21. Statutory auditors fees

The table below is provided in accordance with regulation n° 2016-09 of the French Accounting Standard Authority (ANC) and sets forth the fees paid to statutory auditors in connection with their

engagement in the parent company and the French subsidiaries. Amounts are exclusive of VAT and out-of pocket expense.

(in millions of euros)	PWC AUDIT		KPMG AUDIT		TOTAL	
	2021	2020	2021	2020	2021	2020
Audit services	0.9	0.9	0.9	1.0	1.8	1.9
Non audit services	0.2	0.2	0.2	—	0.4	0.2
Total	1.1	1.1	1.1	1.0	2.2	2.1

Other related services include the fees related to mandatory services performed in accordance with

French regulation, as well as comfort letters and CSR report.

22. Contingent liabilities

Rexel Group is subject to legal, administrative and regulatory proceedings in the normal course of its business. A provision is recognized in the balance sheet when it is probable that an outflow of economic benefits from Rexel or one of its subsidiaries will be required to settle the obligation and when the amount can be estimated reliably.

The principal proceedings are set out below:

Asbestos litigation

The Group is party to several proceedings relating to exposure to asbestos-containing materials in the United States. The Group believes that the risk of it being ordered to pay significant amounts in connection with these proceedings is limited, and that these lawsuits will not therefore have, individually or as a whole, a material adverse effect on its financial condition or results of operations, since the claims may be rejected or settled for amounts partially or fully covered by Rexel's insurance policies. Considering the wide range of these claims, the different stages in the proceedings, the number of defendants and the absence of any individual claim, the Group cannot precisely assess the financial consequences that may result from these proceedings.

Antitrust investigation

On September 6, 2018, raids were performed in the offices of Rexel in relation to a judiciary investigation from the *Tribunal de Grande Instance* of Paris (Paris magistrate's court). This investigation, conducted with the assistance of the French Competition Authority, mainly deals with the mechanisms of price formation on the market of distribution of electrical equipment.

At this point, Rexel is not party to the proceedings and therefore is not aware of the practices that it might be accused of. While information has been released in the press, it does not allow to determine the offences that Rexel could be accused of.

It is therefore not possible to date to evaluate the degree of probability of formal indictments being made against Rexel nor of a possible adverse judgment and thus to evaluate the financial risk which Rexel is potentially exposed to.

Slovakia, Poland and Baltics

The agreements entered into with Würth group in 2016 in connection with the disposal of operations in Slovakia, Poland and the Baltics provide for indemnification of any damage and liability incurred by the purchaser. The aggregate liability for indemnification shall not exceed €8 million. This warranty had not been called as of the balance sheet date.

23. Events after the reporting period

At the presentation date of the consolidated financial statements there have been no subsequent events after December 31, 2021 that

would have a significant impact on Rexel's financial situation.

24. New Accounting Pronouncements

In March 2021, the IFRS Interpretation Committee (IFRS-IC) issued an interpretation on IAS 38 "Configuration or Customization Costs in a Cloud Computing Arrangement". This interpretation clarifies the steps which entities should consider in accounting for such configuration or customization costs. The Interpretation Committee observed that, in a SaaS arrangement, the customer often would not recognize an intangible asset because it does not control the software being configured or customized and those configuration or customization activities do not create a resource controlled by the customer that is separate from the software. Rather, the customer recognizes the costs as an expense when it receives the configuration or customization services.

- If the contract to deliver the configuration or customization services to the customer is with the supplier of the application software and the services are not separately identifiable from the customer's right to receive access to the supplier's application software, then the customer recognizes the costs as an expense over the term of the contract.
- If the contract to deliver the configuration or customization services to the customer is with a third-party supplier, the customer recognizes the costs as an expense when the third-party supplier configures or customizes the application software.

The Group is currently assessing the potential impacts of this IFRS-IC decision and has identified different categories of cloud computing arrangements:

- Standard SaaS arrangements with no or few configuration or customization costs; and
- Hybrid cloud computing contracts in connection with the implementation of ERPs requiring significant configuration and customization costs. These arrangements require in depth analyses to determine whether an intangible asset should be recognized. Given the complexity of these agreements, the Group expects to finalize its analyses in 2022.

The Group has not applied early the following standards and amendments which application is mandatory for the periods beginning on or after January 1, 2022:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current" (not yet adopted by the European Union);
- Amendments to IAS 1 - Disclosure of Accounting Policies;
- Amendments to IAS 16 "Property, Plant & Equipment - Proceeds before Intended Use";
- Amendments to IAS 37 "Onerous Contract - Cost of fulfilling a Contract";
- Annual improvements to IFRS Standards 2018-2020.

The Group does not expect any significant impact from these new standard and amendments.

25. Consolidated entities as of December 31, 2021

	HEAD OFFICE	% INTEREST
FRANCE		
Holding companies and Group services companies		
Rexel	Paris	Parent company
Rexel Développement S.A.S.	Paris	100.00
Rexel Amérique Latine S.A.S.	Paris	100.00
Operating companies		
Rexel France S.A.S.	Paris	100.00
Espace Elec S.A.S.	Ajaccio	100.00
Bizline S.A.S.	Paris	100.00
BCCT	Paris	100.00
Conectis S.A.S.	Paris	100.00
Francofa Eurodis S.A.S.	Neuilly-Plaisance	100.00
La Boîte Electrique	Paris	100.00
Esabora Digital Services	Paris	100.00
Sofinther	Bouguenais	100.00
Cordia	Mitry-Mory	100.00
Freshmile Services S.A.S.	Entzheim	100.00

	HEAD OFFICE	% INTEREST
EUROPE		
Germany		
Rexel GmbH	Munich	100.00
Rexel Germany GmbH & Co KG	Munich	100.00
Rexel Germany Verwaltungs GmbH	Munich	100.00
Rexel Germany Beteiligungs GmbH	Munich	100.00
Silstar Deutschland GmbH	Emmerich am Rhein	100.00
Rexel Industrial Solutions GmbH	Munich	100.00
United Kingdom		
Rexel Senate Ltd.	Birmingham	100.00
Denmans Electrical Wholesalers Ltd.	Birmingham	100.00
Senate Group Ltd.	Birmingham	100.00
Rexel (UK) Holdings Ltd.	Birmingham	100.00
Rexel (UK) Ltd.	Birmingham	100.00
Newey & Eyre Ltd.	Birmingham	100.00
Parker Merchenting Limited	Birmingham	100.00
WF Electrical Plc	Birmingham	100.00
Warrior (1979) Ltd.	Birmingham	100.00
Rexel UK Pension Trustees Ltd.	Birmingham	100.00
J&N Wade Limited	Birmingham	100.00
Clearlight Electrical Company	Birmingham	100.00
Sweden		
Rexel Sverige AB	Älvsjö	100.00
Moel AB	Bredaryd	100.00
Austria		
Rexel Central Europe Holding GmbH	Vienna	100.00
Rexel Austria GmbH	Vienna	100.00
Comtech IT Solutions GmbH	Annaberg	100.00
The Netherlands		
Rexel Nederland B.V.	Zoetermeer	100.00
Rexel Holding Netherlands B.V.	Hoofddorp	100.00
Rexel Holding Benelux B.V.	Hoofddorp	100.00
S. Van Westerborg & Zonen B.V.	Hoofddorp	100.00
Italy		
Rexel Italia SpA	Milano	100.00
Spain		
Rexel Spain, S.L.U.	Madrid	100.00
Belgium		
Rexel Belgium S.A.	Zellik	100.00
Portugal		
Rexel Distribuição de Material Electrico S.A.	Lisboa	100.00
Ireland		
M Kelliher 1998 Ltd.	Tralee	100.00
Switzerland		
Elektro Material AG	Zurich	100.00
Digitalfeld AG	Zurich	88.66

	HEAD OFFICE	% INTEREST
Luxembourg		
Rexel Luxembourg S.A.	Luxembourg	100.00
REXEL RE S.A.	Luxembourg	100.00
Slovenia		
Elektronabava d.o.o.	Ljubljana	100.00
Russia		
OOO Elektroskandia Rus	St. Petersburg	100.00
Finland		
Rexel Finland Oy	Hyvinkää	100.00
Norway		
Elektroskandia Norge AS	Langhus	100.00
Elektroskandia Norway Holding AS	Langhus	100.00
NORTH AMERICA		
United States		
Rexel USA, Inc.	Dallas	100.00
Mayer Electric Supply Company, Inc.	Birmingham	100.00
SKRLA LLC	Dallas	100.00
SPT Holdings Inc.	Dallas	100.00
Rexel of America LLC	Dallas	100.00
Rexel Patriot Acquisition, LLC	Dallas	100.00
Canada		
Rexel North America Inc.	St Laurent	100.00
Rexel Canada Electrical Inc.	Mississauga	100.00
Rogers Electrical Wholesale Limited	North Bedeque	100.00
ASIA PACIFIC		
Hong Kong SAR		
Huazhang Electric Automation Holding Co. Ltd.	Hong Kong	100.00
China		
Rexel Ouneng (Beijing) Technology Co. Ltd.	Beijing	100.00
Rexel Electric Co. Ltd.	Shanghai	100.00
Zhejiang Huazhang Automation Equipment Co. Ltd.	Huanzhou	100.00
Rexel Integrated Solutions (Shanghai) Co. Ltd.	Shanghai	100.00
Rexel China Management Co. Ltd.	Shanghai	100.00
Suzhou Xidian Co. Ltd.	Suzhou	100.00
Beijing Zhongheng Hengxin Automation Equipment Co. Ltd.	Beijing	100.00
Henan Qixin Automation Equipment Co. Ltd.	Zhengzhou	100.00
Shanghai Suhua Industrial Control Equipment Co. Ltd.	Shanghai	100.00
LinElec Business Consulting (Shanghai) Limited	Shanghai	100.00
Zhonghao (Shanghai) Technology Co. Ltd.	Shanghai	100.00
Jinan Rexel Enterprise Management Service Co., Ltd.	Jinan	100.00
India		
Rexel India Private Limited	Pune	100.00
Australia		
Rexel Holdings Australia Pty Ltd.	Sydney	100.00
Rexel Electrical Supplies Pty Ltd.	Sydney	100.00
Australian Regional Wholesalers Pty Ltd.	Sydney	100.00

	HEAD OFFICE	% INTEREST
New Zealand		
Rexel New Zealand Limited	Auckland	100.00
Redeal Pensions Ltd.	Auckland	100.00
Kingdom Saudi Arabia		
Rexel Services KSA LLC	Riyadh	100.00
United Arab Emirates		
Redco FZE	Jebel Ali	100.00
Rexel Emirates LLC	Abu Dhabi	90.00

5.2.2 Statutory auditors' report on the consolidated financial statements for the financial year ended December 31, 2021

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

KPMG Audit

Tour EQHO
2, avenue Gambetta
CS60055
92066 Paris La Défense

Rexel S.A.

13, boulevard du Fort de Vaux
CS 60002
75838 Paris Cedex 17

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2021

To the Annual General Meeting of Rexel S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Rexel S.A. ("the Group") for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities

and of the financial position of the Group as of December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of

the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors, for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles

L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill and other intangible assets with indefinite useful lives

Notes 12.1 and 12.2 to the consolidated financial statements

Description of risk

As of December 31, 2021, goodwill and other intangible assets with indefinite useful lives were recorded in the balance sheet for a net carrying amount of €3,401.7 million and €894.1 million, respectively, representing 37% of the Group's total assets. An impairment test for these assets is performed at least once a year at the level of the cash-generating units (CGU) to which they have been allocated. As described in the Note 12.2 to the consolidated financial statements, an impairment exists when the carrying value of a cash-generating unit exceeds its recoverable amount, which is determined based on value-in-use.

The value-in-use of a CGU (country) is measured based on discounted future cash flows and

requires a significant degree of judgment from management, especially for the determination of revenue and EBITA margin forecasts as well as the selection of discount rates and long-term growth rates.

As of December 31, 2021, no goodwill impairment was recognized.

Accordingly, we deemed the measurement of the recoverable amount of goodwill and other intangible assets with indefinite useful lives to be a key audit matter, due to: the weighting of these assets in the consolidated balance sheet, and the inherent uncertainty of specific inputs, in particular the likelihood of achieving forecast results included in the recoverable amount measurement.

How our audit addressed this risk

We gained an understanding of the Group's budget process from which projected cash flows used for the impairment test are based.

For CGUs which have been identified by the Group in the sensitivity analysis, we performed the following:

- Assessed the components of the carrying value of a CGU to which the Group has allocated goodwill.

- Assessed the consistency of projected cash flow with the economic environments in which the Group's subsidiaries operate as well as the reliability of the assumptions process in particular by analyzing any differences between past cash flow projections and actual cash flows.
- Assessed, with the assistance of our valuation experts, the reasonableness of the long-term growth rates as well as discount rates applied to the projected cash flows of the various CGUs.

- Corroborated, including through interviews with management, the reasonableness of the main data and assumptions underlying projected cash flow (sales growth, EBITA margin).
- Tested the mathematical accuracy of the discounted cash flow model used and the sensitivity analyses.
- Verified that the Notes 12.1 and 12.2 to the consolidated financial statements included the appropriate disclosures.

Suppliers rebates

Notes 6, 13.1 and 13.3 to the consolidated financial statements

Description of risk

The Group enters into contract with its suppliers, through which it benefits from rebates, generally on an annual basis, based on the volumes of goods purchased and the performance of certain specific commercial actions. These rebates may be conditional or not on the achievement of pre-defined purchasing targets (unconditional or conditional rebates).

These rebates are recorded as reduction of the cost of goods sold.

We deemed the recognition of suppliers' rebates to be a key audit matter, due to:

- The significance of suppliers' rebates
- The variety of contracts
- The estimates required in terms of determining the purchasing data to which contract clauses apply to calculate receivables at the year-end closing date
- And their impact on the valuation of inventories.

How our audit addressed this risk

We analyzed the internal control procedures relating to the follow-up of rebates on contracts signed with suppliers and to estimate rebates in order to determine the cost of goods sold.

We also performed the following procedures:

- Analyzed, on a sample basis, the contracts signed with suppliers as well as the proper application of the terms and conditions of those contracts when used to determine rebates recognized during the year, particularly in terms of the purchases volumes and including the estimate of suppliers rebates receivables at year-end ;
- Reconciled, on a sample basis, the purchases amount with the data used to calculate rebates

receivables at year-end, as well as with any purchasing confirmations received from suppliers, and assessed the fulfillment of any conditional targets in terms of purchases volumes;

- Assessed the recoverability of supplier rebate receivables and verified that there are no aged uncollected receivables;
- Analyzed the rebates collected during the year related to the prior year rebates receivable to assess the reliability of management estimates;
- Verified, on a sample basis, the appropriate allocation of suppliers rebates to the valuation of inventories.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the

French Commercial Code (*Code de commerce*) is included in the Group's information given in the management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated

financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Rexel S.A. by the Annual General Meeting held on May 16, 2012 for PricewaterhouseCoopers Audit and May 25, 2016 for KPMG Audit.

As at December 31, 2021, PricewaterhouseCoopers Audit and KPMG Audit were in the 10th year and 6th year of total uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern,

disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and

appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the

underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Neuilly-sur-Seine, February 14, 2022

The Statutory Auditors

KPMG Audit
Department of KPMG S.A.
Jean-Marc Discours

PricewaterhouseCoopers Audit
Amélie Wattel
Pierre Clavié

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5.3

Financial statements



5.3 Financial statements 354

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Pursuant to Article 19 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference in this Universal Registration Document:

- the Company financial statements and the relevant audit report for the year ended December 31, 2020 which are included in pages 338 to 359 of the French version of the Universal Registration Document for the financial year ended on December 31, 2020 registered by the *Autorité des marchés financiers* on March 11, 2021 under number D.21-0111; and
- the Company financial statements and the relevant audit report for the year ended December 31, 2019 which are included in pages 338 to 359 of the French version of the Universal Registration Document for the financial year ended on December 31, 2019 registered by the *Autorité des marchés financiers* on March 9, 2020 under number D.20-0111.

5.3 Financial statements

5.3.1 Financial statements as of December 31, 2021

Income statement

<i>(in millions of euros)</i>	Note	FOR THE YEAR ENDED DECEMBER 31	
		2021	2020
Operating revenues	4.1	5.1	2.4
Other purchases and external costs		(37.7)	(19.8)
Taxes other than income taxes		(0.3)	(0.2)
Other expenses		(6.4)	(4.3)
Depreciation, amortization and increase in provisions		(0.9)	(0.1)
Operating expenses	4.1	(45.2)	(24.4)
Operating loss		(40.1)	(22.0)
Financial revenues		6.2	14.9
Decrease in financial provisions		8.9	0.9
Total financial revenues	4.2	15.2	15.9
Interest expenses and exchange losses		(41.9)	(37.7)
Increase in financial provisions		(0.2)	(8.1)
Total financial expenses	4.2	(42.1)	(45.9)
Net financial expenses		(26.9)	(30.0)
Loss from recurring activities		(67.0)	(52.0)
Non-recurring income (expense)	4.3	(9.1)	(1.2)
Loss before tax		(76.2)	(53.2)
Income taxes	4.5	22.9	46.4
Net income		(53.2)	(6.8)

Balance sheet

		AS OF DECEMBER 31	
(in millions of euros)	Note	2021	2020
ASSETS			
Tangible assets		—	0.1
Investments in related companies		3,265.4	4,104.9
Loans and other long-term financial assets		520.0	17.8
Non-current assets	5.1	3,785.5	4,122.7
Trade accounts receivable	5.2	4.4	1.9
Other accounts receivable	5.2	9.9	13.1
Short-term investments, hedging derivatives, cash and bank	5.3	466.6	557.2
Prepaid expenses		0.1	0.1
Current assets		481.0	572.3
Total assets		4,266.4	4,695.0
EQUITY AND LIABILITIES			
Share capital		1,528.6	1,522.1
Share premium		1,289.8	1,450.5
Legal reserve		71.0	71.0
Other reserves		28.4	35.0
Retained earnings		—	(14.5)
Net income for the period		(53.2)	(6.8)
Total equity	5.4	2,864.5	3,057.4
Provisions		7.5	10.6
Senior notes	5.5	1,002.7	1,100.9
Borrowings from financial institutions	5.5	125.5	50.0
Other financial borrowings	5.5	255.3	471.8
Trade accounts payable	5.5	4.0	0.5
Other operating liabilities	5.5	6.8	3.8
Deferred income		—	0.0
Total liabilities		1,394.4	1,627.0
Total equity and liabilities		4,266.4	4,695.0

Principal subsidiary

DENOMINATION	FINANCIAL INFORMATION (in millions of euros)									
	CAPITAL	RESERVES AND RETAINED EARNINGS (EXCLUDING CURRENT YEAR RESULTS)	PERCENTAGE SHARE CAPITAL HELD	CARRYING VALUE OF SHAREHOLDING		OUTSTANDING LOANS	GUARANTEES GRANTED BY REXEL S.A.	SALES	CURRENT YEAR RESULT	DIVIDENDS RECEIVED
				COST	NBV					
REXEL Développement SAS 13 boulevard du Fort de Vaux 75017 PARIS	1,259.2	1,560.9	100%	3,265.4	3,265.4	500.0	0.0	96.1	652.0	0.0
TOTAL	1,259.2	1,560.9		3,265.4	3,265.4	500.0	0.0	96.1	652.0	0.0

Accompanying Notes

1. Description of business

Rexel SA, incorporated in December 2004, is the holding company of Rexel Group. As such Rexel SA owns Rexel Développement SAS shares and

provides the financing of its direct and indirect subsidiaries.

2. Significant events of the year

In 2021, Rexel SA issued two sustainability-linked bonds, respectively of €400 and €600 million with the aim of extending its debt maturity profile and optimizing its overall cost of financing (see note 5.5.1).

Following a share capital reduction of Rexel Développement SAS, its sole subsidiary, Rexel SA received €839.5 million in cash (see note 5.1).

3. Basis of preparation

The financial statements for the year ended December 31, 2021 are presented with comparative amounts for the year ended December 31, 2020 and have been prepared in accordance with French law, with the principles and policies defined in *Autorité des Normes Comptables* (ANC) Regulation 2014-03, approved by government order of September 8, 2014, relating to the French general Accounting standards, and with accounting principles generally accepted in France.

The accounting principles set out below have been applied in a conservative approach, and in conformity with the following principles:

- going concern,
- consistency of accounting method,
- independence of accounting periods.

Financial statements are prepared based on the following methods.

3.1 Long-term financial assets

Long-term investments are initially measured at acquisition cost. A valuation allowance is recorded when carrying value exceeds value in use. Rexel measures the value in use of long-term investments in subsidiaries on the basis of projected cash flows after deduction of net debt. Prospects include the favorable effect expected from continuously increasing electrical usages as a

result of climate change containment policies and energy transitioning boosted by the European green deal and US stimulus that should bring additional growth opportunities.

When the carrying value of an investment exceeds its value in use, an impairment loss is recognized for the difference.

3.2 Loans and other long-term financial assets

Loans and other long-term financial assets are initially recognized at cost. When the recoverable amount is below the carrying value of the asset, a valuation allowance is recognized for the

difference. On acquisition, Rexel's own shares are recognized at cost. A valuation allowance is recorded when the share fair value is below the acquisition cost at the reporting date.

3.3 Receivables and payables

Receivables and payables are recognized at historical cost. When the recoverable amount is below the carrying value, a valuation allowance is recognized.

Assets and liabilities denominated in foreign currencies are converted at the year-end exchange rate. Exchange rate differences arising from this adjustment are presented on the balance sheet as "unrealized exchange rate gains or losses".

For assets and liabilities denominated in foreign currencies and subject to foreign exchange hedge (hedge fixing the foreign currency at the maturity date), two situations are considered:

- Perfect hedge, the nominal amount of the hedging instrument is equal to the nominal amount of the underlying at the closing date: no unrealized exchange differences is recognized since the unrealized exchange gains and losses on the underlying asset and liability is offset by the unrealized gains and losses linked to the hedging instrument,

- Imperfect hedge, the nominal amount of the hedging instrument is different than the nominal amount of the underlying at the closing date:

only the unrealized exchange loss is provided for in the income statement.

3.4 Short-term investments

On acquisition, short-term investments are recognized at cost. Unrealized losses are provided for when fair value is below carrying value.

Own shares held and allocated to free shares plans are recognized at acquisition cost until their delivery to beneficiaries. A provision is recognized over the vesting period of these free shares.

3.5 Provisions

A provision is recognized in the balance sheet when Rexel has a present legal or constructive obligation, when it is probable that an outflow of

economic benefits will be required to settle the obligation and when the amount can be estimated reliably.

3.6 Borrowings and related issuing cost

Borrowings are recognized at nominal value. Senior notes issue costs are expensed when incurred. Notes issuance premiums are amortized,

either over the life of notes, or in proportion to accrued interests.

Borrowings denominated in foreign currency are converted at the closing rate.

3.7 Financial instruments covering currency and interest rate risks

In order to optimize the cost of its financial debt, Rexel uses derivatives instruments to hedge against foreign exchange and interest rate risks. These instruments include foreign exchange and interest rate swaps, forward exchange contracts, and interest rate and foreign exchange options.

Accounting principles, applicable to these instruments are defined by the French *Autorité des Normes Comptables* (ANC) regulation 2015-05:

- Realized and unrealized results arising from derivatives instruments are accounted in the

income statement over the life of hedged items in order to match results arising from those underlying contracts,

- Changes in fair value of derivatives are not recognized on the balance sheet unless the recognition of such changes lead to a symmetrical treatment of the hedged item,
- Hedging gains and losses are reported in the same line item as the hedged item.

4. Notes to the income statement

4.1 Operating revenues and expenses

Operating loss is detailed as follows:

<i>(in millions of euros)</i>	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Services provided to subsidiaries	4.0	1.4
Release of provisions	1.1	0.9
Total operating revenues	5.1	2.4
Professional fees ⁽¹⁾	(11.4)	(4.9)
Management fees from related companies	(12.6)	(11.8)
Bank charges	(2.7)	(2.7)
Senior notes issuance costs ⁽²⁾	(11.1)	(0.4)
Taxes other than income tax	(0.3)	(0.2)
Personnel costs and other expenses	(6.4)	(4.3)
Depreciation and provisions	(0.9)	(0.1)
Total operating expenses	(45.2)	(24.4)
Operating loss	(40.1)	(22.0)

(1) Professional fees increase are mainly linked to higher centrally-hosted projects in 2021.

(2) Senior notes issuance costs are related to the €400 million and €600 million senior notes issued in May and November 2021 (see note 5.5.1).

4.2 Net financial expenses

Net financial expenses are detailed as follows:

<i>(in millions of euros)</i>	FOR THE YEAR ENDED DECEMBER 31	
	2021	2020
Interest income on exchange rate derivatives	—	0.3
Other financial income ⁽¹⁾	0.2	8.9
Net exchange gain	—	0.1
Gains on own shares disposal	6.1	5.7
Other provision release ⁽²⁾	8.9	0.9
Total financial income	15.2	15.9
Interest on bonds	(21.7)	(27.1)
Early redemption premiums paid on senior notes ⁽¹⁾	(14.6)	(3.9)
Net exchange loss	(0.1)	—
Other interest and financial expenses	(1.2)	(1.8)
Loss on own shares disposal	(4.3)	(4.9)
Other provision / amortization	(0.2)	(8.1)
Total financial expenses	(42.1)	(45.9)
Net financial expenses	(26.9)	(30.0)

(1) In 2021, early redemptions related derecognition loss of the 2.75% €600 million senior notes due 2026 and the 2.125% €500 million senior notes due 2025. In 2020, early-redemption related gain of the 2.625% €300m notes due 2024 (see note 5.5.1).

(2) Reflecting mainly the release of prior year reserve on Rexel Arabia ES loan as a result of the waiver of loan granted in 2021 in connection with Rexel Arabia ES disposal (see note 4.3).

4.3 Non-recurring income and expenses

In 2021, non-recurring expenses amount to €9.1 million and are mainly related to the €8.6 million loss incurred following the waiver of

Rexel Arabia ES loan in connection with Rexel Arabia ES disposal.

4.4 Compensation of company officers

Board attendance fees paid to company officers in 2021 amount to €0.9 million (€0.8 million in 2020).

Compensation and indemnities paid to company officers in 2021 amount to €1.7 million (€1.7 million in 2020).

4.5 Income taxes

All French subsidiaries where Rexel holds directly or indirectly at least 95% ownership interests are part of the Group tax agreement headed by Rexel SA. Under the French Group tax agreement, Rexel is liable for the payment of all tax due by the tax group. Each subsidiary recognizes its tax expense on stand-alone basis calculated based on its own taxable income. Any tax benefits arising from the

tax group are recognized by Rexel SA acting as the head company of the tax group.

Rexel has recognized an income of €22.9 million for 2021 (€46.4 million in 2020) mainly corresponding to tax losses incurred by non-profitable French entities part of the Group tax agreement.

5. Notes to the balance sheet

5.1 Fixed assets

<i>(in millions of euros)</i>		NET AMOUNT AS OF JANUARY 1, 2021	INCREASE	DECREASE	NET AMOUNT AS OF DECEMBER 31, 2021
Tangible assets		0.1	—	(0.1)	—
Financial assets		4,122.7	503.7	(840.9)	3,785.5
<i>Investments in affiliates</i>	<i>5.1.1</i>	<i>4,104.9</i>	—	(839.5)	<i>3,265.4</i>
<i>Loans and other long-term financial assets</i>	<i>5.1.2</i>	<i>17.8</i>	<i>503.7</i>	<i>(1.4)</i>	<i>520.0</i>
Total Fixed assets		4,122.7	503.7	(841.0)	3,785.5

5.1.1 Investments in related companies

Investments in affiliates refer to the 100% ownership interest in Rexel Développement SAS. Following a share capital reduction of this

subsidiary, the gross and net value of the investment has been reduced by €839.5 million.

5.1.2 Loans and other long-term financial assets

<i>(in millions of euros)</i>	AS OF DECEMBER 31, 2020	INCREASE / DECREASE	CURRENCY TRANSLATION ADJUSTMENT	AS OF DECEMBER 31, 2021
Loans	—	500.0	—	500.0
Rexel Développement SAS ⁽¹⁾	—	500.0	—	500.0
Rexel Arabia ES ⁽²⁾	8.1	(8.6)	0.5	—
Impairment ⁽²⁾	(8.1)	8.6	(0.5)	—
Liquidity contract ⁽³⁾	17.8	2.3	—	20.0
Total other securities	17.8	502.3	—	520.0

(1) Following the signature of a revolving credit facility with Rexel Développement SAS, €500 million have been loaned to Rexel Développement SAS. This credit facility bears interest indexed on commercial paper interest rates issued and matures on January 31, 2025.

(2) The loan to Rexel Arabia Electrical Supplies LLC was disposed of in October 2021. The loan was fully impaired in 2020.

(3) Own shares and cash equivalents are held under Rexel's share liquidity agreement. In connection with its own-share buy-back program, Rexel entered into a contract with a financial institution to promote the liquidity of Rexel shares. As of December 31, 2021, Rexel held 196,294 shares for a gross value of €3.4 million. In addition to Rexel treasury shares, €16.6 million of cash equivalents are held under the liquidity agreement.

5.2 Receivables

Receivables are detailed as follows:

<i>(in millions of euros)</i>	AS OF DECEMBER 31	
	2021	2020
Trade accounts receivable	4.4	1.9
Other receivable	9.9	13.1
Total receivables	14.3	15.0

Those receivables are due within one year.

5.3 Short term investments, hedging derivatives and cash and cash equivalent

<i>(in millions of euros)</i>	AS OF DECEMBER 31	
	2021	2020
Own shares ⁽¹⁾	5.4	9.7
Cash and cash equivalents	461.2	547.6
Total	466.6	557.2

(1) Own shares acquisition cost held to serve free shares plans. Rexel held 417,171 shares for an amount of €5.4 million as of December 31, 2021.

5.4 Equity

As of December 31, 2021, the Company's share capital amounts to €1,528,582,455 represented by 305,716,491 shares each with a par value of €5.

<i>(in millions of euros)</i>	JANUARY 1, 2021	APPROPRIATION OF 2020 NET INCOME ⁽¹⁾	2021 NET INCOME	RESERVES REALLOCATION ^{(2) (3)}	DECEMBER 31, 2021
Share capital	1,522.1	—	—	6.5	1,528.6
Share premium	1,450.5	(160.9)	—	0.2	1,289.8
Legal reserve	71.0	—	—	—	71.0
Non-distributable reserve	35.0	—	—	(6.6)	28.4
Retained earnings	(14.5)	14.5	—	—	—
Net income for the year	(6.8)	6.8	(53.2)	—	(53.2)
Total	3,057.4	(139.6)	(53.2)	—	2,864.6

(1) The Annual shareholders meeting held on April 22, 2021 decided the distribution of €139.6 million dividends deducted from the share premium.

(2) Share capital was increased by €6.5 million following the issuance of 1,291,385 shares with a par value of €5 each. This capital increase has been recorded by deduction from the non-distributable reserve.

(3) Share premium increased following free share forfeited in 2021.

5.5 Information related to liabilities

Liabilities are detailed as follows:

<i>(in millions of euros)</i>		AS OF DECEMBER 31, 2021	AS OF DECEMBER 31, 2020
Senior notes	5.5.1	1,002.7	1,100.9
Borrowings from financial institutions	5.5.2	125.5	50.0
Other financial debt	5.5.3	255.3	471.8
Trade accounts payable		4.0	0.5
Other operating liabilities		6.8	3.8
Total		1,394.4	1,627.0

Maturity of those liabilities are presented as follows:

(in millions of euros)		AS OF DECEMBER 31, 2021	DUE WITHIN ONE YEAR	DUE FROM ONE TO FIVE YEAR	DUE THEREAFTER
Senior notes	5.5.1	1,002.7	2.7	—	1,000.0
Borrowings from financial institutions	5.5.2	125.5	125.5	—	—
Other financial debt	5.5.3	255.3	255.3	—	—
Trade accounts payable		4.0	4.0	—	—
Other operating liabilities		6.8	6.8	—	—
Total		1,394.4	394.4	—	1,000.0

5.5.1 Senior Notes

€600 million senior sustainability-linked notes due 2028

On November 10, 2021, Rexel issued €600 million of unsecured senior sustainability-linked notes. The notes were issued at 100% of their nominal amount and bear interest at 2.125% annually.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the notes semi-annually on June 15 and December 15, starting from June 15,

2022. The notes mature on December 15, 2028 and are listed on the Luxembourg Stock Exchange.

The notes are redeemable in whole or in part at any time prior to December 15, 2024 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest.

On or after December 15, 2024, the notes are redeemable in whole or in part by paying a redemption price depending on target achievement and set forth as follows:

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)	
	PERFORMANCE TARGETS ACHIEVED	PERFORMANCE TARGETS NOT ACHIEVED
December 15, 2024	101.063%	101.188%
December 15, 2025	100.531%	100.594%
December 15, 2026 and after	100.000%	100.000%

€400 million senior sustainability-linked notes due 2028

On May 5, 2021, Rexel issued €300 million of unsecured senior sustainability-linked notes. The notes were issued at 100% of their nominal amount and bear interest at 2.125% annually. On May 18, 2021, the Group placed additional €100 million notes at a price of 100.875% of nominal (*i.e.* an issuance price of €100.9 million). The additional notes are fully fungible with the previously issued notes and have identical terms and conditions.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel

pays interest on the notes semi-annually on June 15 and December 15, starting from December 15, 2021. The notes mature on June 15, 2028 and are listed on the Luxembourg Stock Exchange.

The notes are redeemable in whole or in part at any time prior to June 15, 2024 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest.

On or after June 15, 2024, the notes are redeemable in whole or in part by paying a redemption price depending on target achievement and set forth as follows:

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)	
	PERFORMANCE TARGETS ACHIEVED	PERFORMANCE TARGETS NOT ACHIEVED
June 15, 2024	101.063%	101.188%
June 15, 2025	100.531%	100.594%
June 15, 2026 and after	100.000%	100.000%

Sustainability performance targets:

The €400 million senior notes and the €600 million notes due 2028 are subjected to sustainability performance targets:

- a 23% reduction in greenhouse gas emissions related to the consumption of products sold, per euro of turnover by December 31, 2023 from a 2016 baseline; and
- a 23.7% reduction in greenhouse gas emissions related to energy consumption in its operations by December 31, 2023 from a 2016 baseline.

The interest rate of the Notes shall be increased by 25 basis points to 2.375% per annum from June 15, 2024, if the Group does not achieve one of the above targets.

As of December 31, 2021, the Group considers that these sustainability performance targets will be achieved.

€500 million notes due 2025 (early redeemed in May 2021)

On May 2021, proceeds from the issuance of the €400 million senior notes due 2028 together with available cash, were used to redeem its €500 million notes for a total amount of €505.3 million, including the applicable premium of €5.3 million.

A loss of €2.4 million has been recognized in the net financial expenses including the early redemption premium and a gain associated to fair value hedge derivatives.

€600 million notes due 2026 (early redeemed in November 2021)

On November 2021, proceeds from the issuance of the €600 million senior notes due 2028 were used to redeem its €600 million notes due 2026 for a total amount of €614.3 million, including the applicable premium of €14.2 million.

A loss of €12.2 million has been recognized in the net financial expenses including the early redemption premium and a gain associated to fair value hedge derivatives.

Senior Facility Agreement

The Senior Facility Agreement initially executed on March 15, 2013 subsequently amended - the latest amendment being dated January 31, 2018 - provides multicurrency revolving credit facility for an aggregate maximum initial amount of €850 million with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial, HSBC France, ING Bank France, Natixis and Société Générale as Mandated Lead Arrangers and Bookrunners. Facilities can also be drawn down through swingline loans for an aggregate amount of €137.8 million.

This Senior Facility Agreement matures in 2025 for €829 million and in 2024 for €21 million.

Interest and margin

This facility bears interest at a rate determined in reference to (i) EURIBOR rate when funds are made available in Euro, LIBOR rate for other currencies and EONIA rate for swingline loans, (ii) an applicable margin ranges from 0.60% to 2.25% depending on the leverage ratio, (iii) other costs such as mandatory costs or utilization and non-utilization fees. As from January 3, 2022, EONIA is replaced by ESTR plus 8.5 basis points.

Leverage ratio

This facility is subject to the ratio of to (i) adjusted total net debt relative to (ii) adjusted EBITDA and determined on a pre-IFRS 16 basis:

"Adjusted EBITDA" means, in relation to a measurement period, consolidated operating income without double counting before other income (or expenses) as defined in the relevant consolidated accounts of the Group:

- Including the last 12 months of Adjusted EBITDA of any Subsidiary acquired in that measurement period *prorata* the participation of the Group;
- Including proceeds related to commodity price derivatives entered into to hedge exposure to the price fluctuation of certain commodities which do not qualify for cash flow hedge accounting as per applicable IFRS;
- After adding back EBITDA of assets held for sale and not taking into account EBITDA of assets sold during the measurement period;
- After adding back net operational depreciation/amortization;
- Taking no account of any expense referable to equity settled share based compensation of employees or management, to the extent the balance of it is taken in account into financial indebtedness;
- After adding back non-cash employee share, incentive or remuneration scheme costs entered into as part of equity-based remuneration of employees of the Group, as well as legal profit sharing, to the extent the balance of it is taken into account in financial indebtedness;
- Excluding the non-recurring impact of the evolution of the copper prices as disclosed in the press release published in connection with the consolidated financial statements for such measurement period;

- After adding back any other restructuring and/or acquisition costs relating to any permitted acquisition.

"Adjusted total net debt" means:

- Any indebtedness for or in respect of interest bearing debt (whether or not in cash or in kind, both current and non-current) but which shall:
 - Exclude any upfront, legal, advisory costs related to the implementation of such debt as well as the financial charges accounted for as a result of the repayment of any outstanding debt of the borrower;
 - Exclude intragroup loans between members of the Group;
 - Include any indebtedness for or in respect of any amount payable in respect of securities issued by any member of the Group which are not mandatorily redeemable in shares; and
 - Include any other amount raised under any other transaction accounted for as borrowing under the accounting standards;

- Any indebtedness for or in respect of accrued interest (including capitalized interest and any payment in kind) other than in respect of intragroup loans between members of the Group; less

- Cash and cash equivalents.

This ratio may exceed 3.50 on three accounting dates during the life of the Senior Facility Agreement, being specified that only two of such three accounting dates may be consecutive, and provided that (i) such ratio does not exceed 3.75 times on two accounting dates during the life of the Senior Facility Agreement and (ii) such ratio does not exceed 3.90 times on one accounting date during the life of the Senior Facility Agreement.

In addition to the Senior Facility Agreement, Rexel entered into one bilateral term loan agreement of €35.3 million (US\$ 40.0 million) which matures in June 2024.

As of December 31, 2021, all these credit facilities were undrawn.

5.5.2 Borrowings from financial institutions

Rexel runs a €300 million commercial paper program with a fixed maturity ranging from one to six months depending on the notes issued, to diversify the investor base and minimize the cost

of financing. As of December 31, 2021, under this program, €125.5 million were outstanding (€50.0 million in 2020).

5.5.3 Other financial borrowings

As of December 31, 2021, other financial debts relate to borrowings with affiliates.

(in millions of euros)	AS OF DECEMBER 31, 2021	AS OF DECEMBER 31, 2020
Intercompany long-term debt	7.0	7.0
Tax group debt	0.7	—
Current accounts Rexel Développement	247.7	464.8
Total	255.3	471.8

5.6 Financial instruments covering currency and interest rate risks

In the course of its business, Rexel SA is exposed to market risks such as interest rate and foreign exchange risks. Rexel SA uses various financial instruments to optimize its financial expenses including interest rate swaps to modify its debt structure and to cover the risk of interest rate increases in the currencies in which its debt is

denominated. Derivative foreign currency instruments include forward currency purchases and sales and have the sole objective of hedging transactions denominated in a foreign currency.

As of December 31, 2021, the outstanding hedge contracts were as follows:

■ Interest rate swaps

TYPE OF CONTRACT	MATURITY	NOTIONAL AMOUNTS (IN MILLIONS OF EUROS)	FAIR VALUE (IN MILLIONS OF EUROS)
Interest rate swap paying EURIBOR 3 months	2022	250.0 EUR	1.3
Interest rate swap paying EURIBOR 3 months	2023	50.0 EUR	0.5
Interest rate swap paying EURIBOR 3 months	2028	300.0 EUR	(1.5)

5.7 Payables to and receivables from related companies

Related companies are direct and indirect Rexel subsidiaries.

As of December 31, 2021, balances with related companies were as follows:

(in millions of euros)

ASSETS		LIABILITIES	
Investments in related companies	3,265.4	Other financial debt	255.2
Net Loans and other long-term financial assets	500.0	Trade accounts payable	0.8
Trade accounts receivable	4.4		
Other accounts receivable	—		
EXPENSES		INCOME	
Operating expenses	14.2	Operating income	4.0
Financial expenses	0.7	Financial income	8.4
		Income tax	97.8

6. Additional information

6.1 Employees

Rexel SA has no employee.

6.2 Information on free share plans

Shareholder-approved employee free share plans operated by Rexel SA at December 31, 2021 were as follows:

Plan	2017	2018	2019	2020	2021	
Grant date	05/23/2017	05/24/2018	05/23/2019	09/28/2020	04/22/2021	10/20/2021
Delivery date	05/24/2021	05/25/2021	05/24/2022	09/29/2023	04/23/2024	10/21/2024
Adjusted number of shares granted⁽¹⁾	1,938,858	2,000,471	2,207,425	1,608,555	1,928,625	53,450
Number of shares delivered since the origin	(987,130)	(818,753)	—	—	—	—
Number of shares canceled since the origin	(951,728)	(1,181,718)	(301,841)	(69,864)	(47,417)	—
Total maximum number of shares granted at December 31, 2021	0	0	1,905,584	1,538,691	1,881,208	53,450

(1) The number of bonus shares have been adjusted as a result of share premium distribution effective after grant date.

The share price used as the basis of social contribution of 20% will correspond to the one at delivery date.

6.3 Subsequent events

At the presentation date of the financial statements there have been no subsequent events

after December 31, 2021 that would have a significant impact on Rexel's financial situation.

5.3.2 Report of the Statutory Auditors on the company financial statements for the financial year ended December 31, 2021

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
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92208 Neuilly-sur-Seine Cedex

KPMG Audit
Tour Egho
2, avenue Gambetta
CS 60055
92066 Paris la Défense Cedex

Rexel S.A.

13, boulevard du Fort de Vaux
75017 Paris

Statutory auditors' report on the financial statements

(For the year ended December 31, 2021)

To the annual general meeting of Rexel S.A.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Rexel S.A. for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the

financial position of the Company as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors, for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific

conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of Investments in related companies

Description of risk

Note 3.1 and 5.1.1 to the financial statements

As at December 31, 2021, investments in related companies are recorded in the balance sheet at a net carrying amount of €3,265.4 million, represent approximately 77% of total assets and relates to Rexel Développement as disclosed in note 5.1.1 to the financial statements.

As disclosed in the note 3.1 to the financial statements, a valuation allowance is recorded when the carrying value exceeds the value in use. The value in use is calculated based on projected discounted cash flows, net of the indebtedness of subsidiaries.

Estimates of the value in use require management to exercise judgment particularly regarding the assumptions underlying the cash flows.

We deemed the valuation of investments in related companies to be a key audit matter due to:

- the significant weight of investments in subsidiaries in the total assets,

- the sensitivity to changes in the data and assumptions underlying estimates.

How our audit addressed this risk

We examined the procedures implemented by Rexel S.A. for determining the value in use of investments in related companies. We performed the following procedures:

- Obtained Rexel Développement valuation based on projected discounted cash flows of its subsidiaries, held directly or indirectly;
- Corroborated the reasonableness of the main assumptions (such as sales growth and EBITA margin) in the calculation of discounted cash flows, with economic environments in which the main subsidiaries operate;
- Compared actual performance to past forecasts to assess the reliability of projections for certain subsidiaries;
- Verified that the value resulting from discounted cash flows was adjusted from the indebtedness of the related entity.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-4 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of chief executive officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial

statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Rexel S.A. by the annual general meeting held on May 16, 2012 for PricewaterhouseCoopers Audit and on May 25, 2016 for KPMG Audit.

As at December 31, 2021, PricewaterhouseCoopers Audit was in the 10th year of total uninterrupted engagement and KPMG Audit in the 6th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La-Défense, February 14, 2022

The statutory auditors

PricewaterhouseCoopers Audit

Amélie Wattel

Pierre Clavié

KPMG Audit
Department of KPMG S.A.

Jean-Marc Discours

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6

Combined Shareholders' Meeting of April 21, 2022



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**Combined Shareholders'
Meeting of April 21, 2022**



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6.1 Report of the Board of Directors to the Combined Shareholders' Meeting of April 21, 2022

To the Shareholders,

The Combined Meeting of the Shareholders of Rexel, a French *société anonyme*, having its registered office at 13, boulevard du Fort de Vaux, 75017 Paris ("**Rexel**" or the "**Company**") has been convened by the Board of Directors on April 21, 2022 at 10:30 a.m., at Châteaufort City George V –

28, avenue George V, 75008 Paris, in order to resolve upon the draft resolutions presented hereinafter (the "**Shareholders' Meeting**").

In this report, we present you with the motives behind each of the resolutions being put to the vote at the Shareholders' Meeting.

1. Course of business

For the financial year ended December 31, 2021, the performance is the following:

- Sales amounted to €14,690.2 million, up 15.6% on a constant and same-day basis;
- Margin of adjusted EBITA was 6.2% with adjusted EBITA of €906.0 million;
- Indebtedness ratio improved by 77 bps to 1.37x; and
- Free cash flow before interest and taxes conversion was of 65.7% (of EBITDAaL).

The Group net income for 2021 is a profit of €597.6 million and recurring net income increased by 107.0%.

The distribution of a premium in an amount of €0.75 per share is submitted to the approval of the shareholders.

The course of business and the financial condition of the Company during the financial year ended December 31, 2021, are detailed in the 2021 Universal Registration Document of the Company.

2. Resolutions to be submitted to the Ordinary Shareholders' Meeting

2.1 Approval of the annual and consolidated financial statements (first and second resolutions)

The first and second resolutions submit to the shareholders' approval the annual and consolidated financial statements of the Company for the financial year ended December 31, 2021, as drawn up by the Board of Directors.

The annual financial statements show a loss of €53,245,790.05.

The consolidated financial statements show a profit of €597.6 million.

In accordance with the provisions of Article 223 quater of the French General Tax Code, the first

resolution also submits to the shareholders' approval the amount of costs and expenses referred to in Article 39-4 of the French General Tax Code, which are not deductible from the results. For the financial year ended December 31, 2021, these costs and expenses amounted to €4,195. These costs and expenses represent a maximum amount of income tax of €1,192 (at an income tax rate of 28.41%). These costs and expenses correspond to the share of a depreciation surplus (portion of non-deductible rents of hired vehicles).

We suggest that you approve these resolutions.

2.2 Allocation of results, distribution of an amount of €0.75 per share, by deduction from the issue premium (third resolution)

Subject to the annual and consolidated financial statements as presented by the Board of Directors being approved by the shareholders, the third resolution submits to the approval of the shareholders the following allocation of results and distribution for the financial year ended December 31, 2021 and the following distribution:

Origin of the amounts to be allocated:

- Results from the 2021 financial year €(53,245,790,05)
- Previous carry forward at December 31, 2021 €0

Total €(53,245,790,05)

Allocation of results:

- Carry forward account €(53,245,790,05)

Balance €(53,245,790,05)

It is proposed to pay in respect of each of the shares making up the share capital and conferring rights to distribution, an amount of €0.75, as follows:

Proposed distribution: €228,827,269.5

Deducted from:

- Issue premium €228,827,269.5

As a consequence, the "issue premium account" would be reduced from €1,289,834,684 to €1,061,007,414.5

The right to this distribution shall be detached from the share on June 3, 2022, and the distribution shall be paid on June 7, 2022.

In case of transfer of shares occurring between the date of the Shareholders' Meeting and the date of payment, the rights to the distribution will be acquired by the shareholder owning the rights on the day prior to the date of detachment.

The contemplated distribution is in line with Rexel's policy consisting in distributing at least 40% of its net recurring profit, reflecting the trust of the Rexel Group in its structural capacity to generate substantial cash flow throughout the whole cycle.

The shareholders are also reminded that, subject to possible adjustments related to any variations mentioned in the above paragraph, the distribution will be treated from a tax perspective up to €0.75 (based on an amount of €228,827,269.5, drawn on the issue premium, distributed over 305,103,026 shares), as a reimbursement of a contribution or an issue premium within the meaning of Article 112 of the French General Tax Code, which is not taxable for individual shareholders resident in France but which must be deducted from the tax cost of the share.

During the last three financial years, the Company has distributed the following amounts to the shareholders:

	2020	2019	2018
Amount distributed per share	€0.46 ⁽¹⁾	-	€0.44 ⁽¹⁾
Number of shares eligible	303,276,624	-	302,193,786
Total distribution	€139,507,247.04	-	€132,965,265.84

(1) Amount(s) eligible for the 40% tax rebate that individuals residing in France for tax purposes benefit from, in accordance with Article 158-3-2° of the French General Tax Code.

We suggest that you approve this resolution.

2.3 Related-party agreements (fourth resolution)

The fourth resolution concerns the approval of related-party agreements as defined in Articles L.225-38 *et seq.* of the French Commercial Code, meaning the related-party agreements that were authorized by the Board of Directors prior to their conclusion.

In accordance with the provisions of Article L.225-40 of the French Commercial Code, these

agreements were the subject of a report by the Statutory Auditors of the Company and must be submitted for approval at the Ordinary Shareholders' Meeting of the Company.

New related-party agreement(s)

No new related-party agreements were entered into during the course of the financial year ended December 31, 2021.

Related-party agreements previously authorized with continuing effect during the financial year ended December 31, 2021

During the financial year ended December 31, 2021, no agreements entered into in previous financial years were continued.

We therefore invite you to approve this resolution.

2.4 Approval of the compensation policy applying to the Chairman of the Board, the Directors and the Chief Executive Officer for the 2022 financial year, pursuant to Article L.22-10-8 of the French Commercial Code (fifth to seventh resolutions)

In accordance with Article L.22-10-8 of the French Commercial Code, the compensation policy applying to the Chairman of the Board of Directors, the Directors and the Chief Executive Officer are presented in paragraph 3.2.1 "Compensation policy applicable to corporate officers for the financial year 2022 subject to shareholders' approval (Article L.22-10-8 of the French Commercial Code)" of the Universal Registration Document of the Company for the financial year ended December 31, 2021.

This paragraph outlines the principles of the compensation policy and the principles and criterion for the determination, the breakdown and the allocation of the different components making up the total compensation attributable by type of functions.

We therefore invite you to approve the compensation policy applying to the Chairman of the Board of Directors, to the Directors and the Chief Executive Officer for the 2022 financial year.

2.5 Approval of the information referred to in Article L.22-10-9, I of the French Commercial Code for the 2021 financial year (eighth resolution)

In accordance with Article L.22-10-34, I of the French Commercial Code, the eighth resolution submits to the shareholders' approval the information referred to in Article L.22-10-9, I of the French Commercial Code for the financial year ended December 31, 2021.

The information relates in particular to the elements of compensation (fixed, variable and exceptional), the benefits of any kind, the share allotment plans,

severance payments, non-compete commitments and pension or similar liabilities.

The above-mentioned information listed are presented in Section 3.2.2 "Compensation of corporate officers for the 2021 financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)" of the Universal Registration Document of the Company for the financial year ended December 31, 2021.

We therefore invite you to approve this resolution.

2.6 Approval of the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the financial year ended December 31, 2021 to the non-executive and executive corporate officers (ninth, tenth and eleventh resolutions)

In accordance with Article L.22-10-34, II of the French Commercial Code, the ninth, tenth and eleventh resolutions submit to the shareholders' approval the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated for the financial year ended December 31, 2021 to Ian Meakins, Chairman of the Board of Directors, Patrick Berard, Chief Executive Officer until September 1, 2021 and to Guillaume Texier, Chief Executive Officer from September 1, 2021.

The relevant items of compensation relate to: (i) the fixed compensation, (ii) the annual variable

compensation and, as the case may be, the multiannual variable compensation with the objectives contributing to the setting of this variable compensation, (iii) exceptional compensation and (iv) the benefits in kind.

The above-mentioned elements of compensation are set out in Section 3.2.2 "Compensation of corporate officers for the 2021 financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)" of the Universal Registration Document of the Company for the financial year ended December 31, 2021, and are set forth below.

Ian Meakins (Non-executive Chairman of the Board of Directors) for the financial year ended December 31, 2021

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2021	AMOUNT PAID DURING FINANCIAL YEAR 2021	
Fixed annual compensation	€300,000	€300,000	<p>The amount of fixed compensation awarded to the Chairman of the Board of Directors amounted to €500,000 until December 31, 2020, in application of the compensation policy applicable during the financial year.</p> <p>The Board of Directors has decided, in full agreement with Ian Meakins, to reduce the gross annual fixed compensation of the Chairman of the Board of Directors to €300,000 as of January 1, 2021.</p> <p>This compensation had been determined by the Board of Directors taking into account market practices and the new non-executive duties assumed by Ian Meakins since December 1, 2020</p> <p>See paragraph 3.2.2.5 "Summary tables relating to compensation paid or allocated to the corporate officers" of this Universal Registration Document.</p>
Variable annual compensation	Not applicable		Ian Meakins does not benefit from any variable annual compensation.
Deferred variable compensation	Not applicable		Ian Meakins does not benefit from any deferred variable compensation.
Multi-annual variable compensation	Not applicable		Ian Meakins does not benefit from any multi-annual variable compensation.
Exceptional compensation	Not applicable		Ian Meakins does not benefit from any exceptional compensation.
Benefits of any kind	Not applicable		Ian Meakins does not benefit from any benefit in kind.
Valuation of the long-term compensation: allocation of performance shares	Not applicable		Ian Meakins does not benefit from any long-term compensation item.
Severance indemnities	Not applicable		Ian Meakins does not benefit from any severance indemnity.
Non-compete indemnity	Not applicable		Ian Meakins does not benefit from any non-compete indemnity.
Supplemental retirement plan	Not applicable		Ian Meakins does not benefit from any supplemental retirement plan.

Patrick Berard (Chief Executive Officer until September 1, 2021) for the financial year ended December 31, 2021

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2021	AMOUNT PAID DURING FINANCIAL YEAR 2021	
Fixed annual compensation	€466,667	€466,667	<p>The gross annual fixed compensation for the financial year ended December 31, 2021 amounts to €466,667. This amount is explained by the <i>pro rata</i> adjustment of the total annual amount of €700,000 for the period from January 1 to August 31, 2021, due to the termination of Patrick Berard's duties as Chief Executive Officer as of September 1, 2021.</p> <p>See paragraph 3.2.2.5 "Summary tables relating to compensation paid or allocated to the corporate officers" of this Universal Registration Document.</p>
Variable annual compensation for the 2021 financial year	€825,522	€659,880	<p>The gross variable annual compensation in respect of the financial year ended on December 31, 2021 determined by the Board of Directors of February 10, 2022, amounts to €825,522.</p> <p>The variable compensation was based for 75% on quantitative criteria and for 25% on qualitative criteria. Quantitative performance stood at 148.10% and qualitative performance stood at 100%.</p> <p>This amount thus corresponds to 136% of the target variable compensation (the target variable compensation was determined at 130% of the fixed annual compensation), <i>i.e.</i> 177% of the fixed compensation for the relevant period.</p> <p>For details on the calculation of the variable compensation for 2021, please see paragraph 3.2.2.3 "Compensation and other benefits paid or allocated to Patrick Berard, Chief Executive Officer until September 1, 2021", of this Universal Registration Document.</p> <p>In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of the 2021 variable compensation is subject to the approval of the Shareholders' Meeting of April 21, 2022.</p> <p>The gross variable annual compensation allocated in respect of financial year 2020 (€659,880) was approved by a vote of the Shareholders' Meeting of April 22, 2021.</p>
Pluriannual variable compensation	Not applicable		Patrick Berard does not benefit from any pluri-annual variable compensation.
Exceptional compensation	Not applicable		Patrick Berard does not benefit from any exceptional compensation in respect of his corporate office.
Valuation of benefits in kind	€4,901		<p>Patrick Berard received benefits in kind in the amount of €4,901, consisting of a company car.</p> <p>See paragraph 3.2.2.3 "Compensation and other benefits paid or allocated to Patrick Berard, Chief Executive Officer until September 1, 2021" of this Universal Registration Document.</p>
Valuation of the long-term compensation: allocation of performance shares	€0		Patrick Berard has not benefited from any allocation of free shares during the 2021 financial year.
Severance indemnity	Not applicable		Patrick Berard does not benefit from any severance indemnities in respect of his corporate office.
Non-compete indemnity	Not applicable		Patrick Berard does not benefit from any non-compete indemnity in respect of his corporate office.

Patrick Berard (Chief Executive Officer until September 1, 2021) for the financial year ended December 31, 2021

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2021	AMOUNT PAID DURING FINANCIAL YEAR 2021	
Supplemental retirement plan	No payment		<p>Patrick Berard was born in 1953 and has joined the Rexel Group in 2003. Considering his career and seniority, the Board of Directors decided on July 1, 2016 not to suspend the supplemental defined-benefit retirement plan, in which Patrick Berard has been maintained in his capacity as an employee prior to accepting the duties of corporate officer.</p> <p>The Board of Directors of July 1, 2016 decided to maintain the benefit of the scheme of defined benefit supplemental retirement plan that Patrick Berard benefited from as an employee prior to his appointment as Chief Executive Officer of Rexel. In accordance with the applicable laws and regulations,⁽¹⁾ new contingent rights under the scheme from December 31, 2019 were frozen under the scheme from which Patrick Berard benefited.</p> <p>Periods of employment after December 31, 2019 will therefore not be taken into account for the assessment of seniority used to calculate the amount of the additional pension. On the other hand, end-of-career compensation will be taken into account, in accordance with the terms of the plan's regulations and Order No. 2019-697 of July 3, 2019 relating to supplementary occupational retirement schemes.</p> <p>As a reminder, Patrick Berard did not benefit from the collective medium-term savings scheme (Article 82 of the French General Tax Code) and did not benefit from any payment in such respect in connection with his departure.</p>

Guillaume Texier (Chief Executive Officer as of September 1, 2021) for the year ended December 31, 2021

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2021	AMOUNT PAID IN FINANCIAL YEAR 2021	
Fixed annual compensation	€266,667	€266,667	<p>Gross fixed annual compensation for the year ended December 31, 2021 amounts to €266,667. This amount is explained by the <i>pro rata</i> adjustment of the annual global amount of €800,000 for the period from January 1 to December 31, 2021, due to the appointment of Guillaume Texier as Chief Executive Officer as of September 1, 2021.</p> <p>See paragraph 3.2.2.5 "Summary of compensation paid or granted to corporate officers" of this Universal Registration Document.</p>
Variable annual compensation in respect of the 2021 financial year	€427,745	Not applicable	<p>The gross annual variable compensation for the fiscal year ending December 31, 2021, approved by the Board of Directors on February 10, 2022, is €427,745.</p> <p>The variable compensation consisted of 70% quantitative and 30% qualitative criteria. Quantitative performance as a percentage amounted to 148.10 % and qualitative performance to 100%.</p> <p>This amount corresponds to 134% of the target variable compensation (the target variable compensation was set at 120% of the annual fixed compensation), i.e. 160% of the fixed compensation for the period under review.</p> <p>For details of the calculation of the 2021 variable compensation, see paragraph 3.2.2.4 "Compensation and other benefits paid or granted to Guillaume Texier, Chief Executive Officer as of September 1, 2021" of this Universal Registration Document.</p> <p>In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, payment of the 2021 variable compensation is subject to approval by the Shareholders' Meeting of April 21, 2022.</p>

(1) Law No. 2019-486 of May 22, 2019, known as the "PACTE Law".

Guillaume Texier (Chief Executive Officer as of September 1, 2021) for the year ended December 31, 2021

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2021	AMOUNT PAID IN FINANCIAL YEAR 2021	
Multi-annual variable compensation	Not applicable		Guillaume Texier does not receive any multi-year variable compensation for his mandate.
Exceptional compensation	Not applicable		Guillaume Texier does not receive any exceptional compensation for his mandate.
Benefits of any kind	€7,573		Guillaume Texier received benefits in kind, including the use of a company car as well as the GSC corporate/executive officer benefit in the amount of €7,573. See paragraph 3.2.2.3 “Compensation and other benefits paid or granted to Guillaume Texier, Chief Executive Officer as of September 1, 2021” of this Universal Registration Document.
Valuation of the long-term compensation: allocation of performance shares	€565,250 <i>(valuation based on the IFRS 2 fair value used for the consolidated financial statement, i.e. €16.15 for 2021)</i>		Pursuant to the authorization granted by Rexel’s Shareholders’ Meeting of June 25, 2020, the Board of Directors decided on October 20, 2021 to proceed with the grant of Rexel performance shares. In this context, 35,000 shares, fully subject to performance conditions, were granted to Guillaume Texier in 2021. This number of shares is the maximum number that may be acquired in the event of outperformance of the performance criteria and corresponds to a maximum vesting percentage of 100%, i.e., €586,667 on the basis of the fixed and variable annual compensation for 2021, calculated on a <i>pro rata</i> basis for the period from September 1, 2021 to December 31, 2021. The specific allocation limits for corporate officers have been respected: <ul style="list-style-type: none"> the annual value of the performance shares granted is less than 100% of the annual fixed and variable target compensation for that year (i.e., €586,667, after adjustment on a <i>pro rata</i> basis over the period from September 1, 2021 to December 31, 2021); and the number of shares granted to Guillaume Texier is less than 10% of the total number of shares granted to all beneficiaries. The definitive acquisition of the shares granted to Guillaume Texier is entirely subject to the conditions of presence and performance assessed over a period of three years as described in the applicable compensation policy.
Recruitment allowance	€800,000		In accordance with the 2021 compensation policy adopted by the Board of Directors at its meeting of March 25, 2021, it was decided to pay Guillaume Texier a recruitment allowance of €800,000, which is less than 50% to the estimated losses of long-term variable compensation (corresponding to the benefit of a free share allocation plan covering the last three years) suffered by Guillaume Texier as a result of the termination of his duties within the Saint-Gobain Group. This recruitment allowance may only be paid after approval of Guillaume Texier’s compensation by the Shareholders’ Meeting of Shareholders on April 21, 2022.
Severance indemnity	Not applicable		Guillaume Texier would be eligible for a severance indemnity in respect of his corporate office capped at a sum not exceeding 18 months of the monthly reference compensation.
Non-compete indemnity	Not applicable		Guillaume Texier is not entitled to any non-compete indemnity in respect of his office.
Supplemental retirement plan	Not applicable		Guillaume Texier is not entitled to the collective medium-term savings scheme (Article 82 of the French General Tax Code).

We therefore invite you to approve the items of the compensation due or allocated in respect of the financial year ended December 31, 2021 to Ian Meakins, Chairman of the Board of Directors, and

Patrick Berard, Chief Executive Officer until September 1, 2021 and Guillaume Texier, Chief Executive Officer from September 1, 2021.

2.7 Appointment and renewal of the terms of office of the directors (twelfth to fourteenth resolutions)

2.7.1 Ratification of the co-option of Barbara Dalibard as director (twelfth resolution)

The twelfth resolution submits for the approval of the shareholders the ratification of the co-option by the Board of Directors of Barbara Dalibard as Director of the Company to replace Herna Verhagen, who resigned.

The co-option of Barbara Dalibard, if approved by the Shareholders' Meeting, can only take place for

the remaining period of the mandate of her predecessor, *i.e.* until the Shareholders' Meeting called to approve the financial statements for the financial year closed on December 31, 2021, to be held in 2022.

The details of Barbara Dalibard's functions are given below:

BARBARA DALIBARD

(63 years old)

Business address:

Rexel
13, Boulevard du Fort de Vaux
75017 Paris - France

Number of Rexel shares held:

2,400

Experience and expertise

Director, member of the Compensation Committee

Barbara Dalibard was co-opted as a director by the Board of Directors on December 3, 2021 to replace Herna Verhagen, who resigned, for the remainder of her predecessor's term of office, *i.e.* until the Shareholders' Meeting of April 21, 2022. Her co-option and the renewal of her term of office as director for a period of four years will be submitted to the Shareholders' Meeting for approval.

Barbara Dalibard is a French citizen.

Barbara Dalibard was Chief Executive Officer and member of the Board of Directors of SITA (*Société Internationale de Télécommunication Aéronautique*) from 2016 to 2021. She has held various duties in several companies in the new technology industry.

Barbara Dalibard has also spent most of her career at Orange, where she held various management positions, including that of CEO of Orange Business Services. She was also CEO of SNCF Voyageurs and chaired or was a member of the Board of Directors of several international subsidiaries of SNCF (Voyages sncf.com, NTV, Eurostar). She was a member of the Board of Directors of Société Générale and a member of the Supervisory Board of Wolters Kluwer and is currently Chairwoman of the Supervisory Board of Michelin.

Barbara Dalibard is an alumna of the *École normale supérieure*, an associate professor of mathematics, a graduate engineer of the *École nationale supérieure des télécommunications* (ENST) and an honorary general engineer of the *Corps des Mines*. She is an officer of the *Légion d'honneur*, an officer of the *Ordre du mérite*, a member of *Académie des technologies* and an honorary doctor of *École Polytechnique de Montréal*.

Term of office

First appointment:

December 3, 2021 (co-option)

Current term of office:

From December 3, 2021 until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021

The renewal of her term of office until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025 is subject to approval by the Shareholders' Meeting of April 21, 2022

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of the Compensation Committee of Rexel

Abroad

–

Over the past five financial years:

In France

–

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- Chairwoman of the Supervisory Board of Michelin (France – listed company)
- Member of the Board of Directors of the Institut Polytechnique de Paris (public entity – not listed)
- Non-voting member of the Supervisory committee of Castillon (France – non-listed company)

Abroad

–

Over the past five financial years:

In France

–

Abroad

- Chief Executive Officer and Director of SITA (Switzerland – non-listed company)

We therefore invite you to approve this resolution.

2.7.2 Renewal of the term of office of Barbara Dalibard as director (thirteenth resolution)

The term of office as director of Barbara Dalibard will expire at the closing of the Shareholders' Meeting.

Therefore, the thirteenth resolution submits to the approval of the shareholders the renewal of the

term of office of Barbara Dalibard as director. This renewal would be made for a term of four years, *i.e.*, until the Shareholders' Meeting which will be called to approve the financial statements of the financial year ending December 31, 2025, to be held in 2026.

The renewal of the term of office of Barbara Dalibard is proposed insofar as she is an independent director and taking into account her international experience and in the digital and communication fields.

The details of Barbara Dalibard's functions appear in paragraph 2.7.1 above.

2.7.3 Renewal of the term of office of François Auque (fourteenth resolution)

The term of office as director of François Auque will come to an end at the closing of the Shareholders' Meeting, in accordance with the provisions of Article 14.2 of the by-laws of the Company, that provides for the Board of Directors to be renewed on a quarterly basis adjusted to the next higher unit each year so that it is fully renewed every four years.

Therefore, the fourteenth resolution submits to the approval of the shareholders the renewal of the term of office of François Auque as director. This renewal would be made for a term of four years,

i.e., until the Shareholders' Meeting which will be called to approve the financial statements of the financial year ending December 31, 2025, to be held in 2026.

The renewal of the term of office of François Auque is proposed insofar as he is an independent director and taking into account his knowledge of the Company, social and environmental issues and governance as well as his international and financial matters expertise.

The details of François Auque's functions are given below:

FRANÇOIS AUQUE

(65 years old)

Professional address:

77, rue Madame
75006 Paris – France

Number of Rexel shares held:

3,000

Experience and expertise

Director and Chairman of the Audit and Risk Committee

François Auque has been Director and Chairman of the Audit and Risk Committee of Rexel since May 23, 2019. Previously, he was appointed as Observer of Rexel on October 24, 2018 with a view to replace Fritz Froehlich as Director.

François Auque is a French citizen.

He is a partner at InfraVia Capital Partners.

He was Chairman of the Airbus Ventures Investment Committee from July 2016 to September 2018. Previously, for 16 years, he headed the Space Division of the Airbus group as a member of the Group Executive Committee of the group.

Previously, he was Chief Financial Officer of Aerospatiale Matra after having been Chief Financial Officer and together Corporate Executive Vice-President of Aerospatiale from 1991 to 2000. He began his career at the French Court of Auditors (*Cour des Comptes*), then joined the Suez Group and Credisuez.

He has been a member of various Boards of Directors: Dassault Aviation, Ariespace, GIFAS, Starsem (Russia), MBDA, OneWeb (United Kingdom/United States), Seraphim Space Fund (United Kingdom) and Chairman of the Board of Bordeaux École de Management.

François Auque is a graduate of *École des hautes études commerciales* (HEC), *Science-Po Paris* and *École nationale d'administration* (ENA).

Term of office

First appointment:

May 23, 2019

Current term of office:

From May 23, 2019 until the Shareholders' Meeting deciding on the accounts for the financial year ended December 31, 2022

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Chairman of the Audit and Risk Committee of Rexel

Abroad

–

Over the last five financial years:

In France

- Observer of the Board of Directors and of the Audit and Risk Committee of Rexel

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- Partner at InfraVia Capital Partners
- Director of Airbus Defence and Space Holding SAS (France – non-listed company)

Abroad

- Director of CyberArk (United States – listed company)

Over the last five financial years:

In France

- Director of Ariespace (France – non-listed company)
- Director of Starsem (France – non-listed company)
- Director of MBDA (France – non-listed company)

Abroad

- Deputy Director of OneWeb (United Kingdom/United States – non-listed company)
- Director of Seraphim Space Fund (United Kingdom – non-listed company)
- Director of Airbus Espana (Spain – non-listed company)
- Director of Airbus North America (United States – non-listed company)

We therefore invite you to approve this resolution.

2.7.4 Renewal of the term of office of Agnès Touraine (fifteenth resolution)

The duties of director of Agnès Touraine will come to an end at the closing of the Shareholders' Meeting in accordance with the provisions of Article 14.2 of the by-laws of the Company, that provides for the Board of Directors to be renewed on a quarterly basis adjusted to the next higher unit each year so that it is fully renewed every four years.

Therefore, the fifteenth resolution submits to the approval of the shareholders the renewal of the term of office of Agnès Touraine as director. This renewal would be made for a term of four years,

i.e., until the Shareholders' Meeting which will be called to approve the financial statements of the financial year ending December 31, 2025, to be held in 2026.

The renewal of the term of office of Agnès Touraine is proposed insofar as she is an independent director and given her knowledge of the Company, governance and social and environmental issues as well as its expertise in digital transformation.

The details of Agnès Touraine's functions are given below:

AGNÈS TOURAINE

(66 years old)

Professional address:

Act III Consultants
5, rue Budé
75004 Paris – France

Number of Rexel shares held:

1,112

Experience and expertise

Director, Chairwoman of the Compensation Committee and of the Nomination Committee

Agnès Touraine was co-opted as Director by the Board of Directors on February 10, 2017 in replacement of Marianne Culver.

Her co-option was approved by the Shareholders' Meeting of May 23, 2017.

The renewal of her term of office was approved by anticipation by the Shareholders' Meeting of May 23, 2019.

Agnès Touraine is a French citizen.

She is also the CEO and founder of Act III Consultants, a consultancy firm dedicated to digital transition. Previously, she acted as Chairwoman and CEO of Vivendi Universal Publishing after having spent 10 years at Groupe Lagardère and 4 years at McKinsey. She is a Director of GBL, Proximus and SNCF, and of the Supervisory Board of Tarkett. She previously acted as non-executive Director of Cable&Wireless Plc (UK), Neopost and Darty Plc. She is also a member of the Board of various non-profit organizations such as IDATE and the French American Foundation.

Agnès Touraine was also Chairwoman of the IFA (*Institut Français des Administrateurs*) until May, 2019.

She is a graduate in law of Sciences-Po Paris and of Columbia University Business School (MBA).

Term of office

First appointment:

February 10, 2017 (co-option)

Current term of office:

From May 23, 2019 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2022

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Chairwoman of Rexel's Compensation Committee
- Chairwoman of Rexel's Nomination Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Nomination and Compensation Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- Member of the Supervisory Board of Tarkett (France – listed company)
- Member of the Supervisory Board of 2IPartners (France – non-listed)
- Member of the Supervisory Board of the French American Foundation (France – association, non-listed)
- Director of SNCF (France – non-listed company)

Abroad

- Director of Proximus (Belgium – listed company)
- Director of GBL (Belgium – listed company)

Over the last five financial years:

In France

- Chairwoman of the IFA (*Institut Français des Administrateurs*, France – association, non-listed).

Abroad

- Director of Darty Plc (United Kingdom – listed company)
- Director of Keesing (The Netherlands – non-listed)

We therefore invite you to approve this resolution.

2.8 Renewal of the mandates of the Statutory Auditors (sixteenth and seventeenth resolutions)

The mandate of Statutory Auditors of the company KPMG SA and the mandate as alternate Statutory Auditors of the company Salustro Reydel will expire at the end of this Shareholders' Meeting.

As a consequence, the sixteenth and seventeenth resolutions submit to the approval of the shareholders the renewal of KPMG SA as Statutory Auditors and of Salustro Reydel as alternate Statutory Auditors of the Company for a period of six years, *i.e.*, until the Shareholders' Meeting which will be called to approve the financial statements for the financial year ending December 31, 2027, to be held in 2028.

KPMG SA and Salustro Reydel were respectively initially appointed as Statutory Auditors and alternate Statutory Auditors by the shareholders' meeting held on May 25, 2016.

The decision to submit the renewal of the mandate of KPMG SA and Salustro Reydel to the approval of the Shareholders' Meeting has been taken by the Board of Directors, upon recommendation of the Audit and Risk Committee. In making its decision to renew KPMG SA as Statutory Auditor, the Board of Directors relied in particular on the very positive internal feedback on the work of KPMG SA, the pre-selection of a new team to manage a seamless transition, the rotation of accounting processes audit with PricewaterhouseCoopers, and the recourse to best-in-class audit techniques.

KPMG SA and Salustro Reydel belong to the Regional Company of Auditors of Versailles.

We suggest that you approve these resolutions.

2.9 Authorization to carry out transactions on the Company's shares (eighteenth resolution)

The eighteenth resolution proposes to the Shareholders' Meeting to authorize the Board of Directors to repurchase shares of the Company within the limits set by the shareholders of the Company and in accordance with the legal and regulatory provisions.

Particularly, the authorization may be implemented with a view to (i) ensuring liquidity in the market, (ii) setting up any share purchase option plan, any allotment of free shares, and any granting, allotment or transfer of shares to the benefit of the Rexel Group employees and carrying out any hedging operation relating to such transactions, (iii) ensuring the coverage of the undertakings under rights with a settlement in cash and relating to the positive evolution of the trading price of the share of Rexel granted to the employees or the corporate officers of Rexel or of an associated enterprise, (iv) delivering shares in the context of external growth transactions, (v) delivering shares in connection with the exercise of rights attached to securities, (vi) canceling all or part of the shares so repurchased.

The authorization that would be, as the case may be, granted to the Board of Directors provides for limitations regarding the maximum repurchase price (€30), the maximum amount for the implementation of the repurchase program (€250 million) and the amount of securities which may be repurchased (10% of the share capital of the Company on the date of the repurchases) or delivered in the context of external growth transactions (5% of the share capital of the Company). In addition, the Company may at no time own a quantity of shares representing more than 10% of its share capital.

The Board of Directors will not be able, except with the prior approval of the Shareholders' Meeting, to pursue the implementation of its share repurchase program as from the filing by a third party of a public offer on the Company's securities and until the end of the offer period.

This authorization would be granted for a term of 18 months and would supersede the prior authorization granted to the Board of Directors in respect of the unused portion thereof.

We suggest that you approve this resolution

3. Resolutions to be submitted to the Extraordinary Shareholders' Meeting

3.1 Authorization to be granted to the Board of Directors to carry out a share capital decrease by canceling shares (nineteenth resolution)

We suggest that you authorize the Board of Directors to reduce the share capital by cancellation of all or part of the Company's shares

acquired pursuant to any share repurchase plans authorized by the Shareholders' Meeting of the Company providing for this objective.

The share capital decreases that the Board of Directors may carry out under this authorization would be limited to 10% of the Company's share capital as of the date of the cancellation per periods of 24 months.

This authorization would be granted for a term of 18 months.

We suggest that you approve this resolution.

3.2 Financial authorizations (twentieth to twenty-third resolutions)

The Shareholders' Meeting regularly grants to the Board of Directors the authority or the powers necessary to proceed with the issuance of ordinary shares and/or securities, with upholding or cancellation of shareholders' preferential subscription right, in order to meet the financing needs of the Rexel Group.

As such, the Extraordinary Shareholders' Meetings of June 25, 2020 and of April 22, 2021 granted to the Board of Directors the delegations of authority and authorizations as described in the table provided at **Schedule 1** to this report, it being specified that said table specifies the cases and conditions in which certain of these delegations and authorizations have been used.

We remind you that in the event of an issuance of ordinary shares and/or securities, the Company intends to give priority to transactions upholding the shareholders' preferential subscription right.

Nevertheless, particular circumstances may justify the cancellation of the preferential subscription right of shareholders, in accordance with their interests. Accordingly, the Company may seize the opportunities offered by the financial markets, especially considering the markets' current situation.

The Company may also involve employees of the Rexel Group in its development, notably by way of a share capital increase reserved to said employees or the allotment of free shares. The Company may also carry out the issuance of securities underlying the securities issued by the Company or the Rexel Group's subsidiaries. The cancellation of the preferential subscription right would also allow the realization of public exchange or acquisitions offers paid entirely in securities. Finally, the issuance of securities may remunerate

contributions in kind of financial securities that would not be traded on a regulated market or its equivalent.

These delegations and authorizations could not be used during the period of a public offer on the securities of the Company initiated by a third party, except with the prior authorization of the Shareholders' Meeting. This restriction would not apply to the issuances reserved to employees or the allotment of free shares.

We also remind you that the maximum amount of all the share capital increases (excluding share capital increases by means of capitalization of reserves or premium and allotment of free shares) would be of €720 million, *i.e.*, 144 million shares, representing approximately 47.1% of the share capital and voting rights of the Company. The maximum amount of all the share capital increases with cancellation of the shareholders' preferential subscription right (excluding share capital increases reserved to the employees and allotment of free shares) would be of 140 million, *i.e.*, 28 million shares, representing approximately 9.2% of the share capital and voting rights of the Company. In addition, the maximum amount of securities that may be issued may not exceed €1 billion or the equivalent in euros of this amount at the date of the issuance decision.

The Board of Directors wishes to submit to the vote of the shareholders the renewal of the authorizations aimed at allowing the issuance of financial securities for the benefit of corporate officers and employees of the Group, within the framework of employee shareholding plans or free allocation of actions. Thus, the draft resolutions being put to the vote of the shareholders regarding financial authorizations are described below.

3.2.1 Share capital increases reserved for employees with cancellation of the preferential subscription right (twentieth resolution)

The twentieth resolution aims at granting an authorization to the Board of Directors to carry out issuances of securities with cancellation of the preferential subscription right, reserved for employees of the Rexel Group who are members of a company or group savings scheme, set up jointly by the Company and the French or foreign companies that are linked to the Company within the conditions of Article L.225-180 of the French Commercial Code and of Article L.3344-1 of the French Labor Code.

The issuances would comprise the issuance of ordinary shares or of securities that are equity securities giving access, immediately or in the future, to other equity securities or giving right, immediately or in the future, to the allotment of debt securities, and/or of securities giving access, immediately or in the future, to equity securities to be issued.

This authorization would be limited to 2% of the share capital of the Company. The amount of issuances carried out pursuant to this authorization

and pursuant to the twenty-second resolution of the Extraordinary Shareholders' Meeting of April 22, 2021, or any other substitute resolution (in particular the twenty-first resolution submitted to this Shareholders' Meeting, if adopted) may not exceed a limit of 2% of the share capital of the Company. This limit would be deducted from the limit determined in the sixteenth resolution of the Extraordinary Shareholders' Meeting of April 22, 2021 or any similar substitute resolution.

The subscription price(s) would be determined by the Board of Directors pursuant to Articles L.3332-19 *et seq.* of the French Labor Code.

Therefore, as the securities are already listed on a regulated market, the subscription price may not exceed the average of Company's share prices during the twenty trading days preceding the date of the decision setting the opening date of the subscription period. Furthermore, the subscription

price may not amount to less than 30% below this average.

Furthermore, pursuant to the provisions of Article L.3332-21 of the French Labor Code, the Board of Directors may decide on the allocation of shares to be issued or existing, or of other securities conferring access to the share capital of the Company, issued or to be issued, in respect of (i) the contribution (*abondement*) that may be paid pursuant to the regulations of the employee savings plan of the Company or of the Group, and/or (ii) if applicable, the discount. This authorization would be granted for a term of 26 months and would cancel, as of the date of the Shareholders' Meeting, for an amount equal, as the case may be, to the unused portion, of the delegation granted by the Shareholders' Meeting of April 22, 2021 in its twenty-first resolution.

We suggest that you approve this resolution.

3.2.2 Issuance of securities with cancellation of the preferential subscription right reserved for certain categories of beneficiaries in order to allow employee shareholding transactions (twenty-first resolution)

The twenty-first resolution aims at granting an authorization to the Board of Directors to increase the share capital of the Company by the issuance of securities with cancellation of the preferential subscription right, reserved for certain categories of beneficiaries listed in the resolution (employees of non-French companies of the Rexel Group and intermediaries acting on their behalf) in order to allow such employees to benefit from employee shareholding or savings formulae equivalent in terms of economic advantage to those from which other Rexel employees would benefit under the twenty-first resolution of the Extraordinary Shareholders' Meeting of April 22, 2021, or any other substitute resolution (in particular the twentieth resolution submitted to this Shareholders' Meeting, if adopted) and would benefit, as the case maybe, from a more favorable tax and legal regime than under the resolution above-mentioned.

The issuances would comprise the issuance of ordinary shares, or of securities that are equity securities giving access, to other equity securities or giving right, to the allotment of debt securities, and/or of securities giving access, immediately or in the future, to equity securities to be issued.

This authorization would be limited to 1% of the share capital of the Company. The amount of issuances carried out pursuant to this resolution and to the twenty-first resolution of the Extraordinary Shareholders' Meeting of April 22, 2021, or any other substitute resolution (in particular the twentieth resolution submitted to this Shareholders' Meeting, if adopted) may not exceed a limit of 2% of the share capital of the Company. This limit would be deducted from the limit determined in the sixteenth resolution of the

Extraordinary Shareholders' Meeting of April 22, 2021 or any similar substitute resolution.

The subscription price(s) of the new shares shall be determined on the basis of an average of the Company's share price on the regulated market of Euronext in Paris over a period of up to twenty trading sessions prior to the date of the decision setting the opening date of the subscription period, the discount shall be set at a maximum of 30% of the retained average share price. The Board of Directors may reduce or eliminate the discount so granted as it deems appropriate in order to take into account, in particular, the market practices, the local regulations applicable in the relevant countries.

Alternatively, in the event of an issue under a Share Incentive Plan (SIP) under English law referred to in paragraph 3 (d) of the proposed resolution or a plan under US law based on Rule 423 of the Internal Revenue Code, the subscription price shall be equal to (i) the share price on the regulated market of Euronext in Paris at the opening of the reference period of this plan, such period may not exceed 12 months, or (ii) the share price recorded following the close of such period within a period set in application of the said applicable regulations, or (iii) the lower of the two share prices. This price shall be set without a discount to the retained share price in the context of a SIP and with a maximum discount of 15% in the context of a "423" Plan.

This delegation of authority would be granted for a term of 18 months and would cancel, as of the date of the Shareholders' Meeting, the delegation granted by the Shareholders' Meeting of April 22, 2021 in its twenty-second resolution.

We suggest that you approve this resolution.

3.2.3 Allotment of free shares to the employees and to the corporate officers of the Company and its subsidiaries (twenty-second resolution)

In accordance with the provisions of Articles L.225-129 *et seq.* and L.225-197-1 *et seq.* and L.22-10-59 of the French Commercial Code, the twenty-second resolution relates to the authorization to be granted to the Board of Directors to allocate free existing and/or newly issued shares of the Company, in one or several occurrences, to the employees and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth in Article L.225-197-2 of the French Commercial Code or to certain categories of them.

The granting of this authorization would allow the Board of Directors to put in place shares plans to the benefit of the corporate officers and the employees of the Rexel Group, in France and abroad. These plans have been part of the Group's compensation policy for several years.

The shares plans are essential instruments for the purposes of the development and transformation strategy of Rexel, which requires a major commitment by key-employees in order to achieve the necessary changes in a disruptive and highly competitive environment.

By recognizing and rewarding committed teams in all of its regions, Rexel improves its performance and ensures that the skills necessary to its development are established on a sustainable basis in order to strengthen its global presence.

With an unchanged number of shares available for allotments, Rexel wishes to increase the number of beneficiaries and to have these allotments benefit to a wider population more operational, performing and talented.

All of the shares allotted to the corporate officers of the Group, to the members of the Executive Committee, and country executive members will be subject to performance and presence conditions.

As for other participants, part of the shares could be allotted with a presence condition only, within the limitative terms set out below.

The terms of the authorization submitted at the Shareholders' Meeting are the following:

Maximum grant

The number of shares that may be allotted could not exceed 1.4% of the Company's share capital for a 26 month-period, calculated at the time when the Board of Directors makes its allotment decision.

This maximum amount of 1.4% of the share capital of the Company will include, as the case may be, the shares that would be allotted to the corporate officers of the Company.

It is reminded as well that additional limitations apply to the corporate officers:

1. The number of shares allocated to the corporate officers cannot exceed 10% of the total number of shares allocated to all beneficiaries (*i.e.*, a maximum of 0.14% of the share capital over a period of 26 months); and
2. The annual value of the performance shares allocated to the corporate officers cannot exceed 100% of the fixed and target variable compensation for the relevant year. The limit of 1.4% of the share capital of the Company for a 26 month-period has been determined on the basis of the number of employees of the Rexel Group, the current organization and the strategic challenges. This percentage is consistent with market practices and capital consumption level of plans granted to key people of Rexel, *i.e.* an annual average of approximately 0.6% of the share capital.

Therefore, it is a stable policy in relation with the number of shares allocated and aligned with market practices.

The total number of shares allotted cannot exceed 10% of the share capital as at the date of the allotment decision of the Board of Directors. For information purposes, shares that have been granted and that have not been delivered may result in the creation of 5,378,933 new shares, representing 1.76% of the share capital and the voting rights of Rexel at December 31, 2021.

Terms of the allotment

The Board of Directors shall subordinate to presence and performance conditions the entirety of the allotment of shares to corporate officers of the Group, Executive Committee members and country executive members.

For other participants, a portion of the shares may be subject to a presence condition only, it being specified that the total number of granted shares which are only subject to a presence condition may not exceed 20% of the amount of share capital that may be granted pursuant to this resolution (the remaining envelope - *i.e.* at least 80% of the shares - being as well subject to performance conditions).

Within the limit of 900 shares per beneficiary and per plan, regardless the beneficiaries (except for the executives population mentioned above), these shares submitted only to a presence condition would allow:

1. A wider recognition within the organization of a new population, more operational, performing and talented, therefore increasing the number of beneficiaries of the plans through the sole allocation of shares only submitted to a presence condition; and
2. An increase of the attractiveness of the plans for certain recurring beneficiaries, by substituting a portion of the performance shares with shares only submitted to a presence condition.

The conditions relating to the eligibility, the level of allotment and the measurement of the performance are determined each year by the Board of Directors, upon recommendation of the Compensation Committee. The performance conditions applicable to the shares plans are determined in line with the Group's strategy, and are rigorous. As a reminder, the conditions set forth under May 22, 2014 "Key Manager 4+0" plan have allowed the vesting of 31% of the shares allotted, those set forth under May 22, 2014 "Transition 4+0" plan have allowed the vesting of 36% of the shares allotted, those set forth under July 28, 2015 "Key Manager 3+2" plan have allowed the vesting of 18% of the shares allotted, those set forth under June 23, 2016 "3+2" and "4+0" plans have allowed the vesting of 45% of the shares allotted, those set forth under May 23, 2017 "3+2" and "4+0" plans have allowed the vesting of 74% of the shares allotted, those set forth under May 24, 2018 "3+0" plan have allowed the vesting of 40% of the shares allotted.

In case of a positive vote of the Shareholders' Meeting, the 2022 plan provides for the following performance conditions:

- The average annual growth rate of EBITA percentage 2021-2024, for 40% of the number of performance shares granted to each Beneficiary;

- The average between 2022, 2023 and 2024 of the ratio of free cash flow before interest and taxes / EBITDAaL, for 20% of the number of performance shares granted to each Beneficiary;
- The roll out of the ESG roadmap as captured by an internal Rexel ESG index made of six sub criteria for 20% of the number of performance shares granted to each Beneficiary: carbon footprint reduction scopes 1 and 2, carbon footprint reduction scope 3, sustainability stakeholder engagement, gender diversity across the organization and for the leadership team, reduced frequency of working accidents, high level of adherence of employees to ethics and compliance values as captured by the employee satisfaction survey and;
- The relative performance of the Rexel share compared to the SBF 120 GR index, for 20% of the number of performance shares granted to each Beneficiary.

Any allocation of shares, except for the maximum envelope of 20% of share capital that may be granted pursuant to this resolution, would be subject to the achievement of rigorous performance criteria adapted to the current Rexel environment. These performance criteria would be defined by the Board of Directors which assessed the objectives for the next three year-period.

The performance levels relating to the internal performance criteria would be appreciated after the three year-period, and would correspond to the average annual performances. The performance level relating to the Rexel share would also be assessed after the three year-period.

The expected level of achievement and the performance reached will be disclosed in a precisely manner *ex-post* in the Universal Registration Document. An *ex-ante* communication about the objectives would not allow preserving the Rexel Group interests by communicating any indication on its long-term strategy in a highly competitive environment. The main financial criteria (sales growth and EBITA growth) on the three year-period are designed to be more stringent than the annual guidance.

Performance shares allocated on September 28, 2020, April 22, 2021 and October 20, 2021 on the basis of the authorization granted by the Shareholders' Meeting of June 25, 2020 are

summarized hereafter (for more details, see paragraph 3.7.2.6 "Allotment of free shares" of the Universal Registration Document for the financial year ended December 31, 2021):

Number of free shares allotted on September 28, 2020	1,566,140
Representing a percentage of the share capital at December 31, 2021 of	0.50%
Of which corporate officers grant:	
Patrick Berard	100,000
Number of beneficiaries	1,021

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Number of free shares allotted on April 22, 2021	1,877,025
Representing a percentage of the share capital at December 31, 2021 of	0.62%
Of which corporate officers grant:	
Patrick Berard	0
Number of beneficiaries	1,153

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Number of free shares allotted on October 20, 2021	53,450
Representing a percentage of the share capital at December 31, 2021 of	0.02%
Of which corporate officers grant:	
Guillaume Texier	35,000
Number of beneficiaries	25

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Vesting and holding periods

The allotment of shares would only become effective after a minimum vesting period of 3 years and subject to a presence condition.

Furthermore, the vesting of the shares may take place prior to the end of vesting period in case of disability of the beneficiaries ranked in the 2nd and 3rd categories referred to in Article L.341-4 of the French Social Security Code (or equivalent provisions outside of France). The shares would then be immediately transferable.

It is reminded that, in accordance with Rexel's compensation policy, the corporate officers have a lock-up obligation in respect of 20% of the shares vested in connection with these plans until the termination of their duties.

Since 2014, Rexel applies performance conditions measured over a minimum period of three years in order to be in line with market practices.

Duration of the authorization

This authorization would be granted for a term of 26 months as from the date of the Shareholders' Meeting.

All of these elements have demonstrated the Rexel Group's intention to align with best market practices with respect to allotments of shares and thus to answer to its shareholders' expectations in this respect.

We therefore suggest that you approve this resolution.

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3.2.4 Free shares to be allotted to the employees or to the corporate officers subscribing to Group shareholding plan (twenty-third resolution)

In accordance with the provisions of Articles L.225-129 *et seq.* and L.225-197-1 *et seq.* and L.22-10-59 and L.22-10-60 of the French Commercial Code, the twenty-third resolution seeks to authorize the Board of Directors to carry out, in one or several occurrences, the allotment of free existing and/or newly-issued shares of the Company to employees and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth

in Article L.225-197-2 of the French Commercial Code and that subscribe to a Group employee shareholding plan established as part of a capital increase reserved for them, carried out under the twentieth resolution of the Extraordinary Shareholders' Meeting of April 22, 2021, or any other substitute resolution or as part of a sale of existing shares reserved for members of a Group savings plan.

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The granting of this authorization would enable the Board of Directors to establish free share plans for eligible employees or corporate officers who would subscribe to a shareholding plan. In fact, an employer matching contribution is often granted to persons who subscribe to employee shareholding plans and it may be necessary, particularly for countries other than France, that the employer's matching contribution takes the form of an allocation of free shares.

This tool was established by Rexel in recent years as part of its "Opportunity" plans outside of France. This resolution is thus necessary to enable Rexel to ensure continuity in the structure of its employee shareholding plans.

Under such a structure, the matching free shares can be allotted at the time of delivery of the shares subscribed to under the employee shareholding plan and delivered subject to a continued employment condition, for example, after a minimum period of 3 years, that is to say at a date close to the end of the retention period of the shares under the Group Savings Plan.

No retention period is applicable in this case.

It is consistent to not submit these shares to performance conditions, as it represents a benefit linked to an employee or corporate officer investment under the employee shareholding plan.

The main terms of the authorization submitted to the Shareholders' Meeting are:

Grant limits

The number of free shares that can be allotted could not exceed 0.3% of the share capital of the

Company, calculated at the time the Board of Directors makes its allotment decision.

The total number of freely allotted shares cannot exceed 10% of the share capital as at the date of the decision regarding their allotment by the Board of Directors.

Terms of the grant

The Board of Directors would determine the terms of the allotment and, as the case may be, the eligibility conditions of the allotment. It shall subject the allotment of shares to a continued employment condition. It may, however, make exceptions to such a condition in very special cases.

Acquisition and retention periods

The allotment of shares would only become effective after a minimum acquisition period of 3 years, with no retention period.

Furthermore, the shares may become vested before the end of the acquisition period in the event that the beneficiaries become disabled and that such disability corresponds to the 2nd or 3rd category set forth under Article L.341-4 of the French Social Security Code (or equivalent provisions outside of France). The shares would immediately become freely transferable.

Duration of the authorization

The authorization would be granted for a term of 26 months as of the date of the Shareholders' Meeting.

We therefore invite you to approve this resolution

3.3 Powers for legal formalities (twenty-fourth resolution)

The twenty-fourth resolution concerns the powers to be granted in order to carry out formalities subsequent to the Shareholders' Meeting, particularly publication and filing formalities.

We suggest that you approve this resolution.

Signed in Paris

On February 10, 2022

The Board of Directors

Schedule 1

Delegations and authorizations

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF APRIL 21, 2022		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
AUTHORIZATIONS SUBMITTED FOR RENEWAL TO THE SHAREHOLDERS MEETING OF APRIL 21, 2022							
Repurchase by Rexel of its own shares							
Stock repurchase	April 22, 2021 (resolution 14)	18 months (October 21, 2022)	10% of the share capital at the date of completion Maximum total amount: €250,000,000 Maximum purchase price: €30	Use in the context of the liquidity agreement entered into with Natixis and Oddo for market-making purposes: <ul style="list-style-type: none">• acquisition of 6,468,681 shares at an average price of €16.68; and• sale of 6,692,966 shares at an average price of €16.69	18	18 months	10% of the share capital at the date of completion Maximum total amount: €250,000,000 Maximum purchase price: €30
Decrease in the share capital by canceling shares							
Decrease in the share capital by canceling shares	April 22, 2021 (resolution 15)	18 months (October 21, 2022)	10% of the share capital on the date of cancellation by 24-month periods	N/A	19	18 months	10% of the share capital on the date of cancellation by 24-month periods
Employee shareholding, allocation of share subscription or purchase options, free share allocations							
Issuance with cancellation of preferential subscription rights to the benefit of the members of a share savings plan	April 22, 2021 (resolution 21)	26 months (June 22, 2023)	2% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the maximum of €720M provided for by resolution number 16 of the Shareholders' Meeting of April 22, 2021 This maximum to be deducted from the joint maximum amount of 2% for resolutions number 20 and 21 of the Shareholders' Meeting of April 22, 2021 The issue price will be determined in accordance with the conditions set out in Articles L.3332-19 <i>et seq.</i> of the French Labor Code. The maximum discount is set at 20% of the average of the opening prices during the twenty trading days preceding the date of the Board of Directors' decision setting the opening date for subscriptions	N/A	20	26 months	2% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the joint maximum amount of €720M provided for in resolution 16 of the Shareholders' Meeting of April 22, 2021 This maximum to be deducted from the joint maximum amount of 2% provided for by resolutions number 20 and 21 The issue price will be determined on the basis of an average of the Company's share price on the regulated market of Euronext in Paris over a period of up to twenty trading sessions prior to the date of the decision setting the opening date of the subscription period

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF APRIL 21, 2022		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Issuance with cancellation of the preferential subscription right reserved for certain categories of beneficiaries in order to allow employee shareholding transactions The categories of beneficiaries are (a) employees and corporate officers of non-French companies related to the Company, (b) UCITS or other employee shareholding entities invested in the Company's shares, (c) banking establishments or their subsidiaries that intervene for the purposes of setting up an employee shareholding plan and/or (d) financial establishments mandated within the framework of a "Share Incentive Plan".	April 22, 2021 (resolution 22)	18 months (October 21, 2022)	1% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the maximum of €720M provided for by resolution number 16 of the Shareholders' Meeting of April 22, 2021 This maximum to be deducted from the joint maximum amount of 2% provided for by resolutions number 21 and 22 of the Shareholders' Meeting of April 22, 2021	N/A	21	18 months	1% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the €720M maximum provided for by resolution 16 of the Shareholders' Meeting of April 22, 2021 This maximum to be deducted from the joint maximum amount of 2% provided for by resolutions number 20 and 21
Allotment of performance shares	June 25, 2020 (resolution 18)	26 months (August 24, 2022)	1.4% of the share capital as at the date of the decision of the Board of Directors	Allocation on September 28, 2020 of 1,566,140 shares, i.e. €7,850,700 Allocation on April 22, 2021 of 1,877,025 shares, i.e., €9,385,125 Allocation on October 20, 2021 of 53,450 shares i.e. €267,250	22	26 months	1.4% of the share capital as at the date of the decision of the Board of Directors
Allotment of free shares to the members of the personnel and to the corporate officers members of a shareholding plan	June 25, 2020 (resolution 19)	26 months (August 24, 2022)	0.3 % of the share capital as at the date of the decision of the Board of Directors	Delivery on July 1, 2021 of 188,334 shares or 941,670 euros	23	26 months	0.3% of the share capital as at the date of the decision of the Board of Directors
AUTHORIZATION NOT SUBMITTED FOR RENEWAL TO THE SHAREHOLDERS MEETING OF April 21, 2022							
Share capital increase							
Issuance with maintenance of preferential subscription rights	April 22, 2021 (resolution 16)	26 months (June 21, 2023)	Equity securities: €720,000,000 (i.e. 144,000,000 of shares) This maximum is common to resolutions number 17 to 22 of the Shareholders' Meeting of April 22, 2021 Debt securities: €1,000,000,000 This maximum is common to resolutions number 17 to 22 of the Shareholders' Meeting of April 22, 2021	N/A	N/A	N/A	N/A

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF APRIL 21, 2022		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Issuance by way of public offering other than those referred to in Article L.411-2, 1° of the French Monetary and Financial Code, with cancellation of the preferential subscription right	April 22, 2021 (resolution 17)	26 months (June 21, 2023)	Equity securities: €140,000,000 (i.e. 28,000,000 of shares)	N/A	N/A	N/A	N/A
			This maximum is common to resolutions number 17 and 18 of the Shareholders' Meeting of April 22, 2021				
			This maximum to be deducted from the maximum provided for by resolution number 16 of the Shareholders' Meeting of April 22, 2021				
			Debt securities: €1,000,000,000				
			This maximum to be deducted from the maximum provided for by resolution number 16 of the Shareholders' Meeting of April 22, 2021				
			The issue price is set in accordance with the legal provisions applicable on the date of issuance (to date, the weighted average of the listed prices of the Company's share during the last three trading days preceding the start of the offering to the public, possibly reduced by a 10% discount)				
Issuance by way of offering referred to in article L.411-2, 1° of the French Monetary and Financial Code, with cancellation of the preferential subscription right	April 22, 2021 (resolution 18)	26 months (June 21, 2023)	Equity securities: €140,000,000 (i.e. 28,000,000 of shares)	N/A	N/A	N/A	N/A
			This maximum to be deducted from the maximum provided for by resolutions number 16 and 17 of the Shareholders' Meeting of April 22, 2021				
			Debt securities: €1,000,000,000				
			This maximum to be deducted from the maximum provided for by resolution number 16 of the Shareholders' Meeting of April 22, 2021				
			The issue price is set in accordance with the legal provisions applicable on the date of issuance (to date, the weighted average of the listed prices of the Company's share during the last three trading days preceding the start of the offering to the public, possibly reduced by a 10% discount)				

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF APRIL 21, 2022		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Authorization granted to increase the amount of the initial issuance with maintenance or cancellation of the preferential subscription right	April 22, 2021 (resolution 19)	26 months (June 21, 2023)	15% of the initial issuance This maximum to be deducted from the maximum provided for by resolution number 16 of the Shareholders' Meeting of April 22, 2021	N/A	N/A	N/A	N/A
Issuance within the limit of 10% of the share capital, in consideration of contributions in kind	April 22, 2021 (resolution 20)	26 months (June 21, 2023)	10% of the share capital on the day of the decision of the Board of Directors deciding the issuance This maximum to be deducted from the maximum provided for by resolutions number 16 and 17 of the Shareholders' Meeting of April 22, 2021	N/A	N/A	N/A	N/A
Capital increase by incorporation of premiums, reserves, profits or others whose capitalization would be permitted	April 22, 2021 (resolution 23)	26 months (June 21, 2023)	€200,000,000 (i.e. 40,000,000 of shares) This limit is not deducted from any maximum	N/A	N/A	N/A	N/A

6.2 Text of the draft resolutions submitted to the Combined Shareholders' Meeting of April 21, 2022

I. Resolutions to be submitted to the Ordinary Shareholders' Meeting

First resolution

(Approval of the annual financial statements for the financial year ended December 31, 2021)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the reports of the Board of Directors and of the Statutory Auditors on the annual financial statements for the financial year ended December 31, 2021,

Approved the annual financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, for the financial year ended December 31, 2021, as presented to it, as well as the transactions

reflected in such financial statements and summarized in these reports.

The financial statements show a loss of €53,245,790.05.

In accordance with the provisions of Article 223 quarter of the French General Tax Code, the Shareholders' Meeting approved the global amount of the costs and expenses referred to under Article 39-4 of the French General Tax Code which stood at €4,195 for the closed financial year, corresponding to an assumed corporation tax amounting to €1,192.

Second resolution

(Approval of the consolidated financial statements for the financial year ended December 31, 2021)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the reports of the Board of Directors and of the Statutory Auditors on the consolidated financial statements for the financial year ended December 31, 2021,

Approved the consolidated financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, for the financial year ended December 31, 2021, as presented to it, as well as the transactions reflected in such financial statements and summarized in these reports.

The financial statements show a profit of €597.6 million.

Third resolution

(Allocation of results for the financial year ended December 31, 2021, distribution of an amount of €0.75 per share by deduction from the issue premium)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

Decided to allocate the loss for the year ended December 31, 2021, which amounted to €53,245,790.05 as follows:

Origin of the amounts to be allocated:

- Results from the 2021 financial year €(53,245,790.05)
- Previous carry forward at December 31, 2021 €0

Total €(53,245,790.05)

Allocation of results:

- Carry forward account €(53,245,790.05)

Balance €(53,245,790.05)

The Shareholders' Meeting decided to set the distribution at €0.75 per share giving right to such distribution, and attached to each of the shares conferring rights thereto, allocated as follows:

Proposed distribution: €228,827,269.5

Deducted from:

- Issue premium €228,827,269.5

As a result of the aforementioned distribution, the "issue premium" account has been reduced from €1,289,834,684 to €1,061,007,414.5.

The right to this distribution shall be detached from the share on June 3, 2022, and the distribution shall be paid on June 7, 2022.

The aggregate amount of the distribution of €228,827,269.5 was determined on the basis of the number of shares making up the share capital of 305,716,491 as at December 31, 2021 and of the number of shares held by the Company of 613,465 shares at the same date.

The aggregate amount of the distribution and the issue premium will be adjusted in order to take into account the number of shares held by the Company at the date of payment of the distribution that do not entitle to distributions, and of the new shares, if any, conferring rights to the distribution issued in the event of final vesting of free shares allocated. Prior to the payment of the distribution, the Board of Directors or, upon delegation, the Chief Executive Officer, shall acknowledge the number of shares held by the Company as well as the number of additional shares that will have been issued as a result of the final vesting of shares allocated free of charge. The necessary amounts for the payment of the distribution attached to the shares "issued during" this period shall be deducted from the issue premium account.

With regard to the tax treatment of the distribution of €0.75 per share proposed to the shareholders of the Company, it is specified, subject to possible adjustments related to any variations mentioned in the above paragraph, that the distribution will be treated from a tax perspective up to €0.75 as a reimbursement of a contribution or an issue premium within the meaning of Article 112 of the French General Tax Code, which is not taxable for individual shareholders resident in France but which must be deducted from the tax cost of the share.

During the last three financial years, the Company has distributed the following amounts to the shareholders:

	2020	2019	2018
Amount distributed per share	€0.46 ⁽¹⁾	-	€0.44 ⁽¹⁾
Number of shares eligible	303,276,624	-	302,193,786
Total distribution	€139,507,247.04	-	€132,965,265.84

(1) Amount(s) eligible for the 40% tax rebate that individuals residing in France for tax purposes benefit from, in accordance with Article 158-3-2° of the French General Tax Code.

Fourth resolution

(Authorization of agreements referred to in Articles L.225-38 et seq. of the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and the Statutory Auditors' special

report on related party transactions governed by Articles L.225-38 et seq. of the French Commercial Code,

Acknowledged that no new agreements were entered into during the financial year ended December 31, 2021 and acknowledged that no agreements entered into in previous financial years were continued during the last financial year.

Fifth resolution

(Approval of the compensation policy applying to the Chairman of the Board of Directors for the 2022 financial year, pursuant to Article L.22-10-8 of the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2021, which

constitutes the report on corporate governance, in accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.1.3 "Compensation policy applicable to the Chairman of the Board of Directors for the financial year 2022",

Approved the compensation policy applying to the Chairman of the Board of Directors by virtue of his mandate for the financial year 2022 as presented in such document.

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Sixth resolution

(Approval of the compensation policy applying to the Directors for the 2022 financial year, pursuant to Article L.22-10-8 of the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the

financial year ended December 31, 2021, which constitutes the report on corporate governance, in accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.1.2 "Compensation policy applicable to Directors for the financial year 2022",

Approved the compensation policy applying to Directors by virtue of their mandate for the financial year 2022 as presented in such document.

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Seventh resolution

(Approval of the compensation policy applying to the Chief Executive Officer for the 2022 financial year, pursuant to Article L.22-10-8 of the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2021, which

constitutes the report on corporate governance, in accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.1.4 "Compensation policy applicable to the Chief Executive Officer for the financial year 2022",

Approved the compensation policy applying to the Chief Executive Officer by virtue of his mandate for the financial year 2022 as presented in such document.

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Eighth resolution

(Approval of the information referred to in Article L.22-10-9, I of the French Commercial Code for the financial year ended December 31, 2021)

The Shareholders' Meeting deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2021, which constitutes the report on corporate governance, in

accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.2 "Compensation of corporate officers for the 2021 financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)",

Approved, pursuant to Article L.22-10-34, I of the French Commercial Code, the information referred to in Article L.22-10-9, I of the French Commercial Code in respect of the financial year ended December 31, 2021.

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Ninth resolution

(Approval of the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the 2021 financial year to Ian Meakins, Chairman of the Board of Directors)

The Shareholders' Meeting deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2021, which constitutes the report on corporate governance, in accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.2 "Compensation of corporate officers for the 2021

financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)",

Approved, pursuant to Article L.22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the financial year ended December 31, 2021 to Ian Meakins, Chairman of the Board of Directors, as described in the Universal Registration Document of the Company for the financial year ended December 31, 2021, paragraph 3.2.2.2 "Compensation and other benefits of any kind paid or allocated to Ian Meakins, Chairman of the Board of Directors".

Tenth resolution

(Approval of the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the 2021 financial year to Patrick Berard, Chief Executive Officer until September 1, 2021)

The Shareholders' Meeting deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2021, which constitutes the report on corporate governance, in accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.2 "Compensation of corporate officers for the 2021

financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)",

Approved, pursuant to Article L.22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the financial year ended December 31, 2021 to Patrick Berard, Chief Executive Officer until September 1, 2021, as described in the Universal Registration Document of the Company for the financial year ended December 31, 2021, paragraph 3.2.2.3 "Compensation and other benefits of any kind paid or allocated to Patrick Berard, Chief Executive Officer until September 1, 2021".

Eleventh resolution

(Approval of the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the 2021 financial year to Guillaume Texier, Chief Executive Officer from September 1, 2021)

The Shareholders' Meeting deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2021, which constitutes the report on corporate governance, in accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.2 "Compensation of corporate officers for the 2021

financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)",

Approved, pursuant to Article L.22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the financial year ended December 31, 2021 to Guillaume Texier, Chief Executive Officer from September 1, 2021, as described in the Universal Registration Document of the Company for the financial year ended December 31, 2021, paragraph 3.2.2.3 "Compensation and other benefits of any kind paid or allocated to Guillaume Texier, Chief Executive Officer from September 1, 2021".

Twelfth resolution

(Ratification of the co-option of Barbara Dalibard as Director)

The Shareholders' Meeting deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

Decided, in accordance with Article L. 225-24 of the French Commercial Code, to ratify the co-

option of Barbara Dalibard as Director to replace Herna Verhagen, who resigned, for the remaining term of her predecessor's mandate, i.e. until the Shareholders' Meeting convened to resolve on the financial statements for the financial year ending December 31, 2021, to be held in 2022. This co-option was decided by the Board of Directors on December 3, 2021.

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Thirteenth resolution

(Renewal of the term of office of Barbara Dalibard as Director)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

In accordance with Article L.225-18 of the French Commercial Code:

1. Acknowledged the expiry of the term of office of Barbara Dalibard as Director, effective as of the end of this Shareholders' Meeting convened

to resolve on the financial statements for the financial year ending December 31, 2021; and

2. Decided to renew the term of office as Director of Barbara Dalibard for a term of four years which is to expire upon the end of the Shareholders' Meeting which will be convened to resolve on the financial statements for the financial year ending December 31, 2025, to be held in 2026.

Barbara Dalibard has indicated that she was prepared to serve for another term of office and that she was not legally prohibited from doing so in any manner whatsoever.

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Fourteenth resolution

(Renewal of the term of office of François Auque as Director)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

In accordance with Article L.225-18 of the French Commercial Code:

1. Acknowledged the expiry of the term of office of François Auque as Director, effective as of the end of this Shareholders' Meeting convened to resolve on the financial statements for the financial year ending December 31, 2021 in accordance with the provisions of Article 14.2 of

the by-laws of the Company, that provides for the Board of Directors to be renewed on a quarterly basis adjusted to the next higher unit each year so that it is fully renewed every four years; and

2. Decided to renew the term of office as Director of François Auque for a term of four years which is to expire upon the end of the Shareholders' Meeting which will be convened to resolve on the financial statements for the financial year ending December 31, 2025, to be held in 2026.

François Auque has indicated that he was prepared to serve for another term of office and that he was not legally prohibited from doing so in any manner whatsoever.

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Fifteenth resolution***(Renewal of the term of office of Agnès Touraine as Director)***

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

In accordance with Article L.225-18 of the French Commercial Code:

1. Acknowledged the expiry of the term of office of Agnès Touraine as Director, effective as of the end of this Shareholders' Meeting convened to resolve on the financial statements for the financial year ending December 31, 2021 in accordance with the provisions of Article 14.2 of

the by-laws of the Company, that provides for the Board of Directors to be renewed on a quarterly basis adjusted to the next higher unit each year so that it is fully renewed every four years; and

2. Decided to renew the term of office as Director of Agnès Touraine for a term of four years which is to expire upon the end of the Shareholders' Meeting which will be convened to resolve on the financial statements for the financial year ending December 31, 2025, to be held in 2026.

Agnès Touraine has indicated that she was prepared to serve for another term of office and that she was not legally prohibited from doing so in any manner whatsoever.

Sixteenth resolution***(Renewal of the mandate of KPMG SA as Statutory Auditor)***

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

Acknowledged that term of KPMG SA as Statutory Auditor will expire at the end of this Shareholders'

Meeting, decided to renew the mandate of KPMG SA as Statutory Auditor for a period of six financial years, which will expire at the end of the Shareholders' Meeting which will be convened to resolve on the financial statements for the financial year ending December 31, 2027, to be held in 2028.

KPMG SA declared that it accepts these functions.

Seventeenth resolution***(Renewal of the mandate of Salustro Reydel as alternate Statutory Auditor)***

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

Acknowledged that term of Salustro Reydel as alternate Statutory Auditor will expire at the end of

this Shareholders' Meeting, decided to renew the mandate of Salustro Reydel as alternate Statutory Auditor for a period of six financial years, which will expire at the end of the Shareholders' Meeting which will be convened to resolve on the financial statements for the financial year ending December 31, 2027, to be held in 2028.

Salustro Reydel declared that it accepts these functions.

Eighteenth resolution***(Authorization to be granted to the Board of Directors to carry out transactions on the Company's shares)***

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

Decided to authorize the Board of Directors, with the option to delegate such authorization, in accordance with the provisions of Articles L.225-206 *et seq.* of the French Commercial Code, the

provisions of Articles L.22-10-62 *et seq.* of the French Commercial Code, the provisions of Articles 241-1 to 241-7 of the General Regulations of the French Financial markets authority (the "AMF") and the provisions of the European regulation relating to market abuse, to purchase or cause to be purchased shares of the Company, in order of highest to lowest priority, with a view to:

- Ensuring liquidity and activity in the market for the shares of the Company through an investment services provider, acting independently under a liquidity agreement in accordance with a market ethics charter acknowledged by the AMF;

- Satisfying the obligations arising out of allocations of stock options, allotments of free shares or any other granting, allotment or sale of shares to the employees or the corporate officers of the Company or of an associated enterprise and carrying out any hedging operation relating to such transactions, in accordance with the conditions set forth by the market authorities and at such times that the Board of Directors or any person acting upon the authority of the Board of Directors implements such actions;
- Ensuring the coverage of the undertakings of the Company under rights with a settlement in cash and relating to the positive evolution of the trading price of the share of the Company granted to the employees or the corporate officers of the Company or of an associated enterprise;
- Retaining shares and delivering shares further to an exchange or as a consideration in the context of external growth transactions, in accordance with applicable regulations;
- Granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to shares of the Company;
- Cancelling all or part of the shares so repurchased, in accordance with applicable laws and subject to an authorization being granted by the Extraordinary Shareholders' Meeting; and
- Implementing any other action that is or will become permitted by French law or the AMF or any other purpose that may comply with the regulations in force.

The acquisition, sale or transfer of the shares may be carried out or paid by any means, on the market or over the counter, including through transactions involving blocks of securities or takeover bids, option mechanisms, derivatives, purchase of options or of securities in conformity with the applicable regulatory conditions. The portion of the plan carried out through transactions involving blocks of shares may reach the total amount of the share repurchase plan.

This authorization shall be implemented pursuant to the following conditions:

- The maximum number of shares that the Company may purchase under this resolution shall not exceed 10% of the shares making up the share capital as at the date of completion of the repurchase of the shares of the Company;
- The number of shares acquired by the Company in view of holding them for subsequent payment or exchange in a merger, spin-off or contribution may not exceed 5% of the Company's share capital;

- The total maximum amount allocated to the repurchase of the shares of the Company may not exceed €250 million;
- The maximum purchase price per share of the Company has been set at €30, it being specified that in the event of transactions on the share capital, in particular by way of incorporation of reserves and allocation of free shares, division or grouping of shares, this maximum purchase price shall be adjusted accordingly by using a multiplying factor equal to the ratio between the number of shares making up the share capital prior to the relevant transaction, and the number of shares further to such transaction;
- The shares held by the Company may not represent, at any time, more than 10% of its share capital; and
- The shares repurchased and retained by the Company will be deprived of voting rights and will not give right to the payment of dividends.

The Board of Directors will not be able, except with the prior approval of the Shareholders' Meeting, to pursue the implementation of its share repurchase program as from the filing by a third party of a public offer on the Company's securities and until the end of the offer period.

Full powers were granted to the Board of Directors, with the option to delegate such powers to any person in accordance with the legislative and regulatory provisions, to achieve this share repurchase program of the Company's shares, and in particular to give any stock exchange orders, enter into any agreement for the keeping of the share purchase and sale registers, make any disclosures to the AMF and any other authorities, prepare any documents, in particular information documentation, allocate and, as the case may be, reallocate, subject to the conditions provided by the law, the shares acquired for the various purposes envisaged, carry out any formalities and, more generally, do as necessary.

This authorization is granted for a term of 18 months as from the date of this Shareholders' Meeting.

This authorization shall cancel, to the extent of the unused portion, any prior authorization with the same purpose, and supersede the authorization granted by the fourteenth resolution of the Ordinary Shareholders' Meeting of the Company of April 22, 2021.

The Board of Directors will, every year, inform the Shareholders' Meeting of the operations carried out pursuant to this resolution, in compliance with Article L.225-211 of the French Commercial Code.

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II. Resolutions to be submitted to the Extraordinary Shareholders' Meeting

Nineteenth resolution

(Authorization to be granted to the Board of Directors to carry out a share capital decrease by cancellation of shares)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and the Statutory Auditors' special report,

Authorized the Board of Directors to reduce the share capital, in one or several occurrences, in the proportions and at the times that it shall deem appropriate, by cancellation of all or part of the Company's shares acquired pursuant to any share repurchase programs authorized by the Shareholders' Meeting, within the limit of 10% of the share capital of the Company as at the date of the cancellation per periods of 24 months, in accordance with the provisions of Articles L.22-10-62 *et seq.* of the French Commercial Code.

This authorization is granted for a term of 18 months as from the date of this Shareholders' Meeting.

Full powers were granted to the Board of Directors, with the power to delegate such powers, in order to:

- Reduce the share capital by cancellation of the shares;
- Determine the final amount of the share capital decrease;
- Determine the terms and conditions thereof and acknowledge its completion;
- Deduct the difference between the book value of the cancelled shares and their nominal amount from any available reserve and premium accounts; and
- In general, do as necessary for the proper performance of this authorization, amend the by-laws accordingly and carry out any required formalities.

This authorization shall cancel, in respect of the unused amount, any prior authorization with the same purpose, and supersede the authorization granted by the fifteenth resolution of the Extraordinary Shareholders' Meeting of the Company of April 22, 2021.

Twentieth resolution

(Authorization to be granted to the Board of Directors to increase the share capital by issuance of ordinary shares or securities that are equity securities giving access to other equity securities of the Company or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued, with cancellation of the shareholders' preferential subscription right, to the benefit of members of a savings plan)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and the Statutory Auditors' special report and deciding in accordance with, on the one hand, the provisions of Articles L.225-129-2, L.225-129-6 and L.225-138-1 of the French Commercial Code and the provisions of Articles L.22-10-49 *et seq.* of the French Commercial Code and, on the other hand, the provisions of Articles L.3332-1 *et seq.* of the French Labor Code:

1. Authorized the Board of Directors, with the option to subdelegate such authorization to any duly authorized person in accordance with legal and regulatory provisions, to decide to increase

the share capital, in one or several occurrences, upon its sole decisions, at the time and in accordance with the terms that it shall determine by the issuance (i) of ordinary shares, and/or (ii) of securities that are equity securities giving access, immediately or in the future, to other equity securities or giving right, immediately or in the future, to the allocation of debt securities, and/or (iii) of securities conferring access to equity securities to be issued by the Company, reserved for members of one or several company savings plan(s) (*plan d'épargne d'entreprise*) or group savings plan(s) (*plan d'épargne de groupe*) established jointly by the Company and the French or foreign companies that are linked to the Company within the meaning of Article L.225-180 of the French Commercial Code and of Article L.3344-1 of the French Labor Code;

2. Decided to cancel the shareholders' preferential subscription rights in respect of new shares to be issued pursuant to this authorization for the benefit of the beneficiaries referred to in the first paragraph above;
3. Acknowledged that this delegation of powers implies a waiver by the shareholders of their

preferential right to subscribe for the equity securities of the Company to which the securities that may be issued pursuant to this delegation give right;

4. Decided that the issue price(s) of the new shares or of the securities conferring access to the share capital shall be determined in accordance with the provisions of Articles L.3332-19 *et seq.* of the French Labor Code and that the maximum discount shall amount to 30% of the average of the first trading prices during the 20 trading days preceding the date of the Board of Directors' decision determining the opening date of the subscription period. Nevertheless, the Shareholders' Meeting expressly authorized the Board of Directors to reduce or eliminate the discount, in order to take into account, in particular, the regulations applicable in the countries where the offer will be implemented;
5. Decided that the maximum nominal amount of the share capital increase(s) which may be carried out pursuant to this authorization may not exceed 2% of the share capital of the Company appraised as at the date of the decision of use of this authorization by the Board of Directors, it being specified that:
 - The nominal maximum amount of the share capital increase(s) that may be carried out pursuant to this resolution, as well as to the twenty-second resolution of the Extraordinary Shareholders' Meeting of April 22, 2021 or any other substitute resolution (in particular, the twenty-first resolution of this Shareholders' Meeting if adopted), may not exceed a limit of 2% of the share capital of the Company;
 - The maximum nominal amount of any share capital increase(s) that may be carried out pursuant to this authorization shall be deducted from the overall limit set by the sixteenth resolution of the Extraordinary Shareholders' Meeting of April 22, 2021 or by any resolution of the same nature that may substitute for; and
 - These amounts do not include the nominal amount of the additional shares to be issued in order to maintain the rights of the holders of securities or other rights giving access to the share capital of the Company, in accordance with applicable legal and regulatory provisions and with any applicable contractual provisions providing for other cases of adjustment;
6. Decided, pursuant to the provisions of Article L.3332-21 of the French Labor Code, that the Board of Directors may decide on the allocation to the beneficiaries referred to in the first paragraph above, free of charge, of shares to

be issued or existing, or of other securities conferring access to the share capital of the Company, issued or to be issued, in respect of (i) the contribution (*abondement*) that may be paid pursuant to the regulations of the employee savings plan of the Company or of the Group, and/or (ii) if applicable, the discount;

7. Decided that, should the beneficiaries referred to in the first paragraph above not subscribe the share capital increase in full within the allocated time period, such share capital increase would only be completed for the amount of subscribed shares; unsubscribed shares may be offered again to such beneficiaries in the context of a subsequent share capital increase;
8. Granted full powers to the Board of Directors, with the option to delegate or subdelegate such powers, in accordance with legal and regulatory provisions, to implement this authorization, and in particular, for the purposes of:
 - Determining the eligibility criteria for companies whose employees may benefit from the issuances carried out pursuant to this authorization, and establishing the list of such companies;
 - Determining the terms and conditions of the transactions, the characteristics of the shares, and if applicable, of the other securities, determine the subscription price calculated in accordance with the method defined in this resolution, determine the dates of opening and of closing of the subscription and the dividend entitlement dates and determine the dates and terms and conditions of payment of the subscribed shares;
 - Taking any necessary action for the admission to trading of the issued shares in any place where it shall deem appropriate; and
 - Deducting from the "issuance premiums" account the amount of the expenses relating to these share capital increases and charging, if it deems fit, on this account the necessary amounts to increase the legal reserve to one tenth of the new share capital after each issuance, amending the by-laws accordingly and, in general, carrying out directly or indirectly, any transactions and formalities related to the share capital increases carried out pursuant to this authorization;
9. Decided that the authorization granted to the Board of Directors pursuant to this resolution shall be effective for a term of 26 months as from the date of this Shareholders' Meeting;
10. Decided that this authorization shall make void any prior authorization with the same purpose, up to the unused portion of this authorization.

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Twenty-first resolution

(Delegation of authority to the Board of Directors to decide upon the issuance of ordinary shares or securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued, with cancellation of the shareholders' preferential subscription right for the benefit of certain categories of beneficiaries in order to allow the implementation of employee shareholding transactions)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, deciding in accordance with the provisions of Articles L.225-129-2 *et seq.* of the French Commercial Code, the provisions of Article L.225-138 of the French Commercial Code and the provisions of Articles L.22-10-49 *et seq.* of the French Commercial Code:

1. Delegated to the Board of Directors, with the option to subdelegate such powers to any duly empowered person in accordance with legislative and regulatory provisions, the authority necessary to increase, on one or more occasions, at such time or times and in the amounts that it shall decide, the share capital through the issue of (i) ordinary shares, and/or (ii) securities that are equity securities giving access to other equity securities of the Company or giving right, immediately or in the future, to the allocation of debt securities, and/or (iii) securities giving access, to equity securities to be issued of the Company, such an issue being reserved for persons meeting the criteria in the categories defined in paragraph 3 below;
2. Decided that the maximum nominal amount of the share capital increase(s) that may be carried out pursuant to this delegation shall not exceed 1% of the share capital of the Company, considered as at the date of the decision of use of this authorization by the Board of Directors, it being specified that:
 - The maximum nominal amount of the issuance(s) carried out pursuant to this delegation, as well as to the twenty-first resolution of the Extraordinary Shareholders' Meeting of April 22, 2021 or any other substitute resolution (in particular, the twentieth resolution of this Shareholders' Meeting if adopted), may not exceed a limit of 2% of the share capital of the Company;
 - The maximum nominal amount of any share capital increase(s) that may be carried out pursuant to this authorization shall be deducted from the overall limit set by the

sixteenth resolution of the Shareholders' Meeting of April 22, 2021 or any other substitute resolution; and

- These amounts do not include the nominal amount of the additional shares to be issued in order to maintain the rights of the holders of securities or other rights giving access to the share capital of the Company, in accordance with applicable legal and regulatory provisions and with any applicable contractual provisions providing for other cases of adjustment;
3. Decided to eliminate shareholders' preferential subscription rights to securities which may be issued pursuant to this delegation, and to reserve the right to subscribe to beneficiaries satisfying the following criteria:
 - a) Employees and corporate officers of foreign companies which are related to the Company within the meaning of Article L.225-180 of the French Commercial Code; and/or
 - b) Employee shareholding UCITS or other entities, with or without an independent legal existence, which are invested in securities of the Company, and whose unitholders or shareholders are comprised of the individuals described in (a) above; and/or
 - c) Any banking institution or subsidiary of such an institution involved upon the Company's request for the purposes of implementing a shareholding or savings plan for the benefit of the persons mentioned in (a) of this paragraph, insofar as recourse to the subscription of the person authorized in accordance with this resolution would allow the employees or corporate officers mentioned above to benefit from employee shareholding or savings formulae equivalent in terms of economic advantage to those from which the other Rexel Group employees would benefit in comparable situations; and/or
 - d) One or several financial institutions mandated in connection with the Share Incentive Plan (SIP) established for the benefit of employee and corporate officers of companies of the Rexel Group which are related to the Company within the meaning of Article L.225-180 of the French Commercial Code whose registered offices are located in the United Kingdom;
 4. Acknowledged that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe for the equity securities of the Company to which the securities that may be issued pursuant to this delegation give right;

5. Decided that the issue price of the new shares shall be determined in the following manner, depending on the case:

a) In case of issuance referred to in paragraphs 3 (a) to (c) above, the subscription price(s) of the new shares shall be determined on the basis of an average of the Company's share price on the regulated market of Euronext in Paris over a period of up to twenty trading sessions prior to the date of the decision setting the opening date of the subscription period. The discount shall be set at a maximum of 30% of the retained average share price. However, the Shareholders' Meeting expressly authorized the Board of Directors to reduce or eliminate the discount, in order to take into account, in particular, the market practices, the regulation applicable in the countries where the offer will be implemented; and

b) Alternatively, in the event of an issue under a Share Incentive Plan (SIP) under English law referred to in paragraph 3 (d) above or a plan under US law based on Rule 423 of the Internal Revenue Code, the subscription price shall be equal to (i) the share price on the regulated market of Euronext in Paris at the opening of the reference period of this plan, such period may not exceed 12 months, or (ii) the share price recorded following the close of such period within a period set in application of the said applicable regulations, or (iii) the lower of the two share prices. This price shall be set without a discount to the retained share price in the context of a SIP and with a maximum discount of 15% in the context of a "423" Plan.

6. Decided that the Board of Directors shall have full powers, with the option to delegate or subdelegate such powers, in accordance with

the legislative and regulatory provisions, under the limits and conditions set forth above, particularly in order to:

- Determine the list of beneficiary(ies), from among the categories above, in favor of whom the preferential subscription rights have been eliminated as well as the number of shares to be subscribed by each of them;

- Set the amounts of the issuances that will be carried out pursuant to this delegation of authority and to fix, in particular, the issue price, the dates, the time limits, the methods and terms and conditions of subscription, payment, delivery, entitlement to dividends, the rules in reducing the subscriptions in the event of an oversubscription as well as any other terms and conditions of the issuances, within the legislative and regulatory limits in force;

- To set the period of unavailability of the issued shares or securities and the exceptions to such unavailability;

- To acknowledge the share capital increase up to the amount of the shares subscribed (after any potential reduction in the event of an oversubscription); and

- As applicable, charge the expenses related to the share capital increase to the premiums from this increase, and deduct from that amount the amounts necessary to bring the legal reserve to one-tenth of the new share capital after the share capital increase;

7. Decided that the authorization granted to the Board of Directors pursuant to this resolution shall be valid for a period of 18 months as from the date of this Shareholders' Meeting;

8. Decided that this authorization shall cancel any previous authorization having the same purpose, as regards the unused portion of this authorization.

Twenty-second resolution

(Authorization to be granted to the Board of Directors to grant free shares to the employees and to the corporate officers of the Company and its subsidiaries)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and of the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 *et seq.* and L.225-197-1 *et seq.* and L.22-10-59 of the French Commercial Code:

1. Authorized the Board of Directors to carry out, with the option to subdelegate to any duly empowered person in accordance with

legislative and regulatory provisions, in one or several occurrences, the allotment of existing and/or newly-issued shares of the Company to the employees and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth in Article L.225-197-2 of the French Commercial Code, or to certain categories of them;

2. Decided that the Board of Directors shall determine the beneficiaries of the allotments and the number of shares granted to each of them, the terms of the allotment and the eligibility criteria for the allotment of the shares.

The Board of Directors shall subordinate to a presence condition and to performance

conditions the entirety of the allotment of shares to corporate officers, Executive Committee members and country executive members. For other beneficiaries, all or part of the shares granted may be subject to a presence condition only, it being specified that the total number of shares granted which are only subject to a presence condition may not exceed 20% of the maximum amount of share capital that may be granted pursuant to this resolution.

Performance conditions shall be considered over a minimum period of three years and shall include the average EBITA, the average of the ratio of free cash flow before interest and taxes / EBITDAaL, the roll out of the ESG roadmap as captured by an internal Rexel ESG index made of six sub criteria and the performance of Rexel shares compared to the SBF 120 GR index.

3. Decided that the number of free shares that may be granted pursuant to this resolution may not exceed 1.4% of the share capital of the Company on a 26-month period considered as at the date of the allotment decision by the Board of Directors, being specified that:
 - This limit does not take into account the legislative, regulatory and, as the case may be, contractual adjustments necessary to maintain the beneficiaries' rights; and
 - The total number of free shares granted cannot exceed 10% of the share capital as at the date of the decision regarding their granting by the Board of Directors, it being specified that, in accordance with Article L.225-197-1 of the French Commercial Code, this percentage does not take into account shares that have not been definitively granted at the end of the vesting period provided for in paragraph 4 below as well as shares that are no longer subject to the holding obligation set by the Board of Directors, as the case may be.

This maximum amount of 1.4% of the share capital of the Company shall include, as the case may be, the shares that will be granted to the corporate officers of the Company, being specified that these allotments cannot exceed 10% of the allotments carried out in accordance with this authorization;

4. Decided that the shares allocated to their beneficiaries will become vested after a minimum vesting period of 3 years;
5. Decided that the shares may become vested before the term of the period of vesting in the event that the beneficiaries become disabled and that such disability corresponds to the second or third category set forth under Article L.341-4 of the Social Security Code (or equivalent provisions outside of France) and

that the shares would immediately become freely transferable;

6. Authorized the Board of Directors to carry out, as the case may be, during the period of vesting, the adjustments relating to the numbers of free shares granted on the basis of the potential transactions affecting the share capital of the Company in order to maintain the rights of the beneficiaries;
7. In the event of free shares to be issued, authorized the Board of Directors to carry out one or several increase(s) in the share capital by capitalization of reserves, profits or issuance premiums reserved for the beneficiaries of such free shares and acknowledged that this authorization includes the related waiver of the shareholders' preferential subscription rights with respect to such shares and to the portion of the reserves, profits and issuance premiums thus capitalized, to the benefit of the beneficiaries; the Board of Directors is granted a delegation of authority in respect of this transaction in accordance with Article L.225-129-2 of the French Commercial Code;
8. Decided that the Board of Directors will have full powers, with the option to subdelegate such powers to any duly empowered person in accordance with legislative and regulatory provisions, to implement this delegation of authority, *inter alia* for the purposes of:
 - Determining whether the free shares shall be newly-issued shares or existing shares;
 - Determining the beneficiaries and the number of free shares granted to each of them;
 - Setting the dates on which free shares shall be allocated, in the conditions and limits of applicable law;
 - Deciding upon the other terms and conditions of the allotment of shares, particularly the period of vesting and the period of holding of the shares thus allocated, in the rules for the allotment of free shares;
 - Deciding upon the conditions under which the number of free shares to be allocated shall be adjusted, in accordance with applicable legal and regulatory provisions and, as the case may be, applicable contractual provisions;
 - More generally, entering into any agreements, executing any documents, acknowledging the share capital increases resulting from vesting, amending the by-laws accordingly, and carrying out any formality or declaration with any organization;
9. Decided that this authorization is granted for a term of 26 months as from the date of this Shareholders' Meeting;

10. Decided that this authorization shall cancel any previous authorization having the same purpose, as regards the unused portion of this authorization, and supersede the authorization

granted by the eighteenth resolution of the Extraordinary Shareholders' Meeting of the Company of June 25, 2020.

Twenty-third resolution

(Authorization to be granted to the Board of Directors to grant free shares to the employees and to the corporate officers of the Company and its subsidiaries subscribing to a Group shareholding plan)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and of the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 *et seq.*, L.225-197-1 *et seq.* and L.22-10-59 of the French Commercial Code:

1. Authorized the Board of Directors to carry out, with the option to subdelegate to any duly empowered person in accordance with legal and regulatory provisions, in one or several occurrences, the allocation of free existing and/or newly-issued shares of the Company to the employees and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth in Article L.225-197-2 of the French Commercial Code and that subscribe to a Group employee shareholding plan established as part of a share capital increase reserved for them, carried out under the twenty-first resolution of the Extraordinary Shareholders' Meeting of April 22, 2021, or any other substitute resolution, or as part of a sale of existing shares reserved for members of a group shareholding plan;
2. Decided that the Board of Directors shall determine the identity of the beneficiaries of the allotments and the number of shares granted to each of them, the terms of the allocation and, as the case may be, the eligibility criteria for the allocation of the shares. The Board of Directors shall subordinate to a continued employment condition the allocation of shares;
3. Decided that the number of shares that may be freely granted pursuant to this resolution may not exceed 0.3% of the share capital of the Company considered as at the date of the allotment decision by the Board of Directors it being specified that:
 - This limit does not take into account the legal, regulatory and in some cases contractual

adjustments necessary to maintain the beneficiaries' rights; and

- The total number of free shares granted may not exceed 10% of the share capital as at the date of the decision regarding their granting by the Board of Directors, it being specified that, in accordance with Article L.225-197-1 of the French Commercial Code, this percentage does not take into account shares that have not been definitively granted at the end of the vesting period provided for in paragraph 4 below as well as shares that are no longer subject to the holding obligation set by the Board of Directors, as the case may be;
4. Decided that the shares allocated to their beneficiaries will become vested after a minimum period of acquisition of 3 years, without retention period;
 5. Decided that the shares may become vested before the term of the period of vesting in the event that the beneficiaries become disabled and that such disability correspond to the second or third category set forth under Article L.341-4 of the French Social Security Code (or equivalent provisions outside of France) and that the shares will immediately become freely transferable;
 6. Authorized the Board of Directors to carry out, as the case may be, during the period of vesting, adjustments relating to the numbers of free shares granted on the basis of the potential transactions affecting the share capital of the Company in order to maintain the rights of the beneficiaries;
 7. In the event of free shares to be issued, authorized the Board of Directors to carry out one or several increase(s) in the share capital by capitalization of reserves, profits or issuance premiums reserved for the beneficiaries of such free shares and acknowledged that this authorization includes the related waiver of the shareholders' preferential subscription rights with respect to such shares and to the portion of the reserves, profits and issuance premiums thus capitalized, to the benefit of the beneficiaries; the Board of Directors is granted a delegation of authority in respect of this transaction in accordance with Article L.225-129-2 of the French Commercial Code;

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8. Decided that the Board of Directors will have full powers, with the option to delegate such powers to any duly empowered person in accordance with legislative and regulatory provisions, to implement this delegation of authority, *inter alia* for the purposes of:
 - Determining whether the free shares shall be newly issued shares or existing shares;
 - Determining the identity of the beneficiaries and the number of free shares granted to each of the beneficiaries;
 - Setting the dates on which free shares shall be allocated, in the conditions and limits of applicable law;
 - Deciding upon the presence condition and the other terms of the allocation of shares, particularly the period of acquisition thus allocated, in the rules for the allocation of free shares;
- Deciding upon the conditions under which the number of free shares to be allocated shall be adjusted, in accordance with applicable provisions of the law and the by-laws;
- More generally, entering into any agreements, executing any documents, acknowledging the share capital increases resulting from definitive allocations, changing the by-laws accordingly, and carrying out any formality or declaration with any organization;
9. Decided that this authorization is granted for a term of 26 months as of the date of this Shareholders' Meeting;
10. Decided that this authorization shall cancel any previous authorization having the same purpose as regards the unused portion of this authorization, and supersede the authorization granted by the nineteenth resolution of the Extraordinary Shareholders' Meeting of the Company of June 25, 2020.

Twenty-fourth resolution

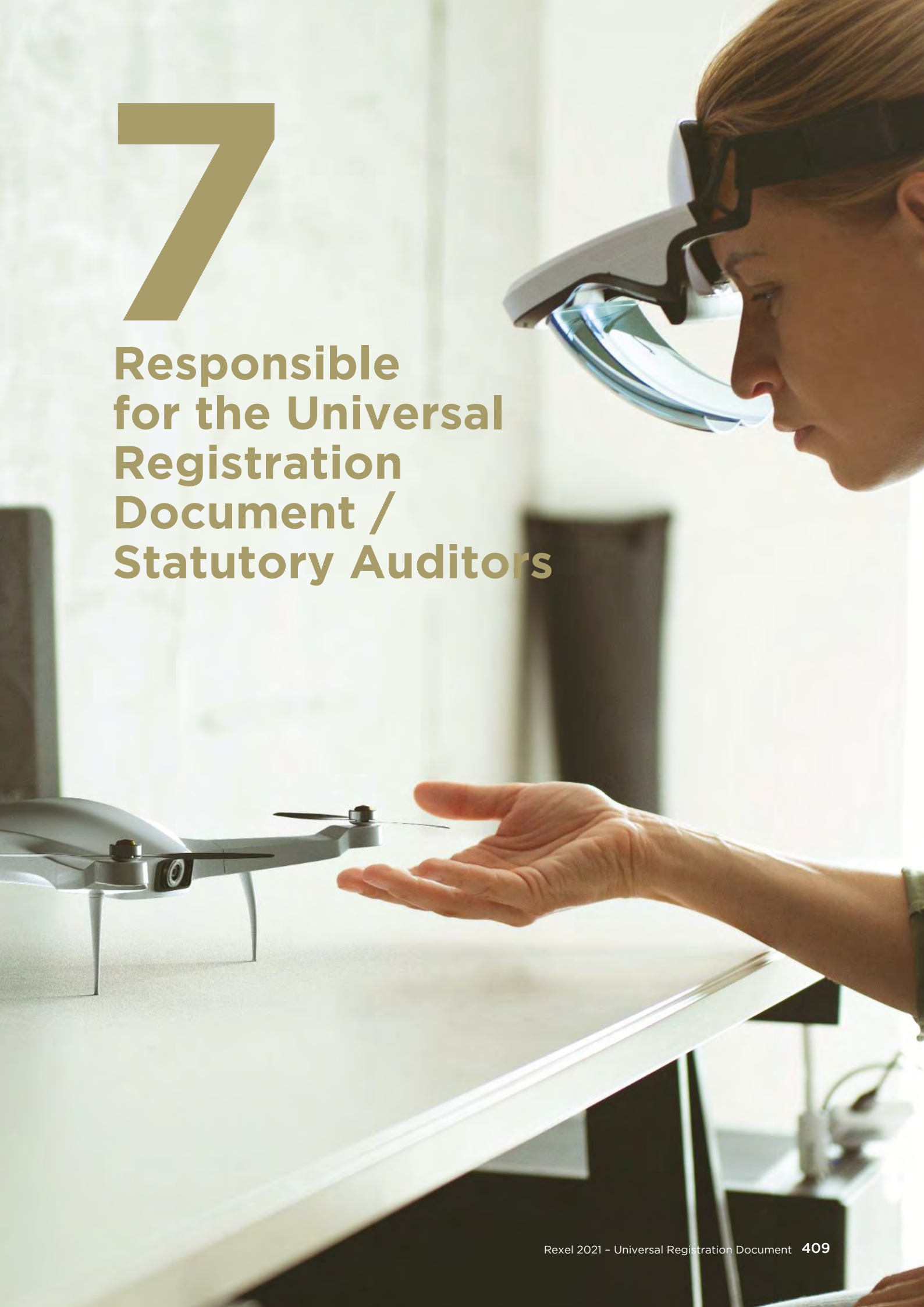
(Powers to carry out legal formalities)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings, granted full

powers to the bearers of an original, of copies or extracts of these minutes for the purposes of carrying out all publication, filing or other formalities that may be necessary.

7

Responsible for the Universal Registration Document / Statutory Auditors



7

**Responsible for the Universal Registration Document /
Statutory Auditors**



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7.1 Person responsible for the Universal Registration Document

7.1.1 Person responsible for the Universal Registration Document

Guillaume Texier, Chief Executive Officer of Rexel.

7.1.2 Responsibility statement

I hereby certify that the information contained in this Universal Registration Document reflects, to my knowledge, the reality and that no omissions have been made that are likely to have a bearing thereon.

I certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards, and give a true view of the assets, financial condition and results of operations of the company and of all of the companies included in the scope of consolidation

and that the management report contained in this Universal Registration Document, according to the correlation table presented in Section 8.3, provides an accurate description of the business trends, results of operations and financial condition of the Company and all of the companies included in the scope of consolidation and describes the main risks and uncertainties that are faced by the latter.

Guillaume Texier
Chief Executive Officer of Rexel
Paris, March 9, 2022

7.1.3 Person responsible for the financial communication

Ludovic Debailleux

Investors Relations Director

Address: 13, boulevard du Fort de Vaux, 75017 Paris

Telephone: +33 (0)1 42 85 85 00

Fax: +33 (0)1 42 85 92 05

7.1.4 Indicative financial information timetable

Financial information reported to the public by Rexel are available on the Rexel website (www.rexel.com).

7.2 Statutory Auditors

7.2.1 Acting Statutory Auditors

- KPMG SA
Represented by Jean-Marc Discours
Tour Egho
2, avenue Gambetta
92066 Paris-La Défense Cedex

KPMG SA was appointed acting statutory auditor by the shareholders' meeting of Rexel of May 25, 2016 for a term of six financial years, in replacement of Ernst & Young. Its duties are therefore to expire at the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2021.

KPMG SA is a member of the regional body of statutory auditors in Versailles (*"Compagnie Régionale des Commissaires aux Comptes de Versailles"*).

The Board of Directors, on the basis of the recommendation of the Audit and Risk Committee, has decided to propose to the shareholders at the Shareholders' Meeting, the renewal of KPMG SA as Statutory Auditor for a term of six financial years. Its duties shall therefore expire at the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2027.

- PricewaterhouseCoopers Audit
Represented by Amélie Wattel and Pierre Clavié
63, rue de Villiers
92208 Neuilly-sur-Seine cedex

PricewaterhouseCoopers Audit was appointed acting statutory auditor at the shareholders' meeting of Rexel held on May 16, 2012, for a term of six financial years, in replacement of KPMG Audit. Its duties were therefore renewed upon the shareholders' meeting of Rexel held on May 24, 2018, for a term of 6 financial years. Its term of office is therefore to expire at the end of the shareholders' meeting convened to resolve on the financial statements for the year ending December 31, 2023.

PricewaterhouseCoopers Audit is a member of the regional body of statutory auditors in Versailles (*"Compagnie Régionale des Commissaires aux Comptes de Versailles"*).

7.2.2 Deputy Statutory Auditor

- Salustro Reydel
Represented by Jean-Claude Reydel
Tour Egho
2, avenue Gambetta
92066 Paris-La Défense Cedex

Salustro Reydel was appointed deputy statutory auditor by the shareholders' meeting of Rexel of May 25, 2016, for a term of six financial years, in replacement of Auditex. Its duties are therefore to expire at the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2021.

Salustro Reydel is a member of the regional body of statutory auditors in Versailles (*"Compagnie Régionale des Commissaires aux Comptes de Versailles"*).

The Board of Directors, on the basis of the recommendation of the Audit and Risk Committee, has decided to propose to the shareholders at the Shareholders' Meeting, the renewal of Salustro Reydel as Deputy Statutory Auditor for a term of six financial years. Its duties shall therefore expire at the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2027.

7.3 Documents accessible to the public

All of the legal and financial documents relating to Rexel and that are to be made available for the shareholders and the market in accordance with

the regulations in force, may be consulted at the registered office of Rexel or on Rexel's website (www.rexel.com).

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A young boy with brown hair is lying back in a dark green, textured armchair, reading a book. He is wearing a dark green sweater and dark pants. His legs are bent and raised in the air. Above him, a copper-colored dome-shaped pendant lamp hangs from the ceiling, casting a warm glow. To the left, a stack of books is mounted on the wall. The room has light-colored walls and a wooden floor with a patterned rug. The overall atmosphere is cozy and quiet.

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**Correlation
tables**

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Correlation tables



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8.1 Correlation table with delegated regulation (EU) 2019/980 dated March 14, 2019

The following correlation table allows to identify, in this universal registration document, the information required by Annex 1 and Annex 2 of the delegated regulation (EU) 2019/980 dated March 14, 2019.

DELEGATED REGULATION 2019/980 DATED MARCH 14, 2019 - ANNEX 1 AND ANNEX 2		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL	7.1	412
1.1.	Persons responsible for the information contained in the registration document	7.1.1	412
1.2.	Declaration of persons responsible for the information contained in the registration document	7.1.2	412
1.3.	Expert's statement or report	n.a.	
1.4.	Statements regarding third-party information	n.a.	
1.5.	Statement without prior approval by the competent authority	Cover page	
2.	STATUTORY AUDITORS	7.2	413
2.1.	Name and address of the issuer's statutory auditors	7.2.1, 7.2.2	413
2.2.	Statutory auditors having resigned, dismissed or not reappointed during the relevant period	n.a.	
3.	RISK FACTORS	2	39 to 64
4.	INFORMATION ABOUT THE ISSUER	1.2	17
4.1.	Corporate name and trade name	1.2.1	17
4.2.	Place and number of incorporation, and legal entity identifier ("LEI")	1.2.2	17
4.3.	Date of incorporation and term	1.2.3	17
4.4.	Registered office, legal form, jurisdiction, country of origin, address and phone number of registered office and website	1.2.4	17
5.	BUSINESS OVERVIEW	1.3	19 to 32
5.1.	Principal activities	1.3.2, 1.3.3, 1.3.4	22 to 32
5.1.1.	Nature of the operations and principal activities	1.3.2, 1.3.3, 1.3.4	22 to 32
5.1.2.	New products and/or services	1.3.2, 1.3.3, 1.3.4	22 to 32
5.2.	Principal Markets	1.3.1	20 to 22
5.3.	Important events in the development of business	1.3	19 to 32
5.4.	Strategy and objectives	1.3.3	29 to 32
5.5.	Information regarding the extent to which the company is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.	1.3.4	32
5.6.	Basis for any statements made by the issuer regarding its competitive position	General information	4
5.7.	Investments	1.6	36
5.7.1.	Material investments made	1.2, 1.6.1	17, 36
5.7.2.	Investments in progress or for which firm commitments have already been made	1.1, 1.6.2	14 to 16, 36
5.7.3.	Joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	1.4.2	33 to 35
5.7.4.	Environmental issues that may affect the issuer's utilization of the tangible fixed assets	4.4	222 to 234

DELEGATED REGULATION 2019/980 DATED MARCH 14, 2019 - ANNEX 1 AND ANNEX 2		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
6.	ORGANIZATIONAL STRUCTURE	1.4	33
6.1.	Brief description of the group	1.4.1	33
6.2.	List of the significant subsidiaries	1.4.2	33 to 35
7.	OPERATING AND FINANCIAL REVIEW	5	265 to 369
7.1.	Financial condition	5.1.1	270 to 281
7.1.1.	Issuer's development and performance, financial condition, changes in financial condition for each year and interim period, for which historical financial information is required	5.1.1	270 to 281
7.1.2.	Issuer's likely future development and activities in the field of research and development	1.3.4, 5.1.3	32, 285
7.2.	Operating results	5.1.1	270 to 281
7.2.1.	Significant factors, including unusual or infrequent events or new development materially impacting the operating income	5.1.1	270 to 281
7.2.2.	Reasons for material changes in net sales or revenues	5.1.1	270 to 281
8.	CAPITAL RESOURCES	5.1.2	281 to 284
8.1.	Information concerning the issuer's capital resources	5.1.2	281 to 284
8.2.	Sources, amounts and narrative description of the issuer's cash flows	5.1.2	281 to 284
8.3.	Information on the borrowing requirements and funding structure of the issuer	5.1.2	281 to 284
8.4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	5.1.2	281 to 284
8.5.	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2	1.2, 1.6, 5.1.1, 5.2.1	17, 36, 270 to 281, 290 to 346
9.	REGULATORY ENVIRONMENT	1.7	37 and 38
9.1.	Description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	1.7	37 and 38
10.	TREND INFORMATION	1.3, 5.1	19 to 32, 268 to 287
10.1.	Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document	1.3, 5.1	19 to 32, 268 to 287
10.2.	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	5.1.3	285
11.	PROFIT FORECASTS OR ESTIMATES	5.1.3	285
11.1.	Published profit forecasts or estimate	5.1.3	285
11.2.	Principal assumptions upon which the issuer has based its forecast or estimate	5.1.3	285
11.3.	Statement of comparability with the historical financial information and compliance with the issuer's accounting policies	5.1.3	285
12.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	3.1	68 to 104
12.1.	Information in relation to members of the administrative, management, and supervisory bodies	3.1.1 to 3.1.6	68 to 104
12.2.	Administrative, management, and supervisory bodies and senior management conflicts of interests	3.1.7, 3.3	104, 145 to 148

DELEGATED REGULATION 2019/980 DATED MARCH 14, 2019 - ANNEX 1 AND ANNEX 2		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
13.	REMUNERATION AND BENEFITS	3.2	105 to 144
13.1.	Amount of remuneration paid and benefits in kind granted by the issuer and its subsidiaries	3.2.1 to 3.2.3	105 to 144
13.2.	Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefit	3.2.2, 3.2.3	121 to 144
14.	BOARD PRACTICES	3.6.2	151 to 156
14.1.	Date of expiration of the current terms of office and period during which the person has served in that office	3.1.1, 3.1.2, 3.1.3	68 to 102
14.2.	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist	3.1.8	104
14.3.	Information about the issuer's audit committee and remuneration committee	3.1.2.1, 3.1.2.3	97 to 99, 100 to 102
14.4.	Statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer	3	65 to 185
14.5.	Potential material impacts on the corporate governance	3.1	68 to 104
15.	EMPLOYEES	4.3	208 to 222
15.1.	Number of employees at the end of the period or average for each financial year for the period covered by the historical financial information and breakdown of persons employed by main category of activity and geographic location	4.3.1	209 to 212
15.2.	Shareholdings and stock options	3.7.2.4 to 3.7.2.6	163 to 175
15.3.	Arrangement for involving the employees in the capital of the issuer	3.7.2.4	163
16.	PRINCIPAL SHAREHOLDERS	3.7.1	161
16.1.	Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, or appropriate statement to that effect that no such person exists	3.7.1, 3.7.2	161 à 175
16.2.	Different voting rights, or appropriate statement to the effect that no such voting rights exist	3.7.3	175
16.3.	Direct or indirect ownership or control of the issuer	3.7.2	161 to 175
16.4.	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	3.7.5	176
17.	RELATED PARTY TRANSACTIONS	3.3	145 to 148
17.1.	Details of related party transactions	3.3	145 to 148
18.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	5.2, 5.3	288 to 350, 352 to 369
18.1.	Historical financial information	5.2, 5.3	288 to 350, 352 to 369
18.1.1.	Audited historical financial information	5.2, 5.3	288 to 350, 352 to 369
18.1.2.	Change of accounting reference date	n.a.	
18.1.3.	Accounting standards	5.2.1	290 to 346
18.1.4.	Change of accounting framework	5.2.1 (note 24)	290 to 346
18.1.5.	Audited financial information prepared according to national accounting standards	5.3	352 to 369
18.1.6.	Consolidated financial statements	5.2	288 to 350
18.1.7.	Date of latest financial information	5.2, 5.3	288 to 350, 352 to 369

DELEGATED REGULATION 2019/980 DATED MARCH 14, 2019 - ANNEX 1 AND ANNEX 2		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
18.2.	Interim and other financial information	n.a.	
18.2.1.	Quarterly or half-year financial information	n.a.	
18.3.	Auditing of historical annual financial information	5.2.2, 5.3.2	346 to 350, 366 to 369
18.3.1.	Independent auditing of historical financial information	5.2.2, 5.3.2	346 to 350, 366 to 369
18.3.2.	Other information in the registration document that has been audited by the auditors	4	187 to 263
18.3.3.	Financial information not extracted from issuer's audited financial statements	n.a.	
18.4.	<i>Pro forma financial information</i>	n.a.	
18.4.1.	<i>Significant gross change</i>	n.a.	
18.5.	Dividend policy	5.1.4	286
18.5.1.	Description of the policy on dividend distributions and any restrictions thereon	5.1.4	286
18.5.2.	Amount of dividend per share	5.1.4	286
18.6.	Legal proceedings and arbitration	5.2.1 (note 22)	290 to 346
18.6.1.	Significant proceedings	5.2.1 (note 22)	290 to 346
18.7.	Significant changes in the issuer's financial position	5.1.5	286
18.7.1.	Description	5.1.5	286
19.	ADDITIONAL INFORMATION	3.6, 3.7, 3.8	150 to 184
19.1.	Share capital	3.8	176 to 184
19.1.1.	Amount of issued and authorized share capital, number of shares issued and fully paid and issued but not fully paid, par value per share, reconciliation of the number of shares outstanding at the beginning and end of the year	3.8.1	176 to 179
19.1.2.	Information about shares not representative of share capital	3.8.2	179
19.1.3.	Number, book value and face value of shares held by or on behalf of the issuer itself or by subsidiaries of the issuer	3.8.3	180 to 183
19.1.4.	Information about the amount of convertible securities, exchangeable securities or securities with warrants	3.8.4	183
19.1.5.	Information about and terms of any acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital	n.a.	
19.1.6.	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate	n.a.	
19.1.7.	Share capital history	3.8.5	184
19.2.	Memorandum of association and by-laws	3.6	150 to 160
19.2.1.	Register and corporate purpose	1.2.2, 3.6.1	17, 150
19.2.2.	Rights, preferences and restrictions attaching to each class of the existing shares	3.6.3	156 and 157
19.2.3.	Provisions of the issuer's articles of association, statutes, charter or by-laws that would have an effect of delaying, deferring or preventing a change in control of the issuer	3.6.6	159
20.	MATERIAL AGREEMENTS	5.2.1 (notes 18 and 19)	290 to 346
20.1.	Summary of each material agreement	5.2.1 (notes 18 and 19)	290 to 346
21.	DOCUMENTS AVAILABLE	7.3	413
21.1.	Statement on documents that can be inspected	7.3	413

8.2 Correlation table with the annual financial report

The following correlation table allows to identify, in this universal registration document, the information that are comprised in the annual financial report to be published pursuant to articles L.451-1-2 of the French monetary and financial code and 222-3 of the General rules of the French *Autorité des marchés financiers*.

ANNUAL FINANCIAL REPORT		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	Annual financial statements	5.3.1	354 to 365
2.	Consolidated financial statements	5.2.1	290 to 346
3.	Management report (see paragraph 8.3)	1 to 6	5 to 408
4.	Declaration of persons responsible for the information contained in the Registration document	7.1	412
5.	Report of the statutory auditors on the annual financial statements	5.3.2	366 to 369
6.	Report of the statutory auditors on the consolidated financial statements	5.2.2	346 to 350

8.3 Correlation table with management report (including the report on Corporate governance)

The following correlation table allows to identify, in this universal registration document, the information that is comprised in the management report to be published pursuant to article L.225-100-1 of the French Commercial Code.

MANAGEMENT REPORT		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	Activity and financial position	1.2, 1.3, 5.1.1, 5.1.2, 5.1.5	17, 19 to 32, 270 to 284, 286
2.	Recent events, trends and prospects	5.1.1 to 5.1.3, 5.2.1 (note 2), 5.3.1	270 to 285, 290 to 346, 354 to 365
3.	Research and development	1.3.4	32
4.	Description of main risks and uncertainties	2	39 to 64
5.	Internal monitoring and risk management	2.3	60 to 64
6.	Use of financial instruments	5.2.1 (note 18)	290 to 346
7.	Subsidiaries and holdings	1.4, 5.2.1, 5.3.1	33 to 35, 290 to 346, 354 to 365
8.	Dividend distributions over the past three financial years	6.1	374 to 394
9.	Payment periods	5.1.6	286
10.	Table of the company's results for the past five financial years	5.3.1	354 to 365
11.	Report on corporate governance	3	65 to 185
12.	Choice of organisation of the Executive Management	3.1.3	102
13.	Limitations placed of the powers of the Chief Executive Officer	3.1.1.3	89 to 95
14.	Board of Directors composition, conditions governing the preparation and organisation of the Board of Directors' work	3.1.1	68 to 96
15.	List of offices and directorships held by each of the corporate officers in any company during the financial year	3.1.1.1	72 to 85
16.	Compensation policy for corporate officers	3.2.1	105 to 120
17.	Remuneration of the corporate officers	3.2.2	121 to 139
18.	Relative proportion of fixed and variable compensation	3.2.1	105 to 120
19.	Use of the possibility of requesting the return of variable compensation	n.a.	
20.	Level of compensation of executive corporate officers compared to the average and median compensation of employees	3.2.2.5	137 and 138
21.	Annual changes in compensation, company performance, average employee compensation and equity ratios over the last five fiscal years	3.2.1, 3.2.2	105 to 139
22.	Description of how the total compensation complies with the approved compensation policy and how the performance criteria are applied	3.2.2	121 to 139
23.	Way in which the vote of the last ordinary general meeting on the information mentioned in Article L.22-10-9 of the French Commercial Code was taken into account	3.2.1	105 to 120
24.	Variations and exemptions applied in relation to the compensation policy	n.a.	

MANAGEMENT REPORT		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
25.	Commitments made with regard to the corporate officers	3.3.2	145 to 147
26.	Summary of transactions on Rexel securities carried out by corporate officers and their closely related parties in 2021	3.7.2.3	162 and 163
27.	Description of the procedure for regularly assessing whether agreements relating to current operations and concluded under normal conditions meet these conditions and its implementation	3.3.1	145
28.	Description of the diversity policy applied to the Board of Directors	3.1.1.2, 3.1.5	85 to 89, 103 and 104
29.	Description of the objectives, implementation arrangements and results achieved during the financial year	3.1.1.2 to 3.1.1.4	85 to 96
30.	Provisions of the Afep-Medef Code not applied and reasons for that choice	3.5	149 and 150
31.	Special rules for shareholder participation in the General Meeting	3.6.5	157 to 159
32.	Elements with the potential to have an impact in the event of a public offer for the purchase or exchange of Rexel securities	3.9	185
33.	Information concerning share capital (capital structure, statutory requirements and employees shareholding)	3.8	176 to 184
34.	Summary table of current delegations	3.8.1	176 to 179
35.	Statement of non-financial performance	4.1 to 4.9 (see paragraph 8.4 of this chapter)	190 to 254
36.	Vigilance plan	4.10	254 to 260

8.4 Correlation table with the information on corporate and environmental responsibility

The following correlation table allows to identify, in this universal registration document, the information on corporate and environmental responsibility.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
I.	Information regarding business model	4.1.1	190
II.	Social, environmental and societal information		
1.	Social information	4.3	208 to 222
	a) Employment		
	Total headcount and breakdown of employees	4.3.1	209 to 212
	Hires and dismissals	4.3.1.1 and 4.3.1.2	209 to 212
	Compensation and changes	4.3.1.2	210 to 212
	b) Work organisation		
	Organisation of working hours	4.3.5	219 to 222
	Absenteeism	4.3.3	214 to 216
	c) Health and safety		
	Health and safety at work	4.3.5	219 to 222
	Accidents at work and occupational diseases	4.3.5	219 to 222
	d) Social relationships		
	Organisation of the social dialogue	4.3.3	214 to 216
	Overview of collective agreements	4.3.3	214 to 216
	e) Training		
	Policies applied	4.3.2	212 to 214
	Total number of training hours	4.3.2	212 to 214
	f) Equal treatment		
	Measures taken in favor of gender equality	4.3.4.1	216 to 218
	Measures taken in favor of the employment and insertion of disabled persons	4.3.4.3	218 and 219
	Anti-discrimination policy	4.1.2.1, 4.2.2, 4.3.3, 4.3.4, 4.5.1	191 to 195, 203 to 206, 216 to 219, 214 to 216, 235 to 237
2.	Environmental information	4.4	222 to 234
	a) General environmental policy		
	Organisation of the company	4.4.1	222 to 224
	Employee training and information actions	4.4.1	222 to 224
	Means devoted to the prevention of environmental risks and pollution	4.4.1	222 to 224
	Amount of provisions and guarantees for environmental risks	4.4.1	222 to 224
	b) Pollution and waste management		
	Emission prevention, reduction and remediation measures	4.4.1, 4.4.4	222 to 224, 234
	Waste prevention, recycling and disposal measures	4.4.3	232 to 234
	Means of addressing noise pollution and other pollution generated by a given activity	4.4.4	234

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
	c) Circular economy		
	i) Prevention and waste management		
	Prevention, recycling, reuse, other forms of recovery and disposal of waste	4.4.3	232 to 234
	Actions against food waste	4.7.2	249 and 250
	ii) Sustainable use of resources		
	Water consumption and procurement	4.4.4, 4.6	234, 242 to 247
	Consumption of raw materials and measures taken to improve their efficient use	4.4.3	232 to 234
	Energy consumption and measures taken to improve energy efficiency and the use of renewable energies	4.4.3	232 to 234
	Land use	4.4.4	234
	d) Climate change		
	Material GHG emissions categories emitted in the course of company's activity, including through the use of goods and services produced	4.4.2	224 to 232
	Measures undertaken to adapt to the consequences of climate change	4.4.2	224 to 232
	Objectives for reducing greenhouse gas emissions and means implemented	4.4.2	224 to 232
	e) Protection of biodiversity		
	Measures taken to preserve or develop biodiversity	4.4.4	234
3.	Societal information		
	a) Societal commitments to sustainable development		
	Company's business impact in relation to employment and local development	4.1.2	191 to 198
	Company's business impact on neighboring or local populations	4.1.2	191 to 198
	Relationship with stakeholders	4.1.2.2	195 to 197
	Partnership or philanthropic actions	4.1.2.2, 4.5.4	195 to 197, 240 to 242
	b) Sub-contracting and suppliers		
	Means of addressing social and environmental challenges in the purchasing policy	4.1.2, 4.5.1	191 to 198, 235 to 237
	Consideration given to the social and environmental responsibility of suppliers and sub-contractors	4.1.2, 4.5.1	191 to 198, 235 to 237
	c) Fair practices		
	Measures taken in favor of consumer health and safety	4.2.2, 4.5.2	203 to 206, 237 to 239
4.	Other information		
	1°) Anti-bribery actions	4.2.2	203 to 206
	2°) Information on human rights actions	4.2.2	203 to 206
	a) Promotion of and compliance with the provisions of the core conventions of the International Labour Organization	4.2.2, 4.5.1, 4.10.2.3	203 to 206, 235 to 237, 257 and 258
	Respect of the freedom of association and right to collective bargaining	4.1.2.1	191 to 195
	Elimination of discrimination in respect of employment and occupation	4.3.4	216 to 219
	Elimination of forced or compulsory labor	4.1.2.1, 4.5.1	191 to 195, 235 to 237
	Effective abolition of child labor	4.1.2.1, 4.5.1	191 to 195, 235 to 237
	b) Other actions in favor of human rights	4.1.2, 4.2.2, 4.5.1	191 to 198, 203 to 206, 235 to 237

8.5 Correlation table with all ten principles of the United Nations Global Compact

United Nations Global Compact

PRINCIPLES OF THE GLOBAL COMPACT	OUR COMMITMENTS	OUR INITIATIVES AND INDICATORS	PAGE(S)
Support and respect protection of internationally proclaimed human rights Refuse to be accomplice of human rights abuses	Ethics guide	4.2.2	203 to 206
	Clauses covering the corporate and environmental responsibility of suppliers included in agreements	4.1.1, 4.2, 4.5.1	190, 201 to 208, 235 to 237
	Corporate social responsibility policies	4.1.1, 4.2.3 to 4.3.5	190, 206 to 222
	Charter of social commitment	4.1.2.2	195 to 197
	Rexel Foundation for energy efficiency	4.1.2.2, 4.5.4	195 to 197, 240 to 242
Uphold freedom of association and collective bargaining	Ethics guide	4.2.2	203 to 206
Elimination of all forms of forced and compulsory labour	Clauses covering the corporate and environmental responsibility of suppliers included in agreements	4.1.2.2, 4.5.1	195 to 197, 235 to 237
Effective abolition of child labour	Corporate social responsibility policies	4.1.1, 4.3.1 to 4.3.4	190, 209 to 219
Elimination of discrimination in respect of employment and occupation			
Support a precautionary approach to environmental challenges	Ethics guide	4.2.2	203 to 206
Undertake initiatives to promote greater environmental responsibility	Clauses covering the corporate and environmental responsibility of suppliers included in agreements	4.1.2.2, 4.5.1	195 to 197, 235 to 237
	Environmental charter	4.4.1	222 to 224
	Environmental policies	4.4.3	232 to 234
Encourage the development and diffusion of environmentally friendly technologies	Environmental charter	4.4.1	222 to 224
	Charter of social commitment	4.1.2.2	195 to 197
	Rexel Foundation for a better energy future	4.1.2.2, 4.5.4	195 to 197, 240 to 242
Work against all forms of corruption, including extortion and bribery	Ethics guide	4.2.2	203 to 206
	Anti-money laundering and anti-corruption policies	2.1.4, 4.2.2	56 and 58, 203 to 206

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