



Rexel's environmental policy

Effective date: April 2025

INTRODUCTION

"Electrifying solutions that make a sustainable future possible"

In 2023, Rexel unveiled its purpose, reflecting and emphasizing its role in the energy transition. At the same time, the International Energy Agency revealed that while the share of electricity represented 19% of the energy consumed worldwide in 2022, it is expected to reach 42% in the global energy consumption in 2050. In this context, Rexel, as an electrical material distributor, acts as the central link in the electrification of uses, challenging suppliers on the one hand, and providing customers with energy-efficient solutions on the other hand.

To rise to the challenge, Rexel developed its ambitious strategic roadmap. Rexel is leading the way with ambitious targets, particularly on climate, with objectives validated by the Science Based Targets initiative (SBTi) for 2030 and towards Net Zero for 2050.

Embedded in the Power Up strategy, Rexel's sustainability roadmap is based on three core pillars:

- **Planet**, which encompasses reducing carbon emissions, developing circular business models, and providing products and solutions to accelerate electrification;
- **People**, with focus on three major issues, Health and Safety, Diversity and Inclusion, and developing skills;
- **Partner**, to guide our customers to purchase more sustainable products, through preferred partnerships which engaged suppliers, and with local giving back initiatives through the Rexel Foundation.

This environmental policy covers all Rexel's activities. It is meant to detail Rexel's approach and strategy :

- by explaining Rexel's double-materiality analysis results,
- then by sharing its climate change mitigation and adaptation plans, as well as the circularity plan,
- and finally, by elaborating on the implemented governance and resources.

REXEL'S DOUBLE-MATERIALITY ANALYSIS

In 2025, Rexel published its double-materiality analysis to identify and score risks, impacts and opportunities on sustainability issues. Internal and external stakeholders notably suppliers, customers, employees, and business experts contributed to assess the key matters and assessing their materiality in terms of impact, as well as financial risks and opportunities. In total, ie. on all Environmental, Social, and Governance topics, Rexel identified 17 material sustainability issues, broken down into 30 Impacts/Risks/Opportunities (IROs). Focusing on the environment, the material IROs result as follows:

	Description	Risk	Opportunity	Negative impact	Positive impact
Climate Change Adaptation – Supply & Purchases	Given the anticipated shortage of raw materials such as aluminum, copper, steel and nickel, Rexel could face increased costs and supply chain disruptions.	●●●●○			
	Due to the composition of the products distributed by Rexel, the Group indirectly contributes to the scarcity of certain specific materials.			●●●○○	
Climate Change Mitigation – Operations	Building and fleet modernization can result in additional costs for Rexel. In addition, failure to meet greenhouse gas (GHG) reduction targets could expose the company to reputational risks.	●●●○○			
Climate Change Mitigation – Product Mix	Rexel exposes itself to reputational risk if it fails to decarbonize its product portfolio and meet its reduction targets.			●●●○○	
	Since Rexel sells electrical products and promotes electrification, the life cycle of the products sold generates indirect GHG emissions.		●●●●○		
	The growing market demand for sustainability and regulatory developments offer Rexel the opportunity to generate new revenue streams with better margins, increase its market share and strengthen its resilience capacity in its distributed product lines.				●●●○○
	Rexel's raison d'être, «Electrifying solutions that make a sustainable future possible», is to develop a mix of products that emit less GHGs and contribute to the decarbonization of the economy as a whole.	●●●○○			
Energy – Energy Mix	Due to climate change and the anticipated scarcity of fossil fuels, Rexel's energy mix may require adjustments to incorporate sustainable sources, which could result in specific costs. The challenges of transitioning to a more sustainable energy mix could force Rexel to rely on fossil fuels, which could lead to increased costs and disruptions to energy supply.	●●●○○			
Climate Change Mitigation – Market Support for More Responsible Practices	With the market's bifurcation towards responsible practices, Rexel can create and secure new revenue streams and improve its competitiveness and profitability.		●●●●○		
	Because Rexel's raison d'être is «Electrifying solutions that make a sustainable future possible», Rexel is committed to its value chain to raise awareness of responsible practices.				●●●○○
Circularity – Product & Services	The growing market demand for circularity and regulatory changes offer Rexel the opportunity to generate new revenue streams and reach more customers through circularity-based services.		●●●○○		

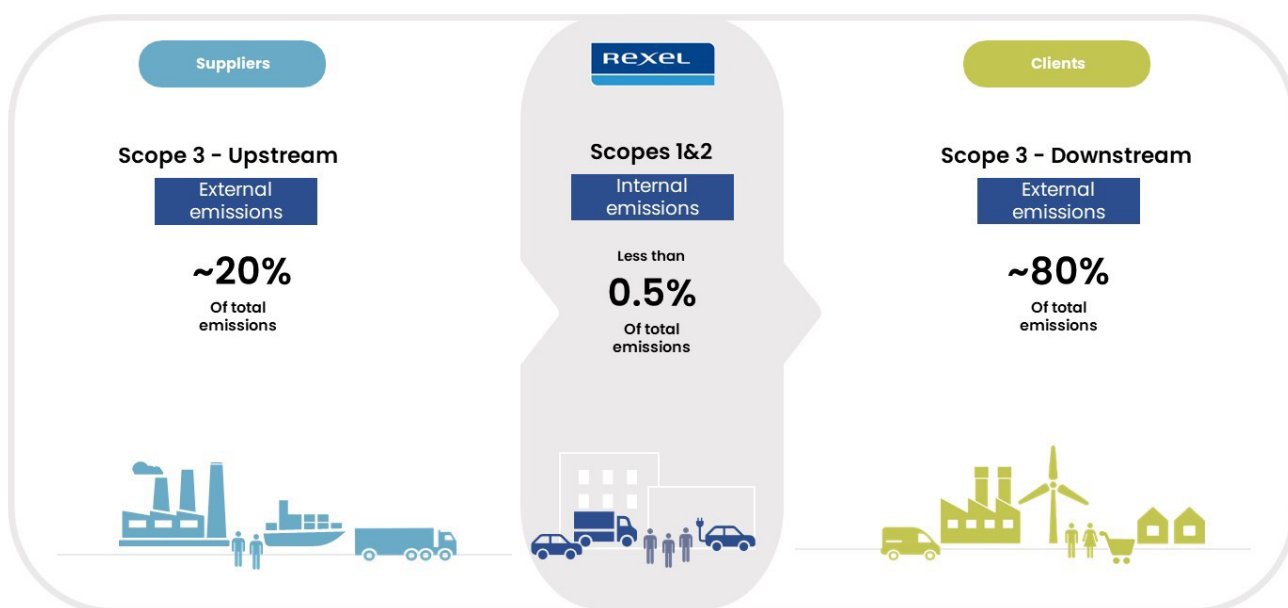
In response to the identification of these material environmental issues, Rexel developed:

- a Mitigation Plan to reduce its carbon emissions,
- an Adaptation Plan to face major climate change impacts, and
- a Circularity Plan.

REXEL'S MITIGATION PLAN

Rexel's Mitigation plan addresses its full carbon footprint, i.e. internal and external emissions from the whole Group.

As a specialized distributor, Rexel equips its installer and integrator customers with electrical equipment sourced from manufacturers. Rexel's carbon footprint is split into approximately 20% for the upstream (mainly the manufacturing phase) and 80% downstream, largely due to the use of products sold. Although the company's own operations only account for a minimal part of the overall carbon footprint, they are still at the heart of the mitigation plan.



Since 2018, Rexel has set strong ambition in carbon emissions reduction targets for 2030. These targets have been validated by the SBTi and 2016 is the reference year.

Rexel is in line with the +1.5°C trajectory for its direct emissions (Scopes 1 and 2) and in line with the «well-below 2°C» trajectory for indirect emissions (Scope 3), in accordance with the Paris Agreement, by 2030. The Group's targets were once again validated by the SBTi in 2024 and aligned with the Net Zero Standard to 2050, the most ambitious climate benchmark for which human-caused greenhouse gas emissions are in overall balance with emissions that are removed from the atmosphere.

The following targets highlight the importance of a rapid and significant reduction in emissions:

- By 2030:
 - 60% reduction of CO₂ eq emissions from its operations (scopes 1 and 2) in absolute terms compared to 2016; and
 - 35% reduction in CO₂ eq emissions related to scope 3 in absolute value compared to 2016.

- By 2050
 - 90% reduction in absolute GHG emissions (scopes 1 and 2) compared to 2016; and
 - 90% reduction in CO2 eq emissions related to scope 3 in absolute terms compared to 2016.

SCOPES 1&2 EMISSIONS REDUCTION PLAN

Although the emissions produced by its own operations represent only a minimal portion of the total carbon footprint, as all SBTi certified companies, Rexel is committed to reducing Scopes 1 & 2 and addresses:

- Energy performance of its buildings, and
- Carbon emissions of its fleets of vehicles.

First, the Group aims to improve the sites' energy performance, through three levers:

- Favoring high energy-performant buildings: by focusing on buildings with the best energy performance in compliance with local regulations. Several Rexel buildings have already been certified to sustainable and green building standards.
- Improving existing buildings' energy performance:
 - Reducing consumption plans,
 - Implementing energy measurement and control systems,
 - Deploying energy-efficiency actions including the improvement of lighting equipment, control and automation systems implementation, modernization of heating, air conditioning, and ventilation systems and better oversight,
 - Raising employees' knowledge of environmental issues and sharing best practices on energy use.
- Increasing the share of renewable energies: by purchasing green electricity, producing renewable energy directly on site (photovoltaic, biomass, etc.) or connecting to biomass heating networks.

Furthermore, Rexel works to reduce its transportation carbon footprint. Regarding product transportation, Rexel seeks to optimize its logistics flows, from suppliers to customers. Actions on the internal logistics fleet include:

- Process optimization through pooling of transport, streamlining of delivery rounds, use of GPS systems and optimized vehicle loading,
- Increasing the share of electric and hybrid vehicles,
- Decarbonized solutions for the last mile, such as bikes delivery, in urban areas.

In addition, while commercial activities require a daily presence of the sales force in the field, Rexel strives to reduce the environmental impact of its internal commercial fleet by increasing the share of hybrid or electric vehicles in the fleet.

SCOPE 3 EMISSIONS REDUCTION PLAN

Rexel's scope 3 emissions represent more than 95% of the company's total carbon footprint and the vast majority of these emissions are a result of both manufacturing and use of products sold.

To reduce the Greenhouse gases (GHGs) emissions produced, Rexel has identified the three following levers:

- Rethinking the offer plan to propose lower-emission products, focusing as a priority on the product families with the greatest impact.
- Partnering with suppliers to capture innovations and integrate new products to promote them. This takes the form of shared data and promotion of alternative products.
- Guiding customers' choices towards less carbon emissive products thanks to the development of AI-based solutions such as Carbon Tracker, EcoScore, or EcoBoost, to share measurements and evaluation of products.

To implement these levers, Rexel works at:

- Strengthening the quality of environmental data notably via analyses and consistency checks of the reporting, and
- Training the teams to facilitate the sale of more sustainable products.

Rexel aims to carry out this work across all its business units. Operationally, given the unique characteristics of each territory and entity, and the absence of a one-size-fits-all solution, these initiatives demand a high degree of adaptability. Therefore, the roadmap for reducing scope 3 emissions is being progressively deployed across all countries in which Rexel operates.

In addition, emissions linked to externalized logistics, accounting for 1% of scope 3 emissions, are monitored and Rexel is collaborating with its logistics partners to reduce them.

Emissions relating to business travel represent a minimal portion of Scope 3 emissions. They are subject to local action plans (for example, giving preference to train travel over air travel).

REXEL'S ADAPTATION PLAN

The results of the double materiality analysis indicate a long-term risk of climate change on the supply of raw materials (copper, bauxite, silver, nickel, lithium and aluminum). They also demonstrate that there is no material risk to the Group's facilities due to its decentralized organization and extensive geographical footprint. As climate risks evolve, Rexel regularly monitors them, both on the supply chain and for its sites, through climate risk mapping studies. To address risks on raw materials, Rexel promotes and implements circularity initiatives at local level (see Circularity plan for details). As for Group's sites, business continuity plans are developed and implemented locally.

REXEL'S CIRCULARITY PLAN

Circularity, defined as working with suppliers to recover materials for recycling and promoting and increasing the use of second-hand products, represents a significant opportunity for Rexel.

There is growing interest and demand from customers and suppliers for initiatives in this area. Recognizing that circularity requires highly localized ecosystems rather than global action, Rexel

has not set Group targets at this stage. The Group therefore encourages its subsidiaries to initiate circularity actions with their interested stakeholders and to share best practices to spread good initiatives.

Some entities have implemented recycling programs for materials affected by long-term risks of shortage (particularly copper) in order to act quickly and effectively at their level.

The Group also encourages its entities to take second-hand initiatives. Experiments are being carried out. For example, in some countries, refurbished product ranges have been developed. These actions have several effects: they avoid waste, allow customers to obtain products at a reduced cost and provide a differentiating offer in the store.

GOVERNANCE & RESOURCES

GOVERNANCE

The Sustainability Department is responsible for Rexel's environmental policy. Rexel's environmental policy is implemented thanks to coordinated governance at all levels of the company and shared with all the entities. This governance is anchored in the Sustainability strategy, which is carried by the Sustainability Department, validated by the Executive Committee and ratified by the company's Board of Directors.

The policy will be reviewed every three years or will be updated in the event of major changes.

The company's carbon reduction commitments are included in the objectives of the long-term incentive plans and in financing tools, ensuring that all key stakeholders are aligned in their efforts to achieve these goals.

Moreover, the internal control structure and requirements across the Group include (i) local governance of the climate strategy roll-out, and (ii) reporting framework inspired by finance best practices.

Operationally, the company's environmental policy is deployed by the community of Sustainability Leaders representing each country and led by the Group Sustainability Department.

The Group's management routines address carbon issues notably during strategic plans and yearly budget exercises where countries disclose their objectives, roadmap of actions and dedicated resources.

RESOURCES

Mitigation plan

Resources necessary to deploy scopes 1&2 actions on buildings and fleets are included and identified in the yearly budget of countries as part of the OpEX (Operational Expenses) and CapEX (Capital Expenditures) envelopes.

For Scope 3, the investments are related to:

- A combination of global and local training initiatives including videos, live sessions, conferences, etc. and,
- The design and deployment of data-based solutions. Those solutions are developed thanks to the Group Data Platform and require human resources.

Adaptation plan

The Group invests in climate risks studies to keep the risks under control and identify necessary action plans.

Risks on raw material are addressed via the circularity plan detailed above and require local time from teams but no identified direct costs.

For Rexel's sites, as the risk remains non-significant, no investments are made at this stage.

Circularity plan

Initiatives are held locally thanks to local human resources mainly on sustainable sourcing, education and awareness programs, as well as partnerships with industry stakeholders.