

SECOND PARTY OPINION

on Rexel's Sustainability-Linked Bond

V.E considers that Rexel's Sustainability-Linked Bond Framework is aligned with the core components of the Sustainability-Linked Bond Principles (SLBP) 2020

Framework

	Weak	Limited	Robust	Advanced	Characteristics
KPIs' Relevance	[Progress bar from Weak to Advanced]				Audit of the Data: Yes
SPTs' Ambition	[Progress bar from Weak to Advanced]				Three-year Historical Data: Yes
SDG Mapping					Nature of the Impacts on the Bond's Characteristics: Financial
					Disclosure of measures to achieve the SPT(s): Yes

Sustainability Performance Target (SPT)

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

- Percentage of reduction of the emissions related to the Group's customers' use of products in million metric tons of carbon dioxide equivalent and divided by turnover related to the sale of such products.

KPI 2: Scopes 1 & 2 Greenhouse Gas (GHG) Emissions percentage reduction

- Percentage of reduction of million metric tons of carbon dioxide equivalent (MtCO₂e)

	2016 (Baseline)	2023*	2030*
KPI 1 (tCO ₂ e/kEuro)	- (2.92)	-23% (2.25)	-45% (1.61)
KPI 2 (tCO ₂ e)	- (116,829)	-23.70% (89,141)	-35% (75,939)

*Trigger event

Issuer

ESG Performance as of March, 2021

	Weak	Limited	Robust	Advanced
Environment	[Progress bar from Weak to Advanced]			
Social	[Progress bar from Weak to Robust]			
Governance	[Progress bar from Weak to Advanced]			

Controversies

Number of controversies	2
Frequency	Occasional
Severity	High
Responsiveness	Reactive



- Advanced
- Limited
- Robust
- Weak

Controversial Activities

- Animal welfare
- Cannabis
- Chemicals of concern
- Civilian firearms
- Alcohol
- Fossil Fuels industry
- Coal
- Gambling
- Genetic engineering
- High interest rate lending
- Human Embryonic Stem Cells
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tar sands and oil shale
- Tobacco

Key findings

V.E is of the opinion that Rexel's Sustainability-Linked Bond Framework is aligned with the core components of the Sustainability-Linked Bond Principles (SLBP) 2020.

Selection of the Key Performance Indicator (KPI) – aligned with the SLBP

- The KPIs are relevant and material from an environmental standpoint.
- The KPIs are measurable, externally verifiable and can be benchmarked.
- The KPIs' definition, the rationale behind their selection, the calculation methodologies and coverage are clearly defined.

Calibration of the Sustainability Performance Target (SPT) – aligned with the SLBP and best practices identified by V.E

- The SPTs demonstrate an advanced level of ambition.
- The timeline, baseline and trigger events are clearly disclosed.
- The means to achieve the SPTs are clearly disclosed.

Bond Characteristics – aligned with the SLBP

- The nature of the bond characteristics' variation is clearly disclosed.
- The Issuer commits to disclose the actual financial impact in the bond documentation for each issuance.

Reporting – aligned with the SLBP and best practices identified by V.E

- The internal control and reporting processes are relevant, transparent and support the provision of reliable data.
- The Issuer commits to annual reporting on all relevant information related to the KPIs and their associated SPTs, including results, underlying methodologies and assumptions.

Verification – aligned with the SLBP and best practices identified by V.E

- The KPIs will be externally verified on an annual basis until maturity of the bonds.
- The achievement of the SPTs will be externally verified and the verification assurance reports will be made publicly available.

Type of External Reviews supporting this Framework

<input checked="" type="checkbox"/>	Pre-issuance Second Party Opinion	<input checked="" type="checkbox"/>	Independent verification of KPI(s) reported data
<input checked="" type="checkbox"/>	Independent verification of SPT(s) achievement		

Contact

Sustainable Finance Team | VEsustainablefinance@vigeo-eiris.com

SCOPE

V.E was commissioned to provide an independent opinion (thereafter “Second Party Opinion” or “SPO”) on the integration of two environmental factors to the Sustainability-Linked Bonds (the “Bonds” or “SLBs”) issued by Rexel (the “Issuer”) in compliance with the Sustainability-Linked Bond Framework (the “Framework”) created to govern their issuances. The Framework aims to highlight both the Issuer’s sustainability strategy and sustainable finance strategy while demonstrating its alignment with the ICMA’s Sustainability-Linked Bond Principles. In addition, the Framework includes the Issuer’s commitment to achieve specific targets (“Sustainability Performance Targets” or “SPTs”) regarding two environmental key performance indicators (hereafter the “KPIs”) proposed as part of its sustainability strategy.

The Bonds included in the Framework are intended to finance general corporate purposes, as opposed to other sustainable financial instruments such as green/social bonds or green/social loans. The facilities are agnostic on how funds are used. The main feature of this type of financing is the variation of the bond’s financial characteristics, depending on whether the Issuer achieves predefined sustainability performance objectives.

For these so-called Sustainability-Linked Bonds, the selected KPI(s) to be linked to the variation of the bonds’ financial characteristics is/are the following:

- KPI 1: Percentage reduction of Scope 3 GHG emissions intensity related to the consumption of products sold, with the following targets and trigger events:
 - o SPT 1: As of December 31, 2023, with an intermediary reduction target of 23% reduction in GHG emissions intensity from the use of products sold from a 2016 baseline
 - o SPT 2: As of December 31, 2030, with a reduction target of 45% reduction in GHG emissions intensity from the use of products sold from a 2016 baseline
- KPI 2: Scopes 1 & 2 Greenhouse Gas (GHG) Emissions percentage reduction, with the following targets and trigger events:
 - o SPT 1: 23,70 % reduction in GHG emissions by December 31, 2023 from 2016 baseline
 - o SPT 2: 35% reduction in GHG emissions by December 31, 2030 from 2016 baseline

Our opinion is established using V.E Environmental, Social and Governance (“ESG”) assessment methodology and the International Capital Market Association’s (ICMA) Sustainability-Linked Bond Principles (“SLBP”), voluntary guidelines, published in June 2020. This opinion is strictly limited to the integration of two environmental factors in the Bonds. This opinion does not cover the integration of broader sustainability factors (i.e. social and governance), or the labelling of the Bonds where the final decision is left to Rexel. This opinion does not constitute a verification or certification.

Our opinion is built on the review of the following components:

1. Framework: we assessed the Framework’s alignment with the core components of the SLBP 2020.
2. Issuer: we assessed the Issuer’s ESG performance, its management of potential stakeholder-related ESG controversies and its involvement in controversial activities¹.

Our sources of information are multi-channel, combining data from (i) public information gathered from public sources, press content providers and stakeholders, (ii) information from V.E exclusive ESG rating database, and (iii) information provided by the Issuer through documents.

We carried out our due diligence assessment from July 29, 2021 to October 22, 2021. We consider that we were provided with access to all the appropriate documents we solicited. Reasonable efforts have been made to verify data accuracy.

¹The 17 controversial activities screened by V.E are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Fossil Fuels industry, Coal, Gambling, Genetic engineering, High interest rate lending, Human Embryonic Stem Cells, Military, Nuclear power, Pornography, Reproductive medicine, Tar sands and oil shale, and Tobacco.

FRAMEWORK

The Issuer has described the main characteristics of the Bonds within a formalised Framework which covers the core components of the SLBP 2020 (the last updated version was provided to V.E on October 22, 2021). The Issuer has committed to make this document publicly accessible on its website at the first issuance date, in line with good market practices.

Alignment with Sustainability-Linked Bond Principles

Selection of the Key Performance Indicator (KPI)



COHERENCE

V.E considers that the selected KPIs are coherent with Rexel's strategy and priorities in terms of sustainability.

Both KPIs are related to Rexel's sustainability priorities identified in its 2019 Materiality Assessment. KPI 1 is related to "sell energy-efficient solutions" and "sell renewable energy solutions", while KPI 2 is related to "manage energy at Rexel's locations" and "ensure Rexel's logistical performance".² There are amongst the most material topics identified in the Materiality Assessment.

Related to both KPIs, "fight climate change" and "limit the environmental impact of Rexel's operations" are identified as material issues in Rexel's 2020 non-financial risk assessment. At the group level, Rexel is committed to limiting the rise in global temperatures and contributing to the fight against climate change:

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

More specifically, Rexel has set the following two targets as part of its efforts to contribute to limiting global warming to well below +2°C by the end of the century:

- to reducing greenhouse gas emissions related to the consumption of products sold by 45% per euro of sales by 2030, compared to 2016;
- to reducing its greenhouse gas emissions related to energy consumption in its operations (scopes 1 and 2) by 35% by 2030, compared to 2016.³

These two targets set at the Group level have been selected as the KPIs for the Sustainability-Linked Bond Framework, indicating full consistency.

Other priorities related to improving environmental performance, as identified in Rexel's 2019 Materiality Assessment, include: "manage waste at Rexel's locations", "innovate in the area of business practices" and "assist customers with their environmental performance". Sustainable management of resources is part of the company's commitment to the circular economy and Rexel seeks to reduce the amount of waste generated by its activities and promotes its recovery.

² <https://www.rexel.com/en/commitments/key-documents/>

³ The target on scope 1 and 2 GHG emissions has been validated by Science Based Targets initiative (SBTi)



SDG CONTRIBUTION

The selected KPIs are likely to contribute to two of the United Nations’ Sustainable Development Goals (“SDGs”), namely:

KPI	SDG	SDG TARGETS
KPI 1 KPI 2		7.3 By 2030, double the global rate of improvement in energy efficiency
		Take urgent action to combat climate change and its impacts



KPI 1: PERCENTAGE REDUCTION OF SCOPE 3 GHG EMISSIONS INTENSITY RELATED TO THE CONSUMPTION OF PRODUCTS SOLD	KPI 2: SCOPES 1& 2 GREENHOUSE GAS (GHG) EMISSIONS PERCENTAGE REDUCTION
---	---

MATERIALITY

V.E considers that the selected KPIs are relevant, core and material to the company’s business strategy for its current and future operations as well as reflects relevant sustainability challenges for its industry sector.

According to Rexel’s 2020 Universal Registration Document, scope 3 GHG emissions related to use of sold products represents 93.2% of Rexel’s total estimated GHG emissions in 2020, while Scope 1 & 2 emissions due to purchased electricity and energy consumption at Rexel facilities and internal fleet consumption (0.1%) represent 0.2% of Rexel’s total emissions. So together the GHG emissions covered by the two KPIs represent about 93.5% of Rexel’s total estimated GHG emissions in 2020.

Moreover, KPI 1 will cover all (100%) of the products sold by Rexel, while KPI 2 covering all (100%) of the operations and sites of the Rexel Group.

In addition, from the perspective of the broader retail sector, retailers have a great influence on producers, suppliers and consumers and therefore can help contribute to the promotion of sustainability issues within various groups of stakeholders.⁴ Retail activities could generate important environmental impacts through the transportation of goods from production sites, warehouses, to retail outlets generating CO₂ emissions. Retailers also face environmental challenges linked to the energy consumption of their buildings, as well as to the impacts of the products they sell. The two selected KPIs are thus also considered relevant to the material sustainability issues of the retail sector.

MEASURABILITY AND VERIFICATION

The KPIs are measurable and will be externally verified. The calculation methodology is consistent and the Issuer commits to inform the investors of changes in the methodology.

The 2016 Baseline figures for both KPIs have been externally audited by PwC. KPI related data will be independently verified before its publication on an annual basis. Data related to KPI 2 were also included in the previous annual reports.

The Issuer also commits that all of the material environmental information, including qualitative and quantitative data, will be included in the scope of the independent verifier’s report.

CLARITY

The KPIs are clearly defined and disclosed to investors.

The KPI definitions rely on external references allowing their benchmark, namely:

- KPI 1 is calculated using a specific methodology by Rexel, based on the recommendations of the GHG Protocol;
- KPI 2: emission factors for Scope 1 are derived from the GHG Protocol (“Emission Factors from Cross-Sector Tools 2014”) with the exception of “other energies” categories, while the emission factors associated with network electricity consumption used in the reporting software are those published by the IEA.

The Issuer has communicated clearly in its Framework the rationale and process according to which KPIs have been selected.

⁴ <https://www.unep.org/explore-topics/resource-efficiency/what-we-do/sustainable-lifestyles/retail>

EXHAUSTIVENESS

The KPIs cover the totality of the company's total activity.

The Issuer reports that the coverage of the KPIs will not be subject to modifications.

BEST PRACTICES

- ⇒ The company has disclosed its materiality matrix and the KPIs reflect the most material issues identified by the company in the materiality matrix.
- ⇒ The Issuer is communicative and the rationale and process for KPI selection are clear.
- ⇒ The KPIs covers more than 90% of the company's total activity.
- ⇒ The KPIs definition relies on external references allowing their benchmark.

Calibration of the Sustainability Performance Target (SPT)



AMBITION

KPI 1: PERCENTAGE REDUCTION OF SCOPE 3 GHG EMISSIONS INTENSITY RELATED TO THE CONSUMPTION OF PRODUCTS SOLD

The SPTs are consistent with the Issuer's existing targets set in its overall sustainability strategy. According to Rexel's 2020 Universal Registration Document, one of its two objectives in GHG emissions reduction is to achieve a 45% reduction in CO₂ emissions from the use of products sold (scope 3) by 2030 as compared to 2016. The Issuer also clarified that the 2023 target has been calculated based on the 2030 target, following a scenario analysis consistent with the 2016-2030 GHG emissions trajectory, for the purpose of this Framework.

Table 1 – KPI 1 (measured in percentage of reduction of the emissions related to the Group's customers' use of products in metric tons of carbon dioxide equivalent and divided by turnover in kEURO related to the sale of such products)

KPI 1	REPORTED DATA					OBJECTIVES		
	2016* (Baseline)	2017	2018	2019	2020	2023*	2026†	2030*
Variation (in relation to baseline year)	0	-6.40%	-7.25%	-18.05%	-16.22%	-23%	-33.40%	-45%
Absolute figures (tCO ₂ e/kEuro)	2.92	2.73	2.71	2.39	2.45	2.25	1.94	1.61
Annual variation (in relation to year n-1)		-6.40%	-0.91%	-11.65%	2.23%			
Average annual variation of absolute figures (2016-2020)		-4.33%						
Average annual variation of absolute figures (2016-2023)		-3.66%						
Average annual variation of absolute figures (2016-2030)		-4.18%						
Average annual variation of absolute figures (2020-2023)					-2.77%			
Average annual variation of absolute figures (2023-2030)						-4.69%		

* Trigger event

† Intermediary level of performance

Based on several points of comparison, we consider that Rexel's targets demonstrate an advanced⁵ level of ambition.

Business-as-usual Trajectory Benchmark Analysis

The SPTs demonstrate a robust level of ambition compared to the Issuer's business-as-usual (BaU) trajectory.

The Issuer has provided historical data on the absolute figures related to KPI 1, which represents an annual average reduction of -4.33% between 2016 and 2020, although annual variations vary considerably between the years. The Issuer reports that the improvements are mainly the result of 1) the shift in Rexel's product mix and its effort to improve energy efficiency of products and solutions proposed to its customers; 2) Rexel's commercial actions to encourage energy-efficient solutions; and 3) the reduction of electricity GHG emission factor in most countries where Rexel operates.

With the proposed SPTs, the Issuer's annual average variation of the absolute figures would be -2.77% for the period 2020-2023 (or -3.66% for the period 2016-2023), and -4.69% for the period 2023-2030 (or -4.18% for the period 2016-2030). Although the variations are in the order of the variation between 2016 and 2020, it is important to take into consideration two factors that could have impacts on the KPI: the GHG emission factor of local grids, and the mix of products sold (further details in the "means for achievement" section).

In addition, Rexel has also shared with V.E an intermediary level of performance for KPI 1 by the end of December 2026, which will represent a -33.40% compared to the performance in 2016. For the avoidance of doubt, this intermediary performance level is not a trigger event.

Overall, V.E considers that the achievement of the SPTs will require continued improvement to its BaU trajectory, despite the potential impacts of external factors that are out of the company's control.

Sector Peers Benchmark

The SPTs show an advanced level of ambition compared to sector peers' performances.

Although Rexel is categorised under the "Specialised Retail" sector in V.E's rating universe, for the purpose of peer comparison and the types of products that Rexel sells, we consider it more appropriate to compare Rexel's targets to those from peers in the "Electrical Equipment and Machinery" sector (as per the classification by the Science Based Targets initiative (SBTi)). Based on V.E's market research of companies in the electronic retailing business, many of them have not yet set specific targets related to scope 3 GHG emissions reduction. We have identified the following companies that are similar or relevant to Rexel's business activities, and that have set targets related to their Scope 3 emissions, based on SBTi's database and company websites.

Table 2 – KPI 1 sector peers comparison

COMPANY NAME	EXTENT OF SCOPE 3 EMISSIONS COVERED BY THE TARGET	TYPE OF TARGET	BASELINE YEAR	REDUCTION TARGET (TARGET YEAR)
Rexel	Related to use of products sold	Intensity	2016	45% (2030)
Schneider Electric	All scope 3 emissions	Absolute	2017	35% (2030); carbon neutral (2040) ⁶
Saint Gobain	All scope 3 emissions (upstream and downstream of the value chain)	Absolute	2017	16% (2030) ⁷

⁶ <https://www.se.com/ww/en/about-us/newsroom/news/press-releases/schneider-electric-gears-up-for-climate-week-nyc-by-launching-an-inspiring-new-program-for-un-sdgs-and-reinforcing-accelerating-its-commitments-for-a-carbon-neutral-world-sdg13-5f64b6c639d17f46594937ae>

⁷ <https://www.saint-gobain.com/en/group/net-zero-carbon/our-methodology>

Siemens	All scope 3 emissions (upstream and downstream of the value chain)	Absolute	2019	15% (2030)*
Signify	From use of sold products	Absolute	2015	30% (2030)

*Note: Siemens's 2030 target was updated to 20% in February 2021, however the baseline year is not fully clear⁸

Based on the Table 2 above, Rexel's target is not directly comparable to peers's targets as it is an intensity target instead of absolute emissions reduction. As mentioned earlier, scope 3 GHG emissions related to use of sold products represents 93.2% of Rexel's total estimated GHG emissions in 2020. Although the future trend of sales revenues is difficult to assess, we consider Rexel's targets demonstrates at least a similar level of ambition compared to peers in the sector that have set specific Scope 3 targets.

Overall, V.E considers that Rexel's SPTs for KPI 1 go beyond the average performance of its sector peers.

Official International Targets and Scenarios Benchmark Analysis

The validation of Rexel's targets by the Science Based Targets initiative (SBTi) only refers to GHG emissions from company operations (scopes 1 and 2), i.e. KPI 2.⁹ KPI 1 is not specifically covered. Since there is no other applicable sector standard or benchmark for the specific SPTs, this benchmark analysis has been thus deactivated.

Nevertheless, globally speaking, according to Target Validation Protocol of SBTi, companies that have scope 3 emissions making 40% or more of their total emissions, are required to have a scope 3 target.

Scope 3 emission reduction targets (covering the entire value chain or individual scope 3 categories) are considered ambitious if they fulfil the following:

For intensity-based percentage emission reduction targets, criterion is met in the case of economic-based targets if:

- Timeframe ambition in absolute terms is aligned with an annual linear reduction rate of at least 1.23% per year, OR
- Timeframe ambition exceeds 7% year-on-year reduction per unit of gross value added over the target period.

Rxel's scope 3 reduction target represents a year-on-year reduction per unit of gross value added of -4.18 % for the 2016 to 2030 time period, which is below the 7% year-on-year reduction rate. Please note that these reduction targets are generic, and they are not specific to the Electrical Equipment and Machinery sector, as there are currently no sector decarbonisation pathways for this sector.

MEASURES TO ACHIEVE THE SPT

The means to achieve the SPTs are disclosed in the Framework and credible. The SPTs will be achieved through one main strategy, which focuses on identifying and selecting the most energy-efficient products in each products category, mainly based on reliable life cycle assessments and technical data.

The Issuer has identified a range of measures to implement this strategy:

- Supporting the market transition towards the energy-efficient solutions and energy management solutions by:
 - Challenging suppliers to ensure they develop solutions that allow the energy transition on a short-term period;

⁸ <https://press.siemens.com/global/en/feature/decarbonization>

⁹ <https://sciencebasedtargets.org/companies-taking-action>

- Working with the main suppliers to collect environmental data which enables the selection of the least emitting products;
- Replacing products that do not have reliable environmental information by the most energy-efficient products as well as products enabling energy transition.
- Supporting customers by:
 - Providing scope 3 GHG emissions related to products sold by Rexel, by project or by order;
 - Proposing low-carbon products and solutions for their projects and works, together with adapted financing solutions;
 - Training customers to climate stakes and energy transition solutions.

Rexel has shared details on the estimated costs and investments for the measures to achieve the SPTs, however these cannot be included in public documents for confidentiality reasons.

The Issuer has reported the progresses/actions being taken for each of the measures:

- In relation to Suppliers: several workgroups with suppliers have been created in 2020 and 2021 in order to improve environmental data collection product by product, and to help identifying the most energy-efficient products;
- For the selection of the most efficient products: the Issuer reports that it is having ongoing discussion with the main suppliers to collect environmental data which enables the selection of the least emitting products. Initially, products that do not have reliable environmental information will no longer be highlighted in the offer plan. As a second step, the most energy-efficient products and products enabling energy transition will be pushed into the offer plan;
- In terms of energy efficiency offer: Some Rexel subsidiaries have built dedicated offers to promote the most energy efficient products. For example, Rexel France proposes a dedicated process to select energy efficient products, to find financial support, etc.

In addition, the Issuer has quantified the respective contribution of the means for achieving the SPTs, estimated based on a study on both potential reduction impact and historical decrease for KPI 1 between 2016 and 2020:

- Changes in the mix of products (BAU evolution of the markets): 10% of the contribution (estimated);
- Changes in the energy efficiency of products: 60% of the contribution (estimated), of which 30% related to the improvement of energy efficiency of products thanks to Rexel proactive challenging discussions with suppliers based on Product Environmental Performance and 30% related to Rexel proactive selection and sale of energy efficient products;
- Changes in the electricity production: 30% of the contribution (estimated).

Externalities that could impact the achievement of the SPTs:

It is important to take into consideration two factors that could have impacts on the KPI:

- GHG emission factor of the local grids: Rexel's main markets are Europe (56% of 2020's sales) and North America (35%). Projections of emissions factors (e.g. in IEA's world energy model) will require assumptions of future new electricity generation and energy policies as well as other factors¹⁰. For Europe, based on projection by the European Environmental Agency, the EU's GHG emission intensity of electricity generation

¹⁰ https://unfccc.int/sites/default/files/resource/IFITWG_Methodological_approach_to_common_dataset.pdf

is expected to reduce to 75.49-96.81gCO₂e/kWh by 2030 from the level of 305gCO₂e/kWh in 2016, implying a potential reduction of 68.2%-75.2%.¹¹ However, as EU EEA's data also shows, there are significant differences at the country level, ranging from almost 0 in Norway to 900gCO₂e/kWh in Estonia in 2018. How future emission factors could have impacts on KPI 1 also partly depends on Rexel's future market composition.

- **Turnover in kEURO related to the sale of products:** The Issuer reports that in 2020, due to the impacts of Covid-19 crisis, its sales declined and the product mix was significantly changed. The fall in sales could have the potential to negatively impact the achievement of the SPTs, subject to the mix of products sold in terms of their energy efficiency and energy consumption.

Both of these two facts are at least partly subject to external factors such as grid energy mix and market conditions.

KPI 2: SCOPES 1 & 2 GREENHOUSE GAS (GHG) EMISSIONS PERCENTAGE REDUCTION

The SPTs are consistent with the Issuer's existing targets set in its overall sustainability strategy. According to Rexel's 2020 Universal Registration Document, one of its two objectives in GHG emissions reduction is to achieve a 35% reduction in CO₂ emissions of its operations (scopes 1 & 2) by 2030 as compared to 2016. The Issuer also clarified that the 2023 target has been calculated based on the 2030 target, following a scenario analysis consistent with the 2016-2030 GHG emissions trajectory, for the purpose of this Framework.

Table 3 – KPI 2 (measured in percentage of reduction of million metric tons of carbon dioxide equivalent (MtCO₂e))

KPI 2	REPORTED DATA					OBJECTIVES		
	2016* (Baseline)	2017	2018	2019	2020	2023*	2026†	2030*
Variation (compared to baseline year)	0	-7.36%	-8.65%	-11.13%	-25.47%	-23.70%	-30.70%	-35%
Absolute figures (tCO ₂ e)	116,829**	108,235**	106,726	103,826	87,069	89,141	80,962	75,939
Annual variation (in relation to year n-1)		-7.36%	-1.39%	-2.72%	-16.14%			
Average annual variation of absolute figures (2016-2019)		-3.86%						
Average annual variation of absolute figures (2016-2023)		-3.79%						
Average annual variation of absolute figures (2019-2023)					-3.74%			

¹¹ <https://www.eea.europa.eu/data-and-maps/indicators/overview-of-the-electricity-production-3/assessment>

KPI 2	REPORTED DATA					OBJECTIVES		
	2016* (Baseline)	2017	2018	2019	2020	2023*	2026†	2030*
Average annual variation of absolute figures (2016-2030)	-3.03%							
Average annual variation of absolute figures (2019-2030)						-2.80%		
Average annual variation of absolute figures (2023-2030)						-2.26%		
Absolute figures as reported in previous Universal Registration Documents (tCO ₂ e)	113,566	104,226	106,726	103,826	87,069			

* Trigger event

† Intermediary level of performance

** The absolute figures of KPI 2 were disclosed in past Universal Registration Document (URD). The 2016 and 2017 figures used are slightly higher than the one previously disclosed. For 2016, the issuer clarified that they used the data validated by PwC in 2021, which were adjusted due to correction of the 2016 USA electricity consumption, as discussed previously. For 2017, the figure was adjusted due to correction of the 2017 USA electricity consumption, following the same methodology. The 2018-2020 data are consistent with the ones disclosed previously (in case of different figures reported for the same year, the latest version of the URD is referenced). Based on several points of comparison, we consider that Rexel's targets demonstrate an advanced¹² level of ambition.

Business-as-usual Trajectory Benchmark Analysis

The SPTs demonstrate a robust level of ambition compared to the Issuer's BaU.

The Issuer has provided historical data on the absolute figures related to the KPI 2, and reports that the improvements are mainly due to improved energy performance of the Group's sites and fleet of vehicles. The 2020 figure showed a significant drop compared to previous years. As clarified by the Issuer, this is at least partly due to the 2020 Covid-19 crisis, which had visible impacts on Rexel's Scopes 1 and 2 GHG emissions. Due to the unexpected nature of the Covid-19 crisis, we consider such reduction a one-off extraordinary event rather than a sustainable trend in reduction. Thus, we consider the period between 2016 and 2019 is a more appropriate reference period, which shows an annual average reduction of -3.86%.

With the proposed SPTs, the Issuer's annual average variation of the absolute figures would be -3.74% for the period 2019-2023 (or -3.79% for the period 2016-2023), and -2.80% for the period 2019-2030 (or -3.03% for the period 2016-2030). This means that, if we use 2019 as the dividing year, the 2023 and 2030 targets would require at least a similar level of reduction rate of Scopes 1 and 2 GHG emissions compared to the previous period.

According to Rexel's 2020 Universal Registration Document, in 2020, Scope 1 emissions represent 68.9% of the total Scopes 1 and 2 GHG emissions. This means that to achieve the SPTs, it will require greater efforts in reducing emissions related to primary energy consumption (mainly natural gas and domestic fuel oil) on site as well as emissions related to

¹² VE scale of assessment: Weak / Limited / Robust / Advanced

the fuel consumption of vehicles operated by the Rexel Group. The reduction of grid electricity GHG emission factor could potentially contribute to the achievement of the SPTs, but it would play a relatively smaller part.

In addition, Rexel has also shared with V.E an intermediary level of performance for KPI 2 by the end of December 2026, which will represent a -30.70% compared to the performance in 2016. For the avoidance of doubt, this intermediary performance level is not a trigger event.

Overall, V.E considers that the achievement of the SPTs will represent an improvement compared to its BaU trajectory.

Sector Peers Benchmark

The SPTs show an advanced level of ambition compared to sector peers' performances.

As of April 21st 2021, Rexel is amongst the 29 companies globally (17 in Europe) out of 59 in the "Electrical Equipment and Machinery" sector (SBTi's classification) in SBTi's database that have set science-based targets and validated by SBTi.¹³ SBTi's target validation specifically refers to GHG emissions from company operations (scopes 1 and 2). This means the other 30 companies have made commitment but have not yet set specific targets.

As validated by SBTi, Rexel's targets for KPI 2 are considered consistent with reductions required to keep warming to Well-below 2°C. In Europe, a total of 14 companies in the "Electrical Equipment and Machinery" sector have set targets that are considered consistent with reductions required to keep warming to 1.5°C.

In addition, for the broader retail sector in the UK which is within Rexel's main markets (i.e. Europe), the British Retail Consortium (BRC) Climate Action Roadmap sets out a 2030 target for scope 2 emissions (net zero emissions from purchased electricity), and a 2035 target for scope 1 emissions (net zero direct emissions from operations, including from fleet vehicles, heating fuels and refrigeration).¹⁴

Overall, V.E considers that Rexel's SPTs for KPI 2 go beyond the average performance of its sector peers.

Official International Targets and Scenarios Benchmark Analysis

The SPTs show an advanced level of ambition compared to sector standards. According to the Science Based Targets initiative (SBTi), the target set for 2030 covering GHG emissions from company operations (scopes 1 and 2) is consistent with reductions required to keep warming to Well-below 2°C.¹⁵

Of note, the SBTi has recently announced¹⁶ an update in their strategy, to increase the minimum ambition in corporate target setting from 'well below 2°C' to '1.5°C' above pre-industrial levels, as such, 'well below 2°C' targets will no longer be validated, and phased out to be replaced by 1.5°C targets. SBTi has communicated that "companies that had targets approved in 2020 or earlier will have until 2025 as per the current SBTi criteria to update their targets". As such, while we can consider that when Rexel set their target for 2030, they were considered ambitious compared to sector standards, this corporate target will have to be updated by 2025.

MEASURES TO ACHIEVE THE SPT

The means to achieve the SPTs are disclosed in the Framework and credible. The SPTs will be achieved through one main strategy that focuses on the following two areas of Rexel's business operations:

1) Transports:

Rexel will focus on increasing flexibility and service for customers while reducing the fuel consumption and mileage of its direct and indirect fleet, through the following actions:

¹³ <https://sciencebasedtargets.org/companies-taking-action?sector=Electrical%20Equipment%20and%20Machinery#table>

¹⁴ <https://brc.org.uk/climate-roadmap>

¹⁵ <https://sciencebasedtargets.org/companies-taking-action>

¹⁶ <https://sciencebasedtargets.org/news/sbti-raises-the-bar-to-1-5-c>

- Pooling shipments, streamlining delivery routes to reduce mileage, and selecting “best in class” vans and lorries when taking environmental criteria;
- Introduction of electric vehicles and hybrids as well as monitoring of fuel consumption and greenhouse gas emissions, with the use of GPS systems to limit these impacts.

2) Buildings

Rexel will focus on improving the following items:

- The lighting equipment, through the use low-power technologies and automation systems;
- The modernization of heating, air conditioning, and ventilation systems and better oversight (such as lower room temperature set point); and
- The management of energy consumption via annual environmental reporting and specific management measures and tools in certain subsidiaries (site-by-site management on a monthly basis, or even in real time).

Rexel has shared details on the estimated costs and investments for the measures to achieve the SPTs, however these cannot be included in public documents for confidentiality reasons.

In addition, the Issuer has quantified the respective contribution of the means for achieving the SPTs, estimated based on a study on both potential reduction impact and historical decrease for KPI 2 between 2016 and 2020:

- Transport (energy efficient vehicles): 15% of the contribution (estimated);
- Electricity (low carbon electricity + energy efficiency in buildings + green electricity): 45% of the contribution (estimated);
- Fossil fuel energy in buildings (energy efficiency in buildings + switch to electricity): 40% of the contribution (estimated).

BEST PRACTICES

- ⇒ The timeline, baseline and trigger events are clearly disclosed and the issuer has set relevant intermediary targets allowing sufficient visibility on the KPI performance
- ⇒ The means for achieving the SPT(s) are disclosed as well as any other key factors beyond the issuer’s direct control that may affect the achievement of the SPT(s)
- ⇒ The means for achieving the SPT(s) are credible and detailed

Bond Characteristics



Rexel confirms that the Bonds issued under this Framework will be subject to financial implications for the non-achievement of one or more SPTs. The exact mechanism and impacts will be detailed for the related SLB within the legal documentation of such SLB, or for the non delivery of the Post Observation Date Limited Assurance Report as described in the relevant transaction document.

Rexel has disclosed in the Framework that financial implications could include a coupon step-up or any other compensation mechanism to be defined in the legal documentation of the specific instrument. For any SLB where a coupon step-up may occur:

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

*V.E considers that, as of today, there is insufficient information and market precedent to appropriately assess the potential best practices regarding the bond characteristics' variation. In this sense, the "Aligned" level is currently considered to be the highest level to be achieved by Issuers on this pillar. In addition, the meaningfulness of the variation of the SLB's structural and/or financial characteristics of the Bond cannot be assessed due to 1) lack of details of financial implications at the Framework level and 2) lack of comparison data.



Reporting

Not Aligned	Partially Aligned	Aligned	Best Practices
-------------	-------------------	---------	-----------------------

KPI 1: PERCENTAGE REDUCTION OF SCOPE 3 GHG EMISSIONS INTENSITY RELATED TO THE CONSUMPTION OF PRODUCTS SOLD

KPI 2: SCOPES 1 & 2 GREENHOUSE GAS (GHG) EMISSIONS PERCENTAGE REDUCTION

REPORTING PROCESS

The intended scope and granularity of the reporting is clear and covers all the required elements.

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

CONTROL

KPI related data undergoes both internal and external verification.

Rexel’s internal control builds on the Book of Rexel Guidelines, which 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. Particularly, it covers the internal control on environmental indicators reported to the Group, including those related to the KPI and associated SPTs.

The Issuer reports that the indicators are keyed in the system, and will first be reviewed by a designated validator within each subsidiary and then reviewed by the Sustainable development team in charge of the environmental reporting and monitoring of environmental KPIs at the Group level. KPI related data are then audited by an external verification body (e.g. PWC), who will check each year i) local input of data through specific audit in countries representing around 20% of the metric (each country visited at least once every five years) ii) the consolidation of all the reporting.

ACCESIBILITY OF RESULTS

All relevant information is publicly disclosed by the company in public documentation (including information on the performance of KPIs, information enabling investors to monitor the level of ambition of the SPTs and baselines).

The reporting will be published annually, until maturity of the SLBs.

BEST PRACTICES

- ⇒ KPI data undergoes both internal and external verification.
- ⇒ The intended scope and granularity of the reporting is clear and exhaustive, covering all the required and recommended elements.
- ⇒ The reporting on the KPIs will be published annually until maturity of the instrument.

Verification



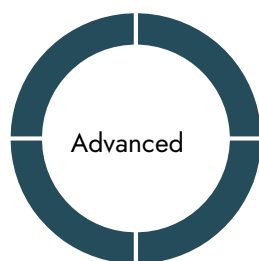
The performance of each KPI against each SPT will be covered by an external verification, on an annual basis and in case of material changes impacting the SLB's financial and/or structural characteristics (such as a trigger event), until the maturity of the Bond.

The verification assurance reports will be publicly available.

BEST PRACTICES

- ⇒ The verification will be conducted annually for the KPI until Bond maturity.

ISSUER



Rexel SA operates as a holding Company, which engages in the distribution of electrical products. The Company was founded in 1967 and is headquartered in Paris, France.

ESG Performance

The Issuer's ESG performance was assessed through a complete process of rating and benchmarking.

As of March 2021, Rexel displays an advanced ESG performance (61/100), ranking 2nd in our Specialised Retail sector, which covers 74 companies. The company is advanced in the Environmental and Governance pillar, and robust in the Social pillar.

DOMAIN	COMMENTS	OPINION
Environment	<p><u>Rexel's performance in the Environmental pillar is considered advanced.</u></p> <p>The Company commits to all its responsibilities in terms of environmental protection and appears to have allocated comprehensive resources to environmental management. As for measures deployed, innovative resources are reported to reduce energy consumption and related emissions, and relevant means seem to be in place to reduce environmental impacts from transportation. When it comes to the disposal of products, extensive measures appear to be allocated such as take-back programmes. In terms of results, normalised energy consumption and related CO2 emissions have decreased between 2017 and 2019 while normalised CO2 emissions from transportation have decreased between 2015 and 2019. To add, the share of products that are recycled and/or recovered has increased between 2015 and 2019.</p>	Advanced
		Robust
		Limited
		Weak
Social	<p><u>Rexel's performance in the Social pillar is considered robust.</u></p> <p>In the Human Resources domain, Rexel registers an advanced performance. Apart from working hours, for which the Company only discloses references in its reporting, Rexel formalised its commitments to all issues under review. Collective bargaining between the Company and employee representatives deals with subjects related to the quality of the work environment and extensive measures seem to be deployed to limit the impacts of reorganisations. Rexel discloses extensive measures to reduce stress at work and some measures to promote work/life balance; however, it still lacks disclosure when it comes to measures linked to remuneration systems. In terms of results, the number of training hours per employee has increased between 2015 and 2019, while the lost-time injury frequency rate has decreased over the same period.</p>	Advanced
		Robust

DOMAIN	COMMENTS	OPINION
	<p>Rexel attains a robust performance in the Human Rights domain. Significant measures including training and corrective measures seem to back up the Company's formalised commitment to non-discrimination. When it comes to fundamental labour rights, the Company still lacks disclosure regarding the measures taken to ensure that freedom of association is respected throughout the Company's operations despite its formalised commitment to the topic. In terms of results, the share of women in management positions and the share of employees with disabilities in the total workforce have increased between 2015 and 2019.</p> <p>In the Community Involvement domain, Rexel's performance is advanced. Rexel displays a clear strategy to manage contributions to general interest causes and a formalised commitment to promoting social and economic development, supporting both topics with relevant measures including financial support and developing local businesses. In terms of results, the share of EBIT allocated by Rexel to investment in social initiatives decreased between 2015 and 2019. However, the Company lacks disclosure when it comes to indicators on social and economic development.</p>	<p>Limited</p> <p>Weak</p>
Governance	<p><u>Rexel's performance in the Governance pillar is considered advanced.</u></p> <p>Rexel achieves an advanced performance in corporate governance. Rexel's Board displays a high level of independence and diversity at 80% and 50% respectively. In addition, the Company reports on regular Board meetings, performance evaluation (with disclosure on the results), and now has two employee representatives sitting on the Board. The Audit Committee has a comprehensive role in overseeing internal and external controls, in addition to a confidential reporting system. To add, relevant processes dedicated to management of CSR risks appear to be in place. The Company seems to respect shareholders' rights. Moreover, CSR performance objectives are considered in the determination of Executive variable remuneration.</p> <p>In the Business Behaviour domain, Rexel's performance is robust. Rexel discloses a formalised commitment to all business behaviour related issues at stake. When it comes to customers related matters, the Company discloses significant measures to ensure products safety and data privacy, in addition to both passive and active information systems to ensure adequate information to customers. Supply chain matters appear to be supported by measures such as supplier questionnaires. As for corruption and antitrust matters, they seem to be backed up by internal controls.</p>	<p>Advanced</p> <p>Robust</p> <p>Limited</p> <p>Weak</p>

Management of ESG Controversies

As of today, Rexel is facing two stakeholder-related ESG controversies, linked to four of the six domains we analyse:

- Human Rights, in the criterion of "Non-discrimination".
- Community Involvement, in the criterion of "Social and economic development".
- Business Behaviour, in the criteria of "Prevention of corruption" and "Anti-competitive practices".
- Corporate Governance, in the criterion of "Audit & internal controls".

Frequency: The controversies are considered occasional, more frequent than the sector average.

Severity: The level of severity is high, based on the analysis of their impact on the company and its stakeholders, in line with the sector average.

Responsiveness: Rexel is overall reactive, in line with the sector average.

Involvement in Controversial Activities

The Issuer appear to be not involved in any of the 17 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

The controversial activities research provides screening of companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from V.E.

METHODOLOGY

In V.E' view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organisation, activity or transaction. In this sense, V.E provides an opinion on the Issuer's ESG performance as an organisation, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. A right of complaint and recourse is guaranteed to all companies under our review, following three levels: first, the team in contact with the Issuer; then the Executive Director in charge of Methods, Innovation & Quality; and finally, V.E' Scientific Council. All employees are signatories of V.E' Code of Conduct, and all consultants have also signed its add-on covering financial rules of confidentiality.

FRAMEWORK

Alignment with the Sustainability-Linked Bond Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework/Bond has been evaluated by V.E according to the ICMA's Sustainability-Linked Bond Principles - June 2020 ("SLBP") and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Selection of Key Performance Indicators (KPIs)

KPI's materiality and coherence with the Issuer overall sustainability strategy and with the Issuer sector's main sustainability challenges. KPI's measurability and clarity, internal and external control over the KPI's data, exhaustiveness of the KPI's coverage.

Calibration of Sustainability Performance Targets (SPTs)

Coherence of the SPTs with the overall sustainability strategy, ambition of the SPTs (compared the Issuer's own performance, sector peers and relevant international standards), trigger events' disclosure, disclosure and credibility of the means for achievement (including scope and geographical coverage of the means).

Bond characteristics

Disclosure of the bond characteristics' variation, meaningfulness of these variation.

Reporting

Reporting process formalisation and verification, data's accessibility.

Verification

Verification of the performance against the SPTs and disclosure of the assurance reports.

ISSUER

Issuer's ESG performance

Scale of assessment of ESG performance: Weak, Limited, Robust, Advanced

NB: The Issuer's level of ESG performance (i.e. commitments, processes, results of the Issuer related to ESG issues), has been assessed through a complete process of rating and benchmarking developed by V.E.

The Issuers ESG performance has been assessed by V.E on the basis of its:

- Leadership: relevance of the commitments (content, visibility and ownership).



- Implementation: coherence of the implementation (process, means, control/reporting).
- Results: indicators, stakeholders' feedbacks and controversies.

Management of stakeholder-related ESG controversies

A controversy is an information, a flow of information, or a contradictory opinion that is public, documented and traceable, allegation against an Issuer on corporate responsibility issues. Such allegations can relate to tangible facts, be an interpretation of these facts, or constitute an allegation based on unproven facts.

V.E reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

V.E provides an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- Frequency: reflects for each ESG challenge the number of controversies that the Issuer has faced. At corporate level, this factor reflects on the overall number of controversies that the Issuer has faced and the scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- Severity: the more a controversy is related to stakeholders' fundamental interests, proves actual corporate responsibility in its occurrence, and have caused adverse impacts for stakeholders and the Issuer, the higher its severity is. Severity assigned at the corporate level will reflect the highest severity of all cases faced by the Issuer (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the Issuer for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on an Issuer's reputation reduces with time, depending on the severity of the event and the Issuer's responsiveness to this event. Conventionally, V.E' controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in controversial activities

17 controversial activities have been analysed following 30 parameters to screen the Issuer's involvement in any of them. The Issuer's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the Issuer.



V.E'S ASSESSMENT SCALES

Scale of assessment of the Issuer's ESG performance, the KPI(s) materiality and the associated SPT(s) ambition.	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the sustainability objective.
	The selected KPI(s) reflects the most material issues for the Issuer's core sustainability and business strategy and address the most relevant environmental, social and/or governance challenges of the industry sector.
	An advanced ambition is achieved when the SPT(s) can demonstrate the following: (i) alignment with the 2D scenario/recognized sector standards (when available) (ii) a top performance in comparison to sector peers, and (iii) an improvement of the company's performance.
Robust	Convincing commitment; significant and consistent evidence of command over the issues.
	The selected KPI(s) reflects material issues for the Issuer's core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector.
	A robust ambition is achieved when the SPT(s) can demonstrate at least two out of three of the following items: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance.
Limited	Commitment to the objective of sustainability has been initiated or partially achieved; fragmentary evidence of command over the issues.
	The selected KPI(s) does not appropriately reflect material issues for the Issuer's core sustainability and business strategy and partially address relevant environmental, social and/or governance challenges of the industry sector.
	A limited ambition is achieved when the SPT(s) can demonstrate only one out of three of the following: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance.
Weak	Commitment to social/environmental responsibility is non-tangible; no evidence of command over the issues.
	The selected KPI(s) does not reflect material issues for the Issuer's core sustainability and business strategy and do not address relevant environmental, social and/or governance challenges of the industry sector.
	A weak ambition is achieved when the SPT(s) (i) is not aligned the 2D scenario/recognized sector standards (ii) is below the average performance of its sector peers, and (iii) shows a negative trend in the company's performance.

Scale of assessment of financial instrument's alignment with Sustainability-Linked Bond Principles	
Best Practices	The Instrument's practices go beyond the core practices of the ICMA's Sustainability-Linked Bond Principles by adopting recommended and best practices.
Aligned	The Instrument has adopted all the core practices of the ICMA's Sustainability-Linked Bond Principles.
Partially Aligned	The Instrument has adopted a majority of the core practices of the ICMA's Sustainability-Linked Bond Principles, but not all of them.
Not Aligned	The Instrument has adopted only a minority of the core practices of the ICMA's Sustainability-Linked Bond Principles.



Statement on V.E' s independence and conflict-of-interest policy

Transparency on the relation between V.E and the Issuer: V.E has carried out one audit mission or consultancy activity for Rexel. No established relation (financial or commercial) exists between V.E and the Rexel. V.E's conflict of interest policy is covered by its Code of Conduct, which can be found at <http://vigeo-eiris.com/wp-content/uploads/2018/07/Code-of-Conduct-Vigeo-Eiris-EN.pdf>

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Bond, based on the information which has been made available to V.E. V.E has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by V.E neither focuses on the financial performance of the Bond, nor on the effective allocation of its proceeds. V.E is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction. Restriction on distribution and use of this opinion: The deliverables remain the property of V.E. The draft version of the Second Party Opinion by V.E is for information purpose only and shall not be disclosed by the client. V.E grants the Issuer all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer shall determine in a worldwide perimeter. The Issuer has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned bond(s) issuance. The Issuer acknowledges and agrees that V.E reserves the right to publish the final version of the Second Party Opinion on V.E website and on V.E internal and external communication supporting documents.



DISCLAIMERS

© 2021 Vigeo SAS and/or its licensors and subsidiaries (collectively, "V.E"). All rights reserved.

V.E provides its customers with data, information, research, analyses, reports, quantitative model-based scores, assessments and/or other opinions (collectively, "Research") with respect to the environmental, social and/or governance ("ESG") attributes and/or performance of individual issuers or with respect to sectors, activities, regions, stakeholders, states or specific themes.

V.E'S RESEARCH DOES NOT ADDRESS NON-ESG FACTORS AND/OR RISKS, INCLUDING BUT NOT LIMITED TO: CREDIT RISK, LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. V.E'S ASSESSMENTS AND OTHER OPINIONS INCLUDED IN V.E'S RESEARCH ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. V.E'S RESEARCH: (i) DOES NOT CONSTITUTE OR PROVIDE CREDIT RATINGS OR INVESTMENT OR FINANCIAL ADVICE; (ii) IS NOT AND DOES NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES; AND (iii) DOES NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. V.E ISSUES ITS RESEARCH WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

V.E'S RESEARCH IS NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE V.E'S RESEARCH WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. V.E'S RESEARCH IS NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT V.E'S PRIOR WRITTEN CONSENT.

ALL INFORMATION CONTAINED HEREIN IS OBTAINED BY V.E FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE. BECAUSE OF THE POSSIBILITY OF HUMAN OR MECHANICAL ERROR AS WELL AS OTHER FACTORS, HOWEVER, ALL INFORMATION CONTAINED HEREIN IS PROVIDED "AS IS" WITHOUT WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, INCLUDING AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. V.E IS NOT AN AUDITOR AND CANNOT IN EVERY INSTANCE INDEPENDENTLY VERIFY OR VALIDATE INFORMATION IT RECEIVES.

To the extent permitted by law, V.E and its directors, officers, employees, agents, representatives, licensors and suppliers (together, "V.E Parties") disclaim liability to any person or entity for any (a) indirect, special, consequential, or incidental losses or damages, and (b) direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded); on the part of, or any contingency within or beyond the control of any V.E Party, arising from or in connection with the information contained herein or the use of or inability to use any such information.

Additional terms For PRC only: Any Second Party Opinion, Climate Bond Initiative (CBI) Verification Report or other opinion issued by V.E: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

Additional terms for Hong Kong only: Any Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the Hong Kong Securities and Futures Ordinance ("SFO") is issued by Vigeo Eiris Hong Kong Limited, a company licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities in Hong Kong. This Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the SFO is intended for distribution only to "professional investors" as defined in the SFO and the Hong Kong Securities and Futures (Professional Investors) Rules. This Second Party Opinion or other opinion must not be distributed to or used by persons who are not professional investors.