

**WINNER FOR ENVIRONMENTAL, SOCIAL AND
CORPORATE GOVERNANCE (ESG)**

SONEPAR SUPPORTS GROUPWIDE ESG

How to Develop ESG Standards Across a Global Organisation

Sonepar, winner of the 2023 Duty of Care Award for Environmental, Social and Corporate Governance, has taken a multidisciplinary approach to implementing ESG initiatives right across its group.

Sonepar is an independent family-owned company with global market leadership in business-to-business (B2B) distribution of electrical products and solutions.

Olivier Catherine, General Counsel, describes its commitment to ESG:

'Sonepar is engaged in an unprecedented transition from a fully decentralized organisation to a more aligned one, aiming at leveraging its strengths and deploying common standards – including on ESG matters – across the Group. Under the ExCom sponsorship, a multidisciplinary ESG Task Force has been created to design and roll out the Group's ESG strategy and roadmap, and to foster local initiatives. It has already achieved a great deal.'

Notable Achievements

In 2022, Sonepar took the following major initiatives:

- Released its first CSR Report and implemented a dedicated CSR risk mapping and materiality matrix;
- Intensified its ESG due diligence;
- Trained all Group employees on sustainability through a unique platform ('The Sonepar Energy Transition Academy');
- Joined the UN Global Compact;
- Started its journey to gain an Ecovadis universal sustainability rating.

Governance

Sonepar has a holistic and comprehensive vision of ESG. While many organizations tend to concentrate their efforts on the "E" and the "S", the Group stresses the importance of the "G" and especially of business integrity. Here are some examples of its governance

initiatives:

- Sonepar deployed a new version of its Code of Conduct applicable to all employees worldwide, as well as a dedicated version for its suppliers.
- It also issued a Compliance Policies & Procedures Manual (for internal use) which describes in greater details the standards set out in the Code of Conduct and explains the internal authorisation processes. The Manual not only addresses anti-corruption, antitrust, personal data protection and export control, but also respect of individuals, human rights, and care for local communities.
- An external whistleblowing platform was implemented some time ago by Sonepar and is fully inclusive. Employees and third parties can raise an alert 24/7 on any ESG matter. All alerts lead to an internal investigation, and reports are regularly shared with the Executive Committee, the Audit Committee and the Board.
- A Business Partner Assessment Process is operated jointly between Sonepar HQ and local operations. Despite the huge number of business partners (circa 200,000 suppliers and 1 million customers worldwide),



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Sonepar screens third parties on a wide spectrum of topics including international sanctions, corruption, legal judgments and adverse media, plus broader ESG items.

Human Rights is key too. Sonepar conducts on-site human rights audits of its private brand suppliers. It has issued a Statement based on OECD guidance requiring suppliers to ensure their products and components do not adversely impact human rights. Sonepar has also released a Human Rights Policy and is finalizing a dedicated Risk Mapping System.

Environmental & Social

There are many initiatives in this area too, all subject to regular review. These include:

- The 'Green Offer' which allows customers to purchase products based on a sustainability rating, enabling them to lower their carbon footprint and that of the end-users. The rating is based on a methodology assessing individual Sonepar products according to their whole life CO² emissions.
- Several Sonepar operating companies recently obtained an Ecovadis medal, including the highest grade Platinum in Sweden. A rating process at Group level is under way.
- The Group Responsible Purchasing Policy is being finalized and will be deployed in all Sonepar entities.
- Security and safety of employees and stakeholders is a priority and embedded in both Sonepar's values and its strategic plan. The Risk Department conducts periodical country risk assessments addressing security & safety matters to allow

senior management to take appropriate action. Sonepar is currently working on harmonizing its crisis structure by developing standard guidelines and a supporting toolbox which will be deployed across the Group.

Matt Potheary, Chief Communications Officer & Sustainability Concludes

'As a leading distributor positioned in the middle of the electric products value chain, Sonepar is well ware its ESG responsibilities. This commitment was clearly reflected in several notable achievements in 2022 and we plan to make even more progress in the future.'

Key Elements

- Create a group wide commitment to ESG
- Apply recognized policies and procedures, codes, standards, ratings and risk mapping to ensure compliance and measure progress
- Develop programs to cover all three areas: Environment, Social and Governance

