sonepar

2019/2020



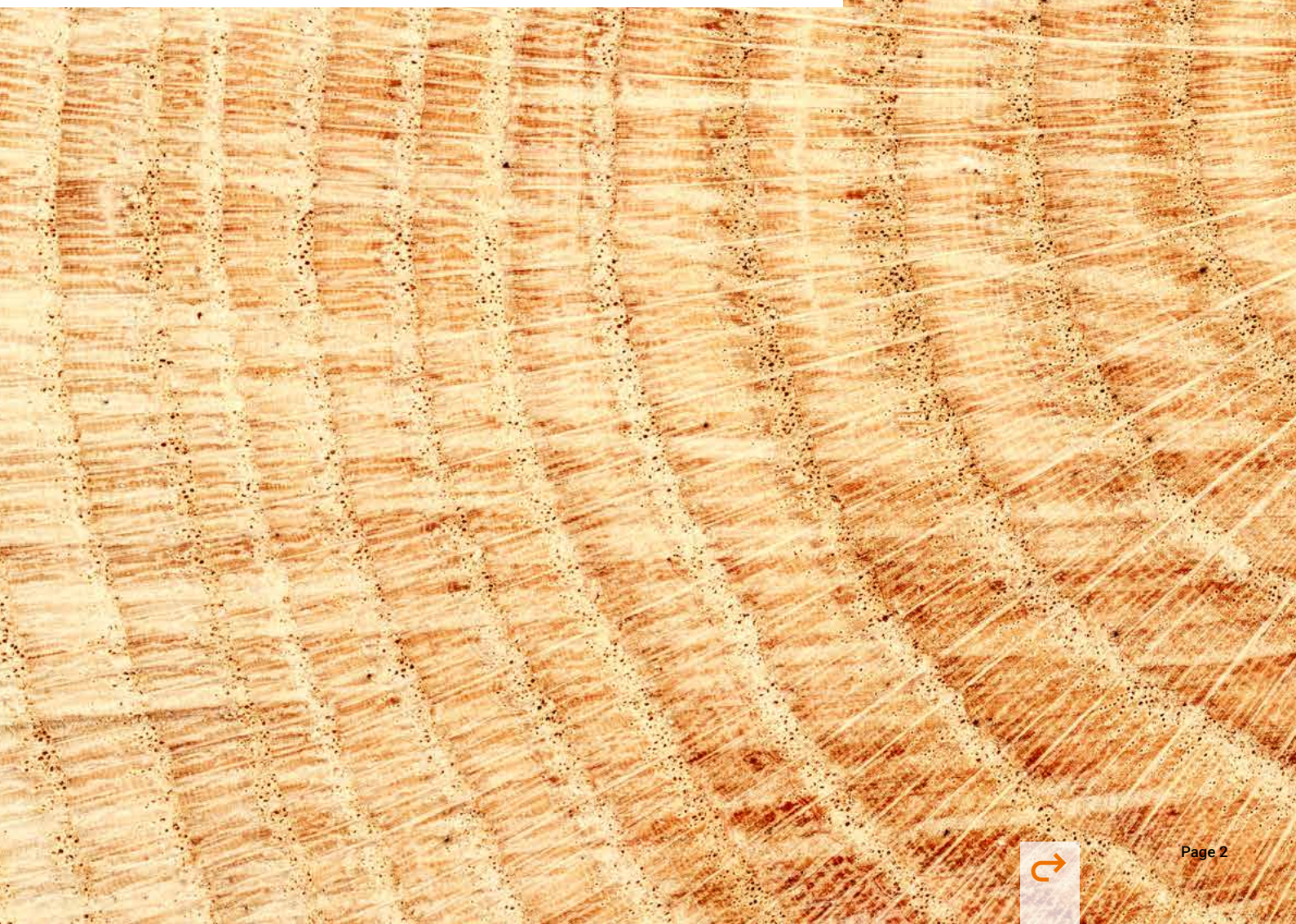
Meaningful growth.

Sustainability report 2019/2020

Powered *by* **Difference**

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Meaningful growth

Growth for its own sake is not a sustainable business model for our times. Instead we aim at meaningful, high-quality growth. Growth that pursues economic, ecological and social concerns on an equal footing. In this way we not only secure the future viability of our company, but also live up to our corporate responsibility for society and the environment.

For this purpose we have defined sustainability as an across-the-board requirement for all our products, solutions and services. Whether it's automation, installation technology, lighting or e-mobility: sustainability is the basis and common factor of our business operations in all areas.

For a wholesaler with a huge product range and a widespread manufacturer and supplier network as well as complex delivery processes, this means a major transformation process. This first Sonepar sustainability report provides information on the initiatives, projects and concrete measures we have taken to shape this process over the past two years.

The fact that we have continued to drive this transformation forward even in the economically uncertain times of a global pandemic shows how serious we are about sustainability. Accordingly, we will also consistently pursue the ambitious goals we have set ourselves for the future. We are convinced that this will increase our attractiveness as an employer for our workforce, and at the same time make a valuable contribution to tackling urgent global challenges.

That is what we are working towards. And for this purpose we are growing - meaningfully.



Dr. Stefan Stegemann
Vorsitzender der Geschäftsführung
President Sonepar Central and
Nordic Europe



Ingolf Coers
Geschäftsführer Supply Chain
Senior Vice President Supply Chain
Sonepar Germany



Alexander Gießwein
Geschäftsführer Finanzen
Senior Vice President Finance
Sonepar Central and Nordic Europe



Bernhard Weber
Geschäftsführer Vertrieb
Senior Vice President Commercial
Sonepar Germany

GRI 102-14

About this **report**

With this report Sonepar Deutschland GmbH is for the first time documenting its commitment to sustainability. Our actions are guided by the Sustainable Development Goals of the United Nations. After an introductory chapter on strategy and management, in the chapters on our business, the environment and social responsibility this report therefore presents the projects and measures with which Sonepar is contributing to the achievement of these goals. The corresponding references can be found from Page 49.

We have prepared the contents in accordance with the Global Reporting initiative (GRI) SRS standards ("Core" option). GUT Certifizierungsgesellschaft für Managementsysteme mbH, Berlin, has confirmed the fulfilment of these requirements, the transparency of the information procurement and the reliability of the reporting. Furthermore, the fulfilment of the "AccountAbility" (AA1000 series) stakeholder involvement standard is also confirmed. A corresponding declaration of conformity can be found on Page 53/54.

The reporting period extends from 01 January 2019 to 31 December 2020. In future, Sonepar aims for a two-year publication cycle. Accordingly, the next Sustainability Report will be published in the second quarter of 2023. Arno Elz, the Sustainability Officer appointed by the Management Board, is responsible for the contents of this report and will be happy to answer any questions: **arno.elz@sonepar.de**

Editorial note:
for reasons of improved readability, the simultaneous use of the language forms male, female and diverse (m/f/d) is partly omitted. All personal terms apply equally to all genders.

>> GRI 102-50, 102-51, 102-52, 102-53, 102-54, 102-56

Certificate

Validation Sustainability Report according to GRI SRS

After remote assessment, inspection of documents and interviews with responsible employees, we confirm the credibility, transparency and plausibility of the information in the Sustainability Report 2019/2020, published by

sonepar

Sonepar Deutschland GmbH

With the headquarter

Peter-Müller-Straße 3, 40468 Düsseldorf

Sonepar Deutschland GmbH has written its Sustainability Report 2019/2020 according to GRI SRS within the option 'core'.

The focus of the audit was on how the company deals with its stakeholders and identifying material aspects of sustainable development.

The validation of the sustainability-related information presented in the report has been planned and performed in such a way that we can express our conclusion with a limited assurance.

Berlin, 15th September 2021

Prof. Dr.-Ing. Jan Uwe Lieback
Director

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Company profile

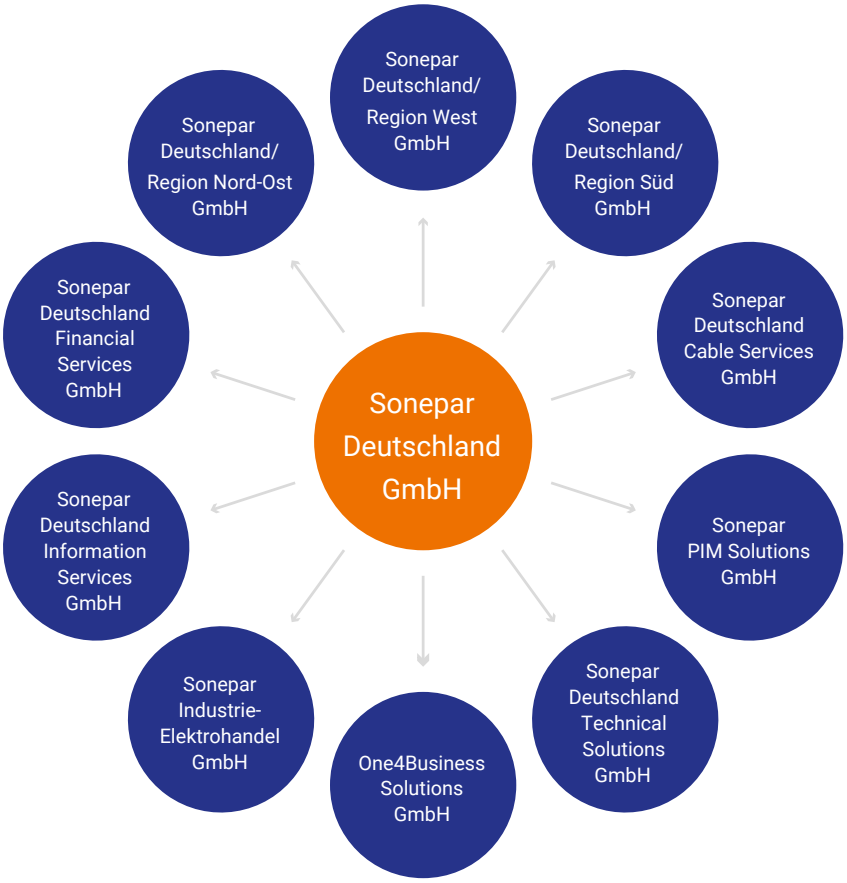
With its headquarters in Düsseldorf, Sonepar Deutschland GmbH is a leading electrical wholesaler. We supply our customers from the retail, trade and industry sectors as well as municipalities with high-quality branded products for electrotechnical solutions - from installation materials such as cables and wiring to lighting equipment and power tools to networked systems for home, satellite or automation technology, electromobility and the use of renewable energies.

Structure

Sonepar employs over 5,000 people in Germany. In 2020 they generated sales of approx. 2.97 billion euros. The company is managed by a Board of Management whose members are responsible respectively for the supply chain, finance and sales. The Chairman of the Board is Dr. Stefan Stegemann.

Sonepar Deutschland GmbH is part of the globally operating Sonepar Group. With more than 2,800 locations in 40 countries, over 45,000 employees and sales of over 23 billion euros, Sonepar can today call itself the global market leader in the electrical wholesale sector.







Sonepar Deutschland GmbH acts as the holding company for the companies based in Germany.

Services

In addition to our solutions expertise, we stand out from the competition with practical services. These include digital tools that support electricians in their daily work, for example with logistics solutions, construction site services and rental equipment as well as extended warranties. With comprehensive consulting services, commercial and industrial customers can significantly increase energy efficiency within their companies. In addition, Sonepar supports its customers and partners with a comprehensive training programme in practically all areas of modern electrical engineering.

Product range

We keep over 100,000 numbered and active branded electrical articles from around 2,000 well-known German and international brand manufacturers in stock at all times, so that we can usually deliver them to our customers throughout Germany within 24 hours - directly to the building site if required. A further 400,000 items from our regular range can be ordered at short notice.

Customers either buy or order the goods online in the Sonepar online shop, via the accompanying shop app, by telephone or in person at one of our approx. 200 branches. Every day Sonepar processes more than 150,000 items for delivery via its six central warehouses.

>> GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8, 102-18, 102-19, 102-22, 102-23, 102-45

Worldwide commitment

This code will take you to the Sonepar Group Sustainability Report.

Stakeholder dialogue

Intensive communication with a wide range of stakeholders is particularly important to us. This provides us with valuable ideas that we can use to improve our business activities in a targeted and effective manner. It also gives all stakeholders the opportunity to have their say in relevant decisions.

In addition to our employees, our most important stakeholders are our customers, partners, suppliers and service providers. We engage with them through a variety of dialogue formats, media and channels:

Internally
- **Feedback sessions:** regular communication with management and line managers.
- **Yammer:** the central collaboration and information platform for all employees
- **Workster:** the central communication platform for all employees
- **Training and qualification formats by, with and for employees**
- **The media of the employee representatives** and the **group works council**

Externally
- **The Sonepar customer advisory board:** advisory body of selected business partners for a market-oriented exchange of information and targeted strategic development.
- **Supplementary training and qualification formats** for customers.
- **Online communication** via email, website chats, virtual meetings and social networks
- **Specialist consulting** (digital, by telephone and in person at the branches)
- **Events:** Sonepar partner days, the InnovationLab roadshow, in-house fairs, “Counter days" in the branches, etc.

In-depth interaction
with customers, suppliers, partners as well as service providers and our own employees

Dialogue contents
The dialogue contents take into account the economic, ecological and social aspects of our activities (see graphic on the right). The procedure for evaluating the dialogue formats was updated in 2020 and integrated into a targeted management process. The results flow into the process via the internal committees such as sales, the supply chain, finance rounds and working groups. One example is the topic of "risk-based thinking", which we have discussed in our stakeholder dialogues. We are aware that catastrophic conditions can also occur regionally in this country due to increased extreme weather events. That is why we plan to use our local presence in future to provide fast and uncomplicated assistance, for example with donations of technical equipment and supplies. We also intend to offer our customers uncomplicated help in extreme emergencies, for example by extending payment terms or increasing our credit risk by continuing deliveries in spite of exhausted credit lines. Corresponding individual case reviews will be carried out at short notice and unbureaucratically if necessary.

The expansion of our virtual and digital exchange and communication platforms is planned for 2021, for example with a purely digital event "Sonepar Campus", with which we aim to enter into dialogue with our customers and partners in virtual chats. In addition, the further development of our employee media is a top priority.

Memberships
Sonepar maintains active memberships in the Verband des Elektrogroßhandels (VEG) e.V. (Association of Electrical Wholesalers) as well as ETIM Deutschland e.V. Here our subsidiary Sonepar PIM Solutions GmbH, Hanover, has played a significant role in the development of uniform article standards.

During the reporting period there was no strategic, regular exchange with politicians or non-governmental organisations. Similarly, Sonepar did not make any donations or contributions in kind to political parties.

Cooperations
With its inHaus1 and inHaus2 the Fraunhofer Institute in Duisburg has created a unique research centre with a laboratory and innovation workshop on an area of several hundred square metres.

As a cooperation partner, we contribute innovative product components and energy-saving solutions, and in return benefit from meaningful application data and a lively dialogue with experts. We also cooperate with selected universities to specifically support and promote young and creative talent in the electrical industry, see Page 43. In addition, we are involved in an innovation partnership with the Bundesliga football team VfL Borussia Mönchengladbach. More on this on Page 25.

Dealing with criticism

We are open to all forms of constructive criticism. Stakeholders can express this via our central email address nachhaltigkeit@sonepar.de, personally to our employees at the branches and locations, and via social networks. As a matter of principle, we are always grateful for any suggestions for improvement.

>> GRI 102-10, 102-12, 102-13, 102-21, 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 201-2, 415-1

Shareholders and stakeholders

Owners/shareholders, employees, customers, partners, suppliers, service providers.
Authorities, legislators, neighbours, trade unions, employee representatives, associations, competitors, auditors, banks, NGOs, certifiers, insurers, media.

Dialogue contents

Offer
Financing functions
Innovation
Extra services
Profitability
Product range design
High information quality of product data
Pricing
Availability
Fast and error-free delivery
Global purchasing opportunity

Business and success
Continuity and mutual benefits
Risk-based thinking
Compliance with disclosure obligations
Expertise
Compliance with business plans
Human resources
Avoidance of asset losses
Productivity

Conduct and responsibility
Compliance with the Code of Conduct
Avoidance of environmental damage
Legal certainty
Environmental requirements
Open communication
Fulfilment of financial obligations
Avoidance of occupational accidents
Attractive employer
Energy efficiency
Compliance with ISO standards
Company rules and standards
Involvement of employees
Secure workplace

Analysis of dialogue results and findings. Alignment with internal strategies, insights and market research

Key issues

Our business
Customer satisfaction
Economic solidity
Innovation
Digitalisation
Smarthome

P. 16 et seq.

The environment
Energy efficiency
Renewable energies
Electromobility
Resource conservation
Climate protection
Environmental protection

P. 27 et seq.

Social responsibility
Employer attractiveness
Social responsibility
Ethically correct behaviour

P. 37 et seq.

We want the world to be **fit for our grandchildren** ...

What does sustainability mean for electrical wholesalers and specifically for Sonepar? An interview with Bernhard Weber, Director Sales at Sonepar Deutschland GmbH

Mr Weber, sustainability is to become a key issue at Sonepar. What does that mean?
Bernhard Weber: We will make our customers, partners and employees aware of this important topic by means of initiatives, campaigns and sales ideas – and in this way we aim to give the subject new life. After all, sustainability is not just a question of corporate responsibility – it's also a great strategic opportunity. This change of perspective, from obligation to opportunity, is important to me – and we want to promote it specially.

Sounds good, but how are you going to achieve that?
By making it as easy and attractive as possible to make sustainable choices. Our customers should be able to benefit from recommending the most sustainable solution to their own customers. We therefore want to make it clearly visible how such solutions pay off - for our customers and the end user. That is why, for example, in our shop we are working on new labelling for particularly sustainable products. For this "Green Offer" we analyse the climate and environmental impacts of certain products along their entire life cycle, from raw material procurement to the production and use phase right across to recycling.

So a new product label?
Yes. With the "E+" label we already identify particularly energy-efficient products. We now want to expand this to a label for sustainability and make it even more attractive with additional incentives. Our customers can look forward to a few more innovations in the area of sustainability.

Sustainability begins on your own doorstep. What is the concrete situation at Sonepar?
In the last six years we have been able to reduce our CO_2 emissions by 15 per cent. We have also been able to significantly reduce our energy consumption and the amount of waste we produce. At our locations we are doing a lot for greater energy efficiency, and keywords such as geothermal energy, LED lighting, heat exchangers or large-scale PV systems and much more could be mentioned here. We intend to expand all these measures significantly in the future.

What concrete goals do you have in your sights?
Within the framework of our strategic future programme "Impact" we have drawn up a 10-point plan. It describes the requirements for our actions: we are striving for closed material cycles, we aim to be plastic-free and, as Sonepar Germany, we want to achieve a climate-neutral footprint by 2023. Incidentally, last year we already achieved a neutral balance for our logistics vehicles and company cars in terms of climate impact.

What do you mean by a neutral balance
We have taken a close look at every vehicle in our internal and external fleet and its fuel consumption. In this way we have calculated the total climate and environmentally relevant emissions and, where possible, reduced them through optimised processes. We have then offset the emissions that can no longer be avoided by investing in global climate protection projects. Specifically, this involved the generation of renewable energy using the Kinnaur hydroelectric power plant in India. In this way we have been able to offset the approximately 33,000 tonnes of CO_2 emissions that were generated by the company vehicles in our fleet and by our internal and external logistics operations.

What does sustainability mean to you personally?
For me, sustainability means generational justice, some also say ensuring that the world is "suitable for our grandchildren". I like that phrase. But I'm also attracted by the business challenge.

What exactly do you mean by that?
Sustainability is an across-the-board requirement for all products, solutions and services. And it doesn't matter which product range or what technology our industry is currently dealing with. Whether it's automation, installation technology, lighting or e-mobility - sustainability has to be the basis and guiding principle of our actions in all areas. This is a huge transformation process, which we are tackling with enthusiasm. I am grateful to be living in such challenging times, because they are particularly exciting. And also: big challenges are what we do best ....





Bernhard Weber
Geschäftsführer Vertrieb
Senior Vice President Commercial
Sonepar Germany

Strategy and management

Sustainability strategy

Our group-wide future plan "Impact" contains four central themes:

Performance: increasing productivity and shaping the digital transformation
People: attracting the best talent, encouraging involvement
Customers: optimally meeting customer needs through a strategic marketing approach
The planet: environmental and climate protection

Our sustainability strategy is defined in the "Planet" section. Sonepar Deutschland GmbH has translated this into a strategic sustainability target: Sonepar Deutschland aims to achieve climate neutrality by 2023. For this purpose a separate CO_2 programme with 15 working projects has been established, which is described in more detail on Page 30.

As comprehensive internal guidelines, in 2020 Sonepar adopted the Sonepar Sustainability Programme (see Page 47/48).



Strategically sustainable
Our group-wide plan for the future is the guideline for the strategic commitment to greater sustainability.

Key themes

We have analysed the negative impacts our business activities have on our environment and society. At the same time we have collected the results of the 2019 and 2020 stakeholder dialogues and thus evaluated to what extent these impacts are significant for our stakeholders and shareholders and what effects or risks result from them for us.

As an organisation with nationwide operations we have a tangible impact on our society:

- over 150,000 items delivered daily create major **logistical operations**
- at the same time, **valuable natural resources** (wood, water) as well as resource-consuming and energy-intensively produced plastics are used for the packaging of our shipments
- we need **energy and raw materials** to operate our locations
- with sales of approx. 3 billion euros, we have a noticeable influence on the **economic prosperity of the country**
- because of our decentralised structure with about 200 branches as well as 6 central warehouses and over 40 transit points, we have a responsibility to ensure sustainable growth in the local environment as well as to act responsibly and sustainably
- as employers we are responsible **for more than 5,000 employees**: for their safety at work, for individual career prospects and, last but not least, for appropriate, performance-based remuneration that can provide families with security and prosperity.

As electrical wholesalers we help people and businesses achieve greater efficiency, safety and comfort. We continuously balance these positive social and economic impacts of our business activities with the resulting negative effects on the environment. In the process we consider all impacts of our business activities equally in all dimensions of sustainability – while striving for continuous improvement in all areas.

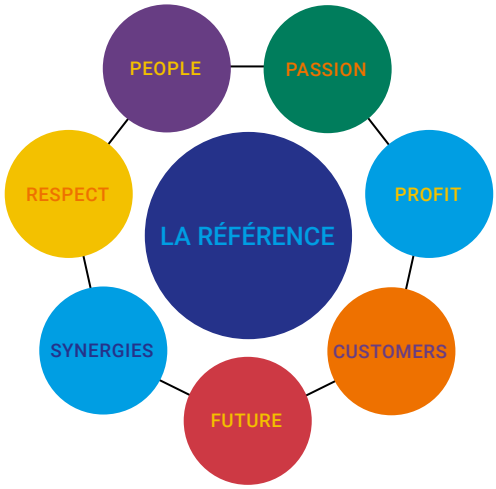
We have compared these findings with our own strategic goals and with the findings of our market research. The results are the themes that are essential for us and our stakeholders. These are also decisive for our sustainability measures and thus also provide the structure for this report (see Page 9).

>> GRI 102-15, 102-29

Values

With reliability, stability and quality we pursue the goal of always being the first choice for customers, employees and suppliers. We aim to be profitable as a solutions provider, inspire our employees as a top employer with our culture and live up to our responsibility with sustainable conduct.

On behalf of our customers we always strive to think in new ways and to approach matters differently from others. We are always passionate about our work and see diversity as an opportunity. Our slogan "Powered by Difference" is the essence of this commitment.



>> GRI 102-16



Powered by Difference
Thinking about subjects in a new way and approaching them differently from others. Being passionate about what we do. And seeing diversity as an opportunity.

Code of Conduct

We ensure the implementation of our values in our day-to-day operations with a Code of Conduct. This is binding for all Sonepar employees at all hierarchical levels and must be accepted as part of the employment contract. In its principles, this Code of Conduct is also a mandatory basis for cooperation with our business associates.

In this code we commit ourselves to respectful and responsible treatment of people and the environment, in addition to complying with the law as a matter of course. Respect for human rights and fair working conditions are also part of the Sonepar DNA. In addition, we declare in this policy that we will not do anything that harms employees, the company, the safety of third parties or the environment. Furthermore, we commit ourselves to social responsibility.

>> GRI 102-16

Code of Conduct

Binding
The Sonepar Code of Conduct is binding on every single employee

Corporate policy

Compliance with the Code of Conduct is an elementary component of Sonepar's corporate policy, in which we define our requirements for partnership-based, responsible and sustainable action. In addition, this corporate policy describes our requirements with regard to quality, occupational health and safety, climate and environmental protection as well as social responsibility.

>> GRI 102-16

Corporate policy

Integrated management system

To ensure the implementation of our corporate policy, the management of Sonepar Deutschland GmbH has established an integrated management system which meets the quality, safety, energy, climate and environmental goals of our customers, employees and business associates.

With our process-oriented, integrated management systems we fulfil the requirements of the following standards:

- Quality management in accordance with DIN EN ISO 9001
- Environmental management in accordance with DIN EN ISO 14001
- Occupational health and safety management in accordance with DIN EN ISO 45001
- Energy management in accordance with DIN EN ISO 50001
- Quality assurance in accordance with the regulations of the Nuclear Safety Standards Commission KTA 1401

The scope of the management system extends to all Sonepar Deutschland GmbH locations in Germany and Luxembourg. The certification in accordance with ISO 14001 and ISO45001 is limited to the central warehouses. The KTA1401 requirements are limited to those locations which are listed on the confirmation of suitability.

Sustainability organisation

We have established the strategic development of environmental and climate protection at the highest management level. The management of Sonepar Deutschland GmbH has created and filled the position of a central sustainability officer. His tasks include a regular review of the sustainability strategy and its continuous further development. The sustainability officer reports on progress directly to the management and thus to the highest decision-making body of Sonepar Deutschland GmbH.

For the implementation of sustainability measures, the regular evaluation and the strategic further development of the sustainability of our company, we have set the share of the sustainability investment in the total investment volume across the group at 10%. This regulation will come into effect from 2021.

The implementation of the sustainability strategy is ensured through our integrated management system as well as special organisational structures - for example, the environmental organisation. Specifically, we use the integrated management system to ensure that planned projects also become effective and targeted measures. For this purpose we have organised ourselves in a decentralised manner: there are local ambassadors, regional energy teams and divisional and regional managers. These are networked in thematically structured teams: for example, there is a national "Occupational safety & environment" team. Those responsible for key strategic topics such as "renewable energy & e-mobility" are also integrated into the management system via interfaces.

We then bundle all this information in the central sustainability management system. This is where the sustainability officer, an energy officer, the waste officer and an international coordinator collaborate. Together they report to the head of the integrated management system, who in turn reports directly to the Chairman of the Management Board. This exchange of information takes place regularly several times a year, on the basis of which the management makes decisions.

In 2019 Sonepar also launched its Sustainability Leadership Committee - a network of sustainability experts from all over the Sonepar world who steer the measures to achieve Sonepar's goals at the local level.

>> GRI 102-20, 403-1, 403-8


Zertifikat

Sonepar Deutschland GmbH

ISO 9001


Zertifikat

Sonepar Deutschland GmbH

ISO 14001

Governance and responsibilities

Specific governance responsibilities have been established at each level of the company, with additionally defined expectations for managers. The Sonepar Code of Conduct is our benchmark, supplemented by advice from the Legal, Risk & Compliance network and the individual departments. All employees are expected to be familiar with the Code of Conduct and the related policies and procedures, to comply with its principles and rules and to behave ethically in all circumstances. Managers have additional responsibilities, in particular they must

- discuss and promote the principles and rules set out in the Code of Conduct and related policies and procedures with their staff and teams
- create and maintain a climate of trust in which employees feel at ease in raising questions or concerns
- lead by example
- ensure the effective implementation of the Code of Conduct and related policies, procedures and responses to questions
- consult the Legal, Risk & Compliance network and report and escalate concerns when in doubt

>> GRI 102-17, 102-18, 102-19


Zertifikat

Sonepar Deutschland GmbH

ISO 45001


Zertifikat

Sonepar Deutschland GmbH

ISO 50001

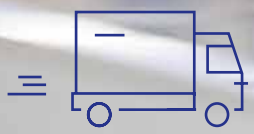
Our business

6
CENTRAL WAREHOUSES

approx. 200
BRANCHES



approx. 3.0
billion euros
SALES



+ 150.000
ITEMS DELIVERED DAILY

All 2020 figures

Reliable partners – at all times



Sonepar has what others don't have: quality on its shelves, variety in its product range and, above all, employees who think in terms of networked solutions instead of just product ranges or products. With this expertise Sonepar Deutschland GmbH has earned a justified position as a leading electrical wholesaler. We were able to consolidate this position at the height of the Corona pandemic, during which we were always able to deliver in spite of widespread shortages of raw materials and fragile supply chains - and were therefore reliable partners to our customers.

For the targeted implementation of its sustainability goals Sonepar uses an integrated management system in its business operations. In particular DIN EN ISO 9001 (quality management) is applied in the largest branches as well as quality assurance in accordance with the rules of the Nuclear Safety Committee.

Value creation

We source our goods from around 2000 German and international brand manufacturers. Our product range includes renewable energies, electrical installation materials, tools, lamps and light sources, lighting technology, cables and wiring, electrical appliances (white goods, household appliances, consumer electronics), measuring equipment, sensor technology, switch programmes, relays, occupational safety, automation technology, data network technology, home and system technology, telecommunications equipment, building systems technology and satellite engineering.

We sell these products to specialist retail partners as well as to trade and industry throughout Germany. We keep around 100,000 products in stock at all times, and another 400,000 can be ordered at short notice. Customers order the goods by phone, in person at one of our approximately 200 branches or on the Internet via our online shop, the shop app or other digital services for simplified procurement (e.g. scan-to-order). The most important customer groups are the electrical trade (60 %) and industry (33 %). The returns rate in 2020 was 1.40% (2019: 1.46 %). Even at the height of the Corona pandemic our branches remained open and the availability of the products we sell was always guaranteed.

Other aspects of our value creation are comprehensive consulting and services, for example through shop interfaces for specialist trade partners, rental equipment for the construction site or energy efficiency consulting for industry and trade.

Brand quality ensures success
Sonepar procures its products from around 2000 exclusively European suppliers.

Taking into account the pandemic-related measures on COVID-19, Sonepar Deutschland GmbH generated sales of €2.971 billion in 2020 (in 2019 it was €3.017 billion) and was thus able to maintain the level of previous years through the concerted efforts of its employees. This is also reflected in the investment ratio to fixed assets, which was 17.6% in 2020 and 16.7% in 2019. The data is based on the 2019 and 2020 annual/consolidated financial statements.

>> GRI 102-6, 102-9, 201-1

Sustainable supplier management

We select our suppliers carefully and rely exclusively on reputable European brand manufacturers. In this way we limit sustainability risks even in those areas for which we, as wholesalers, cannot assume direct responsibility. Our strategic risk analysis therefore focuses on economic risks. Social and ecological issues do not pose a risk to the direct business activities of Sonepar Deutschland GmbH from the company's point of view.

Our Management Team Germany regularly discusses and evaluates strategic economic risks and, if necessary, limits or eliminates them with concrete measures. We also use internal procedures and instruments to assess the integrity of our business associates, which are mandatory for all companies in the Sonepar Group. For 2021 we expect significantly rising raw material and material prices as well as supply bottlenecks on the part of our suppliers. We also expect price increases from our suppliers. We are countering this risk by further diversifying our procurement. The management does not derive any substantial risks for the business activities of Sonepar Deutschland GmbH from this.

>> GRI 102-11, 412-1

Shared commitment
The proportion of our partners who have agreed to our Code of Conduct corresponds to 80% of the total sales volume.

Guidelines for suppliers

In order to be able to avoid possible sustainability risks in procurement, we require our suppliers not only to sign a framework agreement but also to acknowledge in writing our special Code of Conduct for Suppliers. In this code Sonepar expects its business partners to commit to the same high sustainability standards that we set for ourselves. Among other things, we demand compliance with the law, respect for human rights, the provision of safe and humane working conditions, ethical business conduct and responsibility for protecting resources and the climate. In 2020 we also asked suppliers with whom we already have a long-term business relationship to submit a written commitment. For this purpose we wrote to a total of 474 suppliers, 298 of whom have already confirmed the Code of Conduct. By mid-2021 we are aiming for an acceptance rate of 100 %. In the event of non-compliance, we will initially seek to develop a partnership with the supplier, but reserve the right to terminate the business relationship. There were no known cases of non-compliance or violations of our requirements on the part of suppliers and service providers during the reporting period.

In 2020 around 100 suppliers were surveyed on their specific sustainability commitment. Around half of the suppliers responded and reported worthwhile projects. Here are a few selected examples:

- decarbonisation with a sustainable energy turnaround through digital energy management
- carbon-neutral operation by 2030
- carbon-neutrally produced pipelines by planting 2000 trees
- increased energy efficiency (e.g. through a gas-fired combined heat and power plant) as well as an increased share of energy from renewable sources (e.g. from the company's own PV systems)

Award-winning
In 2020 Sonepar received a bronze medal in the ecovadis Sustainability Ratings in recognition of its commitment to sustainability.



- free provision of land for ecologically effective renaturation
- intelligent heat utilisation, energy efficiency, optimised plant traffic
- coverage of about 40 % of the electricity requirements by in-house electricity generation, offsetting

The extensive feedback has led to joint initiatives and projects for concrete environmental and climate protection, such as the development and use of swap bodies in the central warehouses to reduce packaging material.

>> GRI 102-9, 102-10, 308-1, 308-2

Supplier assessment

With our "Status of the cooperation" tool we have been carrying out an assessment of goods suppliers via our central and operational purchasing since 2016. In 2019 and 2020 a total of 151 companies were evaluated for this purpose. The supplier assessment covers the suppliers of goods with the highest turnover and will in future be expanded to include social and ecological criteria.

The evaluation of our service suppliers is decentralised and carried out directly by the service recipients. Ecological and social criteria will be part of the further development in 2021 and will be integrated into the supply guidelines.

>> GRI 204-1, 308-1, 408-1, 414-1

Satisfied customers
46 % of our customers would recommend us without reservation

Customer satisfaction

The satisfaction of our customers is the basis of our business success. This is why we regularly measure this through the feedback from the Sonepar customer advisory board as well as from the evaluations of our sales representatives, divisional and branch managers.

Another strategic tool for analysing customer satisfaction is the Net Promoter Score (NPS). In 2019 46% of the customers we surveyed actively confirmed that they would recommend us without reservation - this is an above-average value. To determine this, we request our customers to answer a question: "How likely are you to recommend Sonepar to a business associate?" The reply options range on a scale from 0 (very unlikely) to 10 (very likely). Since 2018 Sonepar has been using the NPS as a systematic quality assurance measure from which to derive optimisations and develop customised solutions that positively influence customer satisfaction. In 2020 we suspended the survey of the Net Promoter Score due to the pandemic.

Customer information

Open communication is crucial for customer satisfaction. For this purpose we have
- reached around 60,000 readers with our customer magazine **“Report”** ten times a year
- updated our **customer newsletter**
- intensified our **social media communication** on Facebook, LinkedIn, Xing and YouTube
- hosted over **400 product-related seminars and webinars** per year
- held numerous **in-house trade fairs and information events**
- organised many **sales campaigns and events**
- designed a service blog for tradesmen, which is to be launched in 2021.

Compliance

We are convinced that integrity, fairness, trust and respect should never be sacrificed for the sake of profit. The Sonepar Group Code of Conduct is the reference document for global compliance and integrity at Sonepar. This document is therefore also authoritative for Sonepar in Germany. After the first edition in 2017, an updated version was issued at the beginning of 2020. It has been expanded based on the latest regulatory developments, best practice and Sonepar's risk mapping in relation to corruption and undue influence.

All Sonepar regions and support functions have contributed to this reader-friendly Code of Conduct, which has been approved by the Sonepar Group's management, audit committee and board of directors. Every employee has access to the digital version of the Code of Conduct, which is available in 20 different languages. We regularly raise awareness among our employees on compliance-relevant topics. The corresponding mandatory training courses have already been successfully completed by 3712 employees.

Certain legal regulations and voluntary rules of conduct ensure that our products and services have no negative impact on the health and safety of our customers. Compliance with these regulations and rules is a matter of course for Sonepar, and accordingly there were no breaches of them during the reporting period. Consequently no fines or monetary sanctions were imposed.

>> GRI 102-11, 205-1, 205-2, 416-2, 419-1

Collaborative work
All Sonepar regions and departments have contributed to the new edition of the Code of Conduct.

Compliance programme

The Sonepar Code of Conduct and its related policies and procedures are part of a comprehensive group compliance programme, which includes education and information campaigns, risk mapping, reporting, whistleblowing, business associate evaluation, record keeping, assessments and audits.

There were no known breaches of our policies relating to corruption prevention, data protection and ethical behaviour towards our business associates for the reporting period. In 2019 Sonepar was confirmed to be compliant with all requirements of Article 17, II of France's anti-corruption law SAPIN II.

>> GRI 102-17, 206-1, 418-1

Compliance programme

Product responsibility

As wholesalers we are unable to actively influence the sustainability of the products we sell, but we can analyse, check and document it. This is exactly what we do by selecting our suppliers responsibly, by designing our product range with sustainability in mind and by labelling our products. In this way we make an active contribution to the distribution of high-quality and long-lasting products.

It goes without saying that Sonepar complies with all legal requirements and regulations on product responsibility, such as labelling and take-back obligations. We are not aware of any violations during the reporting period.

>> GRI 416-1

Strategically addressing the topics of the future issues

As cross-sectional technology, electrical engineering is a driver of progress. The market outlook for the industry is correspondingly positive. As a wholesaler, Sonepar aims to benefit from this positive market environment in the long term. That is why we are strategically addressing key trend topics.

Renewable energies

In 2020, 19.3% of energy consumption in Germany was covered by renewable energies. This means that Germany exceeded the target set in the EU Directive on the Promotion of Renewable Energies (2009/28/EC). In the electricity sector in particular, renewables dominate: in 2020 they accounted for more than 45 % of Germany's gross electricity consumption. For the first time, renewable energy sources generated more electricity than fossil energy sources. This trend will continue and gain momentum in the coming years due to international and national political requirements and under the impact of the worsening climate crisis and decarbonisation.

We have launched and implemented many measures to benefit from this trend.
For example, we organised the nationwide event series "Energy days", at which together with leading manufacturers we informed customers and trade partners about the latest solutions. In particular, we raised awareness for holistically networked systems in the interests of linking different sectors. We provided sales stimulus with numerous special offers in the online shop. With the "Renewable energies handbook", we provided electricians with a useful market overview and product recommendations. In addition, at trade fairs and through our customer and employee communication channels we provided ongoing information on technological developments. In addition, we intensified our energy consulting services for commercial customers. For 2021 we intend to develop a subsidy navigator with which our customers can easily and conveniently



research government subsidies in the field of renewable energies, and directly contact a trade partner for implementation.

By the way, we of course exemplify in our own organisation what we recommend to our customers. 77 % of our electricity requirements is currently covered by power from renewable energy sources.

Digitalisation

Independent of the push provided by the Corona pandemic, digitalisation is a megatrend of our time that will continue to change our society. There is great economic potential in this transformation, which we aim to exploit with practical solutions. The prerequisite for this is a stable and fail-safe IT landscape. We maintain two separate data centres for this purpose. During the Corona pandemic we were already able to provide 4,500 mobile Sonepar workstations during the first lockdown phase.

For our customers we develop applications that make it easier for them to digitalise their operations and at the same time provide us with new sales opportunities and a significant increase in efficiency. With 100 brands in 40 countries, the Sonepar Group has the ambitious goal of being the first global B-to-B electrical wholesaler to offer all customers a fully digitalised and synchronised omnichannel experience. Accordingly, we expanded our digital commerce offerings and services during the reporting period with a number of features.

The Sonepar online shop: a sales base with customisable functions
The Sonepar shop app: the fast shopping portal for people on the move
EASY pro e-procurement: connection to merchandise management systems and marketplaces
Scan-to-order: optimising warehouse organisation with the smartphone
BMECat: electronic catalogues for efficient and economical purchasing

We have also developed our digital services further

The Sonepar-HERO software for tradesmen: digitalised organisation of customers, projects, employees, purchasing and accounting, incl. time recording
The HERO app for construction site documentation: mobile documentation of orders and projects
E-Helper: an app with information on constantly changing standards and regulations
eM1ND3R: training quiz for the entertaining acquisition of specialist electrical knowledge
MySonepar app: all information and services from Sonepar at a glance
E-billing: digital invoicing according to requirements and system

We have also further developed the digital qualification offers for our customers. In the new Sonepar learning world we have combined all offers for targeted further training on one platform. The benefit: depending on prior knowledge, available time and individual objectives, users can find the optimal form of learning for themselves - without having to go through the cumbersome and time-consuming offers of different providers. A broad spectrum of content is covered: in addition to technical offerings for professionals in the electrical trade, there are webinars that address the specific requirements of a particular industry in cooperation with suppliers - for example, on electrotechnical solutions in the smarthome, in the food and beverage industry, certification training or on the Sonepar Energy Days.

In 2021 we will focus on the digitalisation of schools so that schools and municipal school authorities can make the best possible use of the opportunities offered by Germany's Digital Pact for Schools, which was launched by the German government - and thus ensure up-to-date, high-quality education.

New merchandise management: under the title SNEW (Sonepar new merchandise management), we have initiated a fundamental modernisation of our merchandise management. We have



A strong service:
in 2019, no fewer than 99.7 % of all IT tickets - i.e. cases for processing - were successfully completed.

already successfully migrated our existing SAP FI/CO system to the latest "SAP S/4 HANA". In terms of document volume, this was one of the largest "S/4 HANA" transformations in Germany at the time. The prototype for the new merchandise management system was then created on a copy of this system, and in 2020 we were able to implement a pilot project for the introduction of the new merchandise management system at Sonepar Deutschland Cable Services (SDCS).

New online shop sonepar.one With the aim of offering the best online shop in the industry, in 2019 and 2020 we developed sonepar.one further. sonepar.one will be open to all as a combination of website and shop, in which users can be shown exactly the products and solutions that are relevant to them in an automated and personalised way. In the development of the interface design and the user experience we have drawn on feedback from our customers, for example from the Sonepar customer advisory board, in matters such as the design of taxonomies and search functions. After internal test runs, the go-live of the new website is planned for mid-2021. Strategically this relaunch makes sense because in 2020 we were already doing around 48% of our business online. We assume that this share will continue to increase.

New OSLO logistics software OSLO (Optimisation Software + Logistics) uses the identical database as our new shop sonepar.one and the new SNEW merchandise management system. This has many advantages for Sonepar and especially for our customers: since we can track orders through all systems, we can link goods, order and delivery information even better with the customer's processes. After successful testing in the warehouse at our Essen location, the central warehouses in Holzwickede and Gernsheim were also activated. Further central warehouses will be converted by 2023.

>> GRI 102-6



E-mobility

Registration figures for purely electric as well as hybrid vehicles continue to rise: three times as many e-cars were sold in 2020 as in 2019 - almost 400,000 units. Almost every 7th new car was a plug-in hybrid or a purely battery-driven electric car. For the future, a further increase in e-mobility can be expected - not least thanks to attractive subsidies.

We have included numerous products and solutions in our product range with which specialist trade partners can master practically all installation tasks in terms of e-mobility - for commercial customers as well as for municipalities and private individuals. This includes not only charging solutions, but also the entire periphery equipment and the corresponding tools. With a comprehensive planning list we provided commercial enterprises with valuable guidance for the electrification of their own vehicle fleet. We have summarised the complete Sonepar range in a new product catalogue for e-mobility. In 2021 this will be flanked by an application section in which we will provide users and installers with comprehensive information on the technical and legal framework conditions, both in the private and commercial environment.

The smarthome

16% of German households already had a "smarthome" in 2019. Families spend an average of around 1,000 euros per room on a networked control solution for this purpose. And the trend is rising: market researchers predict that the number of households in the smarthome market in Germany will be around 18.5 million in 2025.

Sonepar occupied itself with this subject at an early stage. In 2019 and 2020 we added many products from manufacturers to our range that offer integrated systems for complete building technology. We also offer a wide range of solutions for communication between devices, whether via Bluetooth, radio, KNX or ZigBee. In cooperation with the FEELSMART platform we provide

solutions, tips and tools for consulting, planning and support for the implementation of professional smart-home solutions. The platform is directly connected to our online shop so that these can be ordered immediately. And with our mobile reference tool, the "E-Helper app", tradesmen can install smart solutions much more easily.

With benefit-oriented video clips we also informed end users about the almost limitless possibilities to increase comfort and security with smarthome solutions while reducing energy costs at the same time. For 2021 we are also planning to develop the Smarthome Pilot, which will enable end users to research the right automation solution for their home and find a specialist tradesman in their area. In addition, together with the company eQ-3 AG, we will be going on tour with a mobile showroom and presenting more than 70 radio and bus-based smarthome devices for the areas of heating and air conditioning, security and surveillance, weather and environment, as well as providing lighting and shade.

>> GRI 102-6

Hygiene solutions

The Corona crisis showed how quickly we can react to new trends: from an early stage we were able to offer air purification units with efficient particle separators of filter classes H13/H14. These significantly reduce the concentration of virus-containing aerosols in the ambient air. This significantly reduces the risk of viral infection, for example with COVID-19. At short notice we also added other branded products to our range for our customers, which will remain be in demand in the "new normal" after the Corona pandemic:

- digital people counters for admission control
- ventilation systems and automatic window operating mechanisms
- UV-C lamps that use short-wave UV radiation to disinfect surfaces or the ambient air
- hygiene stations that dispense disinfectant gel without contact thanks to integrated sensors and rechargeable batteries
- air purifiers that eliminate viruses from the air inside the car
- mouth and nose masks and disinfection media

Sonepar InnovationLab

With the Sonepar InnovationLab we inform our customers about new products and many other innovations. Initially thousands of shows were held at 262 locations throughout Germany. Since the beginning of the Corona pandemic we have been using the InnovationLab via its online channels. On Facebook alone more than 23,500 experts already follow this laboratory of the future, which presents electrotechnical innovations in a vivid and literally tangible way.



The Sonepar InnovationLab on tour

Close to the customer
With the Sonepar InnovationLab we are present live - at 262 locations throughout Germany as well as online at any time.



A passion for **change**

Why Sonepar has been involved as an innovation partner to Bundesliga football club VfL Borussia Mönchengladbach since 2019.

We aim to further expand awareness of our brand. For example, with our involvement in professional football. Since the 2019/2020 season we have been Borussia Mönchengladbach's official innovation partner. As such we present our company in the exclusive environment of the club - on the perimeter advertising, on jerseys and on the logo display walls. In addition, we are present at club events and produce photos or social media clips together with players, which we use for our advertising purposes.

Is it worth it?
Admittedly, as electrical wholesalers we are not as relevant to all spectators in the stadium with our specific goods and services as, for example, a brewery or a travel company would be. But researchers have found that electrical goods are among the most attractive sectors in football sponsorship: Out of 1,000 football enthusiasts, 37% are interested in brands from this sector. What's more, the relevance of the specific offer is not the primary objective when it comes to increasing brand awareness. Our aim is to ensure that as many people as possible can relate to the Sonepar brand and connect it with an industry - and perhaps even associate specific values with it.

Compared to other forms of advertising, football sponsorship has a very extensive reach, especially among skilled tradesmen. The top match of round 14 of the 2019/20 season between Borussia Mönchengladbach and Bayern Munich was watched by 810,000 people on the Sky pay-TV channel alone - more than any previous match. Sonepar's LED perimeter advertising generated around 650 million advertising contacts on TV alone. After a net exposure time of less than four hours, our brand awareness was already increased by around 4 percentage points.



Photo: Sonepar Deutschland GmbH





Why Borussia Mönchengladbach?
Borussia Mönchengladbach stands for values that are a good match for us: credibility, tradition, down-to-earth reliability. There are also tangible reasons: the fan structure of Borussia Mönchengladbach and our target group overlap a great deal, especially in the area of skilled tradesmen. Borussia Mönchengladbach fans usually have regional roots, but at the same time live all over Germany.

Why an innovation partnership?
This cooperation is known as an innovation partnership because we can advise and support the club in the implementation of innovative electrical solutions, for example in increasing energy efficiency in the stadium environment through smart, networked and digital technologies. One example of this is the innovative and energy-saving lighting concept that we implemented together with the firm of Brumberg. Another reason why this partnership is an innovation partnership: both football and our industry are currently undergoing major changes. We have agreed with Borussia Mönchengladbach to strategically exchange ideas on how to optimally shape the transformation.

Apart from all the strategic reasons, something else is at least as important to us: we love football. We love the thrill of sporting competition, the excitement of team play, the shared experience on the sidelines. Football is a connecting element in our society. It brings generations together when grandad plays football with his grandson in the garden. Football is respect, it is passion. And football is tradition, because we cherish and cultivate our rivalries. Football is pure emotion. Perhaps football is the last campfire of our time. As Sonepar we enjoy sitting around it - together with our customers.

TOP TIP
Getting people excited about innovative electrical solutions - it's easy with the social format "Elektro-Dings", which Sonepar produces as part of the innovation partnership.



The environment

108 t

USED ELECTRICAL DEVICES COLLECTED (2020).

15 %

LOWER CO_2 EMISSIONS

9 % LESS HEATING ENERGY

19 % LESS ELECTRICITY

7 % LESS FUEL

Period under comparison: 2014-2019

77 %

PROPORTION OF GREEN ELECTRICITY (2020)

7625 t

FEWER CO_2 EMISSIONS THAN IN 2019

26,000

TREES PLANTED (2020)

Shaping
a clean future

No alternative: A clean environment as well as an intact climate are basic prerequisites for life on earth. That is why the ecological dimension of sustainability is particularly important to us at Sonepar Deutschland GmbH.

Compliance with the applicable environmental protection laws and regulations is a matter of course for Sonepar. In the reporting period, there was no case of non-compliance or infringement.

>> GRI 307-1

For the targeted implementation of our sustainability goals we use our integrated management system in the area of the environment, in particular DIN EN ISO 14001 (environmental management) for the central warehouses, together with our own CO_2 programme and DIN EN ISO 50001 (energy management).

Data collection and methodology

We record our environmental indicators in a systematic three-stage process. First, we collect specific consumption data from individual departments. For example, the fleet management department provides actual values for the fuel consumption of the company car fleet, the kilometre department for the truck fleet, and the finance department uses the mileage accounting to create an evaluation of the actual kilometres travelled by our company car fleet. Evaluations from external partners, for example for business trip management by plane or train, are also collected.

In a second step energy data is collected, for example for the consumption of electricity and heat at our locations. We use the EnEffCo controlling system for this. In this way consumption data is either automatically transmitted via electronic meters or, where no electronic metering point has yet been installed, systematically recorded.

All recorded data is consolidated and evaluated by the central Sustainability Officer. These evaluations are included in the CO_2 footprint and in the management review. It is planned to carry out the

Energy data collection
By 2022 we aim to have established a complete electronic metering point concept.

evaluations twice annually so that it will be possible to react during the year. Furthermore, they serve as a basis for audits. Sonepar is pursuing the goal of automatically recording all electricity consumption data by 2022 and thus implementing a complete electronic metering point concept.

Decarbonisation

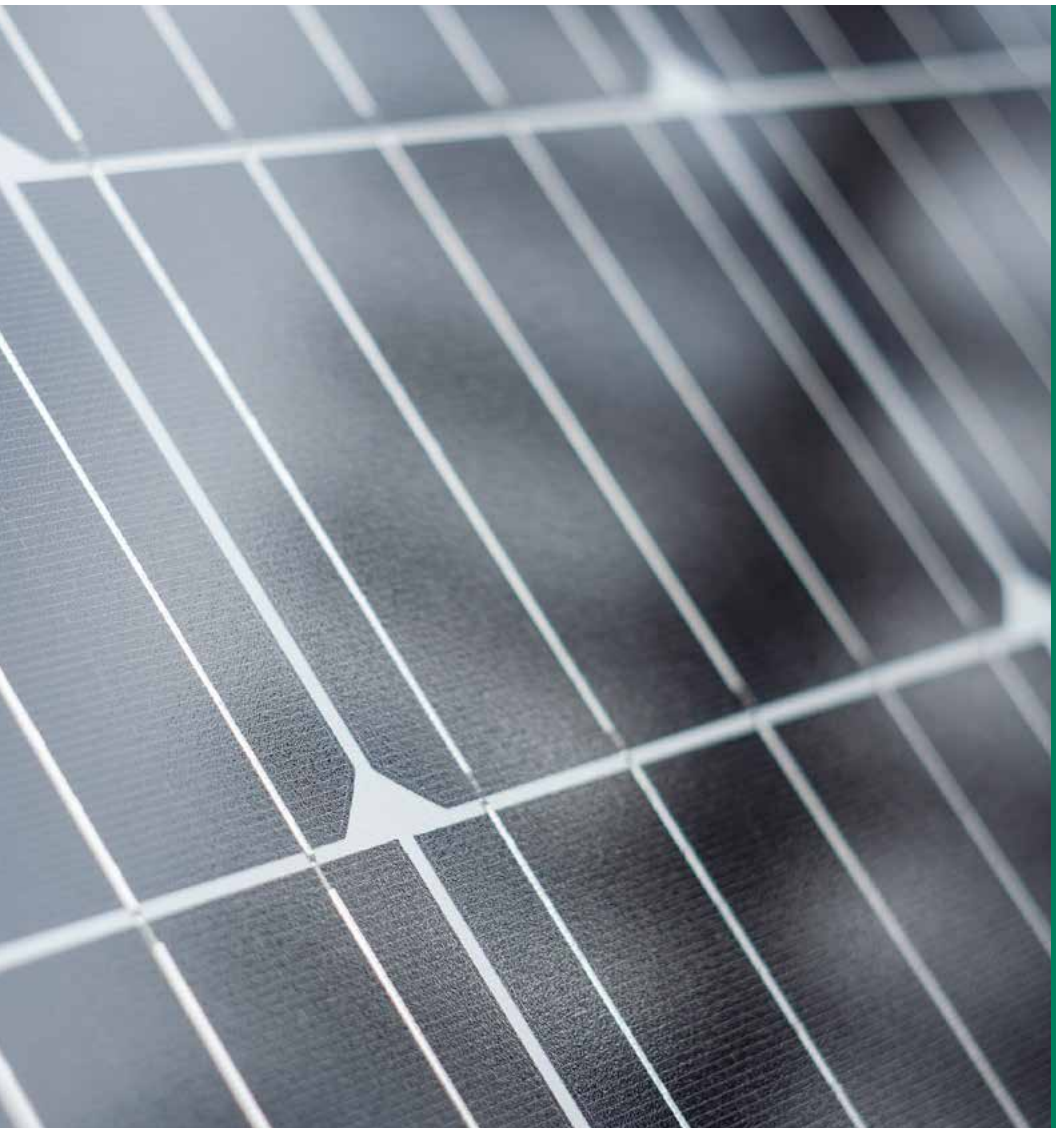
Sonepar is committed to the goals of the Paris Agreement on Climate Change of the 2015 UN Climate Change Conference. In this agreement the global community set itself the goal of limiting global warming to well below 2°C compared to the pre-industrial era. The aim is to avoid the unmanageable consequences of climate change. The goal can be achieved primarily by using significantly fewer fossil fuels - i.e. coal, oil or natural gas.

Since 2019 the CO_2 footprint at Sonepar has been recorded and balanced worldwide on the basis of the GHG Protocol (Greenhouse Gas Protocol). This means that all direct (Scope 1 and 2) and indirect CO_2emissions (Scope 3) are taken into account and evaluated. The aim is to reduce the direct emissions caused by the operation of the buildings used, as well as the indirect upstream and downstream emissions (e.g. transport and waste management) significantly together with our partner companies. Taking into account a positive business development, the energy consumption of fossil fuels will be significantly reduced and the energy efficiency of the consumption units will be further improved. Beyond the international goals, Sonepar Germany's specific objective is to become a balance sheet-neutral company by 2023 through the purchase of green electricity and additional offsetting projects.

Sonepar Germany has already implemented many measures in the past, especially in Scope 1 and 2, as the technical possibilities are available here due to the direct influence on emissions. In future measures will be pursued in Scope 1-3 as part of a three-stage concept:

Carbon-neutral

By 2023 Sonepar Deutschland GmbH aims to be a carbon-neutral company in terms of its footprint.



1. Reduction of greenhouse gas emissions, among other things by increasing energy efficiency and reducing energy consumption at the sites and in transport.
2. Avoidance of greenhouse gas emissions, among other things through in-house energy generation from renewable sources and the procurement of green electricity with corresponding certificates of origin.
3. Offsetting unavoidable greenhouse gas emissions by investing in climate protection projects.

In 2020 the total amount of our CO_2 emissions was reduced by 7,625 tonnes from 89,752 tonnes (2019) to 82,127 tonnes. In this context, by far the largest share of CO_2 emissions from our business activities results from activities that can be indirectly attributed to Sonepar Germany (Scope 3 with over 75% share of all emissions). In terms of reduction, the largest share, a cut of 14 %, was achieved from emissions that can be directly influenced (Scope 1 and 2). In the future the focus will continue to be on reducing CO_2 consumption under Scope 1 and 2 - with an additional action programme under Scope 3 involving those partners responsible for CO_2, such as suppliers and freight forwarders, in order to be able to achieve further reductions here as well.

>> GRI 305-1

Energy intensity
Internal energy consumption in kWh per €1,000 of sales decreased by 11% from 2019 to 2020.

Green power
The proportion of renewable energy increased from 62% (2019) to 77% (2020).

CO_2 programme

Among the greenhouse gases that affect the climate, CO_2 is the most responsible for climate change. This is why Sonepar has launched a CO_2 programme that will ensure a substantial reduction in its carbon footprint.

Energy measures/restructuring
1. LED lighting projects
2. PV installation projects
3. Stand-by power
4. Further LED and PV plant potential of additional sites

Fuel-related measures
5. Mobility concept/road map 2021
   - 5.1 Car pilot project alternative drives
   - 5.2 Truck route optimisation (telematics)
   - 5.3 Commuting/future use of trains and planes
   - 5.4 Driver training
   - 5.5 Meeting structures - digital/hybrid meetings

Fuel offsetting
6. Carbon-neutral fleet internally and externally
7. Hydroelectric power plant India

Waste/disposal
8. Manufacturers' transport packaging
9. Delivery packaging "the packaging of the future"
10. Disposal concepts (e.g. batteries, Lightcycle)
11. Paper reduction programme
    - 11.1 Sonepar e-billing
    - 11.2 Sonepar copying paper
    - 11.3 Sonepar print catalogue, "go to" digital catalogue

Green Offer
12. Sales campaigns 2021 Forest projects
13. Expansion of the list of sustainable articles

Others
14. CO_2 footprint 2020
15. Sponsorship concepts Ambassadors and mentors

Energy efficiency

Increasing energy efficiency is climate protection in action. We live up to this claim at our locations by reducing our electricity, fuel and motor fuel consumption on the one hand, while at the same time promoting the switch to renewable energy sources on the other. For this purpose we have implemented a number of measures in recent years. The first step was the introduction of an energy management system in accordance with ISO 50001 in 2016. After that, measures to reduce energy consumption were successively implemented. By the end of 2020 more than 5,000 tonnes of CO_2 could be saved in the area of building energy alone. In addition, the gradual increase in the proportion of green electricity reduced CO_2 consumption by another 4,500 tonnes. The calculation of these savings was based on Germany's electricity mix according to the Federal Environment Agency.

Energy consumption (in MWh)

Scope 1 and 2	2020	2019	Difference in %
Buildings: consumption of heat	26,695	29,539	-11 %
Cars: company vehicles and company-owned trucks	27,291	33,160	-22 %
Buildings: consumption of electricity	17,900	19,563	-9 %
Total internal energy consumption	**71,886**	**82,262**	**-14 %**

Truck tours (Scope 3)	2020	2019	Difference in %
Downstream logistics	83,609	90,092	-8 %
Upstream logistics	95,847	98,305	-3 %
Total energy consumption truck logistics	**179,456**	**188,397**	**-5 %**

>> GRI 302-1, 302-2, 302-3, 302-4, 302-5, 305-5



Green IT



Generating our own electricity

Increasing energy efficiency at the locations

Green IT: we installed a geothermal system at our data centre in Holzwickede as early as 2017. 62 concrete piles each penetrate 16 metres into the ground, where a constant temperature of eight to eleven degrees Celsius prevails. This temperature is used for cooling in summer and for heating in winter via heat exchangers. The cooling of the server cabinets, which is usually energy-intensive, is done with modern free-cooling cold water units and with heat exchangers from the outside air. The waste heat from the servers is recovered and used for the underfloor heating of the adjacent building.

Generating our own electricity: at the Oldenburg location a photovoltaic system is in use, of which approx. 26,000 kWh is used annually in the branch's own network. Since 2020 a system with a total output of 350 kWp has been in operation at our logistics centre in Gernsheim - the share of in-house use is gradually increasing with the electricity demand of the new logistics operations. At the Holzwickede site a new PV system with 450 kWp is planned for 2021, with an internal use share of approx. 80 %. This alone will reduce CO_2 consumption by over 130 tonnes.

Energy efficiency projects We have critically reviewed energy consumption in all locations and optimised it according to requirements. Particularly noteworthy are the logistics centres, which have the highest energy consumption of all locations due to their size and type. At the same time it has been possible to identify and realise the most potential for savings there. For example, in the Langweid logistics centre, electricity consumption was reduced by over 630 MWh in 2016 through lighting retrofits including lighting control, energy-efficient charging devices, comprehensive energy monitoring, the elimination of compressed air leaks and many other minor measures.

In the same period heating requirements were reduced by more than 1,050 MWh through the conversion to high-speed gates, intelligent control of the roof hatches, the installation of heat recovery in the compressed air compressors and by raising employee awareness. In the Langweid logistics centre alone, over 450 tonnes of CO_2 have been saved since then.

LED lighting: LED lighting is already in use in the Bad Kreuznach, Bielefeld and Oldenburg branches, among others, as well as in the central warehouses in Garbsen and Holzwickede, Langweid, and more locations will follow. Together with daylight sensors, presence detectors and KNX intelligence, we are thus significantly reducing power requirements - and at the same time increasing safety and comfort.

>> GRI 302-4, 302-5, 305-5

Increasing energy efficiency in customer projects

With comprehensive consulting and services we support our customers in implementing energy efficiency in the private and commercial sector.

Eco lamp finder: cross-manufacturer search in the online shop to quickly and conveniently find a suitable energy-saving LED alternative to a conventional lamp.
Eco Industry: consultancy service offers energy efficiency knowledge specifically for industry.
Eco Business: energy audits and advice for businesses
EcoNext: online programme for the selection of energy efficiency measures
EcoNetwork: expertise network of manufacturers, retailers and tradespeople develops ideas and impulses for greater energy efficiency, including the exchange of best practice.
Energy days: the practical forum with concrete solutions for more energy efficiency

>> GRI 302-4



Offsetting of CO_2 emissions

We offset a large part of our unavoidable CO_2 emissions by investing in global climate protection projects. In 2020, for example, we supported the generation of renewable energy at the Kinnaur Karcham Wangtoo hydropower plant in India. The power plant promotes the share of renewable energy in the total energy production in this region. In this way the construction of a coal, gas or oil-fired thermal power plant with similar capacity to supply the primarily fossil fuel-based regional grid is delayed, resulting in a reduction of carbon dioxide (CO_2) emissions in the atmosphere. The project is certified by TÜV Nord according to the "Verified Carbon Standard". This offsetting measure was organised and certified by the climate protection organisation "nature office".

Carbon neutral logistics

In 2020 we offset 33,098 tonnes of CO_2 emissions caused by the company vehicles in our fleet and by our internal and external logistics. This means that our logistics were carbon-neutral this year. **>> www.natureoffice.com**

klimaneutral Mobilität
natureOffice.com | DE-077-991503

Mobile climate neutrality
In 2020, we offset 33,098 tonnes of CO_2 from our logistics.

Product labelling

To make it easier for its customers to choose sustainable products, Sonepar labels particularly energy-efficient products and solutions with Sonepar's own "E+" label. The share of energy-efficient products in total sales was 18.8% in 2020 (2019: 17.4%).

In future products that are not only energy-efficient but comprehensively sustainable will be labelled even more proactively. In 2020 Sonepar launched a corresponding project under the name "Green Offer". The aim is to establish a comprehensive list of sustainable products in

cooperation with defined brand manufacturers. For this purpose we have defined criteria for product selection. Accordingly, only products that meet at least one of the following criteria are to be allowed to carry the Green Offer label:

- **Energy-saving products** that achieve energy savings compared to market standards that are generated by the product itself. These include, for example, LED lights, smarthome products and consumer appliances such as refrigerators and freezers incl. wine storage cabinets, dishwashers, washing machines incl. washer-dryers, electronic displays incl. televisions, provided they comply with the highest efficiency class.
- **Energy saving solution products** that can lead to energy savings compared to a non-automated solution in combination with other components. These include, for example, motion detectors for demand-responsive lighting or individual room temperature controls for efficient regulation of radiators.
- **Energy generation products** that, in combination with other components, produce energy as a system in the form of electricity, heat or cooling from renewable energies. These include, for example, PV systems, inverters, heat pumps or geothermal systems.
- **Sustainably designed products** that have a longer service life than comparable products, have a longer lifespan than comparable products, are recyclable, repairable or reusable, or consist of more than 50 % recycled materials.
- **Sustainably produced products** that have been manufactured under humane conditions in accordance with the basic principles of the International Labour Organisation of the United Nations, are made from renewable raw materials or consist of climate-friendly natural products.

These criteria are being developed in an international working group together with manufacturers in the electrical industry and the Federal Association of Electrical Wholesalers (VEG). This process is to be completed by mid-2023.

>> GRI 417-1

Waste consists of recyclable materials
In 2020 we collected and properly recycled around 108 tonnes of waste electrical equipment.

Product take-back

Sonepar Deutschland GmbH takes back used electrical appliances from its customers via its approximately 200 branches within the framework of the German Electrical and Electronic Equipment Act (ElektroG) and feeds them into a recycling process. The majority of the waste electrical equipment taken back consists of large appliances as well as lighting fixtures and lamps of all types. The amount of used electrical appliances collected has been reported to the WEEE Register Foundation by the due date. In 2020 this amounted to around 108 t (2019: 99 t).

With our "Brand offensive" programme we also pay attention to the most durable quality possible when selecting suppliers and designing the product range, and give preference to products that can be repaired and recycled. Due to this quality focus we can offer registered tradesmen and specialist retailers an extension of the manufacturer's warranty to five years for this product selection.

Recall actions by manufacturers were supported in 2020 without significant special features in accordance with legal requirements.

Raising employee awareness

In the autumn of 2020 all employees took part in a mandatory e-learning course on the topic of sustainability via our internal digital training platform "Sonepeople". This is designed to inform employees about the CO_2 footprint and how it is created and impacted. 3,495 employees have successfully completed this e-learning so far. A central e-learning programme on the topic of the circular economy is planned for the future.

Resource conservation

We have launched extensive measures to reduce our consumption of valuable raw materials and natural resources.

Paper We have been offering our customers digital invoices since 2018. In 2019 and 2020 we were already able to avoid around 8 million sheets of printed A4 paper. In 2020 we continued to drive this conversion process forward and encouraged our customers to receive their invoices digitally. By the end of 2022 we plan to have completely switched to digital invoice receipt and to additionally abandon the standard production of invoice copies. Since the beginning of 2020 we have been printing our print products on FSC-certified paper and offsetting the CO_2 emissions generated in the printing process. In addition we also encourage our employees not to print out mails if possible or to pay attention to the actual number of copies required.

Packaging material In the reporting period we reduced the amount of packaging and also CO_2 consumption by changing materials, among other things with the following measures:

- the use of recycled plastics in the plastic shipping bags purchased by Sonepar in 2020 saved up to 65 percent of harmful greenhouse gas emissions compared to the use of new granulate made from crude oil.
- increased use of bubble wrap made of 50 % regenerated material (exclusive use is being tested)
- reusable drinking cups for employees to reduce the amount of disposable cups used
- replacement of plastic adhesive tape used in logistics with wet adhesive tape as needed

Multiple use
Around 90 % of our transport and sales packaging is recyclable.



The share of recyclable transport and sales packaging generated in the central warehouses was 90.2% in 2020 (2019: 90.2%). The target for this ratio is 90%.

Water As a non-manufacturing company, the influence of water consumption on Sonepar's overall environmental impact is relatively low. Water consumption decreased from 18,550 m^3 in 2019 to 14,907 m^3 in 2020 m3 in 2020 due to corona. We therefore expect consumption volumes to increase again in the coming years.

>> GRI 301-3, 303-3, 303-5

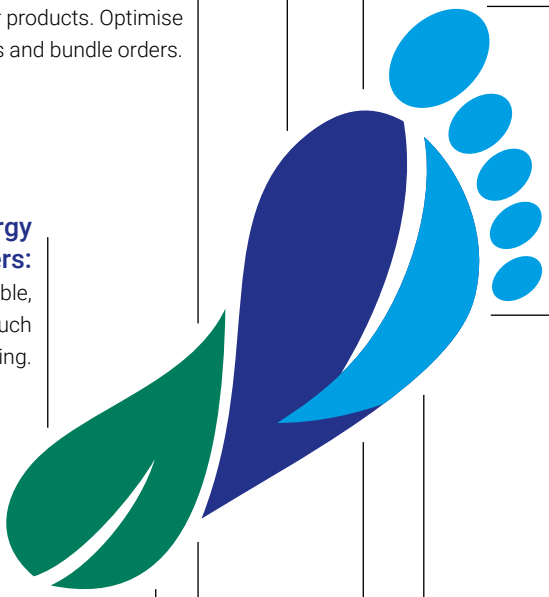
Waste

The total amount of waste from the central warehouses increased by 188 t in 2020 compared to the previous year. The reason for this is an increased amount of packaging at our suppliers. Waste for disposal or recycling was disposed of in cooperation with external service providers such as Lightcycle or Interseroh in accordance with applicable regulations. There was no significant leakage of harmful substances in the reporting period. Hazardous waste, with the exception of AVV class 200121, was not disposed of at any of the Sonepar sites. The largest waste categories in terms of volume generated at all Sonepar sites are wood, paper and cardboard packaging, foils and plastics.

All disposal records and quantities at the central warehouses, where the majority of these waste materials are generated, are documented in the central waste management system of Sonepar Deutschland GmbH using key figure databases. Substantiated projections are made for all other locations. The requirements of the German Packaging Act (VerpackG) are audited by an external auditing company (KPMG).

>> GRI 306-1, 306-2, 306-3

Sustainability in concrete terms - at work and in the private sphere:
10 recommendations for all Sonepar employees.



Consume responsibly
Buy products that are ethically sourced and look at the labels.

The circular economy
Collect, sort and recycle waste. Repair broken products. Buy recycled products to save resources. Rent or lease when possible.

Demand low-carbon logistics
Ask suppliers and transporters to use fuel-efficient hybrid or electric vehicles to deliver products. Optimise truck loads, delivery routes and bundle orders.

Set a good example
Get involved in local initiatives and actions and work for the common good. Learn about the impact of climate change and talk about it with your family and friends.

Accelerate the energy turnaround with customers:
Promote energy-efficient, renewable, recyclable products. Use services such as recycling, repairing and re-using.

Use renewable energies:
Install photovoltaic systems and heat pumps. Review your electricity and energy purchases and switch to a green electricity tariff or energy from renewable sources if necessary.

Use low-carbon transport:
avoid air travel. Choose low-carbon modes of transport, e.g. public transport, hybrid or electric vehicles, trains. Avoid business travel and organise online meetings as much as possible as an alternative.

Save energy:
Use energy management systems to control your consumption and, for example, presence detectors, stand-by switches and LEDs for targeted reduction. Switch off lights and screens when you leave the office. Replace old electrical appliances with energy-efficient products (at least energy efficiency class A).

Be plastic-free:
Buy loose products, drink tap water and use a personal and reusable water bottle. Reject single-use plastic, plastic bags, goodies and low-quality items made of single-use plastic.

Reduce digital pollution:
Unsubscribe from unread newsletters, clean up inboxes and archives, and reduce the quality of streaming video to reduce server energy consumption.

Climate protection
New growth

As an electrical wholesaler we contribute to climate change and therefore also have a responsibility to do something about it. We want to fulfil this responsibility not only through climate protection in our everyday business, but also through additional climate protection campaigns. The reforestation of forests is currently the most effective way to bind CO_2 from the atmosphere, because the annual growth of wood absorbs CO_2.



According to information from the Federal Information Centre for Agriculture, the annual wood growth of beech trees nationwide averaged about 9 cubic metres per hectare. In the process, beech trees bind about 12 tonnes of CO_2 per year and hectare. In addition, according to information from the Rhineland-Palatinate State Forests, one hectare of beech forest is able to filter about 50 tonnes of dust out of the air every year. And quite incidentally, it is also a habitat for many animals and plants, a strong economic factor and a wonderful recreational area. For this reason, too, we supported our partner PRACHT Lighting Solutions GmbH in planting trees for the "Plant-for-the-Planet" initiative during the reporting period. In the process, more than 26,000 new trees were planted.

Recruiting 10,000 climate protectors

We have set ourselves an ambitious goal for the coming year: in 2021 we aim to plant a total of around 10,000 trees in all our sales regions. In addition, we plan to hand over a certified tree donation as a customer gift at trade fairs and events instead of the usual promotional gifts. The organisational groundwork was already completed at the end of 2020. For this purpose, we are cooperating with the climate protection agency nature office to ensure strategic support and content-related substance of the project as well as compliance with specific standards. This and the climate-relevant effect of the planned measures will be confirmed by nature office in the form of certificates. A first planting action is planned for March 2021 in compliance with the then applicable Corona conditions. In Idarwald, Rhineland-Palatinate, we want to plant around 2,400 trees on the Erbeskopf at an altitude of 816 metres. The seedlings are to be planted in an area of about 3 hectares that has been damaged by heavy snowfall. In the forest, which is dominated by spruce, more light will now reach the ground, so that reforestation in so-called "clusters" is possible. The plan is to plant about 60 young trees at a time, mainly copper beech. In this way the spruce monoculture is gradually being transformed into a mixed forest that is more resistant to climate change, storm, snow and the bark beetle.

Social responsibility



+ 5,000
EMPLOYEES

15,500
HOURS OF INTERNAL EDUCATION, TRAINING AND QUALIFICATION

194
TRAINEES

STOP **0**
TOLERANCE IN THE FACE OF RACISM, BULLYING AND DISCRIMINATION

34.2 %
FEWER OCCUPATIONAL ACCIDENTS

8.2 %
STAFF TURNOVER RATE

All 2020 figures

Creating meaning

Employment at Sonepar should be more than just a job.
Instead we aim to give people meaningful prospects.

This is already made possible by the nature of our work: by selling brand-name electrical engineering products and providing individual and solutions-oriented advice, our employees enable people to make a home or commercial business safer, more convenient, more efficient and more sustainable. This is a responsible and highly meaningful occupation.

In addition, we also take concrete measures to ensure that people feel at home at Sonepar, perceive Sonepar as a top employer and are completely satisfied in their workplace.

an employer we feel responsible for creating an excellent working environment for each and every one of our employees, opening up individual perspectives and enabling them to develop their personal potential. For this reason we want to know what goals and wishes our employees have - and what drives them. This feedback is the guiding principle of our human resources policy. Through the continuous implementation and improvement of our employer branding measures, by 2020 we were able to increase the proportion of women in the technical sector of our company to around 25%. For the targeted implementation of our sustainability goals we also use an integrated management system in the social field, in particular DIN EN ISO 45001 (occupational health and safety management, with OHSAS 18001 by mid-2020) is applied here. In addition, Sonepar successfully trains its employees on a regular basis to prevent accidents at work, occupational illnesses, work-related health hazards and fires.

>> GRI 401-1

Employee satisfaction

In order to measure staff satisfaction we conduct employee surveys every two years. In 2016 all employees and in 2018 all managers were surveyed alternately. In 2016, 89% of all Sonepar employees were very satisfied with their employer. In 2018, 91% of managers surveyed also said they were proud to work at Sonepar. In 2020 we suspended the survey due to the Corona pandemic. In 2021 we plan to introduce an international, systematic analysis of employee satisfaction for the first time. Appreciation is a key prerequisite for job satisfaction. And Sonepar employees feel this from day one: we organise "Welcome Days" for new employees and trainees.



"I like working at Sonepar because it is a top company that does everything for its employees."
Anna-Lena Wolters, Sales

Our HR management and our managing directors personally welcome our new colleagues and present the essential values and opportunities of Sonepar. In 2020 we held the Welcome Days in a digital format due to the Corona pandemic. An important indicator of employee satisfaction is staff turnover. The corresponding rate in 2019 was 5.8%, down two percentage points from the previous year. In 2020 the rate increased to 8.2 %, but remains at a very healthy level.

>> GRI 401-1

Occupational safety

Protecting the health and safety of employees is a top priority at Sonepar. This is why we take special care to proactively prevent accidents and safety risks. Effective occupational health and safety equipment, regular inspections of plant and safety-relevant equipment and compliance with all safety-related standards, guidelines and regulations as well as the corresponding legal standards are a matter of course for Sonepar.

In our Code of Conduct we also encourage our employees to refuse to do any work without fear of sanctions if they have concerns about a safety or health risk. In addition, there are clear prohibitions against violating applicable health and safety regulations. During the reporting period, there were no violations of accident prevention regulations, specific safety regulations or employers' accident insurance rules. The number of reportable occupational accidents in 2020 was 48 (2019: 73). One reason for this is certainly our comprehensive awareness-raising activities on occupational safety: 2335 employees completed a corresponding training course in 2020.

>> GRI 403-1, 403-2, 403-5, 403-7, 403-9

Health protection

The sickness rate was 2.3% in 2020 (2019: 2.4%). In terms of employee health and safety, the Corona pandemic was the dominant issue during the reporting period. The management established clear rules for this at an early stage to ensure safe employment for all employees at all times. This included the introduction of its own protection and hygiene concept, as well as a reliable reporting system to detect infections among the staff at an early stage and to be able to trace infection chains if necessary. For commercial and administrative staff, mobile working was adapted to the respective regional incidence situation in order to prevent infection risks due to full offices and transport areas. For logistics staff we changed from 3-shift operation to 2-shift operation. The number of pandemic-related absences was 1.89%.

Regular testing is an essential tool to increase occupational safety in times of pandemic. In order to increase the willingness to be tested, especially in the logistics area, a large-scale information and awareness campaign is planned for 2021.

To better protect our employees from health hazards we have set up lifting aids at workplaces in the central warehouse in Garbsen. Since May 2020 these have been supporting the daily handling of more than 500 cable drums with an individual weight of 10 to 80 kg. This eliminates the heavy lifting, carrying, pushing and pulling of goods for colleagues.

At the office workplace, painful tension in the back and neck area can be avoided by alternating between standing and sitting. For this purpose, suitable supports can be used with which we can raise and lower the desk manually in a simple way. The benefits of this are the maintenance and strengthening of the muscles, motivation, energy and improved concentration.

>> GRI 403-4, 403-6

Transparency

As a family business we attach great importance to open and trusting cooperation. Transparent information is a basic prerequisite for this. We achieve this through our internal communication with our collaboration platform Workster, the internal social network Yammer and many shop floor media such as our employee magazine "Wir". We were able to intensify the national editorial work for these media during the reporting period.

Workster: an internal single point of information, publication of 6-10 news items per week, between 1,000 and 3,000 hits per news item.
Staff newsletter: fortnightly internal news service summarising the most important Workser topics and linking directly to them.
Employee magazine "Wir": published quarterly with background information on strategic topics

Yammer: a dialogue-oriented, voluntary, internal social network
Logistics newspaper: development of a separate printed newspaper for logistics employees without a computer workstation, to be published quarterly in future in German, Polish, Russian and Turkish
Management newsletter: sent out every fortnight, partly company-relevant topics, partly management topics

During the Corona pandemic employees were able to access these media from home via secure external access points, so that up-to-date information was guaranteed at all times. We also keep our workforce informed about current developments through our employee events with up to 1,500 participants. The development of a Workster app and a Sonepar podcast is planned for 2021. Work-life balance Sonepar works continuously to enable all employees to balance their work and family life at all times. That is why we offer the greatest possible flexibility in working hours, many part-time and shift models as well as flexible re-entry after parental leave. In addition, after individual assessment we also enable our employees to work on the move, for example from home. From 2021 we will also have a programme for the smooth transition to retirement. The so-called SofA programme (Sonepar's voluntary retirement programme) will enable employees who are then entitled to a reduced retirement pension to retire without a reduction in their pension.

Opening up prospects
In 2020 Sonepar organised 15,500 hours of professional development, training and qualification.

Work-life balance

Sonepar strives continuously to make it possible for all employees to reconcile their work and family life at all times. This is why we offer the greatest possible flexibility in working hours, a range of part-time and shift models as well as qualified re-entry after parental leave. In addition, after individual assessment we also enable our employees to work from home, for example.

From 2021 onwards we will also have a programme for the smooth transition to retirement. The so-called SofA (Sonepar's voluntary early retirement) scheme will enable employees who would only be entitled to a reduced old-age pension to retire without a reduction in their pension.

> GRI 401-3



"The most diverse customers and an extensive product range offer positive challenges every day."
Petra Grieb, Sales

Diversity and equal opportunity

In our company, we ensure equal opportunities and equal treatment, regardless of skin colour and ethnic origin, age, gender, ideology, sexual orientation, social status or political views - provided that this is based on the principles of free democratic principles and upholds values such as respect, tolerance and openness to the world. The company demands appropriate behaviour from its employees, as laid down in the Code of Conduct which is binding for all employees. We condemn any form of discrimination. Sonepar fundamentally sees diversity as an opportunity. The composition of our workforce, in which people from many nations work together successfully, is

proof of this. The proportion of women in the workforce was 25.5% in 2020 (2019: 25.1%). The average age in 2020 was 45.5 years (2019: 44.7 years). Fair and appropriate remuneration is a prerequisite for equal opportunities. The basis for remuneration at Sonepar is therefore the collective agreements to which the majority of our employees are affiliated. The collective agreements are supplemented by special benefits for which there are corresponding company agreements.

>> GRI 102-41, 405-1, 405-2

Non-discrimination

Sonepar expects all employees to treat each other professionally, based on mutual respect, trust and the dignity of the individual. Sonepar accordingly promotes a workplace free from any form of discrimination, bullying or harassment. There were no known incidents of Sonepar employees violating these principles during the reporting period.

>> GRI 406-1

Vocational training

Sonepar offers apprenticeships in five different trades in the areas of sales, purchasing, logistics and IT. In 2019, 219 young people were in training at Sonepar, in 2020 there were 194. The rate of apprentices given permanent jobs in 2020 was 60 % (2019: 80.0 %).

From 2021 the goal is to offer apprenticeships to more than 100 young people each year. In 2020 Sonepar was certified as an "Excellent training company" for the fifth time in a row. This seal of quality is particularly valuable for Sonepar because the underlying evaluations come from the apprentices themselves. These are collected by the certifying body as part of a survey; the minimum participation rate required for the award of the certification is 50 %.

>> GRI 102-8

Talent management and qualification opportunities

Every Sonepar employee has the opportunity to further develop his or her individual skills with targeted training and instruction and to create new career prospects. For this purpose we offer extensive qualification opportunities through the central Sonepar Academy. These cover the entire spectrum in terms of content, from product or solution-oriented offers to commercial and sales topics to so-called soft skills and offers for personality development. Training courses, seminars and training sessions are held either in person or online as webinars.

In 2020 we launched the Sonepar Learning World as a central learning platform for customers and employees. Here we bundle all opportunities for targeted further training. Depending on their previous knowledge, available time and individual objectives, everyone can find the optimal form of learning for themselves. There are online courses for up to 20 participants as well as Sonepar webinars for up to 200 participants. Individual web tutorials for one-on-one training are being planned. These new digital formats will be supplemented - if this is once again permitted due to the Corona-related contact restrictions - by the tried and tested Sonepar face-to-face courses.

The offers are very well received by Sonepar employees. On average, each Sonepar employee completed 2.2 training hours in 2019. In 2020, the average was 2.9. In total Sonepar delivered 15,500 hours of professional development, training and qualification (2020).

Under the umbrella of the Son@cademy, Talent Management offers development measures for various target groups. The high-potential programme serves as an orientation and a start to the career. In five blended learning modules, participants deal with the topics of time and



"At Sonepar, I can develop professionally."
Michael Lischka, Purchasing



self-management, professional and disciplinary leadership, project management and communication. At the same time, the participants work on a project provided by the Sales Department. For the Sonepar top talents, there is the Sonepar young talent group (SONAR). This group works on projects that deal with strategic topics and are commissioned by the management. The new managers programme is offered for the next generation of executives. The main topics here are the basics of leadership and support in taking on new leadership responsibilities.

>> GRI 404-1, 404-2

Complaints management

We have implemented a whistleblowing system in order to immediately identify and target violations or potential violations of human rights abuses, fraud, corruption, undue influence, data protection, harassment, international sanctions and embargoes, health and safety, the environment, discrimination and criminal offences. The identity of the whistleblower and the persons affected by the report, as well as all documents submitted for the report, are kept strictly confidential, unless Sonepar is required to report all or part of the information to a public authority.

Sonepar, its business associates and its employees will not retaliate against any person who makes a report in good faith or participates in an investigation. Individuals who retaliate against individuals for submitting a report in good faith or participating in an investigation will be subject to disciplinary action, up to and including termination.

Sonepar reserves the right to take disciplinary and other appropriate action against individuals who violate this policy by knowingly making false or malicious statements with the aim of falsely initiating or misdirecting investigations.

Data collected through Sonepar's whistleblowing system is processed in accordance with the provisions of the EU General Data Protection Regulation (GDPR). All necessary precautions are taken to ensure data protection during collection, transmission and storage of the data.

In the reporting period, there were eight reports via the whistleblower system. All reports were assessed via the Sonepar legal department and all reports were followed up. In the reporting period, there were no legal proceedings with an impact on the company's reputation.

Whistleblowing policy

>> GRI 102-17, 203-2, 205-3

Human rights

Sonepar is committed to respecting human rights. In particular, Sonepar prohibits all forms of child and forced labour, human trafficking and unlawful discrimination. We aim to ensure that the conduct of all employees complies with international standards. These include the Universal Declaration of Human Rights, the Organisation for Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the principles outlined by the International Labour Organisation (ILO).

We raise awareness of these principles in our Code of Conduct, which is binding for all employees. There were no known violations of these guidelines by employees during the reporting period.

Social commitment

Sonepar lives up to its responsibility to society, for example through donations to charitable causes and the targeted, local support of social institutions (see p. 43). As part of its sponsorship and innovation partnership with Borussia Mönchengladbach, Sonepar supports the Borussia Foundation, whose purpose is, among other things, to promote sports-related social measures to integrate young people into society. The foundation supports and promotes projects in the fields of community and participation, health and prevention as well as educational perspectives.

We also support universities financially and within the framework of research projects. For example, several smart projects have already been carried out with the Düsseldorf University of Applied Sciences (HSD). One of the most recent is the seminar "Smart Study! But how? Striking pictures of the digitalisation of our lives". With the help of words, images, photos, illustrations, text or typography, the students were to creatively present their perception of technological topics as social and political trends.

We also cooperate with the Department of Textile and Clothing Technology at the Niederrhein University of Applied Sciences (HSNR) in Mönchengladbach. In a project with students from the fifth semester, for example, the emotionalisation of technicisation was tackled. The basis was the development of a concept on how technology and digitalisation can be made visible and tangible with the help of fabric accessories and innovative garments. Two prototypes were developed - a fluorescent carpet and an interactive multifunctional jacket with an integrated touchpad - which demonstrate the digital potential of the textile and fashion world.

To promote young talent, we support the Federal Competition of Young Electricians in Germany (BLW) organised by the ZVEH - in a sense, the German championship of the electrical trades.

Together with other European Sonepar companies we hold an annual football tournament with Sonepar employees. Unfortunately, in 2020 the tournament had to be cancelled due to the Corona pandemic.



“Sonepar is a family business on the scale of a corporation.“
Ralf Krüger, Sales

Demonstrating **noticeable closeness**

Sonepar assumes social responsibility. As a company we are committed to helping sick, disabled or disadvantaged people. Our commitment is as diverse as the people we work with and the regions in which we are represented with branches.



For example, we rewarded each fully completed form of our 2019 customer satisfaction survey with 10 euros for a social institution. The choice finally fell on the Regenbogenland children's and youth hospice in Düsseldorf.

This home cares for children and young people who only have a limited life expectancy due to a serious illness or disability. The facility aims to help those affected and their families to make the time they have left as fulfilling and positive as possible. More than half of the funding for the home comes from donations. With the proceeds from the Sonepar campaign, Regenbogenland was able to purchase two high-quality nursing beds with extensive functions. These new beds now facilitate the care and treatment of young patients who are no longer able to sit up on their own or who need to be on a ventilator.

Decentralised support

To make sure that other regions do not miss out, we organise our commitment mainly on a decentralised basis and leave it to our sales regions to get directly involved in their own communities. After all, our colleagues on the ground know best where help is needed and where it is most effective. Like our Würzburg branch, for example: in line with the principle "Electrical wholesalers and their partners help the weak", it organises a cards tournament with customers and suppliers every spring. The proceeds are donated to good causes.

The staff of our two Nuremberg branches are no less committed. Many of them participate in the annual companies' run in the Franconian metropolis and collect donations for a good cause.

The goal in the coming years is to record the many large and small measures in the branches and locations in a more targeted manner in order to obtain a more comprehensive overall picture of our social commitment.

Appendix

Key figures

Our business

	2020	2019
Sales (euros)	2.971 billion	3.017 billion
Investment ratio (%) of fixed assets	17.6	16.7
Number of employees/total workforce in FTEs	4645	4841

>> GRI 201-1

The environment

	GRI Red. CO_2	consumption 2020	consumption 2019	2020 t CO_{2e}***	2019 t CO_{2e}***	Reduction t CO_{2e}	Reduction %
Direct emissions							
Scope 1 and 2				**18,814**	**21,907**	**-3,093**	**-14%**
Scope 1	**GRI 305-1**			**11,738**	**13,755**	**-2,017**	**-15%**
Heating (MWh)	GRI 305-1	26,695	29,539	4,741	5,253	-512	-10%
Fuel: own fleet (litres)	GRI 305-1	2,787,620	3,387,177	6,997	8,502	-1,505	-18%
Scope 2	**GRI 305-2**			**7,076**	**8,152**	**-1,076**	**-13%**
Electricity (MWh)	GRI 305-2	17,900	19,563	7,076	8,152	-1,076	-13%
Indirect emissions							
Scope 3 upstream	**GRI 305-3**			**40,244**	**42,756**	**-2,512**	**-6%**
Fuel: suppliers (tkm*)	GRI 305-3	324,328,950	332,645,077	31,006	31,801	-795	-3%
CO_2: personnel (FTEs)	GRI 305-3	4,645	4,841	3,835	3,996	-161	-4%
Business travel (pkm **)	GRI 305-3	875,455	2,507,618	209	608	-399	-66%
Electricity (MWh)	GRI 305-3	17,900	19,563	1,512	2,011	-499	-25%
Heating (MWh)	GRI 305-3	26,695	29,539	974	1,078	-104	-10%
Fuel: own fleet (litres)	GRI 305-3	2,787,620	3,387,177	1,831	2,225	-394	-18%
Packaging materials (tonnes)	GRI 305-3	362	477	425	561	-136	-24%
Waste (tonnes)	GRI 305-3	4,032	4,244	452	476	-24	-5%
Scope 3 downstream	**GRI 305-3**			**23,069**	**24,858**	**-1,789**	**-7%**
Truck deliveries (tkm*)	GRI 305-3	241,304,006	260,017,307	23,069	24,858	-1,789	-7%
Scope 3 company	**GRI 305-3**			**63,313**	**67,614**	**-4,301**	**-7%**
Total				**82,126**	**89,521**	**-7,394**	**-8%**

*tkm = km per tonne, ** pkm = km per person, *** tCO_{2e} = tonnes of CO_2 equivalent,
****Source: Carbon Simulator 2020 Sonepar France Sustainability department

>> GRI 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-5, 306-1

Social responsibility

	2020	2019
Number of employees (total workforce FTE)	4645	4841
… of which male (%)	74.50	74.90
… of which female (%)	25.50	25.10
… of which not specified (%)	0	0
… of which apprentices	194	219
Apprentice rate (%)	4.2	4.5
Numbers given permanent jobs (%)	64	84
Average age of all employees	45.6	44.7
Staff turnover (%)	8.2	5.8
Reportable occupational and commuting accidents	48	73
Accident frequency (1,000 person rate)	9.1	14.3
Sickness rate of all employees (%)	2.3	2.4

>> GRI 401-1, 403-2, 403-9

Goals and measures

The sustainability programme adopted in 2020 combines strategic sustainability goals with concrete measures. It is divided into the three core topics of "Business and Integrity", "Services, value creation and climate protection" and "Employees and society" and is the binding basis for Sonepar Deutschland GmbH's commitment to sustainability. The measures scheduled in this overview for 2020 have already been successfully implemented.

Business and integrity/economy

Deadline	Objective	Measure	Contribution to sustainable development goals (UN)
2023	**Average investment ratio of at least 15% of fixed assets**	Implementation of all investment plans/maximum possible contributions to climate change	
2021	**Implementation of the group compliance requirements and specifications from Sapin II**	Expansion of the internal control system (business associate due diligence) and organisational development	
Ongoing	**Strengthening integrity and corporate values**	Raising employee awareness through training and expansion of the brand academy	

Services and value creation/ecology

Deadline	Objective	Measure	Contribution to sustainable development goals (UN)
2020	**Domestic/ecological overall target Energy management/environmental management in relation to the base year 2014**	– 10 % reduction in energy consumption – 90 % recycling rate – Availability of charging systems	
2023	**International/domestic/ecological overall target Reduction of CO_2 emissions Sonepar footprint base year 2019**	Implementation of defined energy renovation measures from the core ecological segments of energy management and environmental management with facility management. Reduction of direct emissions from Scope 1, 2 and 3.	
2023	**International/domestic/ecological overall target Achieving climate neutrality on balance sheet by 2023**	Implementation of defined measures from Scope 1 and 2 Reduction of indirect emissions from Scope 3 through offsetting. Including domestic green power contracts, hydropower India internationally, accompanying forest projects domestically, climate-neutral websites	
2023	**International/domestic ecology Energy CO_2 emissions Reduction of business travel by 25%**	Review of the need for current face-to-face meetings and replace with partial shift to Skype/MS Teams.	
2023	**International/domestic ecology Energy CO_2 emissions Reduction in power consumption**	– 100 % LED lighting in every location – 100 % share of green electricity - secured through green electricity purchase contracts – 5 % share of heating electricity consumption with in-house production of renewable energies	
2023	**International/domestic ecology Energy CO_2 emissions Reduction in combustion**	– Examination/use of alternative fuels to gas/oil or use of renewable energies – Testing/introduction of alternative means of transport for cars – Examination/introduction of alternative means of transport for trucks, etc. – Optimising truck route planning – Optimising transport routes, journeys to work, etc.	

Deadline	Objective	Measure	Contribution to sustainable development goals (UN)
2023	**Domestic ecological environment CO_2 emissions Maintain recycling rate at at least 90 %**	– Reduction through defined projects, among others, such as paper projects - Go Green Reduction of paper invoices and photocopying paper through digital processes – (e.g. travel expense reporting, sending electronically) and use of existing electronic applications. – Plastic projects - recycling plastic bags, using eco-cups – Water project - use water dispensers instead of bottles	
by 2023	**Integration of sustainability in customer relations (support and accompaniment of the energy transition/energy systems and processes)**	– 1500 training courses for employees and customers – Customer training on green products in all regions - at least 400 events per year. – Involving customers in sustainability topics, e.g. at partner meetings.	
2023	**Integration of sustainability in customer and supplier relationships**	– Training all procurement staff to develop sustainability standards in supplier relationships – Collaboration on industry standards to ensure compliance with environmental and social standards in the supply chain – Customer survey as a competition for ideas at the partner meeting – Supplier survey on their sustainable activities – Cooperation/involvement of suppliers for reducing a joint waste concept, taking product safety into account.	

Employees and society/social responsibility

Deadline	Objective	Measure	Contribution to sustainable development goals (UN)
Ongoing	**Methodical and content-related updating of vocational training and further education**	– Expansion of digital learning methods – Adapting the content of vocational training and continuing education in relation to strategic topics of the future – Sonepar Academy Expansion of employee training offers – Talent management/scouts Junior projects/Sonar Group/using technology offensive as an opportunity to promote young talent	
2020	**Promoting employee health**	– Further development of occupational health and safety at Sonepar locations – Expansion of digital offers in workplace health promotion, e.g. Fit-with-Sonepar app and other measures	
Ongoing	**Providing benefits for Sonepar employees**	– Expansion of corporate benefits Activity in order to provide all employees with the opportunity to take advantage of purchasing benefits. – Digitalising internal processes (travel expense reporting, invoicing, etc.)	
2020	**Fostering internal/external communication**	– Establishing a network of ambassadors as sustainability mentors – Setting up and optimising communication channels for sustainable improvement of information quality – Establishing a professional suggestion system on the topic of sustainability – Using "WIR" to report success stories/ highlight in-house projects etc.	
Ongoing	**Promoting Sonepar's social commitment**	– Encouraging central social initiatives, individual campaigns in the regions and contributions from employees and publishing them on the Sonepar website in the future.	

Referencing: UN Sustainable Development Goals



No poverty
–



No hunger
–



Health and well-being
P. 38/39



Equal opportunities and quality education
P. 41



Gender equality
P. 40



Clean water and sanitation
–



Affordable and clean energy
P. 30 et seq.



Good jobs and economic growth
P. 16 et seq.



Industry, innovation and infrastructure
P. 21 et seq.



Fewer inequalities
P. 40



Sustainable cities and communities
P. 21 et seq.



Sustainable consumption and production
–



Climate protection and adaptation
P. 28 et seq., P. 36 et seq



Life under water
–



Life on land
–



Peace, justice and strong institutions
P. 20



Partnership to achieve the targets
–

Referencing: GRI standards

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GRI 102-2	Activities, brands, products and services	P. 6
GRI 102-3	Headquarters of the organisation	P. 6
GRI 102-4	Operating sites	P. 6
GRI 102-5	Ownership and legal form	P. 6
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Indicator	Description	Page
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GRI 102-12	External initiatives	P. 8
GRI 102-13	Memberships in associations and interest groups	P. 8
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GRI 102-23	Chairperson of the highest governance body	P. 6
GRI 102-29	Identification and management of economic, environmental and social impacts	P. 13
GRI 102-40	List of stakeholder groups	P. 8
GRI 102-41	Collective bargaining agreements	P. 40
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GRI 102-43	Approach to stakeholder involvement	P. 8
GRI 102-44	Key issues and concerns raised	P. 8
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GRI 102-46	Procedure for determining report content and delineation of topics	P. 8
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Indicator	Description	Page
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Indicator	Description	Page
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>> GRI 102-55

Third Party Assurance

to Sonepar Deutschland GmbH , Peter-Müller-Straße 3, 40468 Düsseldorf

We, GUT Certifizierungsgesellschaft für Managementsysteme mbH (GUTcert), have been engaged to perform a limited assurance engagement in accordance with the assurance standard AS1000 v3 (2020) Type 2 on the disclosures in the Sustainability Report 2021 of Sonepar Deutschland **GmbH**(within the limits disclosed in the Report) for the reporting period 01.01.2019 to 31.12.2020.

Responsibility of the legal representatives

The top management of Sonepar Deutschland GmbH is responsible for the preparation of the Sustainability Report in accordance with the reporting principles of the Global Reporting Initiative Standards for Sustainability Reporting (GRI Standards):

-

- Stakeholder involvement
- Sustainability context
- Materiality
- Completeness
- Balance
- Comparability
- Accuracy
- Timeliness
- Clarity
- Reliability

This responsibility includes the selection and application of appropriate methods to prepare the above-mentioned report, making assumptions and estimates about individual disclosures that are reasonable in the circumstances. Furthermore, the Board of Directors is responsible for designing, implementing and maintaining systems and processes relevant to the preparation of the Report.

Responsibility of the auditors

Our responsibility is to express a conclusion based on our work performed as to whether any matters have come to our attention that cause us to believe that the sustainability disclosures presented in the Sustainability Report for the period 2019/2020 not been prepared, in all material respects, in accordance with the GRI Sustainability Reporting Standards and Criteria. In addition, we have been engaged to make recommendations for the further development of sustainability management and reporting based on the results of the audit.

The focus of the audit is on the principles of corporate sustainability responsibility as well as the reliability and quality of the report content on a sample basis.

The validation of the sustainability-related disclosures presented in the report has been planned and performed to enable us to express our opinion with limited assurance.

This limited assurance relates only to evidence from internal sources and groups; obtaining audit evidence is limited to company or management level of the Sonepar Deutschland GmbH organisation in Germany.

Systems and processes that determine the report content were audited, applying the materiality principle or the stakeholder engagement process. Specific sustainability performance was checked on a sample basis.

The planning of audit procedures was at the auditors' discretion and was implemented through the following activities, among others:

- Inspection of the documents on the mission statement and the structures of Sonepar Deutschland GmbH, the corporate organisation and the stakeholder dialogue.
- Inspection of the documentation of the systems and processes for the collection, analysis and aggregation of data relating to sustainability performance.
- Personal interviews with the board member Dr. Stegemann, who is responsible for sustainability at Sonepar Deutschland GmbH, as well as with the sustainability officer Mr. Elz, the officer for integrated management systems Mr. Lukoschek and with the responsible persons from the areas of compliance, HR, finance, environment, energy and marketing.

- Analytical assessment of communicated key figures and trends for the reporting period 2019/2020
- Obtaining evidence on a sample basis for individual disclosures, e.g. by inspecting internal management documentation and accounts as well as by analysing data records generated as reports from the internal data system.

Verdict

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the sustainability disclosures in the Sustainability Report 2019/2020 of Sonepar Deutschland GmbHnot prepared, in all material respects, in accordance with the Global Reporting Initiative Sustainability Reporting Standards.

Supplementary notes - Recommendations

Without qualifying the above result, we make the following recommendations for the further development of sustainability management and reporting:

- The sustainability management system of Sonepar Deutschland GmbH is based on the integrated management system and its documentation. It is recommended that the analysis of risks and opportunities, the setting of objectives and the management evaluation focus more on the areas relevant to sustainability, which in some cases are not fully covered by the operational management systems - personnel issues and overall social commitment.
- Special attention should also be paid to the further development of sustainable supplier management in the next reporting period.

Berlin, 15th September 2021

GUT Certifizierungsgesellschaft für

Managementsysteme mbH

Umweltgutachter

Yulia Felker

Sarah Stenzel

>> GRI 102-56

sonepar.de

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