SUSTAINABLE DEVELOPMENT REPORT
Our commitments 2014
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For Rexel, sustainable development is an essential part of the Energy in Motion company plan that has been in effect since 2012. Faced with the socio-economic challenges of energy access, the energy transition and the fight against climate change, we, along with our entire industry, have a major role to play.

Rexel has turned these challenges into avenues for growth and intends to act as a catalyst thanks to its unique position in the value chain. Our mission is to support our customers around the world by providing them with innovative electrical solutions, and to help them seize every opportunity that a world of energy in the midst of a digital revolution can offer, thereby enabling them to optimize their businesses and create value.

The Rexel Group joined the United Nations Global Compact in 2011. For us, this is a powerful and symbolic commitment to the respect of human rights and labor standards, the protection of the environment, and the fight against corruption. We are engaged in implementing these universal principles through concrete initiatives, and in promoting them among our partners. It is a collective effort to provide support and ensure continuous improvement, and we reaffirm our pledge to play a part in it.

By joining forces with our stakeholders, we have made considerable progress in the area of social and environmental responsibility in the past few years. One of the highlights has been the creation of the Rexel Foundation for a better energy future, under the aegis of the Fondation de France, which demonstrates our desire to take action, in partnership with our suppliers, customers, universities and civil society, as well as our employees, in order to improve access to energy efficiency for all.

Helping our customers optimize their energy consumption, improving the environmental performance of our operations, partnering with our suppliers, engaging with our employees on a daily basis, and focusing our community involvement on helping people win the battle against fuel poverty: these are the key objectives that will guide us in driving sustainable results for our business.

RUDY PROVOOST
Chairman and CEO of Rexel and Chairman of the Rexel Foundation for a better energy future
The fight against corruption is a key pillar of Rexel’s ethics policy. The Group is committed to rejecting corruption in all its forms and refuses to resort to any illicit procedures or actions for the purpose of obtaining advantages or exemptions outside the scope of local or international law. Consequently, Rexel has developed a body of rules and tools designed to control corruption-related risks for all of its activities under the direct responsibility of the Chief Compliance Officer.

In 2014, Rexel reaffirmed its commitment by publishing a set of guiding principles and best practices in anti-corruption, regulating trade relations and fighting against money laundering. Intended for all employees, it specifies the Group’s requirements and recommendations in relation to its subsidiaries.

Rexel’s employees also have access, via a dedicated section of the Group’s Intranet, to the necessary tools for gaining a thorough understanding of these principles (review of regulations and principles put forth by the OECD and the Global Compact), which can help guide them in dealing with sensitive situations. In addition, since July 2014, Rexel has been developing an e-learning module on corruption prevention, available in nine languages. Its implementation in 22 countries is planned for 2015.

Data protection awareness campaign

As a continuation of its ethics policy, in 2014 Rexel launched an awareness raising initiative on personal data protection. Aimed at all Group employees, this campaign draws attention to the risks related to confidentiality and the use of social media.
CORPORATE GOVERNANCE

In 2014, Rexel moved to a new governance structure, better suited to the context of today’s rapidly changing energy sector, to direct and manage the Group. The Board of Directors and the Executive Committee are working closely together to streamline the decision-making process and accelerate the implementation of the Group’s strategy.

THE EXECUTIVE COMMITTEE

The Executive Committee (“EXCOM”) helps manage the Group’s operations. It is a special body that deliberates on strategic planning, coordinates initiatives, monitors performance and follows the implementation of cross-disciplinary projects. It comprises nine members (as of July 1, 2015):

- The Chairman and CEO;
- five Group Senior Vice-Presidents;
- three Regional Senior Vice-Presidents.

Within the EXCOM, issues related to Corporate Social Responsibility (CSR) are handled by Pascale Giet, Group Senior Vice-President Communications and Sustainable Development and Vice-Chairman of the Rexel Foundation, and by Sharon MacBeath, Group Senior Vice-President Human Resources.

CORPORATE GOVERNANCE

Rexel’s corporate governance principles are based on the corporate governance code for listed companies established by the Association française des entreprises privées (French Association of Private Companies, AFEP) and the Mouvement des entreprises de France (French Business Confederation, MEDEF).

THE SPECIALIZED COMMITTEES: MAIN RESPONSIBILITIES

Audit and Risk Committee
- evaluates the accuracy and integrity of the corporate and consolidated accounts,
- makes recommendations in the areas of finance, accounting and internal control.

Nomination and Compensation Committee
- proposes nomination, revocation, dismissal and extension of the Directors and Board of Directors’ Chairman and ensures compliance with independence criteria by the independent members of the Board of Directors,
- makes recommendations or give advice on the Board of Directors’ Chairman’s compensation and on the policy for the allotment of stock options and free shares.

Strategic Investment Committee
- reviews and issues recommendations to the Board of Directors on planned acquisitions or disposals of business divisions or assets.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors comprises nine members (as of May 27, 2015) and is chaired by Rexel Chairman and CEO, Rudy Provoost. Independent Board member François Henrot has been named Deputy Chairman and Senior Independent Director. To help it fulfill its duties and facilitate its decisions, the Board of Directors relies on the opinions, proposals and recommendations of three specialized committees whose members and attributions are set by the Board.

THE BOARD OF DIRECTORS ARE INDEPENDENT (AS OF MAY 27, 2015)

89%

OF DIRECTORS ARE WOMEN (AS OF MAY 27, 2015)

45%

SHAREHOLDERS
MEETING THE CLIMATE CHANGE CHALLENGE

Climate change is underway and represents an immense challenge for our planet. Governments, as well as companies and individuals, are liable. The Rexel Group is a firmly committed and active contributor to meeting energy challenges. In addition to optimizing its own environmental performance, the Group promotes the adoption of energy efficient solutions in order to reduce CO₂ emissions and persuade its partners and customers to sustainably manage their energy consumption.
CLIMATE CHANGE AND ENERGY ISSUES

As if to emphasize the importance of the 21st United Nations Climate Change Conference in Paris (December 2015), the year 2014 was the hottest recorded since 1880. According to the Fifth Assessment Report produced by the Intergovernmental Panel on Climate Change (IPCC), global warming is both factual and inevitable.

The concentration of greenhouse gases and ozone depletion are the major factors of global warming produced by human activity. If CO₂ emissions continue to increase at the current rate, the average temperature increase of the surface of the planet could reach 4.8°C by 2100 (IPCC Climate Change 2014 Synthesis Report).

FROM KYOTO TO PARIS
Twenty years after the signing of the Kyoto Protocol, its greenhouse gas reduction objectives are far from being met. Indeed, worldwide emissions have since grown by more than 30%.

The Climate Change Conference, dubbed “COP21,” coincides with the expiration of the Kyoto Protocol. In December 2015, government representatives will meet in Paris to decide how to reduce greenhouse gas emissions while maintaining worldwide economic growth and the development of national economies. While an intergovernmental agreement is essential to provide direction and create momentum, civil society must also do its part by getting involved and proposing concrete solutions.

In 2014, Rexel demonstrated its commitment by joining the founding members of the “Solutions COP21” network, which brings together public institutions, NGOs, and companies that feel they have solutions that can alleviate climate imbalance. This initiative is intended to promote the actions taken to meet the climate challenge among decision makers as well as the general public: solutions involving energy efficiency, mobility, construction, ecodesign, telecommunications, etc. Many of these solutions will be presented at the Climate Change Conference in Paris, alongside the official meetings.

ENERGY EFFICIENCY AT THE HEART OF THE DEBATE
In light of the continually growing demand for energy worldwide, energy management has become a central issue for the future of our planet.

According to the International Energy Agency (IEA), energy efficiency is a major source of energy savings that remains largely untapped. For example, the potential energy savings that could be achieved worldwide is around 80% in the sectors of power generation and buildings (according to the 2014 OECD/IEA Report, “Capturing the Multiple Benefits of...”).

An intermediary between manufacturers, electricians and end-users, Rexel acts as a catalyst and accelerator in consumer adoption of energy efficient products and services.

As a global actor committed to fighting climate change, the Group pays particular attention to reducing the environmental impact of its buildings and transport. Rexel has also developed a range of innovative solutions to address the challenge of climate change from two different angles: energy efficiency and the promotion of renewable energy sources.

Microsol study
In 2014, the Rexel Foundation and Microsol published the results of a study on the feasibility of developing carbon schemes in the field of energy efficiency to assist disadvantaged populations in Latin America.

Microsol is a social enterprise specializing in the implementation of innovative, sustainable projects to improve the quality of life of rural communities affected by climate change. The initial results of the study identify the conditions in which decentralized electricity and lighting systems could be established and financed using renewable energy sources.
Energy efficiency: the world’s first fuel?

According to a 2014 report from the International Energy Agency, energy efficiency is not only one of the primary means of reducing CO₂ emissions, but the leading “hidden fuel” and an energy source of its own. Thus, by 2020, 49% of the effort to reduce greenhouse gas emissions in order to limit global warming could be provided by energy efficient solutions.

RAISING AWARENESS

Rexel is a major player in the electrical industry and acts as an intermediary between suppliers, installers and customers. In this sense, the Group is particularly well positioned to spread awareness and encourage the adoption of energy efficient solutions. The challenge lies first in raising awareness among professionals and individuals. Solutions exist and are profitable, but their adoption on a larger scale requires assistance and support in terms of information and financing. Rexel helps inform professionals and private individuals through multiple channels: trade fairs and electrician training programs, customer studies and surveys, an online magazine focused on energy efficiency, and websites such as the Energeasy Solar portal, which enables residential customers to simulate the solar energy production potential of their rooftops and offers them a five-year production guarantee on a range of solar panels provided by trusted, high-quality manufacturers.

Rexel participates in the climate change dialogue

The Rexel Foundation joined the Yale Climate Change Dialogue and took part in one of its key meetings, which was held on January 30, 2015 in New York City with leaders from the world of business, government, and academia. Rexel also participated in the Business & Climate Summit, which took place at UNESCO headquarters during Climate Week in Paris in May 2015, 200 days before COP21. These two days of discussion between company representatives and political decision makers were intended to bring to light the solutions and progress made in sustainable growth and to issue recommendations for the implementation of these solutions on a larger scale – a key step in preparing for the Climate Change Conference in December 2015.

By publishing the book “Energy 3.0,” which discusses the digital revolution in the energy sector, the new tools and services for consumers, and the transformation of the energy industry, Rexel CEO Rudy Provoost has personally contributed to this awareness-raising initiative. Created in 2013, the Rexel Foundation for a better energy future also participates in building and disseminating a knowledge base on the topic while encouraging social innovation, notably through its social entrepreneurship support platform.
OUR SUSTAINABLE DEVELOPMENT POLICY

Rexel is in a unique position to promote the co-creation of value with its stakeholders. Rexel’s sustainable development policy is based on five key pillars designed to meet their needs and expectations.

18 DEVELOPING INNOVATIVE ENERGY MANAGEMENT SOLUTIONS FOR OUR CUSTOMERS
to help them optimize their energy consumption

28 IMPROVING THE ENVIRONMENTAL PERFORMANCE OF OUR OPERATIONS
in order to help preserve the world’s natural resources and ecosystems

40 ENGAGING AND SUPPORTING OUR EMPLOYEES
to guarantee them good working conditions and motivating career opportunities

50 PROMOTING RESPONSIBLE PRACTICES IN THE VALUE CHAIN
to ensure the respect of the environment and the health, safety and security of employees and customers

56 IMPROVING ACCESS TO ENERGY EFFICIENCY FOR ALL
to support civil society in the fight against fuel poverty and to promote the energy transition
DEVELOPING INNOVATIVE ENERGY MANAGEMENT SOLUTIONS FOR OUR CUSTOMERS

Energy efficiency is a powerful tool for meeting the environmental, economic and social challenges related to energy issues. Rexel develops innovative solutions aimed at controlling energy consumption in construction as well as in industry. They combine eco-efficient products with monitoring systems to optimize energy use.
ENERGY EFFICIENCY AT THE HEART OF REXEL’S STRATEGY

Energy efficiency is the safest, cleanest and most affordable means of reducing energy consumption without harming the performance of companies or the comfort of end-users. Since 2012, Rexel has given it a key role in the Group’s development.

A GROWTH DRIVER FOR THE GROUP

In its Energy in Motion company plan, launched in 2012, the Group defined the mission to support customers around the globe, wherever they are, to create value and run their businesses better, by providing a broad range of sustainable and innovative products and services for automation, technical supply and energy management. The development of high-potential products and services linked to energy efficiency is therefore one of the Group’s primary growth drivers: energy-saving solutions, automation, smart control and technical management for buildings, home automation, climate control and renewable energies.

IMPLEMENTING THE STRATEGY

In order to ensure the implementation of its strategy, in 2013 Rexel formed an internal community of 240 energy efficiency experts across 23 countries. Their role is to raise awareness and train employees in energy efficiency and to contribute to the development of relevant commercial solutions. They also support efforts to raise customers’ awareness of the benefits provided by smart energy control solutions.

Rexel also offers a broad range of training programs for its employees, particularly in the area of new eco-efficient technologies (e.g. LED), energy efficient solutions and renewable energies (photovoltaics, heat pumps, etc.). Several acquisitions have broadened the Group’s energy efficiency

FRANCK LEGARDEUR
Group Marketing Director Energy Efficiency

> 5,532

EMPLOYEES were trained in energy efficiency in 2013 and 2014

> Energy efficiency is the preferred means of reducing and optimizing energy consumption while at the same time fighting climate change.

> expertise: Inoveha (2013), a company specializing in energy audits, Esabora (2014), which develops digital applications for contractors, and Munro (late 2012), an American distribution company that markets innovative energy efficient solutions.

Several major societal trends are affecting today’s energy players: a growing demand for energy, greater environmental awareness and the development of digital technologies. For Rexel, these trends represent new challenges as well as exciting opportunities.
A SOLUTIONS’ DESIGNER AND INTEGRATOR

The Rexel Group markets a wide range of products and solutions for three end-markets: residential, commercial and industrial buildings.

ECO-EFFICIENT SOLUTIONS

Rexel has selected more than 1 million products from the catalogues of the biggest brands and leading international and local manufacturers. The product range is constantly updated in order to keep pace with changing trends, standards and techniques. Regardless of the markets or the size of its customers, Rexel no longer settles for selling products or services. Its goal is to provide eco-efficient solutions to lower energy costs and electrical bills. Rexel has long adopted a comprehensive approach enabling it to integrate different kinds of technology and different trades to meet this objective. The approach increasingly focuses on customer feedback and a more diverse service offering to facilitate the adoption of these solutions.

HELPING CUSTOMERS BRING THEIR PROJECTS TO FRUITION

Launched on the French market by Rexel in 2014, “Energeasy Connect” is a home remote control tool that allows end-users to monitor their homes via their tablet or mobile phone. Energeasy Connect communicates with all connected devices in the home (heating, lighting, opening doors or shutters, etc.) and features multi-manufacturer and multi-protocol support. In the future, with one glance, users will be able to monitor all energy consumption in order to better control expenditures. They will have access to remote maintenance service, rendering their electricians even more responsive and closer in proximity to their installations. In 2014, Rexel France launched Esabora, a new software suite comprising four modules: the first is a field sales support tool that offers tablet-based simulators. The most efficient and cost-effective solutions are explained and compared. The second module enables the intuitive creation of the electrical circuit setup, panel layout and single-line diagram, as well as the installation’s compliance with norms. The third provides all the necessary features to manage a business and enables cost estimate creation and work progress monitoring. Finally, the last module offers over 800,000 product references with customized and regularly updated prices.

To help remove barriers to financing, Rexel is also developing financial services thanks to framework contracts with credit agencies. The financial solutions offered can cover the costs of supplies and installation, and integrate government incentives and fiscal measures.

BREAKDOWN OF 2014 GROUP SALES BY PRODUCT CATEGORY

- Electrical equipment: 39%
- Electrical installation equipment: 21%
- Cables and conduits: 18%
- Lighting: 10%
- Other products, including services: 5%
- Security and communication: 4%
- Tools: 2%
- White and brown goods: 1%
- Climate control: 1%
DEVELOPING RENEWABLE ENERGIES

While today’s renewable energy activities are still heavily conditioned by the government support policies adopted by each country, Rexel is committed to promoting the development of a range of solutions, especially in photovoltaic power and wind turbines.

PHOTOVOLTAIC POWER

Rexel’s goal is to consolidate its position while generating real momentum on the market for photovoltaics. The Group markets a complete range of equipment for residential use, including photovoltaic panels and the accessories needed for their installation and connection, sometimes sold in kits to help contractors choose the best solution. In 2014, Rexel created the Energeasy Solar online portal, which offers a range of practical, innovative services for developing photovoltaic installation projects: production simulations, names of qualified contractors, financing solutions, administrative help for government assistance programs and tax breaks, guarantees and maintenance, etc. It is also the first such service to offer production guarantees for the owners of solar power installations. Rexel plans to implement this program in several countries. Already in operation in Belgium, in the Netherlands as well as in the UK where it received the Industry Development Award at the 2014 Solar Industry Awards, it should become available in the US in 2015 and in the Scandinavian countries in 2016. Energeasy Solar’s key advantage lies in its ability to clarify challenges and strengths of photovoltaics while facilitating the installation of solar panels, for end-users as well as installers. The production guarantee provided is also a means of reducing end-users’ uncertainty about the return on their investment.

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WIND POWER

On the wind power market, Rexel offers customized solutions that range from the simple marketing of cables and components to an array of integrated services covering everything from procurement to inventory management, assembly and delivery. The Group’s American subsidiary Gexpro Services, is consolidating its position on the wind power market by offering a service for the pre-assembly of the internal components of wind turbine towers. The factory-mounted assemblies, duly labeled and packed, are delivered directly to the customer’s site. For a wind power project in China comprising 800 turbines for example, Gexpro’s involvement made it possible to consolidate the deliveries of 25 suppliers and reduce the deadlines, thus enabling the customer to save US$ 1.4 million per year.

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KEEPING PACE WITH CHANGES IN THE INDUSTRY AND RAISING PUBLIC AWARENESS

As a key intermediary between suppliers, installers and customers, Rexel plays an important role in raising awareness of energy issues among its representatives and encouraging them to adopt energy efficient solutions.

PARTICIPATING IN THE ENERGY DEBATE
Rexel actively participates in the debate concerning the major challenges of the energy world and shares its operational expertise in the field of energy efficiency with the general public. Rexel is also involved in *Entreprises pour l’Environnement* (EpE) and Comité 21. In 2014, Rexel joined the “Solutions COP21” network. In preparation for the 2015 Climate Change Conference in Paris, this network of public and private companies and institutions took action to publicize the solutions in place or those suggested by its members to reduce greenhouse gas emissions. Rexel also participated in the World Summit of Regions for Climate, aimed at mobilizing the world’s regions before COP21.

In 2014, Rexel also took part for the first time in the Convergences World Forum, a European platform for thought and the co-creation of new models of economic development and value creation. Rexel’s Austrian subsidiary was one of the leading sponsors of the R20 Conference, organized by the NGO founded by former California governor Arnold Schwarzenegger, which took place in Vienna in October 2014.

RAISING AWARENESS AMONG INSTALLERS AND THE GENERAL PUBLIC
Rexel provides contractors and electricians with regular training programs to update their knowledge of current technologies, develop their technical know-how and fine-tune their selling points for energy control solutions. Thus, in 2013 and 2014, 5,532 employees in 22 countries received energy efficiency training, primarily in the area of lighting. The training is interactive and held in special demonstration spaces that are veritable showcases for innovating technologies.

Rexel as a spokesperson on the challenges of energy efficiency

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IMPROVING THE ENVIRONMENTAL PERFORMANCE OF OUR OPERATIONS

With operations in 38 countries and around 2,400 sites, the Group’s key environmental challenge lies in the dispersed nature, rather than in the scale, of its impact. To reduce its carbon footprint, Rexel is implementing a consistent and sustainable approach to improving the management of its sites, its transport, its packaging and its waste.
**ENVIRONMENTAL MANAGEMENT**

Rexel’s corporate environmental policy focuses on shared commitments and relies on tools and procedures to measure the Group’s environmental impact.

**DEPLOYING MANAGEMENT TOOLS**

To support the operational implementation of its policy, Rexel relies first and foremost on its Environmental Charter. Applied at 96% of the Group’s sites, the Charter was updated and translated into 23 languages in 2013. Its goal is to specify the Group’s environmental commitments and to involve all employees in order to make environmental responsibility a part of their everyday practices. It reiterates Rexel’s three primary commitments to the environment: improve the environmental performance of its buildings, reduce the carbon footprint of its operations, and develop and promote energy efficient solutions. The Group encourages the progressive deployment of EMS (environmental management systems) throughout its subsidiaries. These EMS are intended to define and document procedures in order to manage the environmental aspects of Rexel’s operations and enable the implementation of improvement initiatives.

In 2014, around 42% of the Group’s locations were using an EMS. Rexel has developed a standard EMS to help its subsidiaries implement their own systems. This “tool box” offers a mode of operation for EMS implementation as well as a set of standard documents in compliance with ISO 14001. Each subsidiary can then decide whether to obtain ISO 14001 certification. In 2014, the Group further strengthened the quality of its environmental management with a reporting mechanism covering up to 99.7% of its total sales.

**FROM MANAGING TO RAISING AWARENESS**

Present in all of the Group’s subsidiaries worldwide, the 70 environmental correspondents are the key to success in this effort. They implement the global policy, promote it locally and are in charge of gathering, processing and analyzing data to monitor performance indicators. In April 2014, the community of correspondents came together for their annual seminar to discuss the reporting approach, share ideas and best practices, and follow training courses on the Group’s environmental challenges. The EcoDays campaigns, which target all Rexel employees, are used to disseminate the Group’s environmental policy and to present its international and local initiatives. They use a fun and educational format to share ideas and remind everyone of the eco-habits that they can adopt to help reduce their carbon footprint. The 2014 campaign was postponed to early 2015. It used the same format as the 2013 campaign, which was web-based and very successful.

**High-performance environmental reporting**

Every year, Rexel produces a consolidated environmental report covering more than 30 countries, whose data is verified by an independent third party. Its reliability and relevance are key to the Group’s corporate environmental policy. In 2014, this reporting mechanism reached a record level of coverage – 94.4 to 99.7% of total sales depending on the indicators. This performance can be explained primarily by the inclusion of India, which carried out its own environmental reporting for the first time.

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**BERTRAND DE CLERMONT TONNERRE**

Group Sustainable Development Director
Reducing greenhouse gas emissions, particularly those related to the transportation of products, is a priority for Rexel. In 2014, the Group lowered its total CO\(_2\) emissions by 8.1% on a like-for-like basis.

Rexel generates relatively low direct CO\(_2\) emissions, but its distribution operations create a significant amount of indirect emissions due, for the most part, to products transportation to the end customer. In 2014, direct and indirect emissions measured by the Group amounted to just under 130,000 TCO\(_2\)e versus over 140,000 TCO\(_2\)e in 2013.

MAIN SOURCES OF GREENHOUSE GAS EMISSIONS
Direct emissions include those related to primary energy consumption (natural gas and domestic fuel) and transportation fuel consumption by company vehicles. They reached 83,058 TCO\(_2\)e in 2014. Indirect emissions include those related to producing the electricity and heat consumed by the Group’s sites. They reached 46,528 TCO\(_2\)e in 2014. Total emissions caused by energy consumption reached 79,803 TCO\(_2\)e in 2014, i.e. a 6.9% reduction on a like-for-like basis. Emissions related to products transported by the internal vehicle fleet reached 19,588 TCO\(_2\)e i.e. a reduction of 18%. Finally, emissions related to professional travel by the fleet of owned or leased cars reached 30,195 TCO\(_2\)e i.e. a 3.6% reduction.

MEASURES TAKEN TO REDUCE THE CARBON FOOTPRINT
Although the impact on climate change is relatively small, the Group strives to limit its greenhouse gas emissions by creating initiatives to reduce its sites’ energy consumption, to optimize its logistics processes and to modernize its fleet of vehicles. The renovation of its sites’ lighting using low-energy technologies, particularly LED, the technical management of buildings and the promotion of renewable energies are all means of reducing their consumption and their emissions. But the area in which the most significant progress has been made in reducing the Group’s carbon footprint is transport, through the optimization of logistics processes and the renewal of its fleet: promoting shared transport, delivery service rationalization, pooling flows between Rexel entities, eco-friendly vehicles, etc.

All of these measures, as well as the favorable weather conditions of 2014, led to an 8.1% reduction in the Group’s scope 1 and 2 greenhouse gas emissions on a like-for-like basis between 2013 and 2014.
IMPROVING THE SITES’ ENERGY EFFICIENCY

As an energy efficiency leader, Rexel needs to set an example by improving the energy efficiency of its own sites. The challenges are many: reducing energy costs and minimizing each site’s carbon footprint, as well as demonstrating that the Group’s technical solutions are effective, sustainable and cost-efficient.

OPTIMIZING REAL ESTATE HOLDINGS AND BUILDINGS

Whenever a new site is opened, Rexel makes a specific effort to choose recent, more energy-efficient structures that were built to meet more stringent energy regulations or that have been granted environmental certification (such as HQE, the French High Environmental Quality management standard). Rexel selects the most appropriate solutions for renovating the buildings that it occupies, most of which are leased. In lighting, for example, Rexel gives priority to low-energy technologies (particularly LED).

In addition, the installation of technical building services (TBS) optimizes consumption through the regulation of heating, ventilation and air conditioning, combined with lighting and window/door control using motion and ambient light sensors.

MONITORING CONSUMPTION AND RAISING END-USER AWARENESS

Improving energy efficiency also depends on knowledge and the capacity to measure and control consumption. For this reason, Rexel has implemented systems in several countries, particularly in the UK and the US, for monitoring consumption, either in real time or on a monthly basis. These systems can pinpoint areas for improvement and optimize energy-saving efforts. Thus, since 2011, Rexel USA has been working with the energy purchasing and management specialist Ecova, to manage the energy supply for all of its sites (around 500). Monthly consumption monitoring allows Rexel to identify abnormal situations and react quickly by implementing corrective measures. In France, the energy transition law requires major companies to carry out an energy consumption audit by the end of 2015.

TURNING TO RENEWABLE ENERGY SOURCES

In order to limit their indirect CO₂ emissions, growing numbers of Rexel subsidiaries are contracting for their electrical power from certified renewable sources. Installing solar panels and connecting to heating networks powered by biomass combustion are among the adopted solutions. For example, all of the Netherlands branches have been using electricity generated by biomass combustion for the last several years, thereby saving the equivalent of 400 tons of CO₂ emissions per year.

The Rexel Campus: new headquarters at the forefront of innovation

The Group’s headquarters have relocated to the “Rexel Campus,” uniting more than 400 employees in a single HQE-certified building. This new 10,000-square meter head office is equipped with the most advanced building management and control systems. As a showcase for Rexel’s expertise in energy efficiency, the Campus was designed to optimize lighting, heating and cooling, while offering high levels of comfort and connectivity. It also has charging stations for electric vehicles.

TOTAL ENERGY CONSUMPTION IN 2014 (in MWh, on a like-for-like basis)

<table>
<thead>
<tr>
<th>Source</th>
<th>2014</th>
<th>2013</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>158</td>
<td>163</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Electricity</td>
<td></td>
<td></td>
<td>-7.9%</td>
</tr>
</tbody>
</table>

158 -3.6% VS. 2013
163 -7.9% VS. 2013
REDUCING THE IMPACT OF TRANSPORTATION

Transport-related greenhouse gas emissions account for approximately 40% of the Group’s greenhouse gas emissions (scope 1 and 2). Since 2013, the streamlining of logistics processes and the renewal of the internal fleet of vehicles has helped reduce the impact of transportation.

OPTIMIZING LOGISTICS PROCESSES

Rexel is streamlining its logistics models in order to improve service quality while minimizing environmental impact. With this goal in mind, the Group is increasing the use of shared transport and optimizing delivery routes and vehicle loads, for both its subcontracted carriers and its own vehicles, thanks to high-performance planning tools. In the US, Rexel undertook a large-scale logistics streamlining plan. By centralizing its flows around shared platforms uniting various local banners, Rexel improved its productivity while reducing its carbon footprint. The pooling of flows and shared transport between Rexel entities and/or with other local companies makes it possible to optimize deliveries. Thus, in the Los Angeles area the average number of trucks making daily delivery rounds was reduced from 25 to 18, thereby saving the equivalent of 90 TCO₂e emissions per year. In Canada, Rexel’s subsidiary Nedco, the country’s leader in charging stations for electric vehicles, signed an agreement with the transport company Eeko Couriers in 2013. Nedco now uses its partner’s 100% hybrid fleet, and in exchange Eeko has free access to the charging stations at Nedco’s branches. In addition to saving fuel and reducing emissions, this arrangement also allows the vehicles to run in silent mode more often, thus improving the quality of their deliveries in urban areas.

>> WORKING CLOSELY WITH TRANSPORT COMPANIES

Today, most of Rexel’s logistics flows are outsourced to transport specialists. Therefore, it is important for Rexel to select and collaborate with carriers that comply with certain environmental guidelines concerning their vehicles’ performance (engines, EURO standards, particle filters, fuels, etc.) and maintenance, as well as driver training and regular reporting of performance indicators.

MANAGING THE CAR FLEET

The business travel inherent to Rexel’s commercial activities represents another area of improvement in the Group’s environmental policy. Most of the subsidiaries have a fleet of cars, either owned or leased, whose long-term management allows the limitation of fuel consumption and its associated emissions. For the past several years, the Group has been implementing framework contracts to streamline the company’s fleet of vehicles and improve its environmental performance. Thanks to partnerships signed with two leasing companies and five automotive manufacturers, Rexel supports its subsidiaries in applying this policy and encourages the monitoring of environmental performance indicators such as fuel consumption and CO₂ emissions per kilometer. Employees are asked to choose their vehicles from a limited number of models selected for their performance. The goal is to reduce fuel consumption by 5% every year. In 2014, 24% of the European fleet was renewed with vehicles whose average rate is 105g CO₂/km. In addition, hybrid vehicles are now a growing part of Rexel’s fleet.
LIMITING PACKAGING AND WASTE

Most of the waste resulting from Rexel’s operations consists of wood, paper and cardboard. The Group is committed to limiting its consumption of packaging materials, reducing the quantities of waste generated by its activities and increasing its waste recycling and recovery rates.

LIMITING THE CONSUMPTION OF PACKAGING MATERIALS

Even though the use of packaging is indispensable for its activity as a distributor, Rexel strives to limit its consumption by optimizing its container sizes and promoting reuse. In the warehouses, for example, the prepacking systems automatically select the optimal container for the content of each order. This type of system has been installed at Rexel logistics platforms in many countries, including Germany, Austria, Belgium, France, Italy, the Netherlands and Portugal. Rexel is also working on designing innovative recyclable packaging such as the “Roll’n Box,” a cardboard cable packaging system developed by Connectis, a Rexel subsidiary, that offers the advantage of weighing less than a wooden drum and is more convenient for handling, palletizing and unreeling. Reusable packaging solutions are also becoming increasingly widespread. One example is the plastic boxes that are used in rotation for the branches’ deliveries. Other initiatives, like using shredded used cardboard boxes as a packing filler and protective material, have significantly reduced purchases of other consumables. However, despite these efforts, the consumption of packaging materials increased by 19% in 2014. This increase is primarily due to the opening of new logistics centers as well as the growth of certain aspects of the Group’s offering, such as water heaters. These figures must nevertheless be qualified by the fact that packaging consumption monitoring also improved, most notably by establishing separate accounts of other consumables.

REDUCING PAPER CONSUMPTION

Rexel is also taking action to reduce its paper consumption by expanding the use of digital media >> for its catalogs and brochures, as well as by using paperless processing for orders, deliveries, invoices, etc. In 2014, Rexel continued to work with approved office equipment, printing and paper suppliers in order to reduce the amount of paper consumed. In addition, the Group is streamlining its printer fleet and universalizing the application of default settings to optimize office paper use. For the last several years, a partnership with a printing solutions service provider in effect throughout 80% of Rexel has proven the Group’s ability to manage consumption and implement reduction strategies. Nevertheless, a strong commercial activity and a change in product lines, including the Group’s own brands, have led to publishing new catalogs distributed to customers worldwide. Paper consumption therefore grew by 6% between 2013 and 2014.

WASTE Sorting and RECOVERY

Waste sorting has been adopted by all of the Group’s logistics centers, enabling the recycling of cardboard, certain types of plastic wrap and wood. The branches are also encouraged to implement sorting systems, even though they are sometimes dependent on local waste removal systems. To overcome this obstacle, Rexel’s subsidiaries often negotiate contracts with private waste collection and recycling services. Overall, the waste recovery rate has grown, increasing from 61% in 2013 to more than 63% in 2014.

The implementation of the EU directive on Waste Electrical and Electronic Equipment (WEEE) has led Rexel’s subsidiaries to set up a system in all branches for collecting WEEE from their customers for the purpose of recycling. In countries that have no such regulation, Rexel offers this additional service to its customers – on major construction projects, for example. In all, 17 countries have adopted a WEEE management and recovery system. In 2014, more than 1,388 tons of WEEE were processed for recycling, including around 1,045 tons of fluorescent light bulbs and tubes.

Water consumption

Water consumed by the Group is primarily the water used inside commercial and administrative buildings. It is entirely sourced from drinking water networks. In 2014, Group-wide water consumption amounted to 464,776 m³.

Water consumed IN 2014 (in tons, on a like-for-like basis)

25,529

-15% VS. 2013

63.3% OF WHICH IS RECOVERED
ENGAGING AND SUPPORTING OUR EMPLOYEES

Employee engagement is indispensable to Rexel's continued success. Recognizing the importance of human capital and supporting career advancement are key elements of the Group's transformation. Rexel has therefore developed a social responsibility process, which it implements through the human resources policies applied by its subsidiaries with respect to its 30,000 employees. Based on universal human rights, as well as on practical and common values, these policies cover skills development, security and well-being at work, equal opportunity, social dialog, and employee association in the Group's performance.
STRENGTHENING EMPLOYEE ENGAGEMENT

The Group’s employees are active players in its transformation. Their engagement in the company is a key factor in its performance. In 2014, Rexel endeavored to clarify and consolidate the terms of this engagement.

Rexel operates in a transitioning environment and in a highly competitive market. Its organization, its professions, its products and its services are changing. Its employees are key participants in this transformation and Rexel has included them in its new roadmap.

EMPLOYEE ENGAGEMENT FOR IMPROVED PERFORMANCE
The best performing and most innovative companies are those in which the employees are the most engaged. With the knowledge that behind every successful customer experience are employees who care about their company, and a stimulating work environment that fosters well-being, Rexel has placed these concepts at the heart of its human resources policy.

The Group, which conducts regular internal opinion surveys, particularly in terms of employee engagement, wanted to go a step further and analyze employee perception of the key components of the company’s identity. Thirteen focus groups, representing various positions and managerial levels, were created in 2014 in ten countries. The goal: identify the DNA of Rexel’s employer brand, which entailed gaining a better understanding of how Rexel employees view their experience at the Group. This exploration led to the development of Rexel’s Employee Value Proposition, shared with all Group employees beginning in June 2015.

EFFICIENCY FOR THE PROMOTION OF GROUP VALUES
Conducted simultaneously with these focus groups, two initiatives aimed to further hone the Group’s organizational and cultural assessment. A survey helped determine the Group’s operational efficiency index, i.e. its ability to implement its strategic decisions, to execute them and to renew them. Around 40 interviews were conducted in May 2014, allowing Rexel’s strengths and weaknesses to be identified and action plans to be formulated.

The second initiative, which took the form of a 360° evaluation, was designed to evaluate the way in which Rexel’s values are experienced and promoted by the Group’s management. The goal is to make the 100 top managers into “model” examples as well as effective coaches who bring the Group’s values to life on a daily basis among its employees. The consistency between discourse and behavior is indeed one of the key components in employee engagement.

The year 2014 was thus a year of reflecting on HR priorities.

REXEL’S SIX VALUES

DELIVER THE BEST CUSTOMER EXPERIENCE
ENCOURAGE TO INNOVATE
JOIN FORCES FOR SUCCESS
ENJOY MAKING A DIFFERENCE
ENGAGE PEOPLE TO DEVELOP THEIR TALENTS
TRUST EACH OTHER

Read more using your tablet
Career development is a key driver of Rexel’s transformation and of its employees’ engagement. The launch of the Rexel Academy is in keeping with this momentum of recognizing the value of human capital and supporting career advancement.

Employee skill adaptation is simultaneous with the evolution of the Group’s strategy. New requirements in terms of customer centricity, commitment to Group values or collaborative work are being added to existing technical and managerial qualifications. The Rexel Academy addresses these expectations.

**THE REXEL ACADEMY**

The Rexel Academy will be a digital company university designed to be a widely accessible blended learning platform. The media used include e-learning modules, documents to download, quizzes, videos, self-evaluations and MOOC (Massive Online Open Courses), and also offer classroom-based learning (coaching, training, etc.). Each training session can thus mix different media, some of which are already available; in particular the training modules developed by the Group, its subsidiaries, or product manufacturers. The aim of this content sharing is to improve access to development programs and to optimize costs.

The Rexel Academy is also a training management tool that enables the creation of personalized training programs according to geographic location, management level or skill level. Today, the Rexel Academy is still under construction. The structure is finished and the contents are being organized. A certain amount of sales content already exists at Platt University in the US, values and strategy modules at Rexel Headquarters, and more technical product-related training sessions provided by suppliers.

Involving managers and informing employees will be key steps in the roll-out. The training sessions will be available to all employees, thus contributing to strengthening the Group’s culture. The Rexel Academy will not replace the traditional training programs already in place at Rexel and its subsidiaries, but will instead precede and complete them.

**ANNUAL INTERVIEWS**

All employees should be able to enjoy the career advancement opportunities that become available to them and engage in direct discussions with their managers concerning skill evaluation and mobility management. Rexel has adopted a proactive policy to extend the practice of annual performance interviews to all of its employees. In 2014, 61.9% of the personnel were given performance reviews.

**EXAMINING MANAGERIAL SKILLS**

Elixir is a training program designed to help managers understand and apply all of the functional aspects of a Rexel subsidiary. It takes the form of a two-day simulation exercise carried out in teams and incorporating all of the parameters involved in the yearly management of a company: sales, marketing, merchandising, pricing, human resources, finance, etc. Elixir was launched in 2012 in nine countries and is aimed at a total of more than 3,000 managers. In 2014, the content was adapted to the Group’s evolving business model. A digital version is being developed to make the tool as accessible as possible.

**OF EMPLOYEES**

feel that they fully apply their skills and abilities at work (Source: Satisfaxion13 survey)

89%
PROMOTING HEALTH AND SAFETY AT WORK

Going beyond its legal obligations, the Group fulfills its social responsibility through a constant concern for its employees' health and safety. Each country manages these risks independently, in compliance with local regulations and the principles of the Ethics Guide.

SAFETY IN THE WORKPLACE

The main risks for Rexel’s employees are related to falls, road traffic, the operation of machinery, the handling of materials and cables, and computer work. To combat these risks, the Group seeks to guarantee its employees’ right to safety, hygiene and health and to spread best practices worldwide. Medical check-ups, awareness raising campaigns and training programs remain the primary tools of prevention.

DEVELOPING A MINIMUM SOCIAL PROTECTION STANDARD

In most of its countries of operation, Rexel offers its employees healthcare and disability insurance policies that supplement the mandatory coverage stipulated by law. In an effort to ensure adequate social protection for all its employees, the Group has also established a minimum coverage standard for work-related accidents: Rexel Plus Protection for All. Launched in 2010, the program now covers nine countries, managed locally, with nearly 4,200 employees insured. In 2014 Rexel conducted a study of local standards in terms of universal disability insurance, for the purpose of adjusting the Rexel Plus coverage wherever necessary.

SAFETY AUDIT

In 2013, the internal audit teams evaluated Rexel’s safety organization, both Group-wide and in a sample of nine subsidiaries, with the aim of strengthening the Group’s “safety culture.” Based on the results of this evaluation, Rexel launched a worldwide safety action plan and set goals to be reached by 2015. These action plans are meant to define a safety policy and to set up safety standards for the Group. A communication and global awareness raising campaign will accompany this process, which is supported by a newly created safety community.

“In order to ensure equal opportunity, including hiring and training, we are committed to maintaining diversity at every level of the organization. Rexel has dedicated itself to the hiring of disabled employees, both in France and in other countries where the law permits.

As a responsible company and world-class leader, whose success relies on its people’s energy all along the value chain, Rexel has decided to launch a global safety campaign. It underlines that the safety of our staff and all our stakeholders is and will always be, an essential part of how we do business.

PETER HAKANSON
Group Senior Vice-President Operations

PROMOTING EQUAL OPPORTUNITY

One of the fundamental principles included in the Ethics Guide is the systematic rejection of all forms of discrimination, regardless of their nature, in order to ensure equal opportunity.

GENDER EQUALITY

The Group is committed to guaranteeing the equal treatment of men and women on a comparable basis and in every respect, including hiring, compensation, career development, training, etc. At the end of 2014, women represented 23.3% of the total workforce, a percentage that reflects the reality of the market and the low representation of women in the specialized distribution sector. Rexel stands out in the gender balance of its leadership bodies, with a Board of Directors composed of 45% women (as of May 27, 2015). This score earned Rexel the award of runner-up for “most improved” in the 2014 ranking of best gender balance in top management among companies in the SBF 120 French stock market index, which was sponsored by the French Ministry of Women’s Rights.

EMPLOYEE INTEGRATION

The Rexel Group implements many measures favoring new employee integration and reducing turnover: a welcome guide, mentoring, follow-up interviews, a dedicated website, an integration seminar, etc.

A POLICY OF HIRING THE DISABLED IN FRANCE

Due to the Group’s proactive hiring policy, the percentage of disabled employees at Rexel France rose from 0.8% in 2007 to 2.7% in 2014. One of the key elements of this policy was the signing of an agreement in 2013 to encourage the hiring of disabled employees. This agreement is based primarily on strengthening recruitment partnerships and participating in all job fairs for the disabled. Each newly hired disabled employee receives an integration plan. Support is provided for employees with health issues in order to find solutions that allow them to keep their jobs. Finally, awareness events are organized.

SHARON MACBEATH
Group Senior Vice-President Human Resources
**MAINTAINING A FRUITFUL SOCIAL DIALOG**

Rexel promotes freedom of expression among its employees, respects their right to join a labor union and nurtures a constructive dialog with its personnel on subjects of common interest.

**ASSOCIATING EMPLOYEES IN THE GROUP’S PERFORMANCE**

Rexel seeks to reward individual and collective performance and to motivate its employees by offering them preferential conditions for becoming shareholders.

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**Rexel gives employee representatives access to the resources and information that they need to accomplish their tasks. These principles are specified in the Ethics Guide. This ongoing social dialogue concerns Rexel’s strategic evolution and operations, as well as its policy on hiring, training, health and safety. In 2014, around 840 employees took part in this dialog through representative bodies and 137 employees were appointed as representatives by their labor unions.**

**THE EUROPEAN WORKS COUNCIL: A KEY PART OF SOCIAL DIALOG**

The European Works Council (EWC), which was formed in 2005, plays an important role in social dialog and the sharing of best practices. In 2014, the EWC focused on topics concerning ethics, annual reviews and the Rexel Foundation. Its contributions were shared with all of the subsidiaries’ Human Resources Departments. The Works Council was also involved in presenting the results of the Satisfaxion13 survey.

**EMPLOYEE REPRESENTATIVES IN THE UK**

In 2013, the United Kingdom instituted the Employees Forums, representative bodies whose elected members represent employees. Meetings are held regularly to discuss issues such as the activity and benefits offered to employees.

**Online access**

Since 2012, the employee shareholding plans have been accessible online. Employees can find all the information they need on a dedicated website available in multiple languages. Those who are shareholders can also consult the details of their holdings.
Rexel plays a central role in the value chain. The Group collaborates with many partners, manufacturers, suppliers, subcontractors and service providers. Rexel shares with them important responsibilities regarding social and environmental practices, respect for human rights, labor standards, environmental protection and business ethics, as well as product quality. The Group and its subsidiaries are continuously improving procedures to ensure that these commitments are respected by all actors in the value chain.

PROMOTING RESPONSIBLE PRACTICES IN THE VALUE CHAIN
A RESPONSIBILITY SHARED WITH THE ENTIRE VALUE CHAIN

Rexel shares with its suppliers and subcontractors a commitment to provide responsible solutions with regard to environmental and social practices, as well as to respect consumer health and safety.

Suppliers and subcontractors are partners of vital importance to Rexel, which distributes over one million references worldwide. The Group’s ethical, environmental and quality standards apply to all of these service providers.

COMPLIANCE WITH ETHICAL STANDARDS

The Rexel Group requires all of its suppliers and subcontractors to comply with the ethical standards presented in its Ethics Guide. From a contractual standpoint, they must adhere to the general terms and conditions of sale, which include specific clauses regarding the obligation to respect the International Labour Organization’s fundamental conventions and local legislation, notably in terms of minimum wage, working hours, working environment, occupational safety, and health.

The purchasing contracts also include specific clauses under which suppliers agree to:
• Operate in compliance with national and international law,
• Comply with the principles of free competition,
• Reject corruption in all of its forms.

Regarding labor standards, it is expressly stipulated that the supplier must uphold the principles of human rights and human dignity, not rely on child labor,

>> forced labor or “black market” labor, reject all forms of discrimination and coercion, and guarantee its employees’ health and safety.

In terms of the environment, the supplier agrees to carry out its operations and to supply Rexel with its products in total compliance with all environmental laws and regulations in force.

PRODUCT COMPLIANCE AND END-USER SAFETY

Rexel implements the necessary measures to ensure that the products it markets comply with all legal requirements, including EU regulations like REACH (Registration, Evaluation and Authorization of Chemicals) and the RoHS (Restriction of Hazardous Substances) Directive for the substances contained in the products.

The Group is even more closely committed to these standards and regulations regarding its own brands, carrying out stringent quality and safety monitoring of the products that it develops.

The BizLine testing laboratory

BizLine, a Rexel Group brand, has opened its own COFRAC-certified testing laboratory, which carries out tests in order to ensure that its products comply with all local regulations in their various destination markets. The BizLine testing center tests a total of nearly 400 products every year.

75% OF PURCHASES MADE FROM 200 SUPPLIERS

€10.5 BILLION OF PRODUCTS purchased to be distributed in 2014
SUPPLIER ASSESSMENT

The Group and its subsidiaries have established a quality and continuous improvement process in order to ensure the application of the Group’s ethical standards and the social and environmental clauses in its contracts.

QUALITY MANAGEMENT

The Group’s subsidiaries have implemented quality management systems to oversee their operations. These systems are conceived to ensure the control and ongoing improvement of all processes, to guarantee compliance with external requirements (whether regulatory or imposed by Rexel’s stakeholders) and, in particular, to bolster customer satisfaction with respect to products and services. In addition to its requirements regarding products and commercial relations, Rexel strives to incorporate social and environmental considerations into its supplier evaluation in order to better control the related risks and to involve its suppliers in a process of continuous improvement.

SUPPLIER EVALUATION

In 2014, the Rexel Group finalized the pilot project to assess its suppliers’ CSR (Corporate Social Responsibility) performance via a shared evaluation platform. The results of this first initiative were very positive, thus prompting the Rexel Group’s decision to roll out the EcoVadis platform worldwide in 2015 and 2016. Through this shared platform, companies are evaluated according to 21 criteria in four main areas: the environment, social aspects, ethics and the supply chain. This solution gives Rexel access to information on its suppliers’ policies and procedures, in particular the management of the value chain beyond the direct suppliers, with common indicators for comparing performances. The pilot campaign ended in April 2014 and the Group plans to deploy this evaluation system on a larger scale in 2015.

ON-SITE AUDITS

A number of subsidiaries conduct audits at their suppliers’ sites in order to ensure that they operate under proper conditions and are capable of supplying high-quality products that comply with labor standards and environmental regulations. For example, Rexel has created a shared sourcing platform in Asia in charge of evaluating local suppliers on behalf of the Group’s subsidiaries. Its audits of potential suppliers cover a wide range of criteria, including finance, quality systems, operations, environmental aspects and safety. The supplier carries out an initial self-assessment, followed by an on-site visit by an auditor to evaluate the level of compliance with the expected standards. Afterwards, depending on the score, the supplier may be rejected, authorized, or approved pending the completion of specified corrective measures.

EcoVadis campaign

For the pilot campaign launched with EcoVadis in 2013, 50 suppliers were evaluated, with a response rate of 83%. Among them:

• 23% have signed the Global Compact;
• 58% are ISO 14001 certified;
• 38% are OHSAS 18001 certified;
• 79% have a reporting system concerning their energy consumption and health and safety indicators.

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Improving Access to Energy Efficiency for All

Around 1.3 billion people have no access to electricity and 100 million Europeans are living in fuel poverty. While the world of energy is experiencing a revolution and new technologies are providing their share of new solutions, advances in energy efficiency remain unevenly shared. And yet, energy is a powerful driver of human and economic development. In order to help society meet this challenge, Rexel uses its skills and expertise to support the spread of energy progress, through its Foundation in particular.
FIGHTING FUEL POVERTY

Fuel poverty is a major obstacle for certain communities, a hindrance to their human, economic and social development. The Rexel Foundation’s mission is to contribute to fighting this problem by improving access to energy efficiency for all.

Ongoing worldwide population growth and the increasing scarcity of natural resources continue to leave a large portion of the world’s inhabitants without access to energy. Throughout the OECD member countries, the economic crisis has exacerbated inequalities and increased fuel poverty among the most disadvantaged. Created in 2013, the Rexel Foundation has developed numerous initiatives to spread energy progress.

A FOUNDATION FOR A BETTER ENERGY FUTURE
Energy efficiency, and energy progress in general, lie at the heart of Rexel’s business. The Group’s intent in creating its Foundation was to contribute its skills and expertise to the fight against fuel poverty. Through this commitment, Rexel wants to produce a positive impact on the economy, education, the environment, health and safety.

Placed under the aegis of the Fondation de France, the Rexel Foundation relies on three kinds of programs to fulfill its purpose. First, community projects among the most disadvantaged populations, in developing as well as in developed countries, to facilitate the spread of energy efficient solutions. Led in close collaboration with many partners, these projects are hinged on the establishment of autonomous, innovative and sustainable economic models. The Foundation also supports studies and research in the energy efficiency field. The objective of these studies is to create a shared knowledge base on the subject in order to raise awareness among opinion leaders as well as the general public. Finally, grants aim to encourage innovation and the development of new energy efficient solutions by fostering behavioral change as well as by promoting new techniques.

The Rexel Foundation’s impact

- **ECONOMIC DEVELOPMENT**
  - Fight fuel poverty
  - Develop economic activities and local sustainable employment

- **THE ENVIRONMENT**
  - Energy efficiency and protection of resources
  - Reduce greenhouse gas emissions

- **EDUCATION**
  - Provide electricity to schools
  - Home lighting
  - Access to information technologies

- **ACCESS TO ENERGY EFFICIENCY**
  - Heating
  - Reduce dangerous and harmful emissions

The Rexel Foundation’s core principles
- Socially innovative
- Environmentally friendly and providing energy savings
- Collaborative and partnership driven
- Repeatable and scalable

1.3 BILLION PEOPLE WORLDWIDE have no access to electricity (Source: IEA 2011)
Since its creation, the Rexel Foundation has supported projects in around 13 countries in Europe, South America and China. Intended to facilitate the distribution of energy efficient solutions among disadvantaged communities, these programs proliferated in 2014.

COMMUNITY PROJECT IMPLEMENTATION

In 2014, the Rexel Group offered employees at its headquarters the opportunity to support community projects through a voluntary salary donation program. By the end of 2014, one in five employees at the Paris headquarters had chosen to round their salary down to the nearest euro and to offer the remaining cents, or more, to the project of their choice. Rexel Développement, the Group’s headquarters, matches 100% of employee donations.

A GREEN IT CLASSROOM IN CHINA

In China, the Rexel Foundation joined forces with Faurecia, a major automotive equipment manufacturer, and Maverlinn, a consulting firm specializing in responsible projects, to provide a green IT classroom for San Xing Elementary School, located in Hebei, a remote and impoverished mountainous region in northern China. Faurecia collected and refurbished 25 computers, while Rexel installed a solar energy plant. Employees from both companies were involved in carrying out the project. The school’s 230 students, most of whom are boarders, now have access to computers and the Internet. The school benefits from a clean, free energy source, which provides electricity continuously and reinforces the region’s frequently unstable local electrical network.

NEW PROJECTS WITH ELECTRICIANS WITHOUT BORDERS

The Rexel Foundation had already led an initial mission alongside Electricians Without Borders, an association with around 30 years of experience in community projects related to energy access. With the involvement of employees from BizLine, a Rexel subsidiary specializing in supplies and consumable products for electricians, a school and a health clinic were provided with solar energy.

In 2014, a new partnership was developed around two projects: a study co-financed by the Foundation and Hager on the possibility of replicating the experience in schools and orphanages around Shanghai.

For San Xing students, having access to computers and the Internet is a revolution. It also provides an opportunity to deliver powerful messages about environmental preservation, renewable energy sources, and recycling. We are currently studying the possibility of replicating the experience in schools and orphanages around Shanghai.

MARION BERGER
Communications and Sustainability Officer, Rexel Asia Pacific

To ensure the relevance and effectiveness of its initiatives, the Rexel Foundation systematically works in close collaboration with NGOs, social enterprises, public agencies or other corporate foundations. The Foundation led three large-scale projects with these partners in 2014.

For San Xing students, having access to computers and the Internet is a revolution. It also provides an opportunity to deliver powerful messages about environmental preservation, renewable energy sources, and recycling. We are currently studying the possibility of replicating the experience in schools and orphanages around Shanghai.

MAP OF THE REXEL FOUNDATION’S PROGRAMS

*17 projects including those supported by the Social Entrepreneurship Platform
Created in 2014, the Rexel Foundation’s joint skills platform for social entrepreneurs is a collaborative tool intended to accelerate the spread of energy progress. The first initiatives have been launched and the network is expanding.

SOCIAL INNOVATION IN SUPPORT OF ENERGY PROGRESS

The partnership inaugurated in 2012 with Ashoka, the leading international network of social entrepreneurs, convinced the Rexel Foundation of the importance of having an intermediary to better target and amplify its actions. It therefore decided to create an energy efficiency platform, with social entrepreneurs on one side and sponsors on the other.

A TOOL FOR SPREADING ENERGY EFFICIENCY

The eleven social entrepreneurs currently registered on the joint skills platform are French, Belgian, British and Finnish. The ten sponsors are the Rexel Group and its subsidiaries, partner companies, associations and public institutions.

When an entrepreneur needs assistance, the Foundation considers which sponsor can provide the most appropriate support, whether it involves supplies, logistical support, financing or expertise. Once both parties have been put in touch, the mission is launched and the Foundation follows up on the different phases.

For example, the platform enabled the creation of a press kit by Ti’Eole, an association that trains individuals and companies in wind turbine manufacturing and operation, or the financing of a training tool to accompany the energy retrofitting initiative for single-family homes led by Institut négawatt. The platform also supports Les 7 Vents, a cooperative community-oriented enterprise specializing in sustainable projects.

The project in question, RENO 3.0, is an ambitious initiative to design a demonstration building featuring the most effective new energy solutions.

Measuring impact

Since its creation, the Rexel Foundation and its partners have produced 13 publications on six major topics within the world of energy, supported 16 associations and social enterprises, trained more than 500 professionals and supported six research projects. In total, close to 100,000 people have been positively affected by the Foundation’s initiatives since 2013.

Prize for the most socially innovative community project

After a call for proposals by Rexel’s British subsidiary, the prize of the most socially innovative community project was presented by the Foundation to Energise Sussex Coast. This social enterprise distributed 600 Energy Packs to families living in fuel poverty: eco-efficient products and energy monitors. This equipment is installed in recipients’ homes, and followed up on by the association.

British housing is among the least energy efficient in Europe. The “cold homes” phenomenon may concern as many as seven million residences.

RENOVATION OF A PROFESSIONAL TRAINING CENTER IN CHILE

Two years after setting up a professional training center in China in partnership with the Schneider Electric Foundation, both foundations once again joined forces for a common cause in Chile. In Lebu, one of the poorest cities in the country, the Schneider Electric Foundation opened a vocational training center for disadvantaged youth in 2009. The Center was designed to meet the growing needs of the local paper industry for skilled workers in the industrial and electric automation sectors.

The Rexel Foundation joined the project to renovate the technical equipment in the center’s training laboratories and finance scholarships for 30 new students. The Foundation is also committed to helping students gain professional skills and improving their access to first employment.

Florian Guillote
European projects and Innovation Manager. Les 7 Vents
The Rexel Foundation supports research in the area of energy efficiency innovation. It also encourages the spread of knowledge to improve general access to energy progress.

**SUPPORT FOR ACADEMIC RESEARCH**

The Foundation supports research programs and educational projects, in particular by providing grants and scholarships for students and researchers. In 2014, the Rexel Foundation offered a scholarship for a research project on the notion of thermal comfort in commercial buildings led by the University of Denver, Colorado. Rexel's Canadian subsidiary is providing research funding for a PhD from Nova Scotia Community College on the optimization of energy distribution. Since January 2015, the Foundation has been contributing to a study by Stanford University in California to quantify the economic effects of American environmental policy (emissions taxes, energy efficiency standards, etc.) on the housing market.

**SHARED KNOWLEDGE**

In order to build a knowledge base, the Foundation participates in studies whose aim is to better understand energy efficiency challenges and issues. For example, the Rexel Foundation and Microsol worked together to study the principal tools for developing energy efficiency projects for disadvantaged communities in Latin America through carbon mechanisms. Likewise, on behalf of the Rexel Foundation, Advise for Change (AfC) is leading a study on social innovation and energy access.

**LED and the fight against fuel poverty**

Lighting represents only a small portion of household energy consumption but the stupendous profitability of LED could make it a Trojan horse for energy efficiency among the most disadvantaged. This is one of the conclusions of the study conducted by Greenflex, a sustainable development consultancy, at the request of the Rexel Foundation and OSRAM, a world leader in lighting. However, the obstacle of its high purchase price must be addressed: the study recommends that the investment be made by the energy supplier, who would finance and install the lighting while factoring its cost into the final bill.
A RECOGNIZED COMMITMENT

RATINGS AND INDICES

Since Rexel was listed on the stock exchange in 2007, the efforts that the Group has taken to consolidate its sustainable development approach have led to it being selected by the ISR indices (socially responsible investment) and by the following organisations:

**Dow Jones Sustainability Indices**

Rexel has been part of the **Dow Jones Sustainability Indices** since October 2013.

**FTSE4Good**

Rexel has been part of the **FTSE4Good Index** since March 2011.

**STOXX Europe Sustainability Indices**

In 2012, Rexel was also chosen to join the **STOXX® Europe Sustainability** and the **EURO STOXX® Sustainability indices**.

**NYSE Euronext Vigeo Europe 120**

Rexel is included in the **NYSE Euronext Vigeo Europe 120** launched in 2013, following its inclusion since March 2012 in the former **ASPI Eurozone Index**.

**Ethibel EXCELLENCE Investment Register**

Rexel was selected for inclusion in the **Ethibel EXCELLENCE Investment Register** on June 20, 2013.

**Voluntary Commitments**

In an effort to achieve transparency and progress, the Group participates in a number of projects and publications to interact with its stakeholders and encourage good practices.

**Carbon Disclosure Project (CDP)**

Since 2010, Rexel has been reporting to the **Carbon Disclosure Project (CDP)**, an independent non-profit organization that evaluates the carbon performance of large companies and their climate change strategy on behalf of over 500 investors.

**NYSE Euronext Vigeo Europe 120**

Rexel is included in the **NYSE Euronext Vigeo Europe 120** launched in 2013, following its inclusion since March 2012 in the former **ASPI Eurozone Index**.
# ENVIRONMENTAL INDICATORS

## CONSUMPTION OF RESOURCES

### ENERGY CONSUMPTION

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2014</th>
<th>2014*</th>
<th>2013*</th>
<th>VARIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption</td>
<td>MWh</td>
<td>164,248</td>
<td>163,386</td>
<td>177,349</td>
<td>-7.9%</td>
</tr>
<tr>
<td>Gas consumption</td>
<td>MWh</td>
<td>157,871</td>
<td>157,871</td>
<td>163,753</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Fuel consumption</td>
<td>MWh</td>
<td>11,187</td>
<td>11,175</td>
<td>11,790</td>
<td>-5.2%</td>
</tr>
</tbody>
</table>

### WATER CONSUMPTION

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2014</th>
<th>2013</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption</td>
<td>m³</td>
<td>464,776</td>
<td>464,776</td>
<td>420,961</td>
</tr>
</tbody>
</table>

### PACKAGING CONSUMPTION, INCLUDING:

<table>
<thead>
<tr>
<th>Material</th>
<th>Tons</th>
<th>2014</th>
<th>2013</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardboard</td>
<td>4,411</td>
<td>4,410</td>
<td>3,773</td>
<td>+16.9%</td>
</tr>
<tr>
<td>Plastics</td>
<td>777</td>
<td>775</td>
<td>682</td>
<td>+13.7%</td>
</tr>
<tr>
<td>Wood</td>
<td>6,535</td>
<td>6,524</td>
<td>4,997</td>
<td>+30.5%</td>
</tr>
</tbody>
</table>

### PAPER CONSUMPTION, INCLUDING:

<table>
<thead>
<tr>
<th>Material</th>
<th>Tons</th>
<th>2014</th>
<th>2013</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial paper</td>
<td>1,650</td>
<td>1,650</td>
<td>1,530</td>
<td>+7.9%</td>
</tr>
</tbody>
</table>

### WASTE

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Tons</th>
<th>2014</th>
<th>2013</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total quantity of waste recovered</td>
<td>16,201</td>
<td>16,135</td>
<td>18,016</td>
<td>-10.4%</td>
</tr>
</tbody>
</table>

### GREENHOUSE GAS EMISSIONS

<table>
<thead>
<tr>
<th>Indicator</th>
<th>TCO₂e</th>
<th>2014</th>
<th>2014*</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCO₂e Emissions related to on-site energy combustion</td>
<td>33,275</td>
<td>32,096</td>
<td>32,154</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Emissions related to the transportation of products by the internal fleet</td>
<td>19,588</td>
<td>19,561</td>
<td>23,857</td>
<td>-18.0%</td>
</tr>
<tr>
<td>Emissions related to business travel by company cars</td>
<td>30,195</td>
<td>30,163</td>
<td>31,275</td>
<td>-3.6%</td>
</tr>
</tbody>
</table>

### SALES OF ENERGY EFFICIENCY AND RENEWABLE ENERGY SOLUTIONS

<table>
<thead>
<tr>
<th>Product</th>
<th>m€</th>
<th>2014</th>
<th>2014*</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of energy efficiency solutions</td>
<td>-</td>
<td>863</td>
<td>725</td>
<td>+18.9%</td>
</tr>
<tr>
<td>Sales of photovoltaic solutions</td>
<td>-</td>
<td>211</td>
<td>185</td>
<td>+13.9%</td>
</tr>
<tr>
<td>Sales of the wind market</td>
<td>-</td>
<td>100</td>
<td>85</td>
<td>+18.6%</td>
</tr>
</tbody>
</table>

*On a like-for-like basis

# SOCIAL INDICATORS

## HEADCOUNT

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total workforce</td>
<td>29,591</td>
<td>29,861</td>
</tr>
<tr>
<td>% of women (out of total workforce)</td>
<td>23.3%</td>
<td>22.6%</td>
</tr>
<tr>
<td>% of managers (out of total workforce)</td>
<td>17.4%</td>
<td>17.4%</td>
</tr>
</tbody>
</table>

## DIVERSITY

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of employees reporting handicap (out of total workforce)</td>
<td>0.9%</td>
<td>0.9%</td>
</tr>
<tr>
<td>% of managers (out of total workforce)</td>
<td>17.4%</td>
<td>17.4%</td>
</tr>
<tr>
<td>% of employees with Fixed Term Contracts</td>
<td>2.5%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

## WORK ORGANIZATION

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absenteeism rate</td>
<td>2.8%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

## TRAINING

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees trained during the year</td>
<td>17,995</td>
<td>17,251</td>
</tr>
</tbody>
</table>

## HEALTH & SAFETY

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency rate (per million working hours)</td>
<td>6.3</td>
<td>5.83</td>
</tr>
<tr>
<td>Severity rate (for 1,000 working hours)</td>
<td>0.2</td>
<td>0.14</td>
</tr>
<tr>
<td>% of employees trained in safety (out of total workforce)</td>
<td>40.3%</td>
<td>41.7%</td>
</tr>
</tbody>
</table>

## EMPLOYEE SHAREHOLDING

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of the share capital held by employees or former employees in the context of the employee shareholding plans</td>
<td>0.48%</td>
<td>0.47%</td>
</tr>
</tbody>
</table>

---

**HEADCOUNT**

<table>
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</tr>
<tr>
<td>Average age of employees (Fixed Term and Unlimited Contracts)</td>
<td>42.1 years</td>
</tr>
<tr>
<td>Total number of outside recruitments</td>
<td>4,394</td>
</tr>
<tr>
<td>Turnover</td>
<td>14.4%</td>
</tr>
</tbody>
</table>

**DIVERSITY**

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</table>

**TRAINING**

<table>
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<th>2013</th>
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</tr>
<tr>
<td>% of employees trained in safety (out of total workforce)</td>
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**EMPLOYEE SHAREHOLDING**

<table>
<thead>
<tr>
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<th>2013</th>
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<tbody>
<tr>
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<td>0.47%</td>
</tr>
</tbody>
</table>
### Principles of the Global Compact

<table>
<thead>
<tr>
<th>Principles</th>
<th>Our Commitments</th>
<th>Our Initiatives and Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support and respect the protection of internationally proclaimed human rights</td>
<td>Ethics Guide</td>
<td>see p. 6</td>
</tr>
<tr>
<td></td>
<td>Social responsibility clauses to be included in all purchasing contracts</td>
<td>see p. 42-43</td>
</tr>
<tr>
<td></td>
<td>Social responsibility policies</td>
<td>see p. 52-53</td>
</tr>
<tr>
<td></td>
<td>Community Involvement Charter and the Rexel Foundation for a better energy future</td>
<td>see p. 58-60</td>
</tr>
<tr>
<td>Refuse to be complicit in human rights abuses</td>
<td>Ethics Guide</td>
<td>see p. 6</td>
</tr>
<tr>
<td></td>
<td>Social responsibility clauses to be included in all purchasing contracts</td>
<td>see p. 42-43</td>
</tr>
<tr>
<td></td>
<td>Social responsibility policies</td>
<td>see p. 52-53</td>
</tr>
<tr>
<td>Uphold freedom of association and recognize the right to collective bargaining</td>
<td>Ethics Guide</td>
<td>see p. 6</td>
</tr>
<tr>
<td>Eliminate all forms of forced and compulsory labor</td>
<td>Social responsibility clauses to be included in all purchasing contracts</td>
<td>see p. 42-43</td>
</tr>
<tr>
<td>Effectively abolish child labor</td>
<td>Social responsibility policies</td>
<td>see p. 48</td>
</tr>
<tr>
<td>Eliminate discrimination regarding employment and occupation</td>
<td>Social responsibility policies</td>
<td>see p. 52-53</td>
</tr>
<tr>
<td>Support a precautionary approach to environmental challenges</td>
<td>Ethics Guide</td>
<td>see p. 6</td>
</tr>
<tr>
<td>Undertake initiatives to promote greater environmental responsibility</td>
<td>Environmental responsibility clauses to be included in all purchasing contracts</td>
<td>see p. 6</td>
</tr>
<tr>
<td></td>
<td>Environmental Charter</td>
<td>see p. 30-31</td>
</tr>
<tr>
<td></td>
<td>Environmental policies</td>
<td>see p. 32-33</td>
</tr>
<tr>
<td>Encourage the development and diffusion of environmentally friendly technologies</td>
<td>Environmental Charter</td>
<td>see p. 20-27</td>
</tr>
<tr>
<td></td>
<td>Energy In Motion company plan</td>
<td>see p. 32-33</td>
</tr>
<tr>
<td></td>
<td>Community Involvement Charter and the Rexel Foundation for a better energy future</td>
<td>see p. 58-60</td>
</tr>
<tr>
<td>Work against corruption in all its forms, including extortion and bribery</td>
<td>Ethics Guide</td>
<td>see p. 6</td>
</tr>
<tr>
<td></td>
<td>Anti-corruption and anti-laundering policies</td>
<td>see p. 7</td>
</tr>
</tbody>
</table>