



2011/2012  
**SUSTAINABLE  
DEVELOPMENT  
REPORT**

## 04\_MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD

- 06\_Rexel, building the future together
- 08\_Governance and stakeholders



- 10\_Communication on Progress (COP)
- 11\_Ethical approach



## 12\_EXPERTISE IN ENERGY MANAGEMENT

- 14\_Promoting eco-efficient solutions
- 16\_Accelerating the expansion of renewable energies
- 18\_Raising customer and consumer awareness

## 20\_ENVIRONMENTAL RESPONSIBILITY

- 22\_Consolidating environmental stewardship
- 24\_Improving energy efficiency at our facilities
- 26\_Reducing transportation-related carbon emissions
- 28\_Reducing and recovering waste

## 30\_SOCIAL RESPONSIBILITY

- 32\_Promoting safety and well-being in the workplace
- 34\_Supporting employee career development
- 36\_Reinforcing social dialogue and equal opportunity
- 38\_Associating employees to the Group's performance

## 40\_SOCIETAL RESPONSIBILITY

- 42\_Standing by our local communities
- 44\_Fostering access to energy efficiency for all
- 46\_Advocating a responsible approach to the supply chain

## 48\_INDICATORS

- 50\_Recognized commitment

“BUILDING THE FUTURE TOGETHER”



Rexel's commitment to sustainable development addresses the Company's responsibilities towards its employees, society and the environment and is fully embedded in the *Energy in Motion* company plan.

Our mission is 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. With this mission and our international footprint, Rexel is uniquely positioned to make a real and positive impact at a global and local level with all our stakeholders and the communities in which we operate.

This Sustainable Development Report documents the progress we have made as a Group and defines a roadmap for improving performance.

In 2011, Rexel joined the United Nations Global Compact, in which we agreed to follow and promote ten key principles in the areas of human rights, labor standards, the environment and the fight against corruption. With this report, I want to reaffirm Rexel's commitment to putting these universal principles into practice.

We have redefined our community involvement with a charter and a mission statement to



“In 2011, Rexel joined the United Nations Global Compact. With this report, I want to reaffirm Rexel's commitment to putting these universal principles into practice.”

“Improve Access to Energy Efficiency for All”. In 2012, we signed a partnership with Ashoka, the world's largest organization of social entrepreneurs, and through them we have identified our first community project, which seeks to increase access to sustainable home ownership for disadvantaged people in the United States. We will continue to develop partnerships with our suppliers, NGOs and public authorities in the promotion of this mission for the foreseeable future.

Over the past two years, we have strengthened our expertise in energy management and implemented a range of actions designed to reduce our environmental impact, including the first Group-wide assessment of our carbon footprint. In line with our company strategy, we will continue to drive momentum through sustainable development initiatives from delivering more eco-efficient product ranges and solutions, to introducing 'smarter' ways to manage our own energy consumption and optimizing the integral supply chain.

At Rexel, we are also committed to being an employer of reference for our people by conducting a regular staff survey to better understand our employees' opinions and improve their engagement, by extending our company benefits scheme and by ensuring employees across the Group are aware of our Ethics Guide of principles and practices. In the future, we

will continue to offer opportunities to support our employees and to make Rexel an even better place to work.

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

A handwritten signature in black ink, appearing to read "Rudy Provoost".

“We will continue to develop partnerships to promote a sustainable future.”

**REXEL, BUILDING THE FUTURE TOGETHER**

**Our mission**

Rexel's mission is to support customers around the globe, wherever they are, to create value and run their business better, by providing a broad range of sustainable and innovative products and services for automation, technical supply and energy management. Thanks to our unique combination of global reach and local presence, we offer our customers consistent levels of services in all activities and locations, wherever they are, in whatever they need.

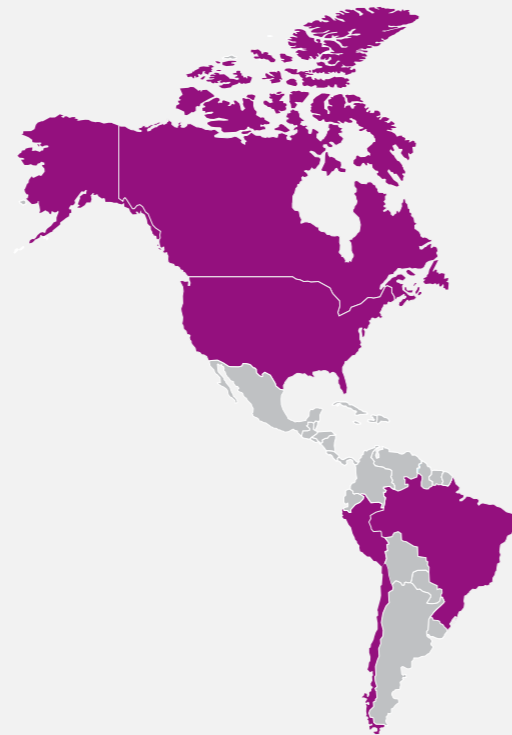
**Our values**

Our company plan, *Energy in Motion*, is about creating a company culture, representing a unique identity and image. In order to bring the Rexel culture to life, we have defined six core values that describe who we are and how we operate. Values provide the guiding principles which define the "Rexel way of doing business" in a consistent way, valid across boundaries, and relevant for all employees. Values capture what we stand for, and believe in, making us unique, and allowing us to make a difference.

- Deliver the best customer experience
- Join forces for success
- Encourage to innovate
- Engage people to develop their talents
- Trust each other
- Enjoy making a difference

**NORTH AMERICA\***

**600** branches  
**7,200** employees

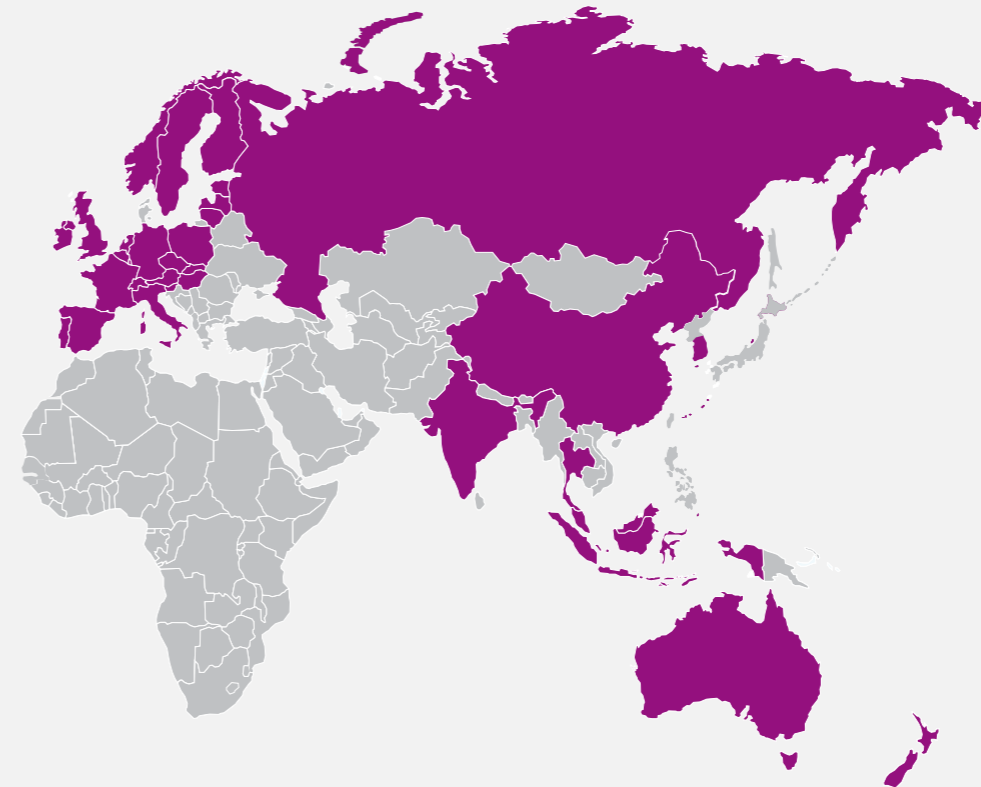


**LATIN AMERICA & OTHER OPERATIONS\***

**100** branches  
**1,400** employees

**EUROPE\***

**1,250** branches  
**16,400** employees



**ASIA-PACIFIC\***

**250** branches  
**3,000** employees

**No. 1**  
IN NORTH AMERICA\*

**No. 1**  
IN ASIA-PACIFIC\*

**No. 2**  
IN EUROPE\*

**37** COUNTRIES\*

**28,000** EMPLOYEES\*

**€12.7** billion  
IN TURNOVER\*

**2,200** BRANCHES\*

**€450 million**  
IN SALES OF ECO-EFFICIENT PRODUCTS\*

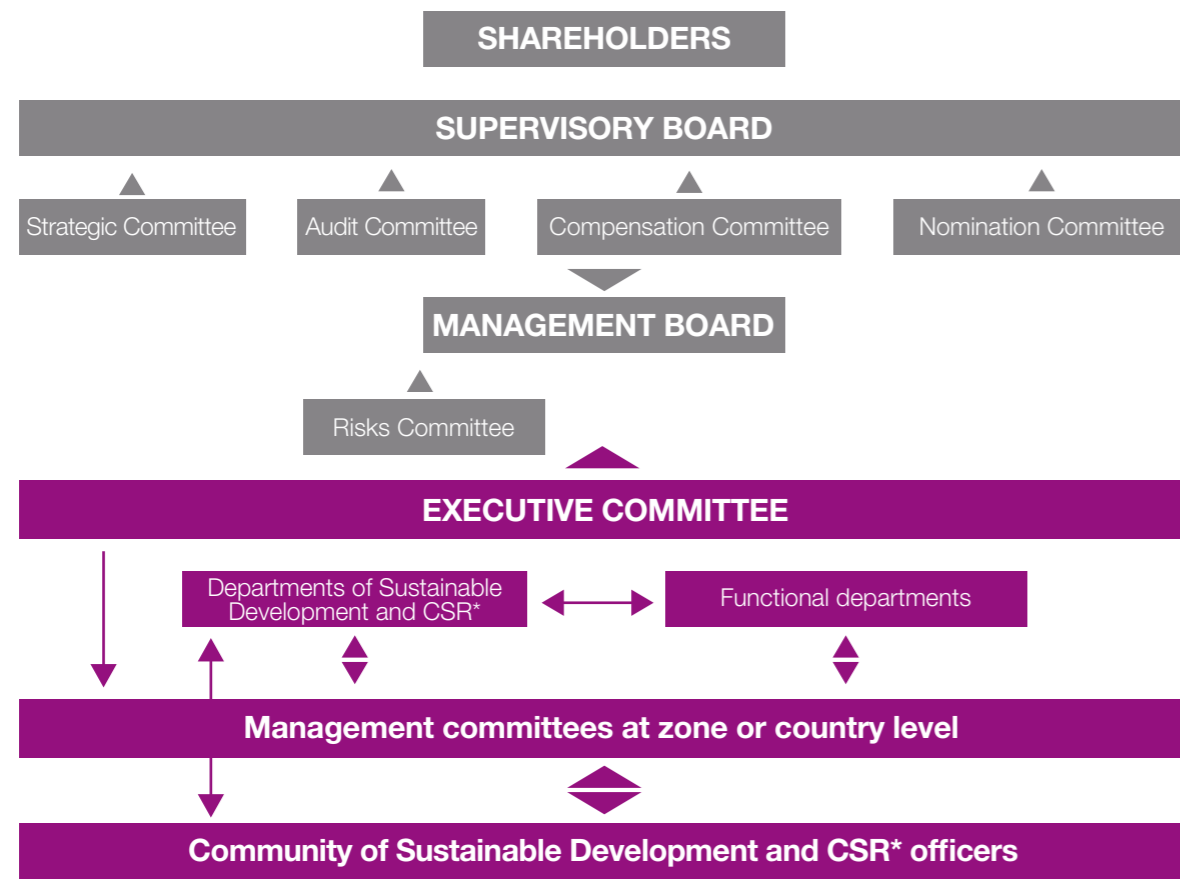
**91,630 tCO<sub>2</sub>e**  
OF DIRECT GREENHOUSE GAS EMISSIONS\*

**86%**  
OF THE GROUP'S EMPLOYEES SAY THEY ARE TREATED WITH RESPECT\*\*

**Nearly 60%**  
OF REXEL'S SUBSIDIARIES ARE INVOLVED IN THEIR COMMUNITIES\*

\* As of 31 December 2011  
\*\* Internal survey *Satisfaxion11*

## GOVERNANCE AND STAKEHOLDERS



Rexel is a *société anonyme* (limited company) with a Management Board and a Supervisory Board, a corporate structure enabling it to split the management and control functions attributed respectively to the Management Board and Supervisory Board.

The Supervisory Board is composed of 12 members including four independent members. It oversees Rexel's management by the Management Board and performs its duties based

on recommendations from four specialized committees under its authority: the Audit Committee, the Strategic Committee, the Compensation Committee and the Nomination Committee.

The Management Board is Rexel's collegial body responsible for managing Rexel that oversees the Risks Committee, which assists the Management Board in its mission of Group risk management. Alongside this corporate governance structure, Rexel's operational structure is organized around an Executive

Committee, which is the key strategic think tank of the Group. The Sustainable Development and Corporate Social Responsibility program is directed by an operational governance group comprised of the Group Sustainable Development and Corporate Social Responsibility departments, the functional departments, the Country Management Committees and the community of Sustainable Development and Corporate Social Responsibility correspondents under at the instigation of the Executive Committee.

You can find more information on the Rexel Group's corporate governance in the *Document de référence* (Supervisory Board and Committees, Management Board, Executive Committee, Risks Committee, internal control and risk management).

\* Corporate Social Responsibility

Rexel strives to maintain a **dialogue** with all its stakeholders based on **transparency and ethics**.

Stakeholders	Initiatives on information, feedback and dialogue	Rexel department(s)
<b>All stakeholders</b>	Activity and Corporate Social Responsibility Report, <i>Document de référence</i> , Sustainable Development Report, Group website (www.rexel.com), social media	Communications
<b>Employees and social partners</b>	Intranet sites, Ethics Guide, charters, regular information campaigns ( <i>Communication Weeks</i> ), awareness campaigns ( <i>Ecoday</i> s), in-house magazines and newsletters ( <i>Interaxion</i> ), Works Councils, Health and Safety Committees, European Works Council, collective agreements, Employee Opinion Survey (Satisfaxion11), one-on-one yearly interviews	Human Resources, Communications
<b>Customers</b>	Specialized press, catalogues and brochures, websites and e-commerce sites, information channel for professionals ( <i>Inrexel TV</i> ), showroom and demonstrations, trade shows, customer tours, sales events, technical trainings, satisfaction surveys, questionnaires and evaluations	Marketing, Sales Management, Communications and Quality
<b>End-users</b>	Webmagazine (www.electrical-efficiency.com), web applications (moninstallateurexpert.fr), general public surveys (Rexel-Harris Interactive Survey, Rexel UK-YouGov Survey)	Marketing, Sales and Communications
<b>Suppliers and contractors</b>	Specialized press, sales figures and customer feedback, annual conventions, tours and interviews, business partnerships (service level agreements, joint marketing initiatives), evaluation questionnaires, ethics and environmental clauses	Supplier Relations, Purchasing, Marketing, Quality, Legal
<b>Shareholders</b>	Biannual letter to shareholders, quarterly releases, dedicated section on the website, annual General Shareholders' Meeting, regional meetings with shareholders	Finance, Investor Relations
<b>Investors and financial analysts</b>	Financial press, Q&A sessions, quarterly releases, Investor Day, earnings calls, roadshows, personal meetings	Finance, Investor Relations
<b>Non-financial rating agencies</b>	Q&A sessions, reporting to the Carbon Disclosure Project (CDP), interviews and watches: ratings recognition (Vigeo, SAM, EIRIS, CDP, etc.)	Sustainable Development, Investor Relations, Human Resources
<b>Trade organizations</b>	Member of the AFEP (French Association of Private Enterprises) and MEDEF (Movement of the Enterprises of France), partners with national trade organizations (FGME, NEAD, EUEW, etc.), round tables, workshops, conferences	Communications, Legal
<b>General, sector-specific and financial media</b>	Press releases, press kits, dedicated section on the website, press conferences, interviews	Communications
<b>Public institutions, local authorities</b>	Variety of statements: Authorization to Operate, workplace accidents, income taxes, taxation, etc., round tables, workshops, conferences, regulatory watch	Legal and others

**COMMUNICATION ON PROGRESS (COP)**

Rexel joined the Global Compact in December 2011, thereby declaring its commitment to respect and endorse within its sphere of influence the **10 universally recognized principles** on human rights, labor standards, the environment and anti-corruption.



Principles of the Global Compact	Our Policy	Examples of our initiatives	References
<p><b>HUMAN RIGHTS</b></p> <ul style="list-style-type: none"> <li>• Businesses should support and respect the protection of internationally proclaimed human rights;</li> <li>• Make sure that they are not complicit in human rights abuses</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics Guide</li> <li>• Legal Guidelines to include ethics clause in contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Health and Safety Committee (CHSCT) – 64% of the Group’s entities have an HSC</li> <li>• Rexel Plus Protection for All insurance already covers 5,000 employees in 11 countries</li> <li>• Ethics clause in supplier contracts and audits</li> </ul>	<p>p.11 p.32/33 p.30 to 39 p.46/47</p>
<p><b>LABOR STANDARDS</b></p> <ul style="list-style-type: none"> <li>• Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</li> <li>• The elimination of all forms of forced and compulsory labor;</li> <li>• The effective abolition of child labor;</li> <li>• The elimination of discrimination in respect of employment and occupation</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics Guide</li> <li>• Social reporting protocol</li> </ul>	<ul style="list-style-type: none"> <li>• Social dialogue bodies: European Works Council and CHSCT – 43% of entities have a European Works Council – 111 collective agreements signed in 2011 mostly in Western Europe and Brazil</li> <li>• Rexel UK’s program “Promoting the electrical trade to women”</li> <li>• Option to report unethical practices to an Ethics Officer using an online form</li> </ul>	<p>p.11 p.45 p.48/49</p>
<p><b>ENVIRONMENT</b></p> <ul style="list-style-type: none"> <li>• Businesses should support a precautionary approach to environmental challenges;</li> <li>• Undertake initiatives to promote greater environmental responsibility;</li> <li>• Encourage the development and diffusion of environmentally friendly technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Charter and its Guide</li> <li>• Environmental reporting protocol</li> <li>• Legal Guidelines to include environmental clauses in contracts</li> <li>• <i>Energy In Motion</i> company plan</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental management systems under way – eight entities are ISO 14001 certified</li> <li>• Employee awareness campaign on environmental issues (mostly energy-related) during the <i>Ecoday</i>s event</li> <li>• WEEE collection – 64% of branches do collect WEEE</li> <li>• Environmental supplier audits</li> <li>• Development of energy efficient offers, eco-efficient products solutions and renewable energy solutions</li> </ul>	<p>p.22/29 p.14/19 p.48/49</p>
<p><b>ANTI-CORRUPTION</b></p> <ul style="list-style-type: none"> <li>• Businesses should work against corruption in all its forms, including extortion and bribery</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics Guide</li> <li>• Competition Law Compliance Program</li> <li>• Legal Guidelines to include ethics clause in contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Training in business ethics</li> <li>• Ethics clauses in contracts with suppliers</li> <li>• Supplier audits</li> </ul>	<p>p.11 p.46/47</p>

**ETHICAL APPROACH**

The Group’s ethics are rooted in **common principles** shared by **28,000 employees** who live and work in **37 countries**.

A PROCESS FOR PROGRESS

**The Group’s ethics approach is a process for progress**

with origins in our professional work that helps uphold our reputation, further instil trust in our partners and sustain our growth. All of Rexel’s employees are held to the highest professional standards of ethics. Rexel recommends its employees to always act with integrity and in an ethical manner in order to preserve the trust and respect of its customers, shareholders, suppliers, co-workers, partners and the communities it operates with.

**The most stringent principles and practices of business ethics**

are detailed in the Ethics Guide. Created in 2007, an updated version will be released in 2013. The Guide explains the behaviors and manners to uphold in a variety of business relationships and situations: purchasing, customers, gifts, conflicts of interest, confidentiality, diversity, public speaking, harassment, etc.

**Inside the Group, the Ethics program is managed and implemented**

by a network of some 40 Ethics correspondents. Anyone, whether they are an employee or not, can contact them anonymously with questions or report ethics issues. Preventive and corrective measures are also put into place to ensure the procedures for reporting to Ethics correspondents are operating fairly. The Ethics correspondents also work to encourage the development, adherence and monitoring of action plans to expand the program in their countries.



Promoting ethics is a part of our daily responsibility”

**John Gschwind**

VP Legal, General Counsel and Corporate Secretary of Rexel Holdings USA and Ethics correspondent for the United States

John Gschwind’s work implication in conveying good ethical practices to American employees has allowed the USA to obtain some of the best scores in the 2011 issue of the internal *Satisfaxion11* survey.

# EXPERTISE IN ENERGY MANAGEMENT



**By helping its customers consume less and better,** Rexel is putting sustainable development at the core of its business. Through its contact with installers and decision-makers, the Group serves as a catalyst that is accelerating the widespread adoption of eco-efficient products. Its market knowledge coupled with its expertise as an integrator also gives it the leading role in popularizing and developing renewable energy solutions. In this way, Rexel has been able to adapt its offer and organization to meet energy management issues. Sustainable development is a major part of its company plan and has become integral to the Group's performance.

## ENERGY MANAGEMENT

### AT STAKE

- Offering and promoting products and solutions that foster energy efficiency.
- Helping our customers reduce their environmental footprint and improve their performance.

x2

: the demand for electricity worldwide is expected to double in the next 20 years\*

**80-90%** of electricity can be saved by using LEDs, which last 20 to 30 times longer than conventional light bulbs

**Up 41%:** increase of Rexel's sales in lighting retrofit products from 2010 to 2011

\* Source IEA 2007

### AND

- The Energy Efficiency European Directive of September 11, 2012: as part of the objective to reduce the EU's energy consumption 20% by 2020, every Member State must set three-year objectives (2014, 2017, 2020).

# 1/ PROMOTING ECO-EFFICIENT SOLUTIONS

### A range of efficient products

Energy management is Rexel's core business. The Group's offer combines products with the highest efficiency rating, automated equipment and the best energy management systems. Low-consumption products make it possible to manage energy required to light, heat, air-condition and power industry. Equipment automation is designed to manage and optimize consumption. It includes home automation and control systems like motion detectors and centralized controls. These energy-saving agents are solving energy problems for Rexel's customers. The potential energy savings in residential and commercial buildings is estimated at 30% and rises to nearly 60% in industry.



### INITIATIVE Lower energy-consuming gas stations

#### UNITED STATES

Since 2011, Rexel's American subsidiary Gexpro has been

part of a project to reduce energy consumption in 2,000 independent gas stations in the United States.

In association with Blue Earth and eCORE Technology, the project includes lighting retrofits, installing more efficient

refrigeration motors and a new energy management system. It will be completed in late 2013.

### SPOTLIGHT EcoPowerSavers: the one-stop solution shop

#### AUSTRALIA



To help its customers reduce consumption, Rexel Australia designed a one-stop shop for eco-efficient solutions. The offer pre-empted the introduction of Australia's carbon tax in July 2012 aimed at incentivizing energy savings. *EcoPowerSavers* was launched in January of that year to guide customers through the process from the initial recommendation to installing products and

systems. The offer was developed for residential customers through franchised installers and customers in the industrial and services segments. It is expected to be expanded and is playing a major role in reducing the environmental footprint of Rexel's customers.

### BRIEFLY ↓

- The lighting retrofit at Mantes-la-Jolie Hospital in France led to 80% less electricity being consumed.
- The upgrade at the twin Deutsche Bank towers in Frankfurt, Germany reduced consumption by 67% for heating and 90% of their CO<sub>2</sub> emissions.

### Managing consumption with customized services

Rexel offers customized services such as energy audits, profitability and environmental benefit analyses, recommendations, training and facility management systems. In an effort to better fulfill the demands of a range of market segments, the Group has put into place an organization and teams specialized in energy efficiency. In 2009, Rexel's American subsidiary, Gexpro, began offering *Active 8*, an end-to-end system that handles the entire project from the initial diagnosis to the performance assessment once the project is finished. In Spain, ABM Rexel developed a vertical commercial offer called *Genera* designed for the hotel sector and public utilities. In Finland, the *Kandela* program is helping customers manage their energy consumption.

### MORE INFO

- About eco-efficient solutions: [www.electrical-efficiency.com](http://www.electrical-efficiency.com) (Solutions section)

- About *EcoPowerSavers*: <http://www.ecopowersavers.com.au/>

 <https://twitter.com/EcoPowerSavers>

 <http://www.facebook.com/EcoPowerSavers>

- About *Active 8*: <http://www.gexpro.com/active8/>



## ENERGY MANAGEMENT

### AT STAKE

- **Helping protect energy resources** and cutting CO<sub>2</sub> emissions by being one of the market benchmarks.
- **Encouraging the switch to renewable energies** and guiding our customers in their choice.

# €25 billion

: projected sales in the global photovoltaic market in 2015, compared with €17 billion in 2011\*

**Up 8%:** sales in Rexel Renewable Energy solutions in 2011 (€292 million, including €83.9 million in wind [up 56% versus 2010] )

\* Source Rexel, IEA, IMS Research

### AND

- **The Rexel Group** attends all the major trade shows on renewable energy: Inter Solar in Germany, WindPower in the United States, the Renewable Energies Expo in Paris, etc.

## 2/ ACCELERATING THE EXPANSION OF RENEWABLE ENERGIES

### The development of the photovoltaic market

The photovoltaic market is a large market with a strong potential for future growth. The efficiency of photovoltaic solutions has already been proven as well as their ability to reduce emissions in the residential and services sectors (*see inset*). Rexel, with its international outreach, is able to target this market by proposing kits and a full range of components that includes solar panels, mounting structures, inverters, special cables and safety equipment. In particular, Rexel Belgium has further expanded in this sector by joining forces with key market players to offer a line of high-quality components and customized solutions.

The Group is anticipating positive market growth, especially in Europe. In fact, grid parity – leveling the cost of photovoltaic power generation with conventional energy

production costs – will soon be achieved and in turn trigger a significant resurgence in demand. The Group is poised to meet that demand.

### Long-term growth in wind power

In the wind power market, Rexel has tailor-made solutions to meet customer expectations. From delivering cables to providing fully-integrated services, the Group offers everything from supplying and inventory management to provisioning the products on the assembly lines.

In Canada where a booming wind power market is projected to emerge by 2025, Rexel has been working closely with engineering firms and project developers for a number of years. The Group is now a driver behind the expansion of wind power in that market working hand-in-hand with manufacturers, assemblers and installers.

### MORE INFO

- About renewable energy solutions: <http://www.electrical-efficiency.com> (Solutions/ renewables section)
- <http://www.facebook.com/Electrical.Efficiency.Magazine.Rexel>
- [http://twitter.com/Elec\\_Eff\\_Mag](http://twitter.com/Elec_Eff_Mag)



### INITIATIVE Green Days build green offers

#### INTERNATIONAL

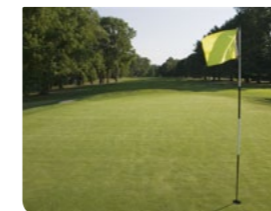
Rexel's expert team specializing in energy efficient solutions and renewable

energies has been tasked with designing Rexel's green line of products and services. The team is comprised of specialists in marketing and green technologies from the countries where the Group does business. Green Days

is a biannual event that provides an opportunity to talk about the latest products, suppliers, top initiatives and market outlook.

### SPOTLIGHT Managing the carbon footprint

#### UNITED KINGDOM



Coventry Golf Club in the United Kingdom wanted to reduce its carbon footprint, so in 2011 Rexel UK conducted an extensive energy audit of its operations. Based on a detailed analysis of its consumption units and energy management processes, the British subsidiary recommended a solution combining a lighting upgrade and a switch to solar energy. The new lighting

system is primarily based on installing LEDs and motion detectors and optimizing the use of natural light. Sixteen solar panels were also installed. Result: the Club's electricity consumption was cut by 25% for a reduction of 5 tCO<sub>2</sub>e.

#### BRIEFLY ↓

- **Westburne (Canada)** is helping launch a 270 MW wind turbine park.
- **www.naturalsparx.co.uk** is Rexel UK's new webstore for professionals in renewable energies and photovoltaic panel installers.

AT STAKE

- Proving to our customers the economic and environmental advantages of eco-efficient solutions and renewable energies.
- Contributing to the public debate on energy in line with our societal commitment to promote energy efficiency.

150 articles in two languages\* were published in late 2012 in the Group's energy-efficiency online magazine, [www.electrical-efficiency.com](http://www.electrical-efficiency.com)

9 out of 10 people think energy-efficiency is an important issue (see inset Consumer Survey below)

80% of Rexel's subsidiaries provide training for their customers

\* French and English

AND

- LEDZmeet is a space devoted to LED lighting located near Utrecht in the Netherlands and designed by Rexel for its customers.

# 3/ RAISING CUSTOMER AND CONSUMER AWARENESS

Raising awareness and educating customers

In light of market and technological advances, independent electricians and installers need to update their skills in order to be successful advocates of energy saving solutions for their customers. With its proven expertise, not to mention its role as a distributor, Rexel is offering them targeted modular training courses that change from country to country. The classes last from a few hours up to a week and provide information on everything from new lighting sources to climate engineering equipment. Customers in industry and the service sectors are more attuned to the comprehensive support program for energy management that the Group can provide. Dedicated energy saving solutions areas are present in our branches offices. Regardless of the type of customer, the true test lies in proving that solutions offer profitability and environmental benefits. But the best rationale yet is the example the Group is setting by adopting solutions to meet its own energy requirements (see pages 24/25).



INITIATIVE  
A "model" green home

UNITED KINGDOM

In 2011, Rexel's UK subsidiary unveiled its low-consumption house that saves about four times as much energy as a

conventional home. Designed for opinion leaders and end-users alike, the model home sits just outside London and serves as a life-sized showcase for Rexel's products and solutions. A family has already tested the livable part of the house

and another part is being used to display the construction framework and equipment, which includes LEDs, air-source heat pumps, solar panels, a home automation system and a recharging station for electric cars.

SPOTLIGHT  
Consumer Survey

EUROPE,  
UNITED STATES



While professionals generally have a good grasp on energy efficiency, perception among consumers is a bit trickier. So Rexel launched the first international survey to measure how the general public perceives issues surrounding energy efficiency. The survey was conducted by Harris Interactive in 2011 on a sample of 4,000 people in France, Germany, the United Kingdom and

the United States. The key takeaway was that consumers are aware of the issues: 9 out of 10 people see energy efficiency as a major challenge, but they have limited knowledge about existing solutions.

A spokesman on energy efficiency issues

There is legitimate reason for Rexel to be part of the debate on energy use. The Group knows that consumers can be somewhat in the dark on these issues, so it has developed a whole range of tools to share its expertise with the general public. Its online magazine on energy efficiency ([www.electrical-efficiency.com](http://www.electrical-efficiency.com)) is designed to raise the level of understanding on the problems at hand and foster broader awareness of eco-efficient innovations. Available in both English and French, it is aimed at professionals and the general public. Alongside this initiative, Rexel commissioned Harris Interactive to conduct a global survey on how European and American consumers perceive energy efficiency (see inset). The subsidiaries are also getting caught up in the momentum. Leading up to the implementation of the Green Deal (British law on energy efficient buildings), Rexel UK conducted a study to gather data on consumer behavior.

MORE INFO

- About our international survey: [www.rexel.com](http://www.rexel.com) (Commitments/international barometer for energy efficiency section)
- Our online magazine on energy efficiency: [www.electrical-efficiency.com](http://www.electrical-efficiency.com)
- Ledzmeet: [www.ledzmeet.com](http://www.ledzmeet.com)
- About Sigma Home: <http://www.bre.co.uk/>

BRIEFLY ↓

- Rexel France is co-organizer of the Enéo Trade Show, the world's leading expo on sustainable building and clean energy.
- Both a showroom and engineering office, ABM Rexel's Ciudad de la Luz in Madrid, Spain displays the entire range of eco-efficient lighting solutions.



# ENVIRONMENTAL RESPONSIBILITY IMPROVING OUR PERFORMANCE

**Rexel's environmental challenge** lies with the fact that its environmental impacts are scattered across all its different work locations, rather than the scale of these. With operations in 37 countries, the Group has doubled in size in five years and now runs close to 2,600 sites. In light of the global issues of climate change and resource conservation, Rexel is striving to shrink its footprint. Out of a concern to increase its environmental performance and achieve its operational excellence objective, the Group has set three top priorities: energy efficiency at its facilities, transportation optimization and waste management.

## ENVIRONMENTAL RESPONSIBILITY

### AT STAKE

- **Overseeing a consistent environmental approach** based on a quantified worldwide assessment of our environmental impacts.
- **Defining objectives, measuring our progress** and communicating reliable and tangible results.

# 81%

of sites have rolled out the Rexel Environmental Charter

**8 entities** were ISO 14001 certified in 2012 and 14 are in line to be certified by 2014

**40 environmental correspondents** and 33 validators in 32 countries – the outreach of Rexel’s reporting network

### AND

- As a member of the association *Entreprises pour l’Environnement* (Companies for the Environment), Rexel is helping spread information and best practices on managing environmental impacts through its publications (e.g. “Measuring and managing your greenhouse gas emissions”).

# 1/ CONSOLIDATING ENVIRONMENTAL STEWARDSHIP

### Relevant reporting

Since 2006, Rexel has been conducting annual Group-wide consolidated environmental reporting as part of a proactive approach to measure its impacts. In anticipation of the regulatory requirements listed in Article 225 of the *Grenelle 2* Law, the objective is to fully cover the financial reporting scope. New acquisitions will also be included within a two-year time frame.

With the publication of its first *Bilan Carbone*® in 2010 (see inset) and the improvement of its annual reporting, Rexel has become a veritable expert in environmental management by enhancing its collection and data analysis processes and implementing dedicated reporting software.

### CARBON FOOTPRINT



**18%**

fewer GHG\* emissions related to electricity consumption (Scope 2)  
\* Greenhouse gas measured in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)

### INITIATIVE The “Carbon Culture”

EUROPE, AUSTRALIA,  
UNITED STATES

In 2010, Rexel conducted its first global carbon footprint assessment on a representative scope that covered 70%

of its operations (Germany, Australia, Spain, the United States, France and the United Kingdom). Key finding: Rexel does not emit much CO<sub>2</sub> itself, but indirectly generates a significant amount of greenhouse gases (GHG), two-thirds of which comes from transporting its products

from suppliers to customers. In 2013, the Group will carry out another carbon footprint analysis over an even wider scope.

The Group’s key environmental and social performance indicators are verified by an independent third-party the auditing firm Ernst & Young, which has performed a limited assurance engagement (see pages 48/49 on Indicators).

### A joint platform for environmental management

As a first step toward environmental management, the Rexel Environmental Charter is now being rolled out in more than 80% of its sites. It has made a considerable contribution to enforcing good practices at branch level. Many subsidiaries have also set up environmental management systems (EMS) to determine, measure and control their impact. Rexel intends to make this program a Group-wide standard and is working toward implementing standardized management procedures to better control its environmental performance. As added proof of their initiatives, several subsidiaries are involved in the ISO 14001 certification process. In 2011, the Czech subsidiary joined the Group’s seven ISO 14001 certified entities.

### Advancing our know-how

The quality needed to properly manage environmental issues also stems from the expertise of our teams, which collect, process and analyze data. The 40 environmental correspondents around the world are integral to the success of this process and play a key role in sharing know-how and exchanging best practices. In an effort to lead this expert community, every year since 2011, the Group has organized a Sustainable Development seminar. This annual colloquium is an opportunity to share ideas on the Group’s strategy and exchange views, approaches and action plans in a mutually beneficial atmosphere that fosters continuous improvement.

### MORE INFO

- Our Environmental Charter: [www.rexel.com](http://www.rexel.com) (Commitments section)
- Our *Document de référence*, Chapter 3: [www.rexel.com](http://www.rexel.com) (Finance/Documentation and regulated information)
- Our *Bilan Carbone*®: [www.rexel.com](http://www.rexel.com) (Press/News section)

### BRIEFLY ↓

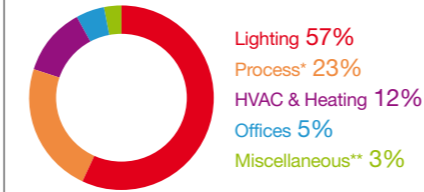
- Since 2011, Rexel has reported to the *Carbon Disclosure Project (CDP)*, an initiative that analyzes the carbon performance of large corporations on behalf of over 500 investors.
- Rexel strives to step up its reporting coverage and transparency by referring to the Global Reporting Initiative standard G3.1.

## ENVIRONMENTAL RESPONSIBILITY

### AT STAKE

- Reducing our environmental footprint by applying innovative energy efficient solutions.
- Showing the efficiency and benefits of our solutions and our know-how.

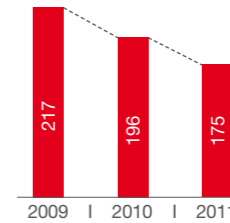
### ELECTRICITY CONSUMPTION IN DISTRIBUTION CENTERS (average breakdown by use)



\* Special equipment like compressor conveyors, strapping machines, stamping machines, etc.

\*\* Other equipment, like ventilators, fences, household appliances, burglar alarm systems, etc.

### THE GROUP'S ELECTRICITY CONSUMPTION in GWh



**5%**  
reduction of CO<sub>2</sub> emissions related to energy consumption from 2010 to 2011

## 2/ IMPROVING ENERGY EFFICIENCY OF FACILITIES

### Serving as a model

As a leading player in the electrical equipment and services market, Rexel is adopting and installing the eco-efficient solutions it distributes to its customers at its sites.

The Group conducts onsite energy audits so it can then roll out the appropriate solutions: eco-efficient products, control and management systems and the use of renewable energies. Rexel does all it can to cut its consumption and direct emissions, while helping with peak curtailment and grid load adjustment.

Over the last two years, the Group has been “relamping” several buildings, headquarters, branches and warehouses (see *inset*). This has enabled Rexel to shrink its environmental

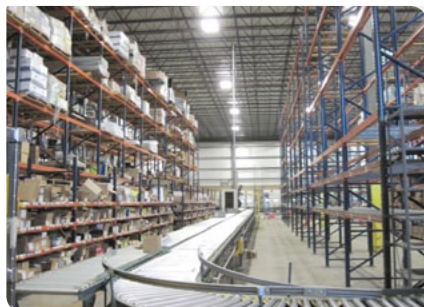
footprint while at the same time serving as a testimony to the economic and ecological relevance of the solutions it distributes.

### Employee awareness

Beyond technological advances, user awareness is a crucial component of the success of the Company’s energy management program. In order to encourage eco-friendly habits, every year Rexel holds a week-long event called *EcoDays*, aimed at raising awareness on environmental issues. For the 2011 campaign, named “Energy Efficiency in the Workplace,” a website was set up in eight languages to invite all employees to reduce energy consumption in their daily lives. The *EcoDays* website also gives employees access to a forum where they can exchange ideas, projects and best practices.

### AND

- Cloud Computing made it possible for Rexel’s Norwegian subsidiary, Elektroskandia Norge, to reduce the energy consumption of its IT servers by 60%.



### INITIATIVE “Relamping”

#### UNITED STATES

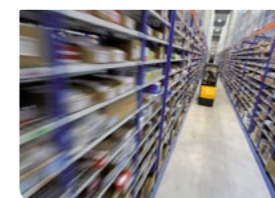
Since 2011, Rexel USA has been working on a massive lighting retrofit project at 65 sites, including its

headquarters in Dallas, Texas and its largest warehouse in Mansfield, Massachusetts (10,000 m<sup>2</sup>). Ballasts and low-consumption light sources, motion and light detectors were installed to optimize lighting performance. By late 2012,

over 120,000 m<sup>2</sup> of space had already been upgraded. In the Mansfield warehouse alone, electricity savings are estimated at 863 MWh/year.

### SPOTLIGHT From audits to savings

#### FRANCE



In 2012, Rexel France conducted an energy audit at eight of its distribution centers. It was found that 40% of the energy consumed at these sites was from gas, mainly for heat, and 60% from electricity, primarily used for lighting and special equipment (forklifts and conveyors). By regulating heating units and boilers, instituting a lower room temperature and putting

timers on electric convectors, Rexel France expects to cut its annual gas consumption by 1,896 MWh and electricity by 318 MWh for an emissions reduction of 483 tCO<sub>2</sub>e.

### BRIEFLY ↓

- Since 2011 the Group’s Finnish entity, Elektroskandia Suomi, has been using 100% hydraulic powered electricity, which has reduced its annual indirect carbon footprint by 400 tCO<sub>2</sub>e.
- Installing photovoltaic panels in some of its branches in Germany, Austria, France and Slovakia has cut annual greenhouse gas emission by 50 tCO<sub>2</sub>e.

## ENVIRONMENTAL RESPONSIBILITY

### AT STAKE

- **Reducing fuel consumption** and cutting direct and indirect emissions related to transportation, which accounts for 70% of our carbon footprint.
- **Preparing for regulatory changes**, especially carbon taxes, and our customers' requirements in logistics efficiency.

130 gCO<sub>2</sub>/km:

the average emissions rate of Rexel's vehicle fleet in Europe

**13%:** the projected decrease in the Group's fuel consumption between 2010 and 2014 by changing the vehicle fleets at its European subsidiaries

**22%:** the reduction of GHG emissions generated by transporting products on Rexel's fleet between 2010 and 2011

### AND

- Rexel is taking special care in Europe to reduce its heavy vehicle emissions in the framework of European tax reforms (European Directive called "Eurovignette").

## 3/ REDUCING TRANSPORTATION-RELATED CARBON EMISSIONS

### Greener logistics

Rexel has implemented programs to optimize its supply chain in all the countries where it operates. The goal is to reduce distances travelled, fuel consumption and greenhouse gas emissions while maintaining a high quality of service for its customers.

The program is being developed both internally and with its subcontractors. Apart from incorporating environmental guidelines into its carriers selection process, the Group advocates freight commingling – in other words, pooling merchandise flows with other local businesses (see inset).

Rexel is also improving its own fleet management by streamlining routes, optimizing loads and fine-tuning measuring instruments. Due to these efforts, in 2011 the greenhouse gas emissions generated by internal transportation went down 22% from 2010 (constant scope and with 10% fewer vehicles).

### MORE INFO

- Our *Document de référence*, Chapter 3: [www.rexel.com](http://www.rexel.com) (Finance/Documentation and regulated information)

### Modernizing the vehicle fleet

Rexel is also modernizing its fleet of vehicles used for sales team travel, which accounts for nearly one-third of the Group's emissions. Gradually upgrading the fleet with more energy-efficient models through framework agreements with carmakers and leasing companies is significantly reducing fuel consumption and emissions. By the end of 2012, 75% of the vehicles were upgraded and their environmental performance has already cut the greenhouse gas emissions generated from business trips by 26% since 2009.



### INITIATIVE Freight commingling

#### UNITED STATES

The Rexel and Gexpro brands have their own supply chain system in the United States. As they were trying to reduce their environmental impact by

optimizing delivery routes, they decided to pool their fleets. A pilot project was introduced in the Los Angeles area where both brands have a dense network. All trucks were equipped with GPS systems to accurately manage logistics flows and air emissions. The average

number of trucks on a daily route dropped from 25 to 18, which cut emissions by 90 tCO<sub>2</sub>e every year. There are plans to expand the system to other areas by 2014.



### SPOTLIGHT Eco-friendly logistics that pollute less

#### SWEDEN

Rexel Sweden, ISO 14001 certified since 2008, is particularly attentive towards respecting

the environment when it selects its carriers: shorter distances, pollution standards for vehicles and training truck drivers. Its 2015 objectives: 40% of vehicles Euro 4 or better and 65% of drivers trained in eco-driving.

## ENVIRONMENTAL RESPONSIBILITY

### AT STAKE

- **Preventing wasted resources** and diminishing the amount of packaging used and waste generated by our operations.
- **Reducing the impact of our waste** and our end-of-life products by collecting them for recycling.

# 7,800 tons

of packaging and 2,500 tons of paper used in 2011 Group-wide

**80%** of Rexel branches practice selective sorting

**13,270** tons of waste recovered in 2011, amounting to 65% (59% in 2010) Group-wide

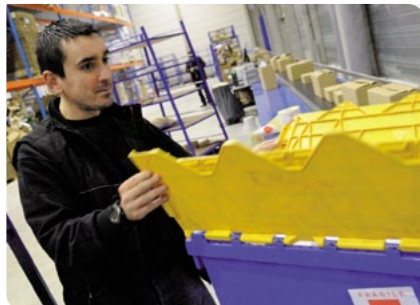
**25 tons** of batteries collected in 2011 by Rexel

**63%** of Rexel branches collect WEEE from customers in 2011

## 4/ REDUCING AND RECOVERING WASTE

### Managed waste production

Cardboard, wood and paper make up most of the common waste generated by Rexel's operations. Rexel wants to limit its impact at the source. The Group is primarily raising employee awareness to encourage them to save paper and cut down on purchases of consumables, plus it is moving toward using more reusable packaging (*see inset*). Not only does reusing packaging (cardboard boxes, pallets and cable drums) save money, but it also reduces the amount of waste in the warehouses.



### INITIATIVE Smart packaging

#### FRANCE

In 2011, Rexel France launched a pilot project to reduce use of the cardboard shipping boxes used to resupply its branches

and fulfill customer orders by replacing them with reusable plastic containers. A trial was conducted at 13 branches around Nancy, France. In 18 months, the consumption of cardboard boxes was down by almost 15 tons and the volume of waste

about the same. Rexel France will be making the initiative standard practice and plans to install smart chips in the containers to optimize the inventory management systems.

### Selective sorting and recycling

For many years, Rexel has been using a selective sorting system for its waste at branches and distribution centers. This enables the Company to recycle materials and to recover boxes, plastic and scrap wood, to name a few. In 2011, the recycling rate was 65%, i.e. 13,270 tons of recovered waste, compared with 59% in 2010.

### Collection of WEEE

When it is not processed through a specialized channel, Waste from Electrical and Electronic Equipment (WEEE) can cause pollution that harms ecosystems and poses health hazards. Out of a concern for managing the end-of-life cycle for the products it sells, Rexel is participating in an effort to recycle WEEE. The Group's entities have set up systems to collect this waste at 63% of its sites and send it to the appropriate waste processing facility. In addition to regulatory requirements, some subsidiaries have teamed up with private partners or public agencies (*see inset*). In 2011, over 1,000 tons of WEEE were collected.

### MORE INFO

- Our *Document de référence*, Chapter 3: [www.rexel.com](http://www.rexel.com) (Finance/Documentation and regulated information)

### SPOTLIGHT Helping our customers recycle

#### UNITED STATES, FRANCE



To help its customers recycle WEEE, Rexel's American subsidiary Gexpro is giving them boxes with prepaid port tax stamps to send back their WEEE directly to its partner Veolia's treatment plants. On its side, Rexel France has signed an agreement with Recylum, an environmental organization that is certified to process commercial WEEE. All of Rexel France's branches

have been supplied with recycling bins for bulbs, tubes, lighting hardware, and electronic security and control equipment. Recylum processes this waste in accordance with existing regulations in a way that is safe both for the environment and workers.

### BRIEFLY ↓

- **In the United States**, Rexel has begun working with a single service provider named Oakleaf to optimize its waste recycling process.
- **In Germany, Finland, Norway and the United Kingdom**, Rexel subsidiaries have set objectives to reduce and recover their waste.

# SOCIAL RESPONSIBILITY SUPPORTING OUR EMPLOYEES



**Making people an integral part of the Group's values and practices** is one of Rexel's fundamental principles. Its social responsibility is reflected through its support for the universal rights declared in the United Nations Global Compact that the Group and its subsidiaries embrace in their human resources policies. Team spirit and the Group's success would not be possible if its workers were not committed to these founding principles. Bolstered by the *Energy in Motion* values, social responsibility plays a key role in promoting workspace safety and welfare, developing skills, encouraging social dialogue, providing equal opportunities and associating employees to the Group's performance.



## SOCIAL RESPONSIBILITY

### AT STAKE

- **Protecting our employees worldwide** in their right to safety, health and hygiene and standardizing best practices.
- **Always striving to improve** working conditions, particularly by improving our social benefits.

# 2.5 to 4.2

: between 2009 and 2011, the increase of the number of training hours each person in the Group received in safety

**5,000** employees in 11 countries covered by the “Rexel Plus Protection for All” welfare protection program

**86%** Rexel employees state they are treated with respect\*

\* Source: Employee survey *Satisfaxion11*

### AND

- A telephone hotline was opened in Spain and Portugal to help employees find a balance between home and work. The initiative includes medical and legal support as well as services like computer repair and finding a plumber.

# 1/ PROMOTING SAFETY AND WELL-BEING IN THE WORKPLACE

### Preventing health and safety risks

Beyond its legal obligations, the Group is responsible for keeping a close watch on the health and safety of its employees. The main risks for Rexel’s workers are related to driving, falls, operating machinery, handling materials, wiring and working on the computer. Each country deals with these risks in its own way while respecting the Ethics Guide and in compliance with local laws. The primary prevention methods remain medical supervision, awareness campaigns and training. In many countries, safety training has become a matter of course. The Group’s objective is to comply with the most stringent health and safety practices around the world.

### Improving social protection

The Group was concerned about providing social protection for its workforce, so in 2010 it introduced a universal welfare protection program. “Rexel Plus Protection for All” gives 5,000 workers in 11 countries supplemental coverage for occupational illnesses and workplace accidents. All companies the Group acquires that offer fewer social services than “Rexel Plus” are automatically enrolled. The Group is also diligent about worker benefits, which are a vital component for a responsible employer. Rexel primarily focuses its efforts on countries where the need is more important (*see inset*).

### MORE INFO

- Our *Document de référence*, Chapter 3: [www.rexel.com](http://www.rexel.com) (Finance/Regulatory documentation and information section)
- About “Rexel Plus Protection for All”: [www.rexel.com](http://www.rexel.com) (Press/Press Releases section)

satisfaxion  
11

### INITIATIVE Satisfaxion11

#### INTERNATIONAL

In May 2011, 27,000 employees in 24 countries (96% of the total workforce) answered an internal

opinion survey. The topic of personal respect received the most positive responses: 86% of employees polled said they were satisfied. There was also a high percentage of respondents at Rexel who said they are very satisfied

in terms of commitment and well-being. Last but not least, four out of five people believed they were personally fulfilled thanks to their job.

### SPOTLIGHT A helping hand for social benefits

#### INTERNATIONAL



Only one-third of the Group’s 900 employees in China were covered by a supplemental insurance plan. The social security plan that covered the remaining workers did not allow them to access private healthcare networks. Since January 2012, the entire staff has been covered by supplemental insurance. Alongside “Rexel Plus”, medical coverage in Chile had been instituted for all workers in 2011 and then in 2012

it was supplemented with awareness training in preventive medicine. In 2012, 1,000 workers in the United Kingdom were granted lower deductions, mainly for ambulance care, and their premiums did not go up. In Brazil, after the acquisition of Nortel in 2011 and Etil and Delamano in 2012, a shared welfare protection program was introduced for all employees.

### BRIEFLY ↓

- In 2010, the “Rexel Plus” program won the International Social Responsibility Award at the ORAS C&B (Compensation & Benefits) awards ceremony.
- In 2012, Rexel France introduced coverage to guarantee workers who are put on full disability allowing them to receive income payments; as an optional benefit, employees with a dependent family member can benefit from support services.

## SOCIAL RESPONSIBILITY

### AT STAKE

- Making the best use of the Company's human capital, a key asset of our vibrancy and capacity for innovation.
- Motivating, inspiring and earning employee loyalty by improving their skills and supporting their career development.

## 2/ SUPPORTING EMPLOYEE CAREER DEVELOPMENT

### Skills development

One of the tenets of Rexel's social commitment is skills recognition. In light of rapidly changing professions, markets and technologies, training is the crucial element in acquiring new types of expertise. Local entities provide technical and regulatory training and manufacturers offer product training courses while the Group directs training of its managers. This last type of training was developed not only to gain skills, but also to learn the nuts and bolts of managing change and steering innovation.

### Guidance for professional growth

All employees must be able to take advantage of growth opportunities. This objective is primarily achieved through skills assessment and mobility management. For example, in 2011, 67% of the workforce sat down with their managers for an annual review, which is



### INITIATIVE International Traineeship

#### INTERNATIONAL

Launched in 2007, *International Traineeship* is an internship

program designed to seek out young talent and enhance Rexel's reputation among universities and the top business and engineering schools. Training lasts six months to one year and is supervised by a tutor

in the host country. The number of enrollees has gone from 12 in 2011 to 15 in 2012 and should continue to climb.

### PEOPLE IN THE GROUP WHO RECEIVED TRAINING IN THE YEAR

(in %)



### AND

- Rexel developed a high-level training course called the *Business Leadership Cycle* in partnership with the International Institute for Management Development in Lausanne, ranked the leading management school by the *Financial Times*.

the best way to discuss. Assessments also serve as a springboard toward mobility within the Company, both in terms of promotions and making functional or geographic moves.

### Encouraging communication

As part of the support the Group offers its workers, it keeps them informed, fosters dialogue and encourages the various entities to share their experiences. In 2012, the Group's internal magazine *Interaxion* was redesigned and an online version created. It is available in three languages: French, English and German. The latest editions of *Communication Weeks*, the communication platform provided to the country sites, focused on the results of the employee opinion survey *Satisfaxion11*, managerial transition, the company plan, the Community Involvement Charter and the employee shareholding plan *Opportunity12*.

### MORE INFO

- Our *Document de référence*, Chapter 3: [www.rexel.com](http://www.rexel.com) (Finance/Documentation and regulated information)
- About our award at the "One of the Best Workers in France" contest (*Un des Meilleurs Ouvriers de France*): [www.rexel.com](http://www.rexel.com) (Press/Press Releases section)



### SPOTLIGHT

#### A branch simulator: *Elixir*

#### INTERNATIONAL

*Elixir*, a two-day program designed to simulate branch management over the course of a year, was tested in three countries in 2011. The simulator helped the trainees understand and manage the complex operations at a Rexel branch. In the long term, 6,000 people will be able to take part in this program and gain a global perspective on Rexel's core business.

### BRIEFLY ↓

- In 2011, three Rexel France employees won the prestigious title of "Un des meilleurs ouvriers de France" (One of the Best Workers in France) in the Electrical Energy Solutions Sales and Consulting category.
- Based on the idea that asking is better than guessing, Rexel's American subsidiary produced a short maintenance manual for managers themed "What makes employees stay?"

## SOCIAL RESPONSIBILITY

### AT STAKE

- **Protecting and enforcing our employees' rights** to free speech and representation.
- **Galvanizing ethics in work relationships**, especially in terms of anti-discrimination, equal opportunity and respect for diversity.

More than **16,000** employees are covered by the European Works Council

**520 employees** in the Group are involved in labor representative bodies

**23.1%**: part of the women in the total workforce in 2011 (22.6% in 2010)

**111 collective agreements** were signed in 2011 Group-wide, mostly in Europe and Brazil

### AND

- Since 2011, the European Works Council has had an Intranet site containing all the documents sent out to representatives.

# 3/ REINFORCING SOCIAL DIALOGUE AND EQUAL OPPORTUNITY

### Stronger social dialogue

Rexel places great importance on its employees' freedom of speech and representation. The Group encourages free speech among its employees, respects their right to unionize and works with them to build an ongoing constructive dialogue on topics of mutual interest. Social dialogue is part of Rexel's strategic growth and its business, but it equally concerns its policies on labor, training, health and safety. The European Works Council was set up in 2005 and plays an integral role in encouraging this social dialogue and spreading best practices.

### Respect for diversity and equal opportunity

One of the principles in the Group's Ethics Guide is dignity and personal respect. Rexel does not tolerate any form of discrimination and provides equal opportunity for all in hiring, training, compensation, job assignment and professional growth.

In terms of gender equality, many subsidiaries have taken up initiatives to support the recruitment of more women (*see inset*). Yet, like the low rate of women in the specialized distribution sector, women still only make up 23% of the Group's workforce. Rexel also launched a series of initiatives for workers over 50, who account for 26% of the Group's workforce, and reinforces its commitment to help the disabled (*see inset*).

### MORE INFO

- Our *Document de référence*, Chapter 3: [www.rexel.com](http://www.rexel.com) (Finance/Documentation and regulated information)
- Our Ethics Guide: [www.rexel.com](http://www.rexel.com) (Commitments/Employees/Ethics section)



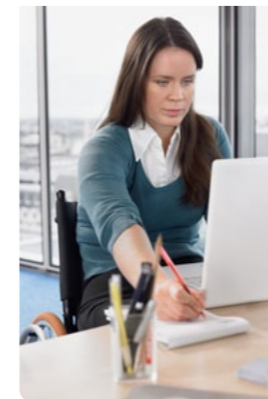
### INITIATIVE "Wired for Success"

#### UNITED KINGDOM

Rexel's British subsidiary Newey & Eyre is working with the Electrical Contractors

Association (ECA) for the "Wired for Success" program aimed at bringing more women into the electrician trade. Since October 2011, this course has been placing students in companies to combine an education in technical skills with

proficiency in sales. About a dozen women were trained over two years and schedules were arranged to accommodate working mothers. The trainees will receive job placement support for one year.



### SPOTLIGHT A measure for the disabled

#### FRANCE

Rexel France continues its commitment to actively help the disabled mainly by keeping disabled workers in their jobs. Considering that 80% of disabilities are hidden from view, the first step

is to find these workers and then take any measures needed to adapt their work stations. Rexel France also has a subcontracting arrangement with the protected worker sector, particularly to handle garden maintenance and mail campaigns. An informational and awareness campaign about the disabled was also introduced.

### BRIEFLY ↓

- In 2011, Ethics correspondents handled 64 cases, most of them in North America. One-third of the case referrals dealt with employee relations and another third with fraud or theft.
- Rexel's Austrian subsidiary held its first awareness workshop in 2012 on productive aging. The agenda addressed motivation and knowledge transfer.

## SOCIAL RESPONSIBILITY

### AT STAKE

- **Creating a stronger sense of belonging to the Group** and recognizing individual and collective performance.
- **Motivating our employees by providing them** access to employee shareholding under preferential terms.

# 8,000

Rexel employees became Group shareholders between the first employee shareholding plan in 2007 and 2012 when *Opportunity12* was launched – which is 25% of the Group's employees\*

**60%** of the workforce receives variable compensation

**1.94%**: the share of capital owned by the Group's employees and former employees as of November 23, 2012

\* current workforce as of December 31, 2011

## 4/ ASSOCIATING EMPLOYEES TO THE GROUP'S PERFORMANCE

### Variable compensation

Like employee shareholding and profit-sharing, variable compensation is one of the most useful ways of recognizing employees for their contribution to the Group's success. This recognition is an integral part of the Rexel culture.

Even though the compensation package is managed locally, it must comply with two Group values: fairness and competitiveness. These are the same values that determine Rexel's variable compensation policy, which is a way to make employees part of the Company's success. Currently 60% of the workforce receives variable compensation. Almost half of the staff worldwide are also enrolled in a profit-sharing plan based on collective earnings (*see inset*).



### INITIATIVE *Opportunity12*

#### INTERNATIONAL

The new employee shareholding plan launched in September 2012 involves over 90% of the Group's employees

in 16 countries, four more than in 2010 (China, Australia, Brazil and Finland). Share subscription price was at €12.14, which is 20% off (outside the US) the average price over the 20 day period before the offering opened. A free share matching

employer contribution was added to the offer (a cash matching contribution in France). Employees could subscribe online in 13 of the 16 countries.

### Employee shareholding

Since Rexel's IPO, three shareholding plans in 2007, 2010 and 2012 have been offered to employees under preferential terms (*see inset*). These shareholding plans were exclusively reserved for employees and featured a discounted share price and a matching employer contribution in the form of free shares (a cash matching contribution was offered in France). The plans link employees to Rexel's performance and give them a larger stake in the Group's equity.

Alongside these initiatives, a one-time free shares program was rolled out in 2011 to 536 branch and operational managers. Rexel's six subsidiaries in France gave their employees an option to either collect the legally mandated profit-sharing bonus (€150) or deposit it into a fund invested in Rexel shares which provided a matching employer contribution of €150 in 2011 and €250 in 2012. More than 40% of the employees chose the second option.

### MORE INFO

- Our *Document de référence*, Chapter 3: [www.rexel.com](http://www.rexel.com) (Finance/Documentation and regulated information)
- About *Opportunity12*: [www.rexel.com](http://www.rexel.com) (Press/Press Releases section)

### SPOTLIGHT Profit sharing in Canada

#### CANADA



All of the Canadian employees who do not receive a bonus or commission (about 1,800 people) are eligible for the profit-sharing plans. Alongside the Incentive Compensation Plan available to all employees, the Management Incentive Plan reserved for managers is tied to sales, quality, employee training, etc.

In 2011, profit-sharing was at an average of 8.6% of annual wages.

### BRIEFLY ↓

- **24 Opportunity sites**, one per participating country, were opened in February 2012 to mark the availability of holdings invested in the *Opportunity07* employee shareholding plan, the plan proposed to employees after Rexel's IPO in 2007.



**SOCIETAL  
RESPONSIBILITY  
SUPPORTING  
LOCAL  
COMMUNITIES**

**Rexel has always been involved in corporate philanthropic actions** and upholds its commitment to local communities. The Group puts the unifying theme of promoting access to energy efficiency for all at the center of its community involvement approach. With its extensive knowledge in this domain, Rexel wants to help combat energy insecurity. The Group's responsibility towards society is also conveyed through its relationships with suppliers and contractors, especially when it comes to respect for the environment and ethics.

## SOCIETAL RESPONSIBILITY

### AT STAKE

- Consolidating our foothold in the economic and social fabric and supporting development in places where we operate.
- Guiding and advocating community involvement among our employees.

### TOTAL DONATIONS OF THE GROUP'S SUBSIDIARIES



# 1/ STANDING BY OUR LOCAL COMMUNITIES

### Contributing to local development

Through its dense network and worldwide operations, Rexel is firmly rooted in the local fabric of many regions. Above and beyond its economic leverage, Rexel wants to be part of the peaceful development of its local communities. This civic engagement translates into a broad range of grassroots initiatives. It inspires the subsidiaries to routinely mobilize for technical training, medical research and philanthropic actions. They provide free products and electrical equipment and collect donations for athletic, cultural and charity associations. Rexel also provides relief to local communities that have been victims of a natural disaster. Emergency funds collected by Rexel subsidiaries and employees are mostly matched by the Group.



### INITIATIVE Helping the disabled

#### GERMANY, MEXICO

With donations collected by its employees, Rexel's subsidiary Hagemeyer Germany is supporting

two disabled community centers run by the SOS Children's Villages association in Mexico and Germany. Hohenroth Village (Germany) houses 160 young disabled adults who work in the agriculture and artisan sectors.

### Employee involvement

Employees are not only inspired and motivated by serving the community but most importantly their involvement is vital to the success of the Group's societal program. That is why Rexel supports their participation in these actions and wants to give all of them an opportunity to make a difference. The Group also encourages its subsidiaries to create skills-based sponsorship programs that are deeply meaningful for employees, who can become involved as program promoters or leaders, or lend their skills and experience to a local or global project.

**AND**  
• Rexel signed a partnership with the **Télémaque Institut**, which helps youths from disadvantaged areas. Rexel provides both financial and one-on-one support for middle and high school students through a program where employees tutor a student during his/her schooling.

### MORE INFO

- Institut Télémaque: [www.institut-telemaque.org/](http://www.institut-telemaque.org/)
- Our *Document de référence*, Chapter 3: [www.rexel.com](http://www.rexel.com) (Finance/Documentation and regulated information)



### SPOTLIGHT Employees making a difference

#### UNITED STATES, CANADA, CHILE

Rexel's Canadian and American employees took part in the 2011 *Relay for Life*, an international collection drive to raise funds for the battle against cancer.

A special support fund was also created in 2010 to help Group employees who were victims in the February 2010 earthquake in Chile, most of which is being used to rebuild homes. Over €100,000 was collected from employees in 15 countries.

| SOCIETAL RESPONSIBILITY |

**AT STAKE**

- **Preventing energy insecurity**, particularly in the most disadvantaged communities, by leveraging our expertise.
- **Aligning our community actions** to improve our business and employee skills.

**8.4%**

in France, 8.6% in the United Kingdom, 7% in the United States: percentage of household budget related to energy spending (transportation and housing)\*

**75 to 89%** of people surveyed think electrical equipment distributors play a key role in promoting energy efficiency (2011 Rexel-Harris Interactive Survey on energy efficiency)

**1.5 billion** inhabitants of developing countries do not have access to electricity and even when modern power utilities are available, they are usually too expensive

\* Source: www.electrical-efficiency.com

## 2/ PROMOTING ACCESS TO ENERGY EFFICIENCY FOR ALL

**A unifying area of commitment**

The Group is actively involved with its local partners to provide its skills for the poorest members of the community. It is natural that Rexel promotes initiatives for better use and optimized consumption of energy. Joining the fight to end energy insecurity is a logical application for the Group's expertise and its sense of responsibility towards society. This area of commitment takes on a deeper meaning as an integral part of Rexel's company plan *Energy in Motion*.

In 2012, Rexel made its commitment official in a Community Involvement Charter and Guide. It provided a chance to merge the efforts of the Group's subsidiaries focused on joint objectives with actions to support progress in the area of energy efficiency through education, vocational training and public housing.

**A collaborative process**

Each subsidiary is encouraged to design and implement its own societal program. It can support a local community project, build a partnership with a non-profit association or organize a fundraiser (*also see pages 42/43*). The Rexel Group also actively works to implement projects with its partners, which include customers, suppliers and non-governmental organizations. In 2011 and 2012, these efforts resulted in the conclusion of two global partnerships; one with the organization Ashoka and the other with the Schneider Electric Foundation (*see insets*).

**AND**

• In 2011, Rexel's American subsidiary Gexpro donated several solar panels to the TV show "Extreme Makeover: Home Edition" for a low-income family in Columbus, Ohio.

**MORE INFO**

- About Ashoka: [www.ashoka.org/](http://www.ashoka.org/)
- Our Community Involvement Charter: [www.rexel.com](http://www.rexel.com)

**INITIATIVE**  
**The Ashoka Fellows**

UNITED STATES



In 2011, Rexel joined forces with the organization Ashoka to provide support for innovative social entrepreneurs working on energy efficiency. Rexel sponsors Ashoka Fellows, who receive financial backing through grants and technical support. In 2012, the Group and its American

subsidiaries Rexel Inc. and Gexpro pledged funds to Stacey Epperson, founder of Next Step, a company that provides access to affordable eco-efficient factory-built homes. The ultimate goal with Ashoka is to create an international pool of social entrepreneurs

who are working with Rexel to promote access to energy efficiency.



**SPOTLIGHT**  
**Training electricians**

CHINA

In 2012, the Rexel Group signed a partnership with the Schneider Electric Foundation in line with its co-development approach for all stakeholders. The first initiative launched in September 2012 aims to support a vocational school for electricians in Taiyuan, Shanxi province, China. It is a joint initiative with the China Environmental Protection Foundation designed to upgrade and equip two workshops and educate 300 students over two years.

**BRIEFLY** ↓

- *Dr Electrics* is an energy-saving awareness campaign conducted in schools by Rexel's Brazilian subsidiary Nortel in partnership with the Brazilian Ministry of Culture.
- **2012: International Year of Sustainable Energy for All** (designated by the United Nations General Assembly).

**AT STAKE**

- **Ensuring product compliance**, respect for the environment and the health and safety of our customers.
- **Sharing our commitments** in sustainable development with our commercial partners.

**34%** of the **Group's purchases** are made from suppliers that are signatories of the United Nations Global Compact

**17%:** share of responsible purchases out of all purchases in 2011 in French companies, versus 13% in 2009\*

\* Source: Opinion Way - Obsar

# 3/ ADVOCATING A RESPONSIBLE APPROACH IN THE SUPPLY CHAIN

**Joint ethical responsibility**

Rexel has been a United Nations Global Compact signatory since 2011 and makes its trade partners part of its ethics policy. Considering ethics as a joint responsibility, Rexel takes the social, environmental and societal aspects of business into account in its relations with suppliers and contractors. Any business looking to establish and develop business relations with the Group and its subsidiaries must abide by the principles set out in its Ethics Guide. So Rexel has inserted special clauses in its procurement contracts stipulating an obligation to comply with national laws and international agreements, particularly on employee rights, health and safety, and the environment. Suppliers also have to strictly comply with the guidelines on free competition and denounce any type of corruption. They agree with Rexel to uphold

human rights and dignity, not to use child labor, forced labor or undocumented labor and to disparage any form of discrimination towards employees.

**Responsibility for our products**

Rexel ensures the products it sells comply with regulations, and therefore monitors and plans for regulatory changes, particularly the European RoHS Directive and REACH regulation. A system was indeed introduced to inform customers on product compliance and especially about the presence of SVHCs. A similar measure is planned to be put into place in accordance with new standards, for instance on user safety labelling (GHS-CLP regulation).

Moreover, Rexel is implementing stronger quality and safety controls for its own brands products. In 2012, the Group started a proactive lifecycle assessment initiative on a list of select products (*see inset*).

**MORE INFO**

- Our *Document de référence*, Chapter 3: [www.rexel.com](http://www.rexel.com) (Finance/Documentation and regulated information)
- About the Bizline testing laboratory: [www.rexel.com](http://www.rexel.com) (Press/News section)
- RoHS: *Restriction of Hazardous Substances*
- REACH: *Registration, Evaluation, Authorisation and Restrictions of Chemicals*
- SVHC: *Substances of Very High Concern*
- GHS-CLP: *Globally Harmonised System of Classification, Labelling and Packaging*

**INITIATIVE**  
**Lifecycle assessment for Bizline products**

FRANCE



One of the Group's own brands, Bizline, embarked on a preliminary study on lifecycle assessment (LCA) in 2012 for some of its products. The study is part of an ongoing quality and safety process that had already prompted it to obtain COFRAC accreditation (the French arm

of the European Cooperation for Accreditation) for its testing laboratory. Bizline conducted the LCA by working closely with its suppliers and contractors. It gave them better visibility on which items were contributing to the products' environmental footprint and allowed them

to modify their technical specifications. By doing so, Rexel is planning for ongoing regulatory reforms on environmental labelling.

**SPOTLIGHT**  
**Supplier audits**

INTERNATIONAL



Rexel's American subsidiary, Gexpro Services, is one of the Group's most advanced entities in conducting audits at its suppliers' facilities. The audits look into finances, the environment, the quality system, operations and safety. The two-step procedure starts with the supplier completing a self-evaluation, followed by a Gexpro onsite audit. Based on the supplier's

score, it may be disapproved, certified or conditionally approved. Audited suppliers always receive a document listing corrective measures they need to take.



## ENVIRONMENTAL INDICATORS

	UNIT	2011	2010	VARIATION
<b>CONSUMPTION OF RESOURCES</b>				
<b>Water consumption</b>	<b>m³</b>	<b>498,643</b>	<b>401,974</b>	<b>24%</b>
<b>Energy consumption</b>				
Electricity consumption	MWh	175,259	196,017	-11%
Gas consumption	MWh	157,710	142,848	10%
Fuel consumption	MWh	10,677	12,012	-11%
<b>Packaging consumption, including:</b>	<b>Tons</b>	<b>7,800</b>	<b>4,108</b>	<b>-</b>
Cardboard	Tons	3,808	2,293	-
Plastics	Tons	469	377	-
Wood	Tons	3,090	-	-
Other packaging	Tons	434	1 438	-
<b>Paper consumption, including:</b>	<b>Tons</b>	<b>2,481</b>	<b>2,595</b>	<b>-4%</b>
Commercial paper	Tons	1,303	1,333	-2%
Stationery paper and others	Tons	1,224	1,262	-3%
<b>WASTE</b>				
<b>Quantity of waste generated</b>	<b>Tons</b>	<b>20,717</b>	<b>18,676</b>	<b>11%</b>
Total quantity of waste recovered	Tons	13,270	11,104	20%
% of branches collecting WEEE from customers	%	63%	72%	8%
<b>GREEN HOUSEGAS EMISSIONS **</b>				
<b>GHG Emissions - Scope 1</b>				
GHG emissions related to onsite energy combustion	tCO <sub>2</sub> e	34,541	31,918	8%
GHG emissions related to the transportation of products by the Rexel fleet	tCO <sub>2</sub> e	26,975	34,510	-22%
GHG emissions related to business travels by car	tCO <sub>2</sub> e	30,112	-	-
<b>GHG Emissions - Scope 2</b>				
GHG emissions related to electricity consumption	tCO <sub>2</sub> e	53,592	65,263	-18%
<b>SALES OF "ECO-EFFICIENT LIGHTING AND RENEWABLE ENERGY" SOLUTIONS</b>				
<b>Sales of eco-efficient lighting and renewable energy solutions</b>	<b>In million of euros</b>	<b>463</b>	<b>402</b>	<b>15%</b>
Sales from eco-efficient lighting solutions	In million of euros	172	122	41%
Sales from wind energy solutions	In million of euros	84	58	45%
Sales from photovoltaic solar energy solutions	In million of euros	208	222	-6%

## SOCIAL INDICATORS

	2011	2010
<b>HEADCOUNT</b>		
Total number of employees	28,310	27,716
% of women	23.10%	22.60%
% of managers	19.50%	19.40%
% of employees with Fixed Term Contracts	4.10%	3.60%
Average age of employees	40.1 ans	40.3 ans
Total number of recruitments	4,591	3,732
Turnover	14.20%	14.50%
<b>WORK ORGANIZATION</b>		
Absenteeism rate	2.80%	3.00%
<b>TRAINING</b>		
% of employees trained during the year	63.70%	48.10%
<b>DIVERSITY</b>		
% of employees reporting handicap	0.80%	0.70%
<b>HEALTH &amp; SAFETY</b>		
Frequency rate (per million working hours)	7.8	7.7
Severity rate (for 1,000 working hours)	0.2	0.1
% of employees trained in safety	40%	41%
<b>EMPLOYEE SHAREHOLDING</b>		
% of the share capital held by employees or former employees in the context of the employee shareholding plans	0.60%	0.62%

### \* Methodological note

In an effort to meet external reporting requirements, particularly regulatory obligations and requests from stakeholders (customers, investors, ratings agencies, etc.), since 2006 Rexel has been conducting environmental, social and societal reporting. In anticipation of Article 225 of the Grenelle 2 Law, the reporting process is designed to cover the same scope used for the financial statements. The reporting procedures are also verified by independent auditing firm Ernst & Young, which limited moderate assurance in 2010 and 2011 on the key indicators for the Group's environmental and social performance.

For more details on the information reported and the methodology, see Chapter 3 – Corporate Responsibility in the *Document de référence*.

\*\* Rexel opted to disclose its greenhouse gas emissions by using Scopes 1 and 2 of the GHG Protocol methodology. The electrical production-related emissions factors used are the 2009 factors issued by the International Energy Agency. The other emissions factors are taken from the ADEME's *Bilan Carbone*® v6 methodology.

## NON-FINANCIAL RATINGS

Since Rexel's IPO in 2007, a wide range of stakeholders (ratings agencies, investors, etc.) have requested information about the Group's performance in sustainable development. The socially responsible investment (SRI) indices monitor the performance of the largest international companies based on ESG criteria (Environment, Social and Governance). Rexel's efforts have earned it listings on three SRI indices: ASPI Eurozone, STOXX Europe Sustainability and FTSE4Good.



In 2012, Rexel joined the Advanced Sustainable Performance Indices Eurozone®, a group of 120 of the best stock values in the Euro Zone using a best-in-class approach.



Rexel has been on the FTSE4Good Index since March 2011, which selects its members according to economic, social and environmental criteria.



In 2012, Rexel was also chosen to integrate the in STOXX® Europe Sustainability, a group of listed companies from 18 European countries.

## 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.



As part of its commitment to the association *Entreprises pour l'environnement* (Companies for the Environment), Rexel takes part in various publications, for example "Measuring and Managing your Greenhouse Gas Emissions" (May 2011) and "Climate Actions in the Workplace" (November 2012). This allows Rexel to help spread information and good practices on environmental issues like energy management and climate change.



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.

## AWARDS



In 2012, Fortune Magazine named Rexel one of the World's Most Admired Companies in its 2012 ranking based on nine criteria that include human resources management, quality management and social responsibility.

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