



# Highlights of

2018-2019

**REXEL**

a world of energy

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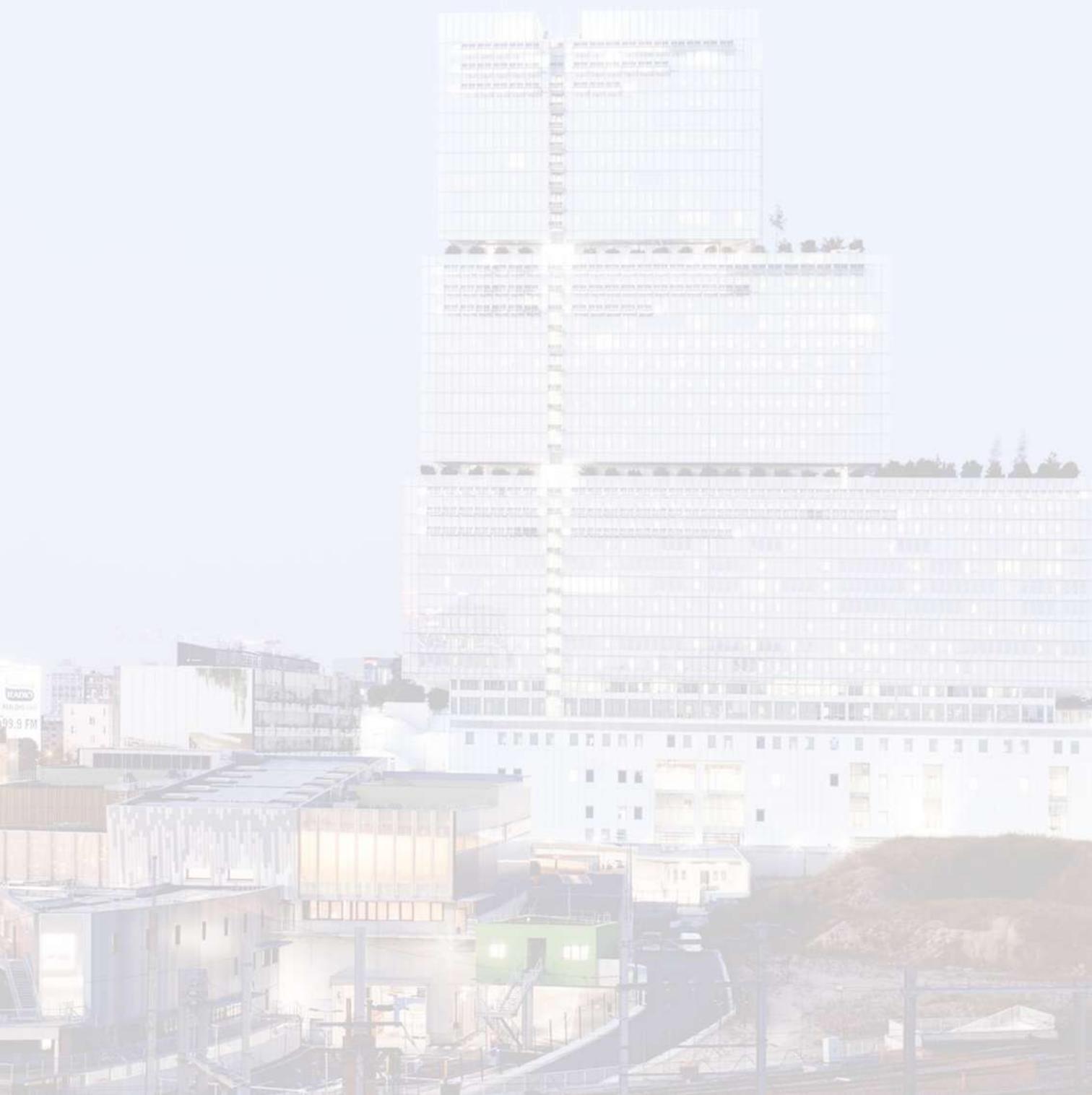
Sharing energy progress  
Improving access to energy efficiency  
for the most disadvantaged  
Supporting social entrepreneurs  
Knowledge sharing  
Innovating differently

# 1

## BUILDING THE FUTURE

A TURNING POINT IN REXEL'S TRANSFORMATION

REFOCUSING ON KEY MARKETS



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A World of Energy, by Frédéric Delangle  
Limited edition of 500 copies  
September 2019

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# 2

## CUSTOMIZED SERVICES

PROXIMITY

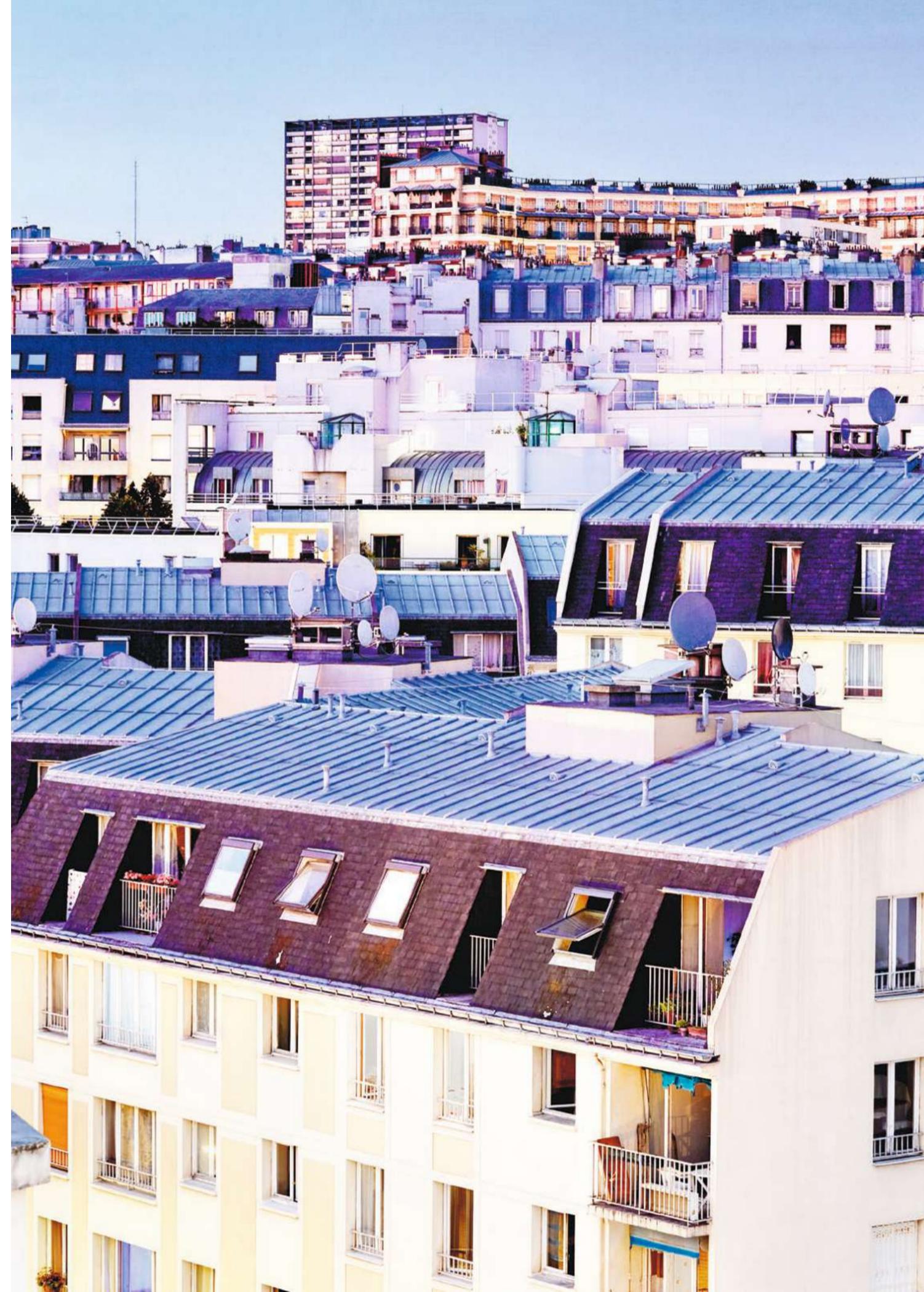
PROJECTS

SPECIALTY



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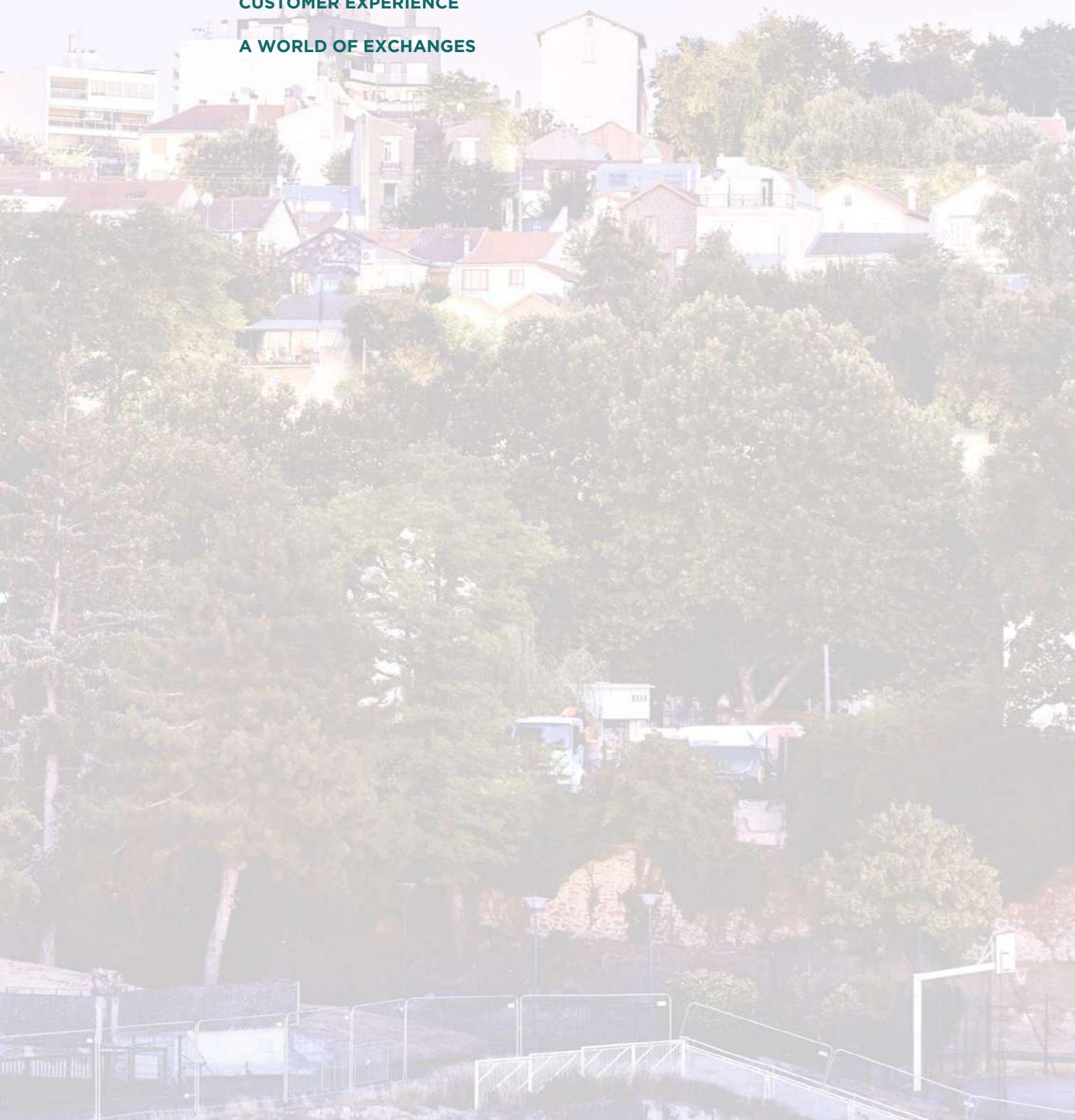
# 3

## **AN OMNICHANNEL CUSTOMER EXPERIENCE**

**A FULL AND FLEXIBLE OMNICHANNEL OFFERING**

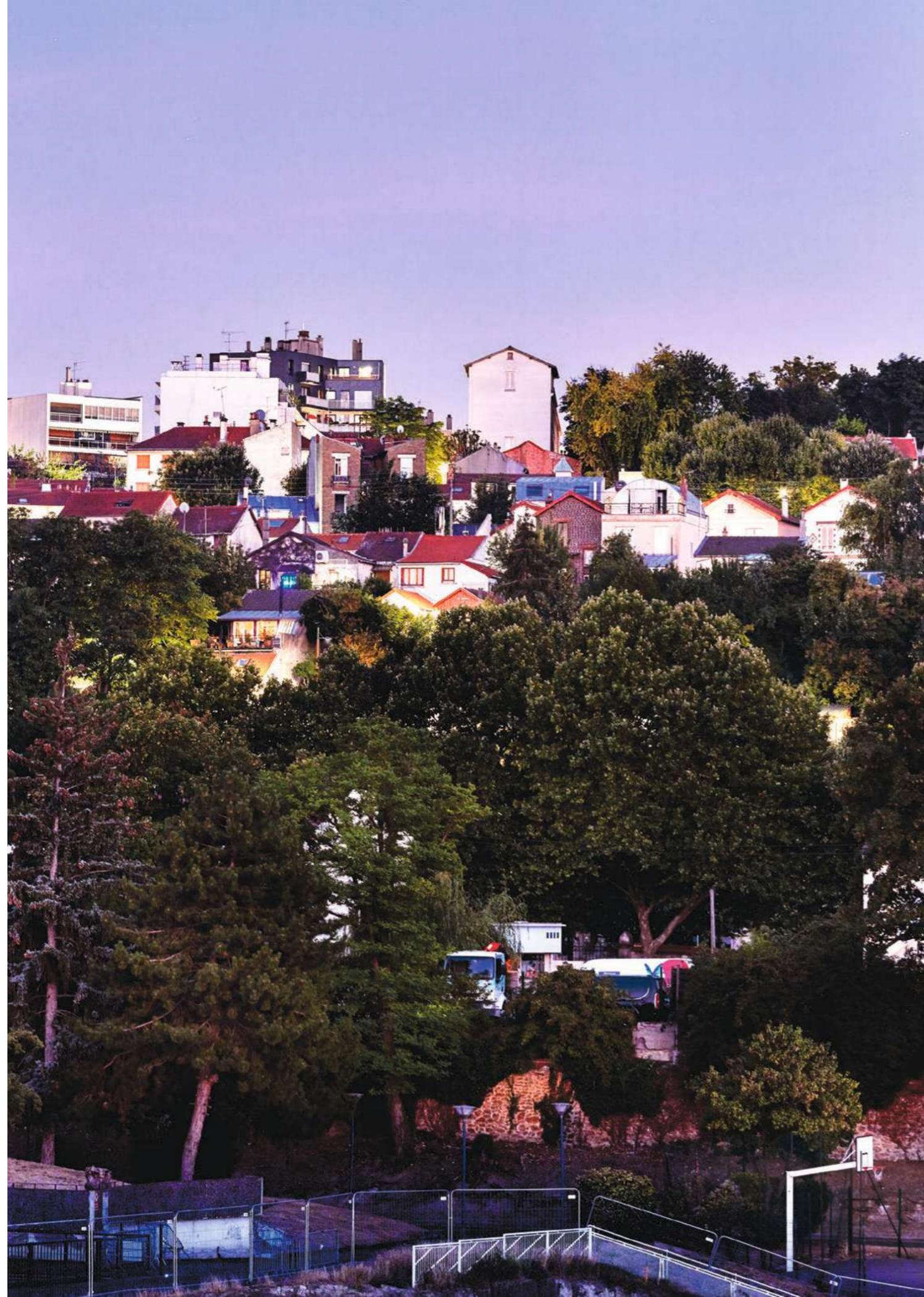
**CUSTOMER EXPERIENCE**

**A WORLD OF EXCHANGES**



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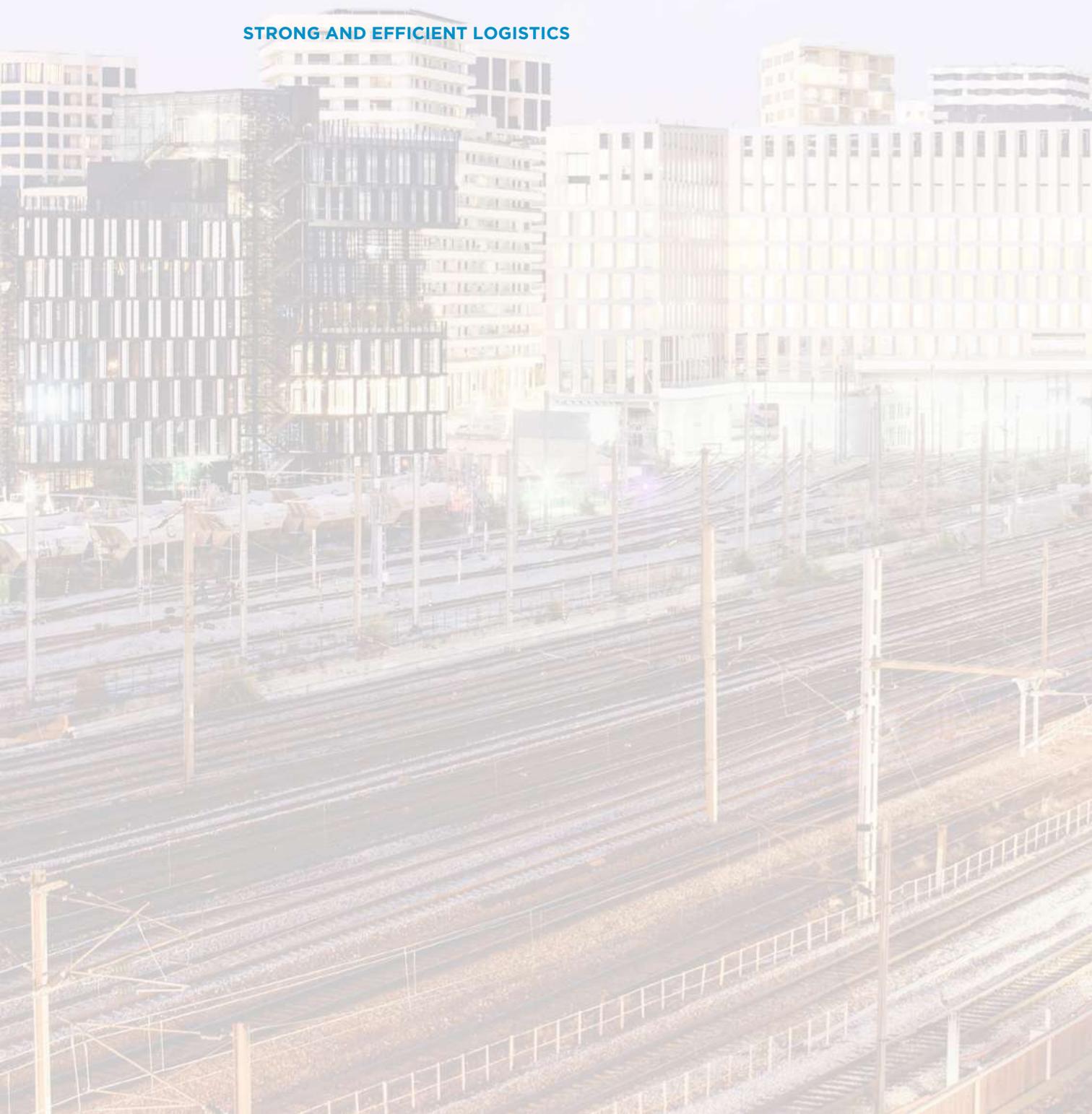
# 4

## THE DIGITAL TRANSFORMATION

DATA, A STRATEGIC MANAGEMENT TOOL

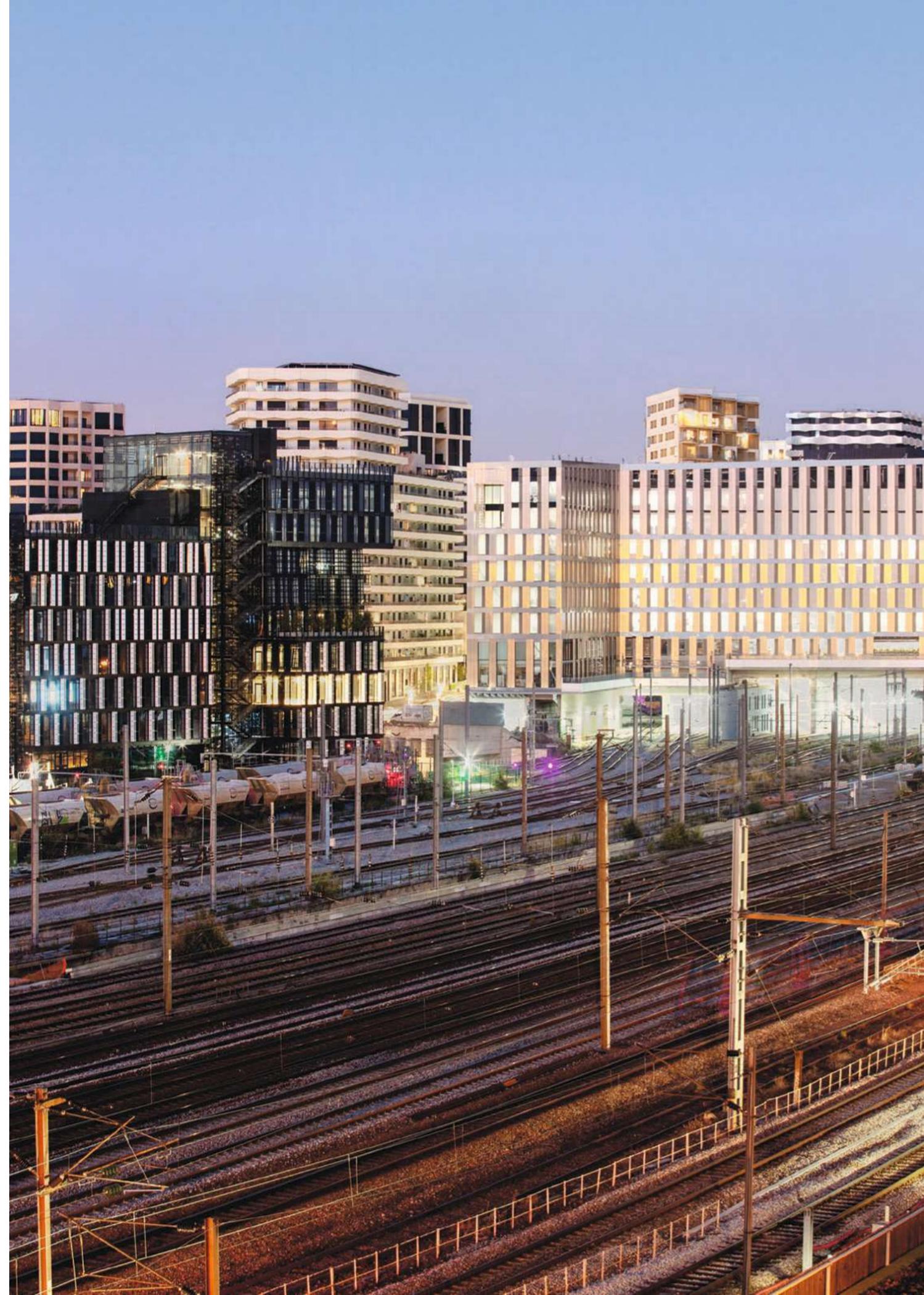
IT INFRASTRUCTURE SHARING

STRONG AND EFFICIENT LOGISTICS



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# 5

## **ENGAGED EMPLOYEES**

**EMPLOYEE RECRUITMENT AND MOBILITY**

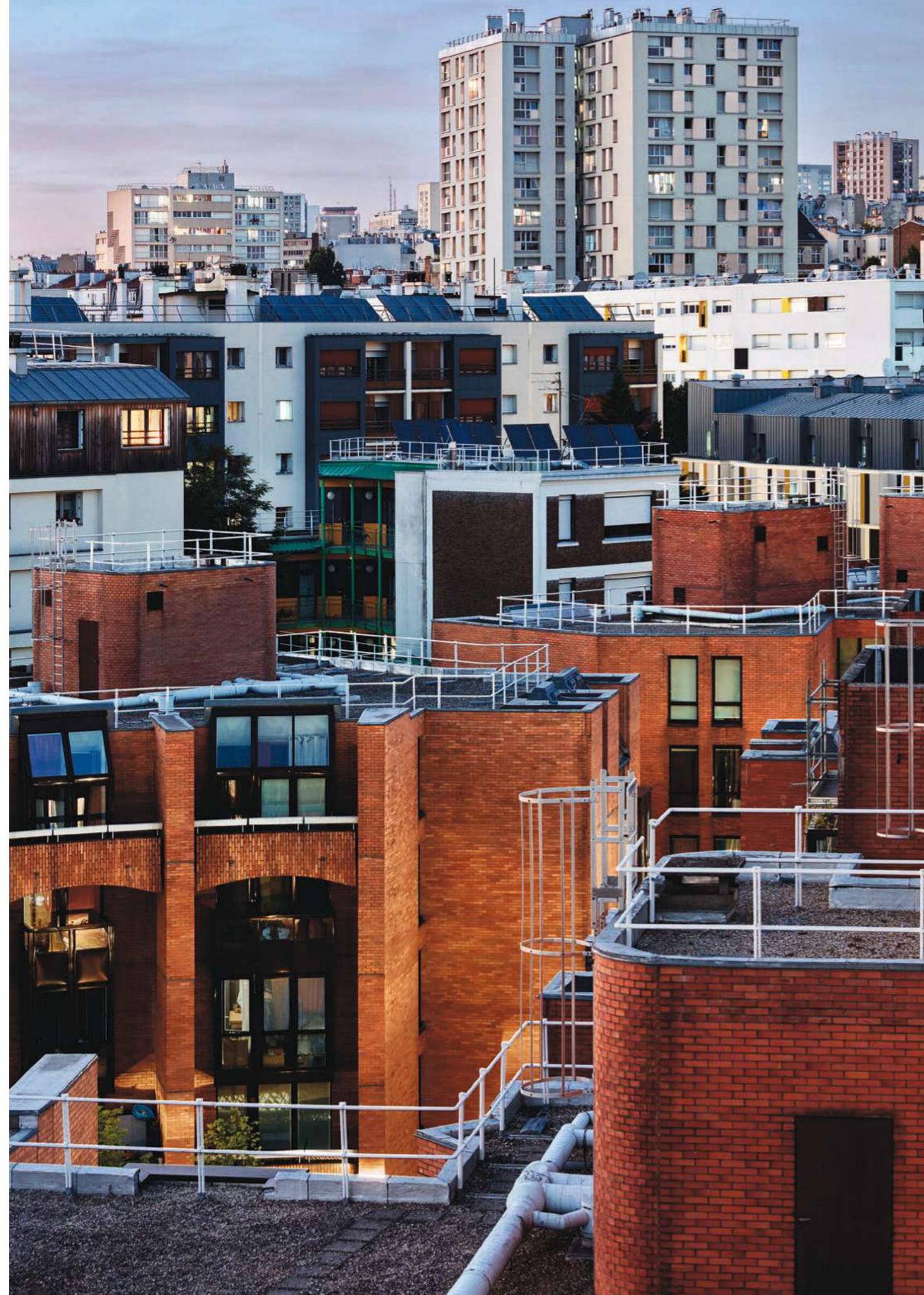
**TRAINING, THE CORNERSTONE OF EMPLOYEE  
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# 6

## **SUSTAINABLE DEVELOPMENT COMMITMENTS**

**ENERGY MANAGEMENT AT THE HEART OF REXEL'S MODEL**

**FIGHTING CLIMATE CHANGE**

**ETHICS AT THE CORE OF CORPORATE RESPONSIBILITY**

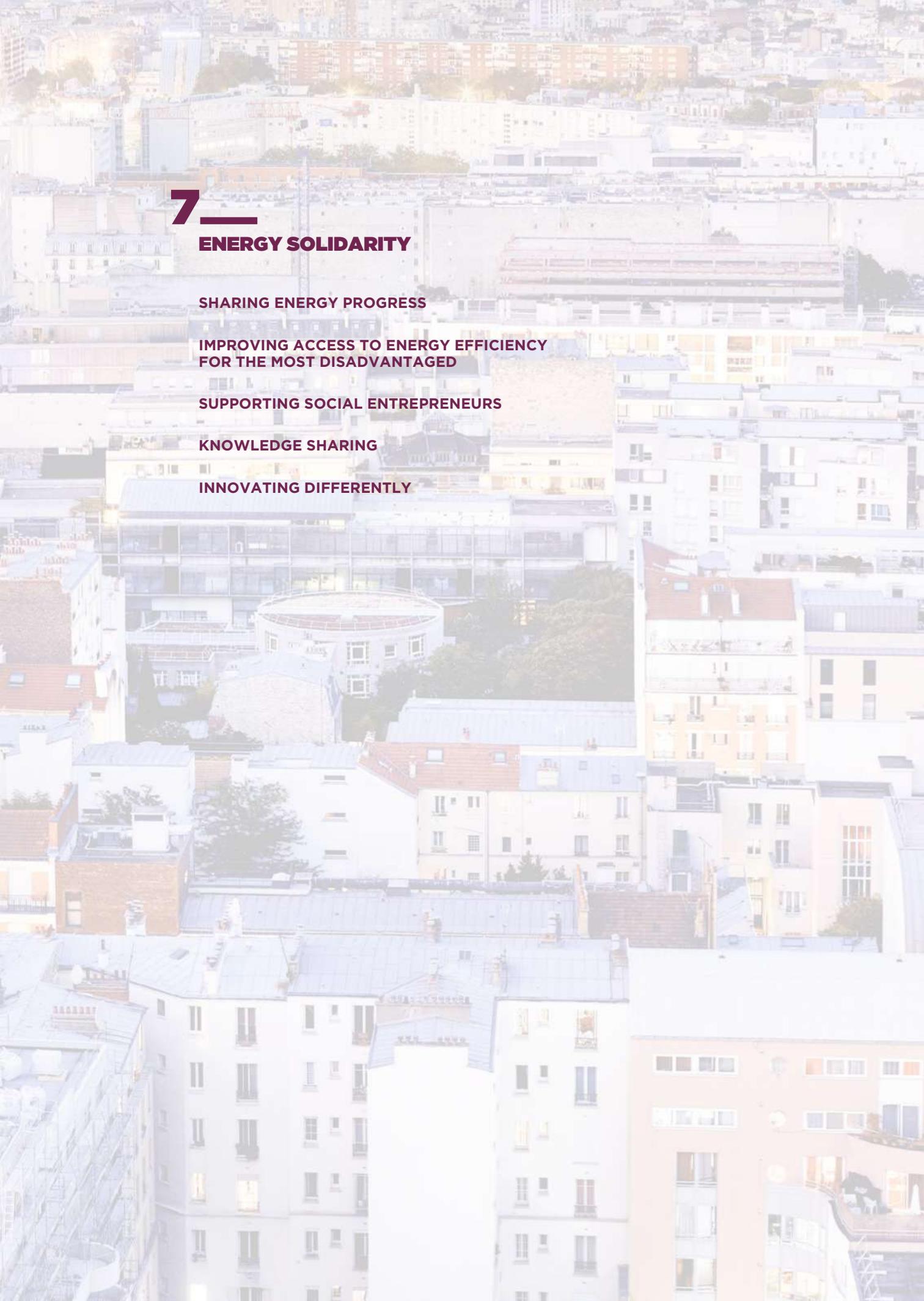
**REXEL'S ENVIRONMENTAL PERFORMANCE**



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# 7

## **ENERGY SOLIDARITY**

**SHARING ENERGY PROGRESS**

**IMPROVING ACCESS TO ENERGY EFFICIENCY  
FOR THE MOST DISADVANTAGED**

**SUPPORTING SOCIAL ENTREPRENEURS**

**KNOWLEDGE SHARING**

**INNOVATING DIFFERENTLY**

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# 1

## **BUILDING THE FUTURE**

### **A TURNING POINT IN REXEL'S TRANSFORMATION**

Perform & Transform

Furthering the digital transformation

### **REFOCUSING ON KEY MARKETS**

Regionalizing in the United States

Reorganizing in Europe

Key figures/footprint



# 1

## **BUILDING THE FUTURE**

The year 2018 marked a turning point in Rexel's transformation. The Group achieved its strategic goals in terms of sales growth, profitability, and debt reduction, finalized its asset disposal program in order to refocus on its primary markets, and accelerated the implementation of its omnichannel approach with strong digital sales growth. At the same time, the Group continued to meet its social responsibilities with major investments in employee recruitment and training, a recognized commitment to sustainability, and a fresh approach to energy solidarity.

# 1

## A TURNING POINT IN REXEL'S TRANSFORMATION

### PERFORM & TRANSFORM

With a new year of profitable growth, the Group reached its objectives. Once again, it demonstrated the strength of its business model and the relevance of its strategic roadmap, which was launched in 2017 with a dual objective: perform and transform. Rexel succeeded in making progress on both fronts over the course of the past year.

The Group moved from a position of distributor that drew its strength from impeccable logistics and had built itself primarily through acquisitions, to a model including **value-added services thanks in particular to an omnichannel approach.**

This major change of course, which meets the expectations of the market, has enabled Rexel to reinforce its positioning, resume its growth, and improve its profitability.

This is the bedrock on which the Group has built its medium and long-term strategy to successfully accomplish its second transformation, which is that of a data-driven company. Rexel aims to further **transform its model to become an example of services and data use** in its sector.

At the same time as it launches this transformation, the Group is reaffirming the fundamentals that enabled it to resume its growth and profitability, in particular **by accelerating growth thanks to the implementation of the "More Customers & More SKUs"** strategy, an allocation of capital specific to its priorities, and the improvement of its operational and financial performance.

"Rexel is confident in its ability to continue to improve its performance and play a leading role in the structural transformation of the energy sector."

PATRICK BERARD,  
Rexel CEO.



# 4,800

RECRUITMENTS, BECAUSE THE GROUP'S TRANSFORMATION RELIES ON THE TALENT AND INVOLVEMENT OF ITS EMPLOYEES.

# €13.37

BN IN SALES IN 2018.

### TRAINING

# 92%

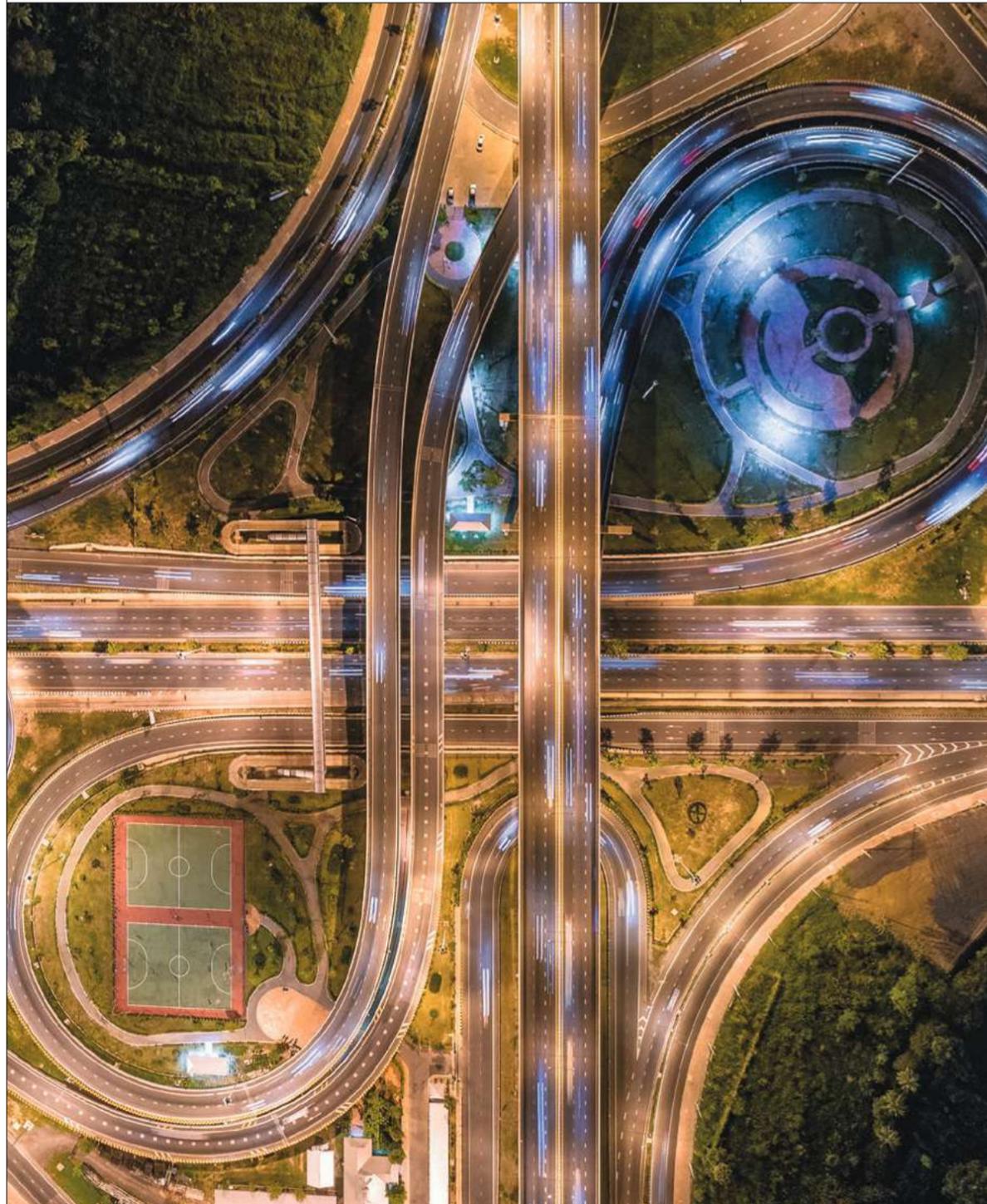
of employees trained, as it plays an essential role in employees' career growth.

# OVER 2

billion euros in digital sales: strong growth along with more omnichannel customers.

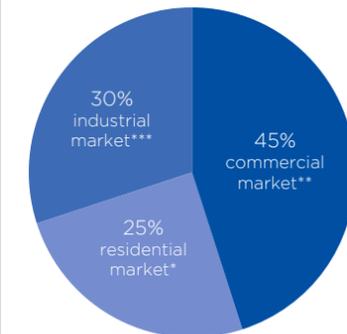
# 1

## A TURNING POINT IN REXEL'S TRANSFORMATION



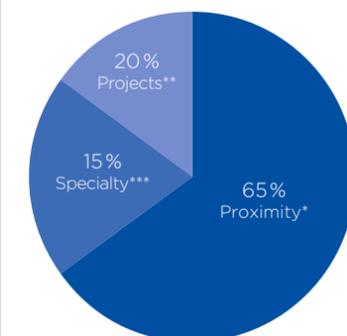
### SEGMENTING MARKETS AND CUSTOMERS

Rexel's business model is moving toward a product and services offering that better meets customer needs and expectations. The approach is differentiated according to the market and the types of products and services.



\*the residential market (25% of 2018 sales) covers the use of electrical supplies in homes, residences, and public housing and buildings within the framework of their construction, extension, renovation, or upgrading.  
 \*\*the commercial market (45%) covers the use of electrical supplies in stores, healthcare facilities, schools, offices, hotels, and public facilities, as well as in energy production installations, public networks and transportation infrastructures, as part of their construction, extension, upkeep, renovation, or upgrading.  
 \*\*\*the industrial market (30%) covers the use of electrical supplies at factories and other industrial sites, either as part of their construction or their extension, or in their upkeep, renovation, or upgrading.

In each of these markets, the Rexel Group offers different products and services according to its customers' needs, segmented into three value propositions:



\*A "proximity" value proposition (representing around 65% of the Group's sales), based on greater presence through a denser network of branches and counters, a systematic multichannel approach, and continuous improvement in the area of service.  
 \*\*A "projects" value proposition (representing around 20% of the Group's sales), based on a specific product and services offering supported by a catalogue of services aimed at industrial or commercial projects.  
 \*\*\*A "specialty" value proposition (representing around 15% of the Group's sales), via an ability to provide guidance and meet very specific customer needs regarding certain types of products and solutions.

### FURTHERING THE DIGITAL TRANSFORMATION

The second step in the transformation of Rexel's business model is that of data-driven company, which involves using relevant data to make objective decisions based on facts and analysis, and not simply on convictions or experiences, in order to improve customer satisfaction and company performance.

In the era of data use and management, and in a constantly more competitive environment, the success of this operation is crucial to the Group's future.

Rexel's digital transformation focuses on three areas:

- **Enhancing the customer journey** by using Rexel's large database in order to simplify and streamline the customer experience to make it unique. Initiatives with the greatest customer benefit will be given priority.
- **Developing and deploying a data analysis offering for suppliers:** subscribers receive factual information about their position in the market, their omnichannel offering, and their digital conversion rate by product category.
- **Improving performance** through the establishment of use cases based on algorithms that rely on artificial intelligence.

Rexel has chosen potential use cases suited to its activity. The Group is currently releasing three of these cases: two that improves the efficiency of customer portfolio management and one that involves inventory.

# 1

## REFOCUSING ON KEY MARKETS



Rexel has streamlined its geographic footprint in order to establish strong, lasting, profitable growth. This new geographic layout made it possible to consolidate development and to strengthen the financial structure, which in turn provided greater flexibility to increase investments or make selective acquisitions.

# 4,801

million euros: 2018 sales in the US +6.6% vs 2017.

### REGIONALIZING IN THE UNITED STATES

**Rexel's US strategy** made it possible to increase sales growth and improve profitability. For a little over a year, reorganization efforts have concentrated on three key areas:

- **Strengthening local networks**, with 52 new branches at the end of March 2019 and a nationwide branch extension and renovation plan.
- **Improving service** primarily through a larger product offering closer to customer needs.
- **Regionalizing** by focusing business on 8 regions instead of a national banner-based approach in order to improve customer relations and leverage synergies.

The US market remains fragmented, with less than 30% for the top five players. However, **business is particularly consolidated at the state level, the best scale by which to achieve profitability.** Platt, which is based in Oregon and was acquired in 2012, is a perfect example: its local activities have substantial market share, its logistical organization is extremely efficient, it benefits from strong brand awareness, and its profitability is higher than that of the national average.

In this environment, Rexel's reorganizational efforts should continue to generate greater operational efficiency, gain market share, and improve profit margins.

### REORGANIZING IN EUROPE

**Rexel generates 55% of its sales in Europe**, where the Group is a key player in most countries. To bolster its position and improve its profitability in this strategic region, the Group has reorganized its operations in several countries.

**In Germany**, Rexel had market share of 10%, which is lower than that of other European countries, and therefore decided to concentrate its strategy on more profitable markets such as industry at the national level or construction markets in the South. This reorganization resulted in closing 17 of its 55 branches as well as rationalizing HQ and logistics costs. The aim of this rationalization is to improve Germany's profitability and strengthen its position as one of the Group's leading countries in terms of industry, including industry 4.0.

**In Spain**, Rexel closed 15 branches and changed its operational structure, moving from a single logistics center model to a regional model of hub branches and satellite branches.

**In the United Kingdom**, the Rexel Group merged with its commercial banners, moving from five (Newey & Eyre, WF Senate, Wilts, Parker and Denmans) to two (Rexel and Denmans). This operation made it possible to improve its purchasing conditions and its back-office efficiency. It was accompanied by geographical restructuring that entailed closing 33 branches in 2018.

# 23.1%

GROSS PROFIT MARGIN (USA + CANADA) IN % OF SALES, UP 41 BPS VS 2017.

# 38% OF SALES

The Group's top market with 38% of sales, France has significantly altered its digital profile: digital sales grew by 47% in 2018. Rexel France has positioned itself as a pioneer in Rexel's digital transformation, whether by customizing e-commerce websites, optimizing back-office procedures or sales assistance systems, or by using artificial intelligence and predictive modeling.

# MARCH 2018

To accelerate its development in the industrial segment in Germany, Rexel entered a partnership agreement with Siemens in March 2018, which validates the creation of a platform focusing on digital services and IoT solutions. Rexel Industrial Solution GmbH has become a member of the "Mindsphere world" user community, Siemens' open Cloud-based IoT operating system.

# ASIA-PACIFIC 9%

In 2018, the APAC region represented 9% of Rexel sales. The Group's scope has been changed by the sale of its non-industrial activities in China, as well as by its total departure from South-East Asia (Thailand, Indonesia, Singapore, Vietnam, the Philippines, Macao, and Malaysia). Today, Rexel's presence is highly focused on the industrial market, with locations in China (including Hong Kong), Australia, New Zealand, India, Saudi Arabia, and the United Arab Emirates.



# 1 REFOCUSING ON KEY MARKETS

## KEY FIGURES / FOOTPRINT

### THREE QUESTIONS TO JACKIE FAULK, Rexel Florida Regional President

#### What is Rexel's position in Florida?

Florida is one of the leading growth markets in the US. In 2018, we exceeded our goals and reached double-digit growth, outperforming our competitors. Our market share is around 10%, and is evenly spread between the residential, commercial (especially dynamic with Florida's theme parks), and industrial segments.

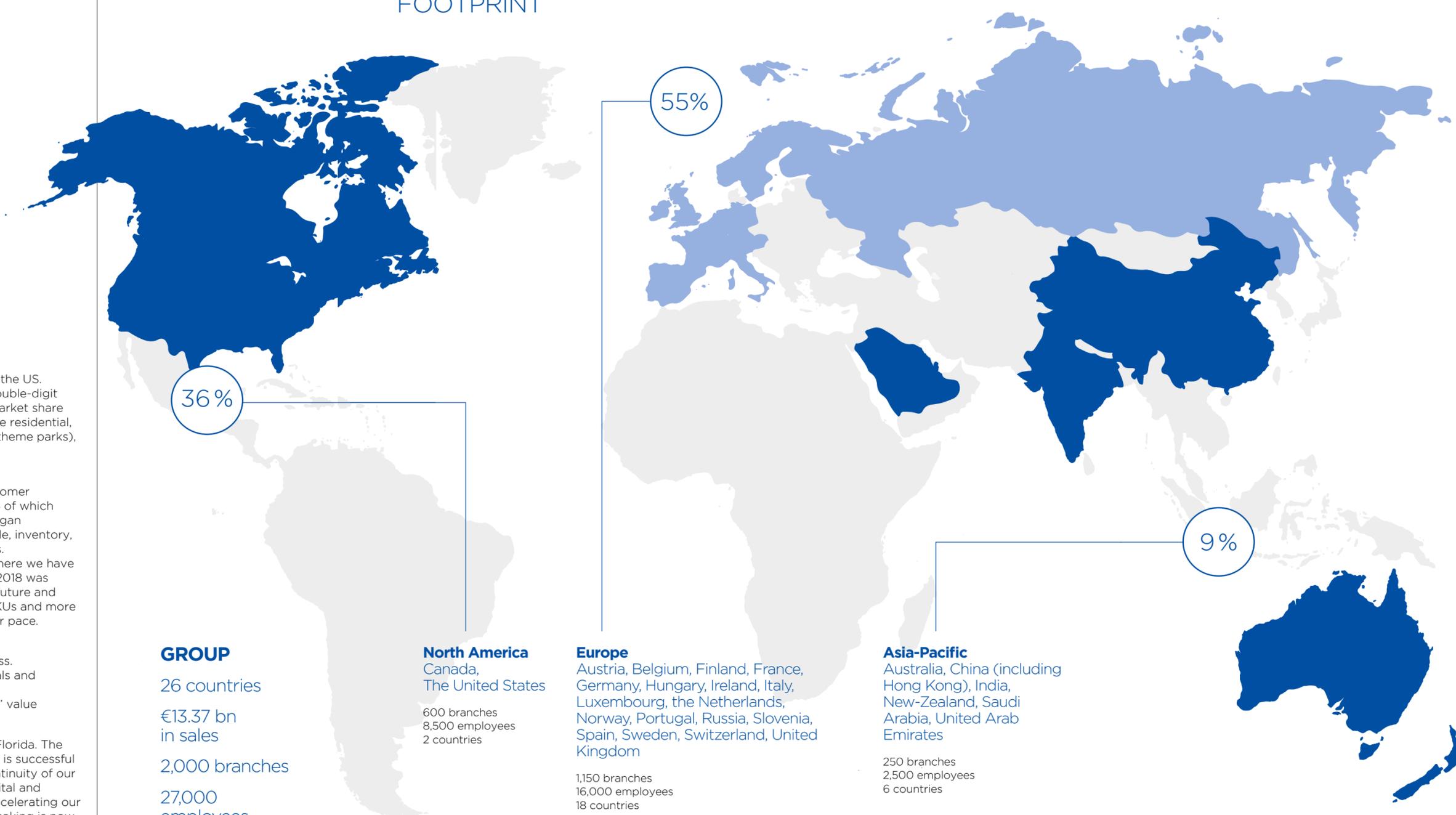
#### What was the impact of the reorganization?

Florida has a total of 23 locations and one Customer Solutions Center. We have 18 Rexel branches, 4 of which opened in 2017, and 5 Gexpro branches. We began by upgrading all the branches in terms of people, inventory, products, merchandising, logistics, and services. The main challenge lay in employee training, where we have made significant investments. Hence, the year 2018 was dedicated to laying sound foundations for the future and to accelerate gaining more customers, more SKUs and more digital. In 2019, we'll be able to move at a higher pace.

#### What is Rexel's outlook in Florida?

We have a balanced, healthy, promising business. The reorganization unified and clarified our goals and our business approach, especially for Gexpro, which had historically operated on the "project" value proposition with little to no proximity business.

My mission is clear: to be the market leader in Florida. The strategy that has been implemented since 2017 is successful because it relies on the uniqueness and the continuity of our leadership, culture, and goals. The focus on digital and omnichannel connection to our customers is accelerating our business into 2020 and beyond. The decision making is now closer to the customer to make faster, better informed decisions that are more impactful to the customer experience and make Rexel easier to do business with.



### GROUP

26 countries

€13.37 bn in sales

2,000 branches

27,000 employees

### North America

Canada, The United States

600 branches  
8,500 employees  
2 countries

### Europe

Austria, Belgium, Finland, France, Germany, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Russia, Slovenia, Spain, Sweden, Switzerland, United Kingdom

1,150 branches  
16,000 employees  
18 countries

### Asia-Pacific

Australia, China (including Hong Kong), India, New-Zealand, Saudi Arabia, United Arab Emirates

250 branches  
2,500 employees  
6 countries

### THREE QUESTIONS TO NATASJA VAN BALKEN, Director Marketing and Pricing, Rexel Asia-Pacific

#### What are Rexel's strategic directions in the region?

Rexel's markets in Asia-Pacific are very different in nature from European or North American markets. In China and India, we are strongly positioned in the industrial automation market, where we work in close collaboration with top suppliers like Siemens, Rockwell, Schneider and ABB. In Australia and New Zealand, our markets include many small and medium contractors, similar to Europe. The Middle East is usually a market for large international projects, but to counter its highly cyclical nature we have in addition developed more traditional distribution business activities with the Group's strategic suppliers.

#### What were the highlights of 2018?

In Australia and New Zealand, our efforts focused primarily on improving our services for our main customers, renovating our branches, improving everyday product availability across our branch network, and consolidating our partnerships with strategic suppliers. In China, close collaboration with key suppliers enabled us to develop new solution offerings for the market, and to achieve a major success in digital: the implementation of an industrial management control solution. In India, we further strengthened our business activities in the North and West of the country and won several major MRO (Maintenance, Repair and Operations) contracts. In the Middle East, our flagship project remains the Liwa procurement project in Oman, for the construction of a steam cracker being built in a very remote area.

#### What are the key success factors underlying all projects?

Our teams' expertise and commitment are essential and the increase in training initiatives across the region is undoubtedly related. In Australia and New Zealand, for example, we have stepped up the training programs jointly led with our suppliers for our employees and our customers. Australia launched a very popular training program for future leaders, as well as "boot camp" workshops for branch managers.



# 2

## CUSTOMIZED SERVICES

### PROXIMITY

Accessibility and availability

### PROJECTS

Managing complex projects

Optimizing worksite supply

### SPECIALTY

Expert know-how in specialty markets

Supporting electric mobility

Specialty subsidiaries and services

# 2

## CUSTOMIZED SERVICES



Rexel wants to offer a unique experience to each of its customers. By using the data generated by their profiles and their contacts with all of the Group's distribution channels, they can benefit from personalized recommendations.

## 2 PROXIMITY

### ACCESSIBILITY AND AVAILABILITY

In the residential market as well as the commercial market, Rexel's main challenge is to provide its customers with the products they need, whenever and wherever they need them. If digital channels are increasingly important for researching and ordering products, the branch remains the proximity services hub for many customers. **The 2,000 branches in the Group's 26 countries offer more than 4,000 immediately available SKUs and 50,000 SKUs available on a next-day basis**, as well as technical and business support.

The proximity approach also extends beyond small contractors and electricians. For international key accounts, Rexel's local teams represent an additional asset, helping them **to conduct works in a given country, to supply and manage their subsidiaries' inventory** or to respond to tenders.

### FRANCE

# 800

Rexel France now offers 800 immediately available multi-energy SKUs in 55 branches and 5,000 SKUs available on a next-day basis in regional logistics centers.



## Lockers

Accessible at any hour of the day or night with a personal code, these containers available in different sizes are generally installed in the branches, sometimes at major intersections, under video surveillance. Orders placed before 7:00p.m. are delivered to the lockers the next morning before 5:00a.m.



## Smart Van

The Smart Van offering combines a long-term van rental, equipment, a mobile app and dedicated services. The van is fitted with a standard product range, completed by customers according to their needs. Each time installers use a product, they scan the barcode with their mobile app and the replenishment is automatically ordered in their preferred branch. The app also includes other functionalities such as vehicle localization, service station localization and fuel consumption management.

### UNITED STATES

# 52

NEW BRANCHES OPENED IN THE LAST TWO YEARS IN ORDER TO MEET THE NEEDS OF THE US MARKET.

### SWEDEN

# 12

branches are entirely automated: customers can do their shopping and pay via an app.

## 2 PROJECTS

### MANAGING COMPLEX PROJECTS

**In order to meet its customers' needs, especially in the commercial market,** Rexel develops simple and affordable solutions based on usage, rather than on products. Beyond equipment installation, raising users' awareness of energy management issues is crucial. The solutions offered by Rexel are based on apps that enable users to monitor their energy consumption via a tablet or a smartphone, therefore helping them adapt their behavior through simple feedback.

**Monitoring solutions for installations are now structured by market segment in France** in order to better meet the needs and expectations of each of them, in partnership with a manufacturer:

- Solutions for public buildings, in partnership with Siemens.
- Solution for catering facilities, in partnership with Schneider.
- Solutions for hotels and shared offices, in partnership with Lutron.
- Solutions for healthcare facilities, especially nursing homes, in partnership with Legrand.



### OPTIMIZING WORKSITE SUPPLY

**The Group's sourcing capabilities,** together with its product supply solutions, allow it to optimize product procurement and TCO (Total Cost of Ownership). The latter includes indirect costs associated with billing, delivery and inventory management.

**Delivery globalization** and grouping of different suppliers and SKUs on given time schedules eliminate the costs generated by multiple deliveries. For customers, it is also a new way of sizing their orders more accurately, and avoiding on-site inventory storage.

**Managing stocks on behalf of the customer,** especially with regards to spare parts for which indirect costs are high, streamlines and optimizes worksite management.

**Installing a container at a worksite** makes it possible to have an on-site logistics base for equipment delivery. Supplied on a just-in-time basis by Rexel's logistics center or branch, it avoids risks of supply shortages thanks to guaranteed deliveries.

**Kitting** is another way to better allocate resources and optimize supply. Deliveries of pre-assembled equipment, labeled by installation zone, avoid the need for customers to create inventory and reduces the time and costs related to product handling.

## Esabora

A digital solution for installers

Esabora is a digital solution designed for installers that facilitates their project and company management. This unique software offers them technical, commercial and administrative assistance.

Its technical component (Esabora Schema) takes care of building modeling and electrical equipment layout. Its administrative and commercial component (Esabora Business) helps them create quotations, manage orders and edit dashboards.

Offered by Rexel via subscription, Esabora also includes a large support section, with user manuals, a helpline, tutorials, online assistance, and newsletters.

# 14,000

ESABORA USERS  
IN EUROPE.

## 2 SPECIALTY

### EXPERT KNOW-HOW IN SPECIALTY MARKETS

Rexel relies on expert organizations and know-how in order to serve specialty markets.

Cost management and equipment suitability on a major industrial worksite vary greatly depending on the proper anticipation of supply and its perfect execution. **Rexel is involved in projects in the very early stages**, often at the time of the call for tender. The partnerships built with the largest manufacturers around the world are **the key to sourcing and purchase cost management**. Equipment must also comply with customers' specific requirements regarding safety, quality and regulations. Supply reliability and schedule compliance are crucial as well.

Major projects require suppliers to adapt to worksite conditions and to customers' activity, all around the world. In Germany, **the Group has created 12 Industrial Service Centers (ISC)** in order to meet the needs of industrial and key accounts. Rexel also relies on banners with solid vertical expertise, such as Capitol Light in the United States, specializing in hotel, restaurant and retail chain lighting.



# IIoT

(Industrial Internet of Things)

A MARKET  
ESTIMATED AT  
€80 BN IN CHINA  
IN 2018, WHICH  
SHOULD REACH  
€112 BN IN 2020.

### SUPPORTING ELECTRIC MOBILITY

While of modest size, the electric vehicle market in France is burgeoning, stimulated by increasing government incentives, as well as by car manufacturers, which are investing heavily in order to produce a larger range of vehicles with fewer road limitations.

The Group offers **full packages**, sized according to the number of vehicles to charge, powered by standard sources or by **renewable solar energies**.

These packages include all the necessary products, such as the charging station, but also the switchboard adapter with the proper protection and connection according to cable size. Most importantly, they include **all the services that can be provided to users and operators**, such as operating services for registering the charging point online to help users find it via smartphone, book it, pay for the charge online, and even request remote maintenance in case of difficulties while using the charging station (hotline number on the terminal with 24/7 remote assistance).

At the same time, Rexel accompanies its installer partners with an iRVE (Infrastructure de Recharge de Véhicules Electriques / Charging Infrastructure for Electric Vehicles) certified training service, which is mandatory in order to qualify for subsidies.

### SPECIALTY SUBSIDIARIES AND SERVICES

Rexel's specialized entities add their **extensive knowledge of these markets to the global power of the Group**, present in 26 countries, in order to offer:

- A wide range of adapted products, particularly in the field of industrial automation and engines, that comply with the strictest requirements.
- Customized logistics solutions, from supply to inventory management, reducing overall supply costs.
- Strong expertise and energy management equipment to optimize energy efficiency.

163,179  
light electric vehicles  
registered in France as  
of December 31, 2018.

### REXEL PARTNERS WITH SYSTEM U RETAIL STORES

Rexel supported the French retailer System U in its project to install charging stations at all of its stores. The project design included the creation of specifications defining the number of charging stations according to the stores' needs, a turnkey helpline service (for order follow-up and installation), as well as a help desk service for maintenance and after-sales services. The charging stations' installer and manufacturer, ZeBorne and EV-Box, partners with Rexel, are in charge of the project roll-out since September 2018 throughout System U's 1,500 stores.

## 2 SPECIALTY

### FACILITATING SMART HOME MANAGEMENT

Radio-operated solutions are now much easier and less costly to implement than traditional home automation. Another key advantage is that they can be installed in stages, starting for example with a particular use, and progressively adding equipment. Energieasy Connect is a home controller developed by Rexel in order to monitor equipment locally or remotely. Launched in 2015 as a heating monitoring solution, Energieasy Connect has since integrated the management of openings, then nearly all the smart objects in a building: video cameras, voice control smart home systems, etc. Interoperable, it works with most of the market's existing protocols, which are still very different from one brand to another.

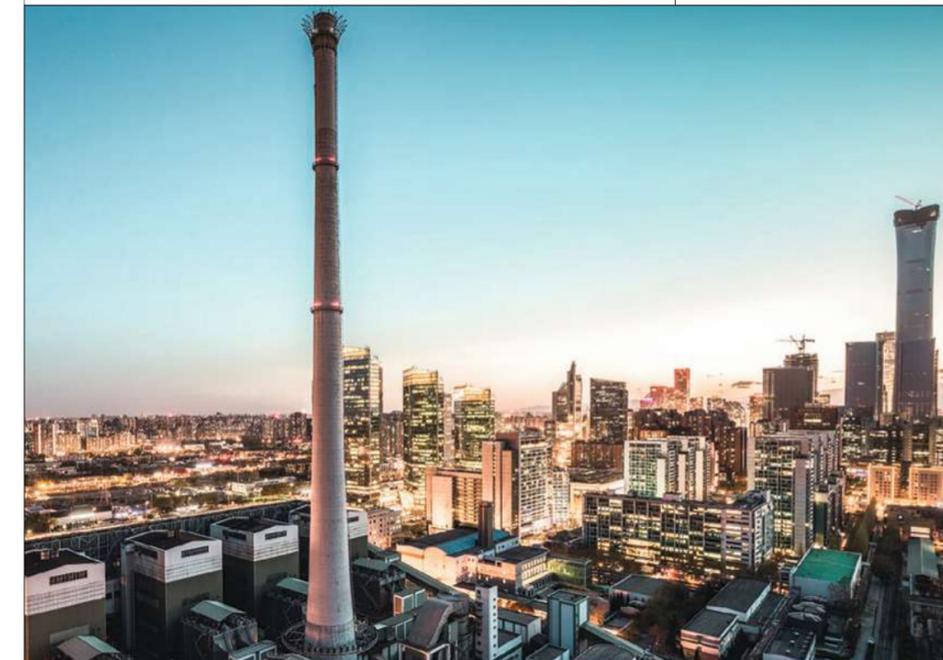
# 20,000

installations of Energieasy Connect, the home controller developed by Rexel, set up by 7,000 installers, with over 160,000 smart objects.

### ENTERING THE IIOT MARKET IN CHINA

Rexel is well positioned in the automation market in China, making significant inroads in 2018 thanks to an IMC (Industrial Management Control) offering. Particularly useful for industrial groups with remote locations, this tool for measuring and controlling factory performance connects to various detectors and sensors that capture and analyze certain data relating to manufacturing processes and equipment.

Rexel has already implemented this solution, namely with a mining equipment manufacturer in China, enabling them to control and manage their machines remotely and make real-time adjustments. The IMC generates savings and helps them stand out from their competitors, while representing a loyalty advantage for Rexel.



# €1BN\*

SALES OF SMART HOME EQUIPMENT; A 33% ANNUAL INCREASE; EVERY FRENCH HOME COULD BE EQUIPPED WITH 500 SMART OBJECTS BY 2022.

\*In France. (Source: GFK Institute)

### SUPPORTING THE LIWA PROJECT IN OMAN

The Liwa Plastics Project (LPP) is a construction project to build a 3.6 bn steam cracker plant in the industrial port area of Sohar, in the Sultanate of Oman. It is managed by ORPIC (Oman Oil Refineries & Petroleum Industries) and is part of a pre-existing industrial complex.

One of the project's priorities was to comply with the requirements of export credit agencies regarding procurement, namely agencies from five countries primarily affected by sourcing: the UK, Germany, the Netherlands, Italy, and South Korea.

Two years before signing the contract, Rexel mobilized its banners and called on its suppliers in all five countries. The contract, worth about US\$50 million, covers several areas:

- **Equipment management:** construction of two 1,800 m<sup>2</sup> on-site warehouses, inventory management (1,800 SKUs), product labelling, cable management, multi-phase delivery.
- **Document management:** shipping, billing, tests, certifications.
- **Information management** concerning the project's various aspects.

For Rexel, two challenges were added to the sourcing pre-requisites: working in a very remote area and meeting work, health and safety regulations for on-site teams applicable in Oman.



# 3

## **AN OMNICHANNEL CUSTOMER EXPERIENCE**

### **A FULL AND FLEXIBLE OMNICHANNEL OFFERING**

Maximizing customer contacts

### **CUSTOMER EXPERIENCE**

A new generation of branches

E-commerce website development

Website personalization

### **A WORLD OF EXCHANGES**

Mobile-friendly solutions

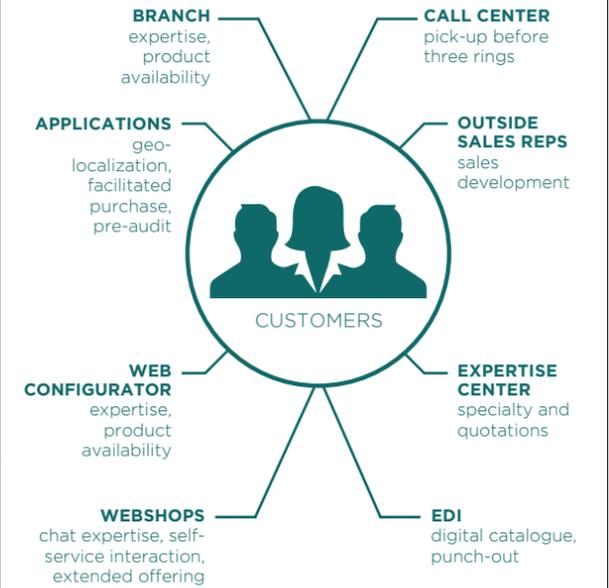
Robust transaction solutions

# 3

## **AN OMNICHANNEL CUSTOMER EXPERIENCE**

The omnichannel revolution has completely transformed the way distributors build their commercial relationship with contractors. For several years now, the Rexel Group has implemented this approach. Placing an order online and picking it up at a branch or having it delivered to a worksite, researching a product's details via smartphone, and checking its availability at the nearest branch: Rexel offers its customers an omnichannel experience by multiplying the touchpoints in order to facilitate their purchase and optimize the management of their projects.

### 3 — A FULL AND FLEXIBLE OMNICHANNEL OFFERING



# 2 million

customer contacts  
per day.

REXEL'S OFFERING IS  
AVAILABLE ANYWHERE,  
ANYTIME VIA MULTIPLE  
TOUCHPOINTS.

#### MAXIMIZING CUSTOMER CONTACTS

The complementarity of the services and expertise available gives customers access to a full range of customized solutions and positions Rexel as an expert partner, a unique position in the value chain, particularly in regard to pure player retail competitors. Already implemented across the Group's countries for several years, the omnichannel offering has helped increase its customers' loyalty as well as their purchase volume.

Rexel's omnichannel model relies on eight distribution channels, physical as well as remote, in order to maximize the points of contact with its customers and adapt to their needs and preferences:

- **Branch network:** a proximity channel offering several thousand immediately available products, the option of retrieving orders placed up until the previous evening for tens of thousands of additional products, as well as the expertise of its sales advisors.
- **Call center:** a phone number for placing orders, obtaining a quick answer to cost estimation requests or technical questions.
- **Sales force:** a unique point of contact dedicated to offering each customer an answer tailored to their needs
- **Expertise center:** access to specialists from all business lines.
- **EDI:** a digital catalogue directly integrated into the customers' systems for a simplified ordering process.
- **Webshops:** a large range of products and numerous services such as chatting with experts, or the "click & collect" feature allowing customers to choose a pick up spot for their orders.
- **Web configurators:** online product configuration tools.
- **Apps:** for researching a product and its availability, placing orders, chatting with other professionals, locating the nearest branch, etc.

### 3 — CUSTOMER EXPERIENCE

#### A NEW GENERATION OF BRANCHES

For many customers, the branch remains the cornerstone of our proximity services.

The structure of the branches varies according to their size and location. The new branch model offers all or part of the followings services:

- **Express purchase**, or assisted express purchase, which allows customers to pick up products before doing an express checkout while being possibly assisted if needed.
- **Assisted purchase**: customers are assisted by an expert sales advisor, in a trade area, with a separate counter.
- **Fast pick-up**: an area reserved for products ordered the same day via “click & collect” on rexel.fr (with order preparation within 2 hours) or ordered the previous day and made available in store and/or via Drive (customers call from a terminal without leaving their vehicle to pick up their merchandise).
- **24/7 Lockers**: lockers used to store ordered products that the customer can pick up at any time with an access code.
- **WEEE (Waste Electric and Electronic Equipments) Recycling** in a dedicated branch area or by installing recycling bins at the customer’s location or project sites.
- **Information / advice / demos**: all of Rexel’s digital offering available on two tablets in a “Rexel kiosk” (Inxel TV, Esabora, Energieasy Connect, webshops, discounts...).
- **Studies & projects**, a “Lab” fitted with all the necessary equipment, available in the largest branches, where 6 to 10 people can work in project mode with all the tools they may need.



# €33.7

MILLION INVESTED IN BRANCH RETROFIT AND OPENINGS IN 2018, REPRESENTING A 28% INCREASE VS. 2017 AND A LITTLE OVER A QUARTER OF THE GROUP'S TOTAL INVESTMENTS (27.6%).

# 2,000

The Group's 2,000 branches in 26 countries offer 4,000 immediately available SKUs, as well as technical assistance.

### 3 — CUSTOMER EXPERIENCE —

#### E-COMMERCE WEBSITE DEVELOPMENT

**Online sales (e-commerce and EDI) have grown significantly over the last two years**, passing the €2 billion mark.

Rexel adapts its interfaces to meet its customers' needs and expectations. Until now, efforts were primarily focused on transactions. In 2018, the Group gave priority to the customer experience beyond purchase, especially with regards to order tracking.

**In Europe, e-commerce sales reached €1.19 billion in 2018**, accounting for an 18.8% increase and driven primarily by France, where growth reached 47%. This performance is due to an increase in visitor numbers, coupled with a 17% increase in the average purchase size. New features such as fast online cost estimation validation and progress made in product recommendations also played an important role in achieving this performance.



#### New key features

- Track & Trace for online orders
- Providing information on delivery deadlines for products not in stock
- Content segmentation based on customer types

# 16%

Rexel's online sales (e-commerce sites and EDI) reached 16% of the Group's 2018 sales and continue to grow.

#### WEBSITE PERSONALIZATION

**Until now, Rexel e-commerce websites' homepage was a showcase for its entire product offering.** In December 2018, a "residential customer" page, a "commercial customer" page, and an "industrial customer" page were launched, as well as a "neutral" page for any visitor connecting to the website for the first time, and a page dedicated to employees. These homepages were designed to give customers a "hub" for their favorite items, their frequent links, and their latest orders or quotations.

**Search engines have also been customized according to customer types.** The vertical segmentation implemented at the end of 2018 greatly facilitates product searches among the 1.6 million SKUs offered by Rexel. Depending on the industry customers operate in—residential, commercial or industrial—their searches based on identical key words direct them to very different product categories. Since March 2018, online customers can also review and rate products, which is a rare feature on professional websites.

**Deeper segmentations are currently being developed**, for example for panel builders, who frequently order the same products in great quantity and often in a hurry. A new feature offers them the possibility to automatically transform their panel configuration into product orders placed on the website.

“The homepage is the website's front door, so it must reflect the customers' points of view and interests. In order to fully meet their expectations, we conducted thorough surveys to help us learn what they liked and didn't like, and to gain a better understanding of their behavior on the website.”

**FLORENT GÉHIER,**  
Digital Customer Experience Manager,  
Rexel France

### 3 — A WORLD OF EXCHANGES



#### MOBILE-FRIENDLY SOLUTIONS

To meet the needs of its customers at their worksite or while travelling, Rexel provides mobile-friendly solutions.

These smartphone and tablet apps allow users to check on a product's availability, order it, or locate the nearest branch. As an example, one of the Group's subsidiaries in the United States offers an app for instant ordering. Within seconds, starting from a photo taken on the worksite, an installer can access all the specifications of a product, check on its price and availability, and order it.

#### ROBUST TRANSACTION SOLUTIONS

Rexel offers its key account customers robust transaction solutions, customized according to their size, their IT system, and their purchase volumes:

- **E-catalogs:** these standard or customized files meet customers' technical specifications and include their selection of articles, with the negotiated price list.
- **Punch-Out mode and Open Catalog Interface (OCI):** available on demand, these connection modes enable customers to generate shopping carts via Rexel's e-commerce websites and integrate them into the customer's IT systems.
- **Market places:** relying on the partnerships built with the main players in the field (Hubwoo, Ariba, Quadrem, PerfectCommerce), Rexel facilitates the implementation of these electronic purchase systems.
- **Electronic Data Interchange (EDI):** thanks to digital data exchange, Rexel optimizes costs related to processing orders, invoices, and other customer documents.

### E-mail to EDI

Around 30% of orders take the form of e-mails with quotations provided as attachments in pdf format. Rexel developed a solution to "read" these documents automatically and integrate them into its IT system. In France, a test has been successfully run with a panel of customers. The solution will be industrialized in 2019. It provides a significant productivity gain for Rexel and minimizes transcription errors in customers' orders.

## WEBMANAGER

The tool allows branch salespeople to connect directly to the webshop on the customer's account.

Around 2,500 salespeople can use it. Within six months, Webmanager has generated 2,000 orders amounting to €1.4 million in France.

## EXPRESS ACCOUNTS

Automated account openings, launched in 2017 in France, generated a strong increase in new account creations: more than 900 each month, vs. 500 at the beginning of 2018.

## DIGITAL VAULT

A digital vault has been available to all customers since January 1, 2019 in France. All invoices are paperless and remain available for the user on the website for 10 years. A win-win "zero paper" solution for Rexel and its customers, who are invited to set up an account on the website to place orders.



## LIVECHAT

The Livechat's success has been confirmed in France, with 5,888 questions asked in 2018 and a conversion rate multiplied by three. Managed by only one center and operated by two people who can conduct two discussions simultaneously, it will progressively be deployed in all our CREC (Customer Relationship and Expertise Centers), with a total of 40 moderators.

## THE GRID

This online chat forum, launched in 2015, allows installers and electricians to ask questions on topics ranging from smart homes, lighting, and renewable energies to oil and gas development. Each topic is hosted and moderated by a Rexel expert.

# 4

## THE DIGITAL TRANSFORMATION

### **DATA, A STRATEGIC MANAGEMENT TOOL**

Using digitized front and back offices to generate data  
Implementing predictive models

### **IT INFRASTRUCTURE SHARING**

Creating a Digital Factory  
IT Middleware, a shared service

### **STRONG AND EFFICIENT LOGISTICS**

Aiming for excellence in execution  
Transforming through Lean Management  
Optimizing flows at Cestas 2  
Inventory automation, Autostore

# 4.

## THE DIGITAL TRANSFORMATION



Rexel has embarked on a new stage of its business model's transformation to become a Data Driven Company. Rexel intends to harness all relevant data, in its operational as well as its functional activities, in order to make objective decisions based on figures and their analysis. Its goal is to improve its customers' satisfaction and overall company performance.

## 4

DATA, A STRATEGIC  
MANAGEMENT  
TOOLUSING DIGITIZED FRONT AND  
BACK OFFICES TO GENERATE DATA

Rexel's digital transformation relies on three pillars:

- **Offer its customers a simple**, flexible, and personalized experience, thanks to the use of data already available within Rexel, while meeting the needs of each customer segment.
- **Improve and extend the service** offered to suppliers, including a data analysis service.
- **Improve internal performance** via the consistent use of new digital tools and the implementation of algorithmic use cases based on artificial intelligence.

Digitization efforts often rely on the front-office, with features that are essential to improving customer experience.

The quality of this customer experience is also closely related to operations performed before and after points of contact.

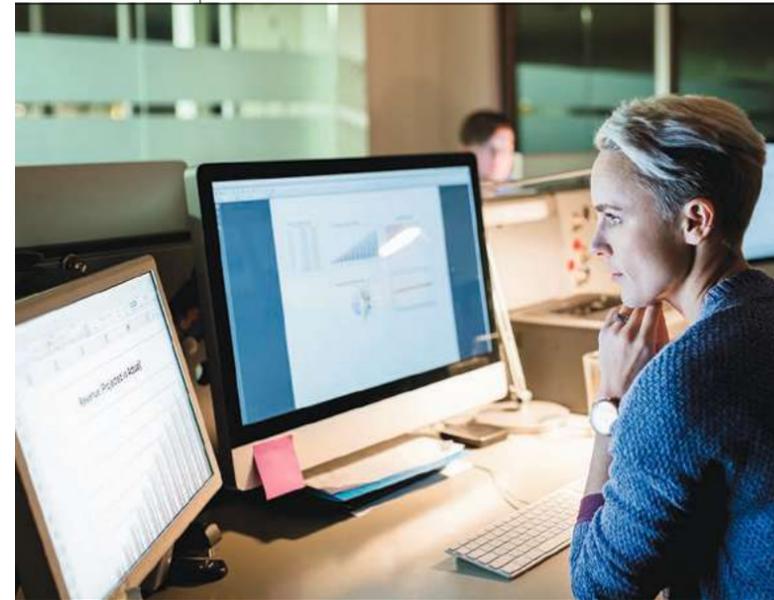
Traditionally, most of these processes—product selection, promotion management, marketing and merchandising, logistics—were mainly focused on volumes and products transiting through warehouses and branches. In the future, these processes will be more customer-centric and consistently designed for digital integration, which requires rich and continuously updated information.

The digitization of the back-office completes the one of the front office. The idea is to assemble the intelligence generated by the data, and to make it available to all. Employee training is a key part of this transformation strategy.

Rexel already has access to a large pool of data generated by transactional flows, CRM systems, logistical data, or visitors' navigation on e-commerce websites. Such data enables Rexel to fine-tune its understanding of customers' behavior and expectations. They are more and more often enhanced by external data on markets, competitors, etc.

“To survive as a distributor in today's world, we must improve the customer experience and services. This requires specialization and personalization. The “data-driven” rationale stems from personalization, with a vertical specialist approach.”

**FRANK DUPIN,**  
Rexel Chef Data Officer



# €67.1

MILLION  
IN INVESTMENTS IN I.T.  
SYSTEMS AND DIGITAL  
SOLUTIONS IN 2018

PLACING DATA AT THE CORE  
OF SELF-SERVICE BUSINESS  
INTELLIGENCE

*Self-service business intelligence is an analytical approach designed to help employees access and use company data, even without prior experience in statistical analysis, business intelligence, or data processing. A platform of this type was rolled out in nearly all of the Group's divisions, thus enhancing user's skills. Numerous decisions are now based on it, such as the creation of a new logistical center, the relocation of a branch, inventory modifications, etc.*

## IMPLEMENTING PREDICTIVE MODELS

**For a company, big data and predictive models** are tools for achieving excellence, whether in marketing, products, investments, or HR. The predictive models' implementation is also the most disruptive step of digitalization.

The success of the predictive model, which estimates the probabilities associated with certain situations or decisions and suggests the best next steps to address them, relies on processing reliable and robust data, both internal and external to the company.

Three instances of predictive models have been prioritized and are currently being deployed throughout the Group. Two refer to customer management, the third one to branch supply management. In both cases, the use of artificial intelligence helps to generate a large number of complex data while offering actionable recommendations.

# 4

## IT INFRASTRUCTURE SHARING



### CREATING A DIGITAL FACTORY

2018 was marked by major organizational changes including the **creation of the Digital Factory**, which replaces the e-commerce skill center. Launched in 2018 in Europe and the USA, this new organization will be extended to the APAC region. Its goal is to return control to the countries so that they may manage more directly the challenges, means and deployment of the digital transformation.

With the roll-out of the e-commerce platform, the priority is **no longer placed on standardized deployments, but on customer experience optimization**. The definition of the digital roadmap has therefore changed: the countries now decide on digital solutions and their implementation plans according to their business objectives.

Thus, the Digital Factory now includes more business-oriented profiles (design and conception, mobile app development) alongside its highly specialized technical profiles. It offers countries and regions the services of a unique and integrated team.

### A CLOUD INITIATIVE IN AUSTRALIA

The application Clipsal iCat was developed by the Australian manufacturer Clipsal, a subsidiary of Schneider Electric, whose website lists all of its certified distributors, including Rexel. Clipsal iCat Mobile enables Clipsal's customers to directly access the Rexel website to research product prices and availability and to place orders. This is a first for Rexel in terms of using Cloud technologies to connect its IT systems to those of its supplier.

“Optimizing customer experience involves a paradigm shift: putting customer needs first rather than technical solutions and thinking in a global and omnichannel way instead of by feature or by application.”

ANNE-BRISCE GRASSET,  
Director, Digital Factory and Shared Services

### IT MIDDLEWARE, A SHARED SERVICE

The **IT Middleware skill center** is part of the “shared services” strategy currently being deployed within the Group. Recognized for its TIBCO technical expertise (infrastructure software in a Cloud Computing context), it supports the development of e-commerce platforms as well as numerous other integration projects in the countries.

2018 was marked by **significant progress in API Management** (a technology that enables the publication, promotion and supervision of interfaces between Rexel's ecosystem and supplier / partner / customer services), with the launch of an application for Schneider in Australia on TIBCO cloud, allowing customers to access Rexel's website directly from their website. This is an important step toward an open architecture making it possible to connect Rexel's IT systems to those of its partners, whether suppliers or customers. Other similar projects are underway, namely in the USA and Sweden.

**Middleware IT has also helped accelerate the evolution of the countries' ERPs\***, especially in Switzerland. TIBCO has also been used for a finance project in China and India since January 2019.

\*Enterprise Resource Planning

# 4 STRONG AND EFFICIENT LOGISTICS

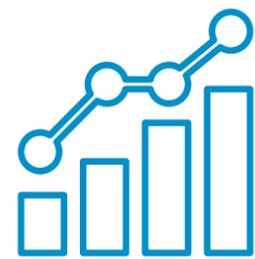
## AIMING FOR EXCELLENCE IN EXECUTION

Supply chain performance continues to improve. To achieve this, Rexel has multiple tools at its disposal:

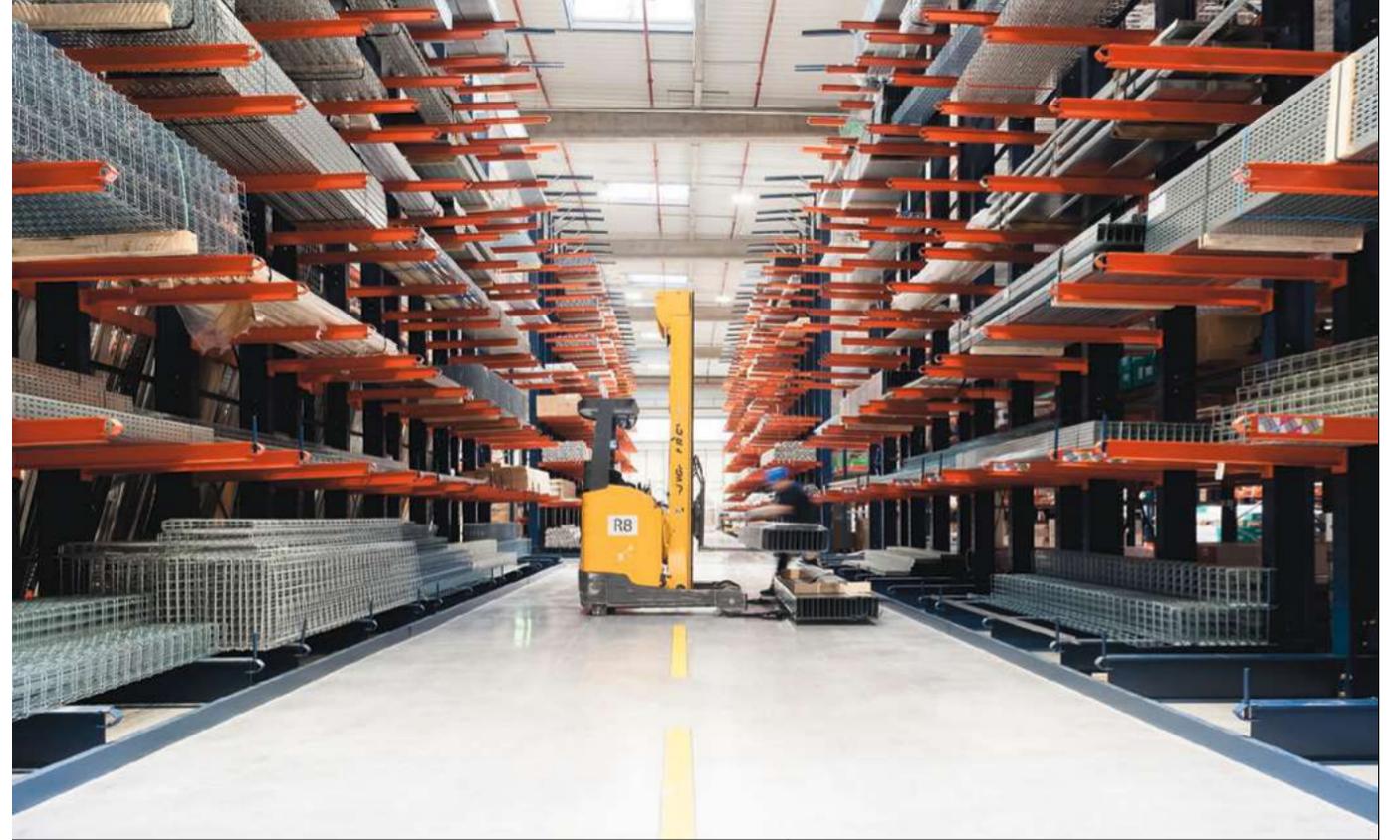
- **Product lifecycle management:** the challenge consists in maintaining a satisfactory balance while manufacturers broaden and renew their ranges at increasing speed. Thus, the supply chain no longer functions in silos but interacts with marketing, purchasing, IT, HR, sales, etc.
- **The deployment of the Lean approach,** which expresses Rexel's commitment to a continuous improvement approach by using the right method. Well implemented in France, it is being rolled out progressively across all of Europe.
- **The permanent warehouse network adaptation:** the reorganizations in Germany, Spain and the United Kingdom have helped improve customer proximity and service levels.
- **Constantly evolving IT systems,** namely with bar code reading of delivered products, delivery delays and order follow-ups.
- **Automation,** whenever its ROI is proven.

## A UNIQUE SUPPLY CHAIN

Unlike most distributors, Rexel has an internalized supply chain enabling it to control its service quality and effectively meet its customers' needs and expectations. As digital solutions develop, online order cut-off times are extended in many of the Group's countries. As an example, in the Ile-de-France region, orders for next day delivery are processed until 8p.m.



**2%**  
PRODUCTIVITY  
INCREASE BETWEEN  
NOVEMBER 2017  
AND NOVEMBER 2018.



“The Lean approach is the main productivity and service quality driver in the supply-chain. Even though logistics organizations may vary locally in different countries, it is a universal approach that can be applied anywhere.”

ALEXANDRE KASMI,  
Rexel France Supply Chain Director

## TRANSFORMING THROUGH LEAN MANAGEMENT

Lean management means working cross-functionally, at all company levels and within all teams, in order to identify problems and solve them as part of a continuous improvement approach. **The customer's voice is always prioritized,** even when the order has left the warehouse, with the goal of eliminating “mudas” (Japanese term for wastage), related to anything that doesn't bring value to customers.

Initiated by Rexel in 2013 throughout its logistics operations, it is currently being deployed in purchasing and transportation.

The Group aims to deploy Rexel France's approach throughout Europe. It began this year with the **pairing of five French warehouses with foreign ones:** Nancy with Germany, Nantes with the Netherlands, Roissy with Sweden, Lille with Belgium, and Lyon with Austria. Each of these warehouses now has a parent structure that can provide it with documentation, advice, training, etc.

# 4 STRONG AND EFFICIENT LOGISTICS



The new regional logistics center, at Cestas, in Gironde, opened in November 2018.

## OPTIMIZING FLOWS AT CESTAS 2

The opening of a new Regional Logistics Center in Cestas (Gironde) in November 2018 enabled Rexel, which has been present in this strategic location for 20 years, to improve its services offering and the environmental performance of its logistics operations. Cestas 2 will respond to customers' requests in a faster and more diversified way:

- **optimized merchandise and inventory flows,**
- **13,000 m<sup>2</sup> outdoor storage area,**
- **19 loading / unloading doors,**
- **36,000 m<sup>2</sup> storage bins** (18,000 m<sup>2</sup> in total), doubling the surface of the previous logistics center.

**25,000 SKUs available on a next-day basis** for all the branches in the Nouvelle-Aquitaine region as well as local authorities such as the Bordeaux Métropole intercommunal structure, a long-term partner of the Group.

Strong commercial potential: with **55 branches already open and 22,000 customers** served each year, Nouvelle Aquitaine is a strategic region for Rexel France. It is also a fast developing territory, driven notably by the launch of the Paris-Bordeaux high speed train liaison and the building of new infrastructures.

## INVENTORY AUTOMATION: AUTOSTORE

**Autostore is a fully automated storage and product handling solution, already operating in four locations.** A fifth Autostore will be put into service in Zurich (Switzerland) by the end of 2020.

Its main asset resides in its compactness, which allows it to reduce storage space by 40 to 50%, a particularly significant gain in urban areas where real estate costs are high. Its speed, **reaching 1,000 pick-ups per handler and per day,** as well as its reliability, help reduce delays and therefore improve customer satisfaction. Last but not least, the system's modularity allows it to adapt to traffic and activity development

Autostore, an automated storage and product handling solution, in Basel (Switzerland).



# 5

## ENGAGED EMPLOYEES

### EMPLOYEE RECRUITMENT AND MOBILITY

A proactive employee recruitment approach  
An active mobility policy

### TRAINING, THE CORNERSTONE OF EMPLOYEE CAREER DEVELOPMENT

A significant investment in training

### THE MOMENTUM OF CHANGE

A feedback culture  
A culture of performance and compensation

### EMPLOYEE ENGAGEMENT

Satisfaxion 2018  
Survey methodology and results

# 5

## ENGAGED EMPLOYEES

Rexel 27,000 employees are the company's agents of change. They are the ones who work day in and day out to produce results, bring the Group's strategic vision to fruition, and make its digital transformation a reality. Their collective engagement has a direct impact on the quality of their working life and the achievement of their professional goals. While human resources management supports the company's digital transformation, it is also a vehicle for each employee's career development and personal fulfillment.

# 5 — EMPLOYEE RECRUITMENT AND MOBILITY

## A PROACTIVE EMPLOYEE RECRUITMENT APPROACH

In highly competitive markets, the goal is to seek out new talent thanks to greater accessibility to job offers, namely via social networks, and the company's attractiveness. To achieve its objective, Rexel relies on its employer brand, an active approach to employee management, and efficient communication tactics.

In order to attract the talents that the Group needs, **Rexel has adopted a proactive approach to employee recruitment.**

The Group has made considerable effort to organize its teams in each country, to train them in new recruitment methods, to raise managers' awareness, and to target the most appropriate channels. Social networks, especially LinkedIn, are the most relevant channels, with 80% of the Group's recruiters using this network. Rexel ranks among the Talent Brand Index's Top 50 companies in its sector and is in the Top 20 in terms of followers.

As part of its digital transformation, **the Group is improving candidate experience in several pilot countries** in which recruitment levels are the highest by providing ergonomic, attractive, and mobile job platforms. These digital changes strengthen Rexel's employer brand, as well as its attractiveness to potential employees.

In 2018, this assertive recruitment policy resulted in stronger IT and digital teams within the Group and the addition of over 60 purely digital profiles.

“By broadening their perspectives, Rexel encourages employees to be responsible and to take risks.”

ALEXIA LABEZIN,  
Group Manager,  
Head of Customer Experience



# 4,852

EMPLOYEE  
RECRUITMENTS IN 2018.

## AN ACTIVE MOBILITY POLICY

With office branches in 26 countries and a wide range of job opportunities, Rexel offers real career advancement perspectives, whether in terms of position or location, upward or lateral mobility.

Rexel's mobility policy is closely related to career management at Group level, which includes **talent assessments, skills development and job openings, professional goals and training programs.** The approach is also a proactive one for employees, who are active players in their careers and seek to advance within our organization.

An online job board, which was created in 2016 and was expanded to include the United States in 2018, displays the positions available within the Group. International opportunities are not reserved exclusively for top management, but instead are open to young managers who are increasingly attracted by an experience abroad.

The latest edition of Rexel's employee engagement survey, Satisfaxion 2018, demonstrated that career development is the area in which employee support has progressed the most.

## EMPLOYEE MOBILITY

# 2,416

EMPLOYEES TOOK  
ADVANTAGE OF A  
MOBILITY OPPORTUNITY  
IN 2018, NEARLY 1 IN 10.

# 400 to 500

jobs available at all times  
on LinkedIn, i.e. three times  
more than in 2017.

5

TRAINING, THE CORNERSTONE OF EMPLOYEE CAREER DEVELOPMENT

“In a results-oriented company such as ours, we have to remember that higher sales and profit margins require more skills, which means training. The most important thing is to create a culture of learning and to get all employees involved so that they can take charge of their own career development.”

**PETER EDWARDS,**  
National Learning and Development  
Manager, Rexel Australia.

**A SIGNIFICANT INVESTMENT IN TRAINING**

Among its strategic priorities, Rexel is universalizing the training programs of its sales representatives, who account for 2/3 of its workforce.

The training programs rely on three channels: **career training** available in every country, **training sessions** provided by Rexel’s suppliers, and **the online training platform Rexel Academy**, the program’s centerpiece.

All of the subsidiaries’ training sessions are devised in **close collaboration with on-duty employees from the various fields**. In 2018, the Group created Internal Learning Committees that bring together representatives from human resources, sales, IT, and supply chain, whose objective is to develop these training programs. Inaugurated in Sweden, they will **ultimately be implemented in every country**. Pedagogical Committees have also been created in coordination with training professionals and current employees to lead groups for sharing skills and practices. Other platforms have been developed as well in such areas as energy efficiency, digital, and management.

800

In 2018, more than 800 new modules were added to the Rexel Academy training platform: mastering new digital technologies, the impact of data in the organization (CRM, pricing, webshop, etc.), new sales techniques, and customer service.

The Rexel Academy, A continuous learning platform

The Rexel Academy was created in response to the Group’s desire to develop a culture of learning. The platform’s management is “glocal.” The Group guarantees the implementation of the technical solution and the training of local teams, and provides the practical and technical expertise required for the platform to function. The various countries create the curriculum and content, ensure access to the platform, and encourage its use. The learning solutions offered to employees, which use the blended learning approach, combine traditional classroom methods and e-learning techniques. Each employee can thus learn at their own pace and in their own way. With more than 12,698 modules, the content is organized into major topics: products, sales technique, ethics and compliance, management, digital acculturation, etc. These modules are generally adjusted according to the job, the required skills, or local specificities.



TRAINING  
24,518

employees received training in 2018, i.e. 91.5% of the Group’s total workforce (vs. 74.9% in 2017).

98.8%

THE REXEL ACADEMY PLATFORM IS AVAILABLE IN 23 COUNTRIES TO 98.8% OF THE GROUP’S TOTAL WORKFORCE.

## 5 — THE MOMENTUM OF CHANGE

# 6,058

GROUP MANAGERS RECEIVED TRAINING IN 2018.

## Group Advanced Leadership Program

Launched in 2018, this program is designed to prepare tomorrow's leaders in all of the Group's countries. This program takes place on a nine-month cycle with a blended learning system that combines classroom-based courses and e-learning. The approach is completed by external coaching and personal development sessions as well as by business cases focusing on the company's transformation.

### A FEEDBACK CULTURE

The success of the Group's transformation depends on the involvement of every employee. It must also be part of a continuous process of adopting values and changing management techniques, behaviors, and work methods.

This transformation momentum relies not only on training programs, but also on the management of performance, part of which is the feedback culture. Its objective is to **encourage interaction between managers and employees** in a more regular way and outside of traditional occasions such as evaluation interviews or goal setting.

The idea is therefore to implement a simplified, standardized continuous improvement process whose aim is to go beyond a system that is almost entirely based on evaluation. Giving and receiving feedback is only constructive if the approach is **detailed, well-argued, tangible, and positive.**

This evolution of professional relationships presupposes awareness-raising and training for all, at every level of the organization, to change the mindset and disseminate clear rules. The goal is to constantly adjust the way that employees communicate and work together in order for them to be both more effective and better satisfied with their work.



### A CULTURE OF PERFORMANCE AND COMPENSATION

Performance-related compensation is a way for implementing the strategic roadmap, of which the salespeople are the vehicles and the guarantors.

Performance evaluation and bonus calculation result from a three-way balance:

- **Short-term performance**, measured according to traditional financial criteria
- **and medium and long-term performance**, measured primarily by new customer acquisition, digital sales volume, and customer service quality.
- **The general strategic approach and the more specific one in countries, regions, entities, branches:** performance evaluation and bonus calculation differ according to the roadmap and goals at each level.
- **Collective performance and individual performance.**

In practice, the level of performance bonuses vs. salaries varies from country to country, primarily for cultural and societal reasons, but also in accordance with local specificities in terms of markets and activities. The Group's role is to ensure that the basic goals of the performance bonuses are understood by all. It encourages countries and entities to implement them and to share best practices.

## Finance Graduate Program

A pilot of the training program for financial specialists was launched in Europe in 2019. It comprises several phases: three days of immersion at the headquarters, followed by three 8-month assignments at different jobs in different countries. During their internships, participants also take classes and are supported by a mentor.

## GAIN

In the United States, the GAIN program (Grow Achieve Inquire Network) aims to develop leadership and foster employees' personal development in three fields of expertise: communication, business management, and sales.

## Future Leaders

Open to all employees, this program was launched in Australia in 2017 to develop a pool of branch managers and leaders. Each session brings together 16-20 participants for 32 weeks to study change management, customer experience, finance, price policy, logistics, and digital solutions.

**5** —  
EMPLOYEE  
ENGAGEMENT  
—



**71%**  
PARTICIPATION  
RATE.

**SATISFAXION 2018**

In 2018, Rexel conducted its 6<sup>th</sup> internal employee engagement survey entitled "Satisfaxion."

Among the survey's 10 categories, eight yielded results that were more positive than those of the previous survey, conducted in 2015.

The five categories that constitute levers for employee engagement at Rexel underwent the following changes:

- **Strategy and leadership:** 80% positive opinions, i.e. +4 points.
- **Career development:** 64% positive opinions, i.e. +4 points.
- **Management:** 77% positive opinions, i.e. +2 points.
- **Company image:** 73% positive opinions, i.e. +2 points.
- **Teamwork and cooperation:** 81% positive opinions, i.e. +2 points.

The level of employee engagement reached 79%, which is one point higher than in 2015. The goal is to reach at least 80% with the next survey.

**RESULTS**

<b>91%</b> of respondents have "a clear idea of their professional duties."	<b>90%</b> of respondents understand "how their work contributes to reaching the company's goals."
<b>85%</b> of respondents are "proud to work for their company."	<b>89%</b> of respondents think that their "skills and abilities are fully applied at work."
<b>85%</b> feel that their manager "treats employees with respect and trust."	<b>89%</b> of respondents "fully support the company's goals."

**METHODOLOGY**



**23**  
COUNTRIES.



**24,635**  
surveyed.



**100%**  
online.



**23,648**  
comments.

**14**

**LANGUAGES**  
• online survey  
• reporting platform  
• manager reports.



**2**  
OPEN-ENDED  
QUESTIONS.



**17,382**  
respondents.

**2 weeks**  
SURVEY FROM  
24 MAY TO 6 JUNE.

**45**  
QUESTIONS  
IN 2018  
VS. 63 IN 2015.

# 6

## SUSTAINABLE DEVELOPMENT COMMITMENTS

### ENERGY MANAGEMENT AT THE HEART OF REXEL'S MODEL

Energy management and sustainable development

### FIGHTING CLIMATE CHANGE

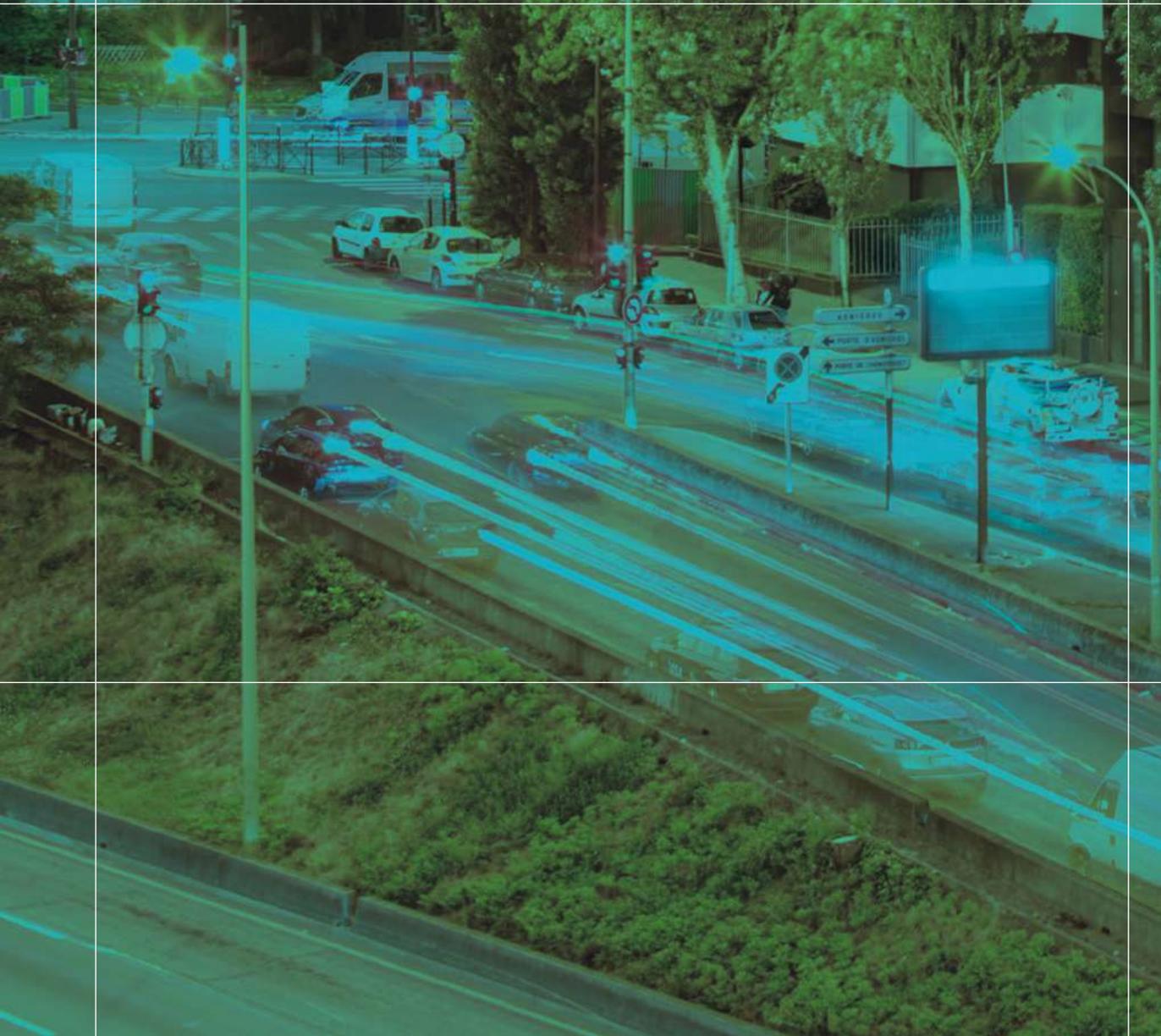
A new commitment to the climate

### ETHICS AT THE CORE OF CORPORATE RESPONSIBILITY

Ethics and compliance

Supplier relations

### REXEL'S ENVIRONMENTAL PERFORMANCE



# 6

## SUSTAINABLE DEVELOPMENT COMMITMENTS



The electrical industry is facing a massive transformation. Energy management is a major challenge as well as a development opportunity for Rexel. Fostering energy innovation and progress in the communities in which the Group operates is both an ambition and a responsibility in order to build a sustainable future.

# 6 ENERGY MANAGEMENT AT THE HEART OF REXEL'S MODEL

## ENERGY MANAGEMENT AND SUSTAINABLE DEVELOPMENT

As a clean and safe energy, electricity is a powerful tool for the sustainable transformation of local communities. Rexel distributes and develops products and solutions that help to accelerate the energy transition while reducing its own environmental footprint. Additionally, the Rexel Group encourages all of its stakeholders to implement the responsible and ethical practices it applies to its operations and employees.

### Sustainable development approach

Rexel's sustainable development strategy is one of the major drivers the Group uses to meet its profitable growth and value creation objectives. These convictions underlie the four pillars of the Group's sustainable development strategy: involving and supporting employees; improving environmental performance; reducing its consumption; promoting responsible practices in the value chain and acting with ethics and integrity.

### Promoting energy efficiency

Rexel capitalizes on its position as an intermediary between energy professionals and manufacturers to inform its 650,000 customers worldwide about the environmentally friendly solutions that the Group offers and to encourage their adoption.



## ENERGY EFFICIENCY IN THE HOME

Rexel's **Energeasy Connect solution** enables users to control various smart home functionalities relating to comfort, security, and energy control. Today, more than 20,000 installations have been completed in France with nearly 160,000 connected devices.

Developed by the Group in partnership with Economies d'Énergie, the **Primexel program** allows professional customers who are eligible for an Energy Efficiency Certificate (EEC) to simulate the bonus they would receive if they carried out energy renovations in buildings.

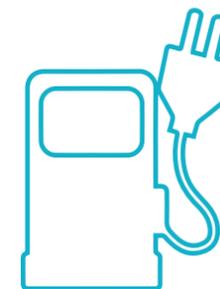
## 2020 GOALS ACHIEVED

# -36.9%

This reduction of the Group's greenhouse gas emissions, achieved in 2018, surpasses its 2020 objectives.

# x2.07

SALES OF ENERGY-EFFICIENT SOLUTIONS MORE THAN DOUBLED IN 2018, REACHING 1.74 BILLION EUROS (INCLUDING 264 MILLION EUROS IN SALES OF RENEWABLE ENERGY SOLUTIONS).



## ELECTRICAL MOBILITY

Rexel is investing in this high-potential sector with a range of charging stations for electric vehicles. The Group offers comprehensive solutions that include a needs analysis, preparing a subsidy application, possible lease financing, and the charging station installation itself via a certified installer.

## RENEWABLE ENERGY SOLUTIONS

Rexel provides a full range of photovoltaic solar energy solutions: solar panels, mounting systems, inverters, special cables, safety equipment, etc. In the wind turbine sector, the Group provides procurement, inventory management, and the provision of products for assembly lines.

# 6 FIGHTING CLIMATE CHANGE

## BUILDING A CARBON-NEUTRAL FRANCE

In 2018, Rexel took part in the ZEN 2050 initiative, which was led by Entreprise pour l'Environnement (EpE). This study brings together experts, various stakeholders, and companies from many different sectors in order to collectively explore the feasibility of achieving a carbon-neutral France by 2050. It includes physical, technical, economic, and sociological aspects in a coherent, plausible way.

The results presented in May 2019 show that this goal:

- is attainable and compatible with economic growth and job creation,
- can be achieved if all players, public authorities, businesses, and citizens accept it and agree together to begin the transformation as soon as possible.

## A NEW COMMITMENT TO THE CLIMATE

Climate change is one of the major challenges of this century. Energy management alone can cover 40% of the greenhouse gas reductions needed to meet the targets of the Paris Agreement on climate change. A key player in the electric sector, Rexel is committed to limiting the rise in global temperatures to +2°C by the end of the century and contributes to the fight against climate change:

- by offering its customers products and solutions to accelerate the energy transition
- by reducing its own environmental footprint
- by encouraging all of its stakeholders to get involved in the transition to a low-carbon economy

Rexel's performance in the fight against climate change was recognized by the Carbon Disclosure Project (CDP), which awarded an A rating to the Group for the first time ever. As a result, the Group is on the list of the 139 global companies most invested in the fight against climate change.

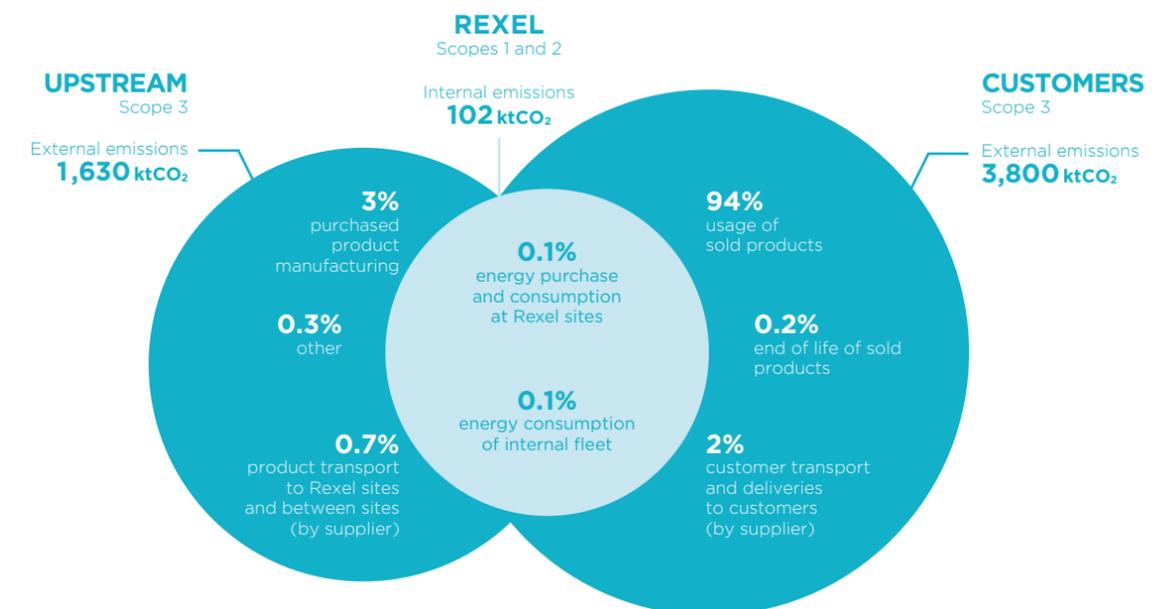


## THE SCIENCE BASED TARGETS APPROACH

The Science Based Targets initiative (SBTi) is a project of international experts comprising the World Wildlife Fund (WWF), the United Nations Global Compact, the Carbon Disclosure Project (CDP), and the World Resources Institute (WRI). The initiative aims to encourage companies to set GHG reduction targets that are in line with scientific recommendations. The reduction targets selected are then assessed scientifically and validated by the SBTi.

Rexel joined this initiative in order to align its goals with those of the Paris Agreement, i.e. to limit the rise in the average global temperature to 2°C. An application was sent to the SBTi along with reduction goals for Scopes 1, 2, and 3 and follow-up methods.

## REDUCING GREENHOUSE GAS EMISSIONS THROUGHOUT THE ENTIRE VALUE CHAIN



Rexel monitors and measures its CO<sub>2</sub> emissions with the completion of its greenhouse gas emissions report, which was conducted throughout the entire value chain. Analysis of the greenhouse gas emission budget shows that internal emissions (Scopes 1 and 2) are relatively low. The most significant item is related to product use (Scope 3).

## 6 ETHICS AT THE CORE OF CORPORATE RESPONSIBILITY

### ETHICS AND COMPLIANCE

In 2018, Rexel published its **Anti-Corruption Code of Conduct** in compliance with French law. It defines and illustrates the different types of behavior to be avoided. The code is appended to the rules of procedure, and is also available on the ethics and compliance website. It has been the subject of classroom training courses, which have been added to the existing online training courses.

#### The Group has also deployed a common compliance program for all subsidiaries.

It is updated and enriched each year to include new standards and regulations. An annual self-evaluation campaign ensures that all entities and subsidiaries follow and respect the procedures and compliance program. In 2018, four new business ethics controls were added.

### A NEW WHISTLEBLOWING SYSTEM

In 2018, Rexel updated its whistleblowing procedure in order to better guarantee whistleblowers' anonymity. Available at [Rexel.com](http://Rexel.com), it is centralized at the Group's headquarters under the responsibility of a three-person Ethics Committee (General Secretary, the Human Resources Director, and the Chief Ethics and Compliance Officer). The procedure is available to all employees in all of the Group's countries, as well as to customers, suppliers, subcontractors, and all of the Group's stakeholders.

# 86%

of Group employees feel they are fully aware of Rexel's ethical commitments through the Ethics Guide, a 5-point increase vs. 2015 (employee engagement survey Satisfaxion 2018).

# 80%

OF EMPLOYEES IN EUROPEAN SUBSIDIARIES HAD BEEN TRAINED IN PERSONAL DATA PROTECTION AND IN THE OPERATIONAL IMPLEMENTATION OF THE GDPR\* AS OF DECEMBER 31, 2018.

\*General Data Protection Regulation

### SUPPLIER RELATIONS

The Rexel Group strives to establish a **continuous and constructive** dialogue with its suppliers and to develop a lasting and balanced relationship with them while being mindful of social and environmental challenges. Suppliers and subcontractors must comply with the principles set out in Rexel's Ethics Guide and with the fundamental conventions of the International Labour Organization.

#### A CSR (Corporate Social Responsibility) performance assessment platform for suppliers and subcontractors has been in place since 2015.

The EcoVadis assessment questionnaire covers 120 criteria divided into four categories: environment, social and human rights, ethics, and responsible procurement. After two assessment campaigns, the second of which took place in 2018, 161 single suppliers representing 54% of direct Rexel Group purchases (in value) had been evaluated. Rexel's goal is to assess the CSR performance of 80% of its direct purchases by 2020.

Following its assessment by EcoVadis, Rexel achieved the **Gold Level**. With a score of 71/100, Rexel ranks among the top 5% of companies assessed by EcoVadis in the world, and is the leader in its sector of activity.

In addition to EcoVadis, Rexel carries out **targeted audits at certain suppliers' sites**. In 2018, as part of the implementation of the Vigilance Plan, the Group extended the scope of these audits and increased their number while focusing on the most at-risk countries.

### SRI\* INDICES



DJSI (Dow Jones Sustainability Index) Europe: in 2018, the Group moved up two places, ranking first among European companies and among the top five global companies in the sector.



FTSE4Good



STOXX® Global Climate Change Leaders Index



Ethibel Sustainability Index Excellence Europe



Euronext, Vigeo Eiris Eurozone 120 Index, Euronext Vigeo Eiris Europe 120 Index

\* Socially Responsible Investment

## “AT REXEL, 100% OF EQUIPMENT IS RECYCLED.”

Rexel France, in partnership with the environmental organization Récyclum, offers its customers three recycling options: branch drop-off, the provision of containers at their offices, or at their construction sites. All used equipment can be recycled: building equipment, network infrastructure, communication security, climate control, energy production, measurement and fixation tools, lighting, and plumbing.

### REXEL'S ENVIRONMENTAL PERFORMANCE

**Oversight of the environmental strategy is a key element in coherently and sustainably managing the environmental performance** of the Group's 2,000 sites in 26 countries, its transportation, and the products it distributes.

#### This strategy relies on:

- A network of 60 environmental experts and, in a broader sense, on the training of all employees
- An Environmental Charter implemented throughout 94% of the Group's sites, 45% of which have instituted environmental management systems.

#### Rexel wants to set an example in controlling the energy efficiency of its sites:

- Energy-saving lighting, control systems, and automated management solutions, renewable energy providers whenever possible.
- Shrinking its transportation-related carbon footprint by pooling vehicle fleets, rationalizing delivery routes, and preferring “clean” carriers.
- Implementing a system of waste electric and electronic equipment (WEEE) recycling at its European sites in compliance with the EU Directive of the same name.



# 7

## **ENERGY SOLIDARITY**

### **SHARING ENERGY PROGRESS**

The Rexel Foundation for a better energy future

### **IMPROVING ACCESS TO ENERGY EFFICIENCY FOR THE MOST DISADVANTAGED**

Community projects

Projects supported by Group employees

### **SUPPORTING SOCIAL ENTREPRENEURS**

The social entrepreneurs platform

Social innovation projects

### **KNOWLEDGE SHARING**

Energy efficiency expertise

EcoBlock, or the replicable eco-district

### **INNOVATING DIFFERENTLY**

2018 Innovation Day

The Roubaix workshops

# 7

## ENERGY SOLIDARITY



Universal access to energy, as well as to flexible and innovative energy efficient solutions, are challenges that the energy industry must face. Because of its unique position at the heart of the value chain, Rexel made a commitment to facilitate access to affordable, clean, efficient energy for all.

# 7

## SHARING ENERGY PROGRESS

### THE REXEL FOUNDATION FOR A BETTER ENERGY FUTURE

World population growth, combined with exploding urbanization, contributes to the global demand for electricity. Meanwhile, fuel poverty is rising. More than one billion people around the world have no access to electricity. In Europe, between 50-125 million people are living in fuel poverty. In France as in England, more than 10 million inhabitants lack proper heating.

The creation of the Rexel Foundation for a better energy future in 2013 enabled the Group to develop a responsible, community-based approach by exploring all the possibilities for improving the dissemination of energy progress and for fighting fuel poverty.

The dissemination of energy-efficient solutions is a major opportunity to lower household energy bills, renovate buildings, and eliminate waste. It is also an opportunity to revisit uses and habits and to promote low-carbon energy sources.

Under the aegis of the Fondation de France, the Rexel Foundation focuses on three kinds of programs to fulfill its purpose:

- **Community projects** for the most disadvantaged, by financing and supporting projects organized by charities or foundations.
- **Social innovation projects**, by promoting socially innovative solutions and models in the energy sector.
- **Studies and academic research**, in order to create knowledge and raise awareness of energy efficiency.

## THE REXEL FOUNDATION'S 2018 KEY FIGURES

**20**  
COUNTRIES OF ACTION.

**60**   
partners.

**70+**  
PROJECTS SUPPORTED SINCE ITS CREATION IN 2013.

  
**165,000**  
beneficiaries.



### FUEL POVERTY IN FRANCE



**15% OF THE FRENCH POPULATION** report having suffered from the cold for at least 24 hours during the winter of 2017.



**543,874 HOUSEHOLDS** were impacted by modifications made by energy providers, i.e. reduction in power, suspension of service, contract termination..., due to unpaid invoices.



**11.6% OF THE FRENCH PEOPLE** spend more than 8% of their income on their energy bill.

Source: Fuel poverty overview, National Energy Poverty Observatory, 2018

## 7

## IMPROVING ACCESS TO ENERGY EFFICIENCY FOR THE MOST DISADVANTAGED

### COMMUNITY PROJECTS

The Foundation is involved with local communities by supporting projects to improve access to energy efficiency for the most disadvantaged. To reach this goal, the Foundation partners with non-profit organizations and foundations, as well as with Rexel's customers and suppliers, in developing and developed countries alike.

The following community projects are among the 23 that the Foundation has supported since its creation. Each one meets different goals in terms of access to energy efficiency:

- **DIY home renovation** with the Compagnons Bâisseurs, who help inhabitants of priority neighborhoods in France (Rennes, Roubaix, Sarcelles, Bordeaux, and Avignon) to renovate their own homes. Their approach relies on mutual help and cooperation between neighbors. It encourages inhabitants to get involved and take the initiative regarding the renovations.
- **Building sustainable homes** for as many people as possible in the United States with the Next Step Network, which connects construction companies and equipment suppliers that are members of the Next Step Network in order to provide low-income American families with the opportunity to own an energy-efficient home.
- **Raising awareness among middle school and high school students** in priority neighborhoods in France regarding jobs in the electrical industry with the Fondation Teknik: a large-scale nation-wide project that aims to promote equal opportunity and diversity by imparting a taste for the technical and industrial culture and breaking down stereotypes associated with these jobs.

## The Green Village in Raipur, India

The association LP4Y (Life Project for Youth), created in 2009, works with young people living in extreme poverty in a dozen countries, including India. Its innovative teaching approach based on entrepreneurship relies on the creation of an ecosystem of social and professional integration. In 2018, LP4Y launched a pilot project: the creation of a Center for Excellence in Raipur, the capital of the state of Chhattisgarh. Raipur's Green Village hosts 80 youth every three months who are chosen upon completion of a technical training course. They receive training while helping to build and manage the Green Village. The experience provides youth who have already acquired professional skills with the opportunity to test and improve their abilities by working on several projects: a youth hostel and restaurant, a community coffee shop, sustainable skills (construction, gardening, electricity, furniture) and a bank that handles local currency.

### PROJECTS SUPPORTED BY THE GROUP EMPLOYEES

The Rexel Foundation encourages Rexel employees to get involved in the Foundation's activities. Their participation can take the form of logistical, material, or human support. A common way of getting involved is by sponsoring a community project led by an association or charity. Projects submitted by employees must be within the Group's community involvement policy. They are subject to precise monitoring and eligibility criteria.

Notable employee projects include the following:

- **A solar energy-powered water purification system** to provide drinking water for communities in Cambodia, Madagascar, and India: thanks to the sponsorship of an employee from Rexel France, along with the financial support of the Rexel Foundation, the association 1001 Fontaines, whose mission is to provide drinking water to remote areas, is improving water processing units made from micro filters, UV lamps, and solar panels.
- **The renovation of a hydroelectric plant in the Velaux region of France (Bouches-du-Rhône department):** an employee from Rexel France, the energy cooperative Enercoop, and Provence Energie Citoyenne led this territory project to success. This citizen initiative makes it possible to regain local control of electrical production and natural resources.
- **Providing Native American communities with solar energy:** thanks to an employee from Gexpro, one of the Group's subsidiaries in the United States, the Foundation funded the national Tribal Solar Program of the nonprofit organization GRID Alternatives in order to fight fuel poverty in Native American communities in the United States.



## “Les Ambitieuses” from “La Ruche”

Supported by the Rexel Foundation, La Ruche is a French nation-wide network that provides local support for men and women who want to start a business or develop their activity in a sustainable way. In 2018, La Ruche launched the first competition dedicated to tech start-ups founded by women: “Les Ambitieuses Tech for Good”. Candidates must demonstrate that their project is based on an ambitious and lasting business model, that it contributes to a fairer and more sustainable society, and that it is presented by a solid, motivated team. The 2018 competition's seven winners and their teams received six months of personalized project support to strengthen their project and develop their business via:

- **Special access to the “La Ruche” network**, coworking spaces specializing in impactful entrepreneurship.
- **An acceleration program** provided by La Ruche Factory and its partners to bolster their leadership, accelerate their business development, prepare them for raising capital, and train them in negotiation, communication, and all digital development practices.

## 7 — SUPPORTING SOCIAL ENTREPRENEURS



1,500+ households have become owners of certified Energy Star homes thanks to Next Step in the United States.

### THE SOCIAL ENTREPRENEUR PLATFORM

In 2014, the Rexel Foundation created a platform for innovation and social entrepreneurship focusing on energy efficiency and connecting social innovators with potential sponsors. Its goal is to foster the emergence of socially innovative models in order to improve access to energy efficiency for as many people as possible. Led by the Rexel Foundation's team, it has four main goals:

- Identify social innovations in the energy sector.
- Accompany and support the initiatives of social entrepreneurs.
- Provide a place for members to share knowledge and resources.
- Assess the performance and lasting impact of their projects.

Any organization with the conviction that the social and solidarity economy is an alternative model for the future, and willing to support positive social change, can become a partner of the platform: companies, associations, nonprofits, public or semipublic entities, etc. Their support of social entrepreneurs can take the form of skills sponsorship, equipment donation, financial or logistical support, or knowledge sharing.

A dozen social entrepreneurs have joined the platform. All of them have a viable economic project, a clear social and/or environmental aim, a limited lucrative goal, and participative governance. They seek the Platform's support to hone their projects and maximize their impact.



### SOCIAL INNOVATION PROJECTS

Projects supported by the social entrepreneurship platform offer models that disrupt traditional practices and are intended to improve the dissemination of energy progress and fight fuel poverty more effectively.

For example:

- **Access to energy efficient services** in emerging countries (LP4Y, Entrepreneurs du monde, GERES, GRET).
- **Involving households suffering from fuel poverty** (Soleni, Voisin Malin, Logicités, les Compagnons Bâisseurs, Caritas Austria, Energy Sussex Coast, Grid Alternatives, Réseau Eco-Habitat, GERES, Habitat & Humanisme).
- **Access to affordable energy-efficient housing** (Doremi, Action Tank Entreprise et Pauvreté, Next Step).
- **Promoting renewable energy** (Energie Solidaire, Energie partagée, RMI).

# 7 — KNOWLEDGE SHARING

## ENERGY EFFICIENCY EXPERTISE

One of the Rexel Foundation's missions is to build knowledge in the area of energy efficiency in order to fully understand the issues and challenges, to identify innovative solutions, and to foster knowledge sharing.

The following projects are among those that the Foundation supports:

- **The development by the Rocky Mountain Institute of an affordable, community-scale and collaborative civic solar power production model in the United States:** the strategy for creating two community solar pilot projects in the state of New York is based on reducing costs, an innovative approach to location and connection, and the creation of flexible enrolment plans available to all households. The validation of this project is an important step towards building trust among market players.
- **The co-organization of energy efficiency webinars** as part of the Sustainable Energy for All (SE4ALL) initiative launched by the United Nation Foundation. The Foundation has joined the Energy Access Practitioner Network to help SE4ALL reach its goal of universal access to sustainable energy by 2030.
- **A research project on the concept of thermal comfort** and energy optimization in confined spaces by the Ecole Spéciale des Travaux Publics (ESTP): the goal of this research is to develop new strategies for controlling and improving indoor environmental conditions and for lowering energy consumption.



## ECOBLOCK, OR THE REPLICABLE ECO-DISTRICT

**EcoBlock, which has received the Foundation's support from its birth,** uses a multidisciplinary and comprehensive approach to urban renovation. Led by UC Berkley and Stanford University, its goal is to transform a block of dilapidated homes in Oakland, California into an energy-efficient district by:

- **The individual renovation of the energy and water distribution** and wastewater treatment systems of 28 contiguous homes on a city block.
- **The incorporation of these homes into an "intelligent" system** in which energy needs are fully met through the use of solar energy and in which water consumption is reduced thanks to wastewater recycling and rainwater collection.

This project, designed on the scale of a single block—sustainable, efficient, and affordable—could serve as a model for urban renovation. It is likely to contribute as well to the establishment of new standards to accelerate the sustainable retrofitting of residential neighborhoods. Around 30 researchers, architects, manufacturers, and public and private institutions are contributing to this project in cooperation with residents.

## MEASURING THE IMPACT OF SOCIAL INITIATIVES

The Rexel Foundation published the CBA (Cost Benefit Analysis) Guide in December 2018 to help those involved in social innovation measure the impact of their projects. This guide was developed in partnership with (IM)PROVE, experts in social impact assessment, with whom the Rexel Foundation has also published a Social Impact Assessment Guide.

Today, social entrepreneurs and associations alike must demonstrate of the financial value of their social action in order to convince their financial partners, whether public or private. The CBA Guide offers them a 5-step approach illustrated with real cases and provides topics for reflection as well as an assessment of the workload that is inherent to the process.

Designed in a simple, pragmatic way, it enables any association or social enterprise to acquire a rigorous assessment method that has been tried and proof tested.



## EcoBlock RECOGNIZED BY "LE MONDE" SMART CITIES

EcoBlock was among the winners of the 2018 International Urban Innovation Awards "Le Monde" Smart Cities. Seven out of the 111 candidate projects were chosen for recognition, including EcoBlock.

# 7 — INNOVATING DIFFERENTLY —



## 2018 INNOVATION DAY

In June 2018, for the fourth edition of its **Innovation Day**, the Rexel Foundation brought its partner ecosystem together in Roubaix. This gathering was an opportunity to adjust the Foundation's primary strategic orientations to fight fuel poverty:

- **The wish to involve people living in fuel poverty** in thinking about and developing solutions, they had only been represented by associations or groups.

- **The realization**, by means of interviews with 15 people living in fuel poverty, that this phenomenon extends far **beyond difficulties in paying energy bills** and instead is part of their life trajectory: job loss, problems with mobility, health, and access to basic rights.

- **The observation that fuel poverty continues to grow** despite massive investments (1.4 billion euros) and the existence of multiple assistance tools.

## THE ROUBAIX WORKSHOPS

From September to December 2018, four collaborative brainstorming workshops were set up with the goal of developing solutions:

- **The September workshop** made it possible to realize that the barrier to getting out of fuel poverty was not so much the difficulty of understanding procedures as it was the feeling of shame, of fear, of isolation, of addiction, of depression, etc.

- **The October workshop's** objective was to find out how to break down these barriers and also covered other concepts such as energy, the importance of community, trust, success, a positive attitude, the will to fight, brotherhood, looking ahead, etc.

- **The November workshop** mapped out solutions with three key themes: community, sponsorship, and the concept of a meeting point.

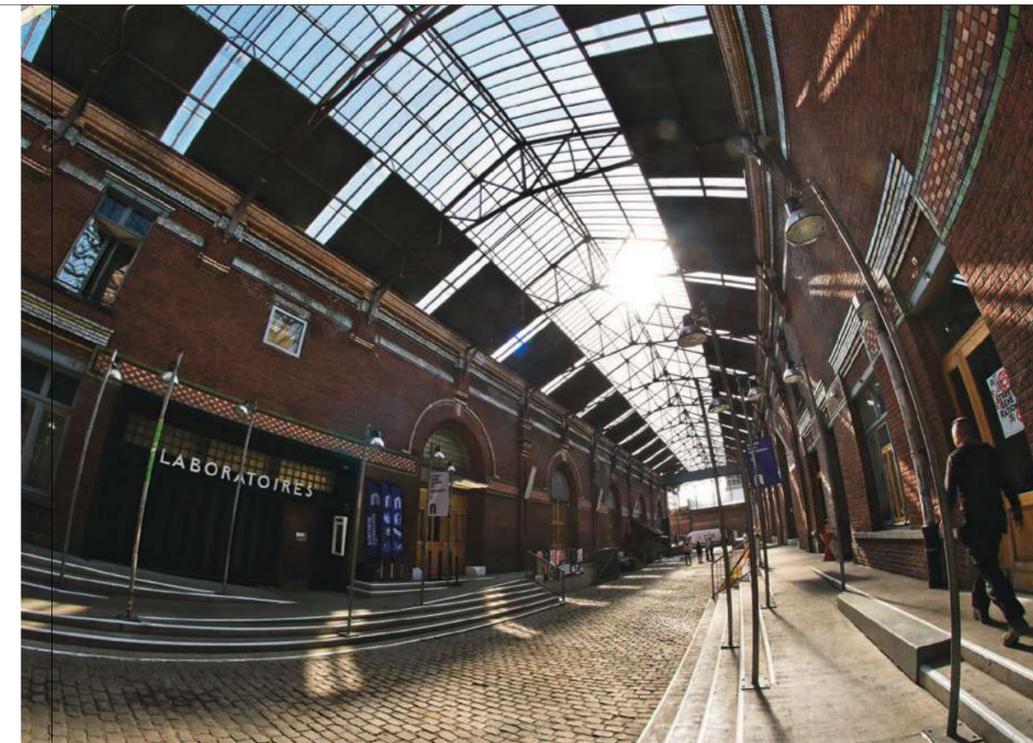
- **The December workshop** found several solutions to implement under the leadership of the workshop participants.

These solutions have been tested since March 2019, with a key asset: a **solid, active community**. As a first step, the solutions are limited in scope in order to evaluate their impact. They will later be rolled out on a larger scale, first in Roubaix, then in other locations.



## Roubaix

The Foundation positioned itself as a fuel poverty solutions provider via this first initiative based in Roubaix, the poorest city in France, alongside participants who had gathered together for Innovation Day: around 15 inhabitants, Rexel's Roubaix branch team, the Abbé Pierre Foundation, a social entrepreneur (Energie Solidaire), associations (les Compagnons Bâisseurs, Voisin Malin), a Greenflex consultant, a start-up, EDF Solidarité, CCAS (Centre Communal d'Action Sociale), and GRAAL (Groupe de Recherche pour l'Aide et l'Accès au Logement).



# 12

million people in France are impacted by fuel poverty, i.e. one fifth of the population.

This document was produced by the General Secretary of the Rexel Group. Rexel thanks all those of its partners and employees who contributed to the texts and photographs included in the document. The information herein is available in further detail online at [www.rexel.com](http://www.rexel.com) and at the dedicated Activity and Sustainable Development Report website [2018.rexel.com](http://2018.rexel.com)

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