



REXEL

a world of energy

2017 ACTIVITY AND SUSTAINABLE DEVELOPMENT REPORT

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DISCOVER
the world of Rexel



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EXPERIENCE
the world of Rexel



DISCOVER
THE WORLD
OF REXEL

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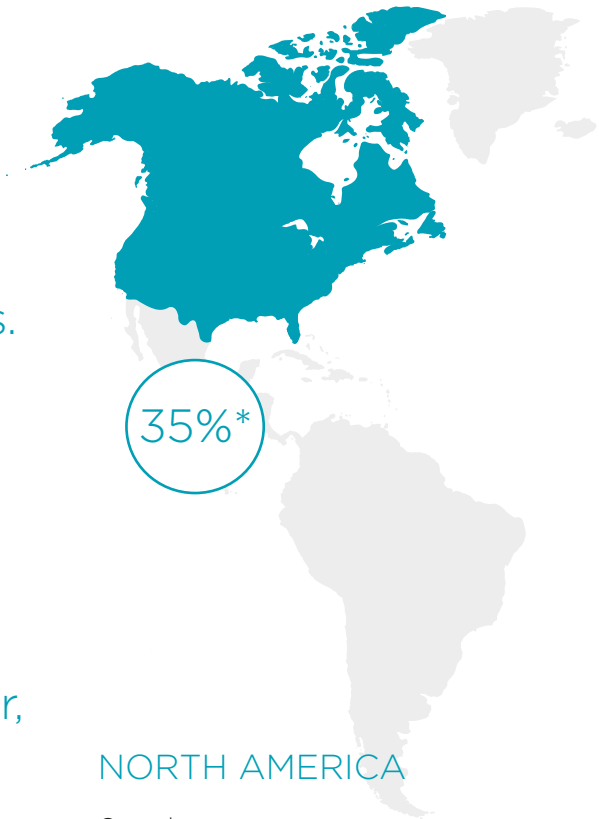
LANDMARKS

FOOTPRINT

Rexel offers its customers innovative, efficient and sustainable solutions and services. Our teams' expertise, our worldwide branch network and our diversified offer make the Group the partner of choice for the whole electrical sector, on the industrial, residential and commercial markets.

GROUP

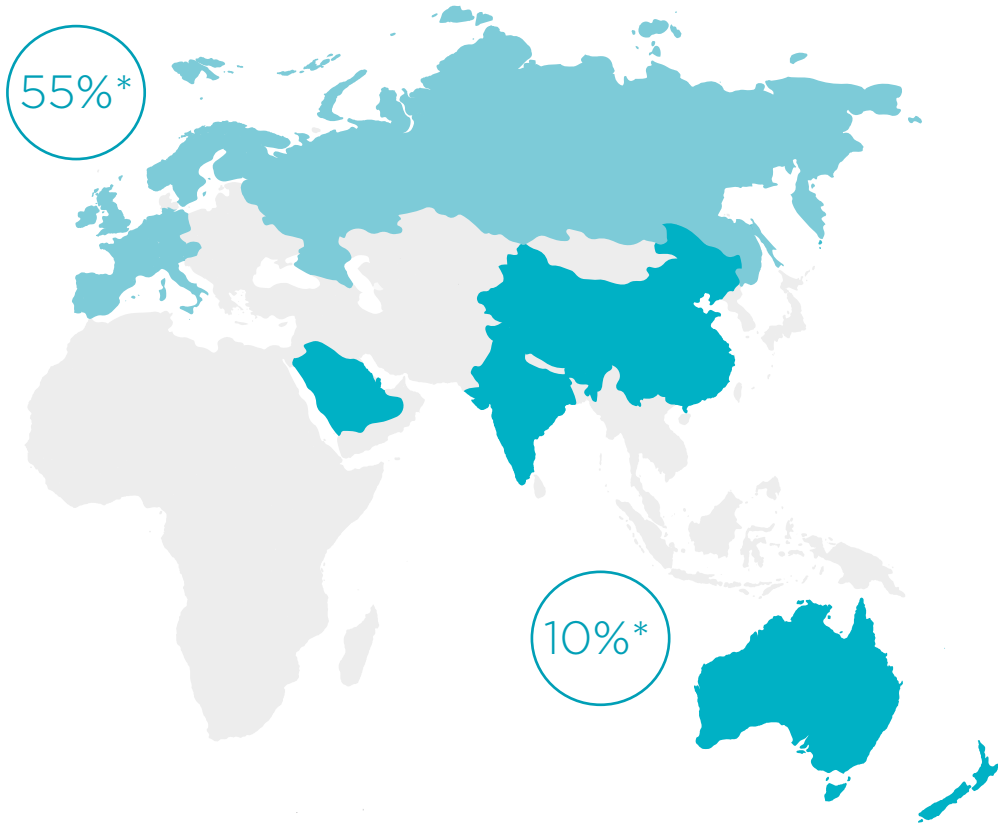
- €13.3bn in sales
- 2,000 branches
- 27,000 employees
- 104 logistic structures**



NORTH AMERICA

Canada,
the United States

- 550 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, the United Kingdom

- 1,200 branches
- 16,000 employees
- 18 countries

ASIA-PACIFIC

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

- 250 branches
- 2,500 employees
- 6 countries

* Percentage of 2017 sales.
** Distribution centers and hub branches.

HIGHLIGHTS

Optimized supply chain, connected solutions, social innovation: at the heart of the energy world, Rexel transforms its model to better serve its stakeholders.

An automated branch in Basel

With its relocation in 2017, the Basel branch acquired an Autostore. Representing a true innovation in logistics, and already in use at four of the Group's other locations, this fully automated storage and preparation solution optimizes the storage conditions of close to 15,000 products and allows customers to enjoy even faster service.

Fighting fuel poverty through innovation

On its Innovation Day in May 2017, the Rexel Foundation and its partners awarded the project "Colibri," which was designed by participants to fight fuel poverty in the area of single-family housing. Offering free, personalized energy saving advice, this community development solution receives financial support from the Rexel Foundation.

A breakthrough in the Australian market

Rexel Australia won a contract for the NorthConnex project which provides for the construction of a nine-kilometer road tunnel in the Sydney region. This foothold was followed by a contract for the management of procurement and leading-edge logistics services, notably with the support of a dedicated branch near the work site.

Rexel wins a contract in Russia

Rexel has won a major contract for a cabling project in Russia. The Group proved to be the most reliable choice thanks to its market knowledge and expertise in export procedures. Its special relationship with various partners enabled it to better establish the customer's needs in order to offer a competitive and fully customized solution.

Rexel Expo Paris: a connected year

With a special focus on digital developments, 2017 Rexel Expo Paris was held in October and welcomed 14,000 visitors who found their way around using an app specifically designed for the event. Special attention was given to connected objects and solutions, which were available on 90% of the exhibitors' stands. Positioned at the center of the value chain, Rexel plays a leading role in developing the rapidly growing market of connected products and solutions.

Sustainable development: goals achieved

In 2017, Rexel reduced its greenhouse gas emissions by 35.3% versus 2010 and thus surpassed its initial goal of -30% by 2020. The Group also doubled its sales of energy efficient products and solutions compared to 2011. These goals were reached thanks to the efforts made by all of the Group's subsidiaries.

A different organization in the UK

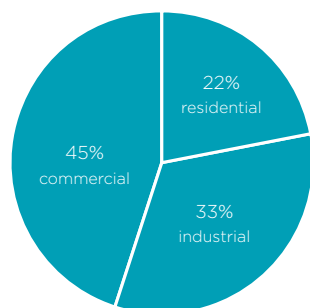
In the UK, four banners have been grouped together under the Rexel brand. This restructuring makes it possible to offer customers services that are perfectly suited to their needs. Using a proximity-based approach, this joining together means an expanded offering for customers, who will have access at the branches to 12,000 products with same-day or next-day delivery.

KEY FIGURES*

Rexel achieved a solid performance in 2017, thanks in particular to its multi-channel model and the growth of its digital sales. The Group is investing in its digital transformation, improving its customer interfaces, addressing new growth segments and strengthening its teams in future markets.

* As at December 31 2017.

Breakdown of sales by end-market



1M+

product references in electrical equipment

€1.9bn

digital sales (webshops + EDI) representing 14% of global sales

650,000 60%

active customers

of sales in countries where Rexel has a market share above 15%

Nearly €1.8bn

sales of energy efficiency and renewable energy products and solutions

Nearly 5,000

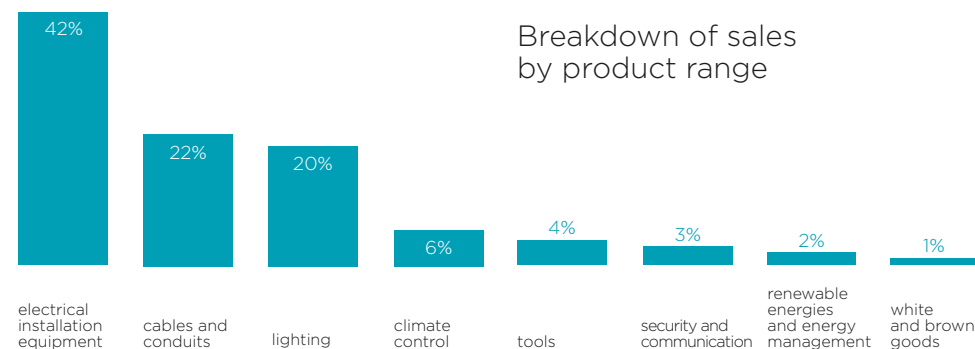
recruitments in 2017

20,000

employees received training in 2017

8,000

employees have become shareholders since 2007



Breakdown of sales by product range

GOVERNANCE

MESSAGE FROM

PATRICK BERARD

Chief Executive Officer of Rexel

Rexel's performance in 2017 provides once again a demonstration of the strength and adaptability of the Group's business model. In a more favourable economic environment across most of our markets, Rexel delivered results in line with its targets, proving that the strategy that we presented at our Capital Market Day in February 2017 and the action plans we are implementing throughout the Group are already delivering their first positive effects.

A solid performance in 2017

Our revenues, at 13.3 billion euros, were up by 3.5% on a constant and same-day basis. Our adjusted EBITA grew by 6.1% to 580.1 million euros, with margin improving by 13 basis points. Our recurring net income, which serves as the base for dividend payments, rose 16.4%, to 291.2 million euros.

At the same time, we strengthened our financial structure, taking advantage of favourable market conditions to refinance our debt and obtain better terms: our net debt, at a little over 2 billion euros, was reduced by

131 million euros, and our indebtedness ratio stands at 2.8 times EBITDA, an improvement of 20 basis points. This solid performance allows us to propose to our shareholders a 5% increase in our dividend to 42 cents per share, payable in cash. This represents a payout of 44%, in line with our policy of paying at least 40% of our recurring net income.

Another reason to be satisfied is that Rexel's performance improved quarter after quarter throughout the year. Our same-day sales growth of 5.4% in the fourth quarter was the highest growth rate of the year and marked the fifth consecutive quarter of accelerating sales growth despite a challenging base effect. Sales trends improved in all geographies, with growth in all three of our regions, so we entered 2018 with positive momentum.

While this performance was helped by a gradual improvement in the economic environment, it also reflects the successful implementation by our teams of the strategy we outlined at our Capital Market Day. This strategy is based on three main pillars, and I'm pleased to say that

“WITH A CLEAR STRATEGY, AN INNOVATIVE PRODUCT OFFER, A STRENGTHENED MANAGEMENT TEAM AND MOBILIZED TEAMS, REXEL IS ON THE RIGHT PATH TO CONTINUE CREATING VALUE IN THE RAPIDLY-CHANGING ENERGY WORLD.”

we have recorded advances in each of them.

The deployment of our strategic roadmap

Our first pillar is accelerating organic growth, notably through better customer knowledge and increased digitization of our activities. Our revenue growth attests that we are on track, and digital sales represented 1.9 billion euros last year or 14% of

Group sales, a 13% increase over the previous year. Digital is growing much faster than our traditional business, with five countries now above 30% in digital sales.

With the recent appointment to our Executive Committee of Nathalie Wright as Group Digital and IT Transformation Director, bringing us her great experience in top technology groups, we intend to accelerate Rexel's multichannel evolution. We also improved our customer service level,

+5.4%*

in Group sales
in the fourth quarter of 2017

+13%

in digital sales vs. 2016

+3.5%*

sales increase in 2017 vs. 2016

* On a constant and same-day basis.

investing in service platforms in several European countries and redefining branch assortment in key European countries as well as the US.

Our second pillar is increased selectivity in capital allocation in order to focus our energies and resources on our main countries, and we have made headway on that front as well. With the disposal of our activities in South-East Asia, we have achieved 17% of our disposal plan, which should lead, once completed, to a reduction in sales of about 800 million euros and to an improvement of the Group's

profitability. This increased selectivity is also evident in our capital expenditure: 56% of our 2017 investments went to IT and digitization.

Our third pillar is improving operations in key geographies, and we can check that box as well. In the UK, we have moved from five banners to two; in the Netherlands, we have reshaped the business with a revamped offer and an optimized footprint; in the US, we have opened new branches and counters, invested in the sales force and training, boosted digitization,

improved our service level and put in place a new regional organization that sharpens our focus on three main priorities: drive growth in active customers, increase the number of SKUs and boost our digital presence and connected customers.

What all this points to is Rexel's key role within the value chain. The Group helps installers to master new technical solutions. By broadening its expertise with innovative solutions, Rexel enables its customers to enter new markets, such as electric mobility or energy auditing. In France, with our Energieasy Connect offer, we allow end-users to monitor different products using different protocols with a single app. In Sweden, we have installed 500 electric vehicle charging stations in several airports throughout the country.

A responsible approach

In 2017, Rexel reached its 2020 goals in terms of reducing the greenhouse gas emissions of its operations (-35% vs. 2010) and selling energy efficient products and solutions (+100% vs. 2011). As a signatory to the United Nations Global Compact, Rexel is committed to incorporating its 10 key principles into its strategy and procedures, reporting on their implementation, and promoting them to all of its partners. Our ambition is to align Rexel's business with the Sustainable Development Goals and thus to make Rexel a company that creates value for all players in the world of energy.

“In 2018, we will continue executing on the strategy we have outlined to continuously improve our performance, and we target - at comparable scope of consolidation and exchange rates - further growth in sales in the low single digits, a 5 to 10% increase in adjusted EBITA and a further improvement in our indebtedness ratio.”

MESSAGE FROM IAN MEAKINS

Chairman of the Board of Directors

In 2017, Rexel posted results in line with its financial targets. We are satisfied with the Group's performance, which reflects the relevance of the objectives presented at Capital Market Day in February 2017: accelerate organic growth, increase selectivity in capital allocation and strengthen financial structure, and finally, improve operational and financial performance.

These results, particularly 13.3 billion euros in sales, up 3.5% on a constant and same-day basis, demonstrate the accuracy of Rexel's strategic choices and its ability to adapt to an economic environment that remains uncertain, even if the underlying trend appears to be generally favorable. The Group remains well-positioned in its sector's high-growth markets: smart home, sustainable mobility, energy management, and large international infrastructure projects.

Furthermore, Rexel is continuing its digital transformation, allocating it 56% of the Group's total investments in 2017. Currently, 14% of sales are generated online (e-commerce and EDI), i.e. 1.9 billion euros, up 13% vs 2016.

With recurring net income up 16.4% to 291.2 million euros, Rexel is proposing a 5% increase in dividends up 0.42 euros this year, representing 44% of its recurring net income, consistent with its payout policy.

On behalf of the Board of Directors, I would like to reaffirm my confidence in the executive team: by capitalizing on its strong position in its markets, its close relationships with its customers and suppliers, its multi-sector expertise, and the skills and expertise of its teams, Rexel is on track to successfully transform its model and continue to accelerate its growth.

“WE ARE SATISFIED WITH THE GROUP'S PERFORMANCE, IN LINE WITH ITS FINANCIAL TARGETS ACCORDING TO ITS THREE KEY METRICS: SALES GROWTH, ADJUSTED EBITA GROWTH, AND LEVERAGE RATIO, WHICH REFLECTS THE RELEVANCE OF THE OBJECTIVES PRESENTED AT CAPITAL MARKET DAY IN FEBRUARY 2017.”

Biographical information

Ian Meakins, 61 years old, has been Chairman of the Board of Directors of Rexel since October 1st, 2016. Prior to that, he was appointed Wolseley CEO in July 2009.

He was previously Chief Executive Officer of Travelex, the international foreign exchange and payments business. Previously he was Chief Executive Officer of Alliance UniChem plc until its merger with Boots in July 2006.

Prior to that, between 2000 and 2004, he was President, European Major Markets and Global Supply for Diageo plc, spending over 12 years with the company in a variety of international management positions. Additionally, he is a Non-Executive Director and the Senior Independent Director of Centrica plc.

THE BOARD OF DIRECTORS

as at 17 November 2017

Rexel is a French Société Anonyme with a Board of Directors. The Board of Directors works in coordination with the Executive Committee to set the Group strategic priorities and supervise their deployment and implementation.

The Board of Directors comprises eleven members. To help it fulfill its duties and facilitate its decisions, the Board of Directors relies on the opinions, proposals and recommendations of three specialized Committees whose members and attributions are set by the Board: the Audit and Risk Committee, the Nomination Committee and the Compensation Committee.

80 %

independent Directors*

40 %

of Directors are women*

* Excluding the Director representing employees.
 ** Independent member.

The Committees' main responsibilities

The Audit and Risk Committee

- To ensure the accuracy and fair presentation of the corporate and consolidated financial statements;
- To issue recommendations on finance, accounting, internal control and risk management issues.

The Nomination Committee

- To make proposals for the nominations, revocations, dismissals and renewals for Directors, the Chairman of the Board of Directors, the members and Chairman of the Audit and Risk Committee, the Chief Executive Officer and Deputy Chief Executive Officer(s);
- To ensure that the independence criteria applicable to independent members of the Board of Directors are complied with effectively.

The Compensation Committee

- To make recommendations regarding the compensation paid to the Chairman of the Board of Directors, the Chief Executive Officer and Deputy Chief Executive Officer(s), and regarding the policy for allocating stock options and free shares.

Composition

Ian Meakins**

Chairman of the Board of Directors

François Henrot**

Deputy Chairman of the Board of Directors
 Senior Independent Director

Fritz Fröhlich**

Chairman of the Audit and Risk Committee

Agnès Touraine**

Chairman of the Compensation Committee

Herna Verhagen**

Chairman of the Nomination Committee

Marcus Alexanderson

Patrick Berard

Julien Bonnel

Director representing the employees

Thomas Farrell**

Elen Phillips**

Maria Richter**

To ensure its efficient functioning and promote a best-in-class governance, a Secretary of the Board of Directors assists the Board in its missions.

Sébastien Thierry

Secretary of the Board of Directors and General Secretary

THE EXECUTIVE COMMITTEE*

The Executive Committee helps manage the Group's operations. It is a special body that deliberates on strategic planning, coordinates initiatives, monitors performance and follows the implementation of cross-disciplinary projects. The Executive Committee appointed by Patrick Berard has enhanced the main geographic segments' representation for the management team to be fully focused on improving operational efficiency over the next years.

* as of the date of publication of the present document

Appointment

Nathalie Wright has joined Rexel's Executive Committee as Group Digital and IT Transformation Director. She is in charge of defining and implementing the digital strategy at the heart of Rexel's transformation.

GROUP FUNCTIONS



Patrick Berard,
Chief Executive Officer



Laurent Delabarre,
Group Chief Financial
Officer



Frank Waldmann,
Group Human Resources
Director



Sébastien Thierry,
General Secretary
and Secretary of the
Board of Directors



Nathalie Wright,
Group Digital and
IT Transformation
Director

BUSINESS OPERATIONS



Patrick Berard,
Europe
General Manager



Jeff Baker,
CEO Rexel
USA



John Hogan,
United Kingdom
General Manager



Éric Gauthier,
CEO Rexel
Asia-Pacific



Joakim Forsmark,
Nordics
General Manager

STRATEGY

STRATEGIC ROADMAP

The 3 strategic priorities of Rexel

① Accelerate organic growth

«More customers»
Net customer gains



«More SKUs»
Increased share of wallet

LEVERAGE

Customer Knowledge

Managing the different phases of customer lifecycle and accelerating multichannel evolution.



ALIGN

Incentives and KPIs*

Focused performance management and aligned incentives.

* Key Performance Indicators.

BOOST

Digital

Customer acquisition, retention and push marketing



Market share gains
Profitability improvement

② Increase selectivity in capital allocation and strengthen financial structure

ACTIVELY MANAGE

portfolio to focus on most attractive geographies/businesses.

STRENGTHEN balance-sheet through deleveraging, while maintaining an attractive dividend policy.

INCREASE selectivity in capex allocation.

SEIZE targeted M&A opportunities with strict value-creation criteria.

③ Improve operational and financial performance, while continuously upgrading customer service

INCREASE profitability in all countries:

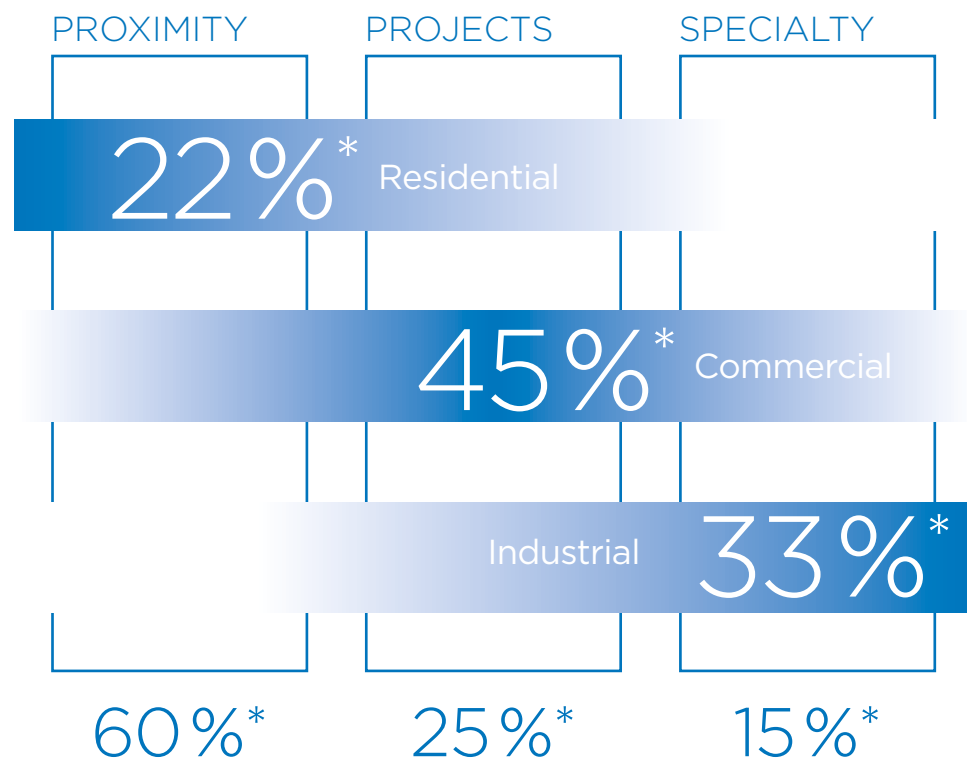
- Increase gross margin through pricing and supplier consolidation
- Control cost base and focus on opex supporting growth strategy

ENHANCE operations in key geographies:

- Top priority for the Group: Grow and increase efficiency in the US
- Transform or turn around operations in three key markets: Germany, Australia and the UK

THREE BUSINESS APPROACHES

End-markets and growth opportunities



* % of Rexel sales in 2017.

Priorities per business approach

PROXIMITY

(representing c. 60% of Group sales)

Branch or counter openings, acceleration of the multichannel approach and constant improvement of the service level

PROJECTS

(representing c. 25% of Group sales)

Industrialization of the offer process of products and solutions to customers managing industrial and commercial projects

SPECIALTY

(representing c. 15% of Group sales)

Increase of the ability to meet specific requirements for specialized products and solutions

CAPTURING GROWTH OPPORTUNITIES ON FUTURE MARKETS

Market trends will drive growth in the coming years.

- Metropolitan areas: "Mega-cities"
- Industrial renovation - Industry 4.0
- Large infrastructure projects
- Energy efficiency
- Renovation in residential driven by ageing of buildings and new norms
- Conversion to connected buildings

Core business offers strong opportunities.

- Energy efficiency: USD231Bn investment in energy efficiency in 2016.
- Charging stations for electric vehicles: EU-wide, 8 million charging stations are targeted and electric car fleet is expected to reach 20 million vehicles by 2020
- IoT: 30 billion connected devices expected by 2020 (up from 15 billion in 2015) and over USD470Bn of annual revenues for IoT vendors by 2020.

COMMITMENTS

SUSTAINABLE DEVELOPMENT

“The Group’s ambition is to align its activities with the Sustainable Development Goals in order to create value for all stakeholders in the energy world.”

Patrick Berard,
Rexel CEO

Rexel’s position at the core of the energy world value chain grants it a key role and a responsibility to promote sustainable social and environmental practices among all of its stakeholders. With the firm belief that this ambition is also a growth driver, Rexel has committed itself to a continuous progress approach to sustainable development.

A value co-creation process

Energy management, a powerful lever for fighting climate change and protecting the environment, is a driver of economic growth and contributes to improving the comfort and safety of end-users. It is one of the fundamentals of Rexel’s value co-creation and performance improvement processes.

The materiality assessment conducted in 2015 helped identify the expectations of all of the Group’s internal and external stakeholders and define its priority actions. The materiality assessment is the cornerstone of the Group’s approach and commitments, which are grouped into three pillars:

■ Develop energy management solutions for our customers and for society at large

- Providing energy management and energy efficiency products and solution
- Developing renewable energy solutions
- Raising awareness of energy management issues
- Improving access to energy efficiency for all

■ Promote responsible practices across the value chain

- Promoting a sustainable and shared-value relationship with suppliers
- Establishing sustainable relationships with customers
- Driving health and safety in the value chain
- Developing the circular economy in the value chain

■ Improve the social and environmental performance of the Group’s operations

- Supporting and engaging employees
- Reducing Rexel’s carbon footprint
- Reducing the Group’s resource consumption
- Reinforcing the ethics and compliance policy

For each of these three priority actions, the Group has set a goal to be achieved by 2020:

- Double its sales of energy efficient products and services (compared to 2011)
- Reduce the carbon footprint of its operations by at least 30% (compared to 2010)

- Assess the CSR (Corporate Social Responsibility) performance of its suppliers representing 80% of its direct purchase volume (in value)

2017, a landmark year

The year 2017 marked an important milestone in the Group’s sustainable development strategy. Two of the three goals set for 2020 were reached, a particularly noteworthy result given that these objectives, set in 2014-2015, were ambitious. At the same time, Rexel broadened its approach on several fronts, upstream and downstream of the value chain.

The goal of doubling sales of energy efficient products and services

was achieved in 2017. This significant growth was driven by Rexel’s offering perfect match with one of its end-markets structural trends: lower energy consumption. Indeed, Rexel offers a wide range of products and services to improve energy efficiency in residential, commercial, and industrial buildings. Their construction, renovation, or maintenance now largely involves the energy efficient products and energy monitoring solutions sold by the Group.

The objective of reducing the Group’s carbon emissions by 30% (Scopes 1 and 2)

was also achieved in 2017. In order to shrink its environmental footprint, Rexel is constantly improving

“We are entering a new stage of our process whose main objective is to intensify our efforts to support our customers and our suppliers in their sustainable development process. This focus responds to the issues identified by our materiality analysis, which prompts us to further commit ourselves at both ends of the value chain.”

Bertrand de Clermont Tonnerre,
Rexel Sustainable Development
Director

its buildings' energy efficiency: more than 80% of its facilities are equipped with LEDs and energy monitoring systems. Concurrently, its carbon footprint from transportation has been reduced thanks to pooled deliveries, increased subcontracting and shared transportation, particular attention paid to carriers' environmental performance, and the renewal of the Group's fleet.

In 2017, Rexel also strengthened its efforts to shrink its global carbon footprint by assessing the carbon emissions of its entire value chain. This assessment prompted the Group to develop partnerships with its partners, carriers, suppliers, and clients to efficiently reduce emissions across the entire value chain.

The assessment of suppliers' CSR performance has also progressed. By the end of 2017, more than 70% of suppliers had been interviewed and 47% of the purchased volume had been assessed. The implementation of the assessment platform since 2015, as well as targeted audits, have enabled the formation of partnerships in order to help suppliers improve their social and environmental performance.

Since 2017, this target has been included in a new regulatory framework, that of the French corporate duty of vigilance law, which requires large companies to implement measures destined to identify and prevent serious violations of human rights and fundamental freedoms, the health and safety of individuals, as well as the environment, which could result from their own activities or those of their value chain.

35%*

reduction in greenhouse gas emissions (vs. 2010)

* As at 31 December 2017.

100%*

increase in sales of energy efficient products and solutions (vs. 2011)

A new ambition

Beyond its direct relationships with its suppliers and clients, Rexel is firmly establishing its approach as part of its ecosystem as a whole, taking into account the expectations of all of its stakeholders, both external and internal. This global approach guarantees the longevity of the value co-creation process the Group is committed to. In regard to environmental performance, Rexel is working on developing new carbon emission reduction goals aligned with the IPCC's* guidelines for limiting the average increase in temperature on the planet to 2°C by the end of the century. Concerning the development of energy management solutions, partnerships with suppliers will be strengthened in order to offer products and solutions that deliver a constantly improving environment, health, and safety performance with the ultimate aim of establishing a responsible, certified offering.

To achieve this new ambition, the Group wants to turn its 27,000 employees into corporate social responsibility ambassadors. Numerous tools are available to help involve them in the Group's sustainable performance:

- **The Ecoday's initiative is a key tool for raising awareness of sustainable development issues within the company**, as well as a means of conveying information about the Group's sustainable development policy. This collaborative platform contributes to reaching a goal set by Rexel: inform and raise awareness among all of its employees by 2020.
- **Sustainable development or energy efficiency training programs are offered to all employees via the Rexel Academy in the form of e-learning modules.** These training programs will be enhanced to support the Group's ambition.

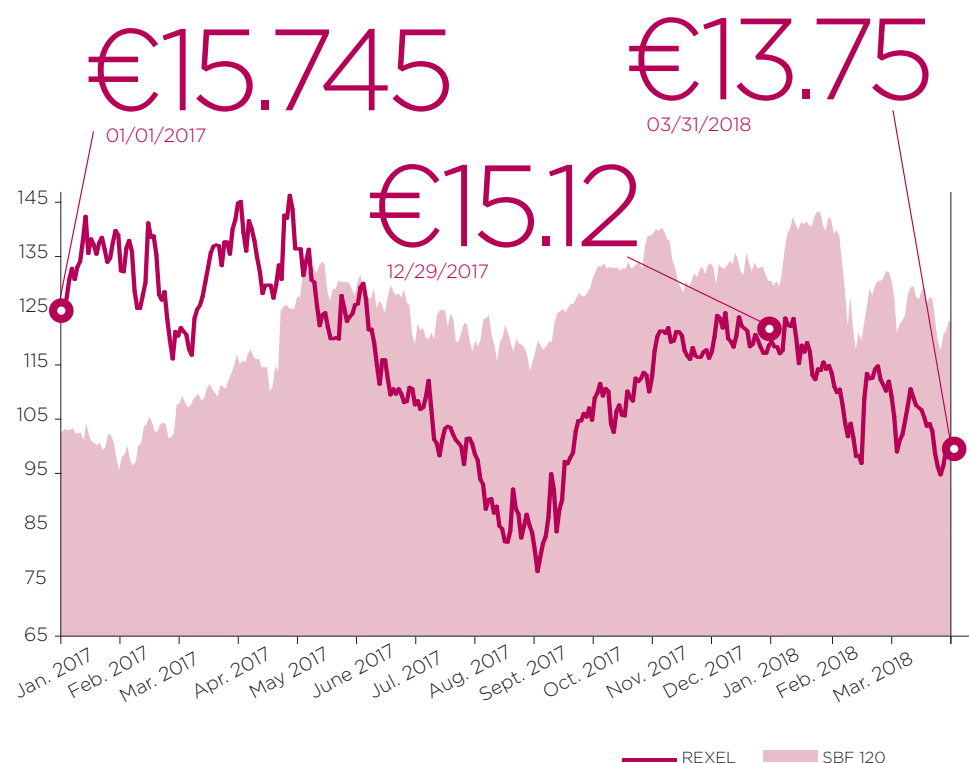
* IPCC: Intergovernmental Panel on Climate Change.

PERFORMANCES

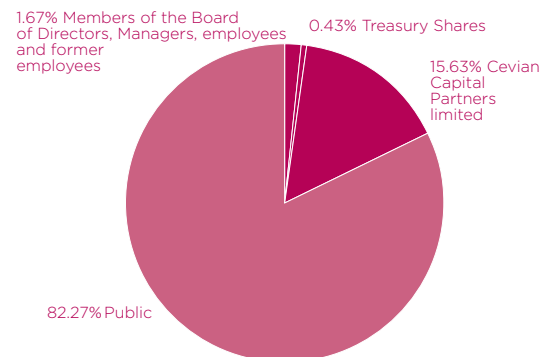
SHARE AND SHAREHOLDERS

To continually earn the trust of its shareholders, Rexel is committed to regular and transparent financial communication.

Share price
base 100 on 12/31/2017



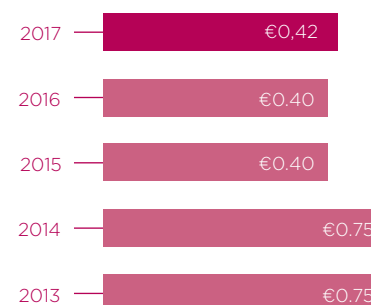
Shareholding structure
as at 12/31/2017



Market Capitalization
as at 03/31/2018

€4.171Bn

Dividends per share



Indices

Listed on the Eurolist market of Euronext Paris, Rexel is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600, FTSE4Good, STOXX®Global ESG Leaders, Ethibel Sustainability Index Excellence Europe, Euronext Vigeo Eiris Eurozone 120, Dow Jones Sustainability Index Europe

SHARE PROFILE

ISIN :
FR0010451203
Mnemonic code :
RXL
Market :
Eurolist by NYSE
Number of shares
as of March 31, 2018 :
303 343 177
August 29, 2017 low: €12.18
April 26, 2017 high: €17.105

SHAREHOLDER EVENTS

Half-Year Results:
July 31, 2018
Third-Quarter Results:
October 31, 2018
Full-Year 2018 Results:
February 13, 2019

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Visit www.rexel.com
to follow the Group's
financial news

SOCIAL INDICATORS*

As a responsible company, Rexel publishes an annual environmental and social report, which is an essential tool for the management of its sustainable development strategy. This report covers up to 100% of the Group's total sales and is verified by an independent third party.

Headcount	2017
Total workforce	27,024
% of women (out of total workforce)	22.8
% of managers (out of total workforce)	18.5
% of employees with Fixed Term Contracts	2.2
Average age of employees (Fixed Term and Unlimited Contracts)	43.2
Total number of outside recruitments	4,823.0
% turnover	16.3
Work organization	
% absenteeism rate	3.2
Training	
Number of employees trained during the year	20,226
Diversity	
% of employees reporting handicap (out of total workforce)	1.2
Health and safety	
Frequency rate (per million working hours)	6.2
Severity rate (for 1,000 working hours)	0.1
% of employees trained in safety (out of total workforce)	48.8
Employee shareholding	
% of the share capital held by employees or former employees in the context of the employee shareholding plans	0.58

*Extract from Rexel's 2017 Registration document, chapter 4. For further details on the scope, see paragraph 4.3.7 "Note on methodology" in Rexel's 2017 Registration document.

ENVIRONMENTAL INDICATORS*

Like for like basis**							
Indicators unit	unit	2017	scope	2017	2016*	variation	scope
Consumption of resources							
Energy consumption	MWh	283,825	100.0%	280,588	288,720	-3%	98.8%
Electricity consumption	MWh	146,504	100.0%	144,123	148,841	-3%	98.8%
Gas consumption	MWhPCS	120,181	100.0%	119,325	120,607	-1%	98.8%
Fuel consumption	MWh PCS	7,205	100.0%	7,205	9,056	-20%	98.8%
Water consumption	m ³	287,230	95.9%	286,072	323,826	-12%	94.7%
Packaging consumption, including	Tons	13,270	100.0%	12,910	12,168	6%	98.7%
Cardboard	Tons	4,870	100.0%	4,722	4,407	7%	98.7%
Plastics	Tons	1,003	100.0%	981	762	29%	98.7%
Wood	Tons	7,003	100.0%	6,844	6,611	4%	98.7%
Other packaging	Tons	394	100.0%	363	387	-6%	98.7%
Paper consumption, including:	Tons	2,413	100.0%	2,345	2,522	-7%	98.8%
Commercial paper	Tons	1,241	100.0%	1,210	1,290	-6%	98.8%
Waste							
Quantity of waste generated	Tons	26,665	93.8%	26,587	26,290	1%	92.6%
Total quantity of waste recovered	Tons	17,183	93.8%	17,179	16,938	1%	92.6%
Recovery rate	%	64.4%	93.8%	64.6%	64.4%	0,2 pts	92.6%
Greenhouse gas emissions							
Scope 1 direct emissions TCO ₂ e	TCO ₂ e	74,141	100.0%	73,685	77,030	-4%	98.8%
Emissions related to on-site energy combustion	TCO ₂ e	26,439	100.0%	26,266	27,032	-3%	98.8%
Emissions related to the transportation of products by the internal fleet	TCO ₂ e	20,703	100.0%	20,593	20,585	0%	98.8%
Emissions related to business travel by company car	TCO ₂ e	27,000	100.0%	26,827	29,412	-9%	98.8%
Scope 2 indirect emissions	TCO ₂ e	30,219	100.0%	29,352	36,536	-20%	98.8%
Emissions related to the production of purchased and consumed electricity	TCO ₂ e	29,247	100.0%	28,379	33,687	-16%	98.8%
Emissions related to the production of purchased and consumed head	TCO ₂ e	973	100.0%	973	2,850	-66%	98.8%
Sales of energy efficiency and renewable energy solutions							
Sales of energy efficiency solutions	€M	-	-	1,475.5	1,433.3	2.9%	100%
Sales of photovoltaic solutions	€M	-	-	196.8	205.1	-4%	100%
Sales in the wind market	€M	-	-	106.4	66.1	-38%	100%

*Extract from Rexel's 2017 Registration document, chapter 4, page 189
 **On a like for like basis. For further details on the scope, see paragraph 4.4.5.1: "Note on methodology and summary table" in Rexel's 2017 Registration document

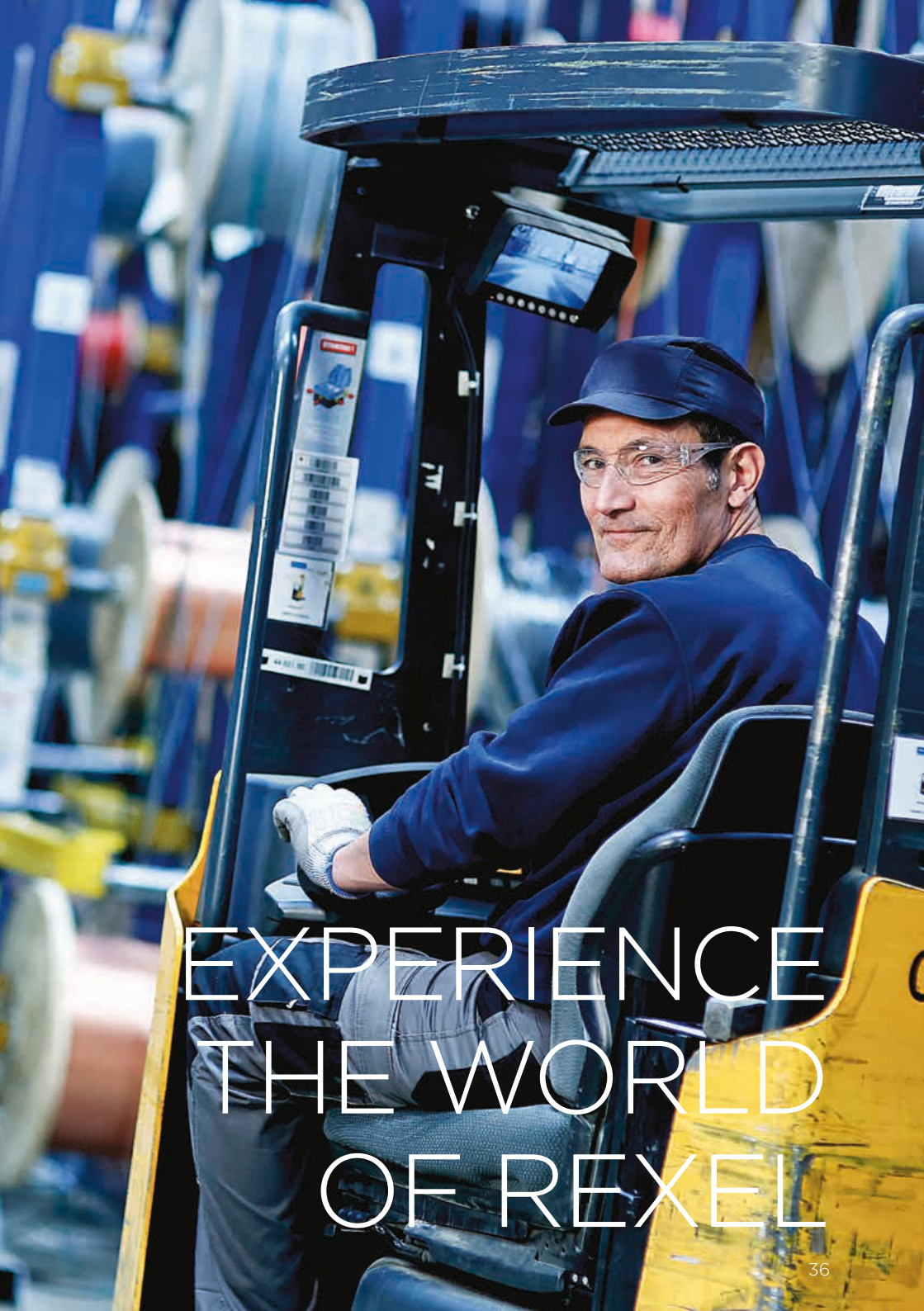
CONSOLIDATED INCOME STATEMENT

In millions of euros - As of December 31	2017	2016
Sales	13,310.1	13,162.1
Cost of goods sold	(10,045.9)	(9,989.3)
Gross profit	3,264.2	3,172.8
Distribution and administrative expenses	(2,688.9)	(2,651.8)
Operating income before other income and expenses	575.3	521.0
Other income	7.1	5.6
Other expenses	(260.1)	(129.5)
Operating income	322.3	397.0
Financial income	2.3	2.0
Interest expense on borrowings	(91.9)	(104.3)
Non-recurring redemption costs	(18.8)	(16.3)
Other financial expenses	(37.6)	(27.7)
Net financial expenses	(145.9)	(146.3)
Net income from continuing operations	176.4	250.7
Income tax	(71.5)	(116.4)
Net income / (loss)	104.9	134.3
Portion attributable:		
To the equity holders of the parent	105.8	137.9
To non-controlling interests	(0.9)	(3.6)
Earnings per share:		
Basic earnings per share (in euros)	0.35	0.46
Fully diluted earnings per share (in euros)	0.35	0.46

The above tables are excerpts from the 2017 Registration document and are fully available on page 214 and following.

CONSOLIDATED BALANCE SHEET

In millions of euros - As of December 31	2017	2016
ASSETS		
Goodwill	3,914.9	4,300.2
Intangible assets	1,049.7	1,109.5
Property, plant and equipment	272.0	282.4
Long-term investments	38.0	41.8
Deferred tax assets	95.9	128.4
Total non-current assets	5,370.4	5,862.3
Inventories	1,543.8	1,579.3
Trade accounts receivable	2,077.0	2,187.3
Current tax assets	48.1	23.5
Other accounts receivable	495.8	489.6
Assets held for sale	-	0.3
Cash and cash equivalents	563.6	619.3
Total current assets	4,728.3	4,899.3
Total assets	10,098.7	10,761.6
EQUITY		
Equity		
Share capital	1,516.7	1,514.5
Share premium	1,559.2	1,561.2
Reserves and retained earnings	1,085.5	1,302.4
Total equity attributable to equity holders of the parent	4,161.4	4,378.1
Non-controlling interests	2.2	5.2
Total equity	4,163.6	4,383.3
LIABILITIES		
Interest bearing debt (non-current part)	2,450.5	2,195.1
Net employee defined benefit liabilities	319.9	338.5
Deferred tax liabilities	173.7	240.0
Provision and other non-current liabilities	56.3	84.8
Total non-current liabilities	3,000.5	2,858.3
Interest bearing debt (current part)	155.5	603.6
Accrued interest	6.3	6.3
Trade accounts payable	2,034.8	2,179.0
Income tax payable	34.8	37.5
Other current liabilities	703.2	693.5
Total current liabilities	2,934.6	3,519.9
Total liabilities	5,935.0	6,378.3
Total equity and liabilities	10,098.7	10,761.6



EXPERIENCE THE WORLD OF REXEL

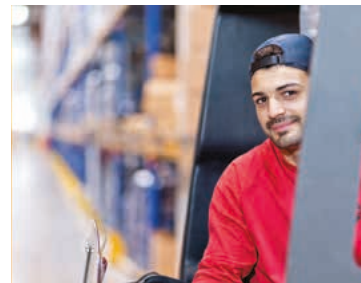
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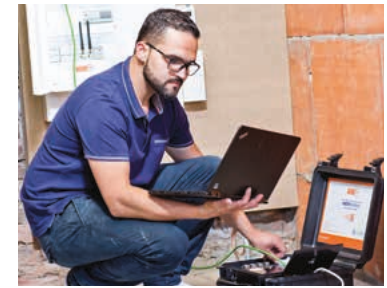
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PROXIMITY

In the residential market and the commercial market alike, installers must have quick, easy access to the full range of products they need to complete their projects. Rexel meets this priority most notably through its territorial coverage and its multichannel approach, as well as through its ever-strengthening capacity to provide advice and make recommendations.

#services
#branches
#accessibility
#multichannel
#webshop
#information

EXPERIENCE THE WORLD OF REXEL





#Our branches

For many installers, the branch lies at the heart of Rexel's local services. The Group's 2,000 branches in 26 countries offer more than 4,000 immediately available products, as well as full professional assistance including recommendations, advice, and training.

In addition to this network of branches, 16,000 sales representatives, including 8,000 in outside sales, assist electricians all the way to their work sites. This network of branches is constantly adapting to market changes. In 2017, 17 new branches and 18 counters opened in the United States, primarily in California, at a pace that will continue over the coming years. In Europe, the branch offering has been extended to include new specialties such as multienergy and smart objects.

The Group's branches are regularly modernized in order to offer customers better service and greater accessibility. In this way, in France, around 20 branches have been entirely remodeled to provide a full range of services.

Furthermore, branch opening hours around the world are being extended for improved accessibility. All of Finland's branches are now open 24 hours a day, 7 days a week. In Belgium, 31 branches offer their customers the option of picking up their orders at any time of the day or night, thanks to parcel lockers protected by access code in which their purchases are temporarily stored. In Sweden, 12 branches are fully automated and always open: customers use a mobile app to pay for their purchases. In 62 other branches, they can save time by using self-checkout.





#Our multichannel approach

Ordering online and picking up your purchase at a branch or having it delivered to your work site, learning about a product's features from your smartphone, and checking its availability at the closest branch: Rexel offers its customers all of these options by extending the number of touch points in order to facilitate their purchasing process and optimize their project management.

The range of these touch points is constantly expanding: branch, call center, outside sales representative, technical center, EDI, webshop, web configurator, mobile applications, etc. In 2017, two new major features were added to the webshops: card payment and automatic account creation. The latter allows customers to make immediate purchases.



#Rexel Expo

Rexel organizes events and training programs that explain market and product changes.

In October 2017, Rexel Expo was held in Paris with a special focus on smart objects: over 90% of exhibitor stands featured smart objects and solutions, such as Energieasy Connect, Rexel's

multi-brand, multi-protocol smart home configurator presented using an augmented reality cube. This edition welcomed more than 14,000 visitors, around 4,000 of whom used the dedicated app to navigate their way around the trade fair. In addition to this trade fair, Rexel intensified its communication

with installers to enable them to acquire or broaden their knowledge of new technologies or solutions such as energy efficiency, multi-energy, or the smart home. Rexel's experts play a key role in these training programs by organizing skills development modules in cooperation with major manufacturers.

EXPERTISE

Every work site is unique and our capacity to adapt to its specific needs and manage the unexpected challenges inherent to each project is a decisive factor. Our ability to meet every demand, in every situation, even the most unexpected, is one of the keys to our success.

#logistics
#projects
#supply chain
#specialty
#construction sites
#flexibility

EXPERIENCE THE WORLD OF REXEL





#Our logistics excellence

In addition to its sourcing capabilities, which enable it to offer customized solutions, Rexel offers to help optimize its customers' procurement and the total cost of ownership by examining all costs, whether they are related to billing, delivery, or inventory management. These indirect costs can more than double a product's price. Grouping deliveries, including gathering various suppliers and products into appropriate quantities and time slots,

makes it possible to eliminate costs incurred by multiple deliveries, calculate orders accurately, and avoid on-site storage. Procurement optimization increasingly involves kitting services, the pre-assembly of parts, and pre-cabling, which meets the need for savings and better resource allocation. The branches and logistics centers offer these services and certain subsidiaries have developed dedicated offerings.



**#Our complex projects
management services**

Cost optimization and the proper execution of construction projects are the main priorities for large installers and engineering companies. Rexel's offering is based on significant sourcing capabilities, innovative logistics solutions, and considerable flexibility in terms of implementation.



#Our expert know-how

The vertical markets in which Rexel operates include the mining market, the oil and gas market, utilities, wind power, automotive, food processing, and multi-energy among others. Although the activities, needs, and expectations of its customers are very different, all are subject to specific imperatives in matters of safety and quality, as well as strict environmental regulations. Rexel's specialized entities—subsidiaries or services—combine their extensive knowledge of these markets

with the global strength of the Group, present in 26 countries, in order to provide:

- A wide range of specialized products, particularly in the automation and industrial engine sectors, that meet the strictest standards.
- Customized logistics solutions, from procurement management to inventory management, that ensure lower procurement costs.
- Solid energy management expertise and suitable equipment to optimize energy efficiency.

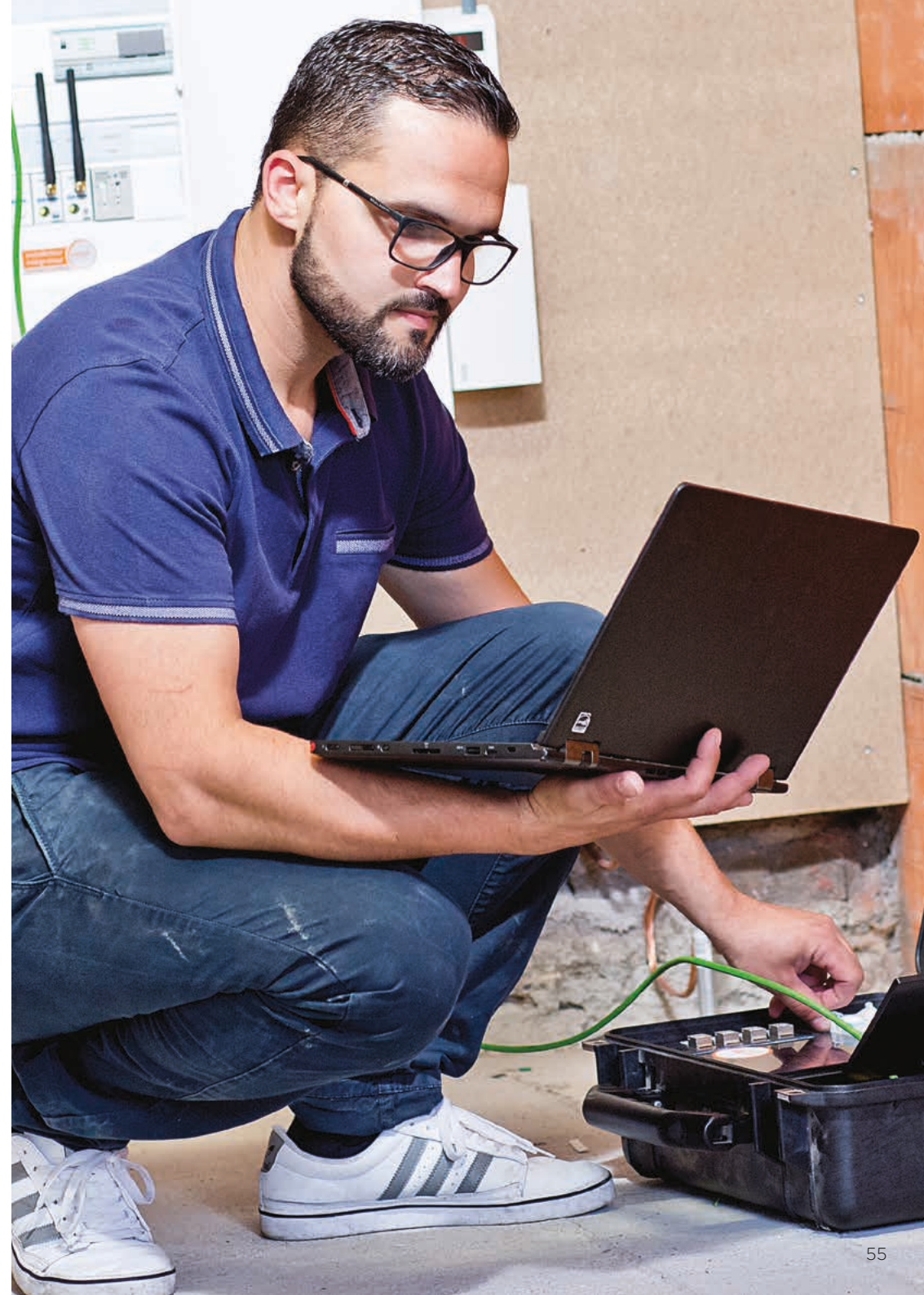


INNOVATION

To help our customers become effective advisors in high-growth markets, we offer them simple, affordable, and efficient solutions. Today's most innovative digital solutions focus on energy management, energy efficiency, renewable energies, and smart buildings, while enabling us to offer ever more efficient logistics services.

#IoT
#smart home
#end-user
#back-office
#digital
#automation

EXPERIENCE THE WORLD OF REXEL





#Our renewed product offering

Present primarily in the individual residential market, Rexel has extended its offering to the collective residential and commercial markets with solutions scaled to cover the number of cars to charge, the requisite level of affordability and the type of powering, whether classic or solar. These packages include the assessment of existing needs in order to find the most appropriate solution, completing subsidy applications, obtaining lease financing if needed, and setting up the system itself via contacts with certified installers. Also in the housing sector, Rexel

proposes a home controller: Energieasy Connect. Available in “ambiance” or “modular” (i.e. ready to incorporate into the electrical board) versions, it enables users to manage their equipment locally or remotely. It can be radio-operated as well as adapted to a fixed-wire installation. A means of smart home democratization, it allows users to discover home automation with an initial application at a very affordable price and then progressively add other uses, including automating existing equipment. As it is interoperable, Energieasy Connect functions with most existing protocols, which still vary considerably from one brand to another.





#Our streamlined back-office

The supply chain also benefits from digital technological innovations. After transforming stock management and warehouse organization, digital technology is helping us to improve services to customers, whose expectations are now similar to those of private individuals regarding e-commerce actors. Warehouse automation is another logistics performance tool. Rexel now has four Autostores with fully automated storage and picking: thousands of boxes are stacked in a metallic structure where automated forklifts pick up selected boxes and bring them to the operator in charge of preparing the orders. During its most recent move, Rexel's Basel branch acquired an Autostore, an innovation so far

only used by logistics warehouses, in operation since January 2017. In this major branch stocked with approximately 30,000 product references, customers can pick up their orders or have them delivered. The Autostore is placed on an upper story, and products are delivered via an elevator to four work stations located at street level. The delay between the moment when the operator selects a product, and the moment when they receive it, is 45 seconds. The customer can pick it up a few minutes later in the self-service zone, which is open during the day as well as at night with an access code. In a country where real estate and labor costs are particularly high, the space and productivity gains offered by the Autostore are significant.



RESPONSIBILITY

We are entering a new stage of our approach whose main objective is to intensify our efforts to support our customers and our suppliers in their sustainable development process. This focus responds to the issues identified by our materiality assessment, which prompts us to further commit ourselves at both ends of the value chain. The Group's ambition is to align its activities with the Sustainable Development Goals in order to create value for all stakeholders in the energy world.

#employees
#mobility
#training
#the environment
#energy transition
#social innovation
#better energy future
#sustainable development





#Our employees

A new recruitment approach adopted by Rexel for the past few years was generalized in 2017 on the geographic as well as the hierarchical level. The aim is to seek out the talent that the Group needs thanks to improved offer visibility, especially on social networks. In terms of internal mobility, the global Job Board displays the job openings at the Group's locations around the world. Roughly 400 job offers are constantly presented, including around 100 international ones, and employees can create job alerts

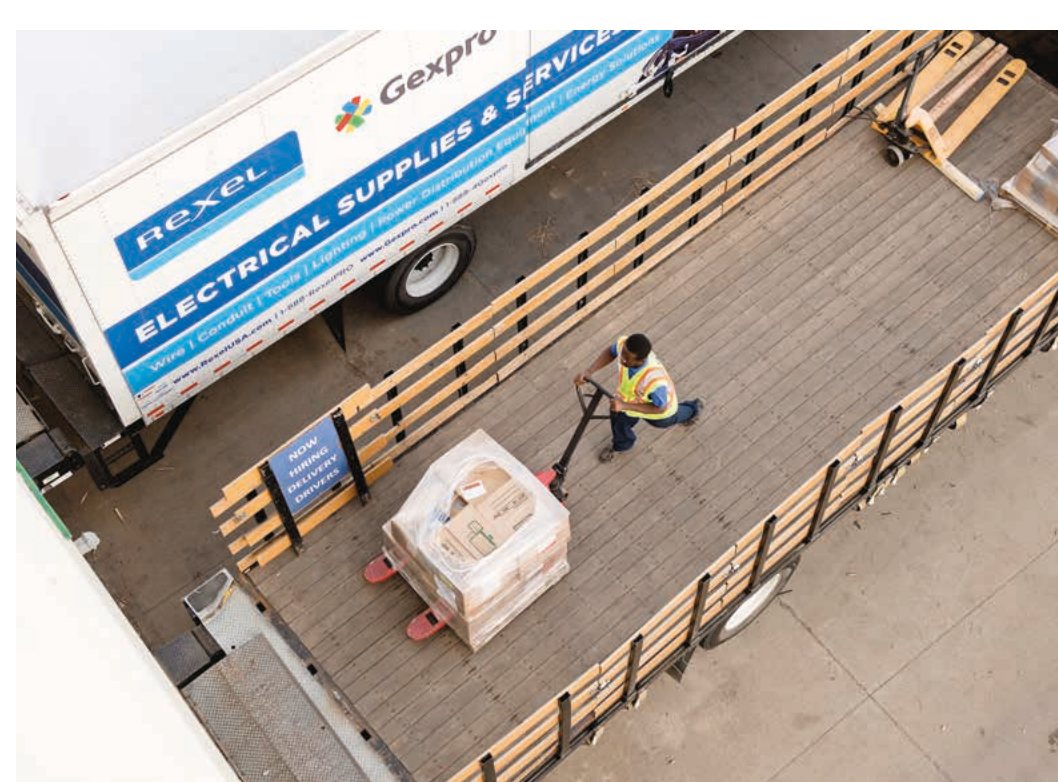
based on their areas of interest. At the same time, the number of training hours and personnel trained continues to grow (+17% and +12% respectively vs. 2016), driven by the digital training program that has been strongly implemented in every country. The training sessions, some of which are provided by suppliers, increasingly focus on product knowledge (924 new modules in 2017), as well as on sales methods and salesforce management. By the end of 2017, 26,000 people had access to the Rexel Academy.



#Our environmental policy

The environmental impact of the Group's operations is relatively low in comparison to that of the entire value chain. The reduction of greenhouse gas emissions is achieved in two ways: the energy performance of buildings and that of transportation, which account for 36% and 64% of direct emissions respectively. In 2017, direct emissions were reduced by 4.3%, indirect emissions by 19.2%. This reduction reflects the efforts that Rexel has made to improve

the energy performance of its locations, thanks in particular to the generalization of LED lighting and the installation of consumption monitoring systems. At the same time, the carbon footprint of transportation was reduced thanks to pooled deliveries, the increased use of subcontracting and shared transportation, as well as special attention paid to transportation companies' environmental performances and the modernization of the Group's vehicle fleet.





#Our community involvement approach

Rexel affirms its social responsibility by taking action, via its Foundation, to improve access to energy efficiency for as many people as possible.

Since 2013, the Foundation has multiplied initiatives with its partners in order to better disseminate

energy progress and fight fuel poverty. Furthermore, it allocates part of its resources to supporting research programs designed to improve understanding of end-user behavior in the area of energy efficiency. It also supports the development of innovative approaches and

initiatives to help change behaviors. For example, the Foundation supports the project Ecoblock, a study on the efficiency and reproducibility of sustainable renovation on the scale of a block with the University of Berkeley, California.

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The information herein is available in further detail online at www.rexel.com
and at the dedicated Activity and Sustainable Development Report website
2017.rexel.com

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