



sonepar

# Pano- 2016 rama

**Assisting** our customers in a world of change



**Find out more at**  
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+more videos  
+more testimonials  
+more projects





We are an independent, family-owned group with global reach.  
Our job is to make life easier for our customers.

We span a variety of specialties in the B-to-B distribution of next  
generation electrical products and solutions.

We are constantly expanding our product and service range so  
that we can meet our customers' needs.

We support our customers as they develop their business, we  
work to strengthen our partnerships with suppliers, we invest  
in the skills and passion of our associates and we make sure  
they get to share in our success.

What enables us to grow our business is outstanding service,  
strong customer engagement and a pioneering approach that  
weds local, hands-on experience to global strategy.

We operate on the basis of shared values, rules of governance and  
principles of action, because sound, sustainable growth is our goal.

We intend to be, more than ever, "La Référence" in our industry.

**WE ARE SONEPAR.**

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together

One project,  
two partners

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Whatever job they do, Sonepar associates around the world support and help customers every day with their projects. And it works, as the following text and photos show.

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Who  
we  
are



**Steeve Rouillere**  
Counter Manager  
Franco Belge Électricité – France

"For two years, I've been greeting and advising customers, but I also manage inventory. The most exciting aspects of my job are interacting directly with people, being part of a team and experiencing continuous technological change. One key to success is keeping a smile on your face, listening to customers and helping them pinpoint their needs. But what means the most to me is serving customers who used to do business with our competitors and who decided, after two or three stops at our branch, to change over and build a relationship with Sonepar."



**Edwig Manhaeve**  
Branch Manager  
CEBE0 – Belgium

"I joined Cebao in 1996 as a counter salesperson. In 2008, I got the opportunity to become Branch Manager. My job now is to run the branch and maximize profits. In addition, I provide training in IT system basics to new associates in our sales region. I am proud that in my sixties, I can use my 40 years of experience to help the younger generation prepare for the future. At Cebao and Sonepar, people matter, and they make the difference."





**Brad DeFratus**  
eCommerce Solutions Manager  
Crawford – United States

"I joined Crawford in November 2013. Thanks to a great leadership, I've been given the autonomy to unleash my passion and develop key business platforms that help drive sustainable growth. I have never had more fun professionally than I have had in the past year. Being able to connect with customers and team members to find value-added solutions to their lives based on their needs and/or perspective has been the most rewarding thing to me. It's the relationships built and the common goal in sight that make this place and experience so special to me."



**Paolo Conte**  
Digital Project  
Manager  
Sonepar Italia – Italy

"To be a member of an international group is definitely an advantage. The opportunity to share experiences and knowledge with the whole world is potentially one of the greatest strengths of Sonepar in the market. I also think that two good ways to differentiate from the competition are innovation and training. For me, Sonepar is special because it allows me to express my skills and myself, while giving due recognition to my work."



**Atte Luukkonen**  
Product Information Development Manager  
SLO Oy – Finland

"At SLO and Sonepar, we can share all the innovations and information we have. Both entities are very open-minded about new ideas. I love the fact that when I have an innovative idea, we can sit down together and discuss how we will push that idea forward. And if we don't have enough resources to do something, we can always count on our worldwide Sonepar partners to help us."



**José Arias**  
Logistics Manager  
Sonepar Ibérica – Spain

“Since 2009, I have been applying principles and techniques that are valid in any business sector to improve customer service. Only the details have changed. We don’t need to invent anything. Technical solutions, equipment and processes are available, many of them inside Sonepar. Our goal is to choose and implement the ones suited to our needs so that we can achieve “best-in-class” supply chains that truly serve our customers.”





**Jennifer Winter**  
Logistics Services Manager  
Sonepar Deutschland – Germany

"I am in charge of Logistics Services, and have handled Central Returns since 2015. My job requires me to be friendly at all times despite the stress with complaints and returns. It also means bringing about tactical and strategic improvements to secure and enhance the quality of deliveries and returns. And we are constantly trying to make the processes as uncomplicated as possible for everyone involved. The way we differentiate from the competition is by giving customers outstanding delivery quality. We make the impossible possible, especially when it is most needed!"



### Gert Westland

Consultant for Sustainable  
Energy Solutions  
Technische Unie – Netherlands



"I have been at Technische Unie for five months now. Before that, I worked for one of the company's suppliers. As a consultant, I help the New Business Department find and select high-quality products for sustainable energy solutions. In addition, I provide the Sales Departments with technical support for bids on large projects. In order to make a difference for our customers, we need to increase our technical knowledge. We are therefore developing special technical and sales training programs. We are busy building a competence center dedicated to sustainable energy products—a place where our customers can get the technical information, advice, training and service they need."

### Esapekka Turunen

Technical Support Manager  
SLO Oy – Finland

"We aim to assist SLO's sales personnel to get through their daily tasks as well as possible and to support them both in technical matters and in bid calculation. One way our company innovates is by developing new service solutions. The members of my team are a significant asset because they have an enormous amount of know-how to share. What makes SLO stand apart in particular is that employee training is given high priority, and individual learning and self-improvement are encouraged."







**Valentin Kok**  
Project Engineer  
Van Egmond – Netherlands

"We carry out projects for all kinds of machines and processes that have to be automated in industry. Though our main task is programming the software, we also do complete projects from end to end. First, we discuss what the customer needs and summarize it in a functional description. Then we write the software in our office, and when it's finished we commission the software in the customer's factory to see if it works. The great thing about our job is that we get to hear, see and sometimes feel what we programmed, and sometimes what we forgot to program! We adapt to customer needs and desires. If a customer has its own standard for programming machines, we adapt to it and try to make it better."

**Olivier Charton**  
Specification Manager  
Luminter, Sonepar Ile-de-France – France

"I started out in the apparel industry, then went on to decoration and design, before entering the lighting business. After two years of training, I landed the job at Luminter. I now get to work on a wide variety of projects where technical expertise is just as important as innovation and people skills. In my view, to be a good specification manager, you need to be passionate, inquisitive, in touch with your team, imaginative and meticulous. But the job also requires you to keep the showroom moving forward by partnering with new manufacturers and seeking out the products and solutions most likely to appeal to your customers."





**Ana Chicote**

Technical Engineer, Industry Division  
Sonepar Ibérica – Spain

"I've been working for Sonepar Ibérica for five years. We have been through a tough, but exciting period that gave me the opportunity to help the company shift its strategic focus to specialized customers. Sonepar has helped me to develop my career and grow professionally. And now, thanks to the Sonepar Junior Committee<sup>1</sup> I have the chance to get to know the Group internationally and learn about different ways of working in other countries. We may be very different, but all of us are focused on the same goal."



**Jennifer Buijn**

Account Manager  
Technische Unie – Netherlands

"I am responsible for managing the accounts in our area, so I work with a variety of customers in businesses of all sizes and all sectors. I've now been working at Technische Unie for five years, and no two days have been the same. I work both out in the field with the customers and in the office with my colleagues. I also use the company training center. I've already taken several courses there on subjects ranging from technical to sales skills. Technische Unie makes a difference for its customers by really working with them and offering services and advice. And as an employee, the company gives me personal attention and the room to grow."

<sup>1</sup> The Sonepar Junior Committee (SJC) acts as an in-house think-tank that brings together young talent in the Group for three-year periods. Their task is to brainstorm and work together on assignments set at the start of each year. In 2016, the SJC celebrated its 25<sup>th</sup> anniversary.



**Luis Gimeno**  
Branch Manager  
Guerin – Spain



"I started working at Guerin when I was 21. That was 40 years ago. In 2013, at the height of the crisis, I used my enthusiasm and sales experience to train a team of 17 young people who soon boosted sales by 100%. The analytical and management skills I had built up over the years were a big help in that respect. I love my job, and I know how to motivate my team."



**Gert van Viegen**  
Branch Manager  
Technische Unie – Netherlands

"I've been working at Technische Unie for more than thirty years in various branches across the country. Working here is never boring. Whether individually or on a large team, you are always busy looking for challenges to further expand our market leadership position. The key motivation is customer satisfaction."

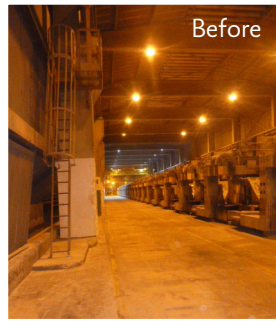


# One project, two partners

For years, New Zealand's Aluminium Smelter had been trying unsuccessfully to address an issue. The company located on Southland's Tiwai Peninsula needed to replace 850 sodium lamps. Placed at a height of 14 meters in an industrial environment marked by dust, high temperatures and continuous production, the fittings raised problems of rising maintenance costs and non-compliance. **Corys Electrical was up to the challenge!**

**Simon Wilson** - Business Development Manager - Lighting - Corys - New Zealand

"Our client was struggling to make a decision in terms of moving forward in their conversion to LED. They had had issues in the past with direct suppliers and did not want to go down that path again. Working with our sales representative Kevin Carmody, we came up with the idea of producing a report which put all the supplier data in a format that allowed a matrix for comparison. We started with what they had now and considered whether it would be more cost-effective to maintain or repair the existing fittings. They used our report as a basis for making a decision. To achieve better light levels, with less power and greatly reduced maintenance, they opted for the more expensive solution, which was also the more economical one in the medium term. I got tremendous satisfaction from hearing great positive comments even from the non-believers. We had made a dark, heavy industrial site a place where workers were actually requesting to be assigned."







**Chris Wild - Electrician - New Zealand's Aluminium Smelter - New Zealand**

"We have had a long-standing relationship with Corys that goes back over 20 years. On this project, Corys offered expertise with lighting designers from different suppliers of high bay LED fittings for no added cost to us. The due diligence they performed on our installation and the maintenance and lighting issues involved, with clear explanations of all the variables, allowed us to choose the most appropriate high bay fitting at that time. It has met with the approval of both our maintenance staff and the workers in that area."



# Making projects successful together

By assisting customers with projects large or small, Sonepar adds to their success. And shows on a daily basis what it means to stay attuned to, anticipate and respond to customer needs, whether that involves providing basic equipment or complex systems, with standard delivery or tailored logistics solutions.



## Vetri Speciali glass factory – Trento – Italy

**Sonepar Italia** together with Grisenti installer, helped this glass bottle manufacturer, to choose lighting solutions and then supplied them, along with the necessary cabling (including datacom) and cable trays. The customer particularly appreciated Sonepar's tailored responses in terms of quality service, technical and sales support, and product range.





## Bank of Costa Rica – Curridabat, San José – Costa Rica

IESA provided a wide range of products, from cabling to switchgear to lighting control systems, to equip Bank of Costa Rica's Platinum LEED building, meaning a building certified as environmentally friendly and energy self-sufficient. The company won over the customer with an offer of appropriate equipment and solutions that also included technical expertise, day-to-day support and the necessary guarantees.

## Elbphilharmonie – Hamburg – Germany

For the new philharmonic hall in Hamburg, the project owner demanded both innovative, reliable engineering solutions and swift, flexible, tailored logistics for all deliveries to the construction site. **Sonepar Deutschland** clearly demonstrated the quality of its service by supporting the customer over the entire life of the contract and providing lighting systems and solutions, cables and building management equipment. The Elbphilharmonie represented its biggest project in 2016.



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## Waste water treatment plan – Amsterdam – Netherlands

For this contract with Waternet, Amsterdam's water supply and sanitation company, **Technische Unie (TU)** conducted a thorough study of the customer's needs across Europe in order to be able to respond to them most effectively. TU committed to 24-hour delivery with a 100% quality guarantee on fourteen product ranges spanning electrical equipment, construction equipment and tooling. That commitment has been met. In fact, the customer has even expanded the initial contract to include five new wastewater treatment facilities.



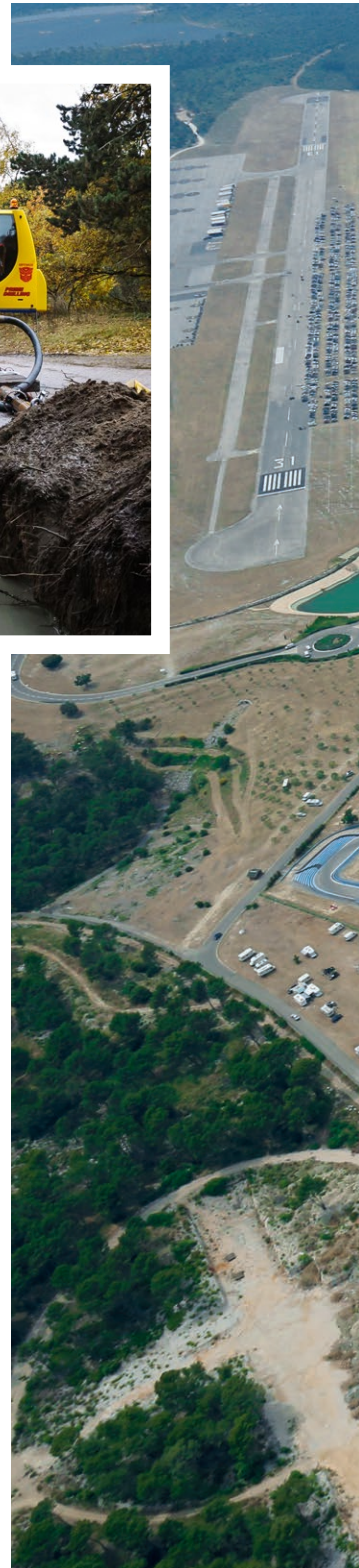
© Jan Dirk Bol



## T3 Terminal at Tianhe Airport – Wuhan – China

For this power distribution contract at China's fourth busiest airport, **Hagemeyer China** joined forces with partner firm Schneider Electric. More importantly, the company leveraged a long-standing partnership with Hubei Yangzi Electric Company, gradually gaining acceptance as a supplier to large-scale public works programs in China. Hagemeyer responded to the customer's requests with a broad selection of appropriate low-voltage equipment and a solid understanding of the customer's engineering and service requirements. This contract is the latest addition to a growing list that includes:

Chongqing Airport T3, Electric Fever, China; Wuhan Airport, Electric Fever, China; the future T1 terminal at the Lyon Saint Exupéry Airport, France; and the Millennium Airport in Dubai.







## Circuit Paul Ricard – Le Castellet – France

Refurbishing the entire video surveillance system at the famous automobile race track in southern France required responses tailored to the end-customer's special constraints. **CCF** teamed up with a solutions integrator, its partner Sony and software vendor SeeTec to deliver an end-to-end solution spanning servers, software, forty mobile cameras and a video wall. This makes it possible to film racing cars at a rate of 60 frames per second with guaranteed image clarity.





## Milosrdných Bratří hospital – Brno – Czech Republic

After putting in the most cost-effective bid, **Sonepar Česká Republika** supplied a complete range of electrical equipment and solutions, from cables, switches and outlets to emergency lighting and inverters. Prior to delivery, the company also provided lighting-related service and technical support. The customer showed major appreciation, as have other hospitals doing business with Sonepar companies around the world, including:

Yibin Togji Hospital in China (Hagemeyer China), Brant Hospital in Canada (Sesco), San Juan de Dios Hospital in Costa Rica (IESA), the Strasbourg, Melun and Vendée hospitals in France (Sonepar France), the Ommerlander Hospital Group in the Netherlands (Technische Unie) and the reconstructed Trutnov Hospital in the Czech Republic (Sonepar Česká Republika).







## Rio Tinto – Queensland – Australia

This was the largest contract of its type awarded to a single company in 2016. **Auslec - L&H** won the contract by drawing on its experience in the mining industry and emphasizing innovation, continuous process improvement and the company's expertise. Rio Tinto particularly appreciated the paperless procedures offered by **Auslec - L&H**, from Electronic Data Interchange (EDI) to PunchOut, a system that enables customers to access the company's webshops directly from their own procurement applications.



## Geisinger Woodbine Outpatient Clinic – Bloomsburg, Pennsylvania – USA

**Friedman Electric** assisted its customer by coordinating the broad range of complementary technical capabilities offered by a variety of suppliers and contractors. The company supplied the main circuit breaker, as well as lighting fixtures with control systems, to Geisinger's outpatient clinic and parking area with over 300 spaces.

## Waste Water Treatment Plant – Bonnybrook, Calgary – Canada

For this project, Bonnybrook was looking for genuine engineering expertise and a solid, widely recognized track record, not to mention reasonable pricing. **Gescan** met all those requirements. In addition, the company's thorough knowledge of the customer's needs and its ability to anticipate and respond to them promptly were decisive in winning the contract. Gescan offered to provide Gas Insulated Metal Clad Switchgear, an innovation demonstrated on site with partner firm Siemens at another waste water treatment facility to showcase the full range of technical features made possible by the proposed solution.





2016—a year of major change. General Management looks back on the past twelve months. Reviewing the key figures and concrete steps taken by our operating companies around the world to strengthen their cooperation with suppliers and make life easier for customers.

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**What  
we  
achieved**

A look back at 2016—  
and a clear roadmap for 2017.



Marie-Christine **COISNE-ROQUETTE**  
Chairman of Sonepar SAS

François **PONCET**  
Chief Financial Officer



# A year of change

**Marie-Christine Coisne-Roquette:** 2016 was a very unusual year. Our autonomous growth rate didn't reflect the progress we achieved in developing value-added product families and solutions. It didn't reflect the increase in e-business, either. And it didn't reflect all the effort put in by our associates. Though the market was flat or even shrinking in some countries, they did a remarkable job of fighting to maintain our market share. So our autonomous growth was definitely slack in the past year. But developments at the end of the year point to a recovery in 2017 that will give our associates greater opportunity to show their commitment and professionalism.

**François Poncet:** We were certainly off to a difficult start in early 2016, but we had a good fourth quarter that brought autonomous growth for the full year to 0.4%. However, a decline of some 10% in copper prices and the weakness of specific currencies had a negative impact of about €200 million on our annual sales. That was what we experienced in Mexico, Canada, the United Kingdom and China. On the other hand, the many acquisitions we made in 2014 and 2015 boosted our growth.

**MCC:** I've observed in that connection that the handful of country organizations that had a tough year in 2016 are well on the way to improvement and should be close to achieving the performance level we aim for 2017.

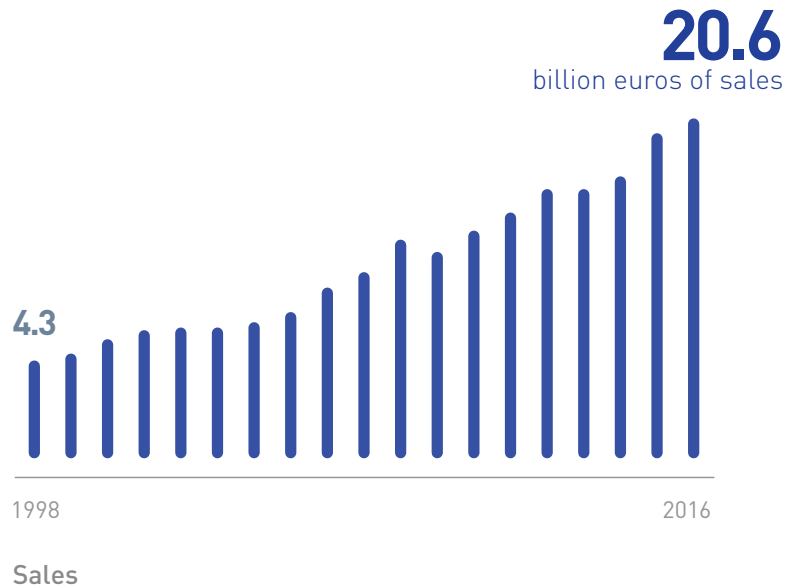
“Our associates have put up a remarkable fight to maintain our share of the market.”

**FP:** Allow me to briefly review the major world regions. In Europe, we posted mildly positive results, driven by Northern European countries like Finland, the Netherlands and Belgium, as well as by Italy and Spain further south. In North America, growth was flat in the United States and Canada, where industrial activity lacked momentum, due in part to low oil prices. Our business in Brazil held up despite difficult conditions, but for the first time, our sales in China showed no growth. In Australia, we ended the year with mildly positive growth. Our global sales in 2016 reached €20.6 billion, up roughly €350 million over 2015.





Growth averaging over  
9% since 1998



**MCC:** We performed somewhat better in this tough year than our competitors did, particularly in our electrical products business. Our e-business sales showed higher growth, driven by the development and promotion of our webshops and mobile applications. That confirmed the strength of a trend we have been betting on for several years now.

**MCC:** Right. Our decision to make fewer acquisitions, combined with efficient current asset management, generated high enough cash flow to enable us to reduce debt to the equivalent of one third of shareholders' equity. Our financial security ratios also improved noticeably.

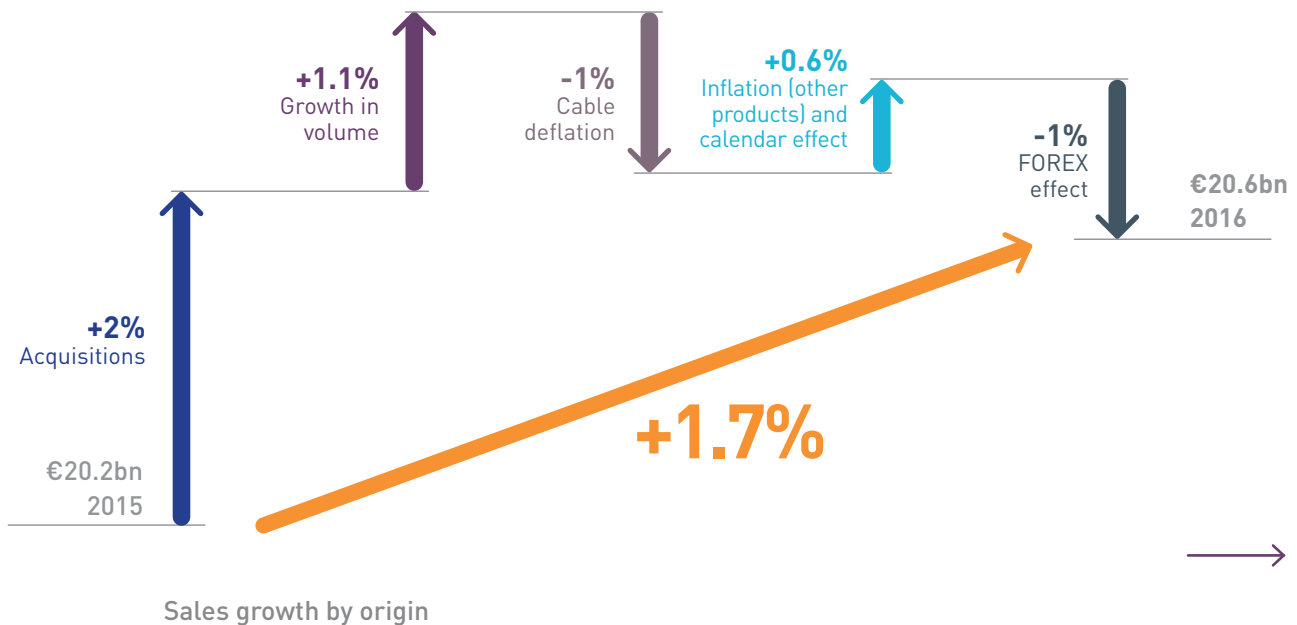
**FP:** 2016 was also a year devoted to consolidating and further integrating our previous acquisitions. It was time to take a break in our external growth drive, so we limited ourselves to five acquisitions during the year. They all show continuity with the ones we made in previous years, in that the primary goals were to achieve synergy, operational excellence and a good return on investment. And thanks to our healthy balance sheet, we can continue in 2017 with our selective acquisition policy. We also succeeded in reducing our debt load last year.

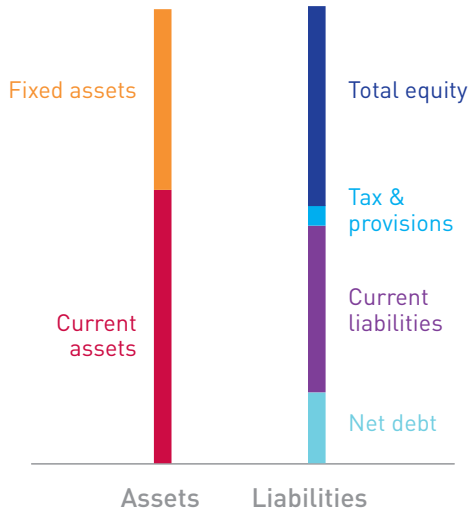
“We invested in enhancing customer service and furthering the digital transformation of our Group.”



**FP:** We invested mainly in enhancing customer service and furthering the digital transformation of our Group. In 2016, we invested as much as in the previous year, with most of the funding going to logistics and IT.

**MCC:** Yes, but we also invested further and more extensively in in-house talent, with new training programs, an e-learning module and more systematic “talent review” so that people with potential can be identified, assisted and promoted more effectively. We also took steps to raise staff awareness of the increasing importance of legal and regulatory compliance. Due to our international reach and our underlying values, we were already engaged with the issue. In 2016, we moved to a higher level, initiating a large-scale training program in close cooperation with the Sonepar Legal, Audit, Risk and Human Resources departments. Compliance regulations will sooner or later affect all our country organizations and businesses, so we need to be prepared.



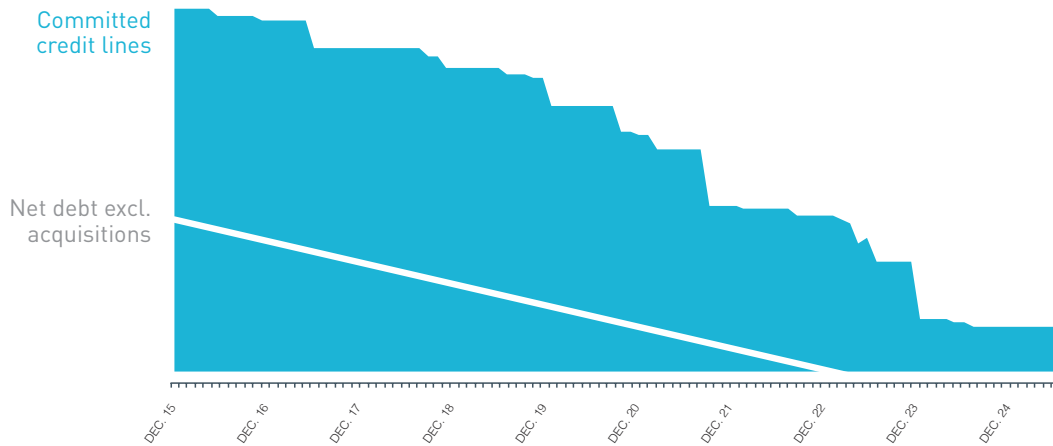


Simplified balance sheet

**FP:** This is a Group-wide program carried out with head office support and local involvement.

**MCC:** In the complicated environment of this past year, we also had to deal with a problem specific to our Group, which was the departure of our Chief Executive Officer. A three-person interim executive body was quite naturally put in place. In addition to my role as Chairman, I became the acting CEO with assistance from François Poncet and Frank Lakerveld, who came back to join us. For over eight years, Frank had held senior executive positions in our Group, serving as Board member and more recently as the head of the Board's Strategic Committee. Our management triumvirate has succeeded in maintaining operational continuity by drawing on the Group's underlying strengths, including the quality of its management teams and local operating companies and the unwavering commitment of its associates.

**FP:** Our goal in 2017 is to resume our drive for higher profitability while boosting our market share with the basic idea of maintaining or strengthening the number-one or number-two positions we hold in a variety of countries.



Debt and lines of credit



Frank H. **LAKERVELD**  
President of the Sonepar Board  
Strategic Committee

Marie-Christine **COISNE-ROQUETTE**  
Chairman of Sonepar SAS

François **PONCET**  
Chief Financial Officer

“The Group’s underlying strengths are the quality of its management teams and local operating companies and the unwavering commitment of its associates.”

**MCC:** The push for higher margins is crucial to delivering on our commitment to profitable growth through operational excellence. Because we serve rapidly changing markets, we have to rethink the way we operate and our associates need to adapt. We will all confront the strategic challenges of tomorrow together. Today more than ever, making life easier for our customers is something we must do—and intend to do—by leveraging our touch points and the technology available to us. We are aware of the efforts we are demanding of our associates, and we are proud of the dedication and passion they show, day after day. We have confidence in their ability to meet the challenges facing our Group. We will make it as long as we stand together.



**sonepar**

Sonepar is an independent family-owned company with global market leadership in B-to-B distribution of electrical products, solutions and related services

**20.6**

BILLION EUROS  
OF SALES

**44** COUNTRIES

**239** ENTITIES

**43,000**  
ASSOCIATES

**6%**  
HVAC\* &  
Renewable  
Energy

**16%**  
Lighting

**8%**  
Specialities

**10%**  
Safety &  
Tools

**53%**  
Installers



**29%**  
Industry



\*Heating, Ventilation, Air Conditioning



**2,800**  
BRANCHES

**1,000,000**  
ORDER LINES PER DAY

**900,000 +**  
B-TO-B CUSTOMERS  
SERVED WORLDWIDE

**110**  
CENTRAL DISTRIBUTION  
CENTERS

**33%**  
Infrastructure  
& Industrial  
Automation

**15%**  
Cable & Wires

**12%**  
Building  
Automation &  
Construction

**9%**  
Services & Utilities

**9%**  
Other

Review of  
key points,  
country by  
country

# Multi- national Business

## BRAZIL

— NO. 1 IN THE MARKET

264 M€

Hervé Salmon

81 branches

## UNITED STATES

— NO. 1 IN THE MARKET

7,104 M€

Halsey Cook

731 branches

## PUERTO RICO, TRINIDAD AND TOBAGO, DOMINICAN REPUBLIC

— NO. 1 IN THEIR MARKETS

83 M€

Oscar Villa

9 branches

## CHILE

— NO. 1 IN THE MARKET

69 M€

Ricardo Thomson

19 branches

## CANADA

— NO. 3 IN THE MARKET

991 M€

François Anquetil

109 branches

## COLOMBIA AND PANAMA

— NO. 1 IN THE MARKET

79 M€

Ricardo Rodríguez Mutis

9 branches

## PERU

— NO. 3 IN THE MARKET

28 M€

Abraham Puerta

10 branches

## MEXICO

— NO. 1 IN THE MARKET

432 M€

Vallen Proveedora:  
Camilo Kuri  
Sonepar Mexico:  
Urcesino Palacios Barro

126 branches

## COSTA RICA

— NO. 2 IN THE MARKET

21 M€

Miguel Muñoz

4 branches

To find out more about how the Group is structured, go to  
→ [www.sonepar.com](http://www.sonepar.com)



## GERMANY

(AND LUXEMBOURG)

NO. 1 IN THEIR MARKETS

2,628 M€

Stefan Stegemann &  
Holger Heckle

252 branches

## FINLAND

NO. 1 IN THE MARKET

395 M€

Mika Höjjer

35 branches

## FRANCE

(AND MONACO)

NO. 2 IN THEIR MARKETS

2,243 M€

Benoît Pedoussaut

525 branches

## SPAIN

NO. 1 IN THE MARKET

390 M€

Luis Arconada

131 branches

## NORWAY

120 M€

Lars Hamborg

13 branches

## NETHERLANDS

NO. 1 IN THE MARKET

1,332 M€

Jan Ferwerda

37 branches

## UNITED KINGDOM

(AND UNITED ARAB EMIRATES)

NO. 1 IN THEIR MARKETS

275 M€

Ian Stewart & Andrew Percival

16 branches

## BALTIC COUNTRIES

(ESTONIA, LATVIA, LITHUANIA)

67 M€

Heiki Liiser

18 branches

## SWEDEN

NO. 2 IN THE MARKET

620 M€

Anders Nordlöw

48 branches

## SWITZERLAND

NO. 2 IN THE MARKET

265 M€

David von Ow

12 branches

## CZECH REPUBLIC

NO. 3 IN THE MARKET

63 M€

Jiri Louda

30 branches

## BELGIUM

NO. 1 IN THE MARKET

512 M€

Alexander Dewulf

37 branches

## AUSTRIA

NO. 2 IN THE MARKET

155 M€

Bernhard Weber

9 branches

## HUNGARY

NO. 2 IN THE MARKET

34 M€

János Ágner

14 branches

## ITALY

NO. 1 IN THE MARKET

511 M€

Sergio Novello

88 branches

## POLAND

NO. 2 IN THE MARKET

123 M€

Wieslaw Romanczuk

42 branches

## ROMANIA

17 M€

Dan Georgia

12 branches



## AUSTRALIA

— NO. 2 IN THE MARKET

555 M€

Matthieu Raffestin

177 branches

## MAINLAND CHINA

— NO. 2 IN THE MARKET

518 M€

Eugene Wu

33 branches

## MALAYSIA

— NO. 1 IN THE MARKET

205 M€

Francis Sa

41 branches

## NEW ZEALAND

— NO. 2 IN THE MARKET

94 M€

Steve Priest

47 branches

## INTEGRATED SUPPLY

70 M€

Andrew Bennett  
(China, Malaysia, Singapore, Thailand)

13 branches

## OAKWELL GROUP

60 M€

Christine Liew  
(China, South Korea, Thailand, Malaysia, Singapore, Vietnam)

8 branches

## HONG KONG & MACAU SAR

57 M€

Alvin Mok

7 branches

## THAILAND

— NO. 3 IN THE MARKET

57 M€

Surote Panasahatham

4 branches

## INDIA

27 M€

Raja Sivaji Ghosh

7 branches

## SINGAPORE

— NO. 1 IN THE MARKET

27 M€

HoST:  
Ko Cheng Han  
Cable Solutions:  
Lawrence Tam

3 branches

## INDONESIA

12 M€

Chin Hon Lim

1 branch

# Worldwide initiatives to serve customers

To make life easier for customers and meet their expectations, Sonepar makes use of a wide range of vehicles, from trade shows to digital applications and databases, and from optimized branches to customer satisfaction surveys. Here is a brief global overview.

Sonepar operating companies take a broad range of initiatives to boost contact between the Group's customers, staff and suppliers. The aim is for customers to be able to select and order products more knowledgeably and for Sonepar to gain greater understanding of the changing needs of its highly varied customers. Such direct contact gives us the opportunity to listen carefully to them, learn about their needs and interact with them. In addition, the Group exhibits at electrical industry and more narrowly focused trade shows—always with a highly active approach. At the three-day industrial automation show held in May 2016, for example, over 200 customers visited Sonepar Italia's 160 square-meter area, many of them establishing contact. To ensure maximum impact, the company teamed up with its leading suppliers to arrange guided tours of the show. On the other side of the world, in Australia, Auslec - L&H played an active role at the Gladstone Tradeshow alongside 38 suppliers, displaying expertise to more than 400 customers and showcasing the latest electrical product innovations.



## Customized shows

Just about wherever Sonepar does business—the Czech Republic, Mexico, Germany, Norway, Panama—the Group organizes its own shows and events in partnership with its suppliers. In April 2016, Lumen held its ninth Lumen Exhibition in Montreal, Canada, bringing together 175 suppliers over a two-day period. Sonepar France similarly put on its eighth SIEDEC show, first in April in Lyon, and subsequently in November in Marseille, structured around three markets (residential, service and industrial). The 114 supplier booths drew more than 4,100 visitors, representing an increase in attendance of over 10% compared with the previous event. In Hungary in September, Sonepar held its tenth major event, one with unmatched scope in the Hungarian market. Over 1,550 electricity professionals took the opportunity to meet up and find out about the latest developments in the industry. In Latvia, SLO successfully staged its fifteenth Winter Day show.

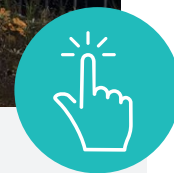
Group operating companies are also increasingly inventive when it comes to devising unconventional events that can strengthen customer relationships. Sonepar in Germany has a truck that drives around with the Sonepar Innovation Lab on board, and Technische Unie even operates a floating show that travels the Dutch canal system in the autumn.



50+  
shows for customers  
in 2016



10 oktober - 21 november 2016

**TU Boot**  
Smart Solutions**Technische Unie  
exhibition boat in  
the Netherlands**

This boat traveled the Dutch canals for six weeks, anchoring in a total of twenty-two towns and cities. 75 suppliers of over 125 brands joined Technische Unie in this unusual project, which presented innovative solutions to three market needs: smart homes, smart buildings and smart workplaces. More than 5,200 customers "visited" this stunning exhibition boat. Technische Unie subsequently sent out a questionnaire so that visiting customers, suppliers and associates could rate this original experiment. The outcome? Extremely positive feedback on an event that brought people together and introduced them to the latest innovations in the marketplace.



→ Find out more at  
[panorama.sonepar.com](http://panorama.sonepar.com)



Sonepar Magyarorszag, Hungary

**A constantly enhanced branch network**

Sonepar's digital applications and extensive branch networks are obviously complementary in nature. For that reason, the Group has continued to increase its geographical coverage and improve customer service at branches, while updating and revamping branch merchandising (e.g. customer flow and signage at branches, the number and classification of items, news and information, integrated showrooms).

Sonepar in Austria replaced its former branch in Salzburg with one in a new, larger, more modern building. In Canada, Lumen opened two additional branches last year to provide better local service. Hagemeyer China chose Beijing Road in Shanghai as the location for a new branch that features an extremely wide range of products and suppliers. In France, the renovation-upgrade program continued, with 200 branches now entirely redesigned. In Italy, Sonepar opened three new branches that are more conveniently located, more up to date and spacious. And finally, in Malaysia, KVC converted a full-service branch into an outlet dedicated to industrial customers.





DE

## The Sonepar Innovation Lab in Germany

The plan to create “an intuitive digital adventure” on board a truck became a reality in early 2016—and a successful one, too, that attracted over 5,000 Group associates, suppliers and customers as visitors. The truck rode all over Germany, making a total of thirty-three stops. The purpose of this “lab” was to showcase innovations and highlight Sonepar’s ability to anticipate upcoming developments in manufacturing and electricity, to whet people’s appetites and build stronger ties to customers. Its multimedia content focuses on the latest technology trends, from smart homes to e-mobility and from interconnected systems to digitization of the economy. In 2017, the project will be moving to the next level, centered on smart homes and Industry 4.0 driven by the latest in technology. So there’s a good chance that Group customers will soon be entering an extraordinary world of “digital and emotional experience!”



→ Find out more at  
[panorama.sonepar.com](http://panorama.sonepar.com)



### Online solutions that save time

Sonepar Innovation Lab, Germany

If customers don’t come, they connect. To meet their needs, Group companies have been running webshops for quite some time, and have more recently introduced applications for tablets and smartphones to facilitate the product search and order process. There were many new, redesigned or improved programs in 2016, all of them with a similar purpose: get people to use digital tools more easily, with greater confidence, anywhere and any time.

In the United Kingdom, Routeco overhauled its e-commerce platform with enhanced features and a larger number of products on offer. Sonepar Italia likewise extended its digital platform and launched a new website. And for the third year in a row, Gescan won the Click & Order E-Commerce Leadership award given out by the Electro-Federation Canada (EFC)—a prize that speaks for itself! Meanwhile in Colombia, Melexa started up a new customer web portal, recast its website and established a clear presence on social networks. Sonepar companies in the United States developed a mobile solution for scanning products, with all necessary information instantly available.

In Mexico, Vallen Proveedora connected its e-commerce platform to a partner firm’s integrated supply center, and plans to extend this advance to other customers. These examples bear witness to the Group’s responsiveness. And there are many more as well, including new webshops in Finland and Latvia, new features on the webshop in France and improved customer interface in Austria, not to mention mobile apps like “Advantage Mobile” rolled out by Corys in New Zealand this past October. A total of nine Group country organizations now use the same software platform. The plus point common to all these improvements is that they are quick and easy for users.

### Tools for zeroing in on customer expectations

The Group also makes extensive use of tools for analyzing customer needs and trends to be able to meet those needs more effectively. To start with, Sonepar has continued to add new features to Watson, its favorite “detective”—the online survey tool developed several years ago by Sonepar International Services (SIS). Watson enables operating companies to carry out customer satisfaction, brand perception and similar surveys. There are also internal polls to assess distribution policies and the product offers of specific suppliers. The goal is to identify strengths and weaknesses so that corrective action can be introduced to enhance service. In addition, Sonepar conducts surveys of narrower user groups in order to help develop new services and test out novel approaches.

Lastly, more and more Group subsidiaries take advantage of the latest technology to deploy a broad spectrum of Customer Relationship Management (CRM) tools, including data collection and analysis software and customer support, marketing and loyalty programs. This makes it easier to fine-tune the responses to customer expectations in ways that do justice to their diversity, specific needs and constraints. Witjoint in China has already followed that path, as have Sonepar entities in Belgium, Italy, the Dominican Republic, Germany, Spain and elsewhere. And Sonepar France has already given staff members in several regions CRM training with a mobile phone interface to facilitate usage and adoption. In every case, customer satisfaction is the ultimate goal.



Watson, Sonepar's online survey tool



Sonepar Italia, Italy



# Working together to add more value

EXPERTIS

Technology Attack  
CERTIFICATION AS A TECHNICAL CONSULTANT


With its fifth international suppliers event, Sonepar has once again highlighted the importance of partnership for innovating, building to last, and responding better and better to customer expectations.




In holding a fifth event for its international suppliers last year in Madrid, the Group was in fact working for its customers. To provide the right responses to customer requests, to effectively and continually adjust to their changing needs, to offer them leading-edge innovations that are one step ahead of the trend, Sonepar leverages the relationships it has built up over the years—with its Group suppliers.

Sonepar does so on the basis of a set of well-defined, often re-affirmed principles: making customers the abiding focus of our work, constantly aiming for operational excellence and increasingly exploiting the advantages of digital technology. That business model enables Sonepar, together with its partners, to generate added value in ways that are fine-tuned to each market, each Sonepar business line and the overall nature of its industry. Through this win-win arrangement, the Group cooperates more closely with manufacturers so that the best products and services can be developed, selected and offered. But such an approach comes naturally to a company that aims to be *La Référence*.

“Over the past four years, we invested €650 million to better serve our customers. But that’s not all we aim to do. We also want to create value for them. We capitalize on our traditional expertise and we add tools and new talent to make a real difference.”

 Patrick Salvadori,  
Southern Europe Region  
President

“Our decentralized approach is one of the core elements of our customer-centricity. Our 239 entities, our hundreds of thousands of daily touch points and the excellent quality of our local product and service offerings are our closest link to local markets and customers. They underline our respect for local culture and values, which is the very foundation for the trust-based relationship that I call the ultimate commitment to customers.”

 Herbert Willmy,  
Executive VP, Global Sourcing & Services

The Madrid event gave Sonepar executives and manufacturers the opportunity to align their vision and goals. The crucial role of equipment distribution in the value chain was discussed with the help of numerous examples. At the same time, the issues surrounding the digital transformation of its industry and the behavior of customers and end users were highlighted.

Further points stressed at the conference were the importance of producing and disseminating increasingly detailed product information and the vital need to provide Sonepar staff with regular additional training in how to offer the best products and solutions in the marketplace. Last but not least, speakers clearly emphasized the Group’s decentralized business model, driven by the commitment and initiative of its people and by the strong values they share.

In addition to presentations and talks, there were twelve interactive booths arranged under three banners (“We are digital,” “We build operational excellence” and “We are customer-centric”). Each of them provided concrete examples of Sonepar achievements in specific areas, both through discussion with Group executives and above all through immersion experiences, many of them digital, in real-world situations. This enabled us to showcase Sonepar’s mastery of cutting-edge technology. There were video walls displaying key figures and

explaining the job profiles of associates; tablets and smartphones used to replicate the customer experience at our branches or elsewhere and how product information is retrieved; virtual immersion in a variety of customer environments around the world, including the specific constraints and solutions proposed; virtual reality headsets offering visits to distribution centers with a 360° view; augmented reality and more. All those features served to underline how far Sonepar goes to ensure that its customers, suppliers and associates all succeed together.

### Virtual immersion at a distribution center

Under a banner proclaiming “A Galaxy of solutions,” a booth showed the wide variety of logistics solutions used to address the special needs of local customers most effectively. After putting on a virtual reality headset, each supplier had the leisure of “strolling” down the aisles of a Sonepar “center of excellence” and discovering the complexity of Group logistics. Many attendees came away duly impressed with this 360° experience.



→ Find out more at  
[panorama.sonepar.com](http://panorama.sonepar.com)



Suppliers Event 2016, Exhibit booths, Madrid, Spain



“Our success was built on a decentralized model, on our ability to adapt to the market. We leverage local entrepreneurship and global reach, and will accelerate industry collaboration to bring continuous added value to the market.”



Eugene Wu,  
Asia-Pacific Region President

“During the past years, our customer portfolio has changed. But our job and ambition stay the same: we want to simplify the core business of our customers (whether industrial, contractors or utilities), fitting exactly with their specific needs and anticipating shifts in their businesses.”

 Dave Gabriel,  
North America Region President

“The diversity of our business requires different approaches to logistics. And that’s what we have developed in past years. Our task now is to intensify our collaboration to make our joint supply chain leaner, more efficient, more transparent and more relevant to our customers.”

 Johan Verbeek,  
Northern Europe Region President



### Databases to boost efficiency

Under the banner “Find your product,” one booth gave visitors a chance to find out “live” how you search for a product in a digital catalog. Suppliers actually got to hunt down their products in a Sonepar database using a computer, tablet or smartphone. The guaranteed outcome was a leap in awareness among manufacturers of the pressing need to provide reliable, thorough information. The booth also demonstrated the power of the databases and search engines developed by the Group. Sonepar now operates a tried-and-tested system deployed in twenty-two countries called Sonepar Product Information Management Solutions. This makes it easier, for example, to share data (e.g., product features, classifications, photos), produce paper and electronic catalogs and enrich our webshops. But the

real payoff is that Sonepar saves customers time so that they can focus on their key concern, which is getting their job done right.

### Tailored customer solutions

Under the “Tailored-Made Solutions” banner, a booth gave a virtual presentation of three customers—an electrician, a manufacturer and a consumer—that summed up their constraints and expectations. This was followed by three short videos explaining the specific targeted services crafted by Sonepar subsidiaries, and finally by a discussion of possible new services to be jointly developed.





A robust shareholding group, sound governance, a shared vision and shared goals, a strong focus on people, multichannel distribution supported by first-class logistics and a wide range of digital tools, commitment to sustainable development—Sonepar is all that and more.

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**What  
we  
aim for**

# Committed family shareholders

Sonepar moves forward thanks to the constant, enlightened support of its family shareholders. They uphold a program called C.A.R. ("Colam Actionnaire Responsable")\* which encourages more and more associates to own company shares.



Colam reporter 2015, Netherlands

## Unwavering family shareholder support

The holding company, Colam Entrepreneurs, brings together the family shareholders. Ever since Sonepar was founded, those shareholders have shown strong, constant support for the company's lasting growth strategy. Their close ties to the Group and its executives have fostered mutual trust and helped make Sonepar's values a living reality.

A major strength of the family shareholding group is that it has tackled the generational challenge at an early stage. Young shareholders who have reached age eighteen get to take a special Introductory Seminar and may do internships at Sonepar. A further strength is that family shareholders attend not only the Annual Shareholders Meetings of the family holding company and Sonepar, but also the Boards Meetings of Group subsidiaries. In addition, all shareholders of any age can learn about the governance of family enterprises and the transmission of the Group's fundamentals values at Colam Education Path sessions. They can also get acquainted with issues specific to a given operating company. In 2016, over forty members took part in the seven modules offered. Last but not least, shareholders have the opportunity to get involved in a variety of working groups related to the Group's future. One such group in 2016 was on corporate social and environmental responsibility.

The efforts launched in 2014 as part of the *Colam Shareholder Responsibility* program gave rise to two noteworthy initiatives in 2016: Colam Reporters (film reports by family shareholders on sustainability and social innovation work carried out by Sonepar associates), and the *Colam Awards* (a contest organized to acknowledge and reward initiatives at Group subsidiaries that have an impact on the environment, sustainable development, people and society as a whole).

## Developing associate shareholding

For more than two decades, Colam Entrepreneurs and Sonepar have been acting on the bedrock belief that those who work for the Group should be offered a stake in it—a highly unusual policy at privately held, family-owned companies. The Group has managed over time to overcome the standard obstacles to such a policy, for example, shareholder fears that their holdings will be diluted, the problem of how to value unlisted stock and maintaining adequate liquidity. What made that possible was above all the determination of the family shareholders. Like the Group's executives, they are committed to aligning the company's interests in a long-term perspective. And of course, Sonepar is assisted by financial experts who have ensured the continuity, quality and integrity of our stock valuation process for over twenty-five years. Last of all, the Group has put in place procedures guaranteeing that the shares of any associate shareholder who wants to sell will be bought back.

Not only does the ambition of having at least 10% of Sonepar's managers hold company shares feature high on the agenda. The Group has provided the means to accomplish that ambition. In 2015, it offered over 4,000 associates the opportunity to acquire their first shares or increase their holdings. And Sonepar intends for them to keep on reaping the benefits of the Group's growth.



# Our Values



**Customers**



**People**



**Synergies**



**Passion**



**Respect**



**Profit**

**Future**



**"La Référence"**

# Active, stepped-up governance

To a large extent, Sonepar owes its balanced, sustainable growth to shared values and tried-and-tested structures.

## Articles of Association better suited to a global family Group

After a period of thorough discussion, the family shareholders, represented by the holding company Colam Entreprendre, voted unanimously in 2016 to change Sonepar's corporate structure from an SA (a limited liability company) to an SAS (a simplified joint-stock company). They had several motives for doing so. To start with, an organization with increasingly international scope needs flexible, responsive governance to be able to adapt to a wide variety of countries. In addition, it is important for the Group to select the best governance practices while maintaining its own approach to sound management. And

finally, the shareholders wanted the Group to remain an unlisted family enterprise, with its unique characteristics. Although the SAS corporate form did not exist when Sonepar was founded, it is now well-established and is currently the legal framework best suited to meeting the requirements agreed to by shareholders and executive management alike. SAS corporate structure makes it easier to pursue and strengthen a strategy that calls for swift, effective decision-making, clear delegation of responsibility, strict management, calculated risk-taking based on compliance with financial security ratios, and a balance between trust and adequate control. In other words, Sonepar's key assets.



Marie-Christine Coisne-Roquette: Chairman, Henri Coisne Sr: Honorary Chairman. Members: Henri Paul Coisne, Denis Gonseth, Paul-René Lambert, Michel Bon, Christian Maurin, José-Maria Péna-Rich Möller, Olivier Verley, Stéphane Coisne, Frank. H. Lakerveld

## Sonepar's Governance Charter

In the Governance Charter, responsibilities at every decision-making level are clearly spelled out with the overriding aim of making the Group "La Référence." The rights and responsibilities of all shareholders and executives are presented. The Charter requires everyone to behave toward others as they would want to be treated themselves; refrain from any actions or decisions they would not be able to defend in public; promote integrity, create motivation and reward loyalty, efficiency and initiative; and develop a mindset of mutual respect between the company and its members.

The holding company, Colam Entreprendre, brings together the family shareholders. Colam Entreprendre defines the rules on debt levels, sets demanding ratios and performance targets and ensures the implementation of a calculated risk-taking policy. All associate shareholders hold their shares through an entity called Sonepak. Together, the family and associate shareholders own Sonepar's share capital.

## The shareholders' meeting

With roughly 250 shareholders attending in person and others attending electronically every year, the general shareholders' meeting provides an opportunity for shareholders including associates with Sonepak shares, General Management and other Sonepar executives to exchange views. At this essential annual event, the Group's results in the preceding year and its strategic priorities going forward are presented so that everyone can be informed of Sonepar's goals and actions, and more importantly, take part in developing a shared vision of the Group's future. That vision is ratified by a shareholders' vote.

## The Corporate Board

Following the changeover to SAS corporate structure, which grants the Chairman more extensive powers, the Board of Directors was replaced by a Corporate Board. It is composed, like the previous Board, of figures from the business world, family entrepreneurs and executives with historical roots in Sonepar who meet several times a year. The Corporate Board draws on a steady output of reporting tools, Audit Committee reports and papers from the Strategic Committee to examine Group performance. In addition to considering possible adjustments to the company's governance, its members monitor progress and achievements regarding Sonepar's main strategic priorities. They also examine the risks and opportunities that come with business diversification and offer their opinions to executive management. Lastly, decision-making authority on a number of issues is vested in the Corporate Board.

## The Audit Committee, the Appointments and Compensation Committee and Strategic Committee

These three Committees act in support of the Corporate Board and the Chairman, both assisting with and consolidating corporate governance. Each one represents a mix of advisors and family shareholders. Their role is to perform studies, make recommendations, investigate particular issues and contribute to the Corporate Board's thinking. Created in May 2016, the Strategic Committee focuses specifically on the Group's long-range business-line strategy and provides valuable insights to the Corporate Board.



The Mission Statement: explaining who we are, what we do and what we want.

## The Governance Charter puts forward the following operating principles, which everyone is expected to implement:

- Combine trust with adequate control;
- Make responsibility for security and control everyone's business;
- Ensure that information is protected and shared where needed within the Group;
- Refrain from using one's title or position as a means to procure pecuniary or other advantages;
- The obligation to report any conflict of interest, even potential.



# Compliance: a strategic challenge

Sonepar has taken early action to deal with growing legal and regulatory complexity in the 44 countries where it has a presence.

Sonepar has launched information campaigns and trainings for its teams to ensure greater operational excellence, higher profits and an additional competitive advantage for the Group. The Compliance Program put in place by the Group's General Counsel to further those goals rests on four key pillars: competition law, the fight against corruption, traffic of influence, export controls, and data protection/associate security.

In 2016, the General Counsel went further with its training efforts, most notably with its e-learning module on competition law, which the Group has made available in 21 languages. Last year, a majority of the members of the

executive bodies in Sonepar country organizations took advantage of the program, which has extended into 2017 and will subsequently be given to Sonepar associates who work directly with suppliers and customers. To maximize efficiency, the e-learning program is deployed by Sonacademy in close cooperation with the Human Resources directors who are part of the IHRC, or

International Human Resources Committee.

A taskforce was also set up last year to develop a program able to meet the requirements of the new French anti-corruption regulation voted end of 2016 with extraterritorial effects, called *Loi Sapin II*, which is similar to the US FCPA law, with France as the pilot country. Those include in particular mapping compliance-related risks, reporting on suppliers and customers, a Group code of conduct, monitoring and training systems. The program will be up and running by summer 2017.

The same goes for the EU personal data protection directive (known as GDPR). Although it will not enter into force until May 2018, a Group team has started working on the necessary IT systems and digital infrastructure.

## Five-point action plan

Similarly, the SILCC, or Sonepar International Legal and Compliance Committee, created in 2015 to facilitate the exchange of information and the dissemination of good operating practices, rolled out a five-point action plan. It covers the way the SILCC operates; an analysis of the Group Legal Departments strengths and weaknesses; the inclusion of non-financial indicators in Group reporting; compliance versus legal; digital transformation and incorporating compliance into the process; and expanding the Group's legal role.

**"Compliance means excellence, the Group's sustainability and peace of mind for all our people."**

Florence Schlegel,  
Group General Counsel

All of these compliance-related initiatives will help Sonepar to develop further, boost operational excellence and ensure the utmost security for both its operations and its people. To that end, the General Counsel has also designed a travel security passport for use across the entire Group to provide maximum physical safety and protection of sensitive data during trips.



Compliance:  
e-learning platform

# Effective tools for demanding management

With its internal strong audit and management control strong procedures, Sonepar upholds the most demanding international standards and provides constant training to its people. Strict management is viewed as the gateway to sustainable growth.

## Internal Audit: constant, exacting assessment

The mission of Sonepar Internal Audit is to provide reasonable assurance on risk management, reporting, control and governance processes. Last year, eighteen internal auditors based at six locations in Europe, the Americas and Asia conducted 97 engagements, spanning Logistics, Inventory and Procurement (33% of all audits), Finance, Credit Management, Internal Control and Governance (34% of the total) and IT systems. 2016 was a busy year for the team. The Group's risk mapping was updated and the extent to which audits covered internal processes was measured. Efforts were maintained to more effectively monitor corrective action plans and the extent to which they are implemented. In addition, the internal auditors stepped up their data analysis work to be able to provide greater assurance to the relevant management bodies. Finally, the team now has each structure audited fill out a questionnaire to determine how satisfied its members were with the audit.

## Controlling: evaluating performance

There are two distinct aspects to Controlling at Sonepar: measuring and evaluating performance, and continuous enhancement of internal controls. To facilitate investment decision-making, Management Control introduced a new Group-wide tool in 2016 for modeling investment profitability called



Sonepar Italia, Italy

UTI—the Ultimate Template for Investments. The team also developed a detailed chart of accounts during the year that is being tested in four countries to arrive at more accurate measurement of logistics costs. New accounts for tracking margins were created and a revised edition of the internal Finance Manual was distributed. At the same time, a standardized procedure for monitoring costs and investments was laid down to help digital transformation go smoothly at Sonepar.

## Financial clarity through consolidated accounts

The consolidation of its accounts in accordance with the highest international standards today affords the Group a comprehensive view of the financial information for all its subsidiaries. Sonepar also works constantly to optimize the processes for producing financial information through its reporting system. In 2016, the internal Finance Manual was updated to heighten consistency and facilitate the adoption of common accounting standards across the Group. With two new IFRS standards imposing stricter requirements for financial statement presentation to take effect in 2018 and 2019,

a major project was undertaken. Lastly, the Group's reporting system, which has been enriched, now includes an Appendix devoted to acquisitions.

## Optimized management with a centrally-run Treasury Department

Cash and financing are centrally managed at Sonepar. This makes it possible to guarantee adequate liquidity, monitor the utilization of cash and optimize management of the associated exchange-rate and interest-rate risks and financing conditions. The tools and procedures involved offer maximum security. In 2016, the Group restructured its revolving lines of credit to extend the maturities and gain more advantageous financing conditions. A further financing tool is cash pooling, which facilitates the circulation and centralization of liquidity within Sonepar. In every country where cash pooling is permitted, the Group makes use of it. At year-end, this approach covered more than 85% of total sales. 27 cash pools operating in 21 countries with 13 banks.

# Talent: becoming "La Référence"

Sonepar takes an unconventional approach to human resources that includes recognizing and making the most of talent, ongoing education and lasting integration, shared information and values, trust and security. Here too, the Group aims to set the standard.



Sonepar Deutschland, Germany

Succeeding together by recognizing and making the most of the qualities of every Group associate around the world is a guiding principle at Sonepar. Moreover, it really works—because the Group invests in talent, provides the entire staff with relevant training and takes good care of its people.

That approach led Sonepar in 2016 to rethink the notion of human capital and announce a highly ambitious goal: to become "La HRéférence"—the standard-setter in the field of human resources as well. Sara Biraschi Rolland, Executive VP Group, Human Resources, makes the point in no uncertain terms: "We want to be for our associates what we are for our customers: the best choice. That means in terms of training, career paths and career development." That's the challenge. And Sonepar fully intends to meet it.

"Identifying, managing and making the most of talent is our recipe for success."

Sara Biraschi Rolland,  
Executive VP Group  
Human Resources

Though this may seem like a hard goal to achieve, it is consistent with the Group's history. Sonepar has always given top priority to both its associates and its customers. There are several key components to the drive for that goal:

- **More clearly** and more consistently **defining** how much and what kind of **talent** Sonepar possesses by applying the same criteria in all Group countries and entities. That implies being more effective in detecting talented people and helping them evolve within the Group. The International Talent Review initiated in 2016 brought to light nearly 500 pathways and experiences. The objective in 2017 is to establish a Group-wide talent scorecard and compile a list of expertise so that they can be shared most effectively.

- **Continuing to attract** the best people to work at Sonepar around the world by highlighting its unique status as a global, yet decentralized enterprise whose units maintain a strong local identity. In 2016, the Group hired 6,600 new associates.

**43,000**  
associates  
in the Group

**6,600**  
hires  
a year







Sonepar Italia, Italy

### Training for everyone

**Sonacademy**, Sonepar's corporate university, gives training to several hundred associates of all national backgrounds every year. In three years' time, their numbers have actually tripled. And all our training programs have that distinctive Sonepar "flavor." The Sonepar Leadership Program aimed at senior managers and the Sonepar Junior Committee designed for young associates have created the kind of momentum to pay off across the board. By encouraging informal networking, Sonepar also gets associates to share their experience and good practices.

 **9**

training programs



**740**

associates from **26** countries  
trained by Sonacademy in 2016

- **Enhancing** the various **training** programs and encouraging the natural trend toward internal networking among associates with common skills at all levels. The aim is to get people to share and benefit from the broadest possible range of experience built up in both local and Group-wide initiatives.

- **Improving** the pathways to **integration** of new associates so that they can get their bearings quickly and therefore contribute to the Group's profitable growth. That is already one of Sonepar's key assets. The point at this stage is to take it further.

Additional actions will help us carry out our drive for standard-setting status. Moreover, that drive doesn't represent a change; it almost seems like an outgrowth of our Group's history.

Sonepar has a strong "employer brand" that is getting stronger all the time.

Sonepar is a company that effectively conveys and shares its values, its trust and its ambitions, because the goal is to create value each and every day.

**14** years average service

**23%** women

**45%** successors identified in Talent Review

**89%** managers recommend Sonepar as an employer of choice\*

\*source: survey conducted in June 2015 by Ipsos with 4,700 managers in 37 countries.

# Digital strategy: a winning formula

Being "la Référence" also means deploying a full-fledged digital strategy. 2016 was a pivotal year for the Group, with reorganization and new structures to support operating teams and enhance customer service.



Sonepar Suisse,  
Switzerland







Sonepar Innovation  
Lab, Germany

Sonepar moved in 2016 to advise and support its operating companies around the world so that digital transformation could become a reality for front-line staff. Through a dedicated team led by Chief Digital Officer Jochen Moll, the Group initiated an omni-channel strategy geared entirely to satisfying customer needs, using cutting-edge digital tools like connected customers, webshops, sales via mobile phone, product data processing and product feature sharing.

A key aspect was reorganization to make the Group more responsive to current and future digital challenges. Developing e-Commerce in all existing forms, strengthening logistics, disseminating and sharing information more widely, greater mobility, faster exchange of information and anticipating technology trends are all part of an effort that has involved step-by-step implementation of a vast plan of action. Digital Competence Centers, meaning hubs focused on specific issues related to the Group's digital operations, have been started up to encourage the sharing of good practices and provide hands-on support to projects on the ground. The first one, which has been operating since the beginning of 2016, is the Mobile Solutions Competence Center, whose Zurich-based staff gives practical support to operating companies. At least ten countries have already benefited in their initiatives to roll out or replace mobile applications.

*"The Group's digital transformation continues to accelerate. Our focus is on supporting our operational companies to enhance customers' experience!"*

Jochen Moll, Group Chief Digital Officer

A second such hub, the Product Information Competence Center, also got started in Hanover, Germany, in 2016, with Sonepar PIM<sup>1</sup> Solutions teams as its backbone. In 2017, other Centers are scheduled to come on stream.

All this should make it even easier to offer customers the best service and solutions and to enhance performance across the entire Group.

That process is already gathering momentum. Last year, Sonepar's e-business increased once again, while sales via mobile phone more than doubled. The quality of technical information and product data in the Group also improved—not to mention accelerated sharing of information from country to country.

In another major project initiated last year, the Digital team worked to establish an international information platform. In 2017, this should make it possible to access a broad range of resources related to digital and to share e-business and digital experience (most notably via the Group's Intranet and social network).

Finally, Sonepar set up a Group-wide team called Digital Development Leaders, whose role is to provide day-to-day support for digital projects undertaken by country organizations and subsidiaries. Each Leader has responsibility for advising managers in a specific geographic area and assisting them with local implementation of the Group's digital strategy.

<sup>1</sup> PIM (Product Information Management) refers to a range of tools for managing, sharing and using product information.



# Excelling at how we serve our customers



## Thanks to a dense network of branches...

To make life easier for its customers, Sonepar works constantly to deliver greater value, enhance its skills and services and build relationships. And the Group is getting better at it all the time, thanks in particular to its multichannel distribution.

Markets are changing, needs and constraints are shifting, technology is becoming increasingly complex. That means that customers need more support than ever. Achieving operational excellence—which involves providing customers with the best products and solutions, the most suitable service and advice, at the right place and the right time—is an abiding motivation for all Sonepar staff members. However, meeting that challenge is easier said than done. It requires first-

class organizational efficiency, both in the sales network and in the Group's training and logistics. Luckily, that is one of our key strengths. Over the years, Sonepar has built up its local branch network to ensure better coverage, put in place additional distribution channels, brought in new technology, expanded its product ranges, offered a wider variety of services, provided advice and given staff more specialized functions. And in some cases, the right response to customer needs is tailored service.



Crawford, USA

### A dense network of branches

The goal is straightforward yet ambitious—offer customers a place near their premises or worksite where they can talk to our staff and get advice. Through its operating companies around the world, Sonepar has developed an increasingly comprehensive sales network, with 2,800 branches (plus a physical presence at 600 customer worksites) that handle up to 5,000 items in stock. A branch is the first stop for customers, as well as an important source of information and advice. And of course, it's the ideal place to meet and do business with suppliers. Sonepar innovates constantly to save its customers time, offering self-service branches with advisory desks, drive-through outlets, longer opening hours and load lock chambers accessible 24 hours a day. Sonepar locations also showcase new products and solutions designed for sustainability. Finally, merchandising is regularly revamped at branches to keep pace with the requirements of demanding contractors.

### Showrooms, trade shows and services

The Group has adopted this three-tiered approach to ensure maximum coverage of customer needs. Sonepar's showrooms are dedicated spaces for displaying the often interconnected elements of innovative, end-to-end solutions under real operating conditions. Examples include decorative and architectural lighting, smart home and building management and energy-saving systems. The Group also exhibits at trade shows and other exhibitions, providing demonstrations and supplying information directly to the customers. In addition, Sonepar teams are constantly on hand to assist customers with the design and implementation of even the most complex projects, performing technical studies if needed. They work closely with manufacturers to be able to propose the most appropriate solutions. These are advanced services, offered in a variety of areas: lighting, heating, air conditioning, industrial processes and controls, home automation, telephony, video surveillance, building management and the quest for greater energy efficiency.

### Customer training

Accelerated product renewal and the growing technical complexity of increasingly integrated and interconnected solutions entail a need to ensure customers receive appropriate training. Sonepar, which already provides its own staff with ongoing training, also offers training courses for customers or passes on the programs provided by its suppliers. Many customers appreciate such effective, personalized assistance because it makes the job easier for them and helps them make informed choices and decisions.

### Digital solutions

Sonepar offers customers a growing number of digital solutions. Continually adjusted to their changing needs, those solutions provide easy, real-time, around-the-clock access to information on product availability, delivery time frames and prices. As a result, customers can confidently order products, track their orders and deliveries and access tailored service for invoicing, financing, product or system configuration and more. Sonepar offers a constantly expanding range of digital solutions that include mobile applications (with regularly enriched features like delivery traceability), webshops and paperless procedures, from Electronic Data Interchange (EDI) to PunchOut, a system that enables customers to access Group webshops directly from their own procurement applications.



## ...through supply-chain efficiency

An outstandingly efficient supply-chain function has enabled Sonepar to tackle the daily challenge of finding the best solution for customer requests—anywhere, any time and on time.

Although often invisible to customers, logistics represents a key asset for carrying out a strategy

geared to customer satisfaction. Increasingly efficient logistics, with centralized, automated warehouses, ensures product availability, flexibility in ordering and rapid, flawless delivery. It also opens up opportunities to offer customers integrated services. But all that amounts to a highly complex process that extends from the first contact to the final delivery. And along the way, it involves paperless procedures, tailored payment solutions, a shared information management system and in some cases even management of customer inventory.



### A wide range of order and delivery options

This multichannel approach to distribution—which the Group is constantly enhancing—keeps it aligned with customer expectations. Products are made immediately available as soon as customers place orders at branches, each of which is equipped to handle up to 5,000 items. Orders can be placed by phone or online (via webshops or mobile apps) until late in the evening or even on weekends, with overnight delivery to customer premises or worksites guaranteed. As a result, between 25,000 and 100,000 items are available for delivery from one of the Group's various distribution centers. This smoothly functioning system enables Sonepar to prepare one million order lines per day! Even better, customers facing particular constraints are offered tailored arrangements such as night-time load lock chambers, secure containers or direct delivery to specific locations on large construction sites. In that way, the Group can provide a broad range of solutions to cover every possible customer need.

### Increasingly automated distribution centers

Year after year, Sonepar has continued to invest in logistics. New platforms came on stream in 2016, most notably in Switzerland, in Canada and the United States. The Group also initiated the construction, extension and automation of a number of warehouses in France, Sweden, the Netherlands and Germany. Any number of automated solutions have been introduced at these gigantic buildings (some totaling 30,000 square meters), including the mini-load Shuttle Automated Storage and Retrieval System, a computer-controlled system for automatically processing orders, retrieving product loads and managing stocks. In this way, the Group can guarantee an outstanding order preparation process. Sonepar is constantly improving its processes and finding new ways to deliver faster, more efficient, appropriate customer service.





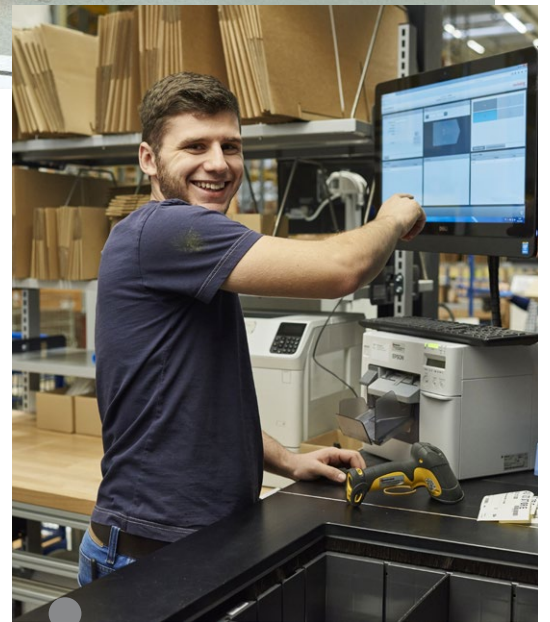


### Innovative, tailored solutions

Continually seeking to make its customers' lives easier, Sonepar offers solutions that assist them in streamlining their own procurement processes and managing their stock and inventory systems. Sonepar has developed integrated supply chain management services for this purpose, helping manufacturers enhance customer service while reducing costs. This also leaves them free to focus on their core business.

The solutions Sonepar provides range from simple to advanced. The simpler ones include electronic full-service or specialty catalog management and dedicated websites. In other cases, Sonepar manages specific product ranges, install vending machines on customer premises and perform on-site inventory management. A good example of the more advanced solutions Sonepar offers is when we assume responsibility for the customer's entire supply chain—needless to say, with the kind of commitment that sets Sonepar apart from the competition: a commitment to quality, reliability and flawless service. The customer advantages are self-evident: dedicated expertise, a reliable process and a single supply source offering delivery and quality guarantees—all at reduced cost.

Even as Sonepar builds up its logistics system and incorporates new technology, Sonepar provides its associates with additional experience and the training they need to make the system work. And that, Sonepar believes, will enable us to deliver better customer solutions and services all the time. In any case, it's a challenge worth taking on!



Winterhalter + Fenner AG, Switzerland



# Sustainable development: a four-pronged commitment

Sonepar pursues a comprehensive approach to Sustainable Development, but leaves ample room for responsible local initiative.

Sonepar Brasil, Brazil

Sonepar continually enhances its sustainable development work, with human capital as a primary focus. The Group's policy revolves around four key commitments: supporting initiatives relating to energy transition and demographic change (implementing energy-saving schemes, responding to the challenge of aging and growing dependency in our society); making the men and women who work for the Group the key drivers of its development; limiting environmental impact; and engaging with local communities. Wherever Sonepar has a presence, its associates can take effective action to meet those commitments. The Group encourages creativity, process improvements and the sharing of good practices.



The Blueway program spans all Sonepar's global and local initiatives to promote sustainability. Blue like our planet. Blue like an electric arc.



### Recycling to pay for healthcare for children in New Zealand

Corys Electrical in New Zealand has been running a mobile phone recycling program since 2011. Last year, over 400 phones were collected and then recycled by dedicated organizations that provided financial compensation. That money was given to a children's hospital.

### Heading for an eco-efficient product offering in Germany

Sonepar Deutschland will soon be offering customers rental agreements with a purchase option for energy-saving products and solutions that may run from 12 months to 60 months. The aim is to arrive at the optimum rental term—meaning a period during which the monthly rent equals the amount of energy saved! The offer will soon be available.

### Project Green Lights in US public schools

For several years now, NorthEast Electrical Distributors has held an annual contest for public schools in New England, in the northeastern United States. After they have been told all about the importance of saving energy, the children have to think up ways to make their schools as energy-efficient as possible. The winning school gets a free energy audit and free energy-saving products.

### Study grants and internships for associates' children in Spain

For the past four years, Sonepar Ibérica has been operating "Building future", a program for associates' children that includes study grants, help with finding jobs and even internships or first-time employment at one of the Group's 129 branches in Spain. The program is extremely popular.



### Energy & Sustainability Weeks increasingly successful in 2016

As in 2015, sustainability was in the spotlight for two weeks at Sonepar. The event is rolled out in the different countries through conferences, customer seminars, training for associates, product promotions and innovative services. In 2016, there were 800 ESW initiatives. For the second year running, an international contest was launched to reward the best ones. In the Event category, AME in Spain brought together a crowd of 1,900—customers, suppliers and associates—to promote innovative ecological solutions. Viking Electric in the United States coordinated a large-scale promotion and sales campaign at 21 branches that won the Sales Operation award. The other winners were Asia-Pacific for the Best Photo or Video, and Technische Unie in the Netherlands for cutting carbon emissions by 19% over a five-year period (in the Environment category).



1-Hagemeyer China, China  
2-Sonepar Italia, Italy  
3-Sonepar Pacific, Australia  
4-Sonepar Italia, Italy



# A worldwide footprint

Sonepar's local operating companies give their customers the support that can help them succeed.





Find out more about Sonepar's operating companies at  
[www.sonepar.com](http://www.sonepar.com)





Technische Unie: Into the branch



Winterhalter Fenner: Renewable Energies project



Vallen: Innovation Proven value



Crawford: Digital capabilities



Supermoon: Powering modern work and life

# Find out more at

[panorama.sonepar.com](http://panorama.sonepar.com)

- +more videos
- +more testimonials
- +more projects







Thanks to all the customers of our operating companies who agreed to let us present and share the projects they carried out together with our people.

Thanks to all our front-line associates whose passion and commitment to serving our customers day after day has helped make those projects successful.

Thanks to all the men and women in the Group whose testimonials have enriched the print and digital versions of this 2016 Panorama, and to all those who agreed to have their photos used to illustrate our communication work.\*

And finally, thanks to all our associates for working together to achieve our shared goal of being "La Référence."

# Thank you

\*All photos in the Panorama excepting those relating to customer projects were taken at our operating companies around the world. They highlight what our people typically do on the job.



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**sonepar**

Sonepar is an independent family-owned company with global market leadership  
in B-to-B distribution of electrical products, solutions and related services

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