



sonepar

2017

# PANORAMA

OUR  
ACTIONS

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.

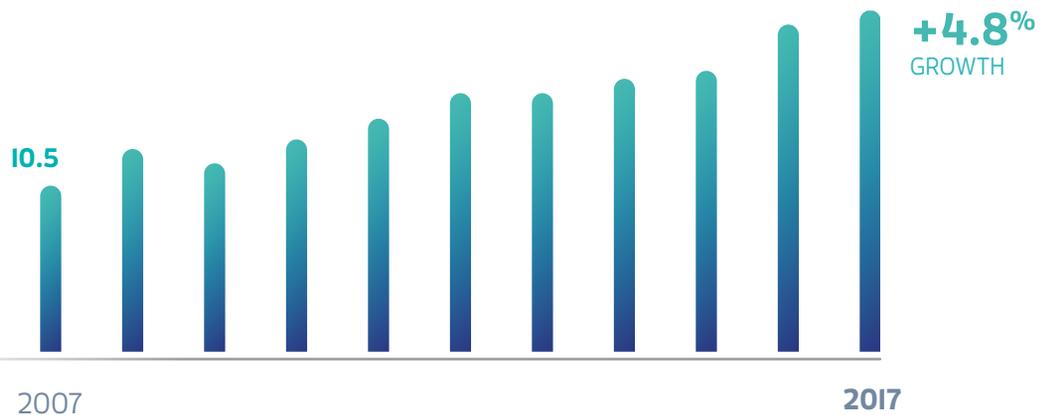
**We intend to be, more than ever, "La Référence" in our industry.**

**We are**



**sonepar**

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

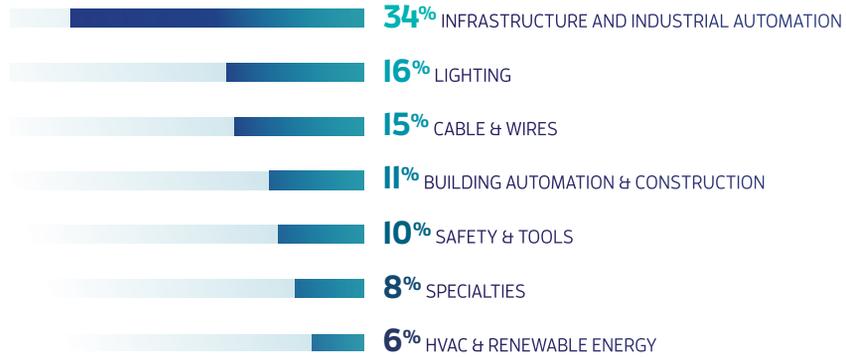


# OUR VALUES

The growth of our business is driven by a commitment to strong values. Around the world, the **people** at Sonepar assist **customers** with their projects and anticipate their needs. Our people share a **passion** for their work and the desire to serve customers better and better. Each member of the Group is committed and responsible. We are all motivated by **respect**—for the law, for our stakeholders, for the environment. The many **synergies** we have created, which support the sharing of experience and good practices, make our Group more efficient and responsive. Our search for **profit** reflects our drive for sustainable growth. Strengthened by the digital transformation of Sonepar, our comprehensive strategy is what enables us to shape the **future**. That, in short, is how we intend to become **“La Référence”**—the standard-setters in our industry.

# Our business

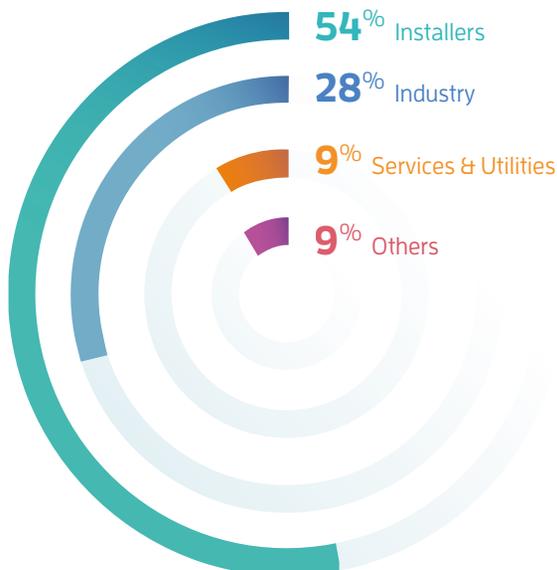
PRODUCTS AND SOLUTIONS



Any time and on time, Sonepar provides the most relevant responses to its customers in such major markets as industry, building and utilities.

CUSTOMERS

As a global organization with a strong local presence, Sonepar considers every customer unique, wherever they are and whatever their needs.





sonepar

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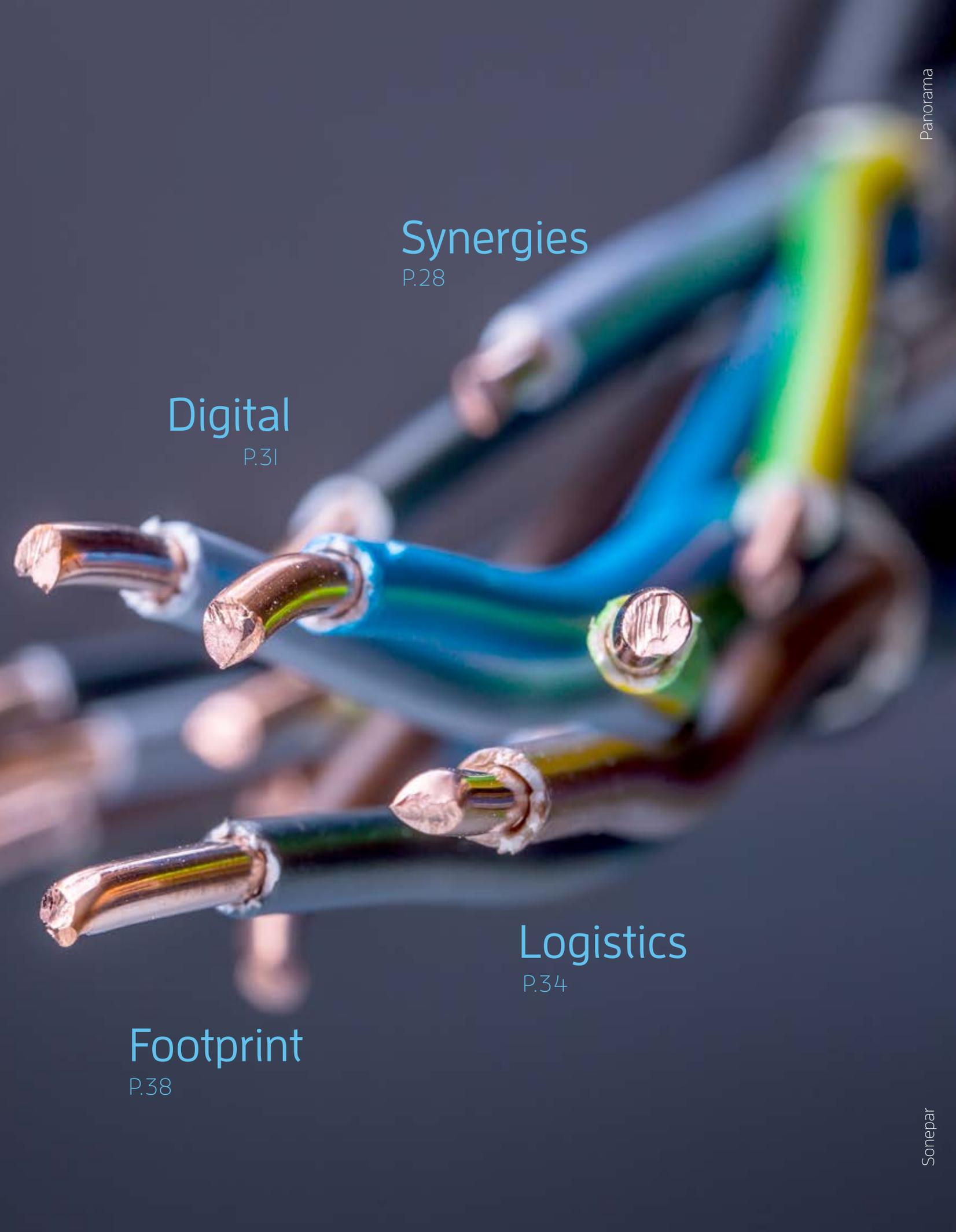
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# Our mission

## KNOWING - DISCOVERING PRODUCTS & SOLUTIONS

1



Information,  
inspiration,  
education

## SELECTING PRODUCTS

2



Advice,  
promotion  
of the latest, maximum  
product availability

3

## ORDERING



Simplified customer experience,  
smoother processes, effective  
order-tracking

**Making our customers' lives easier**, understanding and meeting their needs are what we are all about. Electrical equipment is our core business. Through our multichannel offer, we provide customers with a constantly expanding range of products, services and solutions.

## 4 RECEIVING



Custom next-day delivery: on-site, home, branch, distribution center or tailored

## 5 PAYING



Simplified payment, including options

## 6

## AFTER-SALES SERVICE



Replacements, exchanges, repairs, advice

# 2017 in a few

2017 was **a year of transition**: a managerial transition with an interim executive body, then the appointment of a new Chief Executive Officer; and a structural transition with a clarified **chain of decision-making**.

After conducting a thorough-going analysis, we launched and completed several projects with four key priorities in mind: our **performance**, our **associates**, our **customers** and our **impact on the planet**.

In 2017, we didn't **invent** the future; we just **made it possible**.

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**Marie-Christine Coisne-Roquette**  
Chairman of Sonepar

One of Sonepar's noteworthy strengths is its outstanding **customer and sales culture** around the world.

We need to preserve and encourage that culture, while supporting it with strategic marketing and planning skills. The world is in the throes of **extremely rapid change** that affects or will affect Sonepar at all levels—associates, customers, suppliers, processes. For us, the task at hand is figuring out **how to manage that transition** while upholding the long-standing values that have made the Group so strong and taking full advantage of this **unique opportunity for growth**.

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**Philippe Delpech**  
Chief Executive Officer



# words

2017 was an excellent year for Sonepar across all regions and countries. **Our sales rose 4.8%** over the previous year to €21.6 billion. We worked further last year to integrate our previous acquisitions, but three additional companies also joined our Group.

We maintained our **capital spending policy**, investing €200 million in customer service and operational excellence, as well as in the Group's **digital transformation**.

In 2017, we grew operating income in accordance with our targets. We also reduced our debt and moved to an even stronger financial structure.

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***Francois Poncet***  
*Chief Financial Officer*

We are **making our organization more flexible** everywhere so that we can achieve greater efficiency and agility. That way, we can continue to improve our performance and make further investments to **serve our customers and business partners**.

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***Dave Gabriel***  
*Chief Operating Officer*





Corys Electrical, New Zealand

# Together in 2018!

Our company has **everything it takes to succeed**: critical mass, responsiveness, a robust balance sheet, human capital, long-standing supplier partners and extensive market knowledge.

Each subsidiary will present its **five-year outlook**, based on in-depth knowledge of its environment and businesses. Next, we will consolidate that input in order to identify the **trends and priorities** that it implies for the Group as a whole. At that point, we will be better equipped to anticipate where we most need to invest, what strategic changes we should introduce and what skills have to be developed.

*Philippe Delpech*  
Chief Executive Officer

# Our approach to sustainable development

Year after year, Sonepar steps up its commitment to sustainability, putting forward a comprehensive vision that still leaves plenty of room for responsible local initiative.

**Sonepar** has maintained its proactive efforts to support energy transition initiatives and limit environmental impact, while making its associates the key drivers of the Group's development. The Group continues to encourage creativity, process improvements and the sharing of good practices.

Sonepar has made its Blueway label a sustainability benchmark. Blue is the color of our logo, the color of our planet, of water, of an electric arc. Way suggests a specific mindset shared by all our associates, as well as the road to be taken. A road by now well-known to the company and its subsidiaries the world over.

**The actions conducted under the Blueway banner rest today on five sturdy pillars.**





Specialised Lighting Solutions offers eco-audit services for its customers

Specialised Lighting Solutions, Australia

### Energy and Sustainability Weeks (ESW)

This annual high-profile event is rolled out in the different countries through conferences, customer seminars, training for associates, product and innovative service promotions—not to mention a major company contest. Since 2016, the ESW Awards have rewarded those innovative initiatives with the greatest originality, impact and duplication potential. In 2017, there were five winners in such categories as sales promotion, customer events, films...

## THE FIVE PILLARS SUPPORTING BLUEWAY

# 1

• Being a socially responsible company.

That goal has characterized Sonepar from the very start. In day-to-day practice, it is reflected in work to foster the inclusion of people with disabilities, as well as in countless initiatives carried out by Group subsidiaries to serve nearby communities in the field. In India, for example, staff members have put on plays, built models and held drawing contests to raise local school children's awareness of how they can save energy, how they affect the environment and what they can do to preserve it.

# 2

• Taking care of team members.

Throughout the Group, this is a self-evident commitment that spans safety, training, making the most of people's qualities, encouraging personal growth, promoting well-being in the workplace and embracing diversity. At Texcan in Canada, safety takes top priority. Last October, the company reported 1,000 days straight without a single accident at its distribution center measuring almost 30,000 square meters. As regards training, the United States stands out, with 11,000 associates enrolled in a wide variety of increasingly digital programs. Well-being is likewise a daily pursuit, whether in Belgium, where the new head office was designed to maximize workplace ergonomics with natural lighting and sound-proofing, or in Finland, where a "Take care of your back" program instructs associates in how to sit properly at their desks.

# Inspiration Center



## 3 • Complying with the law.

This commitment underpins the values, guidelines, Governance Charter and ethics that are central to Sonepar's daily operations, as well as to all the preventive and training work carried out in the field of compliance. Since France's Sapin II Act came into force, the Group has put in place additional, highly concrete e-learning courses, backed up by handbooks on topics like Principles Underlying Competition Law.

## 4 • Offering a set of eco-efficient products, solutions, consulting and customer services.

That involves hunting down, encouraging and giving precedence to "greener" technology that helps save energy and reduce environmental footprint. It also means developing a range of relevant consulting services like energy audits. In France, Sonepar and partner firm Greenflex can offer customers such high-quality services as energy audits, modeling, the provision of "eco-energy" equipment and energy use monitoring. In the Netherlands, the Technische Unie Webshop informs customers of a Blueway alternative to every product on offer.

## 5 • Limiting the Group's impact on both the broader environment and its own environment.

That goal is addressed by providing training, measuring the impact of Group operations and optimizing performance at facilities—not only large distribution centers, but also offices and branches. Many of the Group's most recent buildings meet such demanding standards as Leadership in Energy and Environmental Design (LEED), while the older ones have been renovated to enhance energy efficiency or in some cases boost recycling. For example, the new building for Sonepar Information Services in Germany uses geothermal power to heat and cool office areas, while the IT servers have their own separate cooling system, and there are also systems for tracking all energy flows. More generally speaking, the Group provides global education opportunities, and not just for its own staff. In the Netherlands, two-month e-learning modules to train sustainability experts have been made available to associates and customers alike.

### **Paula Reinders** New Business Manager Technische Unie, Netherlands

*Our Inspiration Center is a showroom—a meeting place and training area devoted to sustainability—spanning solar panels, hybrid power systems, buildings that are practically energy-neutral, zero-energy homes, LED lighting and more. The goal for Technische Unie is to guide installers through a welter of available options, and to be viewed as the place to start when they need to equip an eco-efficient or energy-neutral building. Energy neutrality is one of the biggest challenges we will be facing in the years to come. And we want to be at the forefront of the energy efficiency drive. At our Inspiration Center, we offer end-to-end, integrated solutions. It's a place for gathering advice from experts who are independent of manufacturers. It's also a training center with real solutions and products for our associates and customers. Last of all, it's a showcase for all the technology available today for making buildings energy-neutral.*

*Since we opened the center, we have been flooded with visit requests.*



**For further information on our commitments, go to:**  
[panorama.sonepar.com](http://panorama.sonepar.com)

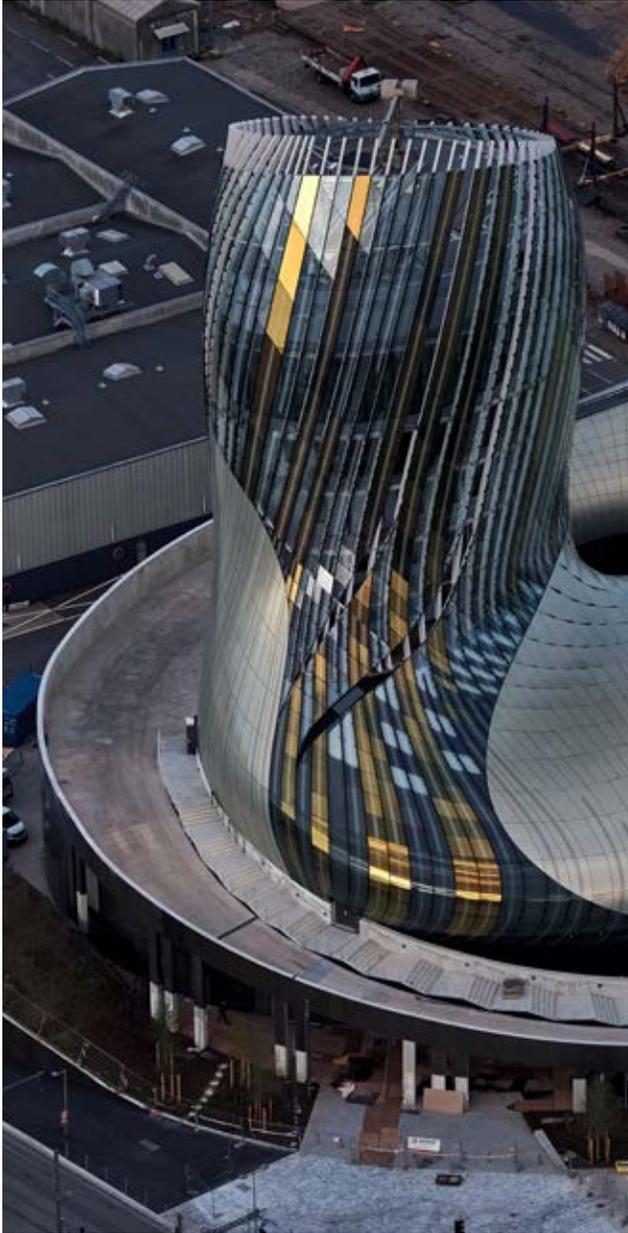
# Successful projects through meeting challenges

To help customers carry out their projects, Sonepar constantly acquires new capabilities in such varied areas as technical expertise, consulting, choosing the right equipment and solutions, logistics, customer delivery and meeting deadlines.

## Street lighting Hamilton and Waikato – New Zealand

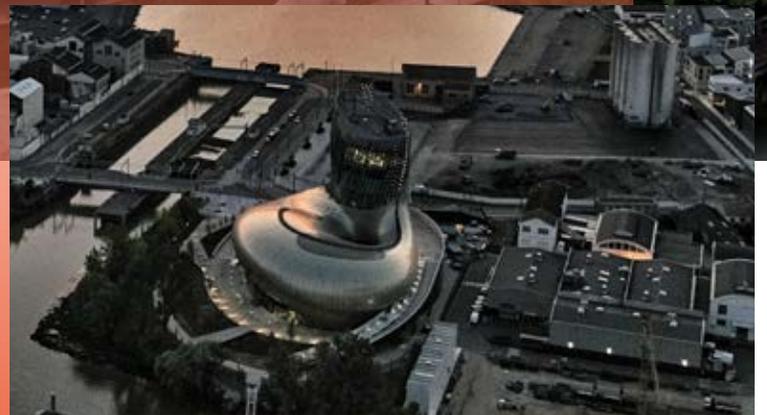
**Corys Electrical** supplied over 15,000 LED lighting fixtures to replace older street lights in Hamilton and northern Waikato after working closely with the customer on project design. Extensive testing was also conducted that eventually won over the local community. In addition to the products supplied, the company put in place ad hoc logistics to provide staggered delivery and dedicated after-sales service.





### Cité du Vin (wine museum) Bordeaux – France

To carry out this major project with partner firm Engie Ineo, Grands Comptes Aquitaine, a unit within **Sonepar France**, opted for custom logistics. On-site storage and delivery times were scheduled in advance, and the company even dispatched Traffic Managers to regulate product movements at Bordeaux's wine museum. With everything planned down to the minutest details, the company was able to meet all deadlines for installing "smart" building components, including IT networks, power distribution cabinets, switchgear, circuit-breaker load terminals and backup power units.



### New children's hospital Helsinki – Finland

Scheduled to open in the fall of 2018, this eight-story complex with over 2,000 rooms, 12 operating areas and 16 intensive care units needed a single company that could offer sales force expertise, reliable operations, quality equipment, in-stock products, storage capacity and, of course, attractive pricing. **SLO** took up the challenge, conforming to a very demanding delivery schedule thanks to flawless logistics, drawing up lists of products appropriate to the project that could be ordered with a single click on the company webshop and supplying cutting-edge fiber-optic cables. And the results proved equal to the task.



### Tesla factory Fremont, California – USA

For this ultra-modern three-story building with roughly 500,000 square meters of floor space for manufacturing electric car batteries, **Codale** provided a full spectrum of electrical products, including cables. In so doing, the company helped make this one of the most innovative auto factories in the business.





### New head office in Woodside Perth – Australia

**Pacific Datacom** partnered with two large contractors and key vendors to supply all of the Communications Cabling, Racks and Data Center Cooling for the new Woodside Global Headquarters in Perth. The 32-level, 54,000 square meters tower houses the biggest on-premise data center in Western Australia and presented many challenges having to be completed within an extremely tight delivery schedule. This was the largest single project ever undertaken by Pacific Datacom Perth.



### Energy Lab 2.0 Eggenstein-Leopoldshafen – Germany

This lab at the Karlsruhe Institute of Technology (KIT) is devoted to the energy transition. In cooperation with the Jülich Research Center (FZJ) and the German Aeronautical and Aerospace Center (DLR), the lab has developed a smart platform, i.e., a network of installations connecting electric, thermal and chemical flows with digital technology. In 2018, **Sonepar Deutschland** will supply and deliver the power control panels for part of this ambitious program after conferring with the lab's technical staff on scaling the equipment.

## Pengerang Integrated Petroleum Complex Johor Bahru – Malaysia

For this mega-project housing oil refineries, petrochemical plants and a liquefied natural gas terminal, **KVC Industrial Supplies** has supplied a set of appropriate solutions with obvious advantages in terms of safety and solidity (e.g., grounding surge protection systems, network cables, steel fasteners and labeling), as well as a large number of electrical parts.



## Union Station Toronto – Canada

**Sesco** partnered with a large Canadian contractor on Toronto's most significant subway station project, providing all the power distribution and lighting equipment. Sesco successfully met the challenge of filling the city's largest public transit order to date.



### Coop LoBos Halba factory Pratteln – Switzerland

This was one of the biggest projects handled by **Winterhalter + Fenner** in the past two years. For a new factory to produce chocolate and wine for the Coop supermarket chain, Sonepar's subsidiary supplied all the fixtures except for lighting. The 78,000 square-meter worksite employed 120 electricians working simultaneously. To make the back-and-forth movements of technical staff as smooth as possible, Winterhalter + Fenner arranged for five merchandise unloading points and additional deliveries (two a day).



### Waste water treatment plant Bello-Antioquia – Colombia

On what will be remembered as one of Colombia's largest infrastructure projects in 2017, **Melexa** rose to the occasion, supplying all the lighting, cables, electrical equipment and automation solutions. The customer also had access to the company's expertise and technical support, from the design stage to the ultimate choice of solutions.

## District court Paris – France

**CGED** drew on its extensive capabilities to equip this unusual building with 6,000 lighting fixtures. More importantly, the company distinguished itself from other suppliers through turnkey logistics. CGED staggered deliveries in several installments and provided continual support—from product installation to effective after-sales service.



# Our dynamic approach to talent

Today more than ever, Sonepar aims to set the standard in human resources—in a word, to be “La HRéférence.” And the Group does what it takes to achieve that, from performance and talent reviews to training and making the most of people’s potential—while promoting delegation and empowerment.

The idea of succeeding together is part of the Group’s genetic code. At Sonepar, people come first, whatever their positions or functions. That commitment is demonstrated around the globe by the company’s highly decentralized structure which, combined with an international footprint, ensures flexibility and autonomy, along with the power of shared processes.

In 2017, Sonepar made headway on several projects such as identifying talent and making the most of associates’ qualities, making the company appealing to job-seekers, offering relevant training to staff and fully integrating newcomers. At the same time, the Group designed or enhanced its internal procedures. The resulting boost to information-sharing is expected to bring about more effective detection of potential, better training for associates and greater ability to attract and integrate new talent.



## People and performance - two values we thrive on.

Sara Biraschi Rolland,  
Executive VP Group Human Resources



**Marie-José Tijssen**  
**Head of Human Resources and**  
**Internal Communications**  
**Technische Unie, Netherlands**

*We took part last year in the Top Employers global certification program. Run by an independent institute, the program singles out employers demonstrating exceptional employee conditions. And they certified us! We are truly proud to be a 2018 Top Employer. It reflects recognition for our HR policy with regard to identifying and paying attention to skills, talent strategy, on-boarding, learning and personal growth, management and leadership development, career management and more. Top Employer certification also brings us feedback on our HR policy, a way of comparing ourselves with other organizations and the opportunity to strengthen our employer branding strategy.*



Top Employer

# and skill



## Sonepar Leadership Program (SLP)

**7<sup>th</sup> edition - Last year, 32 experienced managers from 15 national backgrounds and based in 17 countries participated in this highly-focused program.**

**Ricardo Rodriguez Mutis**  
**General Manager**  
**Melexa, Colombia**

*I managed the company before it joined Sonepar in 2014. Since then, I've been in touch with a lot of Group associates from various operating companies, and I've attended many conferences that have helped me improve the way we operate. But the most valuable point is that I was given the opportunity to enroll at one of the world's most prestigious universities and expand my own network within the Group. Through the SLP, I have gained greater knowledge, along with up-to-date information and familiarity with the latest management trends. The instructors are inspiring. They have helped me change the way I think and get fresh perspectives on my role. The SLP has given me a new outlook on the world and broader horizons. I'm sure that it will both advance my career and help my team and company to move forward.*



### **DETECTING, TRAINING, ATTRACTING, INTEGRATING**

**DETECTING.** In 2017, Sonepar introduced a Group-wide scorecard to track its associates' performance and potential for growth, and extended its Talent Review to cover the major countries, based on shared concepts and terminology. This resulted in a clearer overall vision and efforts to promote those functions particularly in need of a pool of successors. To guide that approach around the world, the Group plans to roll out the SAP SuccessFactors module for Succession and Development in 2018. It should facilitate the job of identifying prospective successors for key positions by giving priority to associates who show significant growth potential. The overriding aim is to set the stage for the development of prospective successors so that the most appropriate resources can be drawn on when the time comes.

A further priority focus in 2017 was on identifying associates with logistics, IT and digital expertise who could provide temporary, ad hoc assistance, with varying degrees of involvement, on projects at other subsidiaries. Those experts were also given the task of disseminating their feedback and good practices.

Lastly, the adoption in 2018 of a "dual reporting" system—with both functional and geographical reporting lines—in such areas as finance, human resources and legal will help bring about smoother communication and coordination between businesses and functions regarding their respective initiatives, along with faster decision-making and execution. All that should promote more growth and higher profits.



### **Sonacademy, Sonepar's corporate university**

Every year, Sonepar's corporate university gives training to several hundred associates around the world through a wide variety of programs. The training modules may be general in scope (Insights Discovery, cross-cultural communication), specific to a given function (skill management, leadership) or focused on a specific business line. In 2017, 821 associates from 21 national backgrounds were trained by Sonacademy in 11 different countries.

**TRAINING.** Sonepar has always leveraged this additional strength to offer varied, relevant courses to its associates. Some are local; others are organized at Group level. In 2018, Sonepar will give further impetus to the shift to digital training programs under way for several years now. That will be the case for management, leadership and compliance courses, as well as for courses related to Group knowledge. Furthermore, new, "serious games" modules will be developed to confront participants with real-life situations.

Corys Electrical, New Zealand

**ATTRACTING.** Sonepar derives particular strength from its unique structure as a global, yet decentralized enterprise, one combining the power of a robust corporation with the clear local identities of its subsidiaries. In 2017, the Group hired 7,000 newcomers worldwide. To continue to attract the best people and ensure their loyalty, Sonepar has been working for several months to develop a genuine "employer brand." The goal is to offer a company image that is clear, compelling, consistent—and attractive.

**INTEGRATING.** This, too, is one of Sonepar's long-standing assets. In many countries, new associates receive six months of guidance, and can turn to a designated mentor for advice. The more widespread good practices include meetings with managers, presentations on the company's strategy and objectives, updates on the outlook for business growth and assistance with getting the knack of the Group's internal social network Yammer.



# Talent

**David Morales Godoy**  
**Head of HR**  
**Sonepar Ibérica, Spain**

*Our Building Future program is geared towards offering young people greater employment opportunities through scholarships, the Emplea program for student internships and the Lanzadera program of assistance with finding jobs. It establishes a bridge between experienced Sonepar associates and talented young people. We offer them a path to the future, while they bring us a fresh, open-minded outlook and innovative ideas. All this has resulted in unquestionably positive synergies at Sonepar Ibérica, enabling us to take the best of both worlds to boost innovation, professionalization and growth in our challenging industry and markets. We are also extending the program into digital, with training sessions on the new technology for students.*



## Sonepar Junior Committee (SJC)

**In 2017, 40 talented young people from 17 national backgrounds worked on four SJC's.**

**Stefano Romano**  
**Product Manager Energy**  
**Sonepar Italia, Italy**

*I joined the Group in 2010. On the SJC, I virtually fell in love with the concept of an international working group made up of talented young executives. It's just plain incredible to have the opportunity to develop original ideas and bring them to life through a culture of sharing! The three-year program I took can be summed up in a few words: open your mind; learn about the right methods, tools and practices; embrace different cultures and businesses; explore mistakes, possibilities, changes; think big, differently, wildly; stay young, connected, humble—and yourself. The SJC changed my career by getting me to manage new issues and international teams. It helped me build up a solid global network. I also believe that it's up to every SJC member to see to it that his or her experience is made widely available so that it can be of use to the person's company and even to the entire Group.*



# The strength of our network



Thanks to a constantly expanding multichannel distribution offer, Sonepar can satisfy customers who expect their needs to be met and added value to be provided.

Customer relationship, expertise, training, new technology and customer solutions are the Group's guiding principles.

Rapid technological change, digitization, evolving markets and industries, environmental requirements, a growing need for expertise, the pursuit of added value and cost reduction together form the shifting background against which Sonepar has to make its way, while offering customers greater support than before. Such operational excellence—an abiding goal for the Group—involves providing the best products, solutions, services and advice to customers in the right place at the right time.

To meet that everyday challenge, a business needs impeccable organization, powerful logistics and a multichannel distribution network that can respond to customers in the right way. That is one of our key strengths. Sonepar has continued to increase the density of its branch network while creating new sales channels. The Group now places major emphasis on digital and other new technology, makes regular updates to product ranges and offers an increasingly wide spectrum of services—as evidenced by more consulting work, greater specialization and continuous training for its associates. On that basis, Sonepar can offer custom service with higher added value and lower costs.



## Innovating and advising

**Roswitha Patzl**  
**Head of Marketing**  
**Sonepar Österreich, Austria**

*In November we opened the first showroom for end-customers in Vienna, called Treffpunkt Innovation. In our roughly 400 square-meter space, thirty of our top suppliers present their electrotechnical products and solutions, all of them connected and fully functional. Customers can discover and test out high-value lighting, energy-efficiency and smart home equipment. In addition, experienced, specially trained Sonepar associates can provide them with relevant advice and solutions appropriate to their needs. This year, our focus is on making the showroom even more attractive by setting up a website, providing short films and even a virtual walk through the showroom.*



**José Ricardo Garcia,  
General Manager, and  
Karenn Salewski,  
Financial Director,  
Eletrica DW, Brazil**

*We wanted to discover what our customers thought of the services and products we provide so that we could boost sales and build customer loyalty. The only way to exceed their expectations is by listening to them. To evaluate our performance, we used Sonepar's survey tool Watson, selecting the questions most relevant to our operations on the questionnaire. We got a 34% response rate, which means enough data to be able to take action on the basis of the results. The survey provided a clear assessment of where improvement was needed. It also enabled us to prioritize the actions to be conducted and to define each stage in the process of winning new customers and enhancing their loyalty. The customers are the ones who tell us where we can do better. Besides, satisfied customers are return customers.*



## Listening and building loyalty

**2,800  
branches**



### **The branch as first stop for customers**

Sonepar branches offer customers a place near their premises or worksite where they can talk to Group staff and get advice. For that reason, Sonepar has developed an increasingly comprehensive worldwide sales network, with 2,800 branches (plus a physical presence at 1,000 customer worksites) that handle close to 5,000 items in stock. A branch is the first stop for customers, as well as a source of information and advice. It is also a place to meet and do business with suppliers. In addition, Sonepar innovates constantly to save customers time, offering self-service branches with advisory desks, drive-through outlets, longer opening hours and 24/7 load lock chambers. That leaves customers plenty of choice. At branches, they can also discover new technology with "sustainability" certification. Finally, merchandising is frequently revamped at branches to keep pace with the requirements of contractors.

### **Showrooms, trade shows, studies and services**

The Group combines education with service in order to meet a complete spectrum of customer expectations. Sonepar's many showrooms are dedicated spaces for displaying the increasingly 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 holds or exhibits at trade shows, demonstrating, explaining and informing. In addition, Sonepar's increasingly specialized teams are on hand to assist customers with the design and implementation of even the most complex projects, performing technical studies and audits if needed. They work closely with manufacturers to be able to propose the most adequate solutions every time, and offer increasingly advanced, end-to-end services in a variety of areas: lighting, heating, air conditioning, industrial processes and controls, home automation, telephony, video surveillance, smart building management and the quest for greater energy efficiency.

## 1,000 + onsite locations

### **Training for staff—and customers**

Product renewal, the growing complexity of increasingly integrated and interconnected solutions and the shift to Industry 4.0 entail the need to expand or consolidate knowledge. For that reason, the Group not only trains its own staff, but also helps customers to find out about and better understand all those changes—and therefore to get better educated. Thus, in addition to offering a wide variety of courses for its associates around the world that are relevant to their business lines and job profiles, Sonepar also holds special sessions for its customers or passes on the programs provided by its suppliers. What makes such training so effective is that it is personalized and tailored to the specific needs at hand. Customers show growing appreciation for that assistance because it helps them make informed strategic decisions.



### **Digital solutions**

As technology evolves, Sonepar offers a constantly expanding range of digital solutions alongside conventional channels. Not only are those solutions tailored to customer needs; they also do away with physical constraints. Any time and anywhere, customers can access extensive product information, including availability, delivery time frames and prices. As a result, they can securely order the products they need, and then track their orders and deliveries. They can also access customized service for invoicing, financing, product or system configuration and more. The digital solutions offered by Sonepar have been steadily enriched to include mobile applications (with regularly enhanced 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.

## Progressing together

*Near the end of last year, we held a second-edition special evening event for the top managers of our key customers and their spouses. Our aim was to explain Sonepar's global and local strategy and how we would like to work with them to improve the business. Each branch invited its top customers. About 150 people attended the presentation, which was followed by a gala dinner and a show. It was also an opportunity for us to thank our customers, who clearly appreciated the event, and to boost their loyalty. We are already planning a third edition for 2019, marking the 20<sup>th</sup> anniversary of Sonepar Hungary.*

**János Ágner**  
General Manager  
Sonepar Magyarország, Hungary



Sonepar places a premium on local initiative and then makes sure the results are shared and disseminated globally. That involves offering opportunities to meet up and trade views, as well as developing the appropriate tools.

# The power of synergy

Promoting synergies across the Group to boost collective strength and efficiency, giving subsidiaries around the world adequate autonomy while consolidating knowledge, facilitating the dissemination of good practices and constantly comparing experiences: all that adds up to a comprehensive approach that Sonepar is well-acquainted with—and determined to take further. In fact, it is a full-fledged strategy implemented by the Group for years, and that is part of its DNA.

To make that aspiration a reality, to ensure that both its decentralized structure and its global reach remain key assets, Sonepar has initiated an ongoing process of cross-fertilization that is already yielding results. The Group's identity has taken on sharper contours; its social network and sharing platform have gathered momentum; the intranet and networks of experts have been steadily upgraded; experience-sharing workshops, internal think tanks and Competence Centers are all up to speed. That broad set of tools and initiatives ensures faster, more effective deployment of innovations throughout the Group—an outcome that also serves Sonepar's business partners.

## Networks of experts

These networks take a variety of forms, but all have broadly similar purposes: to share successful experiences, good practices and information, and to promote the emergence of innovative solutions and improvements that can be subsequently adopted throughout the Group. It is the mission of the seven International Committees, working and producing concrete recommendations in their specific fields:

- E-business Committee (EBC),
- Information & Communication Technology Committee (ICT),
- International Logistics Committee (ILC),
- International Suppliers Committee (ISC),
- International Finance Committee (IFC),
- International Human Resources Committee (IHRC),
- Sonepar International Legal and Compliance Committee (SILCC).

The same goes for the Product Management Teams (PM Teams), which are groups of experts responsible for optimizing product strategy. Every year at a global forum, they present the results of their work. Likewise, there are events known as Sonepar Leadership Meetings (SLMs) that bring together executives from subsidiaries around the world, and meetings dedicated to specific functions like the Logistics Info Meeting that took place in Zurich in 2017.



***We've created an ecosystem that makes it easy for everyone to access knowledge and experience from the entire Group.***



Vincent Roussin,  
VP Group  
Communications



*Collective intelligence is essential to our success.*

Philippe Delpech,  
CEO

### Competence Centers

In recent years, Competence Centers have also been implemented at an accelerated pace in the Group. Each of them has one of three focuses: Logistics, Digital, or Information and Communication Technology. All of them provide both strategic advice and genuine operational support, offering concrete and often novel solutions to Group subsidiaries. For example, the five Logistics Competence Centers develop shared analyses and practices on such issues as inventory management, supply-chain planning, supplier partnerships and transport. Similarly, the four Digital Competence Centers help organize, implement and accelerate the digital transformation of Sonepar with the ultimate aim of enhancing customer experience and pathways. They devote their time to customer experience, mobile solutions, data analysis and so on. Lastly, the four IT Competence Centers have emerged as crucial partners in the supply of shared, collaborative services within the Group.



**Connecting up our experts with each other and with suppliers to serve our customers even better.**

Patrick Salvadori,  
EVP Global Sourcing and  
Business Development



### Corporate social network, platform and intranet

At the same time, Sonepar develops tools to enable its worldwide teams to share and exchange ideas. That effort is driven by unwavering determination to encourage networking, discussion, the circulation of information and a receptive attitude towards ideas from abroad. The aim is to make the best achievements in the Group easily accessible to all. For five years now, for example, the corporate social network, Yammer, has been operating. It has given rise to several hundred active discussion groups worldwide, thematic forums in many countries, thousands of posts per day, daily information-sharing and interactive problem-solving. Over 17,000 Group associates now use the corporate social network, which has the twin advantages of being flexible and available when you're on the move.

It exists side by side with MySonepar, the new Group-wide intranet organized around three keywords: Collect, Connect, Collaborate. The intranet's purpose is to *collect* and share information throughout the Group, to *connect* teams from around the world and to make it easier for them to *collaborate*. Last October, Sonepar launched another vehicle for sharing information and good practices. The Sonepedia platform is an original initiative currently being tested out on 1,500 associates, but designed for broader adoption. Furthermore, the Group has a photo library called Sonepix that is both shareable and shared. Subsidiaries can now "pick and choose" from among some 40,000 available media for their communications work. Once again, a commitment to consistency and sharing is the central motivation, one that reflects the strategy of giving the Group a stronger identity and enhancing its appeal.

In addition to all these interactive tools, Sonepar holds digital Online Leadership Meetings (OLMs) with as many as 4,000 people sometimes invited to participate. They offer General Management a convenient way to communicate with Group associates and respond to their questions—digitally, of course!

**Nicole de Haan**  
**Coordinator, Sonepar International Logistics Committee**



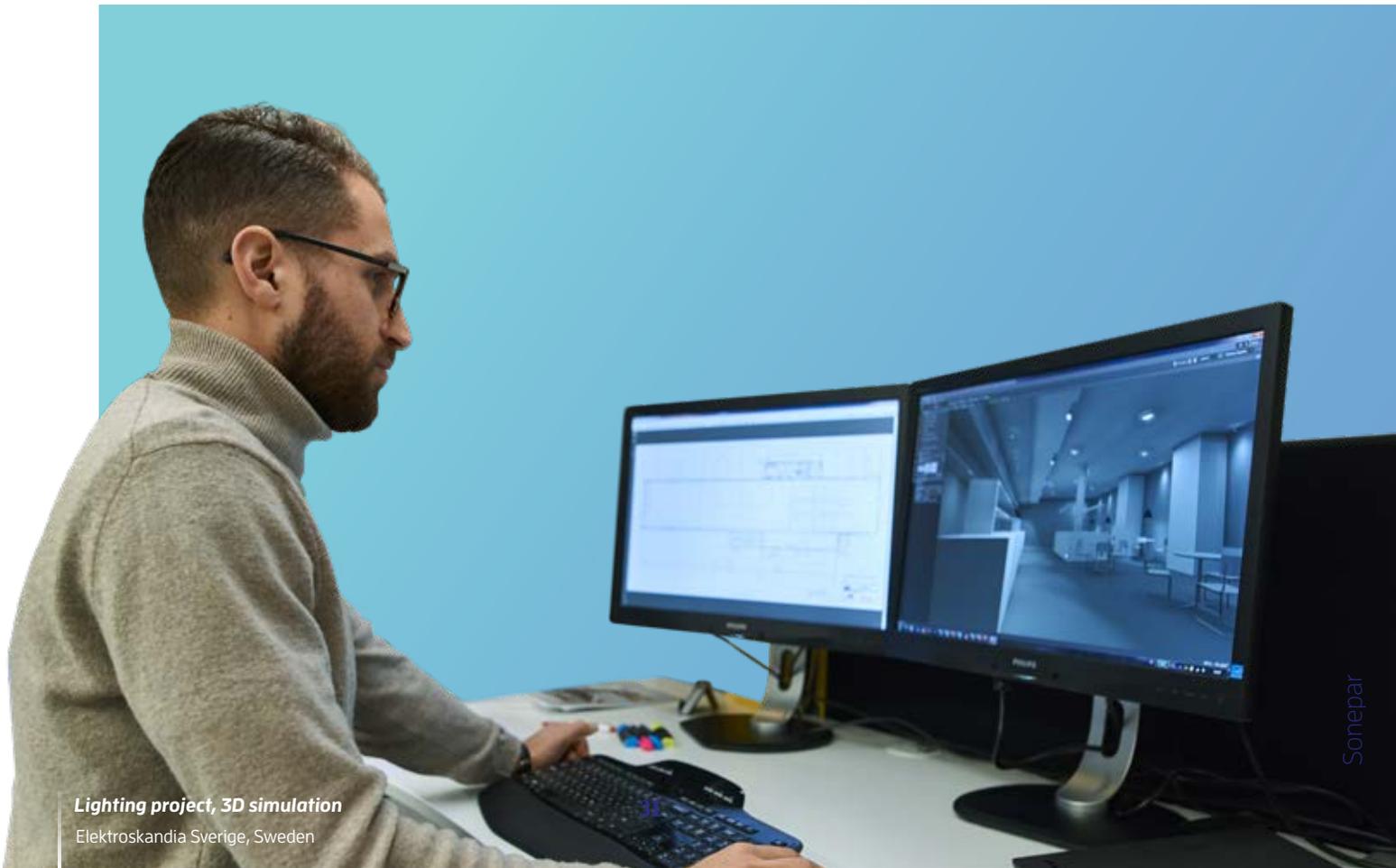
*Sonepedia offers the Group a forum for sharing. Better still, it is a place for discovering best practices and experiences worth replicating. You can easily find colleagues who've had experience with your case.*

Sonepedia  
platform

# Strategy— with a digital twist

The Group has accelerated its digital transformation, with the aim of delivering unmatched customer experience.

The world is changing— and so is Sonepar. Markets, processes and solutions are all going digital— and so is Sonepar. Manufacturers, customers and suppliers are busy switching to the new technology— and so is Sonepar. Those changes are transforming business lines and organizations alike, but Sonepar got involved from the beginning to be more and more efficient, responsive and successful—and to get better and better at meeting the expectations of its customers and partners.



# Efficient, handy apps

## Our digital transformation is an ongoing process

Jochen Moll,  
Chief Digital Officer



Since 2016, the Group has been reorganizing to be able to deploy its digital strategy at all its operating subsidiaries around the world. There are three key goals here: become the e-commerce standard-setter by enhancing the capabilities of its operating companies, deliver unrivaled conventional and digital customer experience, and carry out digital transformation through improved processes and cutting-edge technology. To make that happen, the team led by Chief Digital Officer Jochen Moll advises subsidiaries on the shift to digital and provides hands-on support for their initiatives. Digital Development Leaders (DDLs) continue to adapt Sonepar's global digital strategy to local conditions and providing guidance to digital projects in countries and subsidiaries. Each DDL advises the local managers in his or her geographic area and helps them step up their presence in e-commerce. As Jochen Moll points out, "Digital isn't a project with a beginning and an end; it's an ongoing process."



**Piet Bünte**  
**Digital Business Development Manager**  
**Sonepar Deutschland, Germany**

*Based on content derived from Germany's norms and regulations for the electrical, electronic and IT industries, we developed an app called E-Helfer to offer our customers additional services. We started to sell it in January 2016, and today we have almost 4,000 customers and over 15,000 users. The app helps customers on construction sites when they are unsure of how specific norms and regulations apply to them. We provide document and form templates, tutorials, call-back support complete with video chat, continual content updates and more. We've had really good feedback, because we truly solve customers' problems throughout their projects. Basically our app was developed by pragmatists for pragmatists. We recently introduced new features enabling customers to identify old circuit breakers by comparison on the phone, and then find the replacement product on our online shop.*

For that reason, Sonepar has continued with deployment of its Digital Competence Centers. Though designed to support specific projects, these genuine hubs are also innovation labs, expertise and support centers, advisory bodies and promoters of digital good practices. Each Center makes its competence and knowledge available to Group operating companies in such areas as customer experience, product information and data management, data analysis, inventory optimization and mobile solutions. For example, the Zurich-based Mobile Solutions Competence Center started up in 2016, followed in 2017 by a Data and Analytics Competence Center in France and a Customer Experience Competence Center in the Netherlands. Furthermore, Digital Shared Service Centers managed at country level have been created to enable the Group to centralize and consolidate resources so that they can provide the services requested by operating companies.

The Group can therefore confidently set itself ambitious targets in 2018 and forge ahead with the digital transformation of its structures, processes, operating activities, as well as its customer and supplier relationships. Because the latter are bound to make increasing use of mobile applications, those applications must be developed with features that can set Sonepar apart from others. Data analytics tools will also be rolled out in the various countries, along with customer experience programs. In a word, the Sonepar “digital landscape” is constantly evolving—but faster and faster all the time.

**Matti Ala-Nikkola**  
**Digital Business Development Manager**  
**SLO, Finland**

*We built our new webshop using a platform for creating online stores, with more than 15 live integrations to keep all our data up to date. We greatly improved product information, adding many features (filtered results to make choosing easier and stock quantities). Our goal was to create a user-friendly webshop with a comprehensive search engine that could convince our smaller customers, who form a large share of the Finnish market, to transition to online purchasing. For example, when a customer keys in a simple search term to find a product, our search engine will locate the matching technical terms, and in addition to offering appropriate solutions, it also indicates upsell and related product options.*



User-friendly,  
 easy-access  
 webshops

# Powerful logistics geared to

An increasingly efficient supply chain allows Sonepar to tackle challenges of every kind—from the choice of products and solutions to delivery scheduling, and from relevant responses to customers to custom service and delivery.

Cutting-edge equipment, digital technology and automated distribution centers are obvious strategic priorities for a company committed to customer satisfaction. That approach has in fact been a key contributor to the Group's expansion for a long time. But while the supply chain should be invisible to customers, it requires substantial investment, as well as highly complex, seamlessly operating organizational arrangements. That, in short, is the tremendous, everyday challenge facing Sonepar.

In response, the Group works tirelessly to optimize logistics, with large centralized, automated warehouses to ensure the availability of its products and solutions, flexibility in ordering and rapid, flawless delivery, along with the ability to offer customers integrated services. The process extends from the customer's first contact with Sonepar to the final delivery (in all possible formats and locations). And along the way, it involves paperless procedures, shared information management systems and even management of customer inventory.

## **Ordering and delivery at the customer's convenience**

The Group is constantly enhancing its multichannel approach to distribution to keep it aligned with customer expectations, however varied they may be. Suppose a customer stops in at a branch. He or she is sure to find the right products, since each branch handles close to 5,000 items. Alternatively, imagine a customer placing an order by phone or, more likely today, online. He or she will find what he or she is looking for on a Group webshop or can place an order via mobile apps until late in the evening or even on weekends, with overnight delivery to customer premises or worksites guaranteed. On that basis, 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! But what if the customer faces particular constraints? Sonepar has devised tailored solutions such as night-time load lock chambers, secure containers and direct delivery to specified locations on large construction sites. In that way, the Group can provide a broad range of solutions to cover every possible customer need.

# the job at hand

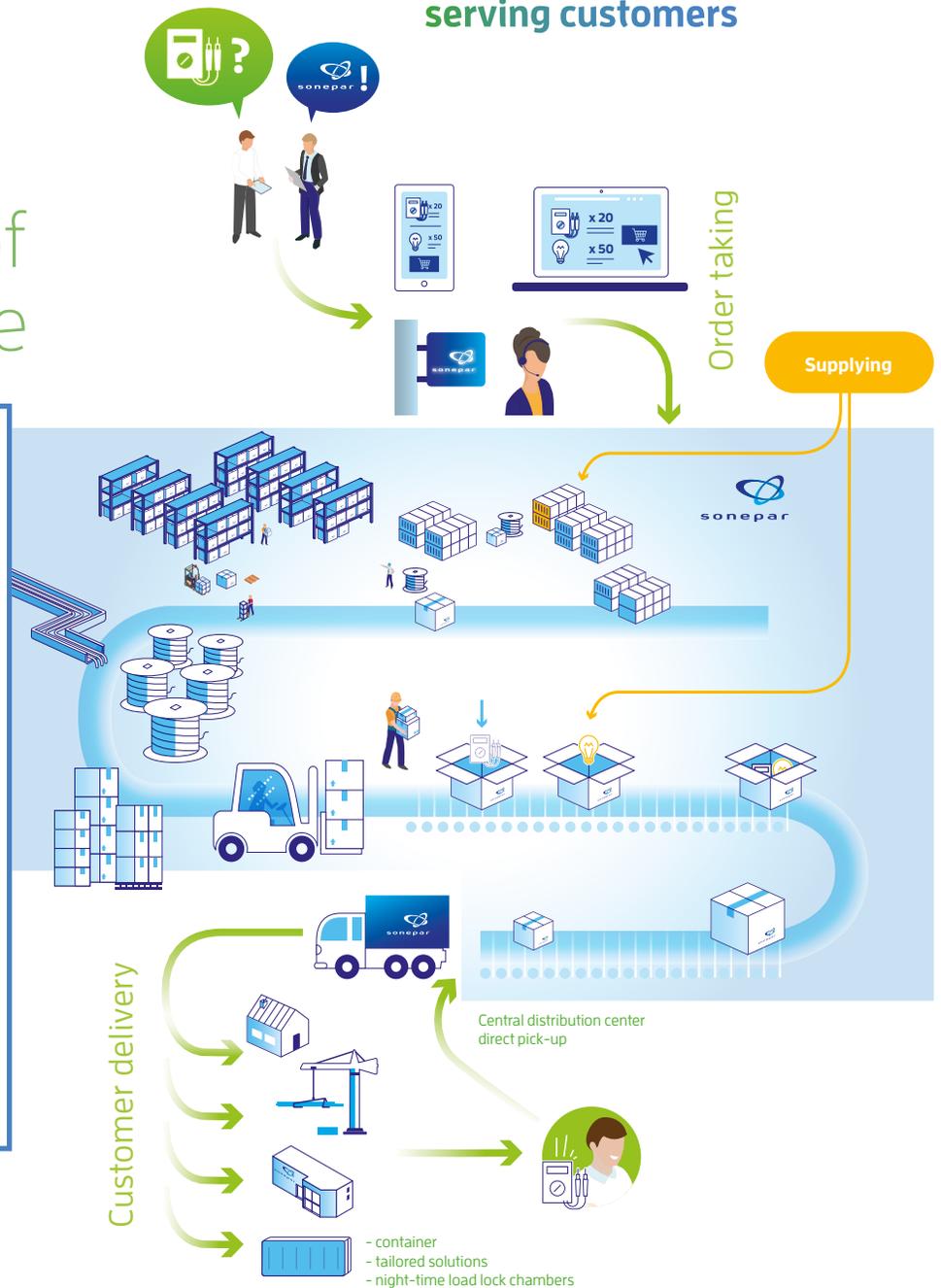


Industry of the future

**Benjamin Ertl**  
Head of Logistics  
Sonepar Suisse, Switzerland

We initiated the Industry 4.0 project at three of our branches. It's a system for retrieving product loads in automated warehouses, including a real-time "track and trace" process that keeps our customers constantly informed of their orders' current location. In the application we use, our logistics staff now has a KombiTool function that allows them to execute a variety of combinations faster and more easily. At the same time, we redesigned our entire order-picking process. As a result, we have boosted productivity, quality and safety—plus the fact that not a single error has been committed in the past year.

Logistics means serving customers



**Automated distribution centers**

Year after year, Sonepar has continued to invest in logistics. The Group initiated the construction, extension and automation of warehouses in France, the Netherlands, Poland, Austria, Finland, Italy, Switzerland, Germany and above all in Sweden, one of the largest-scale projects. The same drive for major expansion occurred in the United States, where a special new supply-chain team was set up.

At these gigantic warehouses (some totaling 30,000 square meters), automated solutions have become increasingly prominent. A prime example is the miniloader Shuttle Automated Storage and Retrieval System, a computer-controlled system for automatically processing orders, retrieving product loads and managing stocks. And then there's the innovative SafeLog system installed last year in Germany, combining process automation with teamwork.



Elektroskandia Sverige, Sweden

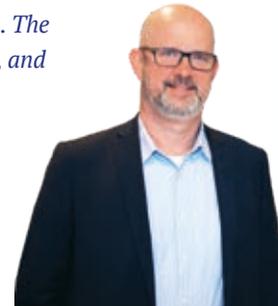


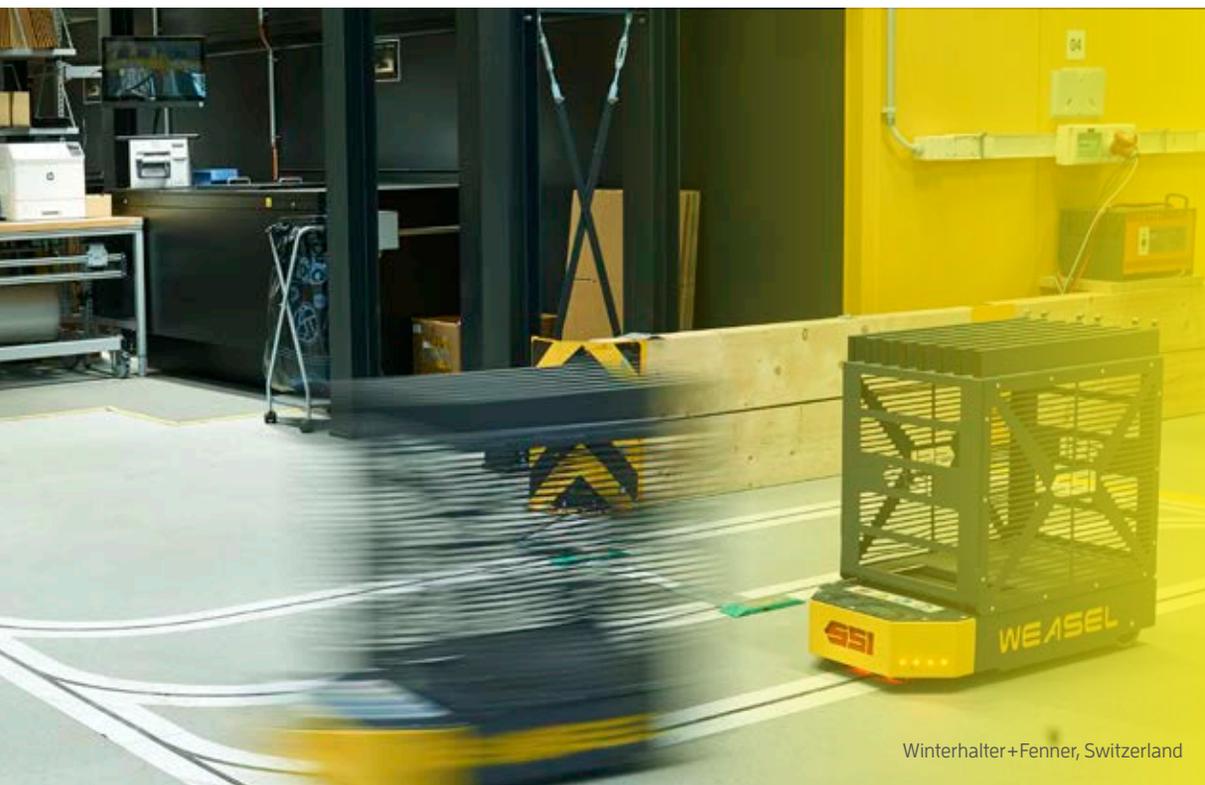
2017 was the year in which the Competence Center, Supply Chain Planning, went into operation. For now, its efforts focus on workshops, training, listing all the management systems used at Group distribution centers, "quick-scan" solutions and Key Performance Indicators (KPIs). But the Center's staff and workload are both scheduled to increase in 2018, when the entire Group will see additional improvements in logistics.

Operational  
excellence

*In September 2017, we opened our new logistics centre in Örebro, Sweden. It is an impressive building with floor area of about 43,500 square meters that was planned with sustainability in mind, and was awarded Silver environmental certification. The center receives a large share of its electric power from rooftop solar panels, and there are charging stations for cars outside the facilities. But above all, the center is highly automated, with processes optimized (for example in the sorting area and the high-bay area) to deliver efficiency, quality and great service to our customers.*

**Peter Landenberg**  
**Logistics Director**  
**Elektroskandia Sverige, Sweden**





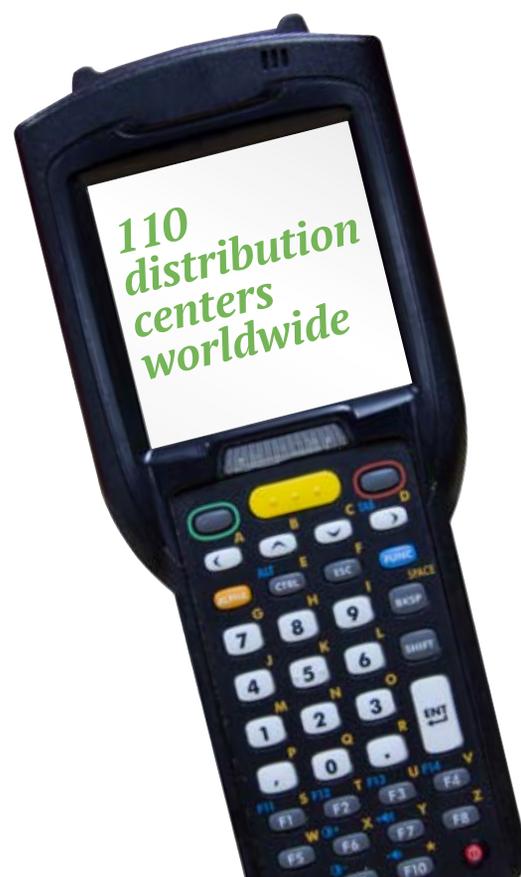
Winterhalter+Fenner, Switzerland

### 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 continued to develop integrated supply chain management services for this purpose and helps manufacturers enhance customer service—while reducing costs. Such innovative, yet concrete support leaves customers free to focus on their core business. And in that area too, the Group meets their expectations.

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, installs vending machines on customer premises and performs on-site inventory management. A good example of the more advanced solutions Sonepar offers is when the Group assumes responsibility for the customer's entire supply chain, with an explicit 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.

Furthermore, while optimizing its logistics and incorporating new technology, Sonepar provides its associates with additional experience and the training they need to offer the kind of expertise and advice required to make the system work.



# Local presence

# AMERICAS



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

\*Brand operating in several countries in the region.

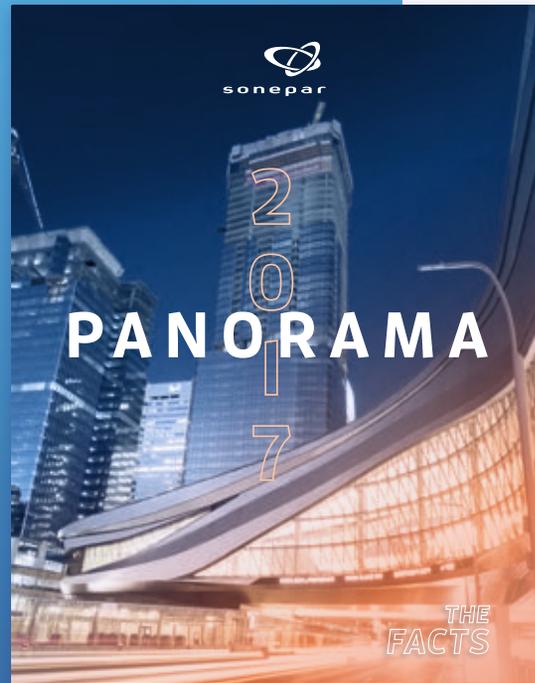
# EUROPE

# ASIA-PACIFIC



# Global reach

# Find out more:



Featured in the Panorama 2017 – The facts: all the high points of 2017 explained by Sonepar's top officers.

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Thanks to all the customers of our companies who have agreed to let us present and share their accomplishments.

Thanks to all the members of our Group for their day-to-day work on the ground, whose constant, passionate commitment to service helps our customers succeed in what they do.

Thanks to those associates who have provided the testimonials featured in the print or digital version of this Panorama 2017. Thanks to those who have let us use their photos to illustrate our materials.\*

**And most importantly, thanks to all our associates for helping us achieve our shared goal of being “La Référence”.**

A FEW WORDS OF  
**THANKS**

\* All photos in this Panorama except those relating to customer projects were taken at our operating companies around the world. They illustrate the work performed daily by our associates.



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

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

25 rue d'Astorg  
75008 Paris - France  
Tel. +33 (0)1 58 44 1313

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