

Corporate Responsibility
Report 2016

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Statement of Support



To our Stakeholders,

I am pleased to reaffirm Anixter International's support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labor, environment and anti-corruption.

In this annual corporate responsibility report, we describe our actions to continually improve the integration of the Global Compact and its principles into our business.

Sincerely yours,

A handwritten signature in black ink that reads "Robert J. Eck". The signature is fluid and cursive, with the first and last names being more prominent.

Robert J. Eck
President and Chief Executive Officer

ADVANCING CORPORATE RESPONSIBILITY

ACCOMPLISHMENTS

PRESIDENT AND CEO'S ONGOING COMMITMENT

In his third-quarter state-of-the-company video message to global employees, President and CEO, Bob Eck, once again reinforced Anixter's ongoing commitment to corporate responsibility. Bob directed staff to Anixter's Corporate Responsibility Report located on the company's external website for more information on the program and highlighted the events leading up to Anixter becoming a participant to the United Nations Global Compact in 2012. Bob also highlighted the ongoing accomplishments attained within Anixter's U.S. supplier diversity program, expanding energy-saving LED lighting programs and the importance of diverting waste from landfills and into recycling programs.

UNITED NATIONS GLOBAL COMPACT

Since becoming a participant to the United Nations Global Compact in 2012, Anixter continues to successfully achieve and maintain the Global Compact Active level annually.

NEW EMPLOYEES

For the second year in a row, Anixter continued its presentation segment on corporate responsibility during Rapid Start, a week-long new-employee orientation workshop. The 20-minute presentation, led by the senior director of corporate sustainability and environmental product compliance, introduces new employees to Anixter's corporate responsibility program by highlighting the various accomplishments attained and featured within the annual corporate responsibility report. This year, eight Rapid Start classes were held with over 90 domestic and international participants.

CORPORATE RESPONSIBILITY WEBPAGE

Since launching the corporate responsibility section on **anixter.com** in recognition of Earth Day 2014, the section continues to draw stakeholders with increasing year-over-year pageviews and document downloads. As of November, the webpage is on track to exceed more than 6,700 unique visitors this year, which is a 20 percent increase over last year. The corporate responsibility report continues to be the site's most frequently downloaded item.

For more information on Anixter's Corporate Responsibility program, contact Tony Volpe, senior director of corporate sustainability and environmental product compliance at tony.volpe@anixter.com.



Human Rights

Anixter is committed to treating all employees fairly, courteously, respectfully and with dignity by supporting a workplace that is free from demeaning, intimidating, offensive, abusive or harassing behavior. With company policies that clearly state a commitment to human rights and that are endorsed by President and CEO, Bob Eck, and Chairman of the Board, Sam Zell, Anixter complies with applicable employment laws and regulations around the globe and does not tolerate unlawful discrimination of any kind.

POLICIES AND PROGRAMS

HUMAN RIGHTS PROTECTION

Anixter upholds human rights based on its policies and regular management reviews combined with regularly engaging with peers and experts in the field. The following is a list of related policies and programs that support these ongoing efforts:

- Human Rights Policy
- Global Business Ethics and Conduct Policy
- Reaffirmation of Equal Employment Opportunity Policy
- Conflict Minerals Policy Statement
- Anti-Harassment Policy
- Anti-Retaliation Policy
- Workplace Violence and Response Policy
- Reaffirmation of Policy on Confidentiality
- Employee Personal Data Protection Policy and Notice
- Global Health and Safety Policy
- Non-discrimination in employment and personnel practices
- Comprehensive health and welfare benefit programs
- Business Integrity Line and other communication mechanisms

All human rights policies and programs are administered by the executive compliance committee, chief compliance officer, regional compliance officers and the human resources, legal and internal audit organizations.

U.S. DIVERSITY PARTNERSHIPS

Anixter is committed to the participation and advancement of small businesses and business enterprises owned by minorities, women and disabled veterans. Anixter will use reasonable efforts to provide opportunities to these groups whenever practical for subcontracting, purchasing or reselling, teaming arrangements and mentor-protégé programs.

TOWARD CONFLICT-FREE SUPPLY CHAINS

Anixter supports industrywide efforts to identify, reduce and eliminate the use of conflict minerals that originate from the Democratic Republic of the Congo and surrounding countries, which are believed to be financing groups that are responsible for human rights violations. Anixter is committed to fully complying with the conflict minerals requirements included in the U.S. Securities and Exchange Commission's (SEC) Dodd-Frank Act, which requires publicly traded companies to perform due diligence as to the existence and source of conflict minerals in their supply chains.



ACCOMPLISHMENTS

DIVERSITY PURCHASING

- Within the U.S., Anixter spent more than \$94.7 million with over 961 small, minority-, woman- and disabled-veteran-owned business enterprises over the last 12 months.
- Anixter continued to help U.S. customers report on their indirect diversity purchases from Anixter by distributing electronic diversity purchasing reports each quarter. Anixter has been supporting customers with quarterly diversity purchasing reports since 1999.

DIVERSITY SALES

Through a combination of long-term and recently established partnerships with a vast array of diversity organizations located across the U.S., Anixter's and our partners' strengths are combined to collectively help our mutual customers achieve their diversity business engagement goals for both large projects and day-to-day operations. In 2016, Anixter sold more than \$87 million in products to various strategic U.S. diversity partners.

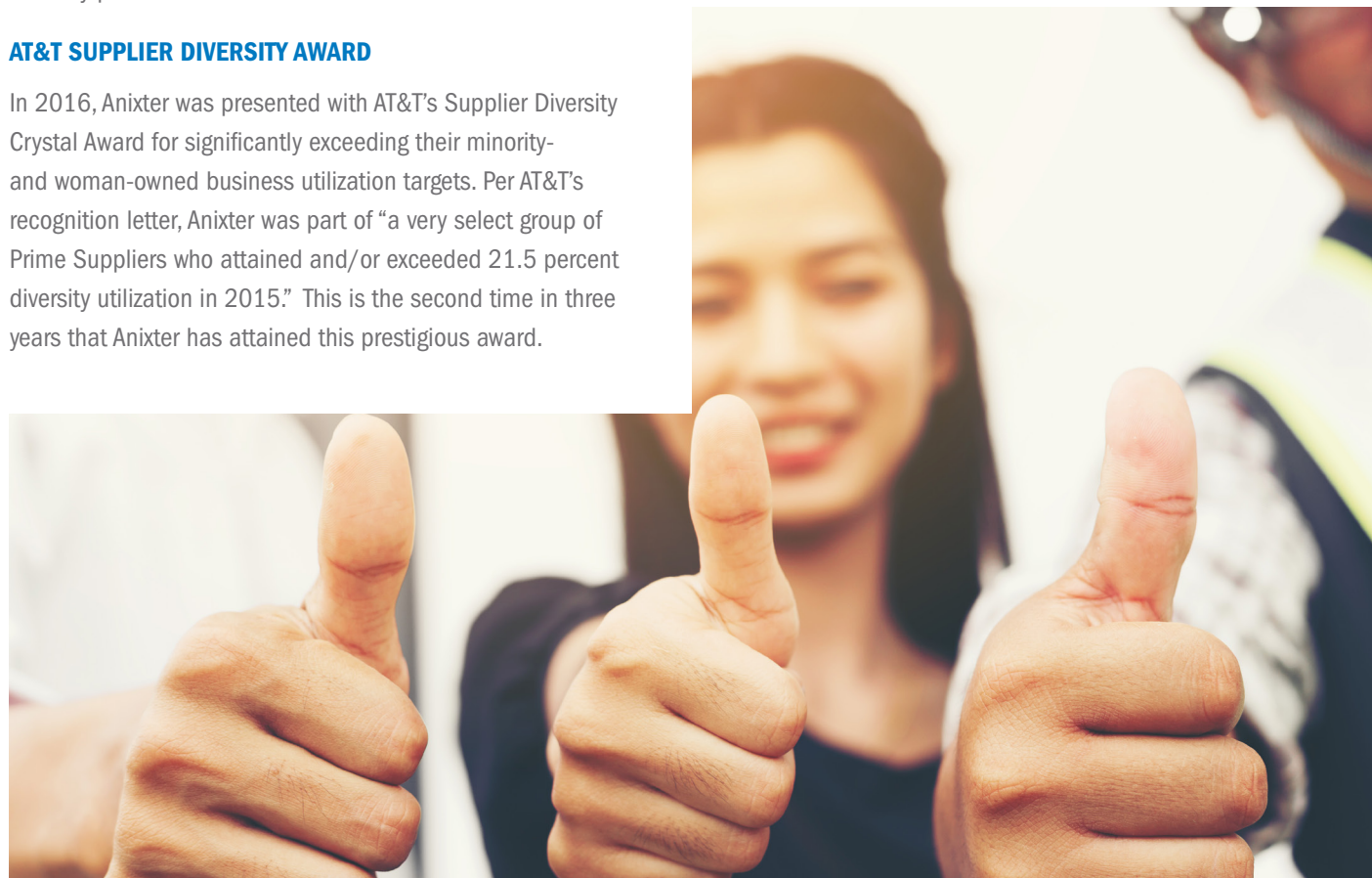
AT&T SUPPLIER DIVERSITY AWARD

In 2016, Anixter was presented with AT&T's Supplier Diversity Crystal Award for significantly exceeding their minority- and woman-owned business utilization targets. Per AT&T's recognition letter, Anixter was part of "a very select group of Prime Suppliers who attained and/or exceeded 21.5 percent diversity utilization in 2015." This is the second time in three years that Anixter has attained this prestigious award.

CONFLICT MINERALS

- In compliance with the Conflict Minerals Rule under the Dodd-Frank Act, Anixter successfully filed its Form SD and Conflict Minerals Report with the SEC in 2016 for the 2015 calendar year.
- Once again, Anixter's Conflict Minerals Policy Statement was the second-most downloaded item by stakeholders from Anixter's corporate responsibility webpage.
- Anixter continued surveying suppliers for conflict minerals by using a risk-based approach to support its annual SEC reporting obligations.

Additional conflict minerals accomplishments can be found in the [Environmental Product Compliance section](#).





Labor

Anixter strives to create a positive and safe work environment — free of discrimination, harassment and inappropriate conduct and one in which employees treat each other fairly and with dignity and respect by:

- Supporting and upholding the elimination of discriminatory practices particularly with respect to employment and occupation
- Promoting and embracing diversity in all aspects of business operations
- Supporting the elimination of all forms of forced, bonded or compulsory labor
- Supporting the freedom of association and the right to choose a collective bargaining representative, if desired
- Providing a safe and healthy work environment for all employees
- Condemning all forms of child exploitation and supporting the elimination of exploitative child labor.

POLICIES AND PROGRAMS

EMPLOYEE COMMITMENT

Anixter's labor policies and programs are communicated through its:

- Anti-Harassment Policy
- Anti-Retaliation Policy
- Global Business Ethics and Conduct Policy
- Workplace Violence and Response Policy
- Global Health and Safety Policy
- Employee Personal Data Protection Policy
- Competitive employee benefit programs
- Nondiscrimination in employment and personnel practices
- Employee notices of right to join or form unions for purposes of collective bargaining, if desired
- Annual compensation benchmarking analysis
- Business Integrity Line and other communication mechanisms.

EMPLOYEE RECOGNITION

In the Anixter Blue Book, the first item listed under “Our Philosophy” is “People come first” and this is demonstrated across the organization in the various ways in which employees are recognized for their outstanding contributions.



EMPLOYEE CONCERNS

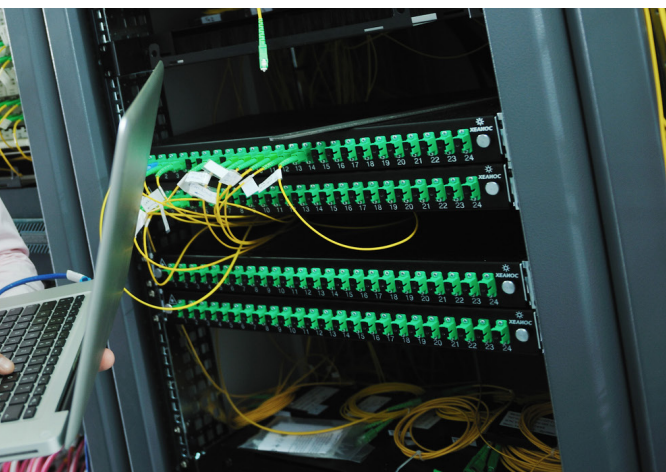
In addition to reporting a suspected issue through local management, human resources, the legal department or a compliance officer, employees around the globe can call a toll-free number or access the Business Integrity Line website to ask ethics- or compliance-related questions or to report a suspected issue. Communications can be made anonymously where permitted by local laws. The call center and website are managed by an independent, third-party provider and all submissions or conversations are kept confidential and shared only with those necessary to respond to or investigate a report.

U.S. MILITARY VETERAN RECRUITING

Being a multi-national company headquartered in the U.S., Anixter supports and values those who have served our nation and actively recruits U.S. military veterans as they transition out of careers within the Army, Air Force, Navy, Coast Guard and Marines. Throughout our organization, U.S. military veterans are not only making a difference, but are also embarking on rewarding careers.

INFORMATION SECURITY

Information security is a critical part of Anixter's business environment. As a result, Anixter has a robust information security program, with policies and controls that are aligned with well-known security standards, such as ISO 27001 and NIST SP 800-53. Anixter's information security program includes security awareness initiatives designed to educate employees about computer security.



ACCOMPLISHMENTS

INTERNAL EMPLOYEE RECOGNITION AWARDS

The following provides examples of the various employee recognition awards given to select Anixter employees throughout the year:



Award of Excellence

Nominated by fellow co-workers, the Award of Excellence is Anixter's most prestigious honor and is awarded to the top 1 percent of all employees globally. These employees demonstrate Anixter's philosophy to providing excellence for co-workers, customers and partners. This year, the Award of Excellence was given to 80 people to honor their outstanding performance in 2015.



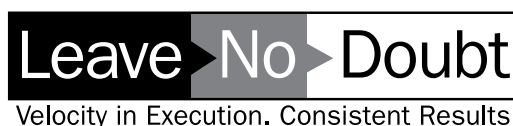
Technology Fellow Award

The Anixter Technology Fellow award promotes leadership among Anixter's technical professionals who have contributed extensively to driving innovation in alignment with Anixter's business strategies and is awarded to one person each year.



President's Club

Anixter's President's Club is a prestigious group of people who embody the drive, spirit and achievement that constitute the best at Anixter. Through dedication, customer service and an incredible work ethic, the members of the President's Club have earned the opportunity to be recognized. This year, 118 people were inducted into the President's Club.



Leave No Doubt

The Leave No Doubt award is given to those employees who go above and beyond in their jobs and strive to provide exceptional service to our customers, suppliers and employees. A total of 24 people were recognized this year.

EXTERNAL EMPLOYEE RECOGNITION AWARDS

The following provides select examples of the various employee recognition awards given to Anixter employees throughout the year:

- An Anixter employee was inducted into the Security Products and Technology News (SP&T) Security Hall of Fame. This honor is awarded by SP&T to an individual in recognition of their volunteer efforts and years of dedication to the security industry. SP&T News is the primary source of information for dealers, installers, system integrators, resellers and specifiers working in the Canadian security industry.
- An Anixter employee received the Harry J. Pfister award from BICSI, which recognizes the outstanding efforts of an individual who promotes professionals and enhances the scientific, technical or educational aspects of the field of telecommunications/information and communications technology. BICSI is a professional association supporting the advancement of the information and communications technology community.
- An Anixter employee received the 2016 Larry G. Romig award from BICSI. This award honors the exemplary efforts and dedication to work activities performed as a member of a BICSI committee.

ACCOMPLISHMENTS – continued

HEALTH AND WELLNESS FAIRS

The following provides select examples of the various health and wellness events held for Anixter employees throughout the year:

- Anixter held its annual health and wellness fairs at its Glenview, Ill. headquarters and its largest distribution facility in Alsip, Ill. making 27 local wellness and healthcare providers available to more than 1,100 employees. These fairs include basic healthcare screenings, educational information and free flu shots.
- Anixter's São Paulo location held a health week where free eye exams, discounted eye glasses, various medical screenings and traffic safety lectures were offered to more than 90 employees. The location also held a family day where healthy food was offered and nutritionists were available to speak to and address questions from employees and their families.



ANNUAL EMPLOYEE CERTIFICATION AND TRAINING

The following provides select examples of the various employee certification and training programs distributed to Anixter employees throughout the year:

- Annual online training and certification acknowledging compliance with the Global Business Ethics and Conduct Policy is issued to all employees
- Annual affirmation of adherence to Anixter's security policies is required for all Anixter employees
- As part of its worldwide trade compliance program, Anixter delivers a comprehensive online export compliance training course to the majority of its global employees on a scheduled basis.

PROUDLY SUPPORTING U.S. MILITARY VETERANS

Anixter continues to support U.S. military veterans in a variety of ways. The following lists select accomplishments attained this year:

- Anixter created a veteran steering committee to assist in the recruitment and integration of recently discharged veterans; the committee has successfully created veteran-focused marketing material, attended multiple military recruiting events and partnered with Anixter Cares, the charitable donations program, to support local veteran groups.
- In the U.S., Anixter hired 40 U.S. military veterans this year.
- Currently, over five percent of U.S. employees are U.S. military veterans.





Health and Safety

Anixter's health, safety and environmental program is designed to create, implement and maintain a healthy and safe work environment for all employees, visitors and contractors. Everyone at Anixter is part of this program.

Anixter is committed to providing employees with a safe and healthy work environment through its:

- Global Health and Safety Policy
- Global safety and environmental management system
- Quality management system
- Continuous location management education
- Equipment safety training
- Electronic notification and mandatory staff training on policy modifications
- Certification or compliance to ISO 9001:2008 (2015 in progress) Quality Management System, ISO 14001:2004 (2015 in progress) Environmental Management System and OHSAS 18001 International Occupational Health and Safety Management System
- Business Integrity Line and other communication mechanisms
- Start-of-shift weekly safety communications
- Monthly safety Toolbox Talks through Anixter's learning management system
- Health, safety and environmental communications through quarterly newsletters
- Health, safety and environmental directives through Anixter's learning management system
- Department of Transportation Driver Safety Training
- Monthly driver safety communications.

ACCOMPLISHMENTS

OPERATING SAFELY

Anixter's global health, safety and environmental teams work to make sure compliance elements are met and that the guidelines of the global safety and environmental management system are followed. These teams make resources available and define responsibilities to enable the company to operate in a manner that provides a safe and healthy workplace for employees, visitors and contractors while also protecting the environment.

AUDITS AND CERTIFICATIONS

Internal and external compliance audits were successfully completed at two international locations for ISO 14001:2004 Environmental Management System and one U.K. location for the Five Star British Health and Safety Certification. As a result of the audits, all locations maintained their certifications.

WORKPLACE VIGILANCE

The health, safety and environmental senior director continuously monitors global operations and reviews the global safety action list with management on a quarterly basis. This allows Anixter to address any current concerns and prioritize future actions.

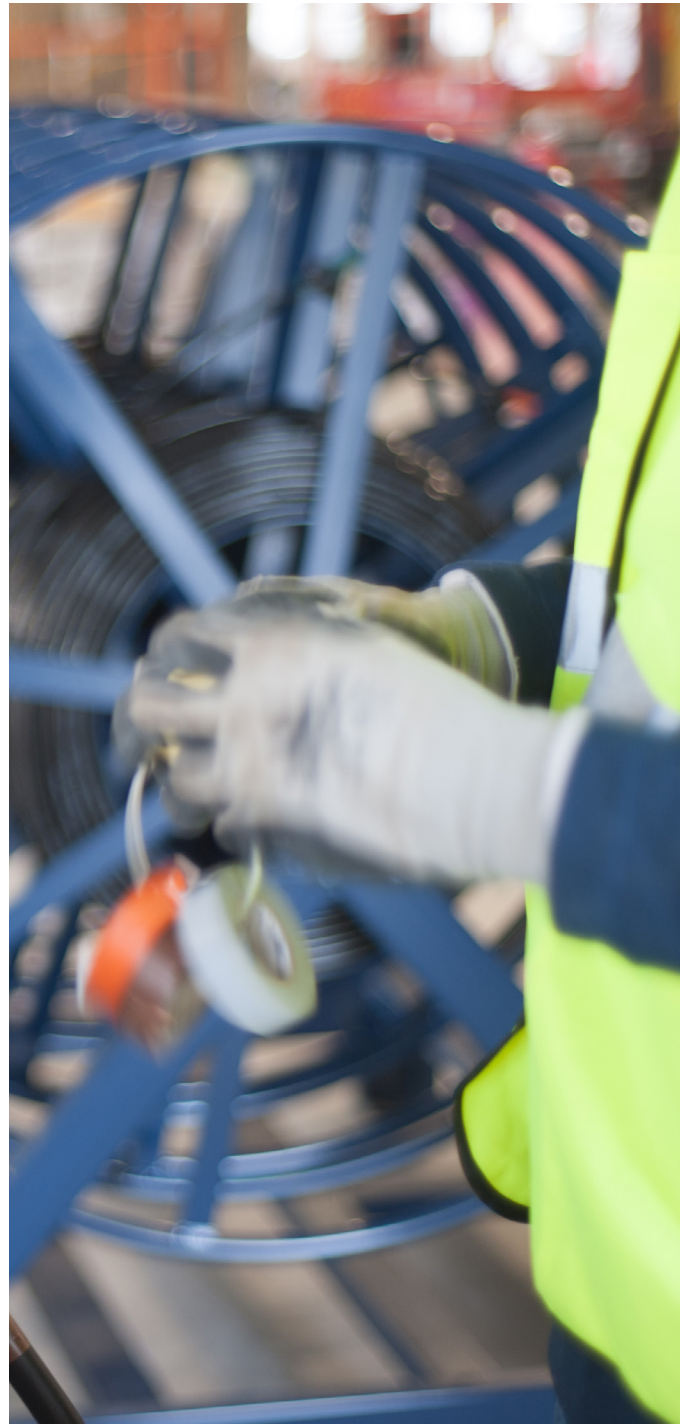
ONGOING TRAINING AND EDUCATION

This year, the health, safety and environmental teams:

- Provided health, safety and environmental oversight on five continents and in nine languages
- Distributed 14 compliance reinforcement newsletters
- Completed 72 compliance site audits
- 3,129 employees completed monthly Tool Box Talks and the annual Workplace Harassment training
- 2,047 employees participated in the daily Start of Shift safety meeting and annual North America Health & Safety Directives review
- 1,379 employees finished online training which included 395 employees completing their forklift certification or recertification
- 354 employees received group training by a corporate health and safety advisor.

FACILITY INSPECTIONS

Anixter voluntarily used an external auditor to complete human element inspections at 22 global facilities. These inspections focused on fire protection systems, sprinklers, sprinkler control valves and hot work areas.





Corporate Sustainability

Through its corporate sustainability program, Anixter seeks to continuously improve business processes to control and reduce the impact associated with its targeted environmental aspects of energy, waste, materials and natural resources and transportation.

By targeting measurable results within each environmental aspect combined with using A Sustainable PathSM approach, which focuses on the economic, environmental and social impacts of the organization, Anixter balances environmental responsibility and return on investment.

PROGRAM GOALS

**ENERGY**

Anixter reduces energy use through innovative technologies, equipment and control systems.

**WASTE**

Anixter minimizes waste by capitalizing on opportunities to reduce, reuse and recycle.

**MATERIALS
AND NATURAL
RESOURCES**

Anixter consumes fewer materials and natural resources by increasing recycled content in consumables while simultaneously pursuing source reduction strategies.

**TRANSPORTATION**

Anixter lowers transportation emissions by using outsourced third-party carriers and internal fleet vehicles that operate in the most environmentally efficient manner possible and by enforcing a global no idling policy at warehouse locations.

ACCOMPLISHMENTS

**ENERGY****GREEN BUILDING CERTIFICATIONS**

Anixter continues to operate and evaluate additional facilities for various green building certifications based upon lease durations and payback calculations. Green buildings help lower operational costs, minimize carbon emissions and provide a comfortable environment for employees. Anixter's green building certified portfolio consists of the following facilities:

- The 61,000 sq. ft. annex office building located next to Anixter's headquarters in Glenview, Ill. attained U.S. Green Building Council LEED® (Leadership in Energy and Environmental Design) certification in 2014. The annex also attained its first ENERGY STAR certification in 2014 from the U.S. Environmental Protection Agency (EPA) and continues to recertify annually.
- The 21,000 sq. ft. multitenant facility in St. John's, Newfoundland, attained LEED Silver in 2014.
- The 195,000 sq. ft. facility in Edmonton, Alberta, attained LEED Silver in 2011.
- The 457,000 sq. ft. Alsip, Ill. facility attained LEED certification in 2007.
- The 167,000 sq. ft. corporate headquarters located in Glenview, Ill. first attained the EPA ENERGY STAR certification in 2014 and continues to recertify annually.

HIGH-FREQUENCY BATTERY CHARGERS

Several Anixter locations around the world use high-frequency battery chargers to recharge forklift batteries. These advanced battery chargers not only monitor the health and condition of the batteries, but they also reduce charging time and are energy efficient. This year, Anixter's U.S. network added an additional 40 new high-frequency battery chargers to the existing units already deployed.

FIELD SERVER VIRTUALIZATION

Like the data center, Anixter's global field locations continue to consolidate and virtualize servers. Currently, Anixter's field locations are using 37 physical servers to host 122 virtual machines.

ACCOMPLISHMENTS – continued

ENERGY-EFFICIENT LIGHTING AND ADVANCED LIGHTING CONTROL SYSTEMS

Depending upon the duration of lease terms and payback calculations, facility lighting systems can range from advanced systems that include daylight harvesting, zone scheduling, dimmable ballasts/drivers and advanced occupancy control sensors to energy-efficient systems that include fluorescent fixtures and LED lighting.

Anixter continues to increase the use of energy-efficient LED lighting and advanced wireless technologies to reduce energy consumption and increase lighting system controls.

In 2016, five additional Anixter locations began utilizing LED technology:

1. Denver, CO – 64,000 sq. ft. warehouse
2. Seattle, WA – 62,000 sq. ft. warehouse
3. Charlotte, NC – 40,000 sq. ft. warehouse
4. Dublin, Ireland – 4,000 sq. ft. office
5. Sydney, Australia – 22,000 sq. ft. warehouse

The above LED lighting systems are designed to save more than 283,000 kilowatt hours of energy annually.

Anixter locations that converted to LED lighting in prior years include:

1. Reno, NV – 249,400 sq. ft. warehouse
2. Phoenix, AZ – 65,000 sq. ft. warehouse
3. Memphis, TN – 93,300 sq. ft. warehouse
4. Alsip, IL – 457,000 sq. ft. warehouse
5. Cranbury, NJ – 282,200 sq. ft. warehouse
6. Mexico City, Mexico – 19,190 sq. ft. warehouse
7. Windsor, CT – 58,000 sq. ft. warehouse
8. Detroit, MI – 59,000 sq. ft. warehouse
9. Glenview, IL – 61,000 sq. ft. LEED-certified annex office building and adjacent parking lots

The above LED lighting systems are designed to save more than 1.4 million kilowatt hours of energy annually.

ONGOING DATA CENTER EFFICIENCIES

Anixter continues to consolidate and virtualize servers in its data center, which currently uses 68 physical servers to host 1,185 virtual machines. Anixter's data center is more than 90 percent virtualized. Due to the decrease in data center cooling requirements, combined with more than a 40 percent decrease in space, Anixter continues to successfully use an air conditioning auto changer that rotates the shutdown of one of three air conditioning units each month.

EUROPEAN UNION ENERGY AUDITS

To meet the requirements set forth by the Energy Savings Opportunity Scheme (ESOS), by year end, Anixter will have successfully conducted energy audits within the following locations: Barcelona and Madrid, Spain; Dublin, Ireland; Frankfurt and Stuttgart, Germany and Milan, Italy. The audits evaluate each building's energy efficiency. All ESOS audit recommendations will be reviewed by management for implementation consideration.

SINGAPORE ENERGY REDUCTION

After moving to a new building in August 2015 and installing new energy-saving air conditioning systems and fluorescent lighting, Anixter's 25,655-square-foot Singapore location is using 37 percent less kilowatts of energy than the previous building.

SOLAR ENERGY

The 142,000-square-foot Willebroek, Belgium, facility – Anixter's largest in continental Europe – successfully started attaining solar energy from rooftop solar panels in late 2011, which powers approximately half of the facility. This year, the location successfully attained 26 percent of its energy from the rooftop solar panels. This is 11 percent higher than the original 2012 solar energy consumption target of 15 percent.

LIGHTING PRODUCTS AND SOLUTIONS

Anixter is now a fully authorized value-added distributor of lighting products and solutions. We are committed to working with customers to determine the project scope and create an energy-efficient lighting solution specifically designed for each customer's unique lighting needs.

HIGH-SPEED DOCK DOORS

Several Anixter locations around the world use high-speed dock doors that are motion-sensor activated to open and close within seconds. The speed of these dock doors helps to control warehouse temperatures and in turn help conserve energy consumption in both winter and summer. For example, Anixter locations in the UK utilize a total of 12 high-speed doors.

RELATED ACCOMPLISHMENTS:

- [ANIXTER UNIVERSITYSM](#)
- [DATA CENTER BEST PRACTICES](#)
- [VIRTUAL LAB AND SOLUTIONS BRIEFING CENTERSSM](#)

ACCOMPLISHMENTS



WASTE

REDUCING LANDFILL WASTE

Anixter leases its global buildings in order to remain flexible to successfully meet both customer and market demands. Leasing, combined with periodic divestitures and acquisitions, causes the physical locations, building sizes and waste and recycling tonnages to continuously change. To help manage these changes, Anixter has successfully outsourced various disposal services over the last several years to specialized waste brokers that help reduce landfill waste, lower operating costs and increase recycling tonnages. Anixter currently has 239 global locations successfully outsourced to waste brokers.

MATERIAL RECYCLING FACILITIES

Three U.S. locations continue to use specialized single-stream material recycling facilities that leverage a combination of manual and automated equipment to extract recyclables from the trash. The combined average recyclable recovery rate from these facilities is 96 percent, which based on the annualized projection of waste tonnage, as reported by Anixter's waste broker, will result in approximately 51,800 pounds of recyclables being recovered annually.

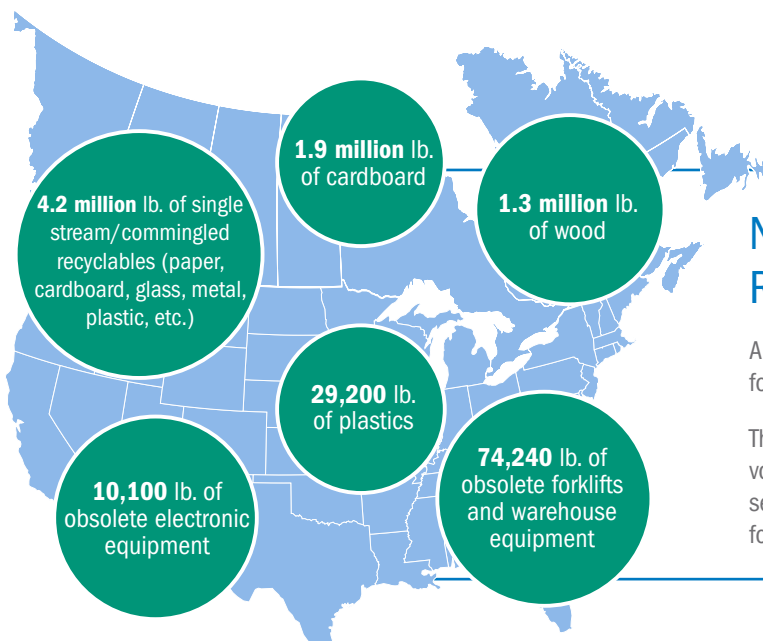
NEW RECYCLING PROGRAMS

Within North America, Anixter successfully implemented three new recycling programs that will divert an estimated 50,700 pounds of cardboard and single-stream/mixed recyclables from landfills annually.

SUPPLY CHAIN SOLUTIONS

Anixter's Supply Chain Solutions team provides customers with various value-added services that include, but are not limited to:

- Kitting of multiple line items into a single finished good part number to ease ordering, reduce waste at the job site and improve job site receiving
- Preassembling of racks, cabinets and cameras prior to shipping to improve job site productivity and lower overall project costs
- Providing job site waste diversion documentation, when requested by customers, for performing the above services to help earn points for green building certification projects
- For example, seven Anixter locations across five countries collectively diverted and recorded more than 42,300 pounds of cardboard, wood and plastic for customer-specific green building projects. In addition, Anixter locations in 14 countries will have completed over 900 customer projects by year end that also diverted packaging waste from job sites. This packaging waste was not separately tracked and weighed, as in the above example, as this was not required by the customers. This diverted waste is picked up in the overall warehouse waste recycling statistics.



NORTH AMERICAN RECYCLING SNAPSHOT

Anixter's North American operations maintain the largest square footage building footprint and total number of employees.

This graphic provides a snapshot of key North American recycling volumes based on annualized projections from fixed and intermittent service frequencies, combined with industry guidelines and estimates for commodity weights and waste container capacity utilization.

ACCOMPLISHMENTS – continued

SELECT GLOBAL RECYCLING SNAPSHOT

By city:

- The Brisbane, Australia, location will successfully recycle approximately 74,200 pounds of paper, cardboard and wood by year end.
- The Dubai, UAE, location will successfully recycle approximately 52,000 pounds of paper, cardboard and plastic by year end.
- The Willebroek, Belgium, location will successfully recycle approximately 113,000 pounds of paper, plastic, cardboard and wood by year end.

By country:

- The Singapore facility will successfully recycle approximately 17,000 pounds of wood, cardboard, plastic and paper and over 39,000 pounds of obsolete electronic equipment by year end.
- A total of 14 U.K. locations will successfully recycle approximately 662,200 pounds of cardboard, wood, paper, metal and plastic by year end.
- Brazil will successfully recycle more than 3,500 pounds of cardboard, metal, paper and wood by year end.
- Four Mexico locations will successfully recycle more than 40,700 pounds of cardboard, plastic and wood by year end.
- In eight countries alone, Anixter will successfully recycle more than 1.9 million pounds of scrap copper and other metals by year end.

REEL CONSOLIDATION

The Anixter-designed, reusable PARAPULLSM paralleling reels can accommodate various cut-to-length cables of the same gauge on a single multichambered wooden reel. Because each PARAPULL reel is reused an average of six times, their ongoing use helps preserve natural resources while eliminating empty reel disposal costs and waste from job sites that frequently ends up in landfills. Customers using a single PARAPULL reel can eliminate two to four individual wooden cable reels on a job site, which reduces shipping and handling costs while increasing contractor productivity. Anixter shipped more than 1,860 reusable PARAPULL reels to customers over the last 12 months.

RECYCLING AUDITS

Anixter's internal ISO audit team reviewed 13 office and warehouse locations across North America to ensure the locations' recycling programs, which can consist of paper, cardboard, wood, metal, and plastic, were being effectively supported by management and used by staff. Once again, all the locations successfully passed the audit team's screening criteria.

PAPER SHREDDING

While Anixter endeavors to minimize paper consumption as much as possible, paper use is often a business necessity. By leveraging location-level paper recycling and shredding programs, Anixter seeks to minimize its overall environmental impact. For example, 36 U.S. and Canadian locations collectively shredded and recycled more than 79,000 pounds of paper. All recycled paper is sent to mills where it is pulped and de-inked to make recycled paper products like paper plates and paper towels.

REUSE PROGRAMS

Anixter locations around the world successfully harvest and reuse select inbound packaging and shipping materials received from supplier partners when they are in like-new condition and meet our strict quality standards. For example, Anixter locations receive cable reels from suppliers safely secured to wooden reel cradles. All reel cradles that pass Anixter's integrity inspections are reused to ship cable reels to customers. Doing so has lowered freight claims and costs as well as improved operational efficiencies and customer satisfaction.

ACCOMPLISHMENTS – continued

RECYCLING EMPTY PRINTER CARTRIDGES

By returning the empty printer toner and ink cartridges to office supply providers for reuse, Anixter helps prevent thousands of pounds of plastic and metal from entering landfills annually. For example, Anixter's Alsip, Ill. facility successfully recycled approximately 1,120 lb. of toner cartridges this year alone.

CABLE CUTTING

Over the last 12 months, Anixter processed more than 1.7 million custom cable cuts for customers from 150 global warehouse locations. By providing cable cut to the exact length required by the customer, job site cable waste is virtually eliminated. Job site costs are also reduced as the need to purchase, cut and control master cable reels and the resulting short cable lengths, or leftover cable, no longer exists.

RELATED ACCOMPLISHMENTS:

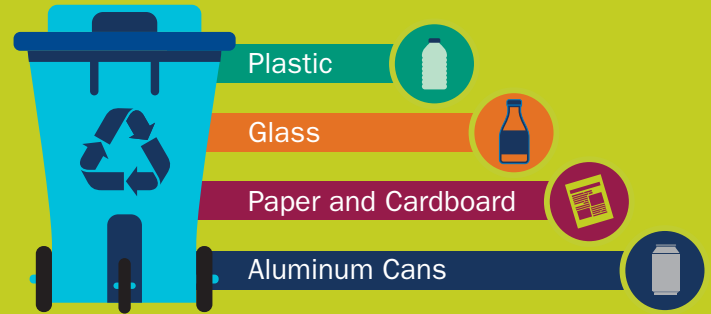
- REDUCING CABLE REELS AT THE JOB SITE
- REUSABLE METAL REELS
- RECYCLED CONTENT



TALKING TRASH
A Sustainable Path™

ANIXTER

MIXED RECYCLING



TALKING TRASH

A recycling refresh campaign titled Talking Trash was unveiled to the approximately 850 employees within Anixter's Glenview, Ill. headquarters in November. The initial campaign launch consisted of:

- An email message reinforcing all building recycling programs
- A link to a new internal website containing additional information on all recycling programs
- Talking Trash recycling signs placed in highly visible and trafficked areas
- Talking Trash recycling stickers placed on recycling bins throughout the building
- A Talking Trash message featured on the large panel monitors outside the employee cafeteria.

ACCOMPLISHMENTS



MATERIALS AND NATURAL RESOURCES

WAREHOUSE MANAGEMENT SYSTEM

The Anixter-developed and Anixter-supported next-generation WMX warehouse management system uses state-of-the-art technology and was designed to quickly incorporate operational system enhancements to meet customer and market demands. The WMX system also significantly reduces paper and printing waste generated throughout the entire order processing cycle.

In 2016, the Anixter WMX team successfully incorporated more than 200 enhancements that improved performance, increased operational efficiencies and expanded user functionality in the 11 facilities across North America that currently use it. One of the larger enhancements was incorporating automated shipping notice processing, which will shorten material receiving time and increase the accuracy of product information received into the WMX system. The second major enhancement was the addition of a point-of-sale storefront option that will roll out in 2017.

REDUCING CABLE REELS AT THE JOB SITE

Anixter's READY!™ Layer service offering reduces the total number of cable reels needed at a job site by adding multiple layers of cable to a single reel chamber. As more layers are added, fewer reels are needed. Having fewer reels at a job site reduces transportation costs, transportation emissions and, when wood reels are used, timber consumption. READY! Layer provides further value when combined with Anixter's PARAPULL™ or PARASPIN™ services that use returnable reels. Over the last 12 months, U.S. locations have shipped more than 1,800 READY! Layer reels to customers' job sites.

REUSABLE METAL REELS

Anixter offers electrical contractors the option of receiving cut-to-length cable on reusable metal PARASPIN reels that have five independent spinning chambers from which to pull cable. Customers using a single PARASPIN reel can eliminate four individual wooden cable reels on a job site, which reduces shipping and handling costs while increasing contractor productivity. As the PARASPIN reel completely eliminates the use of wood and is reusable, natural resources are preserved and cable reel waste and disposal costs are eliminated at the job site. Over the last 12 months, Anixter shipped and retrieved more than 2,500 reusable PARASPIN reels from customers' job sites.



ACCOMPLISHMENTS – continued

eTRAVEL AND EXPENSE REPORTING

During the last 12 months, Anixter's paperless travel and expense reporting system expanded beyond the U.S., Canada and EMEA regions to now include most Latin American countries. With more than 45,000 electronic expense report submissions, Anixter estimates that more than 225,000 sheets of paper and approximately 43,000 paper envelopes, and the subsequent postage expense, were eliminated. Currently, there are 29 countries using the paperless travel and expense reporting system and in 2017, Brazil and the Asia Pacific region will be added.

GREEN OFFICE SUPPLIES

Anixter continues to focus on purchasing office supplies that contain green attributes where feasible. Green attributes can include, but are not limited to, products that contain recycled or plant-based materials or are remanufactured. For example, as of Q4 2016:

- Six Anixter U.K. locations and Anixter's North American locations spent 58 and 41 percent respectively of their total office supply expenditures on products that contain green attributes as identified by the office supply partners
- Anixter's global locations continued to use remanufactured toner cartridges for printers instead of new OEM cartridges, where available
- Anixter's new North American office supply partner utilizes boxes that contain 35 to 100 percent recycled content and leverages award-winning technology to tailor box sizes to the exact size of the order to minimize packaging waste
- More than 74 percent of U.S. print production jobs utilize soy-based ink.

RELATED ACCOMPLISHMENTS:

- ANIXTER'S UNIQUE CANADIAN CUSTOMS OPERATIONS
- LEVERAGING ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

eBUSINESS

Anixter's eBusiness offerings allow global customers and suppliers the ability to seamlessly process a vast array of business transactions with Anixter in a secure and paperless environment. Anixter's eBusiness highlights include the following:

- **Electronic data interface (EDI):** By year end, Anixter will have successfully processed more than 1.7 million global EDI transactions of which over 687,480, or approximately 40 percent, will result in the elimination of a paper transaction, such as an invoice, purchase order or forecast
- **Third-party electronic invoicing:** Anixter communicates extensively with various online procurement applications and supplier networks. Over the last 12 months, Anixter has successfully processed more than 86,200 paperless invoice transactions through these networks
- **eDelivery:** Over the last 12 months, Anixter's email invoice and statement notification program has successfully eliminated more than 1.3 million paper invoices.

RECYCLED CONTENT

Anixter seeks to use recycled content in consumables where feasible. Here are two examples:

- Anixter's U.S. warehouses, which collectively process the largest outbound line volume in the global network, shipped more than 2.3 million pounds of corrugated boxes, packing paper, paper tape and related packaging items that are made from recycled content ranging from 40 to 100 percent.
- All of Anixter's North American business cards and marketing collateral are printed on 100 percent recycled paper that is approved by the Forest Stewardship Council, a group that works to ensure materials are sourced responsibly.

eCARDS

Anixter offers employees the option of sending animated ecards to customers and supplier partners rather than using traditional printed paper holiday cards.

ACCOMPLISHMENTS

TRANSPORTATION

LONGER COMBINATION VEHICLES

Anixter's global transportation team successfully leverages third-party carriers' longer combination vehicles (LCVs) that increase the cargo capacity of combination trucks by using longer and/or multiple trailers. According to the EPA's SmartWay program, LCVs generally have much better ton-mile fuel economy than other combination trucks as they carry more cargo per trip, which results in lower fuel consumption and reduced greenhouse gas and air pollutant emissions. Anixter's transportation team in Canada successfully used three LCV carriers to transport more than 9,476 shipments over 1.9 million miles.

GPS NAVIGATION AND VEHICLE MONITORING SYSTEMS

Anixter continues to connect select fleet vehicles to GPS navigation systems that provide real-time route planning and various vehicle performance metrics to help increase fuel economy, lower carbon emissions and improve driver productivity. By year end, Anixter will operate 153 global fleet vehicles connected to a vehicle monitoring system.

COMMUTER BENEFITS PROGRAM

Since 2009, Anixter has offered U.S. employees a commuter benefits program that allows qualified public transportation and/or parking expenses to be automatically deducted pre-tax from paychecks. The program continues to grow and encourages staff to use public transportation, which helps protect the environment while saving users money.



NO IDLING PROGRAM



Anixter continues to operate a global no idling program at its warehouses and headquarters. Truck drivers are required to turn off their engines while waiting for materials to be loaded or unloaded from their vehicles. Anixter-designed "No Idling" signs are placed on driver entrance doors as well as in select yard and loading dock locations. The No Idling program seeks to improve air quality, reduce carbon emissions and increase safety. In 2016, Anixter conducted a global refresh of the No Idling program. As part of the refresh, the No Idling signs were redesigned and placed in new buildings as well as used as replacements for any damaged signs.

SMARTWAY CARRIERS

More than 90 percent of Anixter's preferred U.S. and international transportation spend is with the EPA's certified SmartWay carriers for products shipped into and out of the United States. SmartWay carriers focus on reducing emissions and fuel consumption.



ACCOMPLISHMENTS – continued

SHIPMENT CONSOLIDATION

Anixter successfully used third-party transportation partners to collect, consolidate and ship more than 169 million pounds of products from the U.S. to Anixter and customer locations around the world. By leveraging multimodal transportation to consolidate supplier shipments, Anixter reduces operating expenses, increases material visibility and lowers carbon emissions.

ANIXTER'S UNIQUE CANADIAN CUSTOMS OPERATIONS

Anixter electronically clears all of its own products that ship to Canada from anywhere around the world. This gives Anixter a distinct advantage in that the custom clearance transaction is faster. Having the self-clearance designation ensures that the clearance process does not have to pass through the hands of an outside custom broker. In addition to improving the speed of transaction, it also improves the visibility and the accountability of every import Anixter brings into Canada. For example, through Q4 2016, Anixter in Canada processed more than 13,000 lines of customs entries, which accounts for 150 percent growth over 2015.

In addition to handling the Canadian imports from the U.S., Anixter's Canadian transportation team is responsible to ensure compliance with U.S. Customs. The department also centrally manages all export paperwork for shipments moving outside Canada, which will entail more than 4,100 shipments and 9,600 lines by year end.

DIESEL TRACTOR UNIT REPLACEMENT

In 2016, Anixter replaced 21 diesel commercial motor vehicles, which will significantly reduce NOx (Oxides of Nitrogen) emissions from 1.2 g/hp-hr to 0.2 g/hp-hr, an 83 percent decrease.

TRANSPORTATION REDUCTION STRATEGIES

Anixter's Edmonton, Alberta, location continues to purchase unassembled cable reels to assemble, when needed, as opposed to purchasing fully assembled reels. In 2016, the location ordered 1,800 unassembled reels that arrived in two truckloads. If these reels were fully assembled, this would have required 10 to 12 truckloads. This practice reduces the location's inbound freight expenses, carbon emissions and reel storage space requirements.

FEDERAL ALTERNATIVE FUEL TAX CREDIT

Anixter's U.S. forklift fleet will consume more than 29,200 gallons of propane in 2016 and because propane is a cleaner burning fuel, it qualifies for the IRS Federal Alternative Fuel Tax Credit.

ADVANCED EMISSION CONTROLS

In 2016, Anixter ordered 20 forklifts that meet the EPA's Tier 4 emissions standards. This is a comprehensive national program focusing on reducing emissions from non-road diesel engines. To attain this standard, the forklift engines require advanced emission-control technologies.

RELATED ACCOMPLISHMENTS:

- ONGOING EMPLOYEE EDUCATION
- VIDEOCONFERENCING
- ANIXTER UNIVERSITYSM
- DATA CENTER BEST PRACTICES
- VIRTUAL LAB AND SOLUTIONS BRIEFING CENTERSSM



Charitable and Social Responsibility Programs

Around the world, Anixter is powered by employees that have the talent and dedication to address the most challenging problems. But their efforts go beyond business and into the communities where they work and live. Anixter believes it is important to support global communities and encourages employees to get involved with the causes and charities they care about.

The Anixter Cares program is powered by these people and supports various charity organizations, such as the Red Cross, Red Crescent Societies, American Cancer Society, American Diabetes Association and Habitat for Humanity. Anixter also provides company-matching gifts to higher education within the U.S. and Canada and offers time off for employees to volunteer at nonprofit organizations.

ACCOMPLISHMENTS – continued

In 2016, donations generated through Anixter Cares included:

MORE THAN \$48,473 ANIXTER EMPLOYEE CONTRIBUTIONS	+	MORE THAN \$48,473 ANIXTER CARES EMPLOYEE MATCHING CONTRIBUTIONS	+	MORE THAN \$147,286 ANIXTER CORPORATE DONATIONS	=	MORE THAN \$244,232 TOTAL ANIXTER EMPLOYEE AND ANIXTER CARES IMPACT
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Contributions were made to institutions of higher learning and charities addressing the areas of poverty, education, medicine and disaster relief.

HABITAT FOR HUMANITY

In 2016, Anixter employees put down their computers and picked up paint brushes and hammers to volunteer with Habitat for Humanity on eight Chicago-area projects and one in upstate New York. Overall, 80 employees participated in the program in 2016. “We’re proud to continue our sponsorship of Chicagoland Habitat for Humanity,” said Ted Dosch, CFO and executive vice president of finance. “Through the efforts of Anixter employees, we have helped families realize their goal of gaining self-reliance.”

AMERICAN CANCER SOCIETY

Anixter employees raised more than \$10,000 for the American Cancer Society’s Walk & Roll campaign between employee contributions and matching funds from Anixter Cares. In the past several years, 100 Anixter walkers have participated in the annual event, and donated over \$60,000 to the American Cancer Society. This year, Anixter also partnered with the American Cancer Society on its Road to Recovery program, a national campaign providing cancer patients with rides to and from treatment. Currently, 13 employees are on their way to becoming drivers in the program.

AMERICAN RED CROSS

In 2016, Anixter locations in Charlotte, Atlanta and Philadelphia raised more than \$3,700 for the American Red Cross by selling “Mulligan’s” at golf tournaments. In October, Anixter employees showed their support for the victims of Hurricane Matthew by donating \$3,850, which was matched by Anixter for a total donation of \$7,700. Anixter was also a sponsoring member of the 14th-annual Red Cross Heroes Breakfast, an event that raised \$1.3 million to provide veterans with basic necessities, as well as vaccinations for children, volunteer training and other lifesaving skills. Additionally, the Anixter headquarters in Glenview, Ill. hosted a blood drive in which employees voluntarily donated 30 pints of blood, enough to save 90 lives.

AMERICAN DIABETES ASSOICATION

Riders from Team Anixter were among the 1,050 participants in the 2016 Tour de Cure bicycle race who pedaled and pushed their way to collectively raise over \$657,000 for the American Diabetes Association (ADA). Team Anixter finished third among corporate teams and placed as a top team overall, earning \$22,715 for the ADA. Riders completed courses that ranged from 10 miles to 100 miles. Anixter employees also participated in the Step Out Walk to Stop Diabetes and raised an additional \$2,000 for the ADA.

ACCOMPLISHMENTS – continued

ASPIRE COFFEEWORKS

In 2016, Anixter replaced all 2,800 pounds of coffee used annually in the break rooms at its corporate headquarters in Glenview, Ill. with coffee from Aspire CoffeeWorks, a program through which adults with disabilities work side-by-side with employees of Metropolis Coffee Company in Chicago. Not only does this provide jobs to an underemployed group, but 100 percent of the proceeds go back into Aspire's programs and services to improve the lives of adults and children with disabilities.

WORLD VISION

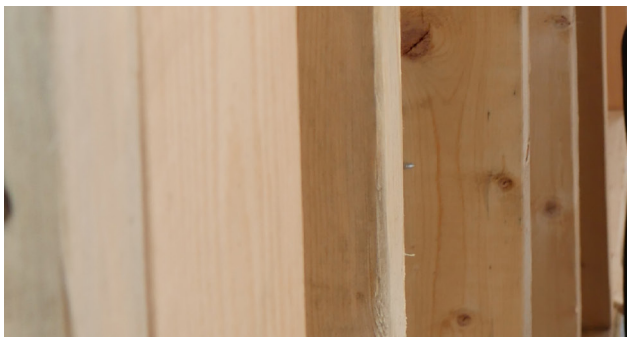
Anixter's Colombia location worked with World Vision, an international organization with programs to benefit children, families and communities in need. In May, employees took a "Tour de la Esperanza," visiting the communities in need that Anixter sponsored. Several Anixter Colombia employees also ran in the Bogota Half Marathon on the World Vision team.

FRATERNIDADE IRMÃ SANTA CLARA

Anixter's Brazil office held a food and clothing drive in May for Fraternidade Irmã Santa Clara, a charity center that serves children, teenagers and adults with cerebral palsy. The center promotes improving quality of life through motor and cognitive rehabilitation. Anixter also donated used employee laptops.

CASA DO PEQUENO CIDADÃO

In July, employees in the Brazil office organized a winter clothing drive, gathering clothes, jackets, gloves and blankets for Casa do Pequeno Cidadão, a nonprofit group that cares for children and teenagers.





Leveraging Environmentally Friendly Technologies

Anixter leverages its global leadership position to advance environmentally friendly technologies to further support our customers, strategic partners and internal operations.

ACCOMPLISHMENTS

ANIXTER'S MOBILE APP

In 2016, Anixter released its mobile app, making it easy for customers to shop and manage their accounts on the go.

By digitizing the order and account management processes, Anixter is helping customers work more efficiently by allowing them to:

- Search through 300,000 products
- Download manufacturer specifications
- Find and contact the nearest Anixter location to request a quote
- Explore Anixter services and customized solutions from anywhere.

ACCOMPLISHMENTS – continued

AUTOMATED SCANNING SOLUTIONS

Anixter has developed an automatic replenishment tool where customers or Anixter field representatives can scan product or rack labels to automatically create orders to Anixter. Users have the flexibility of digital input methods, such as scanning, web portal or file uploads to generate orders. By leveraging the Anixter solution, customers are able to reduce time and resources allocated to purchasing inventory in addition to reducing the number of shipments received and excess inventory. By year end, Anixter will have received more than 800,000 sales order lines through its global automatic replenishment system.

VENDOR MANAGEMENT INVENTORY CONTROL SOFTWARE

Anixter offers an inventory management software application where customers can scan and track inventory purchased from Anixter and other suppliers. Rather than keep manual logs with a pen and clipboard, this web-based software can be accessed from a PC or mobile device allowing Anixter customers the ability to view inventory status in real time. In addition to helping customers use software to reduce stock outs, excess inventory and loss, Anixter, upon request, can remove all product packaging prior to shipping to help customers attain their sustainability goals. Currently, Anixter customers are collectively managing over 33,000 SKUs through Anixter's vendor management inventory control software.

ONGOING EMPLOYEE EDUCATION

Anixter uses an electronic delivery model for much of its learning and development programs. Web-based virtual workshops, classes and ecourses are delivered via a global learning management system (LMS). The LMS helps to reduce carbon emissions by eliminating employee travel and also helps to preserve natural resources as printed training materials are eliminated. This year, Anixter successfully attained more than 139,416 course completions from the 1,293 courses offered to employees.

VIDEOCONFERENCING

Anixter operates 30 videoconferencing units globally. Plus, many employees use desktop cameras and conferencing software to connect with co-workers, suppliers and customers around the world. Videoconferencing eliminates travel and its associated carbon emissions while lowering expenses and increasing employee productivity.



Through Anixter University, Anixter creates and offers university-like courses to educate customers globally on the latest standards and industry best practices for data centers, physical security, building technologies and industrial infrastructure. Course examples include power distribution and thermal management. Topics covered include, but are not limited to, energy-efficient design, metering and monitoring of power using the Power Usage Effectiveness (PUE) metric established by The Green Grid and how best to separate hot exhaust air from chilled supply air. To date, Anixter has delivered over 500 Anixter University presentations worldwide. In 2016, Anixter introduced a new online on-demand format of Anixter University, giving customers the opportunity to attend online courses anywhere in the world at any time.

TECHNOLOGY SUPPORT SERVICES

Anixter's global engineering teams work with customers to efficiently develop standards and compliant solutions that respond to change, drive innovation and deliver customer value. These teams use the latest in video and voice conferencing tools to provide instant support for customers' unique application needs, when and where needed. Over the last 12 months, the technology support team was engaged in more than 18,400 customer projects virtually.

ACCOMPLISHMENTS – continued

DATA CENTER BEST PRACTICES

Anixter's Infrastructure as a Platform (IaaS) approach addresses the key building blocks for data center interoperability that can provide agility for budgets, scalability for demand and flexibility for technology choices. The building blocks of power optimization and thermal efficiency specifically identify product solutions and best practices that enable customers to achieve energy savings by deploying state-of-the-art infrastructure. A subcomponent of the IaaS program is the Data Center HealthCheckSM service. Experts from Anixter's global technology support services and Infrastructure Solutions LabSM evaluate the current data center operations of customers looking for energy savings, using industry best practices as well as documented standards of compliance, such as AHRAE, IEEE and TIA. They provide recommendations for improving operational efficiency, which often bring a 4 to 12 percent reduction in energy consumption. Over the past year, Anixter has provided commercial insight into achieving power optimization and thermal efficiencies within the data center environment to thousands of customers and industry experts through global workshops, online webinars and best practices reports.

VIRTUAL LAB AND SOLUTIONS BRIEFING CENTERS

Virtual lab tours provide an alternative to live customer visits where cost, time and distance make it problematic to visit demonstration facilities in Glenview, Indianapolis, Atlanta, Boston, London, São Paulo or Mexico City. The virtual tours are given by subject matter experts who may also present on industry trends during a tour of the lab facilities located in Glenview. The videoconferencing bridge offers HD-quality video and audio between the lab and the customer's site. After investing \$1 million in the Infrastructure Solutions LabSM located at Anixter's headquarters in Glenview, it is now equipped to provide virtual tours around the globe.

DIGITAL MARKETING

Anixter began its digital marketing initiatives five years ago by focusing on the promotion of Anixter, its brand and positioning and products and services over various digital channels such as web, mobile, social and email. Part of the digital marketing strategy has been the migration of traditional print materials

into digital formats for use by internal sales representatives and external customers. The materials converted into digital formats include print catalogs, case studies, fact sheets, reference guides, product specification sheets and various other documents. Anixter has nearly 275,000 parts with accompanying product specification sheets in digital format for easy access on anixter.com. These specification sheets represent 93 percent of all global downloads from anixter.com.

ANIXTER TRAKRSM



Anixter TrakrSM

Anixter has recently developed a propriety patent-pending asset tracking solution that incorporates multiple technologies that can track, locate and provide visibility to high-valued assets along with incorporating an inventory management component that helps customers locate assets in large laydown yards and complex project sites. The tool will help customers reduce labor costs by efficiently locating assets on large project sites. In doing so, it will reduce the potential to overbuy due to misplaced products. The tool can also provide visibility of the cut lengths remaining on master reels throughout the project site, which can be accessed through the cloud-based inventory management system. This feature can help identify reorder points for wire and cable.

RELATED ACCOMPLISHMENTS:

- GREEN BUILDING CERTIFICATIONS
- ENERGY-EFFICIENT LIGHTING AND ADVANCED LIGHTING CONTROL SYSTEMS
- ONGOING DATA CENTER EFFICIENCIES
- FIELD SERVER VIRTUALIZATION
- SINGAPORE ENERGY REDUCTION
- SOLAR ENERGY
- LIGHTING PRODUCTS AND SOLUTIONS
- WAREHOUSE MANAGEMENT SYSTEM
- eTRAVEL AND EXPENSE REPORTING
- eBUSINESS
- eCARDS
- GPS NAVIGATION AND VEHICLE MONITORING SYSTEMS
- ANIXTER CANADA'S UNIQUE CUSTOMS OPERATIONS
- DIESEL TRACTOR UNIT REPLACEMENT
- DATA MANAGEMENT SYSTEM



Environmental Product Compliance

Anixter's environmental product compliance team is comprised of specialists who are committed to:

- Determining the compliance status of products to applicable environmental regulations in the countries where Anixter conducts business
- Fully complying with the Conflict Minerals Rule under the Dodd-Frank Act
- Identifying, monitoring and addressing new and existing environmental product compliance, international substance control and extended producer responsibility obligations
- Working with the global sales teams and partner suppliers to ensure customers' requested environmental product compliance specifications are successfully met
- Continuously improving processes and team training
- Advancing the use of technology to help fulfill the above.

ACCOMPLISHMENTS

DATA MANAGEMENT SYSTEM

In 2016, Anixter began migration to a new software platform for the management of Anixter's environmental product compliance supplier data. The new platform provides efficiencies in obtaining product compliance documentation from suppliers as it allows them to submit their information through the platform's portal.

CENTRALIZED SUPPORT

This year, Anixter migrated the Canadian field support operations to the U.S. corporate headquarters located in Glenview, Ill. This transition leverages existing dedicated resources, while continuing to provide seamless North American support and expertise.

ONGOING COMPLIANCE ENHANCEMENTS AND PROCEDURES

Anixter implemented new procedures to further reduce the risk of shipping non-RoHS products from U.S. facilities to international destinations. In addition, customer notification processes were enhanced should a product containing REACH substances of very high concern be identified by an Anixter supplier. Anixter continues to successfully survey suppliers for compliance to the REACH candidate as it updates accuracy.

CUSTOMER SUPPORT

In 2016, Anixter's environmental product compliance team helped more than 800 customers address various international product compliance obligations for products purchased from Anixter.

ONGOING CONFLICT MINERALS ACTIONS

- Anixter partnered with a new software provider to provide all supplier outreach and follow-up activities as well as data management. In addition, the new provider analyzed all inbound supplier response documentation and provided various performance-based activity and status reports in support of Anixter's annual conflict minerals report.
- Anixter increased the number of suppliers surveyed as well as the number of times and methods each supplier was contacted during the annual conflict minerals survey campaign.
- As a result of the above activities, Anixter's annual conflict minerals supplier survey resulted in an increase of more than 100 percent completed supplier conflict minerals reporting templates (CMRT) than the previous year. This, in turn, provides Anixter's customers with better insight into Anixter's distribution supply chain.
- Anixter is now able to generate a CMRT that better reflects the supply chain for each specific customer when required.
- In 2016, Anixter along with 39 other companies formally contacted 54 different international smelters and refiners through letters and emails encouraging each to engage with the Conflict Free Sourcing Initiative and become compliant to the Conflict Free assessment protocols.
- The North American and corporate environmental product compliance teams continued to provide content that helped create Anixter's annual:
 1. Company level CMRT customer response
 2. SEC Form SD
 3. Conflict minerals report.



Quality Management System

Anixter's quality management system provides global support to all business divisions and segments through a variety of services by the corporate quality team. A commitment to continuously improving processes and maintaining the best quality practices drives Anixter's focus to meet or exceed customers' expectations.

Anixter's quality management system is supported by its:

- Global quality manual
- Quality procedures
- Quality-related documents
- Standard operating procedures
- New business and customer audit support
- Continuous employee education in best practices
- Certification or compliance to: ISO 9001:2008 (2015 in progress) Quality Management System and ISO 14001:2004 (2015 in progress) Environmental Management System
- Mandatory staff training on policy and procedure updates
- Global on-site training and support for quality management system functions
- Operations help desk.

ACCOMPLISHMENTS

ISO STANDARDS

- Two locations are certified to ISO 14001:2004 (2015 in progress)
- 40 locations are certified to ISO 9001:2008 (2015 in progress)
- 53 locations are compliant to ISO 9001:2008 (2015 in progress). Accreditation to ISO 9001:2015 is currently underway for all certified locations with North America's completion target being Q4 2017 and all remaining locations by Q3 2018.

OPERATIONS HELP DESK

Anixter's operations help desk is a support group available to all Anixter employees to analyze internal systems and provide assistance to address customer or internal inquiries. This year the team has:

- Completed more than 280 customer and supplier quality questionnaires or surveys
- Created and assigned 263 quality training modules addressing new or changing procedures
- Addressed more than 7,000 individual internal support calls.

CONTINUED QUALITY MANAGEMENT IMPROVEMENTS

This year, the quality management teams have:

- Begun the redesign to a single quality management system that incorporates multiple languages
- Completed over 50 internal location audits and site reviews to improve Anixter's quality management system and location certification
- Created 24 standard operating procedures to address new processes and customer requirements
- Updated 85 existing standard operating procedures to include revised best practice instructions derived from customer and supplier feedback
- Led 14 on-site customer audits.

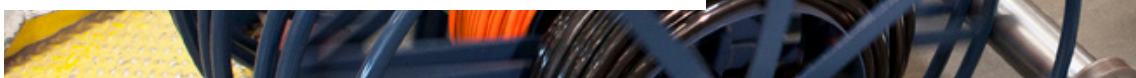
ENGINEERING TECHNICAL SERVICES

The engineering and technical services group works in collaboration with the product management team to provide support regarding product capabilities and expertise in application options for electrical and electronic solutions customers.

This team also audits existing suppliers in accordance to ISO 9001 every three years for the following items:

- Raw materials
- Manufacturing processes
- Engineering
- Quality programs
- Lab capabilities
- Warehouse management
- Customer service.

Additionally, this team manages the multi-point product evaluations required for new vendors to become approved Anixter suppliers.





Anti-Corruption

Anixter is proud of its reputation as a fair, honest and ethical company. All Anixter directors, officers, employees, suppliers and business partners are required to conduct business with the highest degree of honesty and integrity and in full compliance with applicable laws. These principles are set forth in company policies such as Anixter's Global Business Ethics and Conduct Policy (Ethics Policy), Global Anti-Bribery & Corruption Policy (Anti-Bribery Policy) and Business Partner Anti-Corruption Policy.

As clearly stated in its policies, Anixter takes a zero tolerance approach to bribery and any other form of corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships. It upholds all laws countering bribery and corruption wherever it operates. No Anixter employee or anyone acting on Anixter's behalf may promise, offer, give, authorize, request, agree to receive or receive, directly or indirectly, a bribe to or from anyone.

ACCOMPLISHMENTS

COMPONENTS OF ANIXTER'S GLOBAL ANTI-CORRUPTION PROGRAM

Anixter promotes responsible business practices at every level of the company. It strives to conduct business ethically, honestly and in accordance with its Ethics Policy (anixter.com/ethics), and expects all employees and business partners to meet these high ethical standards.

Countering bribery and corruption is one of Anixter's standards and a primary focus area of its global Compliance program. The anti-bribery and corruption program is comprised of the following ten components:

- Policies
- Oversight, autonomy and resources
- Commitment from senior management
- Third-party due diligence
- Incentives and discipline
- Training and communication
- Confidential reporting and investigations
- M&A diligence and integration
- Risk assessment
- Periodic testing and review.

POLICIES

In support of Anixter's high ethical standards, its global Compliance program provides guidance and training for Anixter employees worldwide on policies and topics such as, but not limited to, business ethics and conduct, anti-bribery and corruption, government contract compliance, fraud, conflicts of interest, prevention of workplace harassment and export compliance. The policies that reinforce Anixter's zero tolerance of bribery and corruption include, but are not limited to, the Ethics Policy, Anti-Bribery Policy, Government Contracts Policy, Global Fraud Policy and Conflicts of Interest Policy. See "Relevant Policies" in this section for more information about these policies.

Additionally, as part of Anixter's anti-corruption program, the company has implemented a business partner compliance program (anixter.com/bpcompliance) that includes the Global Business Partner Anti-Corruption Policy (anixter.com/bppolicy) and a business partner due diligence screening process.

The Anti-Bribery Policy, Business Partner Anti-Corruption Policy and related training were revised and reissued last year. The Anti-Bribery Policy is an internal policy that applies to all Anixter employees globally. The Business Partner Anti-Corruption Policy applies to Anixter's suppliers, contractors, integrators, resellers, channel partners, consultants, professional advisers, joint venture partners, custom brokers, freight forwarders, sales agents and any other parties with whom Anixter does business (business partners). For a copy of Anixter's Business Partner Anti-Corruption Policy, visit anixter.com/bppolicy.

Anixter has adopted a Supplier Code of Conduct available at anixter.com/suppliercode. This code incorporates the key Ten Principles of the United Nations Global Compact and specifies how Anixter expects its suppliers to conduct business. This code also emphasizes Anixter's zero tolerance approach to bribery and any other form of corruption.

Anixter's anti-corruption policies are designed to comply with all anti-bribery and anti-corruption laws in countries where Anixter operates or conducts business including, but not limited to, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and the Brazil Clean Company Act. No bribe of any kind may be authorized, offered, given, requested or accepted in the course of doing business for Anixter. Anixter's policies also prohibit facilitation payments. Anixter's zero tolerance approach to bribery and corruption is not limited to government officials; it also extends to bribes involving commercial parties.

The Anti-Bribery Policy, Business Partner Anti-Corruption Policy, the Overview Presentation and Supplier Code of Conduct are available in 11 languages.

All employees are familiar with the Blue Book, which drives the company's culture by outlining Anixter's core beliefs and guiding principles. Created over 45 years ago as the company went public, its influence continues to shape Anixter's overall culture. The Blue Book is frequently quoted in companywide trainings and internal communications. For a copy of the Blue Book, visit anixter.com/bluebook.

All new employees globally are made aware of the Ethics Policy, Anti-Bribery Policy, Conflicts of Interest Policy and the Blue Book during their on-boarding process. They also receive the other policies if applicable to the employee's position.

ACCOMPLISHMENTS – continued

OVERSIGHT, AUTONOMY AND RESOURCES

The Audit Committee of the Anixter International Inc. Board of Directors oversees the global Compliance program, including the anti-bribery and corruption program. Anixter's Chief Compliance Officer, who reports directly to the company's President and CEO, updates the Audit Committee quarterly on the company's anti-bribery corruption compliance program and initiatives.

Anixter's Internal Audit Department reports to the Audit Committee of the Board of Directors. It provides independent and objective advisory services designed to add value and improve Anixter's operations. The department helps Anixter accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of enterprise-wide risk management, internal control systems and governance processes. The Internal Audit Department, in collaboration with other key departments, also provides oversight and guidance related to applicable laws, regulations and company policies to foster a positive and ethical work environment for employees.

Anixter's Executive Compliance Committee held three meetings in 2016. At each meeting, the committee discussed the company's overall compliance program, including the components of the anti-corruption program. The committee is led by the Chief Compliance Officer and consists of senior leaders from various departments within the company.

Regional compliance committees are responsible for identifying risk and compliance matters within their respective regions, and for overseeing the regional compliance initiatives. These committees are comprised of senior management from various departments within the company. The committees meet at least twice a year and are led by regional compliance officers who are in-house regional attorneys. The regional compliance officers are also members of the Executive Compliance Committee.

COMMITMENT FROM SENIOR MANAGEMENT

Company policies, including the Ethics Policy and Anti-Bribery Policy, clearly state Anixter's commitment to conducting business ethically and with integrity and include Anixter's zero tolerance approach to bribery and corruption. These are endorsed by President and CEO Bob Eck and Chairman of the Board Sam Zell.

Anixter managers include topics such as bribery and corruption, and ethics and integrity in their leadership-driven discussions with their teams throughout the year.

THIRD-PARTY DUE DILIGENCE

Anixter expects its business partners to act professionally and ethically at all times in carrying out their services and contractual obligations to Anixter or on Anixter's behalf to an Anixter customer or any other third party. Business partners must undergo a qualification and screening process if the business partner is (1) located in or doing business in a "high-risk country" identified by Anixter or (2) performing services for or on behalf of Anixter in one of the "high-risk categories" identified by Anixter regardless of country. Red flags identified during this process are referred to a regional compliance officer for review and further investigation. Any business partner that refuses to participate in the screening process or an investigation will not be approved to do business with Anixter.

INCENTIVES AND DISCIPLINE

Performance and evaluation tools remind managers that ethics and integrity must be considered during performance evaluations.

Anixter investigates all suspected incidents of corruption and violations of company policies. These investigations can result in disciplinary action, which could include termination.

ACCOMPLISHMENTS – continued

TRAINING AND COMMUNICATION

Employees complete training on Anixter's Compliance program policies online. These assignments must be completed when issued. All new hires receive these assignments upon beginning their employment with Anixter. All new employees are also assigned the online training module "Blue Book – Living the Anixter Culture".

Targeted training sessions on the Compliance program policies and topics are also conducted throughout the company. These sessions are tailored to the group attending the session and are typically presented by management or a member of the Legal Department.

The Compliance program policies are posted in various locations on Anixter's intranet site and are easily accessible by employees. News about and updates to the Compliance program are communicated to employees via quarterly company-wide newsletters and email blasts.

To help Business Partners better understand Anixter's zero tolerance approach to anti-bribery and corruption, they are encouraged to review the "Understanding Anixter's Business Partner Anti-Corruption Policy" presentation available at anixter.com/bpoverview (the "Overview Presentation"). This Overview Presentation summarizes Anixter's expectations of its business partners to comply with its zero tolerance approach to bribery and corruption.

CONFIDENTIAL REPORTING AND INVESTIGATIONS

Anixter's employees, business partners and other third parties can ask questions or report possible ethics or bribery and corruption violations through the Business Integrity Line. Anixter has partnered with an independent third party to host and track such reports made via telephone or online. Where allowed by local laws, these reports can be made anonymously. Reports made at anixter.ethicspoint.com are managed and responded to by members of the Legal, Human Resources and Internal Audit departments, as appropriate.

Anixter does not tolerate any form of retaliation against employees who in good faith report a concern regarding illegal

or unethical activities. The anti-retaliation policy is emphasized by the Safe to Speak FAQs document that is available in 11 languages and posted on its intranet sites.

Investigation reports are provided to executive management and the Audit Committee on a quarterly basis.

M&A DILIGENCE AND INTEGRATION

Prior to an acquisition, Anixter conducts a due diligence review that includes reviewing the targeted company's anti-corruption compliance program and controls. Anixter also looks for prior anti-corruption issues or violations. Post-acquisition integration efforts include effectively communicating and implementing training on Anixter's Compliance program, including all policies and procedures.

RISK ASSESSMENT

In 2016, the Ethics & Compliance Office, along with the EMEA and APAC regional compliance officers and their respective regional compliance committees, conducted a bribery and corruption risk assessment focused on these regions. The assessments included reviews of business practices of the regional subsidiaries. The results of the assessments will be reported to the Executive Compliance Committee.

PERIODIC TESTING AND REVIEW

The Annual Ethics Questionnaire was distributed in January 2016 to all directors, officers, senior management and members of select departments and functions and was available in 11 languages. All recipients who received the questionnaire completed it in a timely manner. This questionnaire will be distributed again in January 2017.

To further monitor the compliance program, Anixter distributes and analyzes a culture survey. This survey is issued every two years and was last conducted in 2015. The results of this survey were reported to the Audit and Executive Compliance committees.

The anti-corruption program is monitored by a combination of audits, reviews, risk assessments and internal investigations. The Internal Audit, Global Shared Services, Finance and Legal departments are engaged in these processes.

RELEVANT POLICIES



GLOBAL BUSINESS ETHICS AND CONDUCT POLICY

- Reflects current industry best practices, emphasizes zero tolerance of bribery and restates commitment to anti-retaliation
- Earliest version distributed in 1998; last revised in 2013
- Posted on intranet and external sites
- Available in 11 languages
- Distributed with training at least every two years to all employees.



GLOBAL ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

- Provides guidance on what bribery and corruption are and how to avoid them
- Revised in 2015; first adopted in 2012
- Posted on intranet sites
- Available in 11 languages
- Distributed with training at least every two years to all employees.



GOVERNMENT CONTRACTS POLICY

- Provides guidance for meeting ethical and legal obligations as a supplier to U.S. federal, state and local governments
- Adopted in 2011
- Posted on intranet sites
- Available in English
- Distributed with training every two years, most recently issued in 2015, to employees involved with U.S. government contracting in the U.S., United Arab Emirates, Japan and Germany.



GLOBAL TRAVEL AND ENTERTAINMENT

- Emphasizes prohibition of entertainment and gifts to government personnel
- Adopted in 1999; last revised in 2014
- Posted on intranet sites
- Available in three languages
- Distributed with training to all employees who travel and entertain on behalf of Anixter.



GLOBAL FRAUD POLICY

- Provides guidance on preventing, identifying and detecting fraud and instructions regarding appropriate action in cases of suspected violations
- Adopted in 2014
- Posted on intranet sites
- Available in English
- Distributed with targeted live training to members of the Finance organization.



GLOBAL CONFLICT OF INTEREST POLICY

- Identifies the most common types of activities that may result in a conflict of interest and the disclosure and approval process for each type of activity
- Adopted in 2014
- Posted on intranet sites
- Available in 11 languages
- Distributed to all employees globally with targeted live training.



FINANCIAL OVERVIEW

Anixter achieved significant growth in 2016, including:

- Attained \$7.6 billion in sales
- Leveraged increased exposure in the North American utility segment as a result of the acquisition of the Power Solutions business from HD Supply in 2015
- Awarded a \$750 million, five-year contract serving one of the largest investor-owned utilities in the U.S. - the largest contract in Anixter history
- Improved market share in professional audio/video
- Delivered organic growth in every region of the world we do business

Fiscal Year	2016	2015	2014	2013	2012
(In millions, except per share and percentage amounts)					
Net Sales	\$7,622.8	\$6,190.5	\$5,507.0	\$5,291.1	\$5,347.6
Operating Income	\$285.3	\$267.8	\$310.1	\$310.9	\$301.3
Operating Margin	3.7%	4.3%	5.6%	5.9%	5.6%
Net Income From Continuing Operations	\$121.1	\$96.9	\$163.4	\$175.0	\$154.7
Adjusted Diluted Income From Continuing Operations Per Share*	\$4.93	\$4.46	\$5.17	\$5.26	\$5.14
EBITDA	\$341.7	\$293.8	\$324.7	\$327.3	\$311.6
Adjusted EBITDA	\$395.0	\$367.1	\$360.5	\$348.5	\$368.0
Adjusted EBITDA Margin	5.2%	5.9%	6.5%	6.6%	6.9%
Cash Flow From Operations	\$278.8	\$91.9	\$104.2	\$334.5	\$142.9
Capital Expenditures	\$32.6	\$26.7	\$34.2	\$27.3	\$28.9
Working Capital	\$1,424.6	\$1,571.6	\$1,559.3	\$1,373.3	\$1,482.8
Total Assets	\$4,093.6	\$4,142.0	\$3,580.8	\$2,851.3	\$3,078.7
Total Debt	\$1,378.8	\$1,642.9	\$1,202.0	\$826.5	\$972.2
Stockholders' Equity	\$1,292.2	\$1,179.4	\$1,133.0	\$1,027.4	\$969.9
Adjusted ROTC**	24.8%	25.6%	22.5%	22.2%	23.5%
Debt-to-total Capital	51.6%	58.2%	51.5%	44.6%	50.1%
Special Dividends, Per Share	-	-	-	\$5.00	\$4.50
End-of-year Stock Price, Per Share	\$81.05	\$60.39	\$88.18	\$89.61	\$59.25
Total Shareholder Return	34.2%	(31.5)%	(1.6)%	51.3%	12.7%

This table includes certain financial measures computed using non-Generally Accepted Accounting Principles as defined by the SEC. We believe that by reporting such information, both management and investors are provided with meaningful supplemental information to understand and analyze our underlying trends and other aspects of financial performance. For further information, see Management Discussion & Analysis in the Company's Form 10-K incorporated herein.

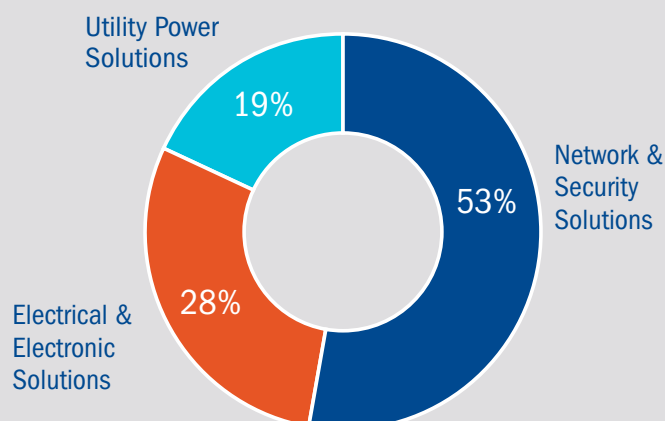
* Revised due to change in composition of items impacting comparability of results to include amortization of intangible assets.

** Adjusted return on tangible capital (ROTC) is defined as operating profits, excluding intangible amortization and items impacting comparability of results identified in our earnings releases, divided by average tangible capital.

Five-year Sales Growth
(Dollars in Billions)

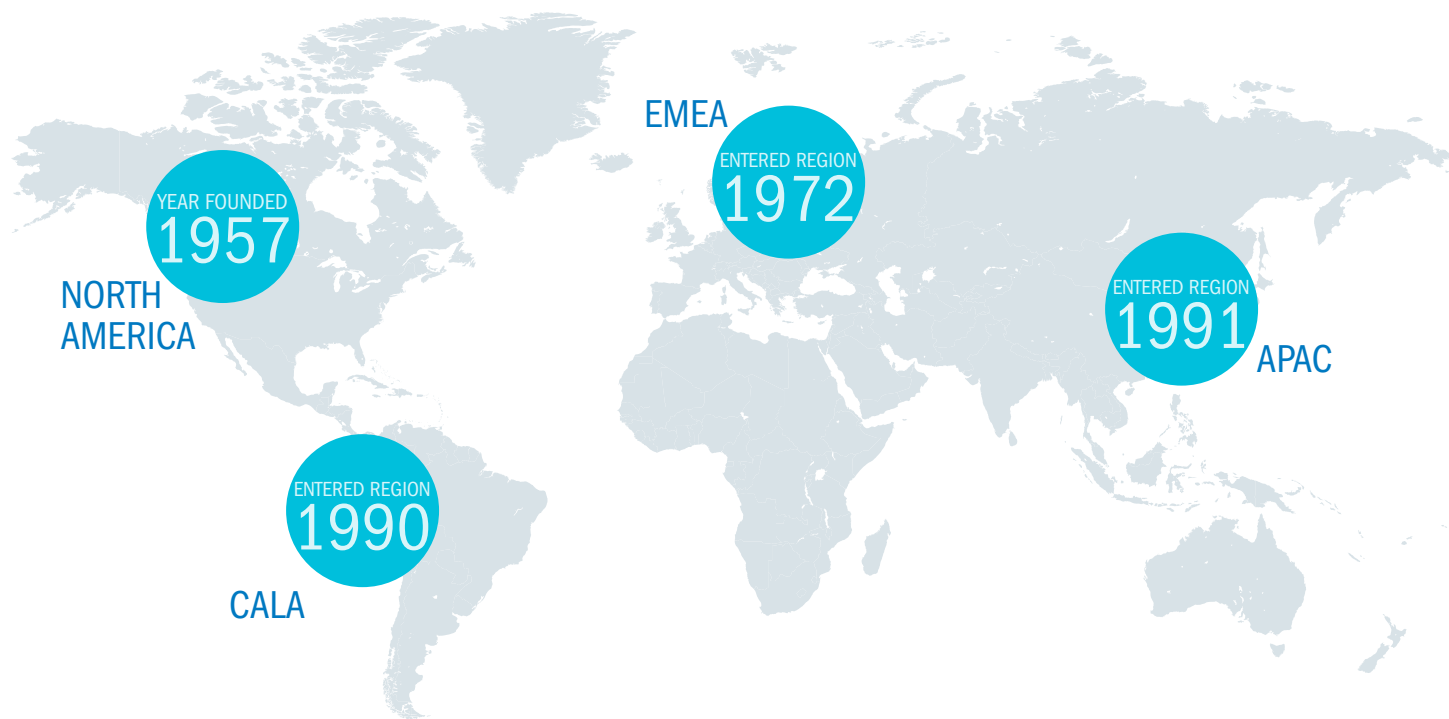


Segment Sales Mix
(2016)



ABOUT ANIXTER

CORPORATE SNAPSHOT



GLOBAL REACH. LOCAL ADVANTAGE.

With Anixter, you get a true local partner around the world. No other distributor of our kind can claim an in-country presence in approximately 50 countries and in over 300 cities.

We do business in more than 35 currencies and 30 languages, which means we are uniquely positioned to help facilitate your project in the local environment, reduce risks and keep costs down.



About Anixter: anixter.com/aboutus
Legal Statement: anixter.com/legalstatement

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