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2014

SUSTAINABLE DEVELOPMENT REPORT



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ABOUT RONA

RONA inc. is a major Canadian retailer and distributor of hardware, building materials and home renovation products. Serving the needs of consumers and contractors, the Corporation operates a network of more than 500 corporate, franchise and independent affiliate stores of complementary formats in addition to nine distribution centres.

OUR MISSION

To provide Canadians with the best products and advice to build and renovate their homes in total confidence.

OUR PASSION

Every day, we are driven by a passion for serving customers. Providing an excellent customer experience is at the heart of our mission and, thanks to our employees' dedication to customers, we continue to be a leader in the industry.

With four major store categories and an efficient distribution network, RONA meets the needs of the do-it-yourselfer, whether a beginner or expert, as well as contractors.

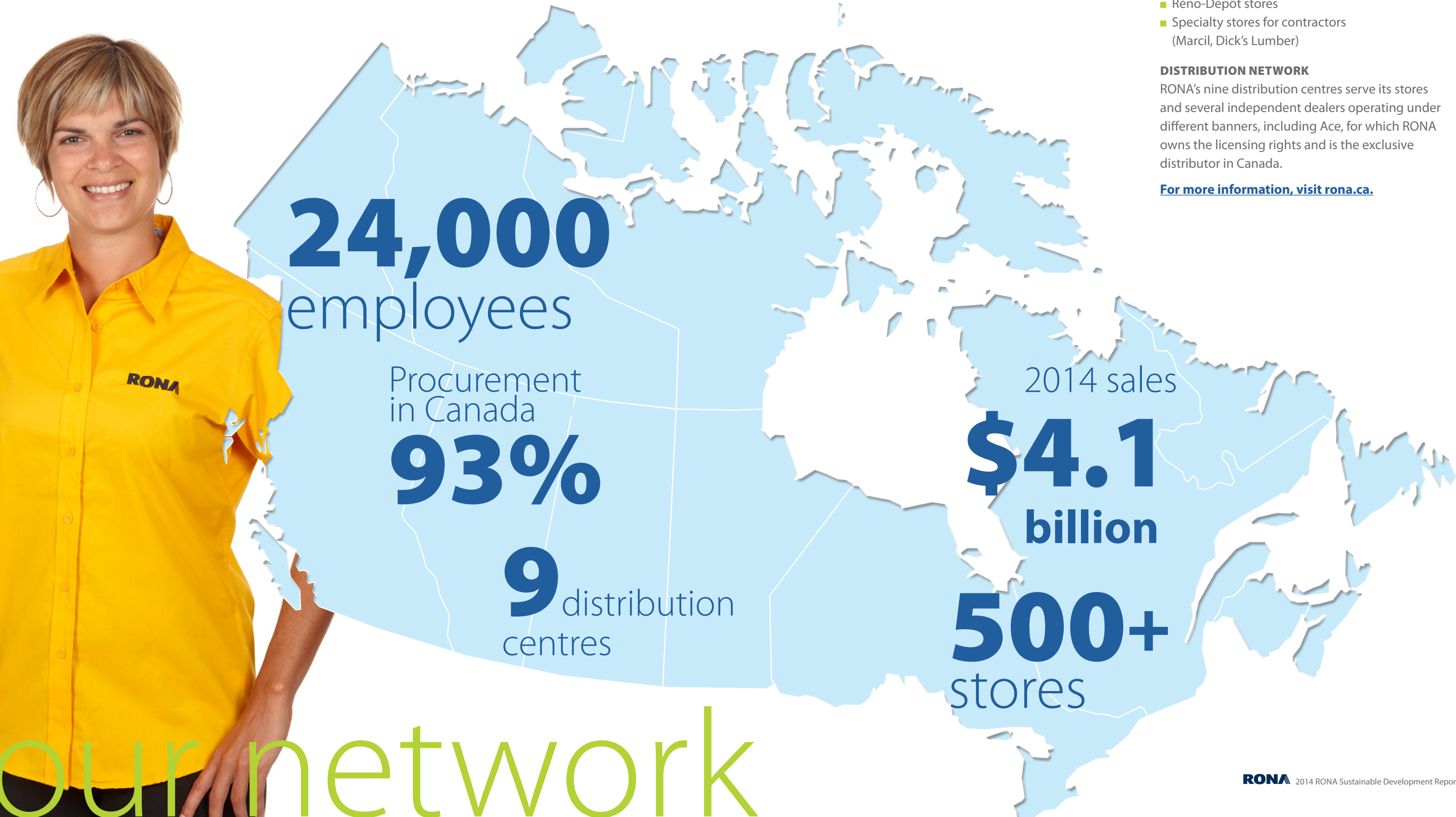
RETAIL NETWORK

- RONA big-box stores
(RONA L'entrepôt and RONA Home and Garden)
- RONA proximity stores
- Réno-Dépôt stores
- Specialty stores for contractors
(Marcil, Dick's Lumber)

DISTRIBUTION NETWORK

RONA's nine distribution centres serve its stores and several independent dealers operating under different banners, including Ace, for which RONA owns the licensing rights and is the exclusive distributor in Canada.

[For more information, visit rona.ca.](http://rona.ca)



2014 highlights

2,170

eco-responsible
products offered

70%

of our corporate stores
are lit with **high-performance
lighting systems**

100%

of our flyers are printed
on **FSC-certified paper**

33%

of the forest products sold in
our corporate stores are from
FSC-certified sources

130

affiliated RONA dealers
renovated the headquarters
of the Montego Bay Boy's
and Girl's Club in Jamaica

3,000

tons of paint recycled

75%

of our waste is **diverted
from landfill sites**



MESSAGE FROM THE MANAGEMENT TEAM

“Today, RONA sits on stronger foundations and is in a position to maintain its commitment to sustainable development.”

In 2014, RONA completed its reorganization, consolidated the positioning of its banners, all the while placing our customers at the centre of our decisions. These three fundamental pillars will help ensure the long-term health of the company and preserve our ability to operate in a socially responsible manner. Today, RONA sits on stronger foundations and is in a position to maintain its commitment to sustainable development.

In 2014, RONA established a Sustainable Development Committee responsible for maintaining existing commitments and complying with policies in place. The committee strengthened its governance by improving accountability and is now better equipped to measure the impact of our actions.

Over the last year, we took steps to reduce our production of greenhouse gases, including upgrading the lighting technologies used in our stores and implementing measures to limit the impact of the shipment of our merchandise.

We also invested in the skills of our employees by developing a new online training portal. The portal was launched in 2015 and it will allow us to deliver training more effectively and, ultimately, help us improve customer experience.

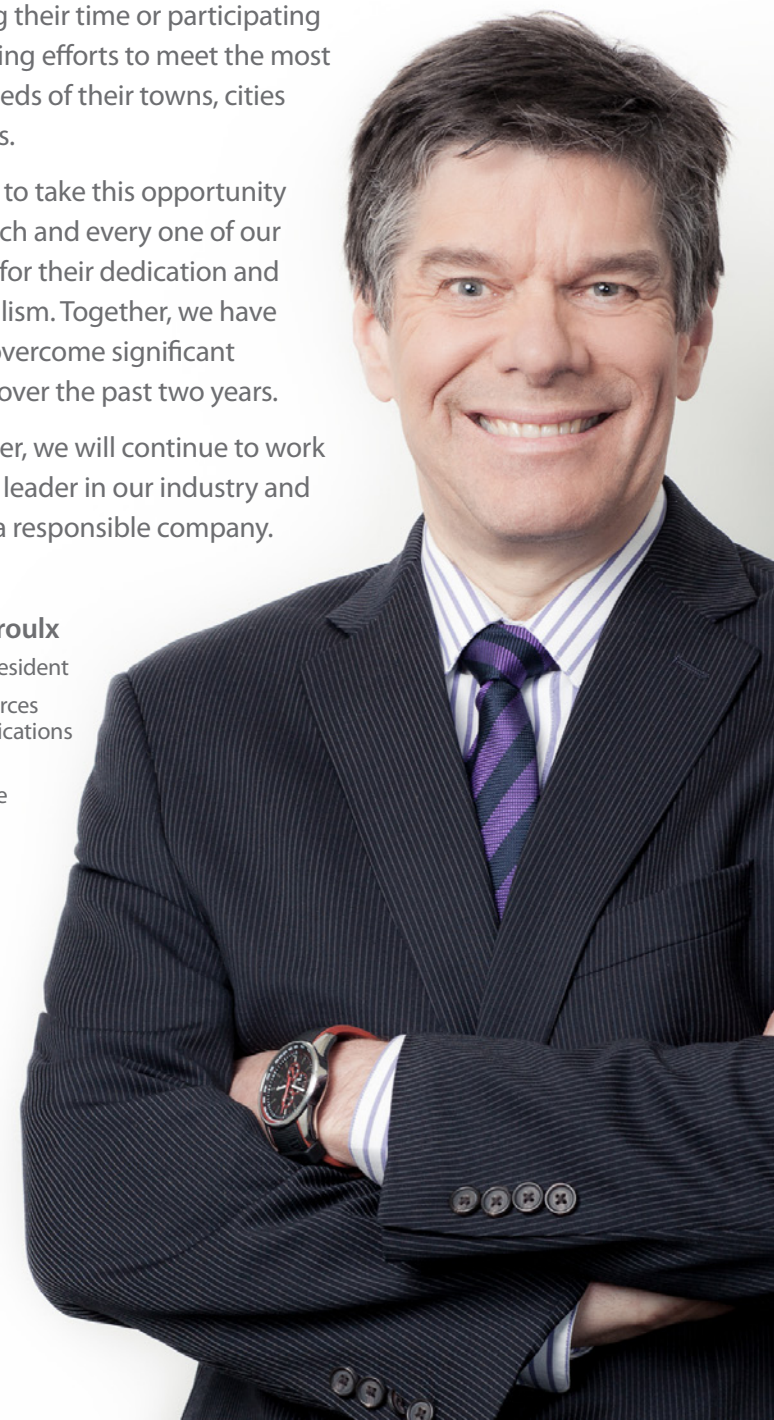
We are also very proud of the involvement of our stores in their respective communities. Our store employees are quick to act locally by donating their time or participating in fund-raising efforts to meet the most pressing needs of their towns, cities or provinces.

I would like to take this opportunity to salute each and every one of our employees for their dedication and professionalism. Together, we have faced and overcome significant challenges over the past two years.

And together, we will continue to work to remain a leader in our industry and operate as a responsible company.

Christian Proulx

Senior Vice-President
Human Resources
and Communications
Responsible
for Sustainable
Development



our products

90%¹ of RONA's environmental footprint is connected to its products. This is why RONA pays special attention to providing eco-responsible products and to activities that help reduce the impact of our products, such as integrated responsible procurement practices.

OUR SELECTION OF ECO-RESPONSIBLE PRODUCTS

We encourage our customers to adopt responsible habits when choosing and using hardware, home renovation and gardening products. This commitment is reflected in our selection of high quality, eco-responsible products and the tips and advice we provide to help our customers "think green" when renovating.

In store, customers can look for the "eco-responsible" mention on price stickers.



All our eco-responsible products can also be easily identified on our website by this logo.

	2013	2014
Number of eco-responsible products	2,107	2,170

¹ Based on Quantis Canada study conducted for RONA in 2012

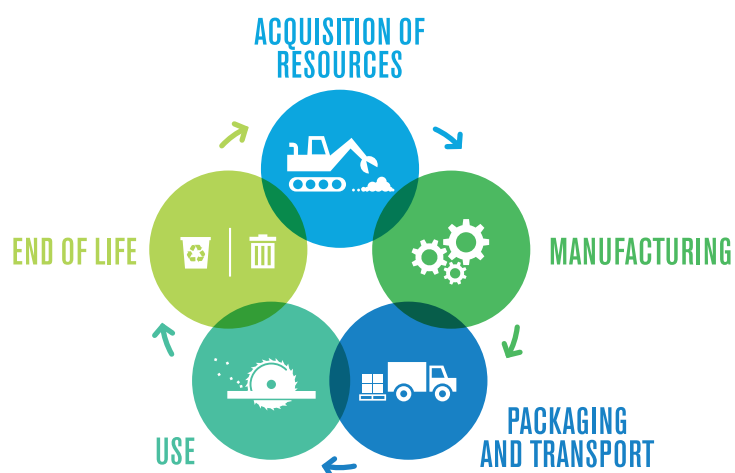
In 2014, RONA offered consumers a selection of 2,170 eco-responsible products. This product selection is based on the life cycle approach and is developed in partnership with Groupe AGÉCO.

The life cycle approach is a rigorous methodology for evaluating the impact of products.

For more information, visit www.rona.ca

25 %
of our eco-responsible products are RONA private-label products

6,9 %
of RONA private-label products are eco-responsible



"Our product selection meets the different sustainable-consumption needs of our customers."

CUSTOMER NEEDS	AVAILABLE AT RONA	RECOGNIZED CERTIFICATIONS
ENERGY EFFICIENCY 	Insulation materials and ENERGY STAR-approved light fixtures, doors, windows, heating and air conditioning systems. Rebates and subsidies offered jointly with public agencies and departments.	
AIR QUALITY 	Paint, adhesives and cleaning products low in volatile organic compounds (VOC) as well as insulation without urea formaldehyde which is ECOLOGO- or GREENGUARD-certified.	
WATER CONSERVATION 	Toilets, shower heads and faucets bearing the WaterSense label. Low-flow products eligible for rebates from municipalities.	
SUSTAINABLE MATERIALS 	Forest products from sustainable forestry practices certified by the FSC®, CSA, PEFC or SFI, and materials made from recycled and recyclable content.	

By choosing an eco-responsible shower head instead of a traditional model sold in stores, a consumer in Quebec can save **3,703 litres of water**, **176 kWh of electricity** and **\$13** in just one year.



In the fall of 2014, RONA came out on top among British Columbia retailers for encouraging the most employees (530) to take BC Hydro's online training, designed to inform consumers about available rebates on ENERGY STAR-approved fixtures and bulbs.



Among the **2,170** eco-responsible products available at RONA, here are a few that can be used for sustainable outdoor landscaping

For the pool

Pool Pole and Net
Minimum of 50% post-industrial recycled plastic
20095174

RONA

Pool Thermometer
Minimum of 92% post-industrial recycled plastic
20095177

RONA

For the patio

Folding Chair
Made of FSC mix-certified wood
71495054

RONA
Collection

Kiln-Dried Treated Wood Timber
Wood from FSC-certified forest
51205588

Exterior Latex Paint
Low content in COV, meets SCAQMD's standards
2013595

RONA

Clothesline Kit
Avoids the energy consumption of dryer machines
35005122

FACTO



For the garden

Pack of 2 Solar Garden Lights
Works with a renewable energy source
12195009

UBER-HAUS
SELECT

Round Shovel
Made of FSC mix-certified wood and of 75% post-industrial recycled paint
20095039

RONA
ECO

Pack of 6 Plantation Pots
BioPreferred certified by the USDA
Made of 100% organic matter and is compostable
2009768

RONA
ECO

Organic Herbs
Product of certified organic production
97775000



Domestic Composter
100% post-consumer recycled plastic
Reduces waste production and use of synthetic fertilizers
44115008

USD

"Classic" Rain Barrel
Reduces treated-water consumption
44115009

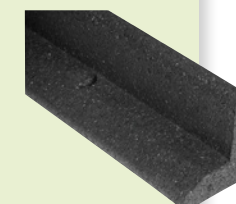
USD



Visit www.rona.ca to learn about the environmental benefits of each of our eco-responsible products and for tips and advice on **how to plan sustainable home improvements.**



Lawn Edging
90% post-consumer recycled rubber
11635000/01/02



Seaweed Fertilizer 4-3-7
Approved substances for organic production
68905000

vitalium

Convex or Concave Fence Panel
Made of wood from FSC-certified forest
8518032

UBER-HAUS
SELECT



For maintenance



Beneficial Nematode Insecticide
Approved substances for organic production
2009782

RONA
ECO

13" Electric Edge Trimmer
Plug-in tool, avoids gasoline consumption and the use of a battery
82305052

WEEDEATER

14" Street Broom
Made of FSC-certified wood
2005122

X-PERT

Irrigation Hose
Minimum of 35% post-industrial recycled plastic
Reduces water consumption through irrigation directly at plant roots
7971038

AMES



our products

REDUCING THE FOOTPRINT OF OUR PRODUCTS

To ensure the sustainability of our natural resources, reduce its environmental footprint and promote respect for human dignity, RONA encourages its suppliers to propose solutions to address the environmental impact and the social issues associated with its products.

Responsible procurement

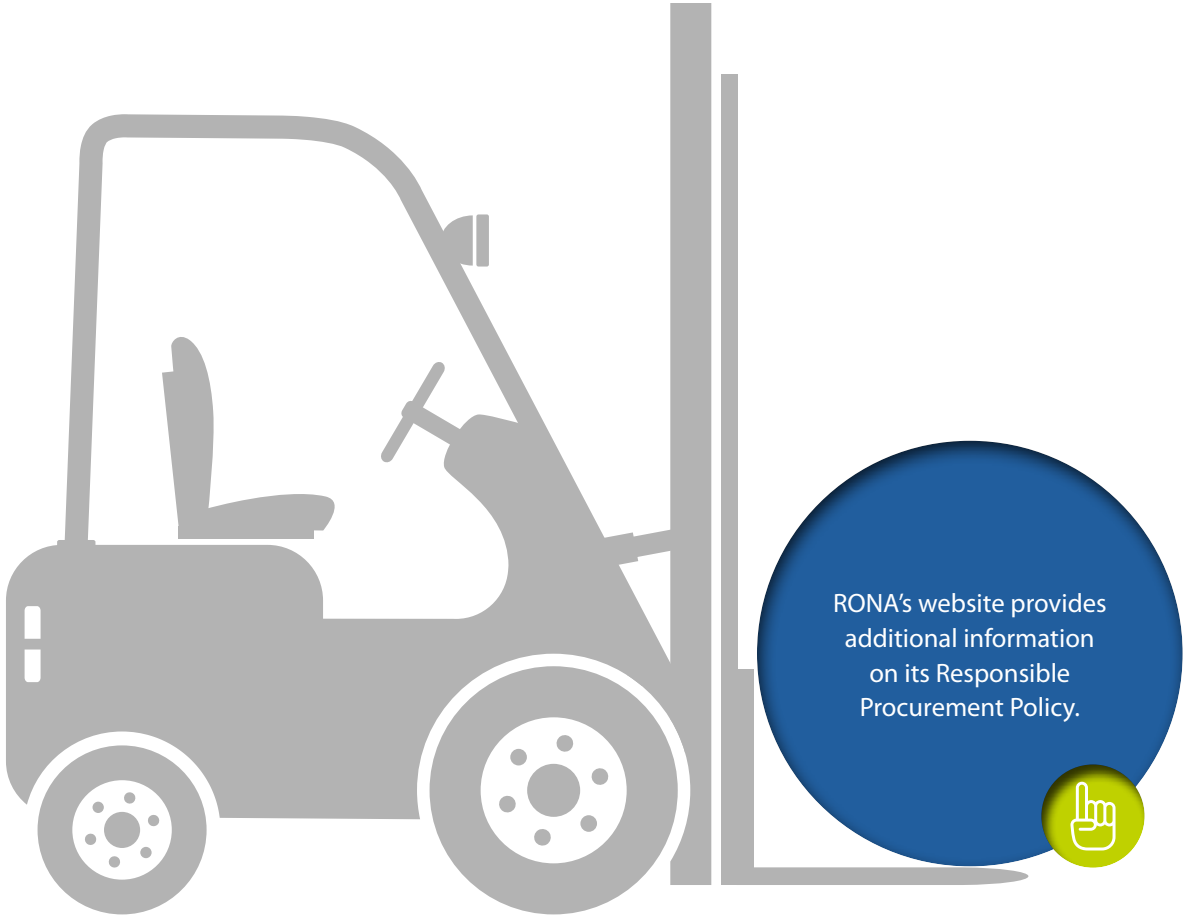
As a retail leader in the construction and home improvement industry, RONA supports local and regional suppliers that contribute to job creation and to Canada’s economic prosperity.

In 2014, purchases from suppliers with canadian-based offices accounted for 93% of all purchases made by RONA.

2013		2014	
2,500 Suppliers	90% Purchases from suppliers with Canadian-based offices	2,150 Suppliers	93% Purchases from suppliers with Canadian-based offices

In addition, RONA recognizes the importance of promoting and respecting the rights of workers, in Canada and abroad. With our Responsible Procurement Policy, we expect our suppliers to adopt environmental and social principles such as respect for environmental laws and standards prohibiting child labour, discrimination in matters of employment and excessive working hours as established by the International Labour Organization.

In 2015, we will continue our efforts to monitor the activities of our partners in this regard.



Certified wood

RONA believes in the importance of sustainable forest management that contributes to equitable economic development for all and meets environmental and social standards. Our Wood Products Procurement Policy supports the conservation of biodiversity and the protection of community stakeholder interests by favouring the purchase of forest products certified FSC, PEFC, CSA and SFI.

In particular, we favour the FSC standard, still the most credible and recognized worldwide by the industry, by environmental organizations and by First Nations communities. In addition, FSC certification is the only standard that allows RONA to market products eligible for LEED certification, due to the organization’s rigorous standards and independence. In 2014, 75% of the forest products purchased came from certified sources, including 33% from FSC forests.

Wood procurement			
2013	95% Certified sources*	29% FSC	20 Sites with FSC certification for the chain of custody
2014	75% Certified sources*	33% FSC	17 Sites with FSC certification for the chain of custody

* Due to a change in our methodology and to increased vigilance in our procurement policy, the percentage of our wood from certified sources dropped in 2014.



Packaging

RONA encourages its suppliers to adopt sustainable packaging practices. To do so, we established guidelines that include eliminating overpackaging and optimizing the packaging/product ratio.

In 2015, in co-operation with our Purchasing and Import teams, we will pursue our efforts to find the best solutions to the issues affecting packaging.

RONA's website provides additional information on its Sustainable Packaging Policy.

End-of-life recovery

To manage the end of a product's life cycle, RONA provides recovery services for paint, aerosols, bulbs and fluorescent tubes, batteries and power tool accessories. These services are available in all its corporate stores and many affiliate stores.



Product recovery		
Product	2013	2014
Paints and aerosols (kg)	3,500,407	3 071,944
Fluorescent bulbs and tubes (units)	379,286	421,565
Batteries (kg)	91,481	93,652
Power tool accessories (units)	33,736	34,587

For more information on the recycling of residual materials from our operations, see page 16.

RONA's website provides additional information on recovery programs. Consumers can also consult the website of our partners to find out the collection points nearest to them.

OUR PARTNERS
FOR PRODUCT
RECYCLING


Special waste recycling by Product Care


Société québécoise de gestion écologique de la peinture






Thinking beyond the box
Stewardship Ontario


EXCHANGE-A-BLADE



On average,

85%

of the paint products collected by our stores in Quebec are recycled or re-purposed.

Paint that is re-used in the manufacture of paint products, such as our RONA ECO line of paints, has prevented the emission of 2,300 tons of CO2 equivalent, representing the removal of 835 cars from our roads.

Our operations

RONA recognizes that its operations have an impact on communities and on the environment. This is why we strive to implement programs and measures that limit this impact and helps improve our track record.

GREENHOUSE GASES

Since 2008, RONA has been reporting its greenhouse gas (GHG) emissions from corporate operations to an internationally recognized independent organization, the Carbon Disclosure Project (CDP).

Over the past few years, we have greatly reduced our energy consumption and optimized our transportation logistics, allowing us to reduce our global GHG emissions by more than 30% from 2011 to 2014. However, over the past year, increase in the volume of goods transported caused a light increase in our transportation GHG emissions.

In 2014, RONA's operations and transportation activities emitted 96,695 tons of CO₂eq.

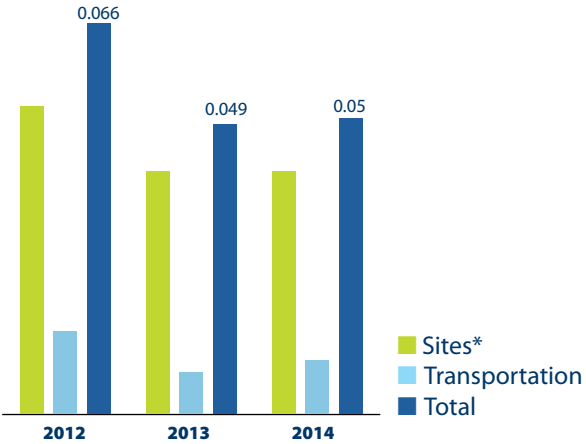
Greenhouse gas emissions			
2013	100,014 tons of CO ₂ eq	85% Sites*	15% transportation
2014	96,695 tons of CO ₂ eq	82% Sites*	18% transportation

*Head office, corporate stores, franchise stores and distribution centres

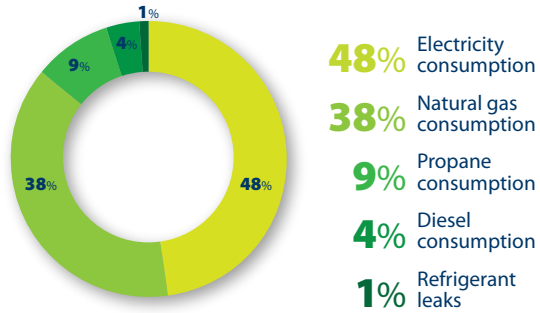
GHG emissions (tons CO₂eq)



GHG emissions per store area (tons CO₂eq/m²)



GHG emissions from RONA sites*



*Head office, corporate stores, franchise stores and distribution centres

ENERGY EFFICIENCY

RONA has made several improvements to its facilities and equipment to reduce its GHG emissions, its costs and increase the efficiency of its operations.

In 2014, we replaced the lighting technology in 16 stores and our main distribution centre with T8 technology. With this change, 70% of our corporate stores are now equipped with high energy-efficient lighting.

Among other initiatives, RONA installed reflective roofing, to reduce the heat island effect, low-flow toilets, centralized control systems, and vestibules at the entrances of stores for more efficient energy consumption.

In 2014, we completed a project in three Home and Garden stores in Winnipeg, Manitoba, in order to optimize energy-hungry systems in use and change existing lighting. Since the start of the project in 2011, we reduced our electricity consumption (kWh) in the three stores by 51% while improving the comfort of employees and customers. Building on this success, RONA decided to change the interior lighting in all its facilities, as it has done with its signs and other exterior lighting.



In 2015, RONA will be installing heating, ventilation and air conditioning systems that are more efficient and better suited to their respective buildings. For new interior and exterior lighting systems for building or

renovation projects, RONA aims to adopt LED (light-emitting diode) technology, the most advanced on the market.

Also, RONA will build on these initiatives by implementing optimization projects similar to those in Manitoba in six Quebec stores. Several other projects are being studied in an effort to improve and simplify the energy efficiency measures and systems currently in place.

TRANSPORTATION

In 2014, RONA had an excellent year in terms of efficiency, cost controls and establishing priorities for its transportation and distribution sector.

This performance is the result of initiatives put in place over the past three years, including better planning of our routes and deliveries and, in 2014, the establishment of minimum loads when ordering from our suppliers. Significant efficiency gains were made, particularly in relation to planning and logistics, shorter travel distances, fuel consumption, fleet wear and tear, and delivery times.

RONA is working in partnership with its carriers to adopt best practices and take advantage of every means at its disposal to minimize the impact of its transport operations, for example:

- Use of semi-trailer rigs
- Reduced engine idling time
- Training drivers in responsible behaviour
- Using intelligent engine management



Electric charging stations

In Quebec, RONA is proud to be a founding member of Electric Circuit, a service that provides charging stations for customers and employees with electric cars. At the end of 2014, 10 stores and our head office provided a total of 21 stations. What's more, the service is gaining in popularity: the number of charges in 2014 rose to 2,097, an increase of 170% compared to the 772 charges in 2013.



Visit RONA's website for additional information on the Electric Circuit charging stations.



PAPER

RONA believes in the responsible sourcing of the paper it consumes in its offices and stores and the paper it uses to print its flyers.

In 2014, 100% of flyers were printed on FSC-certified paper. Also, 100% of paper for internal use was sourced from FSC-certified fibre or used paper with anywhere from 30% to 100% recycled content.

Paper consumption			
Percentage of supply FSC-certified or with recycled content	2013	2014	
Internal use	64%	100%	
Flyers	100%	100%	

In 2015, RONA will continue to follow up on the commitments set out in its Paper Products Use and Procurement Policy and modify the printing equipment used in its corporate stores and support centres in order to improve performance.

RESIDUAL MATERIALS

RONA's corporate stores, distribution centres and most of its franchise and affiliate stores practice sound management of their residual materials.

In 2014, RONA's corporate network attained a landfill diversion rate of **75%**.



In 2015, we will continue our efforts to reduce the materials destined for landfill. For example, 11 RONA stores in Alberta, British Columbia and Quebec will process a larger volume of waste by acquiring a new press for cardboard and plastic. In Ontario, we will improve our efficiency by centralizing the drop-off points for cardboard and plastic. Finally, signage promoting the use of recycling infrastructure in stores will be optimized.

In 2014, seven Quebec stores received Level 2 certification within Recyc-Quebec's

Ici on recycle!

program for the acquisition of waste management equipment, including recycling stations, a cardboard and plastic compactor, and composting equipment. Today, nine RONA stores in Quebec hold certification as part of this program.

SKILL SUPPORT

Employees are at the heart of our success. This is why RONA has set up a series of programs and measures to improve the skills and well-being of its staff.

Health and safety

In 2014, a program to reduce workplace lacerations and a training program for employees prone to injury allowed RONA to improve its health and safety performance, particularly in terms of accident severity.

Workplace Accidents	2013	2014
Accident frequency (number of accidents/200,000 hours worked)	8.9	8.6
Accident severity (number of lost working days/200,000 hours worked)	399.4	351.6

In 2015, we will continue to expand our programs to support our employees with measures that include the updating of our National Occupational Health and Safety Program, improved training of new employees and the implementation of a strategy to reduce accidents caused by the handling of merchandise.

Training










In 2014, RONA focused its efforts on improving its training facilities. We established three technical training centres, one in each of the following provinces: Quebec, Ontario and Western Canada. We also implemented a training program to support renovation projects at its Réno-Dépôt stores.

In 2015, RONA will launch a cutting-edge training platform that will allow it to deliver and monitor employee training more efficiently.



Residual materials management

Materials (in tons)

									
2013	489	5,314	4,713	80	94	453	5,124	79	4,886
2014	437	2,101	4,486	91	87	606	6,060	84	4,582

community involvement

RONA encourages each of its stores to get involved in its community. In 2014, RONA's offices and stores raised or distributed more than one million dollars in donations. Several initiatives allowed RONA employees across Canada to help their community.



RONA MAKES ITS MARK BEYOND ITS BORDERS

In 2014, more than 130 RONA affiliate dealers gathered for a convention in Jamaica and gave back to their host country. They repainted the kitchen, reading and music rooms, auditorium and bathrooms of the Montego Bay Boys' and Girls' Club and installed shelves in the reading room. They also performed gardening work and participated in an arts and crafts workshop with young preschoolers.

RONA PLANTS TREES IN QUEBEC AND IN ONTARIO

RONA continued its partnership with the David Suzuki Foundation's 2014 Ontario Urban Reforestation Program in the Credit Valley watershed. In 2014, RONA planted 5,527 native wildflowers and 885 native trees and shrubs with the help of 1,861 volunteers.

In addition to creating green spaces, particularly at seniors' residences and hospitals, this initiative promotes physical activity, social interaction and a connection with nature. Since 2011, RONA has planted 29,134 native wildflowers, trees and shrubs, with the help of 4,381 volunteers in Quebec and Ontario.



David Suzuki Foundation

SOLUTIONS ARE IN OUR NATURE

RONA HONOURED FOR EMBRACING INCLUSION IN BRITISH COLUMBIA

Kris Krentz, a RONA store manager in Chilliwack, British Columbia, was recognized for his inclusive employment practices toward adults with intellectual disabilities at the sixth WOW!clbc Award (Widening our World). Matthew Benjamin, who has been working for RONA since April 2014, nominated Kris because of his willingness to offer Matthew the same work experience and expectations as he would any other employee.

RONA GOES PINK FOR CHILDREN IN ALBERTA

Employees from 32 stores in Alberta and in our Calgary distribution centre raised \$57,786 as part of the 2014 Hair Massacre, whose mission is to support organizations that help children with life-threatening illnesses. Hair salons gathered the hair to make wigs and RONA employees dyed their hair pink to promote the sale of Kali Bears, in tribute to the young girl who inspired this initiative.

RONA CLOWNING AROUND FOR A GREAT CAUSE

On October 11, 2014, all employees from the 56 corporate stores in Ontario joined forces for The Hospital for Sick Children for their annual Clowning Around for SickKids, an event unique to RONA stores in Ontario and the main charitable activity in the province since 2011. The 2014 campaign raised \$14,000 and each store chose its own method of engaging the community: cash donations, promotions, barbecues, food sales and store entertainment. In four years, this initiative has raised close to \$100,000 for child-health research.

RONA INVESTS IN YOUTH TRAINING IN QUEBEC

In 2014, we combined paint recovery in our stores, an important part of our environmental commitment, with our community outreach activities. We partnered with Éco-peinture and the Réseau québécois des Centres de Formation en Entreprise et Récupération (CFER) for an awareness day on recycling in 32 RONA and Réno-Dépôt stores in Quebec. CFER centres train students with difficulties and allow them to earn a diploma from Quebec's Ministry of Education. Through the CFER recycling awareness program in our stores, CFER students reached out to nearly 4,250 customers.



ethics and governance

SUSTAINABLE DEVELOPMENT COMMITTEE

In 2014, we set up a Sustainable Development Committee. This committee is responsible for maintaining existing commitments and complying with policies in place. It undertook a review of its organizational structure in order to establish an action plan based on a process of continuous improvement over the long term.

This exercise to strengthen our governance, a fundamental part of RONA's strategy, will continue in 2015.

CODE OF ETHICS

Since it was first published in 2005, RONA's Code of Ethics has been regularly updated to reflect the changing business environment and legal provisions under which the company operates. The Code of Ethics governs aspects such as financial disclosure, conflicts of interest, the protection of personal information, computer security, the use of email and social media, competition law, respect in the workplace and the reporting of offences. To this end, employees have access to a confidential, third-party line available 24 hours a day, seven days a week.

MEASURING OUR PERFORMANCE IN 2014

THEMES	INDICATORS	2013	2014
Products: Procurement and end-of-life recovery			
Eco-responsible products	Number of eco-responsible products available during the period	2,107	2,170
Procurement	Canadian procurement	90%	93%
	Percentage of wood purchased from certified forests (FSC, PEFC, CSA, SFI)	95%	75%
	Percentage of wood purchased from FSC-certified forests	29%	33%
	Number of stores with FSC certification for the chain of custody	20	17
Product recycling	Paint and aerosols (in kg)	3,500,407	3,071,944
	Bulbs and fluorescent tubes (units)	379,286	421,565
	Batteries (in kg)	91,481	93,652
	Power tool accessories (units)	33,736	34,587
Company operations			
Greenhouse gases (GHG)	In tons of CO ₂ eq	100,014	96,695
	In tons of CO ₂ eq/m ²	0.049	0.050
Residual materials (in tons)	Cardboard and paper	4,713	4,486
	Plastic	489	437
	Wood	5,314	2,101
	Gypsum	80	91
	Metal	453	606
	Organic materials	94	87
	Construction and demolition waste	5,124	6,060
	Hazardous waste	79	84
	Ultimate waste	4,886	4,582
Paper consumption	Landfill diversion rate	77%	75%
	Percentage of procurement FSC-certified or with recycled content		
	Internal use	64%	100%
Workplace health and safety	Flyers	100%	100%
	Frequency of workplace accidents (per 200,000 hours worked)	8.9	8.6
	Severity of workplace accidents (lost working days per 200,000 hours worked)	399.4	351.6



RONA.CA

Sustainabledevelopment@rona.ca