

Q1 2023 Report

Schneider Sustainability Impact

Our contributions to accelerate
sustainability for all

Life Is On

Schneider
Electric



2 guiding principles

#1 - Do well to do good and vice versa

- Performance
- Business
- All ESG

#2 - Bringing everyone along

- Model & Culture
- All Stakeholders

Our 6 long-term commitments

Act for a **climate-positive** world

by continuously investing in and developing innovative solutions that deliver immediate and lasting decarbonization in line with our Net-Zero Commitment

Be efficient with **resources**

by behaving responsibly and making the most of digital technology to preserve our planet

Live up to our principles of **trust**

by upholding ourselves and all around us to high social, governance, and ethical standards

Create **equal** opportunities

by ensuring all employees are uniquely valued and work in an inclusive environment to develop and contribute their best

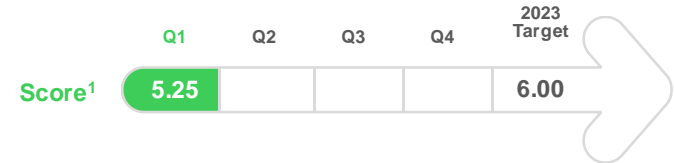
Harness the power of all **generations**

by fostering learning, upskilling, and development for each generation, paving the way for the next

Empower **local** communities

by promoting local initiatives and enabling individuals and partners to make sustainability a reality for all

Q1 2023 Results



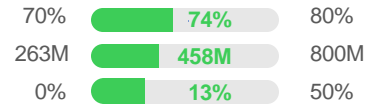
6 long-term commitments

CLIMATE



1. Grow Schneider Impact revenues*²
2. Help our customers save and avoid millions of tonnes of CO₂ emissions³
3. Reduce CO₂ emissions from top 1,000 suppliers' operations

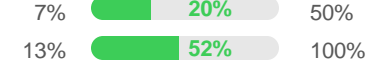
Baseline Q1 2023 2025 Target



RESOURCES



4. Increase green material content in our products
5. Primary and secondary packaging free from single-use plastic, using recycled cardboard



TRUST



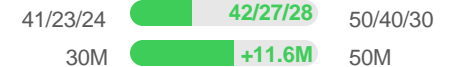
6. Strategic suppliers who provide decent work to their employees⁴
7. Level of confidence of our employees to report unethical conduct⁵



EQUAL



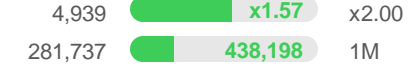
8. Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)
9. Provide access to green electricity to 50M people⁶



GENERATIONS



10. Double hiring opportunities for interns, apprentices and fresh graduates²
11. Train people in energy management⁶



LOCAL



- +1. Country and Zone Presidents with local commitments that impact their communities



*Per Schneider Electric definition and methodology

¹ 2021 baseline 3/10, 2025 target 10/10

² 2019 baseline

³ cumulated since 2018

⁴ 2022 baseline

⁵ 2021 baseline

⁶ cumulated since 2009

Climate

Q1 2023 Highlights



Investing **€40M** in our smart factory in Hungary to accelerate our Net-Zero journey



Partnering with Avarni to help customers understand, report, and forecast their Scope 3 footprint and accelerate decarbonization decisions



Offering shareholders a **Say on Climate**, an opportunity to express their views on Schneider Electric's Climate strategy



~ **6,000 Choice Hotels International owners** automatically suggested to track energy and water consumption and calculate CO₂ emissions with **EcoStruxure™ Resource Advisor**



Homes can become self-sufficient thanks to our new **Schneider Home energy** management solution to reduce environmental impact and save money on energy bills

Carbon Clean 200 list

By Corporate Knights &
As You Sow's

Recognized **at the forefront of the clean transition** for the 8th year in row, amongst top companies leading the way with sustainability at the heart of business model and solutions

Resources

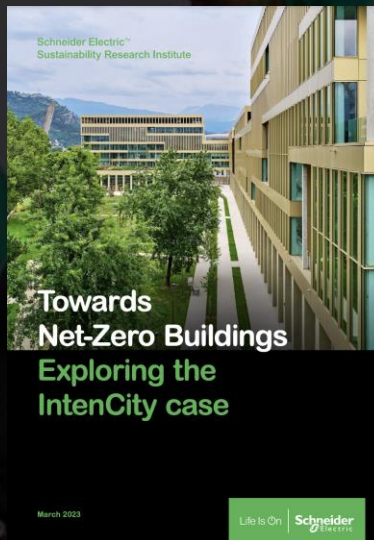
Q1 2023 Highlights



Corporate biodiversity action at the heart of our latest Sustainability Research Institute's new report, a fact-based moral and economic advocacy paper



Recognized for our **climate change engagement with suppliers**, in the top 8% of the CDP Supplier Engagement Leaderboard in 2022



Demonstrating that accelerating **building decarbonization is possible** as evidenced by our study on the potential of IntenCity: A carbon footprint **5 times lower than Europe's average** building, based on our Sustainability Research Institute's latest study

Trust

Q1 2023 Highlights



Providing a caring, inclusive, and respectful workplace included in our **updated Anti-harassment and Anti-discrimination policy**



Sustainability, cybersecurity, and ethics trainings deployed to **100% employees**



Release of our **2022 Annual Report** to provide transparent information on our strategy, sustainability impacts, governance, and performance



Recognized as one of the **World's Most Ethical companies** for the 12th year in a row

Equal

Q1 2023 Highlights



Boosting the adoption of renewable energy in Africa with the newly developed Gaia Energy Impact Fund, in collaboration with Capital Croissance, Investisseurs & Partenaires, and Gaia Impact



Celebrated as a **'Lighthouse' in Diversity, Equity & Inclusion** by the World Economic Forum in recognition of our efforts to promote care and inclusion and pay equity across our offices



Recognized by the **Bloomberg Gender-Equality** Index for the 6th consecutive year and the highest score ever achieved, reflecting progress in gender inclusion and implementation of diversity policies



Ranked in the top 100 companies globally recognized for **gender equality performance, from Board to supply chain**, placed 4th in our industry group

Generations

Q1 2023 Highlights



Partnering with HEC Paris and the HEC Foundation to advance research and innovation and collaboration for a fair transition to a low-carbon and inclusive economy



Among the Achievers 50 Most Engaged Workplaces honoring forward-thinking employers for their unwavering commitment to employee engagement



Our vocational training for Women in Energy project enables 443 young ladies with their energy training certificate in Ivory Coast, creating more opportunities to close the gender gap and foster a better future

Local

Q1 2023 Highlights



Schneider Electric and the Schneider Electric Foundation mobilized to **support Turkey and Syria in relief operations** with donations of €110k+, energy and sustainable solutions, materials, and volunteer missions



€21.5K donations collected on social media through the redistribution of our seasonal greeting e-cards boosted by our end of year campaign **promoting the benefits of mentoring**



3,000 people benefited from the **modernization of electrical installations in Brazil's homes and public spaces**, such as schools and medical centers, thanks to partnerships with local NGOs

Methodological note

Schneider Sustainability Impact (SSI), is Schneider Electric's continuous improvement process to deliver outstanding sustainability performance, in line with its business strategy. Progress is measured against a 2020 baseline, except for two programs measured against a 2019 baseline to mitigate COVID-19 impacts (#1 Impact revenues and #10 opportunities for the next generation), one program measured against a 2021 baseline (#7 Level of confidence to report unethical conduct), and one program measured against a 2022 baseline (#6 our strategic suppliers provide decent work to their employees).

The SSI provides, on a scoring scale of 10, an overall measure of the Group's progress on its sustainability goals. This is done by converting each KPI's performance on a 10-point scale, considering that base year performance receives a 3/10 score, and the 2025 objective translates in a 10/10 score. For each KPI, the relevant score is obtained by linear interpolation, and rounded down to the second decimal. By construction, the score of an indicator cannot exceed 10/10, and cannot be lower than 0/10. The overall score of the tool is the average of each KPI's score with equal weight, excluding the Local commitment (SSI #+1). An external auditor provides a limited assurance on the KPIs of the SSI once a year – including the review of the methodologies and processes used to consolidate the different KPIs. In 2022, the Group obtained a "reasonable" assurance for SSI#8 and will progressively cover all externally assured KPIs with this new level of assurance.

Each year, the SSI performance impacts short-term incentives for the Group's executives and about 64,000 eligible employees, for 20% of the collective share.

*Note on Q1 2023 results

In 2023 the reporting of the SSI #1 indicator was improved thanks to new digital tools that allow real time monitoring of our Green Premium™ products sales. Until now, the time taken to analyze the data implied a one-year lag in performance reporting. These new tools induce a rapid evolution of the progress of the SSI #1 in Q1 2023 compared to the end of 2022 of +2 points and a variation of the 2019 base of approximately +0.8 points, which were taken into account in setting the 2023 year-end target of 6.00/10 for the SSI.

Regarding the SSI #6, Schneider Electric has built in 2021 and 2022 its Decent Work framework and training resources, and invited its suppliers to participate in H2 2022. In 2023, Schneider Electric is engaging all remaining strategic suppliers and will provide support to meet the decent work requirements.

[se.com/sustainability](https://www.schneider-electric.com/se.com/sustainability)

For further inquiries, please reach out to our Investor Relations team [here](#).

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