

Schneider Sustainability Impact

2021 – 2025 program
Q3 2021 Report

Life Is On

Schneider
Electric

2030 is right around the corner and as the IPCC reports keep reminding us: there is no time to waste when it comes to climate action. Moving forward with speed and ambition is key. So is **moving forward together.**

For us that means building on our unique expertise and 10-year track record of success in Energy and sustainability services to **expand our sustainability consulting** capabilities: a concrete way to help an increasing number of **customers** and partners who need to strategize and execute on their own decarbonization journey.

Velux, Alfa Laval, DuPont are only a few of those who have recently trusted us in helping them accelerate on their goals and their delivery! Not to mention the hundreds of **supply chain partners** who trusted us by joining The Zero Carbon Project, our global program to support them in drastically reducing their carbon emissions.

As we keep progressing on saving and avoiding emissions for others, we are also very intent on taking action to **leave no one behind:** no gender, no generation, no community. It is with great pride that we are also announcing the milestone of 300,000 people trained in energy management, thanks to the continued action of the Schneider Electric Foundation and its local partners.

In short, whether on the **ESG** front, or on the business front, we are fully mobilized to deliver **maximum positive impact,** not just for ourselves, for others, and others beyond. And so, it is with unwavering energy and focus that we embrace the start of the Climate change conference UK in Glasgow in a few days, looking forward to keep **being part of the action and the solution.**



— Olivier Blum
Chief Strategy & Sustainability Officer,
Schneider Electric

Our purpose is to

empower all to make the most of our energy and resources



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 carbon pledge

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

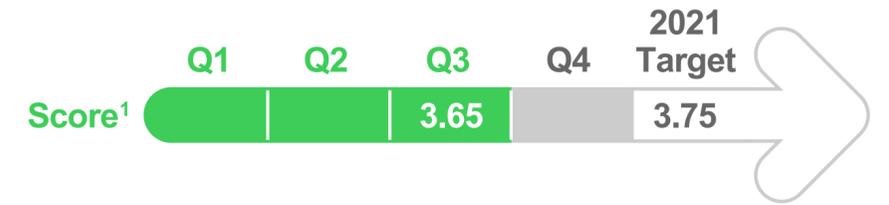
by promoting local initiatives and enabling individuals and partners to make sustainability a reality for all



2021-2025
SCHNEIDER

SUSTAINABILITY IMPACT

Q3 2021 Results



6 long-term commitments 11+1 targets for 2021 - 2025

CLIMATE



- 1 Grow our green revenues²
- 2 Help our customers save and avoid millions of tons of CO₂ emissions³
- 3 Reduce CO₂ emissions from top 1,000 suppliers' operations⁴

	Baseline	Q3 2021	2025 Target
1	70%	70%	80%
2	263M	319M	800M
3	0%	In progress	50%

RESOURCES



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

	Baseline	Q3 2021	2025 Target
4	0%	1%	50%
5	1%	12%	100%

TRUST



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

	Baseline	Q3 2021	2025 Target
6	--	In progress	100%
7	81%	+0pts	+10pts

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

	Baseline	Q3 2021	2025 Target
8	41/25/24	42/27/26	50/40/30
9	30M	32.8M	50M

GENERATIONS



- 10 Double hiring opportunities for interns, apprentices and fresh graduates
- 11 Train people in energy management⁷

	Baseline	Q3 2021	2025 Target
10	4,939	x1.25	x2.00
11	281,737	309,883	1M

LOCAL



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

	Baseline	Q3 2021	2025 Target
+1	0%	100%	100%

Act for a **climate** positive world



Highlights



Net-Zero Carbon Cities Toolbox of Solutions, created with ENEL and WEF, offers 200+ decarbonization solutions to cities



SM AirSeT recognised as **Green Product of the Year** in Southern Weekly CSR Ranking



Extended collaboration with Alfa Laval that takes the challenge to become carbon neutral by 2030



Accelerated decarbonization strategy shines for Velux Group with Schneider energy advisory services



100 Days of Possibility: For Earth Overshoot Day we've partnered with Global Footprint Network to take the fight to climate change

Key Impacts

Long-term commitments

Targets for 2021 - 2025

CLIMATE



- 1 Grow our green revenues²
- 2 Help our customers save and avoid millions of tons of CO₂ emissions³
- 3 Reduce CO₂ emissions from top 1,000 suppliers' operations⁴

Baseline

Q3 2021

2025 Target

70%	<div style="width: 70%;"><div style="width: 70%;"></div></div> 70%	80%
263M	<div style="width: 319M/263M;"><div style="width: 319M;"></div></div> 319M	800M
0%	<div style="width: In progress;"><div style="width: In progress;"></div></div> In progress	50%

Be efficient with resources



Clean Energy to power Milan and infrastructure to convert 1,200 buses to fully-electric and maintain service as usual



A circular approach for Seqirus UK to reuse waste products in clever ways



Gartner #1 Supply Chain in Europe. Our second consecutive year at the top

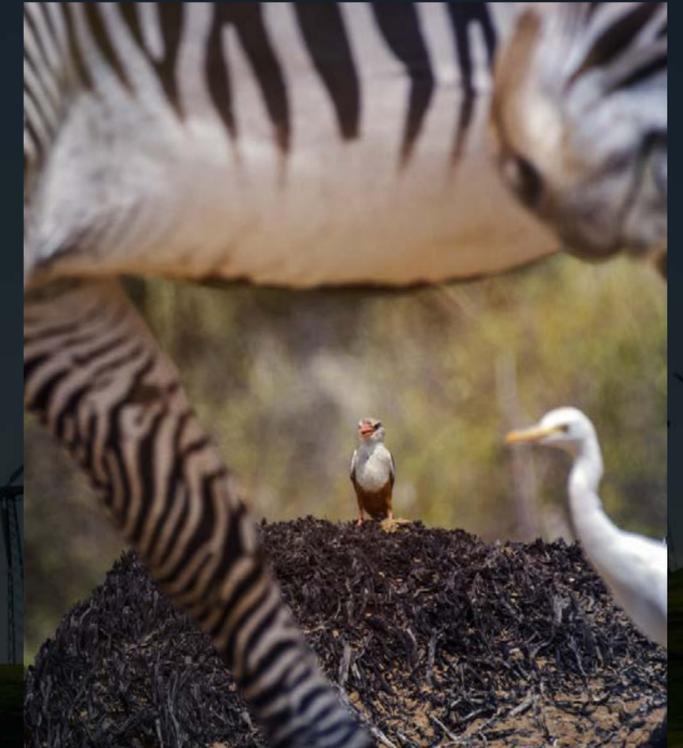


Top Project Award in Gigaton PPA Program for renewable supply chain collaboration with Walmart



Twice as bright: Lighthouse of the Future recognition for Schneider smart factories in Kentucky, USA and Wuxi, China

Highlights



Building for Biodiversity, we supported IUCN World Congress in Marseille to preserve the natural ecosystem during and after the event

Key Impacts

Long-term commitments Targets for 2021 - 2025

RESOURCES



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

Baseline Q3 2021 2025 Target



Live up to
our principles of
trust



Ranked 1st in our sector by the principal European ESG rating's agency, Vigeo Eiris and included in Euronext Vigeo Eiris World 120 index



Best Financial Operation of the Year for our sustainability-linked bond at Club des Trente



From Principles to Trust: The Trust Charter evolves from our Principles of Responsibility to put trust at the heart of how we do business

Highlights



97% of employees completed Sustainability Training and are ready to contribute to towards our goals

Key Impacts

Long-term commitments Targets for 2021 - 2025

TRUST



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

Baseline Q3 2021 2025 Target



Create **equal** opportunities



We're a certified **Great Place to Work** as 11,000+ employees make themselves heard in Southeast Asia



Women Leaders step up with 115 fresh graduates from our Women Leadership Program ready to make an impact



A healthy, resilient, and equitable future of work beckons with our adoption of WEF New Work Standards



24-hour electricity to 150,000 people in 5 remote cities in Chad with a Access to Energy partnership with ZIZ

Highlights

Key Impacts

Long-term commitments	Targets for 2021 - 2025	Baseline	Q3 2021	2025 Target
EQUAL				
8	Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)	41/25/24	42/27/26	50/40/30
9	Provide access to green electricity to 50M people ⁶	30M	32.8M	50M

Harness the power of all generations



Highlights



15,000 youth trainees skill up!
in electrical and solar in new partnership with UCEP Bangladesh and the SE Foundation



Building Low-Carbon Tech Centres to empower future talent
in collaboration with China Education Association for International Exchange



Fighting digital exclusion in a new 3-year partnership with Econocom and Emmaüs Connect throughout France

Key Impacts

Long-term commitments Targets for 2021 - 2025

GENERATIONS



- 10 Double hiring opportunities for interns, apprentices and fresh graduates
- 11 Train people in energy management⁷

Baseline Q3 2021 2025 Target



Empower local communities



1,400 tCO₂ saved annually with a new solar rooftop for our Smart Distribution Center in Dubai, UAE



1,000 students in Energy Efficiency and Industry 4.0 to be trained by SE volunteers in partnership with the Italian Ministry of Education



Circular first with launch of new circular business models developed in Sweden



Education for vulnerable women promoted and encouraged throughout local associations in Chile



Access to clean water, energy and efficient housing for indigenous communities in Canada

Highlights

Key Impacts

Long-term commitments Targets for 2021 - 2025

LOCAL

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

Baseline

Q3 2021

2025 Target



Methodological note



Schneider Sustainability Impact (SSI), is Schneider Electric's continuous improvement process to deliver outstanding sustainability performance, in line with our business strategy. Progress is measured against a 2020 baseline, except for two programs measured against a 2019 baseline to mitigate COVID -19 impacts (#1 green revenues and #10 opportunities for the next generation).

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). In 2021 exceptionally, 2 other KPIs are excluded: SSI#6 as the program is still in development and SS#7 because 2021 is the year of the baseline. 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.

Each year, the SSI performance impacts short-term incentives for the Group's executives and about 58,000 eligible employees, for 20% of the collective share.

*Note on Q3 2021 results

SSI#4 focuses today on three commodities: steel, aluminium and thermoplastics, representing approximately 30% in volume of physical purchases that goes into our products. Main exclusions are electronics and electrical products, other non-ferrous metals and indirect procurement of steel. Schneider Electric is working on the traceability and on the 'green' definition of these materials together with the industries to include them in the future scope once an acceptable maturity is reached.

Regarding the SSI#6, Schneider Electric has built in 2021 its decent work framework and will run a pilot with a few suppliers to finalize the methodology before roll-out to all strategic suppliers in 2022. As progress cannot yet be measured, this KPI is excluded from SSI score calculation for Q3 and Q4 2021, as agreed with auditors.

Following the completion of our yearly internal Employee Engagement survey, we registered a 81% confidence rate to report an unethical behavior (SSI#7). This performance will serve as a baseline and the Group targets a +10pts progress by 2025. Note that the performance of this KPI is excluded from the 2021 SSI score calculation.

Learn more

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

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