Digital and Electric: for a sustainable and resilient future
Great people make Schneider Electric a great company

Context and goals

Great people make Schneider Electric a great company. The Group motivates its employees and promotes their involvement by making the most of its diversity, supporting professional development, and ensuring safe, healthy working conditions. Its ultimate ambition is to deliver higher performance and greater employee engagement, through world-class people practices that are supported by a multi-hub model.

Schneider Electric is a people-centric company where employees come to work for a meaningful purpose and are empowered to deliver impact in an inclusive environment. The Group offers equal opportunities based on employees’ skills, and supports this commitment with common processes and consistent policies regarding recruitment, employment, talent identification, training, and remuneration.

The Human Resources function plays a key role in enabling performance and talent development at Schneider Electric. Progress is characterized by sustained expansion and ongoing acquisitions that deliver growth in core markets and by momentum created through incremental growth drivers.

Over the last several years, the Group has made significant progress in many areas, including: a new People Vision, unique multi-hub model and a leaner organization structure; leadership and culture transformation, widely acknowledged diversity, equity and inclusion initiatives; and setting up a transformation of skills to enable growth and innovation.

By 2025, Schneider Electric has committed to creating equal opportunities and harnessing the power of all generations. It will achieve this by ensuring all employees are uniquely valued in an inclusive work environment and by fostering learning, upskilling and development for each generation. This report shares the progress on the key transformations under the Equal and Generations pillars of the Schneider Sustainability Impact and Schneider Sustainability Essentials programs.

“The world has reset and so must we. We aspire to achieve our company purpose and mission by empowering and developing our employees to achieve their fullest potential. By building resilience and enabling agility, we will enhance our culture and leadership transformation at Schneider Electric. The 2025 People Strategy aims to set the bar even higher to support business growth and deliver business ambition.”

Charise Le, Chief Human Resources Officer
### Progress of our Equal and Generations commitments

<table>
<thead>
<tr>
<th>Schneider Sustainability</th>
<th>#</th>
<th>2021-2025 programs</th>
<th>Baseline(1)</th>
<th>2022 progress(2)</th>
<th>2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact (SSI)</td>
<td>8.</td>
<td>Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>2020: 41/23/24</td>
<td>41/27/28</td>
<td>50/40/30</td>
</tr>
<tr>
<td></td>
<td>10.</td>
<td>Double hiring opportunities for interns, apprentices and fresh graduates</td>
<td>2019: 4,939</td>
<td>x1.33</td>
<td>x2.00</td>
</tr>
<tr>
<td>Essentials (SSE)</td>
<td>18.</td>
<td>Reduce pay gap for both females and males</td>
<td>2020: F: -1.73%</td>
<td>-1.6%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2020: M: 1.00%</td>
<td>1.02%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td></td>
<td>19.</td>
<td>Increase subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP)</td>
<td>2019: 53%</td>
<td>62%</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>20.</td>
<td>Pay our employees at least a living wage</td>
<td>2019: 99%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>21.</td>
<td>Multiply the number of employee-driven development interactions on the Open Talent Market</td>
<td>2020: 5,019</td>
<td>x1.9</td>
<td>x4</td>
</tr>
<tr>
<td></td>
<td>22.</td>
<td>Support the digital upskilling of our employees</td>
<td>2020: 41%</td>
<td>77%</td>
<td>90%</td>
</tr>
<tr>
<td></td>
<td>23.</td>
<td>Provide access to meaningful career development programs for employees during later stages of their career</td>
<td>2022: 43%</td>
<td>43%</td>
<td>90%</td>
</tr>
<tr>
<td></td>
<td>24.</td>
<td>Increase our employee engagement level</td>
<td>2020: 69%</td>
<td>70%</td>
<td>75%</td>
</tr>
</tbody>
</table>

These programs contribute to UN SDGs

(1) The baseline year for each indicator is provided together with its baseline performance.
(2) Each year, Schneider Electric obtains a “limited” level of assurance on methodology and progress from an independent third party verifier for all the SSI and SSE indicators (except SSI #+1 and SSE #12 in 2022), in accordance with ISAE 3000 assurance standard. For more information, please refer to the 2022 Universal Registration Document. In addition, SSI #8 received a “reasonable” assurance level in 2022. Please refer to the 2022 Universal Registration Document for the methodological presentation of each indicator. The 2022 performance is also discussed in more detail in each section of Chapter 2 of the 2022 Universal Registration Document.
(3) Calculation methodology for SSI #8 has been expanded in Q2 2022 to include blue collar managers in the scope of front line managers. Due to this methodological change, the 2020 baseline for front line managers has been recalculated to 23% instead of 25%.

### 2022 Highlights

- **The Company’s Glassdoor rating is steadily increasing**, recognizing Schneider Electric as one of the Best Place to Work for 2022.

- **The Financial Times awarded Schneider Electric the title of ‘Diversity leader’**.

- **Schneider Electric is one of Universum’s Top-30 World’s Most Attractive Employers according to students.**

- **For the 6th year in a row, we were recognized by Bloomberg for our commitment to gender equality and building a culture of inclusion.**
A changemaker for sustainability

For over 15 years, sustainability has been at the core of Schneider Electric’s transformation journey. The Group is now a world corporate leader in sustainability and a critical partner to our customers, suppliers, investors, NGOs and other stakeholders using our services and products to accelerate their own energy efficiency and sustainability transition. Our purpose drives us in “empowering all to make the most of our energy and resources, bridging progress and sustainability for all”. Schneider Electric is an Impact Company.

At Schneider Electric, we pride ourselves in being an Impact Company because sustainability does not only inform what we do, it drives corporate decision making. This entails a responsibility to share learnings and keep raising the bar.

We are an Impact Company convinced that to do good, we need to do well, and vice-versa. To deliver sustainability impact, we must combine solid profitability with leading practice on all environmental, social, and governance (ESG) dimensions. At the same time, this positive impact supports the long-term resilience of the Company as we attract new customers, investors, and talents.

Our sustainability and business impacts converge to act for a climate positive and socially equitable world, while delivering solutions to our customers for sustainability and efficiency.

We bring everyone along in our ecosystem, from employees to supply chain partners, customers, as well as local communities and institutions. Building on a foundation of trust, our unique operating model with a multi-hub approach is set up to impact at both global and local levels. From a meaningful purpose, our culture builds on strong people and leadership values empowering all Schneider Electric people to make a great company.

1. Do well to do good and vice versa
2. Bring everyone along

Performance
The foundation for doing good

Business
Part of the solution

All ESG Dimensions

An Impact model recognized in external ratings

Platinum medal recognizing top 1% performance among 100,000+ companies.

The only company in its sector listed as A List 12 years in a row.

Schneider has been featured on Corporate Knights’ Global 100 list of sustainability leaders every year since 2012, ranking #4 in 2022.

Terra Carta Seal obtained in 2022, the guiding mandate for the Sustainable Markets Initiative.

#1 among industry peers, scoring 90 out of 100 in the latest S&P Global Corporate Sustainability Assessment.

See our recognitions on the Awards page at www.se.com
Our 2025 sustainability commitments

With less than 10 years left to reach the 17 United Nations Sustainable Development Goals (SDGs), Schneider Electric has accelerated its impact and is making new, bold commitments to drive meaningful impact within the framework of its business activity. Schneider Electric’s 6 long-term commitments are to:

**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 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.

Our unique transformation tool

Since 2005, Schneider Electric measures and demonstrates its progress against sustainability goals with a unique transformation dashboard called Schneider Sustainability Impact (SSI).

The SSI is the translation of our six long-term commitments into a selection of 11 highly transformative and innovative programs executing our 2021 – 2025 sustainability strategy. It has been designed to focus on the most material issues, leveraging internal and external stakeholders feedback.

Every quarter, the SSI provides, on a scoring scale of 10, an overall measure of all the programs’ progress, which is shared with all our stakeholders together with financial results.

At the end of the year, 64,000 employees of the Group are rewarded for the progress achieved as the SSI constitutes 20% of their short-term incentive plans’ collective share (STIP).

To ensure robustness, the SSI’s performance and monitoring systems are audited annually by an independent third party and obtain a “moderate” assurance, in accordance with ISAE 3000 assurance standard, except for SSI #+1. 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.
1 2025 people strategy and vision

1.1 Context

The world is moving fast and is at an inflexion point: the desire for climate neutrality and energy transition are driving our business strategy and pushing the Group towards sustainable growth. At the same time, digital transformation and changing social needs demand greater inclusion.

The post-pandemic world followed by ever growing supply chain constraints due to geopolitical issues are creating more opportunities for Schneider Electric to be the most local of global companies.

Being agile by demonstrating resilience and adaptability is the most important prerequisite for success in today’s unprecedented environment of uncertainty. It requires the leverage of both human capabilities and digital technologies. Schneider Electric’s People Vision and People Strategy help achieve this.

1.2 Schneider Electric’s People Vision – Employee Value Proposition, Core Values, and Leadership Expectations

People Vision

Schneider Electric’s People Vision provides the impetus to change the way we work and accelerate the cultural transformation at the company. Comprising Employee Value Proposition (EVP), Core Values and Leadership Expectations, the People Vision is a strong anchor to the People Strategy.

The People Vision consists of the following:

1. Our Employee Value Proposition is our commitment to engage existing and future talent. It’s the reason why people join, stay, and remain engaged and shows how we differentiate ourselves as an employer.

2. Our Core Values determine who we are, what we do, and define the way we work together and deliver on our EVP promises. Our values guide our choices and illustrate the behaviors we expect our employees to demonstrate.

3. Our Leadership Expectations show how we expect leaders to drive the Company for the future. They emphasize how our leaders will transform Schneider Electric by stepping up individually and collectively.

Employee Value Proposition

The Group is also looking to establish a strong name as an employer and communicate around its Employee Value Proposition, which is our promise to current and future employees.

We believe that great people make Schneider Electric a great company. We are driven by our meaningful purpose and continuously create an inclusive environment where employees are empowered to be at their best and innovate.

Our Employee Value Proposition continues to evolve in line with the business. Making the emotional connection as to “Why Schneider Electric?” is fundamental to the ability to not only attract the best talent and be an “employer of choice”, but also to have it resonate as authentic with employees as a form of encouragement, motivation and inspiration.

### MEANINGFUL

Our mission is to be your digital partner for Sustainability and Efficiency.

We empower all to make the most of their energy and resources, ensuring Life Is On everywhere, for everyone, at every moment.

We adhere to the highest standards of governance and ethics.

### INCLUSIVE

We want to be the most diverse, inclusive and equitable company, globally.

We value differences, and welcome people from all walks of life.

We believe in equal opportunities for everyone, everywhere.

### EMPOWERED

Freedom breeds innovation.

We believe that empowerment generates high performance, personal fulfillment and fun.

We empower our people to use their judgement, do the best for our customers, and make the most of their energy.
Core Values define the way we work together

**Customer First.** We surprise and delight customers as we would be nowhere without them. So, not only do we put ourselves in their shoes, but we also anticipate their needs and go the extra mile. We champion our sales people, because they are the face of our Company. Whatever our role, we can have an impact on the customer’s experience.

**Dare to Disrupt.** Innovation is our middle name. Good is never good enough, and that’s why we are constantly experimenting, taking risks, and disrupting the status quo. We think fast, and we act even faster. Setbacks don’t hurt us. They motivate us. That’s why we are not afraid to make our bets bigger and our decisions bolder to power the digital economy through energy management and automation. We, at Schneider, ensure Life Is On.

**Embrace Different.** We are 100% committed to inclusion. “Exclusion” is not even in our vocabulary. We believe in equal opportunities for everyone, everywhere. This means welcoming people from all walks of life, ages, and cultures, embracing different perspectives and calling out bias when we see it, so that every person feels uniquely valued and safe to be at their best. To us, a stranger is simply a friend we haven’t met yet.

**Learn Every Day.** To stop learning is to stop growing. We are genuinely curious, never done with learning. To us, there is no such thing as knowing it all or having all the answers. We believe in life-long learning. Every minute of every day brings a new chance to listen, open up our minds, and widen our horizons. We are never too experienced to learn.

**Act Like Owners.** Entrepreneurs at heart, we take responsibility and ownership of everything we do. This is not somebody else’s company. It’s ours! We are individually empowered and collectively driven to collaborate and beat the competition together. In the end, we do what is right for Schneider first – always with integrity and honesty.

Our Leadership Expectations

**Shape our future.** In a world that is in constant flux, we cannot sit around and wait for the future. We have to imagine, disrupt and lead our industry. Be an entrepreneur of digital transformation with customers. Think big and be bold, create disruptive strategies and architecture ahead of the curve and execute with agility, quality, and speed. Take initiative and learn from success and failure. After all, the only thing certain in the next normal is change.

**Free up Energy.** Free up your and your team’s energy to focus on customers, transformation and what really matters in life and work. Keep things simple, but never at the expense of ethics or safety. Remove roadblocks and unnecessary bureaucracy. Champion new ways of working - more digital, flexible, and efficient. Empower teams throughout multi-local, multi-hub model and agile methods. Speed is our ultimate differentiator.

**Build the Best Team.** Step up to lead in a digital world while building strong human connection with customers and colleagues. Give and ask for coaching and feedback every day. Care for your health and well-being and that of others. Be inclusive and build psychological safety. Hire great and diverse talent and develop them to their fullest potential. Drive team engagement and high performance. The sign of a great leader is a great team.

**Achieve together.** It all starts with making a human connection and working together with customers, partners and colleagues. Connect across our teams with an ‘easy to do business with’ spirit. Share information freely, don’t hide it. Engage in constructive dialogue, don’t avoid tough conversations. Collaborate with focus and in attitude; be inclusive but efficient on who to involve. Collaboration is the seed for innovation and winning.

**Use your judgement.** Ultimately, we are accountable and empowered to make the right decisions for the company. Trust your own judgment and common sense and empower teams to do the same. Don’t overcomplicate decision-making. Give clear direction in the face of ambiguity. Be agile and curious and use your best intuition and logic. Let ‘doing the right thing, in the right way’ be your compass.

### Core Values

<table>
<thead>
<tr>
<th>Core Values</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMER FIRST</td>
<td>Above and beyond for our Customers.</td>
</tr>
<tr>
<td>DARE TO DISRUPT</td>
<td>Constantly in Beta</td>
</tr>
<tr>
<td>EMBRACE DIFFERENT</td>
<td>Different is Beautiful.</td>
</tr>
<tr>
<td>LEARN EVERY DAY</td>
<td>#Whatdidyoulearntoday?</td>
</tr>
<tr>
<td>ACT LIKE OWNERS</td>
<td>All in. Together.</td>
</tr>
</tbody>
</table>

### Our Leadership Expectations

<table>
<thead>
<tr>
<th>Leadership Expectations</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHAPE OUR FUTURE</td>
<td>Disrupt ahead of the curve</td>
</tr>
<tr>
<td>FREE UP ENERGY</td>
<td>Accelerate and Simplify</td>
</tr>
<tr>
<td>BUILD THE BEST TEAM</td>
<td>Coach and Care</td>
</tr>
<tr>
<td>ACHIEVE TOGETHER</td>
<td>Collaborate to Win</td>
</tr>
<tr>
<td>USE YOUR JUDGEMENT</td>
<td>Empower and Trust</td>
</tr>
</tbody>
</table>
1.3 2025 People Strategy

Schneider Electric aspires to achieve its purpose and mission by empowering and developing its people to their fullest potential. The Group acts with agility and trust to innovate for its customers and strives to win in the market.

Launched in 2021, Schneider’s People Strategy provides the Group with the framework to support business growth and culture transformation. To achieve the mission of its People Strategy and shape the workforce of the future in the “next normal”, the framework includes three outcome-based themes:

Organizational agility – a growth and innovation culture, enabled by a leaner, agile and multi-hub structure, customer proximity, and fast decision making, supported by new ways of working.

Future ready talent – a diverse, empowered, and digitally skilled team. All talents develop current and future skills through a personalized experience to realize their potential.

Leadership Impact – leaders deliver impact on results and transformation through disruption, collaboration and inclusion. They build great teams, coach and care to achieve together.

1.4 Organization and Governance

At Schneider Electric the 3-pillar model has been followed within the HR function by adapting the various responsibilities in accordance with organizational context.

HR Business Partners focus on defining and implementing strategic people transformations (key talents, competencies, workforce planning, training for their community, footprint) in their respective entities. They provide strategic support and deliver day to day local support towards operational activities for managers and employees.

HR Solutions shape the future in line with the people vision, focus on a limited number of global priorities, define strategic transformation and priorities, develop global governance, policy & processes, and drive digital.

HR Services manage HR operations, standardize programs and systems, simplify processes, and drive digital transformation to free up energy.

Since 2020, Schneider Electric reinforced the governance of the Group, the professionalism of its processes, and its foundations for trust. In line with our Corporate Governance directions, the Group follows HR Governance led by a single point of contact with corporate organizations such as M&A, Internal Audit, Internal Control, Ethics & Compliance, and Data Privacy, which facilitates an agile response to corporate directions.

1.5 Employee Engagement

Engaged employees are key to enable the company to be at its best and support the achievement of the Group strategy. By measuring engagement and responding to feedback, Schneider Electric can foster an environment in which people feel connected to their work and strive to perform.

Key updates in 2022

- High survey response rate of 85%, with a relatively stable engagement score, against the backdrop of an increasingly uncertain world.
- Employees feel empowered in their work, with flexibility to enable how they work, while remaining connected to Schneider Electric’s purpose in an inclusive environment.
- Emergence of two critical areas related to the employee experience and engagement: recognition and effectiveness.

1. OneVoice Survey

As an inclusive company, all employees are asked to provide their honest feedback through the annual OneVoice survey, which evaluates their engagement and measures nine drivers of engagement, including leadership, development, and empowerment. This process helps the Group identify key avenues for improving employees’ engagement and their unique life at work.

Attributable to a continued high participation rate, the results of the survey are robust and representative, empowering leaders to focus on the right topics to drive change in their teams. The ability to maintain an engagement score above pre-pandemic levels illustrates the positive impact of providing stability and a vision for the future in the face of an increasingly uncertain global landscape. Schneider’s ambition is to achieve 75% engagement score by the end of 2025 (SSE #24).

The Top 4 Drivers of Engagement from the 2022 results demonstrate that employees feel empowered in their work, benefitting from flexible work arrangements, while drawing inspiration from Schneider Electric’s purpose and goals in an inclusive environment.

<table>
<thead>
<tr>
<th>Participation</th>
<th>Engagement</th>
<th>Action plans</th>
<th>Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>85%</td>
<td>70%</td>
<td>1,000+</td>
<td>41%</td>
</tr>
<tr>
<td>107,916 responses.</td>
<td>-1 point since 2021</td>
<td>recorded since July 2022</td>
<td>of managers have access to a customized report.</td>
</tr>
</tbody>
</table>
2. Turning insight into action

Supported by a global network of engagement partners, leaders communicate results to their teams, followed by formulating impactful action plans.

A holistic approach is taken to guide leaders on next steps following survey closure:

- Communicating the high priority of the topic among leaders
- Ensuring full understanding of the why, what and how of engagement
- Manager resources to facilitate action planning with their teams
- Embracing transparency through open dialogue with teams on what could or could not be acted upon
- Committing to continuous communication of the action plan progress

One example of local teams turning insight into action is France’s ‘Next Normal’ program, which is delivering on 10 initiatives for an improved employee experience. With an updated work from home and office policy, supported by remote work training, a system of management for hybrid teams, and an emergency protocol, leaders have responded to employees’ feedback. The program also includes training and hosted discussion forums for managers, bringing the program to life across all teams, driving strong leadership with employee empowerment and recognition at the top.

New in 2022, a nudge communication template was developed to bolster communication of actions taken in response to employee feedback.

3. Focus on recognition and effectiveness to sustain the employee experience

With a Recognition score of 63% across 2021 and 2022, Schneider Electric launched the refreshed recognition platform, Step Up, introducing enhancements to how employees can be appreciated for their work. Read more about this initiative in section 4 “Compensation and Benefits”, page 22.

A second engagement driver of attention relates to Effectiveness, ensuring teams have the tools and resources to support their work, while simplifying processes where possible. In response, the Schneider Digital team has prioritized simplifying the digital landscape, including several initiatives aimed at creating a ‘Lovable Employee Experience’. Focused on offering a best-in-class digital workplace, the aim is to engage employees with a personalized digital environment that enhances employee efficiency, supports new dynamic ways of working, and improves their sense of purpose and well-being, while boosting their overall experience at Schneider Electric.

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81% feel they have flexibility to modify their work arrangements when needed.

80% feel empowered to choose how best to complete their work.

62% find the collaboration is good between entities.

68% say they have the necessary tools and resources to process their jobs.
Great people make Schneider Electric a great company

2 Diversity, equity, inclusion, and well-being

2.1 Context

At the turn of the decade, Schneider Electric observed a clear shift regarding the risks and expectations surrounding Diversity, Equity and Inclusion (DEI). With continuous global social unrest and a global pandemic that exacerbated inequalities and impacted underrepresented groups the hardest, inclusion and care is needed now more than ever. This paired, with the rising importance of Environmental, Social, Governance topics (ESG) for organizations, stakeholders and investors puts DEI at the forefront of Schneider Electric’s business, and people priorities.

Data shows that companies with a diverse set of employees experience greater financial performance. For example, one study from McKinsey1 found that over a three-year period companies with ethnically-diverse and gender-diverse workforces experienced an increase in cash flow. These companies were 36% and 25% more likely to have financial returns above their respective national industry medians than those with less diverse workforces. The bottom line is that more diverse companies can attract and retain top talent, improve overall employee and customer satisfaction, and achieve greater innovation.

Taking all of this into context, Schneider Electric is keenly aware of the ever-increasing need to focus on mental health. The pandemic has accentuated existing vulnerabilities. According to Mercer2, 81% of employees felt at risk of burnout in 2021, compared to 63% in 2019. Companies must make mental health a priority and integrate it into their overall inclusion and care efforts.

2.2 Risks and opportunities

Diversity, equity and inclusion is a business imperative. Without a clear focus on these priorities, companies open themselves up to risks. For example, fair and equitable talent practices are imperative to providing equitable access to job opportunities, career development and advancement. When companies do not have a focus on these areas, they risk making biased and discriminatory talent decisions. In addition, companies without clear policies and practices that embrace an inclusive culture are not as attractive to talent, leading to challenges in recruitment and retention. All of these risks, entail costs for companies and loss in efficiency. It can also lead to legal ramifications and a negative impact on the company’s image.

Schneider Electric defines its strategy taking into consideration those risks and opportunities, internal and external trends, insights and feedback from leaders and employees, and it’s desire to become the most inclusive and caring company in the world. Schneider Electric believes this leads to greater engagement, performance, and innovation.

2.3 Group Policy

In its Trust Charter, Schneider Electric clearly expresses that its Diversity, Equity and Inclusion ambition aims to offer equal opportunities to everyone, everywhere. The Group wants its employees – no matter who they are, or where they live in the world – to feel uniquely valued and safe to contribute their best, free from harassment, victimization and discrimination of any kind.

The Group’s DEI policy recognizes that diversity comes in many forms; visible and non-visible, including cognition, experience, education, gender and gender identity, age, nationality, race and ethnicity, color, sexual orientation, disability status, religious, cultural and socio-economic background, life experience, location, and more, depending on local adaptations.

Read more about our DEI policy on the Diversity and Inclusion page on www.se.com

Since 2016, the company enriched its strategy beyond a gender focus to better address inclusion and psychological safety for all diversities. This included developing and implementing global policies that empowered our employees to manage their unique life and work as well as ensured our employees felt valued and safe (Global Family Policy Leave, Flexibility at Work, Hidden Bias Education and Global Anti-Harassment Policy). In addition, partnerships were expanded with organizations to address important topics related to other diversities, such as LGBT+ community and people with disabilities.

Looking ahead with the UN SDGs as a compass, Schneider’s strategy has been extended to embrace diversity, equity and inclusion and well-being. The group brings its ambition to life by empowering all employees to develop inclusive practices and behaviors, ensure fairness and equity in core people processes and policies, and, advocate internally and externally for change with partners, like UN Women through the Generation Equality Forum, and the World Economic Forum. Schneider is committed to becoming among the most inclusive and caring companies in the world.

2.4 Governance

The implementation of Schneider Electric’s DEI strategy involves several different bodies and stakeholders, working hand in hand with the global DEI team.

The Global DEI team, led by the Chief Diversity Officer, SVP of Talent and Diversity, defines the strategy and is accountable to deliver on Schneider Electric’s DEI transformation, working with the Group’s Executive Committee and the Group Global DEI Board. Progress and results of the DEI ambition are also reported to the Board of Schneider Electric (HR & CSR Committee) on an annual basis. The team works in close collaboration with the HR Center of Excellence (Talent Acquisition, Talent Management, Learning and Rewards), Sustainability, Compliance, Internal communications, and Marketing and Employer Branding teams, as well as with the broader HR and Communication ecosystem.

Schneider Electric’s Global DEI Board is a group of top leaders from all the Group’s markets, sponsored by the Executive Committee, which acts as a sounding board for the Global DEI and Well-being strategy, and as internal and external DEI champions. Board members are nominated by the Executive Committee to serve a two to three-year term. Schneider Electric entities develop local DEI and Well-being action plans based on the global strategy and employee feedback, while meeting local regulations and addressing country-specific situations. To support the local focus, leaders, ambassadors, and champions have been appointed in more than 100 countries/zones and entities to develop and lead local action plans. This global network convenes bi-monthly to share progress and best practices.

Beyond this governance structure, all employees at Schneider Electric are held accountable for our DEI and Well-being transformation through the core value, #Embrace Different, and the Schneider Sustainability Impact (SSI) and Schneider Sustainability Essentials (SSE) performance.

2.5 Schneider Electric’s ‘Inclusion and Care by Design’ Strategy

The Group’s new DEI strategy is known as Inclusion and Care by Design. With this strategy the Group’s ambitions are:

- **Thriving Individuals**: Schneider Electric is committed to making sure every individual feels respected and safe to be their unique self. Leaders coach and care with respect, empathy and well-being in mind.

- **Diverse Teams, at Every Level**: Schneider Electric is committed to reflecting the diversity of the communities in which it operates. The Group continues its efforts to hardwire equity and inclusion at all stages of its employee experience, ensure fairness in people processes and policies, and foster a culture of care and inclusion at all levels.

- **Open Organization**: Schneider Electric is committed to driving change within its broader ecosystem and society at large, through advocacy and role-modelling. The Group works closely with its strategic partners and suppliers and invests in local actions through the Schneider Electric Foundation.

2.6 Thriving individuals

Built on a foundation of trust and respect, the Group’s inclusive practices seek out and embrace different perspectives, support flexible ways of working, and protect each individual’s well-being.

Building a culture of inclusion and respect

**Zero tolerance for harassment**

Schneider Electric has zero tolerance for harassment, victimization, discrimination, and retaliation of any kind at all levels of the organization. In 2018, the Group formalized its zero-tolerance stance on harassment by launching a Global Anti-Harassment Policy. The policy explicitly prohibits any kind of harassment (sexual or non-sexual) in the workplace, and states that “no Schneider Electric employee shall be subjected to harassment, victimization or retaliation based on - including but not limited to - race, sex, national origin, religion, political opinion, age, medical status, disability, gender, marital status, pregnancy, sexual orientation or gender identity”.

The policy sets clear and consistent expectations of workplace conduct, outlines the roles and responsibilities of employees, managers, and witnesses in creating a workplace free of harassment of any kind, and highlights the different reporting channels available to report concerns, while maintaining confidentiality and protection against retaliation.

Lastly, the policy lays out the type of corrective or disciplinary actions that can be taken in case of discriminatory behavior or harassment, or failure to report such incidents. A revised and expanded policy will be launched for all employees globally in 2023.

Read more about our anti-harassment policy on the Ethics and Compliance page on www.se.com

Inclusion and Care By Design

**In all processes**
- We hardwire inclusion and care in all our processes.
- End-to-end, with clear accountability.
- From employee to customer interaction and business process.

**In our behaviours**
- We lead with Respect and extend Trust.
- Living our EVP, Core Values and Leadership Expectations.
- Demonstrating empathy, care and openness.

Creating a standard of inclusion and care for all

The Group’s Core Values, Leadership Expectations, and Trust Charter ensure all employees, managers and leaders are trained and held accountable to a standard of inclusion and care for all. Also, the Group believes that transparency leads to greater trust, and drives better outcomes for all; and has committed to more transparency in data, ambitions, partnerships, and initiatives.
Great people make Schneider Electric a great company

To support cultural awareness and understanding, as well as celebrate the uniqueness of the Group’s global teams, the Group hosts events, webinars, communications, and more for International Women’s Day, Pride Month, International Men’s Day, Global Accessibility Awareness Day, Global Mental Health Day, International Day of Persons with Disabilities. In 2022, these campaigns generated more than 30 million impressions through external social networks.

Inclusion and respect building programs:

• “Overcoming Hidden bias” eLearning: Understand what hidden bias means, explore clear steps to keep decision-making objective, and how to call out bias when seen. In 2022, 82% of employees had completed this training.
• “Building a Culture of Respect” eLearning: Explore the importance of building a culture of respect, learn to recognize the different forms of harassment, and understand the actions to take (as employees and managers) when witnessing such conduct. In 2022, more than 93% of employees had completed this training.
• Employee Resource Networks (ERNs): Employee volunteer led networks, globally and locally, made up of individuals with similar backgrounds, experiences, characteristics and/or who share a passion or interest, play a key role in building an inclusive and equitable culture. ERNs within the Group include, Women professionals, Emerging professionals, Black, Hispanic and Asian professionals, LGBT+, and People with Disabilities and Allies networks.

Fair and equitable talent processes

Schneider Electric is committed to transparent and equitable access to career opportunities, growth and development to the fullest potential, and equal pay for equal work for all its employees worldwide.

Talent decisions are based on skills, values, performance, and potential, and the Group counts on each leader to be fair and equitable when making a hiring or promotion decision to help advance its overall goal to create a skilled and diverse workforce for the future. To check and mitigate hidden bias in its main human resource programs, the Group has built in reminders and prompts for moments that matter, including performance and salary review processes.

Fair and equitable pay is a core component of the Group’s compensation philosophy, in line with the principle of equal pay for equal work. More details on SE’s compensation and benefits are provided on page 22 of this report.

Supporting employees’ well-being, mental health and unique lives and work

Built on a foundation of trust and respect, Schneider Electric seeks to support the unique needs of a diverse workforce with flexible ways of working, global inclusive benefit standards, and programs that care for its employees’ well-being. It is the Group’s belief that this makes them stronger and more resilient in today’s world. The Group has implemented several policies to support employees and respect their unique lives and ways of working.

The Group’s global benefits standard is reviewed annually by the rewards and benefits teams for compliance with its global benefit policies and principles. This review ensures that the Group’s inclusive global benefit standards are delivered for everyone, everywhere. More details on SE’s compensation and benefits are provided in page 22 of this report.

To ensure they are creating a supportive and healthy working environment where every individual thrives, the Group has a holistic view of well-being (physical, mental, emotional, and social) as key components of the current strategy, tackling three areas of impact:

1. The ways of working and flexible work arrangements,
2. Overall employee well-being,
3. Mental health support.

Schneider Electric has implemented many services at its sites throughout the world (gym facilities, concierge, creativity rooms, cultural events, mindfulness activities, back-up dependent care, and more) to support all employee’s mental load, energy recovery and overall resilience.

As of 2020, 90% of employees worldwide have access to a comprehensive workplace wellness program, including medical coverage and dedicated programs to educate and support employees on new, smarter ways of working, mindfulness in the workplace and working in a hybrid world.

Flexibility at Work

Schneider Electric’s Global Flexibility@Work Policy creates a global standard to work from home (WFH) two days a week for all eligible employees, and one day for employees working in distribution centers and plants15. This global standard was introduced in response to feedback in the Group’s 2020 global employee survey in which a large proportion of employees stated that they preferred a hybrid work model (mix of WFH and “work from office”). The policy addresses hybrid work holistically, providing employees with mental health resources and training on best practices. The policy reflects the broader shifts of a global, digital, and ever-changing environment, and contributes to a more agile, inclusive, empowered, and trusting Group culture. At the end of 2022, 99% of the countries have implemented the new Flexibility@Work policy.

As part of this new Flexibility@Work Policy, countries can explore additional measures such as flexible working hours, flexible holidays, part-time work, and volunteering. Some examples of Schneider Electric countries raising the global standards with no fixed limit on the number of WFH days are Estonia, Finland, Latvia, Lithuania, Netherlands, Australia, New Zealand, Slovakia, Germany, the United Kingdom, and the United States, operating with a fully flexible, output driven philosophy.

Global Family Leave

Schneider Electric’s Global Family Leave Policy supports all employees globally with personal time at critical life stages and empowers them to manage their unique life and work so that they can be at their best. To find out more about our Global Family Leave Policy please refer to section 4 “Compensation and Benefit” on page 22.

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(1) Eligibility is based on employee's role and requirements for on-site work and is determined by country/territory with additional input from managers. Some essential roles, e.g., Plant & Distribution Center blue-collar workers, Field services engineers due to role specifications are excluded from this 2-day work-from-home policy. Recognizing that many critical roles need to be on site, this policy was adjusted to 1 day for the eligible Plant & Distribution Center specific roles.
Mental Health Support

Schneider Electric integrated mental health into its global well-being focus in 2019, and has provided all employees with a playbook, and series of trainings (available in multiple languages) on how to deal with mental health challenges. In addition, the Group actively participates in World Mental Health Day, and a volunteer-based global mindfulness team holds annual events to support employees and annually in October.

In 2022, 98% of employees completed “We All have Mental Health,” an eLearning module focused on what mental health means, and how to recognize the signs of mental health challenges and take action. Nearly 1,500 employees shared mental health tips and personal commitments on Schneider Electric’s internal social media platform reaching many through the #MentalHealthMatters. During the annual mental health campaign, beyond local actions organized by country, more than 3,000 employees attended live global webinars on dealing with emotions, managing the mental health of teams, and financial well-being. In addition, 18 mindfulness practice sessions were organized, in English, Spanish, French, and Italian to promote this practice.

2.7 Diverse teams at Every level

Schneider Electric desires to be among the most inclusive and caring workplaces. This includes visible and non-visible dimensions of diversity, including cognition, experience, education, gender and gender identity, age, nationality, race and ethnicity, color, sexual orientation, disability status, religious, cultural and socio-economic background, life experience, location, and more, depending on local requirements. To achieve this ambition, the Group recognizes that it must continue to build an understanding of the demographic makeup and experiences of inclusion by its employees. As a global organization, the Group collects limited demographic information on its global workforce (gender, generation, and nationality) aligned with globally accepted definitions and legalities. In addition, the Group’s local operations collect additional demographic information based on local regulations (Race/Ethnicity in the US; Disability status in the UK; among others) for local ERNs.

2025 Gender Diversity Commitment

Schneider Electric began its journey to becoming a gender-balanced organization more than 15 years ago and has identified increasing the share of women in its workforce and leadership as a business imperative. To support this aim, the Group has stated ambitions on increasing female representation in the overall workforce, and seeks to engage all genders in the journey.

In 2021, Schneider Electric renewed its commitment to gender balance with the 2021 – 2025 SSI gender balance ambition, SSI #8, 50/40/30 – with women representing 50% of all new hires, 40% of frontline managers, and 30% of senior leadership by 2025. This commitment is a testament to the progress the Group has made, and a clear signal that it intends to double-down on its efforts to achieve more gender balance across all levels of the organization.

At the leadership level, Schneider focuses on 30% representation because research has shown that 30% is the tipping point for diversity to have a real impact on teams. To support this ambition, the Group invests in development programs for female talent to grow within the organization, and access senior levels, while also recruiting great talent from the external market.

While significant progress has been made in the representation of women, especially on the Board and Executive Committee level (respectively, 41% and 45% female as of end of 2022), the Group recognizes that there is more work to do at all levels in the organization.

One of the programs the Group created to support this is Schneider Women Leaders’ Program (SWLP), a global program focused on enabling mid-career women to build the skills and confidence to step up their leadership capability and impact. SWLP is delivered through coaching, group and individual learning, and a global summit. Since its launch in 2019, more than 320 women have benefited from this targeted leadership development program and thousands more through programs delivered at the local level.

Employee Resource Networks (ERNs) also play a significant role in empowering women locally and helping drive efforts to advance women in leadership. As of the end of 2022, local ERNs have contributed to the Group’s efforts towards gender equality and inclusion in more than 40 countries.
Great people make Schneider Electric a great company

Generational diversity

For the five generations working at Schneider, the Group seeks to foster life-long career development and knowledge exchange for and across all generations to boost learning and innovation. The Group is committed to creating new opportunities for the next generation through apprenticeships, internships, and its annual global student competition for innovation, Schneider Go Green. With tailored career development opportunities including career week, coaching, development plans, and mutual mentoring the Group is harnessing the power of all generations. With this, Schneider Electric is committed to supporting talent in the later stages of their career to have meaningful and fulfilling development, and to recognize and leverage their unique expertise and experience to boost learning and innovation across generations.

For more information, see 3 Talent attraction and development, page 15.

Origin, Race, Ethnicity and Nationality

Schneider Electric believes in a multi-local world with locally tailored solutions supported by diverse teams across the globe to best meet its customers’ needs with customization, quality, and speed. The Group’s multi-hub model is key to delivering on this ambition with teams that represent diverse origins, nationalities, ethnicities and races, locations and cultural backgrounds. The multi-hub model focuses on attracting and developing local talents for global and local roles, and ensuring leadership reflects the diversity of nationalities and ethnic backgrounds present in local markets. The opportunity for Schneider Electric to be the “most local of global companies” with a balanced multi-hub footprint to enable customer proximity, innovation, speed, collaboration, and diversity, is a key differentiator for long-term success.

Because these diversity of origin dimensions are addressed differently depending on the local context and culture, and their categories and definitions vary widely from country to country, there is no internationally accepted criteria and our local country teams drive local ambition and actions.

Race and ethnicity in the US

Schneider Electric US is committed to evolving the racial and ethnic diversity of its employee population, with a specific focus on increasing ethnic representation. To support its ambition, in 2021, the Group became a member of the National Society of Black Engineers’ (NSBE) Board of Corporate Affiliates (BCA). A group of sponsored and volunteer employees formed SExNSBE, an internal NSBE community, to focus on increasing the attraction, recruitment, and retention of Black professionals at Schneider Electric through a company-funded multi-touch transformational partnership. The Group’s SExNSBE Community includes 240 employee members who spent more than 850 volunteer hours mentoring school-aged children in 2022 through the NSBE Jr program, and more than 600 volunteer hours mentoring collegiate NSBE members.
Accessibility and inclusion for people with disabilities

Since January 2021, Schneider Electric has been a member of the International Labour Organization (ILO) Global Business and Disability Network and is committed to promoting and including people with disabilities throughout its operations worldwide. As a follow up to this commitment, in March 2022 the Group announced the creation of the Global Accessibility Office, addressing the holistic needs of people with disabilities through a strategy of Inclusion and Care by Design, for people with disabilities. This is underpinned by global awareness and education about what is the largest minority group in the world, consisting of 1.3 billion people. The Group focuses on all dimensions of disability: visible, invisible, permanent, and temporary. These include Physical Motor or Physical Health, Sensory, Cognitive and Neuro diversities, and Psychological, Emotional or Behavioral.

The Group’s approach of “accessibility by design” creates holistic disability inclusion through four pillars:

1. Customer First design: Fully accessible product, software, and UI/UX design
2. People, processes, and tools: Accessibility by design in all processes (including recruitment), platforms and tools
3. Brand and Communication Accessibility: For all events and communication – internal and external, digital, physical, and virtual
4. Built environment: Accessible buildings and workplaces applying Universal Design principles, local legislation, and the International Accessibility Standards

In June 2022, Schneider Electric joined The Valuable 500 (V500) – a global business collective made up of 500 CEOs and their companies, innovating together for disability inclusion – with a commitment to:

- Ensure that disability inclusion is on our senior leadership agenda.
- Make at least one firm commitment to action.
- Share our commitment with the business and the world.

Focus on France

In France, an employee with disabilities is one who is recognized as such by the French commission for the rights and autonomy of people with disabilities.

Schneider Electric France (SEF) reports 6.4% of the direct workforce (as of end of 2021) are employees with disabilities. In December 2021, SEF entered an agreement with unions, to recruit at least 100 people with disabilities over the next three years. In addition, they agreed to more accessibility (physical and digital), and more collaborative actions to allow employees facing health issues to work with more involvement of Union representation.

Schneider Electric France works closely with a diverse panel of partnerships and the Group remains committed to the recruitment of People with Disabilities. In 2022, 24 new permanent workers, 23 apprentices and 8 new interns were recruited.

Annually, the Group hosts an internal competition for “The Handi Trophy”, to recognize and promote the involvement of teams with regards to the inclusion of people with disabilities.

In addition, Schneider France works with a start up specializing in behavioural science analysis with a group of employees, including managers, people with disabilities, Human Resources Business Partners, individual contributors, and in-house medical staff. As a result of their analysis, Schneider France has greater understanding of the barriers preventing employees from talking about their disability. Resources have been created in collaboration with a group of employees to address recruiters, managers, and people with disabilities.

Focus on India

In 2018, Schneider Electric India launched a program “SAKSHAM” (which means capable), focused on the inclusion of People with Disabilities through continuous education, enabling infrastructure and equitable processes and policies. The program focuses on employing, engaging, enabling and empowering those with disabilities. Two awareness and educational sessions of SAKSHAM were conducted in 2022, covering more than 700 employees. Within the SAKSHAM program, Schneider India has also launched a Digital Accessibility campaign which educates and empowers all employees on how to be digitally inclusive in both personal and professional interactions.

LGBT+ inclusion

We recognize and celebrate the Lesbian, Gay, Bi, Trans and Intersex People (LGBT+) community and its members for its diversity and uniqueness. The Group aims to build awareness and advocate for the community and wants its employees to be allies, playing a decisive role in creating an open and safe community where individuals are comfortable bringing their whole authentic self to work.

84% of Country Presidents are either local or regional

56% Of employees are in New Economies; and 36% of leadership teams

182 Nationalities represented in our global workforce across 109 countries
Great people make Schneider Electric a great company

Schneider Electric is committed to the United Nations Free and Equal Standards of Conduct for Business on Tackling Discrimination against Lesbian, Gay, Bi, Trans and Intersex People, standing up for equal rights and fair treatment for LGBT+ people everywhere. Across the globe, Schneider Electric has also made public statements of support to advance LGBT+ inclusion. By adopting these standards, the Group pledges to respect and stand up for the human rights of LGBT+ workers, customers, and members of the public; to support our LGBT+ employees, further build inclusion in the workplace, and to prevent discrimination, including workplace discrimination, against LGBT+ people.

Schneider Electric partnered with l’Autre Cercle, a French LGBT+ association, and contributed to the “Odyssey for Equality” project. The project aims to bring concrete recommendations on LGBT+ inclusion for corporate members and partners for the next ten years.

Building allyship

• LGBT+ and Allies Employee Resource Network (ERN): A volunteer, employee-led network of employees focused on co-creating internal and external awareness and education campaigns and feedback and design of the Group’s benefits and policies. In 2022, the ERN developed and launched a Transgender Playbook, piloted in South America. The playbook is designed to guide employees, managers, and HR teams in supporting those transitioning in the workplace with inclusion and care.

• Focus on North America: In 2022, Schneider Electric North America launched a “Pronouns in the Workplace” program, providing stickers and pins with the pronouns, He/Him, She/Her and They/Them in selected US, Mexico and Canada sites. This initiative is intended to raise awareness around self-identification as well as fostering a safe and welcoming work environment and will serve as a catalyst for expansion into other countries and regions.

• Focus on France: In 2022, Schneider Electric France took part in the ‘SIoPE initiative’, which defines eight actions to combat sexism and LGBT+ phobia. With senior leader sponsorship, the initiative deployed educational resources for managers on recognizing and responding to signs of sexism. In 2022, more than 100 managers completed the training. For all employees, an eLearning provides essential information on how to recognize and act against signs of sexism and LGBT+ phobia. The Group has also created a network of 60 harassment, sexism, and LGBT-phobia referents located all over France.

2.8 Driving change by impacting society and advocating for diversity, equity, and inclusion

Schneider Electric is committed to driving change within its broader ecosystem and society at large, through advocacy and role-modelling. The Group works closely with its strategic partners and suppliers and invests in local actions through the Schneider Electric Foundation, with the goal of addressing systemic inequities and becoming a leader in corporate citizenship. In addition, Schneider Electric US has committed to diversifying its supply chain through its Supplier Diversity program (see section 2.2.12.12 “Supplier diversity program in the United States” page 144 of the 2022 Universal Registration Document).

Inclusive Mindset for Children Program in India

JAGRITI was launched in 2016 to focus on impacting young minds to build an inclusive and equitable society. The program aims to educate and influence school children on equity, culture of respect, inclusion, gender stereotypes and biases. In 2022, this program was extended to schools in Mumbai, Chennai and Hyderabad, engaging more than 200 students from five schools. Since 2016, we have engaged 7,500+ students in over 45 schools across India.

A snapshot of some of our global recognitions are summarized here:

Global Awards

- Schneider joined for the 5th consecutive year the 2022 Bloomberg Gender Equality Index, measuring gender equality performance of public companies
- Schneider ranked 20th globally, and third in France, among the 100 leading companies included in Equileap’s milestone report
- Schneider ranked 2nd in its industry, 5th in France and 61st in the overall Refinitiv’s annual Diversity and Inclusion Index
- Schneider Electric ranked 16th among its 41 industry peers in the Financial Times’ Diversity Leaders 2023 ranking, for the fourth consecutive year
- Schneider was listed on the 2022 “Best Places to Work for Disability Inclusion” list, recognizing its Diversity and Inclusion commitments
Global Strategic Partnerships

• United Nations Generation Equality Forum (GEF), a global multi-stakeholder initiative that brings together representatives from the private sector, Member States, United Nations Entities, and civil societies, including youth organizations and networks, to accelerate progress for gender equality around the world.
• United Nations Women’s Empowerment Principles (WEPs): Schneider Electric became the first multinational Group to achieve 100% commitment to the WEPs across its global leadership team. All new country leaders now make this commitment as part of their onboarding process.
• World Economic Forum Global Parity Alliance, a global, cross-industry community whose goal is to facilitate peer sharing between companies, and showcase DEI best practices/research World Economic Forum Good Work Alliance, a partnership to promote peer exchange between companies on Future of Work topics. In 2022, Schneider Electric endorsed the ‘Good Work Standards: a global, cross-industry partnership aiming to pave the way in building a healthy, resilient, and equitable future of work.
• The Valuable 500 (V500), a global business collective made up of 500 CEOs and their companies, innovating together for disability inclusion.
• ILO Global Business and Disability Network (GBDN), a business-to-business support network promoting disability inclusion in the workplace.
• Business 4 Inclusive Growth (B4IG) DEI Working Group. B4IG is a partnership between the OECD and a global, CEO-led coalition of companies fighting against inequalities of income and opportunities. In 2022, Schneider Electric contributed to the publication of the group’s Operational Recommendations on Ethnic Diversity & Inclusion.
• WeQual - WeQual is on a mission to achieve 50/50 gender parity at the top of the world’s largest companies.

2.9 Recognitions and awards

Schneider Electric has been included in many global and local indices for multiple years due to the Group’s commitment, transparency and impact in the DEI and Well-being space.

3 Talent attraction and development

3.1 Context

Attracting, developing and retaining talent is crucial to the ongoing success of companies. Business growth in markets around the world, in conjunction with the rapidly evolving “next normal”, requires an acceleration of skill development to prepare for greater organizational agility and resilience, developing leaders who build strong and caring connections in a digital world, and shape the workforce of the future.

3.2 Risks and opportunities

Schneider faces the risk of talent and skills attrition given the current talent scarcity in the market, the volatile, uncertain, complex and ambiguous (VUCA) world we live in, the demand for a more local world, and the unprecedented changes in the future of work.

At the same time, with the right policies and programs in place, these risks become opportunities for the Group to strengthen its brand as talent developer for everyone, everywhere, leading to greater talent attraction. The policies and programs from the Group include:

• A new talent acquisition platform to simplify the overall candidate experience, migrate to more digital, borderless, and self-paced offers to attract talent, and create a more equal playing field for those interested in Schneider.
• An annual performance and development approach with fair, transparent, and competitive rewards and development, supported by regular meaningful career conversations.
• A digital ecosystem powered by AI to enable access to development opportunities (internal mobility, project, and mentoring) via Open Talent Market (OTM).
• Programs for employees at different stages of their professional career and specific talent segments (e.g. Digital, AI, Software, R&D, Supply Chain, Sustainability), with a strong focus on digital skills, commercial excellence, leadership and functional expertise.
• A Global Flexibility@Work policy and a balanced Multi-hub footprint to enable its employees to have more flexibility and manage their unique life and work in the way that works best for them

These key policies and programs ensure the investment in the attraction and development of talent at all levels. They create equitable opportunities and the environment for employees to learn and grow, while empowering them to own their career by developing critical skills to support their personal and professional growth, supported by their manager and enabled by digital tools.
Great people make Schneider Electric a great company

3.3 Group policy

Schneider Electric believes that all their employees are talent and empowers people to grow to their fullest potential, developing new skills and building careers for today and tomorrow, enabled by the Group multi-hub organization. Establishing a strong brand as an employer is communicated in the EVP (Meaningful, Inclusive, Empowered); the promise to current and future employees, driven and anchored by a meaningful purpose. In addition, the Group invests in learning and development for the wider ecosystem, including universities and schools, partners, customers, and the wider community.

The Group has a two-pronged approach to talent development, in order to prepare the workforce of the future – for all employees and for specific target groups. Most activities are driven through an annual People Calendar, which is adopted globally to ensure that development is accessible to all employees.

- For all employees, the Group ensures there are tools and processes in place to set individual performance and development goals, and access learning and development opportunities for their current role, as well as preparing themselves for diverse career paths around the world. #LearnEveryDay as one of the Core Values, sets the tone for employees to be open to new challenges and continue to upskill for themselves, their teams, and their communities. In the OneVoice employee survey, 76% of employees responded favorably to being able to renew their skills through learning and development opportunities.

- For specific groups of talent, there are targeted programs for specific skills to support Schneider commercial, digital, and leadership transformations and equip our blue-collar workers for the supply chain of the future. There is a strong focus on high potentials, expert talent, and employees at different career stages, including early career talent and those who are in a later stage of their career. An annual talent review process operates across the Group to help ensure high potential talent, including technical and digital talent, is identified, recognized, and supported with an accelerated development path.

In the “next normal”, the role of leaders to transform culture, build great teams, and deliver impact is more critical than ever. The 2021 Culture & Leadership survey of around 2,000 Schneider leaders validated steady progress on the overall Group leadership and culture transformation started in 2017. Key strengths include strong ethics and integrity, sense of purpose, and customer focus, as well as a positive spirit and willingness to go above and beyond. The 2022 OneVoice results amongst leaders also show progress in a shared meaningful purpose and innovative capabilities. The Group has identified a future leader profile that will be used as a framework moving forward.

At Schneider Electric, feedback is key to building trust and care, and transforming its leadership and culture. In 2022, over 7,000 leaders opted-in to participate in the Upward Feedback campaign. This is an anonymous questionnaire which gathers input from employees on how well they think their leaders demonstrate the Core Values and Leadership Expectations, as well as suggestions for behaviors to Start, Stop, and Continue. This questionnaire gives leaders additional insights about their behavioral strengths and development areas and helps them identify opportunities to continue to deliver greater impact as leaders, and together with their team.

3.4 Governance

The Executive Committee regularly discusses the overall health of the leadership pipeline and succession strength for top positions, including during the monthly Executive Committee people committee and the year-end global talent reviews with the CEO and CHRO. In addition, the Executive Committee meets regularly to make critical selection and succession decisions and review specific talent attraction and development strategies, for example expert talent, digital talent and global top potential talent. This is supported by integrated HR information systems and analytics platforms which provide data and analysis in the areas of workforce planning and talent management. In addition, Regional, Business, and Function People Committees also meet regularly to review talent in their perimeter.

3.5 Actions and impacts

The Group strives to provide a meaningful experience for their talent from talent attraction and onboarding, to performance and development. Schneider empowers all employees to grow their fullest potential, deliver with impact based on the ‘what’ and the ‘how’, build sustainable careers, refresh and learn new skills for today and tomorrow.

Attracting talent to shape the workforce of the future

Attracting talent at all levels is more crucial than ever before – not only in terms of enabling the delivery of the Group strategy, but also to continue to innovate for our customers and build a long-term pipeline of future talent that could join Schneider Electric.

Having improved the ability to manage a talent network through the introduction of new tools and systems in 2021, the focus through 2022 has been on three key areas:

- Technology and Digital Experience: continuing to simplify and optimize the overall experience for both candidates and colleagues involved in the recruitment process, reducing our time to apply from thirty minutes to one minute.
- Strategic Sourcing: focusing on priority talent groups for skills and diversity with specialized campaigns and recruiter taskforces.
- Employer Branding: increasing awareness of Schneider Electric as a company, especially among the next generation of talent, including Always On recruitment to help build a sustainable pipeline of talent.
Providing opportunities for the next generation is a key part of the strategy to harness the power of a multi-generational workforce, having five generations working side by side. As part of SSI #10, the five-year ambition is to achieve a doubling of growth in the early-career pipeline. This involves leveraging traditional approaches today but migrating to more digital, borderless, and self-paced offers, ensuring the Company can de-bias practices and create a more equal playing field for those interested in Schneider and sustainability. This will be achieved through flagship global programs and partnerships, supplemented by country-specific initiatives:

- **Schneider Global Virtual Student Experience**: completely digital experience designed to provide students with a way to engage with Schneider Electric through eLearning modules and on project simulations.

- **Schneider Go Green**: an annual global competition for business and Science Technology Engineering Mathematics (STEM) students around the world to find innovative solutions for energy management and automation. In 2022, Schneider Go Green has had over 140,000 registrations and more than 22,000+ students have submitted ideas from over 200 countries.

- **Development programs** around the world that are structured to help support the acceleration of early career talent through a robust training and development path including graduate programs, internships, apprenticeships, and co-ops.

- **Sponsorship initiatives**, virtual Careers Fairs, office/site tours, Innovation Summit tours, digital and face-to-face speaking engagements and networking opportunities, mentoring relationships.

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### Generations SSI #10

2x number of opportunities for interns, apprentices, and fresh graduate hires

Schneider Electric is doubling its commitment to the Next Generation of Talent. During 2022, the Company recruited a diverse mix of 60% students and 40% recent graduates, and engaged brand ambassadors on campus through global programs and partnerships as well as by enhancing its development program offers. One of the newest programs is the Sustainability Development Program which brings Next Generation Talent into our Sustainability Business and develops them as future leaders.

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<thead>
<tr>
<th>2019 Baseline</th>
<th>2022 Progress</th>
<th>2025 target</th>
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### Driving high performance

Schneider Electric’s approach to performance and development is anchored by the Group’s Core Values and, for leaders, by the Leadership Expectations. This approach encourages learning and growth, enabling employees, teams, and the Company to reach their full potential. The Group’s robust process of setting individual performance and development goals annually with regular reviews during the year provides everyone with a clear roadmap to deliver with impact based on the “what” and the “how” to ultimately achieve collective success. Schneider Electric employees are encouraged to seek, give, and receive feedback, empowering them to take ownership for driving their individual performance, and managers are encouraged to support them with coaching and frequent conversations, driving the business forward. In 2022, 98% of eligible employees* completed a performance and development review.

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### Enabling sustainable careers

Developing employees in their current role and for future career growth is critical to enable growth of the Group’s businesses. In line with the conviction that all employees are talent and the aim to provide equitable development opportunities for all, Schneider Electric believes that all employees should take ownership of their own unique career development, supported by their managers and enabled by digital tools. To empower and engage employees with this approach, Schneider Electric held its second Career Week for all employees in 2022. Over 100 events took place with employees participating from over 99 countries, sharing career stories, unleashing the power of networking, having career check-in conversations with their manager, learning about different roles and skills, and being equipped with tools and resources to develop, grow, and shape their future. 94% of employees surveyed were positive about the event, especially appreciating the time to discuss and learn about career development.

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*This includes employees with a valid Schneider email address, whose employment status is active (or suspended, which is country specific), who are on permanent/fixed term contract type and those who were hired on or before 30 Sept 2022, in addition to country or entity specific conditions.
### Access to meaningful career development programs for >90% employees during later stages of their career

In 2022, DACH conducted career conversations for all their senior talent involved in the second wave of the program. Both their HR Business Partner and managers were equipped and briefed on how to manage those meaningful conversations and better support the employees. The conversations helped recognize their unique contribution, set expectations and provide clarity on future opportunities.

“I believe the Senior Talent Conversation was a good focus point to plan and become clear about the next years of my career and what it will mean to the company and my personal development. You get so engaged in your day-to-day work that you hardly think about what the remaining work life will look like and what motivates you. The discussion with HR and my Manager was very open and while there are lot of attention on the next generations, I felt valued in what I can still bring to Schneider Electric in the future.”

Joern Fellenberg, Delivery Director Central Europe

<table>
<thead>
<tr>
<th>2022 baseline</th>
<th>2022 Progress</th>
<th>2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>43%</td>
<td>43%</td>
<td>90%</td>
</tr>
</tbody>
</table>

### Boosting expertise and knowledge across the organization

Schneider Electric strongly believes that its position as a global technology and innovation company is driven by the innovative contributions of its creative employees. The Group has a renowned expert program called “Edison” to recognize individual employees who have demonstrated outstanding achievement, expertise, and leadership throughout the Company. The “Edison” expert program offers them a chance to continue to extend their contribution and increase their impact and exposure to the Group’s strategy. Employees in this program are identified as Level 1 – Expert, Level 2 – Senior Expert, or Level 3 – Master Expert. A revamp of the Edison program is planned for early 2023.

The Group actively promotes a learning and teaching culture by developing its internal trainer capability. There has been a strong focus on equipping internal trainers to develop and facilitate virtual classroom training, including using tools, such as Klaxoon and BlendedX, for additional interaction and engagement. A Global Virtual Internal Trainer Conference was organized in October with the purpose of recognizing, developing, and connecting internal trainers. This year it was a 2-day conference, on the theme of “Engaging Learners in a Virtual World” with keynote speakers from MIT-Sloan & INSEAD sharing insights on the “Future of Learning”. There are currently over 5,000 identified internal trainers who collectively delivered over 18,000 sessions in 2022, accounting for 63% of formal training.

Additionally, Schneider Electric currently has 300 communities of practice as part of the Communities@Work (C@W) program encompassing more than 35,000 members. Each community has a leader and a robust animation plan, and each year, the communities’ activities are reviewed, with the most active communities being recognized for the value they bring to the organization. These communities are an effective way to enable learning, personal growth and productivity.

- They promote knowledge sharing through conversations and other activities (such as webinar, training, and gamification), creating collective intelligence and enabling innovation.
- They offer opportunities for employees to grow - learning from their peers through best practices and experience sharing in the community.
- They are a natural support system – providing immediate support, agility and speed to their members.
- They also contribute to increasing Employee Satisfaction, addressing the need of belonging in the next normal through social interactions (90% of the Active Community respondents feel enthusiastic about being part of a community).
Upskilling for today and tomorrow

The Group recognizes some skills need to be refreshed frequently, especially vital technical and digital skills required to accelerate our business growth. Roles requiring digital and human skills are growing due to the rise of AI, automation, and digitization. Purposeful renewal of skills is necessary to ensure sustainable careers and a resilient, future-ready business. To support this ambition, business and function academies are in place to partner with the business in identifying learning needs and spotting gaps in core and future skills for relevant employee populations. They develop and promote learning and development opportunities to build both depth and breadth of skills and experiences based on the 3E model (education, exposure, and experience).

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Target Audience</th>
<th>Objectives and business benefits of the program</th>
<th>Impact of business benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultative Selling Approach for Sales Employees</td>
<td>All sales employees (15,000 sales employees)</td>
<td>• A blended digital learning curriculum to enable sales teams to build trusted advisor relationships with business decision makers. • Understanding customers’ undiscovered pain points by conducting strategic sales dialogues through effective questioning and articulating outcome-based results and benefits. • A key pillar in the overall customer-centric commercial transformation at Schneider Electric, driving sustainable and profitable growth.</td>
<td>• Sales employees participating in the program have shown a +13pts improvement in their ability to apply the consultative selling skills based on a pre-training and post training assessment. • NPS (Net Promoter Score) of 59 rated by learners in 2021-2022 (&gt;50 is excellent). • 93% of managers say they have observed the participants using the consultative approach consistently.</td>
</tr>
<tr>
<td>CoMET - Competency Management and Execution Tool for Global Supply Chain Roles</td>
<td>85,000 Global Supply Chain employees for assessment &amp; ~12,000 white-collar employees with competency development action plans</td>
<td>• A global approach, using an intuitive platform, CoMET, to ensure expertise development is meaningful and inclusive. • Identification, development and sustainability of high critical skills in the plants, distribution centers and central functions. • Development and tracking of actions plans to anticipate and mitigate all competency gaps.</td>
<td>• Based on competency gaps identified, several critical programs have been launched, including digital upskilling by job code, communities of expertise by region and expert certification programs. • Site leaders recognize the benefits for expertise management with action plans automatically generated ensuring competency development for the site’s performance. • Global domain owners can compare competencies between sister factories.</td>
</tr>
<tr>
<td>Leadership for Profitable Growth</td>
<td>Leadership Team VP and Above: 1,300 Directors: 2,300</td>
<td>• A 100% digital learning solution to align, educate and mobilize the Executive leadership team to sustain profitable growth for the Company. The entire learning path encompasses 3 main parts: • Markets &amp; Financial theory. • Applications in the context of Schneider Electric’s core business models. • A business game simulation designed to engage leaders in competitive learning for optimizing share price performance.</td>
<td>• Leaders have experienced a substantial increase in business literacy and commercial capability across the executive leadership team. • Recipient of the 2021 Brandon Hall Group HCM Excellence Awards Gold in the ‘Best Unique or Innovative Learning and Development Program’ category and two Silver awards.</td>
</tr>
<tr>
<td>Foundational digital skills for all employees</td>
<td>All white-collar employees (75,000+ employees)</td>
<td>A “Digital Upskilling for All” program to prepare Schneider Electric’s workforce for its digital transformation and enabling Digital Citizenship (SSE #22 commitment). It consists of 3 key elements: • Digital Skills assessment – Digital Boost 2.0. knowledge check that allows employees to discover individual strengths and development areas in 6 critical digital skills. • Digital Skills dedicated learning paths linked to individual assessment results with tailored content to facilitate continuous upskilling. • Digital Skills dashboard for HR and Managers to visualize collective digital skill assessment results supporting data-driven upskilling actions based on the strengths and development areas to accelerate talent readiness.</td>
<td>• Post the assessment, 38,000 employees completed 110,000 training programs around the 6 digital skills through the ‘Digital Citizenship Learning Corner’. • New digital skills assessment, highly rated by employees (4.6 out of 5) for its seamless learning experience and practical value for their digital upskilling. • Digital Skills Dashboard creates value for line managers and leadership, assisting in developing actions plans on digital upskilling for their teams.</td>
</tr>
</tbody>
</table>
Great people make Schneider Electric a great company

Schneider Electric also has an open learning ecosystem comprised of interconnected platforms at the center of which is My LearningLink (MLL). This platform provides digital and classroom learning opportunities and was made available to all employees on mobile since 2021. Schneider Electric also continues to invest in providing My LearningLink connectivity to shop floor employees either through the “Digital Learning Corner” (a computer or kiosk installed in their facilities) or, from their mobile phones.

In 2022:

- More than 300,000 training completions every month
- More than 30,600 modules of learning content were available in more than one language
- Digital learning consumption stood at 69%, which has remained stable since 2020

Schneider Electric also offers a broad catalogue of online courses and webinars to partners and customers, accessible via free registration at mySchneider Partner Portal (an extranet). The mySchneider Partner Portal is deployed in 140 countries and provides a customized learning experience with targeted training content that is most relevant to over one million Schneider Electric’s partners and customers who have completed around two million courses since its inception in 2015.

“Open Talent Market was a turning point in my professional career. After browsing through multiple opportunities, I got to understand different domains and teams that SE has better than ever.

OTM really identified my career dream job, to be honest, because I landed exactly in the role which I wanted and have the global exposure together within this position.

Without OTM I would never know about this opportunity.

It’s a great tool to use – like LinkedIn but internally.

Being there is a MUST for all of us!”

Roopa MN
Senior GM – ERM Framework
Deployment Leader

Schneider Electric harnesses the power of all generations by fostering lifelong learning, upskilling and development for everyone - from fresh graduates to senior talent. In this respect, the Group has several career development programs in place for groups of talent, supporting employees at all stages of their career and ensuring a strong pipeline of talent for the future.
In addition to career programs for early talent, pilot programs for talent in the later stages of their career started in four countries in 2021, to support employees in the later stages of their career to enjoy meaningful and fulfilling development, and to recognize and leverage their unique expertise and experience to boost learning and innovation across generations.

Similarly, in Germany, Switzerland, and Austria, Senior Talents are offered the opportunity to make an impact with their experience and network in the Talent Acquisition team. Senior Talent became great recruiters and brand ambassadors - they have a comparable network to headhunters, and they can best describe the job requirements authentically, speaking from their own experience.

Other countries such as France and China focused on facilitating workshops with Senior Talents and their managers, to help them reflect and understand their personal and career aspirations, their opportunities and how to take ownership of their development. According to their feedback, participants felt valued, listened to and positive about the company supporting them in this stage of their career. At the same time, the structured methodology and tools to make a career discussion and build a strong development plan were highly appreciated both by them and their managers.

To learn more about how Senior Talent Program connects with the Future Ready program and Diversity, Equity & Inclusion please check section 2.6.5 Social Impact in France, sub-sections Future Ready Program and Senior Talent program page 240 of the 2022 Universal Registration Document.

### 3.6 Recognitions and awards

Schneider Electric achievements include:

- **2022 Brandon Hall Group HCM Excellence Award- Bronze in the category of ‘Best Advance in Compliance Training’ for two training programs: ‘Schneider Essentials’, which is a series of mandatory training on Ethics, Risk Management and Cultural topics deployed to all employees, and ‘Anti-Corruption’ training for customer facing, finance, procurement or employees exposed to the risk. See section 2.2.2.5 of the 2022 Universal Registration Document for more details.

- **Bloomberg Gender Equality Index 2022 (fifth year in a row)**

- **Fortune's 2022 World’s Most Admired Companies (fifth year in a row)**

- **Schneider recognized as one of the World’s Top 100 for Gender Equality by Equileap**

- **Forbes (April 2022) – Schneider Electric named one of America’s Best Employers for Diversity (fourth year in a row)**

- **Forbes – America’s Best Employers for New Grads, #41**

- **Forbes – America’s Best Employers for Women, #63 (#1 in our category) and World’s Top Female friendly companies 2022**

- **Great Place to Work certified Schneider Electric in the US, Singapore, Malaysia, Taiwan, Thailand, Philippines, Indonesia and Vietnam, US, Canada, Mexico**

- **Universum university student ranking listed Schneider as #29 amongst engineering students and #62 amongst IT students in their “World’s Most Attractive Employers 2022” ranking**

- **Charise Le, Schneider’s Global CHRO, recognized by Fortune Most Influential Women Business Leader and 2022 Top 100 HR Tech Influencer.**

In 2022, Schneider Electric expanded the pilot program to 12 countries/entities including France, India, Japan, China, Germany, Brazil, Australia, UK & Ireland and South Africa among others, and will continue to scale progressively in the upcoming years to reach its SSE #23 ambition by 2025. The program is anchored in career conversations resulting in a robust development plan linked to their unique career aspirations and supported by different offers including new contractual schemes, upskilling, knowledge transfer, pivoting, recognition, care, and personal planning among others. The launch of the program was received positively by this group of talent.

Schneider Electric also started to observe in 2022 the positive impact of the program through different initiatives deployed by the pilot countries. For example, India tapped into the wealth of experience of Senior Talent by engaging some retired employees as consultants. They possess not only the depth of knowledge and breadth of experiences but also a powerful network, allowing Schneider to continue benefiting from long-term customer relationships.
4 Compensation and benefits

4.1 Context
To ensure employees feel valued and respected in their workplace companies are increasingly expected to provide all employees with attractive compensation but also with benefits meant to facilitate aspects of their lives. As we are now in a post-pandemic era, people and specifically younger generations have higher expectations in terms of creating better work and life balance, and rely on their employer to ensure that this need is met.

4.2 Risks and opportunities
Having the best talent and attracting new talent is the main goal of inclusive compensation and benefits offerings.

Schneider Electric is committed to delivering best in class benefits and opportunities to its employees; and aware that unfit compensation and benefit could risk talent attraction.

4.3 Group policy
To support Schneider Electric’s mission to create a great place to work and to cater for the diverse needs of its global existing and future workforce, the Company is committed to providing a competitive, inclusive compensation and benefits offering, which attracts, motivates, and retains talent.

Schneider Electric takes its responsibility as a leading employer seriously and ensures its diverse global workforce is treated in a fair and ethical way. Its inclusive reward portfolio is designed to support employees to be at their best, and goes beyond pay and benefits. The portfolio is a meaningful mix of programs to engage employees, including recognition to celebrate great work, incentives to reward high performance, an award-winning employee share ownership plan, and benefits to suit employees and their dependents.

Schneider Electric ensures that all compensation and benefits decisions and policies are based on the principles outlined above and follow local statutory and collective agreements.

Schneider Electric believes in rewarding, recognizing, and differentiating fairly employees who contribute to the success and live the values of the Company. By putting recognition at the center of a high-performance ambition, employees feel engaged and motivated to do more. Delivering high performance is rewarded by competitive market pay, incentive programs, employee shareholding, and opportunities to grow careers within Schneider Electric.

The Group offers a portfolio of benefits to care for employees’ needs at each life stage. Its diverse and multi-generational workforce is provided with meaningful choices covering a holistic range of well-being, flexibility, and financial protections to provide peace of mind to employees and their dependents.

4.4 Governance
The implementation of group policies on compensation and benefits are overseen by the highly experienced global, regional and local reward organizations.

4.5 Actions and impacts

Compensation
Job architecture and compensation process
Schneider Electric has implemented a global job architecture to support HR processes and programs and to enable Schneider Electric to engage, develop, and move talent across different businesses and geographies. The job architecture provides alignment to market practice and organizational structure to ensure the reward package offered for a role is fair and competitive. This supports working towards creating greater transparency for career development and progression.

Pay competitively and pay-for-performance
Employees are empowered to receive ongoing feedback, recognition, and coaching from their managers, and their individual performance is assessed in a fair manner based on their goals and behaviors. In line with the Group’s pay-for-performance philosophy, the compensation structure typically includes fixed and variable (incentive) elements. Compensation programs and decisions are based on individual performance and behaviors, Company performance, and competitive market positioning.

Equal pay for equal work
The basic foundational principles of fairness, equity, ethics, and transparency are fully embedded in the company values. Through reward policies and processes, employees are compensated fairly and equitably for the skillset they possess and value contributions as a business imperative. Over the past eight years, Schneider Electric has successfully transformed the Pay Equity Framework covering all employees across all countries of operation. The company has created a fair and equitable ecosystem of HR processes and taken proactive actions to prevent new pay gaps from being created. Salary changes when hiring new recruits, promoting employees, and reviewing salaries internally are closely monitored. Managers and HR professionals are trained to be mindful of every pay decision they make, and to ensure that their decision process is bias-free.

As part of the Schneider Sustainability Essentials for 2025, the company has committed to attain and maintain a pay gap below 1% by 2025 for both females and males. At the end of 2022, the pay gap was -1.6% for females and 1.02% for males. Note: this measurement will differ from country figures that may be required to be reported due to statutory requirements.
Equal
SSE #18

<1% pay gap for both females and males

A dedicated Pay Equity budget by country is in place to create awareness and eliminate unconscious biases during processes such as salary reviews, and education and training for leaders, HR and managers. A country-level governance framework has also been established to facilitate the attainment of our ambition to achieve pay gaps of <1% for both females and males.

<table>
<thead>
<tr>
<th>2020 Baseline</th>
<th>2022 Progress</th>
<th>2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female -1.73%</td>
<td>-1.6%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Male 1.00%</td>
<td>1.02%</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>

Living wage

Schneider Electric believes earning a living wage is a basic human right and a key element of decent work. Schneider Electric is committed to paying all employees at or above the living wage to meet their families’ basic needs. The Group considers basic needs to include food, housing, sanitation, education, healthcare, plus discretionary income for a given local standard of living. This is guided by our Human Rights Policy and Trust Charter. All permanent direct employees of Schneider Electric with open ended contracts or fixed term contracts that are above 1 year are in scope of the annual gap analysis. Third parties such as suppliers or contractors or interns are out of scope.

In 2018, Schneider Electric started working with an independent advisor – Business for Social Responsibility (BSR) – to implement its living wage commitment as part of its fair and equitable policies. Schneider Electric has initiated a global process to analyze wage levels and employment practices against local living wage standards set by BSR. Moving forward into 2020, the COVID-19 crisis highlighted even more strongly the need for a safety net to guarantee a minimum income level for employees. Given the complexity of evaluating and mitigating the macroeconomic impact of the crisis, the Group did not run a gap analysis that year. In 2021, the new gap analysis covered 63 countries (representing over 99% of Schneider’s global footprint). As of December 31, 2022, 100% of relevant employees had received at least a living wage. Where living wage gaps were identified, corrective action was taken to ensure that all employees received a living wage and that no new gaps emerged. In addition to ensuring that all employees within the scope are paid at least a living wage, Schneider continues to comply with all applicable federal, state and local minimum wage regulations.

From 2021 onwards, the Group underlined its commitment to pay 100% of employees at least a living wage as part of its SSE #20. This commitment will be audited annually with the support of an independent third party. Schneider Electric also continues to be part of leading corporate coalitions and notably became a Decent Work patron for the UN Global Compact. These global coalitions work together to implement living wage standards within their workforce and their entire ecosystem. In 2022 the Group started working with a new consultant, Fair Wage Network, with the aim of improving the geographical coverage, having a dynamic and web-based living wage benchmark and initiating an independent review and certification of the living wage gap analysis. As of December 2022, 100% of the employees were covered by the review, in 111 countries.

In 2021, the analysis covered 63 countries (representing over 99% of Schneider Electric’s global footprint). As of December 31, 2022, 100% of relevant employees had received at least a living wage. Where living wage gaps were identified, corrective action was taken to ensure that all employees received a living wage and that no new gaps emerged. In addition to ensuring that all employees within the scope are paid at least a living wage, Schneider continues to comply with all applicable federal, state and local regulations regarding minimum wage requirements.

Equal
SSE #20

100% of employees paid at least a living wage

The UN Global Compact announced its new 2021-2023 strategy, which aims to accelerate and scale up the global collective impact of business by upholding the Global Compact Ten Principles and the SDGs through accountable companies and enabling ecosystems. Given that the Company is a leader in providing and promoting a living wage, the UN Global Compact invited Schneider Electric to become a Patron of its Decent Work portfolio. The Group’s role will be to raise the bar by advancing decent work for its ecosystem and other companies.

<table>
<thead>
<tr>
<th>2019 Baseline</th>
<th>2022 Progress</th>
<th>2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>99%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Short-term incentive

For employees, the annual short-term incentive is linked with the overall Company performance and individual objectives. It is designed to encourage and motivate employees to deliver on collective and individual targets through accountability and collaboration, driving better performance collectively and individually. With a strong sustainability component included, the annual short-term incentives for the Group’s executives and around 64,000 eligible employees helps focus on what matters to Schneider Electric. Since 2011, sustainability performance criteria have been embedded in the incentive goals for Group executives. They are directly linked to the Schneider Sustainability Impact (SSI) targets.

From 2019, the weight of the SSI criteria has increased from 6% to 20% in the collective part of the annual short-term incentive, highlighting further the importance of sustainability on Schneider Electric’s business agenda. In France, since 2012 the SSI has also been included in the profit-sharing incentive plan for the French entities, Schneider Electric Industries and Schneider Electric France. The reduction in the occupational accidents severity rate is also considered in the profit-sharing incentive plans of 24 other French entities.

From 2022, Schneider have introduced a Customer First Performance Criteria in the incentive goals for Group executives. The Group is building Trust through Superior Customer Experience and Quality. It measures the Net Customer Satisfaction (NCS) through real-time digital customer surveys covering six critical touchpoints as part of the customer operational interactions. Every employee is part of this journey and is fully empowered to bring Customer Experience to the highest level. All the results on Customer Satisfaction are available in the Customer Feedback Management Platform where all employees are engaged and empowered to improve the Customer Experience.

To promote a superior sales culture where sales people go above and beyond to surprise and delight customers, Schneider Electric offers levels of differentiated reward for sales people to enhance motivation and results.

Long-term incentive

Schneider Electric’s long-term incentive plan offers share ownership opportunities to the Group’s key talents and critical roles to align their rewards with the interests and experience of Schneider Electric shareholders. Similar to the short-term incentive, a portion of the award under the long-term incentive plan is subject to the achievement of sustainability objectives. From 2020, the long-term sustainability performance is measured through the Schneider Sustainability External & Relative Index (SSERI), a combination of external indices which cover a range of environmental, social, and governance indicators wider than and different from the SSI criteria included in the annual incentive plan. See more details on SSERI in Chapter 4.2 “Compensation Report”, page 376 in the 2022 Universal Registration Document.

Recognition in the company DNA

Every day, Schneider Electric employees make important contributions to help the organization achieve its mission and key business objectives. The global recognition portal “Step Up” gives employees a way to formally recognize and celebrate people who consistently demonstrate the Company’s Core Values and go above and beyond. Schneider Electric creates a culture where employees receive regular feedback and coaching from their managers and colleagues and encourages the recognition of small and big achievements by simply saying “thank you”.

In 2022, Schneider Electric refreshed the global recognition program and launched a new platform for recognition with a new partner. With this program, Schneider brought recognition in the work ecosystem for employees and also introduced functionality to put emphasis on the importance of sharing and acknowledging gratitude in the workplace. Throughout 2022, the recognition culture remained strong, with many employees continuing to utilize the dedicated platform to appreciate and recognize colleagues.

Benefits

Benefits provided by the Group represent a considerable business commitment by Schneider Electric everywhere in the world. The company ensures that all employee benefits are locally and globally compliant, as well as market relevant. Because employee benefit plans vary significantly between countries due to different levels of social, tax, and legal regulations, Schneider Electric’s benefits portfolio is primarily country-driven and aims at providing similar benefits within a country territory.

Global benefit standards

Schneider Electric regularly reviews compliance with its global benefit policies and principles to ensure that its inclusive global benefit standards are delivered for everyone, everywhere. These standards cover healthcare, family leave, and life cover.

One of Schneider Electric’s underlying benefit objectives is to ensure all its employees are equipped to manage their basic health and well-being and to provide adequate security to employees and their dependents. Health and well-being are embedded in the Schneider Electric strategic people priorities and contribute to its sustainability mission. The Group is committed to provide its employees access to a well-being at work program – translated into a dual standard of access to healthcare and well-being training programs (detailed further in subsection “Supporting employees’ well-being, mental health and unique lives and work”, page 10). It also provides access to an inclusive and comprehensive standard of healthcare coverage (outpatient, hospitalization, key health risks/chronic conditions, maternity, children) defined by local regulations and employment agreements. Schneider also supports its employees with personal time off at critical life stages and this is fully deployed in 100% of countries as detailed below. In addition, the Group commits to provide financial security to employee dependents, in the event of an employee’s death, in the form of a minimum standard of life assurance coverage of at least a multiple equivalent to one year’s salary.
Global Family Leave Policy

As a caring and responsible employer, Schneider launched its Global Family Leave policy along with care leave in 2017. Through its policy, the Group supports employees with personal time at critical life stages and empowers everyone to manage their “unique life and work” so that they can be at their best. The group applies a continuous improvement approach to all employee benefits and policies and has made several notable improvements with employees’ inputs. While the countries have flexibility to define eligibility and policy details per statutory/market requirements, the policy sets global minimum standards for paid leave. In 2020, Schneider expanded its care leave from 1 to 2 weeks for employees to care for their dependents diagnosed with COVID-19.

In 2022, the Group conducted extensive internal and external research and will be expanding its Global Family Leave policy from 2023 for all employees globally. Parental leave for birth adoption or surrogacy will go from 12 weeks paid to 20 weeks paid for primary leave, and from 2 weeks to 4 weeks for secondary leave. Care leave will increase from 1 paid week to 2 paid weeks. Bereavement will remain the same 1 week. Ahead of that, beginning in July 2022, the Group’s North America operations were the first ones to benefit from these new expansions. All employees eligible for benefits have access to this global policy.

Employee share ownership

The Worldwide Employee Share Ownership Plan (WESOP) is one of the Group’s recurring key annual reward programs, offering employees across the world an opportunity to become owners of the Company, at preferred conditions.

WESOP is strongly ingrained in the Group’s culture, as a cultural and reward differentiator with a positive impact on engagement, attraction and retention. Schneider Electric has strongly developed and reinforced its offer over the years in order to build a sustainable group of employee shareholders reflecting the workforce diversity, to create a strong feeling of belonging, and to link employees to the performance of the Company, acting like owners of Schneider Electric. In that spirit, WESOP has become part of the Group sustainability commitments towards its 2025 roadmap (SSE #19).

In 2022, the Group successfully offered WESOP in 42 countries, achieving 60.5% subscription rate, a higher rate than in 2021 which was already at 59%. As of December 31, 2022, the employee shareholding represented 3.8% of Schneider Electric SE’s capital and 6.6% of the voting rights. 78% of the Group employee shareholders were located outside of France, of which 13% are in China, 15% in India, and 9% in the US. This also includes employee shareholding resulting from the long-term incentives grants.
5 Social dialogue and relations

5.1 Context

The International Labor Organization (ILO) describes social dialogue as “all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.” The objective for a company to ensure regular and safe social dialogue is to build consensus amongst all employees of the company. To do so, companies integrate a third unbiased party in discussions to help resolve issues and encourage change to adapt to global and local workforce expectations.

5.2 Risks and opportunities

Social dialogue and freedom of association must be seen within the wider context of Ethics & Responsibility. As a global company, Schneider Electric believes that its responsibility goes beyond compliance with local and international regulations and is therefore committed to conducting its business ethically, sustainably and responsibly.

The Group constantly interacts with all its stakeholders across the world: its borders are expanding, its environment is changing ever faster, its activities are becoming globalized, and its social responsibilities are growing.

The challenge is to gain and maintain the highest confidence of its stakeholders. To support each employee in this approach, the Group emphasizes the importance of placing responsibility at the heart of its corporate governance.

5.3 Group policy

Schneider Electric considers freedom of association and collective bargaining as fundamental rights that must be respected everywhere and therefore in its Trust Charter commits to complying with local laws in every country where it operates.

In its Human Rights Policy, Schneider confirms that it considers freedom of association as the basis of a regular dialogue between a company and its employees. To that purpose, Schneider respects the individual right of its employees to freely join, participate in or quit labor organizations to assert and defend their interests. Subsequently, Schneider guarantees that any employee wishing to do so shall be protected against any internal measure limiting his or her freedom of association such as discrimination of any kind, pay loss or dismissal. Schneider also recognizes the importance of dialogue with freely appointed employee representatives, employee representative bodies (such as Works Councils or employee forums) or organizations (like trade unions) and supports collective bargaining.

In addition, Schneider joined the Global Deal initiative in 2017. The Group is promoting social dialogue as a means to foster decent work, quality jobs, increased productivity and, by extension, greater equality and inclusive growth.

5.4 Governance

Social dialogue is managed at country level by HR leaders with the employee representative bodies and unions, and at transnational level with the European Works Council (EWC) which covers most of geographical Europe. Social dialogue is also taken into consideration by the Group’s social reporting system, where local HR teams report on the presence of trade unions, works councils and Health and Safety Committees every year.

In 2014, while changing the corporate form of its parent company, Schneider Electric SA, into a European company (Société européenne), Schneider Electric negotiated an agreement with employee representatives of European countries about the involvement of these countries’ employees in the Company’s decision-making processes, thus reaffirming its commitment to promoting social dialogue at international level.

5.5 Actions and impacts

European Works Council (EWC)

Since 2014, Schneider Electric has significantly enhanced the intensity and the impact of social dialogue at European level. This channel for dialogue aims to enable management to make more efficient decisions by giving employee representatives the opportunity to be informed of such decisions and to understand their reasoning, as well as to put forward proposals to supplement or improve them.

In this respect, new spaces for discussion were explored in order to strengthen the contributions of the members of the EWC on strategic issues. Several workshops for reflection and ideation were organized, namely during the implementation of the new alert system and the review of the approach to the duty of vigilance. The benefits of these workshops were several, starting with a better awareness of these topics by the members of the European Works Council, and an opportunity to contribute upstream on decisions impacting the company’s strategy.

European Works Council members visiting the Innovation Hub in Le Hive (Rueil-Malmaison)
Group Works Council, France

Schneider Electric is organized in France through more than 25 legal entities. However, with 80% employee coverage, Schneider Electric Industries and Schneider Electric France SAS set the tone for social dialogue in France mainly through the Central Works Council and the Group Committee. During the first quarter of 2022, Schneider Electric negotiated a new “work from home” agreement for its employees in France with the following main objectives: an increase in the number of beneficiaries, more flexibility, and the introduction of financial compensation. Around 8,000 employees currently use telework, up from 6,000 at the beginning of the year.

In addition, the introduction of a new collective agreement for the Metallurgy branch, the largest Branch in France, effective from January 1, 2024, has led to the opening of various negotiations, including one on classification.

This is a major transformation for Schneider Electric in France. All the trade unions began participating in this deployment during the second half of 2022, and the project will continue throughout 2023. At the same time, all the members of the works council have received specific training regarding roles, Company organization, and its financial culture.

Social dialogue in the United States

In North America, and more specifically in the US, regular communication takes place with both union and non-union employees on key business topics and trends affecting their jobs. Company officials meet with key international union leaders and local union leadership on an ongoing basis, and formally on an annual basis, to advise and discuss competitive impacts impacting the Company’s business, and to ensure alignment with the Company’s business strategies and challenges. In 2022, Company officials met with the local unions to discuss strategic investments intended to upgrade equipment, improve efficiency to support expected demand, enhance the smart factory profile, and reduce CO₂ emissions in several factories. In addition, Company officials have continued to partner with union representatives to discuss COVID-19 and ensure safety protocols are in place for employees, customers, and vendors.

Social dialogue in Mexico

In addition to regular communications and in accordance with Mexican law reform, during 2022 the Group conducted the legitimization process with the Mexican unions at all Schneider Electric sites where employees had the opportunity to review their collective agreements and confirm their agreement and commitment to the unions and the company. All of these processes were supported by the Legal and Human Resources teams.

Social dialogue in China

Schneider Electric China has a strong culture of social dialogue with all employees in over 30 legal entities and at more than 100 sites across the country.

The HR department, in partnership with the union, facilitates active and open communications with employees and takes action on employee feedback to enrich their career experience as well as ensure sustainable talent development. Specific effort has been made on several key topics in line with employee suggestions, notably around Learning, Development and Well-being:

• Upskilling programs are now more diversified for all employees and in targeted job roles, from customer-facing teams to support functions, with face-to-face and virtual options including mobile and AI-facilitated, based on 3E methodology (education, experience and exposure). Employee individual average learning time has increased to 21 hours.
• There are also more opportunities for employees to develop and grow in an inclusive workplace that promotes agile organization, internal talent mobility, and specific development focus for different genders and generations. 91% of China employees are now users of the Open Talent Market platform which enables them to search for internal jobs, projects, and mentorship opportunities proactively and freely; 200+ project engagements and 300+ mentorship pairings have been achieved.
• Well-being remains a priority to support the continual enhancement of the employee experience. In collaboration with the union, a new Employee Assistance Program was launched in 2022 with 24/7 online counseling via phone, laptop or mobile to help employees address work and non-work issues such as stress management, interpersonal and family problems. Furthermore, a flexible benefit platform has been introduced which integrates all employee benefits from both company and union, allowing employees to make certain personalized choices based on their own situations.

Social dialogue in India

Schneider Electric India has a strong culture of social dialogue with all employees, both unionized and non-unionized. Schneider Electric India continues to engage in equitable industrial relations across its plants and associated establishments.

Industrial harmony has been achieved through a time-tested collective bargaining process involving unions or through worker representative committees. In some of the plants where there are no recognized unions, this bargaining process is conducted with elected employees on committees such as Welfare (Works Committee). The Company also has strong engagement with other committees such as Health & Safety, Canteen, Sports and Transport, including a special committee for women employees. In addition, a prevention of sexual harassment committee, which is fully compliant with the prevention of sexual harassment governance as per local laws, comprises employees and external women with specialist knowledge of the subject and with legal backgrounds. These committees provide a platform for employees to present their concerns, collective grievances and workplace-related issues to the management. All employee engagement programs are run through these committees with the active participation of every employee.

The process of social dialogue also includes monthly employee communication at plant level, as well as through Quarterly Town Hall communications on company performance, strategy and challenges.
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