Q2 2023 Report

Schneider Sustainability Impact

Our contributions to accelerate sustainability for all
## Our 6 long-term commitments

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Act for a climate-positive world</strong></td>
<td>by continuously investing in and developing innovative solutions that deliver immediate and lasting decarbonization in line with our Net-Zero Commitment</td>
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<tr>
<td><strong>Be efficient with resources</strong></td>
<td>by behaving responsibly and making the most of digital technology to preserve our planet</td>
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<tr>
<td><strong>Live up to our principles of trust</strong></td>
<td>by upholding ourselves and all around us to high social, governance, and ethical standards</td>
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<tr>
<td><strong>Create equal opportunities</strong></td>
<td>by ensuring all employees are uniquely valued and work in an inclusive environment to develop and contribute their best</td>
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<tr>
<td><strong>Harness the power of all generations</strong></td>
<td>by fostering learning, upskilling, and development for each generation, paving the way for the next</td>
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<tr>
<td><strong>Empower local communities</strong></td>
<td>by promoting local initiatives and enabling individuals and partners to make sustainability a reality for all</td>
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</tbody>
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### 2 guiding principles

#### #1 - Do well to do good and vice versa

- Performance
- Business
- All ESG

#### #2 - Bringing everyone along

- Model & Culture
- All Stakeholders
Q2 2023 Results

6 long-term commitments

<table>
<thead>
<tr>
<th>CLIMATE</th>
<th>RESOURCES</th>
<th>TRUST</th>
<th>EQUAL</th>
<th>GENERATIONS</th>
<th>LOCAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Grow Schneider Impact revenues*</td>
<td>1. Increase green material content in our products</td>
<td>1. Strategic suppliers who provide decent work to their employees</td>
<td>1. Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)</td>
<td>1. Double hiring opportunities for interns, apprentices and fresh graduates</td>
<td>+1. Country and Zone Presidents with local commitments that impact their communities</td>
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<tr>
<td>2. Help our customers save and avoid millions of tonnes of CO₂ emissions</td>
<td>5. Primary and secondary packaging free from single-use plastic, using recycled cardboard</td>
<td>2. Level of confidence of our employees to report unethical conduct</td>
<td>8. Provide access to green electricity to 50M people</td>
<td>10. Train people in energy management</td>
<td></td>
</tr>
<tr>
<td>3. Reduce CO₂ emissions from top 1,000 suppliers' operations</td>
<td></td>
<td></td>
<td>9. Provide access to green electricity to 50M people</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Baseline | Q2 2023 | 2025 Target
---|---|---
| CLIMATE | RESOURCES | TRUST | EQUAL | GENERATIONS | LOCAL |
| 70% | 73% | 80% | 263M | 481M | 800M |
| 0% | 19% | 50% | 22% | 50% | 100% |
| 7% | 22% | 50% | 13% | 54% | 100% |
| 1% | 3% | 100% | 81% | +1pt | +10pts |
| 41/23/24 | 41/27/29 | 50/40/30 | 30M | +12.5M | 50M |
| 4,939 | x1.38 | x2.00 | 281,737 | 460,415 | 1M |
| 0% | 100% | 100% |

*Per Schneider Electric definition and methodology

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1 2021 baseline 3/10, 2025 target 10/10
2 2019 baseline
3 cumulated since 2018
4 2022 baseline
5 2021 baseline
6 cumulated since 2009
7 2023 Target
Climate Q2 2023 Highlights

- Co-hosted the IEA’s global conference to support governments and CEOs in doubling energy efficiency by 2030
- Launched new software ecosystem to accelerate decarbonization of small and medium size companies
- Partnering with GreenYellow to make affordable and accessible microgrid solutions in Europe
- Named one of the most influential companies for cutting corporate emissions of customers

11 iF design awards received for our products - reflecting our dedication to circularity and innovation
Resources
Q2 2023 Highlights

Gartner®
Ranked No.1 on 2023 Global Supply Chain Top 25
after 8 consecutive years on the list

Opening a climate education and engagement platform to support our partner network

Our site in Marconi becomes first Canadian Zero CO₂ factory, contributing to the country's commitment to accelerate towards net-zero

In China, 83% of packaging materials made with sustainable and recycled materials, thanks to collaboration across our value chain
**Trust**

**Q2 2023 Highlights**

- Hosted virtual expert sessions on trust, emphasizing our commitment to integrity and transparency at every level of the business.

- Updated Duty of Vigilance plan with actions deployed to prevent negative impacts on people and planet within our value chain.

- Recognized for building resilience and advantage through innovation during uncertain times.

- Recognized for delivering high-quality environmental, social and governance information to all stakeholders.

- Shareholders votes demonstrated massive support in first Say on Climate motion with 97.67% support.
Certified by the Fair Wage Network for ensuring all employees are **valued and compensated fairly** for their work.

Updated workplace policy **ensures accessibility for all** beyond local requirements.

Joined #WorkingWithCancer pledge to provide a **more supportive, open and recovery-forward** workplace culture.

Provided **clean and reliable access to electricity** to 565 schools, impacting 100,000+ people in eastern rural India.
Schneider Electric celebrates 10 years of sponsoring the Paris Marathon engaging 52,000 runners and 6,700 SE Green Runners

Training women in Turkey in energy management to assist in sustainable reconstruction efforts

Partnering with Brazil's apprentice service Senai to train 74,000 people in 30 schools across 10 states in 5 years

Organized a multiday global event focused on career development for all employees
Local
Q2 2023 Highlights

Contributing to the restoration of Notre Dame Cathedral, preserving both French and world heritage with our expertise and solutions.

Addendum to the "Amrit Kaal: Path to Developed and Decarbonized India" report elaborates how to achieve net-zero emissions by 2047.

Top local publication in China, Southern Weekly, recognized Schneider Electric as a top advocate, practitioner and enabler of sustainability in the country.

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

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

Each year, the SSI performance impacts short-term incentives for the Group’s executives and about 64,000 eligible employees, for 20% of the collective share.
For further inquiries, please reach out to our Investor Relations team here.

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