FY 2023 Report

Sustainability Impact

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

Act for a climate-positive world

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

Be efficient with resources

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

Live up to our principles of trust

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

Create equal opportunities

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

Harness the power of all generations

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

Empower local communities

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

2 guiding principles

#1: Do well to do good and vice versa

- Performance
- Business
- All ESG

#2: Bringing everyone along

- Model and Culture
- All Stakeholders

Supporting Sustainable Development Goals
Q4 2023 Results

6 long-term commitments

**CLIMATE**
1. Grow Schneider Impact revenues*²
   - Baseline: 70%
   - Q4 2023: 74%
   - 2025 Target: 80%
2. Help our customers save and avoid millions of tonnes of CO₂ emissions³
   - Baseline: 263M
   - Q4 2023: 553M
   - 2025 Target: 800M
3. Reduce CO₂ emissions from top 1,000 suppliers’ operations
   - Baseline: 0%
   - Q4 2023: 27%
   - 2025 Target: 50%

**RESOURCES**
4. Increase green material content in our products
   - Baseline: 7%
   - Q4 2023: 29%
   - 2025 Target: 50%
5. Primary and secondary packaging free from single-use plastic, using recycled cardboard
   - Baseline: 13%
   - Q4 2023: 63%
   - 2025 Target: 100%

**TRUST**
6. Strategic suppliers who provide decent work to their employees⁴
   - Baseline: 1%
   - Q4 2023: 21%
   - 2025 Target: 100%
7. Level of confidence of our employees to report unethical conduct⁵
   - Baseline: 81%
   - Q4 2023: +1pt
   - 2025 Target: +10pts

**EQUAL**
8. Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)
   - Baseline: 41/23/24
   - Q4 2023: 41/28/29
   - 2025 Target: 50/40/30
9. Provide access to green electricity to 50M people⁶
   - Baseline: 30M
   - Q4 2023: +16.6M
   - 2025 Target: 50M

**GENERATIONS**
10. Double hiring opportunities for interns, apprentices and fresh graduates²
    - Baseline: 4,939
    - Q4 2023: x1.52
    - 2025 Target: x2.00
11. Train people in energy management⁶
    - Baseline: 281,737
    - Q4 2023: 578,709
    - 2025 Target: 1M

**LOCAL**
+1. Country and Zone Presidents with local commitments that impact their communities
    - Baseline: 0%
    - Q4 2023: 100%
    - 2025 Target: 100%

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*Per Schneider Electric definition and methodology
² 2021 baseline
³ 2019 baseline
⁴ cumulated since 2009
⁵ 2022 baseline
⁶ 2021 baseline
Climate FY 2023 Highlights

Our Zero Carbon Project helped suppliers reduce operational CO₂ emissions by 27%.

Program launched with Intel, Applied Materials, and Google to accelerate decarbonization of the semiconductor value chain.

Schneider Electric ranks in the top position across ESG ratings.

CPHI’s Sustainability Pharma awarded our Energize program for increasing access to renewable energy in the industry.

Our automation and process control solutions drove scaling Brilliant Planet’s algae-based carbon capture for global decarbonization efforts.

A Global 100 Most Sustainable Corporation

Member of Dow Jones Sustainability Indices

In the main ESG indices by Moody’s Analytics

PLATINUM Top 1%
ecovadis Sustainability Rating FEB 2024

Schneider Sustainability Impact 2021-2025

Internal
Partnered with ArcelorMittal on low-carbon steel to further reduce the environmental impact of our products.

Schneider’s Shanghai “Waste-to-Resource” factory eliminated 1.5 tons of hazardous waste in one year.

World Economic Forum (WEF) recognized Schneider Electric’s Hyderabad factory as a Sustainability Lighthouse.

80% of the cardboard in our primary and secondary packaging is recycled cardboard.

Schneider Electric leads in sustainable procurement and innovation.
Recognized as Best Investor Relations in ESG Information Quality award at IRCliff Seminar for the third year in a row.

97.67% of shareholders supported Schneider Electric’s decarbonization plan in the first Say on Climate motion.

Maintained #1 ESCO (Energy Service Company) position in 2023 Guidehouse Insights leaderboard.

Launched the Schneider Sustainability School for partners to support them in their journey to net zero.

Schneider Electric advances ethical business practices.
Equal
FY 2023 Highlights

Increased healthcare access in South Asia and Africa with solar solutions for medical centers serving 1.5 million people.

Certified by the Fair Wage Network for ensuring all employees are valued and compensated fairly for their work.

Featured in 2023 “Best Places to Work for Disability Inclusion” List by Disability:IN, with an increased rating.

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

Schneider Electric supports equality and inclusion for all.
Engaged students to find innovative solutions to reduce carbon emissions with the **UAE Youth Green Challenge**.

Trained **10,000 students** in Vietnam with renewable electricity skills as part of the **Youth Education and Entrepreneurship program**.

19,000+ students from more than 70 countries competed for a more sustainable future with **Bold ideas to Go Green**.

Raised **€40M** for Gaia Energy Impact Fund II, with Gaia Impact and Capital Croissance to support entrepreneurs in decentralized **renewable energy** in Africa.

Schneider Electric ranked among the **most attractive employers**.
Local
FY 2023 Highlights

Collaborated on the Enactus Core Program in Mexico, impacting over 400 universities and 60,000 students to foster entrepreneurial and social innovation skills.

Launched a first-of-its-kind industry collaboration with Compass Datacenters to create over 100 jobs in the U.S. and enable supply chain network integration.

Provided a pathway to accelerate decarbonization in India and the Middle East to support local transformation.

Provided rural electrification solutions to 90,000+ people in North Africa.

Switched our China operations’ corporate fleets to 100% electric vehicles.

Schneider Electric Foundation

Over 100 foundation delegates and local employees mobilized globally for sustainable impact, supporting vocational training and mentoring initiatives, completing 17,000+ volunteering days in 2023.
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 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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