

Schneider Sustainability Impact

2021 – 2025 program
Q2 2021 Report

Life Is On

Schneider
Electric

A few months after the debut of our ambitious 2021-2025 sustainability impact program, the level of **engagement** of our employees, partners and customers is at an all time high, setting a **solid foundation for success**.

Already 91% of our top **suppliers** have registered to “**The Zero Carbon Project**” launched in April to support them in halving their carbon emissions by 2025. With this initiative they will benefit from our unique experience and expertise, trainings, tools and solutions for efficiency and sustainability.

At the same time, our **sustainability consulting** services keep attracting more and more **customers** in need of climate change and supply chain decarbonization advisory services and digital solutions to accelerate their own transformation. Since 2018, Schneider has helped them save and avoid 302 million tons of CO₂ emissions and we can be proud of passing the bar of 10,000 MW **clean energy** managed for our PPA clients.

Internally as well, 100% of our **employees** are undergoing sustainability training, which combined with the fact that 81% of them feel confident in reporting unethical behavior will be a key pillar of **trust and empowerment** we need to deliver on our purpose and our targets.

At local level, progress is also real as we validate **200 local commitments** made by 100% of our Country and Zone Presidents.

The many accolades we received this quarter, from the Energy Star award to Gartner’s top supply chain ranking and employer recognitions only comfort us in our action and **world’s most sustainable corporation** ranking (Corporate Knights 2021).

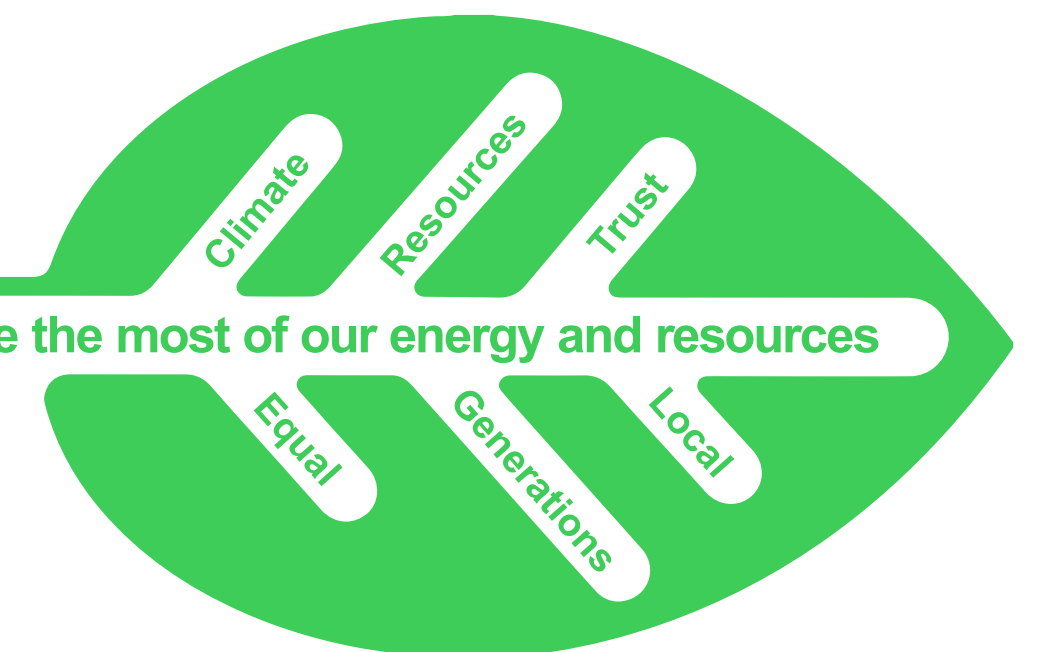
Yet, it is not enough. Our 2030 decarbonization scenarios show that **the world needs 3-5x more effort** to limit global warming to 1.5°C, which is why we need to keep bringing everyone along the journey to a climate positive and inclusive world, do our part and **always go beyond**.



— Olivier Blum
Chief Strategy & Sustainability Officer,
Schneider Electric

Our purpose is to

empower all to make the most of our energy and resources



Most Sustainable Corporations in the World

GLOBAL100



6 long-term commitments



Act for a **climate** positive world

by continuously investing in and developing innovative solutions that deliver immediate and lasting decarbonization in line with our carbon pledge

Be efficient with **resources**

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

Live up to our principles of **trust**

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

Create **equal** opportunities

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

Harness the power of all **generations**

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

Empower **local** communities

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

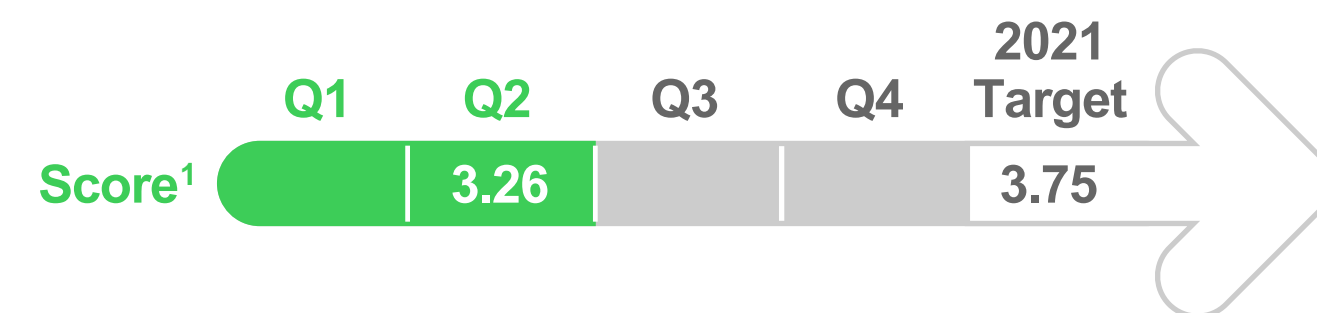


2021–2025

SCHNEIDER

SUSTAINABILITY
IMPACT

Q2 2021 Results



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

CLIMATE



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

Baseline Q2 2021 2025 Target



RESOURCES



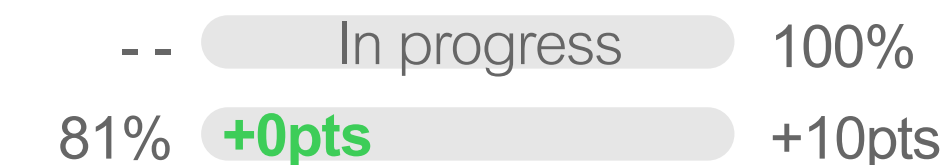
- 4 Increase green material content in our products⁴
- 5 Primary and secondary packaging free from single-use plastic and using recycled cardboard⁴



TRUST



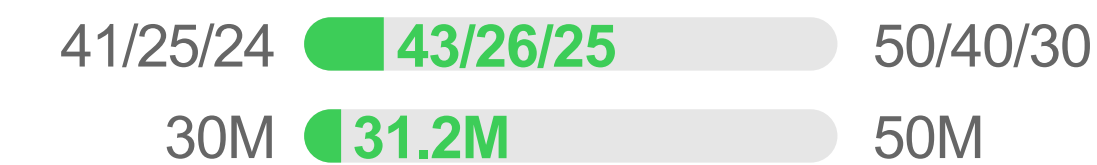
- 6 Strategic suppliers who provide decent work to their employees⁴
- 7 Level of confidence of our employees to report unethical conduct⁵



EQUAL



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



GENERATIONS



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



LOCAL



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



Act for a **climate**
positive world



Accelerating decarbonization
for Roca Group via **our Climate Change Consulting Service**



10,000MW of **clean energy**
secured for our PPA customers



Energy Star Partner of the Year:
Sustained Excellence for the 3rd
consecutive year



Jean-Pascal Tricoire renewed as a
U.N. Global Compact board member for another 3-year term



91% of suppliers signed up for **The Zero Carbon Project**.
Ready to reduce 50% of their emissions by 2025



SM AirSeT switchgear wins
Industrial Energy Efficiency Award at Hannover Messe

Key Impacts

Long-term commitments

Targets for 2021 - 2025

CLIMATE

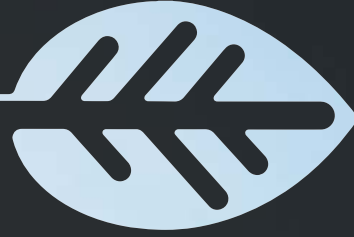


- 1 Grow our green revenues²
- 2 Help our customers save and avoid millions of tons of CO₂ emissions³
- 3 Reduce CO₂ emissions from top 1,000 suppliers' operations⁴

Baseline Q2 2021 2025 Target



Be efficient with resources



Powering 28,000 homes and diverting 300,000 tons of waste from landfills, as the first waste-to-energy plant opens in Sharjah, UAE



4th in Gartner's Top 25 Supply Chain Awards



Best Global Sustainable Supply Chain at GSSC Summit 2021

Highlights



Eliminating single-use plastics from our Home & Distribution packaging and switching to natural packaging








We joined forces with Livelihood Carbon Fund to accelerate and scale up nature-based solutions



Committed to Nature: Our Biodiversity Pledge highlights 5 bold commitments to fight biodiversity loss

Key Impacts

Long-term commitments	Targets for 2021 - 2025	Baseline	Q2 2021	2025 Target
    	4 Increase green material content in our products ⁴	--	In progress	50%
	5 Primary and secondary packaging free from single-use plastic and using recycled cardboard ⁴	--	In progress	100%

Live up to
our principles of
trust

Highlights





Triple recognition in UK and Ireland
demonstrating excellence in safety, health and
environmental impact








**the sustainable
trade initiative**

Pledging for better living wages
with Business For Inclusive Growth



81% of employees feel **confident** in reporting behaviors
against our Principles of Trust

Key Impacts

Long-term commitments	Targets for 2021 - 2025	Baseline	Q2 2021	2025 Target
TRUST     	6 Strategic suppliers who provide decent work to their employees ⁴	--	In progress	100%
	7 Level of confidence of our employees to report unethical conduct ⁵	81%	+0pts	+10pts

Create **equal** opportunities



13,000 Mobiya solar lanterns distributed in Benin, Senegal and Cameroon in partnership with ADEME



Forbes Best Employer in Diversity for Industry in America



Advancing Gender Parity for 3rd consecutive year with our efforts to enable career progression for women in Canada



Microgrids for Greater Good Awards recognizes projects in Kenya and South Australia for their humanitarian and societal benefits



Career Week boosts long-term professional growth for all our employees



WESOP turns 25! As employees celebrate with a **subscription rate of more 60%**

Key Impacts

Long-term commitments

Targets for 2021 - 2025

Baseline

Q2 2021

2025 Target

EQUAL



8 Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)

41/25/24 **43/26/25** 50/40/30

9 Provide access to green electricity to 50M people⁶

30M **31.2M** 50M

Harness the power of all generations



Energizing youth training by strengthening our programs and offering new courses in partnership with CFA, France



One of the most attractive employers in France with professional development and training from Universum



Exploring future careers as 7,000+ students register for 2nd Schneider Global Student Experience



Schneider stands up with 71% Employee Engagement score in OneVoice internal survey



Celebrating Dorothy and Helena for their winning Light Pill idea in our student competition, Go Green 2021



Committed to train 10,000 young adults at the newly created French Southern African Schneider Electric Education Center

Key Impacts

Long-term commitments

Targets for 2021 - 2025

GENERATIONS



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

Baseline Q2 2021 2025 Target

4,939 x1.07 x2.00

281,737 294,017 1M

Empower **local** communities



Schools get **photovoltaic** with devices installed to charge solar lamps in Francophone Africa and Islands



We're upscaling **energy education** with the establishment of vocational training facilities in Myanmar



Showcasing **energy efficiency** in an emblematic **museum of Greece** to raise local awareness on sustainability



Supporting **India** with **emergency relief** from 6,530 contributors via The Schneider Electric Foundation



Safer **electricity access** in **Brazil** for underprivileged households

Key Impacts

Long-term commitments Targets for 2021 - 2025

LOCAL



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

Baseline Q2 2021 2025 Target



Methodological note



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

The SSI provides, on a scoring scale of 10, an overall measure of the Group's progress on its sustainability goals. This is done by converting each KPI's performance on a 10-point scale, considering that base year performance receives a 3/10 score, and the 2025 objective translates in a 10/10 score. For each KPI, the relevant score is obtained by linear interpolation, and rounded down to the second decimal. By construction, the score of an indicator cannot exceed 10/10, and cannot be lower than 0/10. The overall score of the tool is the average of each KPI's score with equal weight (11 Global KPIs, excluding the Local KPI). An external auditor provides a limited assurance on the KPIs of the SSI once a year – including the review of the methodologies and processes used to consolidate the different KPIs.

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

*Note on Q2 2021 results

For the two Resources targets (#4, #5), Schneider Electric is working to increase traceability in the supply chain, as well as identifying and qualifying new sources of supply. This transformation entails deep changes on product and packaging design and procurement contracts. These programs, alongside similar corporate initiatives, will accelerate a deep transformation of the materials industry, with more traceability and rapid growth of green materials.

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

[Learn more](#)

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

Life Is On

