Capital Markets Day 2021
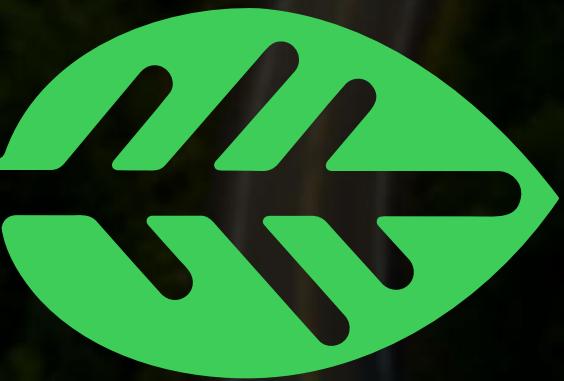
Sustainability as a growth driver

Olivier Blum
Chief Strategy & Sustainability Officer

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We continue to accelerate our commitment to Sustainability

Leading ESG by example
in our ecosystem

Be the **digital partner for Sustainability and Efficiency**
for our customers

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Leading ESG by example in our ecosystem

2021 Most Sustainable Corporations in the World GLOBAL100

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One year ago, we launched our new ESG strategy

6 Long-term Commitments

5 GLOBAL

Act for a **climate** positive world

Be efficient with **resources**

Live up to our Principles of **Trust**

Create **equal** opportunities

Harness the power of all **generations**

+1 LOCAL

Empower **local** communities

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We are committed to address the biggest challenges of our time, Climate change and Social inequality

Environment

Accelerate transition to net zero in line with 1.5°C trajectory (SBTi) and achieve no net biodiversity loss in our operations by 2030
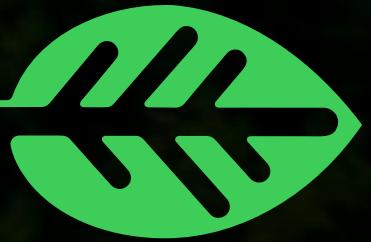
Social

Empower people across generations & regions and offer equal opportunities

Governance

Earn the trust of all stakeholders by living up to our principles

IMPACT
Company

Employees | Investors | Suppliers | Customers & partners | Local communities & institutions

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We are on our way to meet our 2025 ESG targets

2021-2025
SCHNEIDER
SUSTAINABILITY
IMPACT

GLOBAL

CLIMATE

1. Grow our green revenues to 80%[1]
2. Help customers save and avoid 800M metric of tons of CO_2 emissions
3. Reduce by 50% CO_2 emissions from top 1,000 suppliers' operations

RESOURCES

4. Increase to 50% green material content in our products
5. 100% primary and secondary packaging free from single-use plastic and using recycled cardboard

TRUST

6. 100% strategic suppliers who provide decent work to their employees
7. Level of confidence of our employees to report unethical conduct

EQUAL

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

GENERATIONS

10. Double hiring opportunities for interns, apprentices and fresh graduates
11. Train 1M people in energy management

+ LOCAL

100% Country and Zone Presidents with local commitments that impact their communities

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Employees | **Investors** | **Suppliers** | **Customers & partners** | **Local communities & institutions**

1. As per by Schneider Electric definition and methodology

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Our carbon pledge

Carbon-neutral in our entire value chain by 2040

Employees

Carbon neutral

in our operations

2025
IMPACT

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Going beyond the scope

of operations,
we aim to mobilize our
entire ecosystem to act for
a climate positive world

Suppliers
÷2 emissions
of highest emitting 1000 suppliers

Employees
Carbon neutral
in our operations

Customers
800 Mt of CO_2
saved and avoided delivered
through our solutions

2025 IMPACT

Communities
50M people
access to green electricity

1M people
trained in energy management

Investors
80% green revenues[1]
ESG disclosure & compliance

1. As per by Schneider Electric definition and methodology

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Be the **digital partner for Sustainability and Efficiency** for our customers

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Despite challenges, 1.5° target is within reach

We need to **save 3x more** CO_2 emissions **by 2030**

3 Transformations required on the route to net zero **by 2050**

10-15 Gts
CO2 saved/yr

Minimum required savings by 2030 to limit to 1.5° rise

4 Gts
CO2 saved/yr
Current pledged savings, post COP26, by 2030 leading to ~2.4° rise

Back to 2050

- Energy supply decarbonization

45%

- Process Electrification

30%

- Demand Optimization (Efficiency & Circularity)

25%

Source: Schneider Electric ™ Research Institute
Scenario: Back to 2050

% impact of key transformations on decarbonization

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Corporate focus on climate action is rising, but companies are struggling to deliver results

Companies with targets approved by SBTi

X2YoY

Year	Value
2015	12
2016	24
2017	44
2018	96
2019	253
2020	468
2021	1012

ONLY 16% Fortune 500 companies have set targets approved by SBTi (55% engage with Schneider)

Only **7%** of companies are delivering on their Sustainability plan (source: Bain)

COMMON ROADBLOCKS

- Navigating reporting & assessment frameworks
- Tracking data
- Engaging ecosystem
- Structuring program

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Best-in-Class Companies

follow a 3-step approach from strategy setting to execution to deliver results in line with climate ambition

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Our unique value proposition
is to support our customers on climate, from strategy setting to execution

3-step approach

STRATEGIZE

DIGITIZE

DECARBONIZE

Major steps involved

- **MEASURE** enterprise baseline
- **CREATE** decarbonization roadmap
- **STRUCTURE** program & governance
- **COMMUNICATE** commitment

- **MONITOR** resource usage & emissions
- **IDENTIFY** saving opportunities
- **REPORT** and benchmark progress

- **ELECTRIFY** operations
- **REDUCE** energy use
- **REPLACE** energy source
- **ENGAGE** value chain

Schneider Solutions

Consulting
(Agnostic)

Digital Platform & Services
(EcoStruxure Resource Advisor)
(Neo-Network)

SE Solutions + Partner Ecosystem
(Energy efficiency
Electrification / Smart grid
Green Premium products
Services for circularity)

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Step 1: Define climate strategy to meet customer's ambition aligned with Science-Based Targets initiative

STRATEGIZE

MEASURE
enterprise baseline

CREATE
decarbonization roadmap

STRUCTURE
Program & governance

COMMUNICATE
commitment

- Enterprise Data Management Program

- 1.5° trajectory
- Decarbonization levers
- Roadmap & actions

- Strategy
- Governance
- Program Funding

- Internal engagement
- External communication
- ESG Reporting & Disclosures

EQT is First Private Markets Firm to Set Science Based Targets

OCTOBER 14, 2021

- *EQT accelerates its journey to address climate change*

- *Schneider Electric partnered with EQT to develop SBT strategy and roadmap for implementation*

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ROCA GROUP

Customer testimony

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Step 2: Digitize to create
a single source of truth for energy and sustainability data

DIGITIZE

MONITOR
resource usage and emissions

IDENTIFY
saving opportunities

REPORT
and benchmark progress

- Energy usage, resource consumption & emission tracking

- Opportunity assessment for emissions & cost reduction

- Goal progress tracking
- Streamlined ESG reporting
- Peer benchmarking

EcoStruxure™ Resource Advisor

35B
Digitized data points

125M+
Metric tons of CO_2 managed

100k+
Users across 140+ countries

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Customer testimony

Step 3: Execute decarbonization strategy with
4 key levers

DECARBONIZE

ELECTRIFY
operations
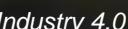
- Mobility
- Industry & Building processes
- Microgrid

REDUCE
energy use

- Digitization
- Efficiency
- Optimization

REPLACE
energy source

- Integrated sourcing
- Renewable energy
- Carbon credits

ENGAGE
value chain

- Supplier Decarbonization
- Circularity
- Design & Build for Sustainability

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Complete portfolio of proven, digitally-enabled solutions
to execute your Decarbonization roadmap

ELECTRIFY	REDUCE	REPLACE	ENGAGE
Operations	**Energy Use**	**Energy Source**	**Value Chain**

Mobility	**Digitization**	**Integrated Sourcing**	**Supplier Chain Decarbonization**
EV Solutions	Power Logic Power Meters / EcoStruxure Power / Home automation Wiser™	Energy Portfolio Management	NEO Network Platform

Industrial & Building Process	**Efficiency**	**Renewable Energy**	**Circularity**
Electricity 4.0 *Industry 4.0* Consulting	AirSet SF6-Free Switchgear / UPS / Altivar Variable Speed Drives	Power Purchase Agreement (PPA)	EcoFIT ™ Retrofit services

Microgrid	**Optimization**	**Carbon Credits**	**Design & Build for Sustainability**
EcoStruxure Microgrid Operation	EcoStruxure Plant & Building Advisor / Unified Operations Center AVEVA	Market Strategy & Advisory	MTWO Construction Cloud Software RIB etap / Plant Design AVEVA

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Helping companies reduce their Scope 3 supply chain emissions
which on average represents > 10x operational emissions[1]

Challenges	Solution

Challenges

- **Large number of diverse suppliers**

- **Lack of visibility of supply chain data**

- **Lack of competence for decarbonization**

Solution

STRATEGIZE
- Define roadmap
- Conduct supplier survey
- Create data plan
- Activate vision

DIGITIZE
- Data collection
- Performance Tracking
- Reporting

DECARBONIZE
- Supplier capacity building
- Renewable energy aggregation
- Energy efficiency
- Carbon credits

1. CDP report

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Practitioner & provider of supply chain decarbonization programs

Sept 2020

Walmart ✦

Gigaton PPA Program

- Avoid 1 Gt GHG emissions
- Renewable PPA aggregation

Feb 2021

Schneider Electric

The Zero Carbon Project

- ÷ by 2 operational emissions of 1000 suppliers
- Supporting implementation of all decarbonization levers

Nov 2021

**Energize**

- Major suppliers of pharma industry
- Design & implement the program

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Customer testimony

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Providing decarbonization services to suppliers through NEO Network platform

Creating a marketplace for decarbonization solutions

Efficiency solutions

Renewable Energy

CO_2 credits

SOLUTION PROVIDERS

neo network

Connecting

BUYERS

Walmart
GPPA program

Schneider Electric
The Zero Carbon Project

Energize

Orchestrated
>3.5 MM tons/yr
CO_2 saved or avoided

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Becoming the preferred partner of corporates at all stages of their Sustainability journey

Sustainability is a strong growth driver for Schneider Electric

2025 ambition[1]

Sustainability Consulting
Agnostic consulting

x4
Consulting revenue

Digital Services
EcoStruxure Resource Advisor™
NEO Network™

+15 GW
Renewable solutions advised upon

Product Portfolio
Energy efficiency
Electrification / Smart grid
Green Premium products
Services for circularity

80%
Green Revenue[2]

>800M tons
of CO_2 saved and avoided
Baseline 2018

STRATEGIZE
DIGITIZE
DECARBONIZE

1. Baseline 2020   2. As per by Schneider Electric definition and methodology

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