



Bridging progress and sustainability for all

2020 – 2021
Sustainability Report

Life Is On

Schneider
Electric

3	Introduction
7	Climate
20	Resources
32	Trust
43	Equal
58	Generations
72	Local
82	Company Overview

Follow us on:



@schneiderelec



A turning point for sustainability



Fifteen years ago, corporate sustainability was a lonely space. Today it is a mainstream priority. We've reached many milestones on our journey — but as we look to the future, we remain focused on going further and faster.



— Jean-Pascal Tricoire
Chairman & Chief Executive Officer
Schneider Electric

Paving the way as the Most Sustainable Corporation

THIS PAST YEAR exposed just how vulnerable we are to unexpected natural events, and made the threat of climate change even more apparent. The good news is that this realization is spurring change: Sustainability has become a global priority across public and private sectors, and with policymakers and individuals alike.

At Schneider, this is not new to us — sustainability has been at the core of our business strategy for the past 15 years. Our recognition as the 2021 World's Most Sustainable Corporation by Corporate Knights is a testament to the dedication of everyone who has joined us on this journey.

CONTINUED ON PAGE 4



CONTINUED FROM PAGE 3

Accelerating our sustainability efforts

Our long-standing belief is that sustainability cannot be a one-off commitment. That's why we reinforce our environmental, social, and governance commitments every three years, completing our latest set of goals with the 2018 – 2020 Schneider Sustainability Impact program. Even through the trying times brought by the COVID-19 crisis, we remained focused and performed above expected levels.

But our next step is our most ambitious yet. The 2021 – 2025 Schneider Sustainability

Impact program introduces six long-term commitments set against the United Nations Sustainable Development Goals to accelerate us toward a more sustainable future. Taking a broader view on sustainability, our new goals will include empowering local teams to address solutions within their communities and harnessing the power of all generations.

Our journey to date has seen meaningful progress, but with the urgency of climate change and the need to create a more inclusive world, we must all do more.

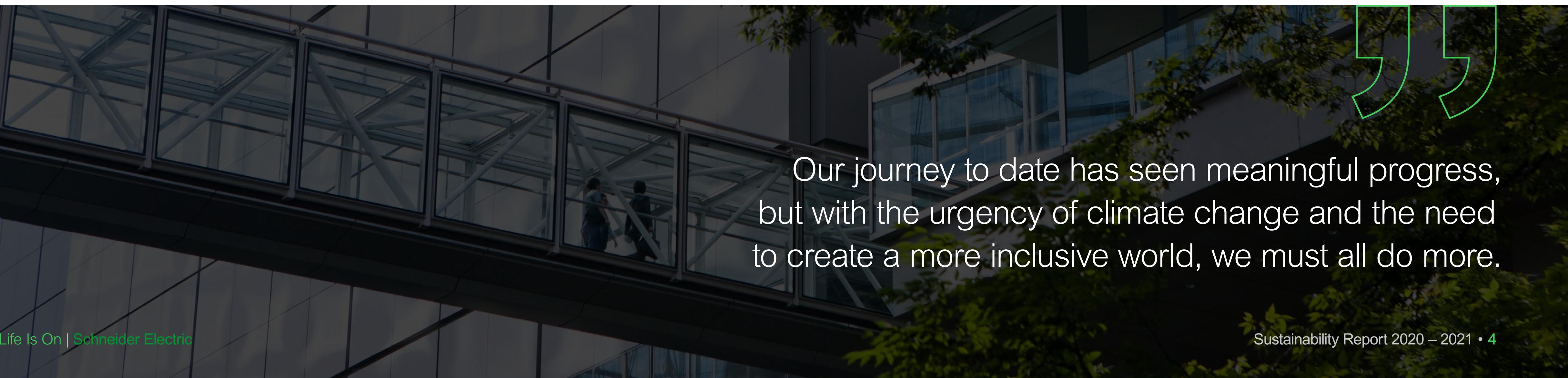
Concrete actions for change

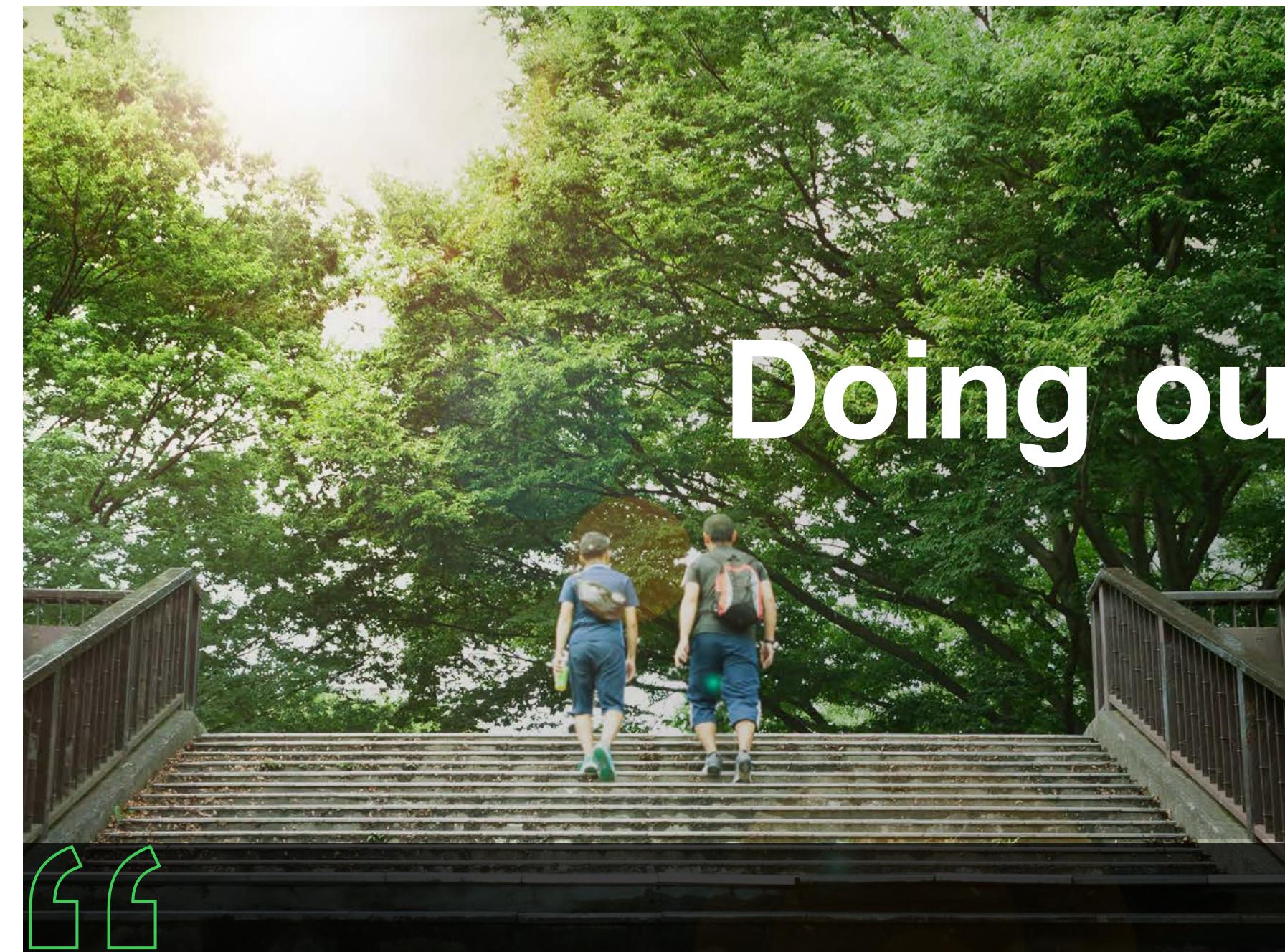
Two disruptions — digitalization and electrification — can address climate change and protect our planet's future. At Schneider, they are at the heart of our strategy. We create technologies and solutions to advance a more efficient, sustainable, resilient, and inclusive world for all. We work with customers, partners, governments, and suppliers to deploy these solutions and create a low-carbon future.

The capacity to create a better future, one that bridges sustainability and progress for

all, exists today. And we remain committed to raising the bar for ourselves, our customers and partners, and the communities around us.

Whether we're facing crisis or calm, 2020 has taught us that when we work together, we're stronger for it. That's what we're here to do: be the digital partner for sustainability and efficiency.

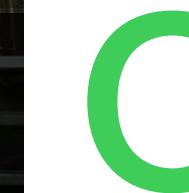


 **SUSTAINABLE DEVELOPMENT GOALS**

Business has to play a very important role to deliver value to the society. The 17 SDGs are the agreed roadmap for companies to do good and to do well in the long term ... I encourage companies to consider the 17 SDGs as a coherent global framework to stimulate their ambition further."

— Sandra Ojiambo
CEO & Executive Director
U.N. Global Compact

Doing our part to advance the U.N. SDGs

 **OUR SCHNEIDER** Sustainability Impact is a scorecard demonstrating that rapid, disruptive changes for a more sustainable world are possible across diverse, complex topics. We are committed to taking urgent action to co-create a brighter future aligned with the United Nations Sustainable Development Goals (SDGs), consisting of 17 objectives and measuring our impact with transparency. The SDGs are about protecting the planet, alleviating poverty, and achieving worldwide peace and justice.

Since 2005, we have updated our SSI every three years. By tracking our sustainability performance and publishing quarterly results, we uphold our commitments to the SDGs and industry leadership in corporate social responsibility. Beyond our SSI, we also instill a culture around sustainability through performance incentives for employees and leadership.



2018 – 2020

SCHNEIDER
SUSTAINABILITY
IMPACT

Results as of Q4 2020

		Beginning 01/2018	Results Q4 2020	Target End 2020
Our megatrends and SDGs	Our 21 goals, 2018 – 2020	Overall score out of 10		
CLIMATE	1. Renewable electricity 2. CO ₂ efficiency in transportation 3. Million metric tons CO ₂ saved on our customers' end thanks to EcoStruxure™ offers 4. Increase in turnover for our EcoStruxure Energy & Sustainability Services	3	9.32	9
CIRCULAR ECONOMY	5. Sales under our new Green Premium™ program 6. Sites labeled toward zero waste to landfill 7. Cardboard and pallets for transport packing from recycled or certified sources 8. Metric tons of avoided primary resource consumption through ECOFIT™, recycling, and take-back programs	30.5% 140 50% —	76.7% 206 99% 157,588	75% 200 100% 120,000
HEALTH & EQUITY	9. Scored in our Employee Engagement Index 10. Medical incidents per million hours worked 11. Employees have access to a comprehensive well-being at work program 12. Employees are working in countries that have fully deployed our Family Leave policy 13. Workers received 15 hours of learning in the year with 30% digital learning 14. White-collar workers have individual development plans 15. Employees are working in a country with commitment and process in place to achieve gender pay equity	65% 1.15 13% — — 32% 89%	69% 0.58 90% 100% 90% 92% 99.6%	70% 0.88 90% 100% 100% 90% 95%
ETHICS	16. Increase in average score of ISO 26000 assessment for our strategic suppliers 17. Suppliers under Human Rights & Environment vigilance received specific on-site assessment 18. Sales, procurement, and finance employees trained every year on anti-corruption	— — —	+6.3 pts 374 94%	+5.5 pts 350 100%
DEVELOPMENT	19. Turnover of our Access to Energy program 20. Underprivileged people trained in energy management 21. Volunteering days thanks to our VolunteerIn global platform	— 148,145 —	x1.64 281,737 18,469	x4 400,000 15,000

The arrow shows if the indicator has risen, stayed the same, or fallen compared to the previous quarter.

The color shows if the indicator is above or below the objective of 5/10.



We 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.



An accelerated climate commitment

As the world contends with the pandemic, we must also confront the greatest challenge of the 21st century: the ongoing climate emergency.



WITH THE EFFECTS of climate change becoming more material, industries, communities, and governments are increasingly taking action. More businesses and policymakers worldwide are ramping up their decarbonization efforts as they realize that climate-sensitive policy is the only path forward.

Schneider Electric has been a leading contributor to the fight against climate change for the past 15 years, and our dual emphasis on electrification and digitalization fuels our progress. We deliver solutions for homes, buildings, data centers, industries, and infrastructure that allow us to share the energy and resources of our planet while pursuing a future that's sustainable, efficient, and resilient.



Climate-positive ambitions

We'll become carbon neutral in our operations

by 2025.

We're on track to meet our validated 1.5 °C science-based target

by 2030.

We've assigned a bold carbon neutrality target to our end-to-end value chain: All our products will be carbon neutral

by 2040.

We're engaging with suppliers toward a net-zero supply chain

by 2050.



Decarbonizing faster, together

Sustainability is a must for everyone, and an opportunity to build resilience and efficiency into the future.

EVERY DAY, we join our customers and partners on their own decarbonization journeys, delivering digital solutions that help them realize their ambitious efficiency and sustainability goals.

STMicroelectronics, a global leader in semiconductor technology, enlisted our expertise to achieve carbon neutrality by 2027. In a three-pronged strategy, we'll:

- Reduce ST's overall energy use in its manufacturing and design sites
- Help procure 100% renewable energy
- Implement appropriate carbon capture/sequestration solutions

Over a thousand global companies¹ like ST are committed to real climate progress through the Science Based Targets initiative. By building on the strength of our expertise in Energy & Sustainability Services (ESS), and by leveraging our digital innovation in Energy Management and Industrial Automation, we're able to provide unique insight and support for stronger sustainability performance.

¹ Companies taking action, Science Based Targets, 2021



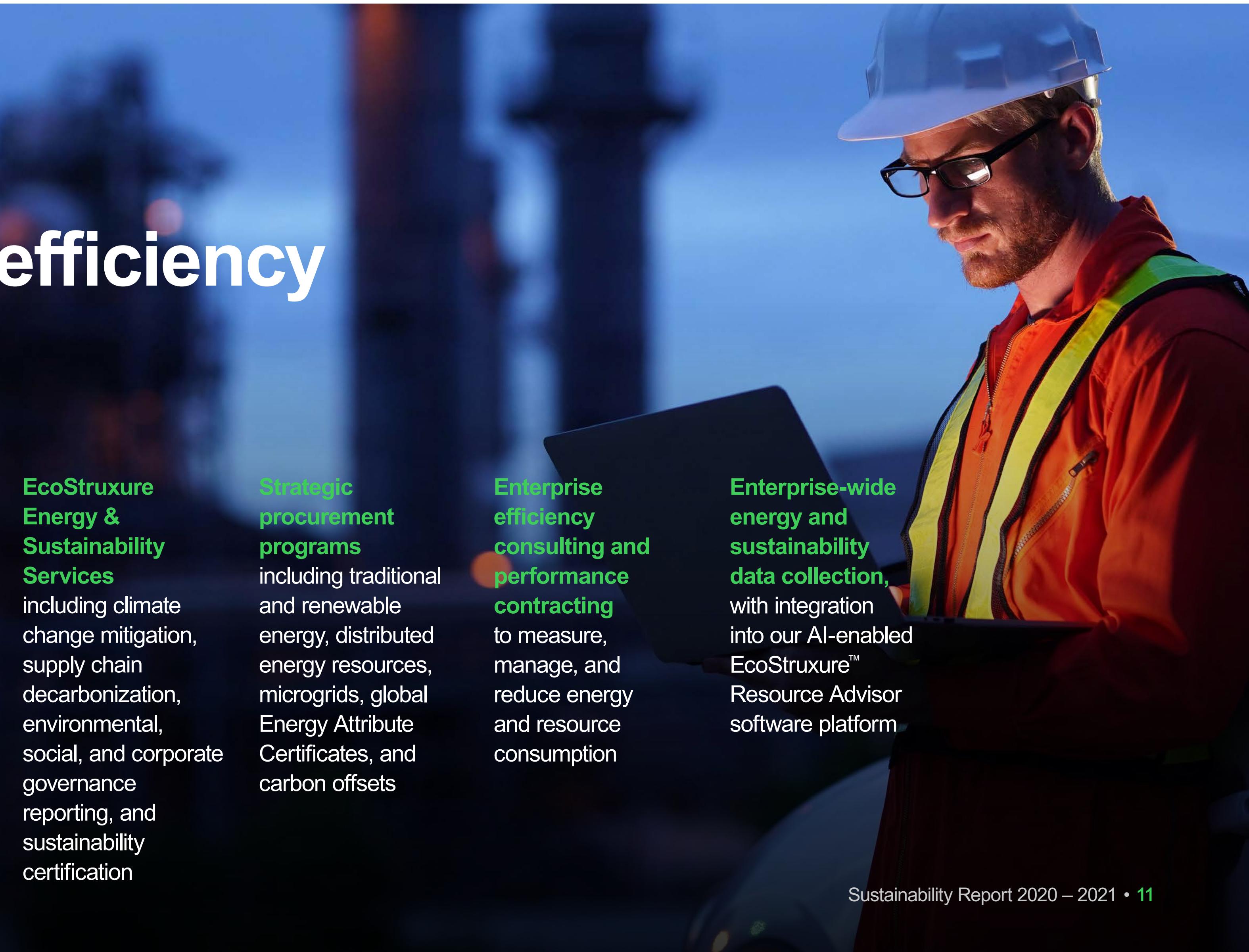
Schneider's support will be instrumental in reaching our own sustainability targets and in the joint development of technology, products, and solutions that can benefit the industries we work with and, ultimately, society as a whole."

— Jean-Marc Chery
President and CEO
STMicroelectronics



Transforming energy efficiency

In line with the acceleration of our sustainability strategy, our Sustainability Business division (announced at the end of 2020) helps our customers advance faster and further on their own sustainable transformation journey through:



EcoStruxure Energy & Sustainability Services

including climate change mitigation, supply chain decarbonization, environmental, social, and corporate governance reporting, and sustainability certification

Strategic procurement programs

including traditional and renewable energy, distributed energy resources, microgrids, global Energy Attribute Certificates, and carbon offsets

Enterprise efficiency consulting and performance contracting

to measure, manage, and reduce energy and resource consumption

Enterprise-wide energy and sustainability data collection,

with integration into our AI-enabled EcoStruxure™ Resource Advisor software platform



2020 highlights



Acclaimed by Corporate Knights as the
World's Most Sustainable Corporation



Ranked on the CDP's
"A-list" for the 10th
consecutive year

THE Paris...
CLIMATE 10 years
PLEDGE Early

Joined the **Climate Pledge Coalition**



Partnered with the
Solar Impulse
Foundation

Ranked 1st
in our sector



RE100

Distinguished as the
2020 Clean Energy
Trailblazer in the Climate
Group's inaugural RE100
Leadership Awards

RE100 Leadership Awards:
Building One-Planet Prosperity Through Renewables
Told by Schneider Electric Employees

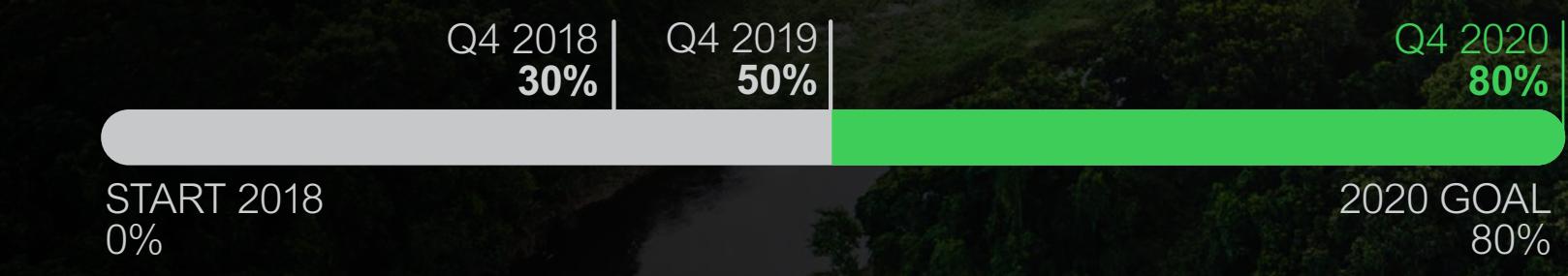
We decarbonize from the inside out, while supporting our customers
and communities with proven solutions. See how.



As we embark on the next phase of our SSI (2021 – 2025), our progress over the past few years is the foundation on which we build success. Here's how we improved our

Climate goals

Impact #1: 80% renewable electricity



Impact #2: 10% CO₂ efficiency in transportation



Impact #3: 120 million metric tons of CO₂ saved on our customers' end through our offers



Impact #4: 25% increased turnover for our EcoStruxure Energy & Sustainability Services





Our contributions to the SDGs

We continuously invest in and develop **climate**-positive solutions that deliver immediate, lasting decarbonization in the following ways.

SUSTAINABLE DEVELOPMENT GOALS





Ensure access to affordable, reliable, sustainable, and modern energy for all

Our targets by 2025

Key impacts

- Grow our green revenues to 80%
- Deliver 800 million tons of saved and avoided CO₂ emissions to our customers
- Provide 50 million people with access to green electricity

Essentials

- 15% energy efficiency in our sites
- 90% of electricity sourced from renewables

*RE100 is a corporate leadership initiative led by The Climate Group and CDP that seeks to establish zero-emissions grids globally.

**EP100 is a joint effort between The Climate Group and the Alliance to Save Energy that challenges corporations to continuously maximize their energy productivity.

Our targets by 2030

- More than 80 million people in underserved areas will have access to energy with low-carbon solutions
- Switch to 100% renewable electricity (RE100*)
- Double energy productivity vs. 2005 (EP100**)



WE HELP PEOPLE in underserved areas gain access to reliable electricity through our Access to Energy program. To date, we have **provided energy access solutions to more than 30 million people in the world**. In Nigeria, for instance, Schneider Electric supplied a **solar**



The Gigaton PPA Program is the kind of innovation-in-action needed to help our suppliers take the next step towards low-carbon emissions, helping to build a more sustainable future for our communities. Through Schneider Electric's work with our suppliers, the program aims to democratize access to renewable energy, and accelerate its use with our supplier base."

— Zach Freeze
Senior Director, Sustainability
Walmart

mini grid and power storage to make sure that the COVID-19 isolation facility of the Eleme General Hospital in Rivers State had a **reliable system** to provide uninterrupted power supply to its medical equipment.

Solutions for clean, reliable, and efficient energy consumption

Our active energy efficiency solutions focus on optimizing the entire energy cycle using products, systems, services, and software:

- EcoStruxure allows companies and utilities to **reduce energy consumption up to 30%**.
- Energy & Sustainability Services (ESS) help the world's leading companies develop sustainable energy procurement programs. In September 2020, for example, Walmart Inc. and Schneider Electric launched a **new collaboration through the Gigaton Power Purchase Agreement program**.

This program provides increased access to renewable electricity for Walmart suppliers in the U.S.

* Based on previous data, 2020. This is not a guarantee of future performance or performance in your particular circumstances.

2020 achievements

x1.64

turnover of our Access to Energy program

17.6%

increase in turnover for our EcoStruxure Energy & Sustainability Services

10.3%

energy efficiency (vs. 2017)

80%

renewable electricity



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

Our targets by 2025

Key impacts

- Grow our green revenues to 80%
- Deliver 800 million tons of saved and avoided CO₂ emissions to our customers

Essentials

- 150 zero-CO₂ sites
- 100% substitution with SF₆-free medium voltage technologies
- 80% of product revenues covered by the Green Premium program

Our targets by 2030

- Eliminate SF₆ from our products
- Net-zero operational emissions and reduction of scope 3 emissions by 35% (vs. 2017)



WE USE OUR SITES to showcase the optimized efficiency our offers deliver. In September 2020, our Lexington facility was designated a Fourth Industrial Revolution Advanced Lighthouse by the World Economic Forum. The more than 60-year-old facility was the first of our U.S. plants to become a smart factory showcase site, leveraging the power of EcoStruxure to deliver energy savings.

Fostering Innovation At Every Level

We cultivate environments, processes, and partnerships that inform our future success:

- **Schneider Electric Exchange** is a diverse ecosystem built to foster collaboration and innovation with our partners.



The more than 60-year old Lexington facility was the first of Schneider Electric's U.S. plants to become a Smart Factory showcase site. See how.

- Our **Innovation at the Edge** program facilitates investments, incubations, and partnerships with other companies in AI, IoT, cybersecurity, distributed energy resources, and more.

- In 2020 we launched a bold innovation for the climate: our new **SF₆-free switchgear**.
- Our Product Stewardship team provides **innovative green offers, such as the Green Premium program and our EcoDesign Way™**, an internal approach we embed in the offer creation process to create environmentally conscious products at every stage of their lifecycle.

2020 achievements

77%
of sales under the
Green Premium
program

0.14%
SF₆ leaks in our
manufacturing
process

5 smart factories
designated as
“lighthouses of the
fourth industrial
revolution” by the
World Economic
Forum



Make cities inclusive, safe, resilient, and sustainable

Our targets by 2025

Key impacts

- Deliver 800 million tons of saved and avoided CO₂ emissions to our customers
- 100% of our primary and secondary packaging is free of single-use plastic and uses recycled cardboard

Essentials

- 150 zero-CO₂ sites
- 15% CO₂ efficiency in transportation
- One-third of our corporate vehicle fleet comprised of electric vehicles

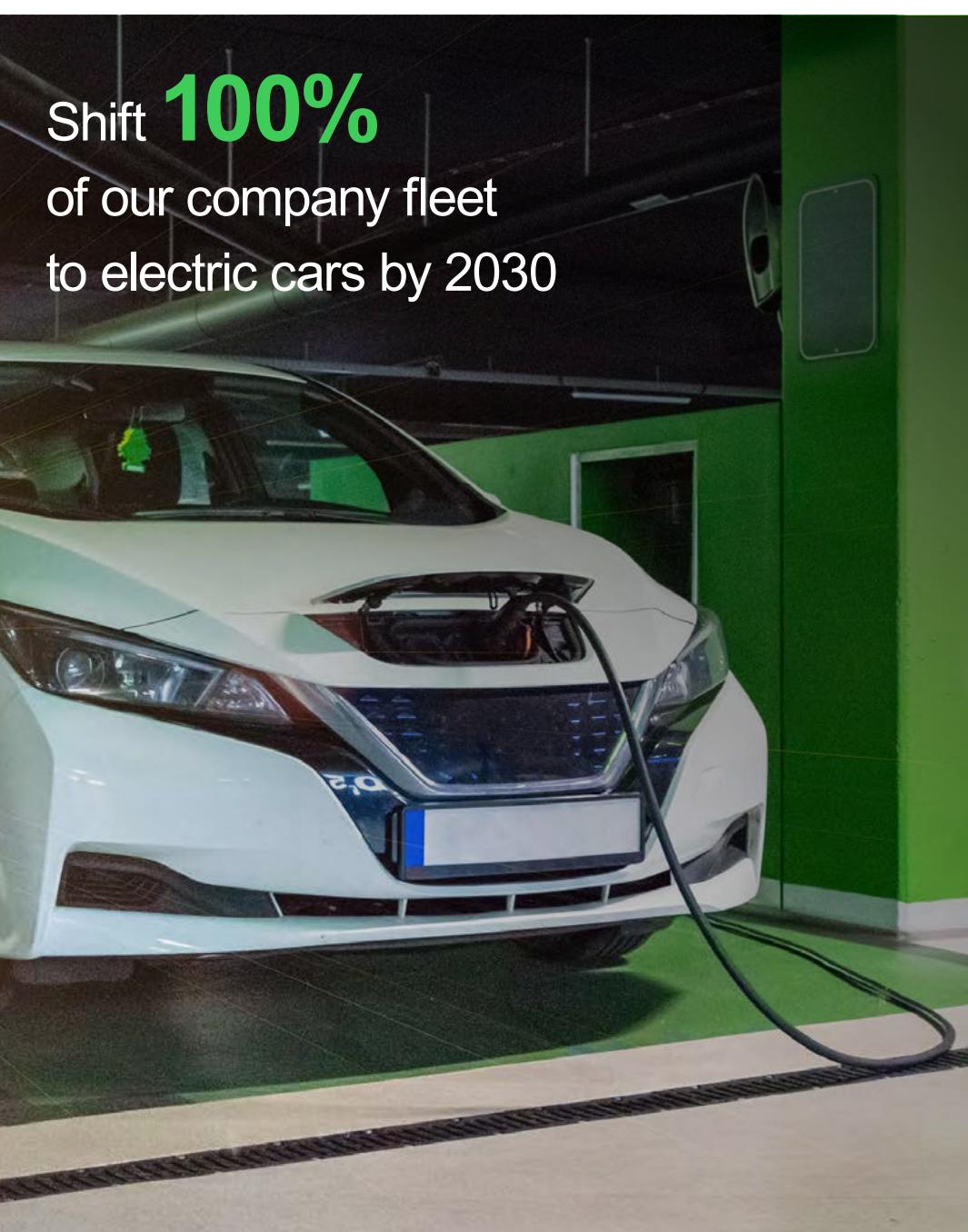
***EV100 is The Climate Group's global initiative to make electric vehicles the primary mode of transport worldwide by 2030.

Our targets by 2030

- Shift 100% of our company fleet to electric cars (EV100***)



WE MAKE OUR global commitments local realities. In Europe and U.S., the Schneider Electric Foundation supports the implementation of actions that target households faced with energy poverty. **More than 6,300 families have been supported in 2020.** We have also developed the EcoXpert™ Partner Program — a global community of Schneider-trained and certified consultant engineers that provide



local expertise in building automation, power solutions, and energy efficiency. We also promote sustainable transportation systems with CO₂-efficient freight and electric mobility.

Solutions for safe and sustainable cities

We're building smarter homes with efficient, integrated solutions designed to minimize energy consumption and carbon emissions:

- Our **Wiser™ home management system measures, controls, and monitors home energy usage** — energy that can power our next-generation home heating solutions and EV recharging infrastructure
- Building management systems (BMS) control, monitor, and optimize performance for improved comfort, productivity, and savings. From 2018 to 2020, Schneider's **BMS sales enabled customers to save 7.9 million tons of CO₂ emissions**

These offers, combined with our EcoStruxure solutions and EcoDesign products, deliver best-in-class environmental performance for our own buildings, factories, and distribution centers.

2020 achievements

8.4%
CO₂ efficiency in transportation

134
million metric tons of CO₂ saved on our customers' end through our offers



Take urgent action to combat climate change and its impacts

Our targets by 2025

Key impacts

- Grow our green revenues to 80%
- Deliver 800 million tons of saved and avoided CO₂ emissions to our customers
- Reduce CO₂ emissions from our top 1,000 suppliers' operations by 50%

Essentials

- 15% CO₂ efficiency in transportation
- 90% of electricity sourced from renewables
- 150 zero-CO₂ sites
- 100% substitution with SF6-free medium voltage technologies
- 15% energy efficiency in our sites
- One-third of corporate vehicle fleet comprised of electric vehicles

Our targets by 2030

- Net-zero operational emissions and reduction of scope 3 emissions by 35% (vs. 2017)
- Switch to 100% renewable electricity (RE100*)
- Double energy productivity vs. 2005 (EP100**)
- Shift 100% of its company fleet to electric cars (EV100***).
- Work towards our long-term climate objectives: become carbon neutral in our end-to-end footprint by 2040 and engage with suppliers toward a net-zero CO₂ supply chain by 2050



X

CLOSE

WE'RE DECARBONIZING OUR operations and reducing our resource consumption by phasing out SF₆ in products, working toward 100% renewable electricity, doubling energy productivity, reducing emissions from our freight and logistics activities, and transitioning to an all-electric company vehicle fleet. Additionally, we're taking concrete action to reduce purchasing-related CO₂ emissions, specifically by substituting materials



embedded in products and by **engaging our strategic suppliers on a net-zero CO₂ journey.**

Positive CO₂ impact solutions

We recognize our responsibility in crafting a sustainable future for our planet. With EcoStruxure, our IoT-enabled architecture, we help infrastructure, industries, data centers, homes, and buildings operate more efficiently while reducing CO₂ emissions. We also support millions of people worldwide by improving access to clean energy.

- Our EcoStruxure offers have **helped our customers save 134 million metric tons of CO₂ since 2018**
- **We reduced CO₂ emissions by 59% in 2020 vs. our 2017 baseline**, which is an absolute reduction of more than 410,000 tons of CO₂

*RE100 is a corporate leadership initiative led by The Climate Group and CDP that seeks to establish zero-emissions grids globally.

**EP100 is a joint effort between The Climate Group and the Alliance to Save Energy that challenges corporations to continuously maximize their energy productivity.

2020 achievements

8.4%
CO₂ efficiency in transportation

80%
renewable electricity

40%
energy efficiency since 2010

30
zero-CO₂ sites

134
million metric tons of CO₂ saved on our customers' end through our offers



17 PARTNERSHIPS
FOR THE GOALS



Our targets by 2025

Key impacts

- Grow our green revenues to 80%
- Deliver 800 million tons of saved and avoided CO₂ emissions to our customers
- Reduce CO₂ emissions from top 1,000 suppliers' operations by 50%

Essentials

- 90% of electricity sourced from renewables

*RE100 is a corporate leadership initiative led by The Climate Group and CDP that seeks to establish zero-emissions grids globally.

**EP100 is a joint effort between The Climate Group and the Alliance to Save Energy that challenges corporations to continuously maximize their energy productivity.

***EV100 is The Climate Group's global initiative to make electric vehicles the primary mode of transport worldwide by 2030.



Our targets by 2030

- Engage actively with sustainable business initiatives such as the U.N. Global Compact
- Net-zero operational emissions and reduction of scope 3 emissions by 35% (vs. 2017)
- Switch to 100% renewable electricity (RE100*)
- Double energy productivity (vs. 2005) (EP100**) (vs. 2005) (EP100**)

THROUGHOUT 2020, we helped keep climate action an important topic of discussion whenever industry or policy leaders convened. Eight of our solutions obtained the Solar Impulse Efficient Solutions Label, which recognizes technological solutions that protect the environment in a financially profitable way.

We've proudly affirmed our stance by joining global initiatives focused on climate action, including:

- We Mean Business (RE100*, EP100**, and EV100***)
- The U.N.'s Business Ambition for 1.5 °C: Our Only Future
- Global Compact LEAD "Pathways to Low-carbon and Resilient Development" initiative
- The Carbon Pricing Leadership Coalition
- The Science Based Targets initiative
- The Climate Pledge, a jointly created initiative between Global Optimism and Amazon
- The "CEO Alliance for Europe's Recovery, Reform and Resilience"

WE MEAN BUSINESS

BUSINESS AMBITION FOR 1.5°C OUR ONLY FUTURE



THE Paris...
CLIMATE 10 years
PLEDGE Early

2020 achievements

72%
green revenues

134
million metric tons
of CO₂ saved on
our customers' end
through our offers

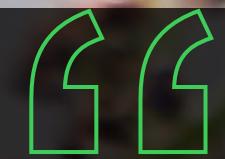


We are efficient with resources

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

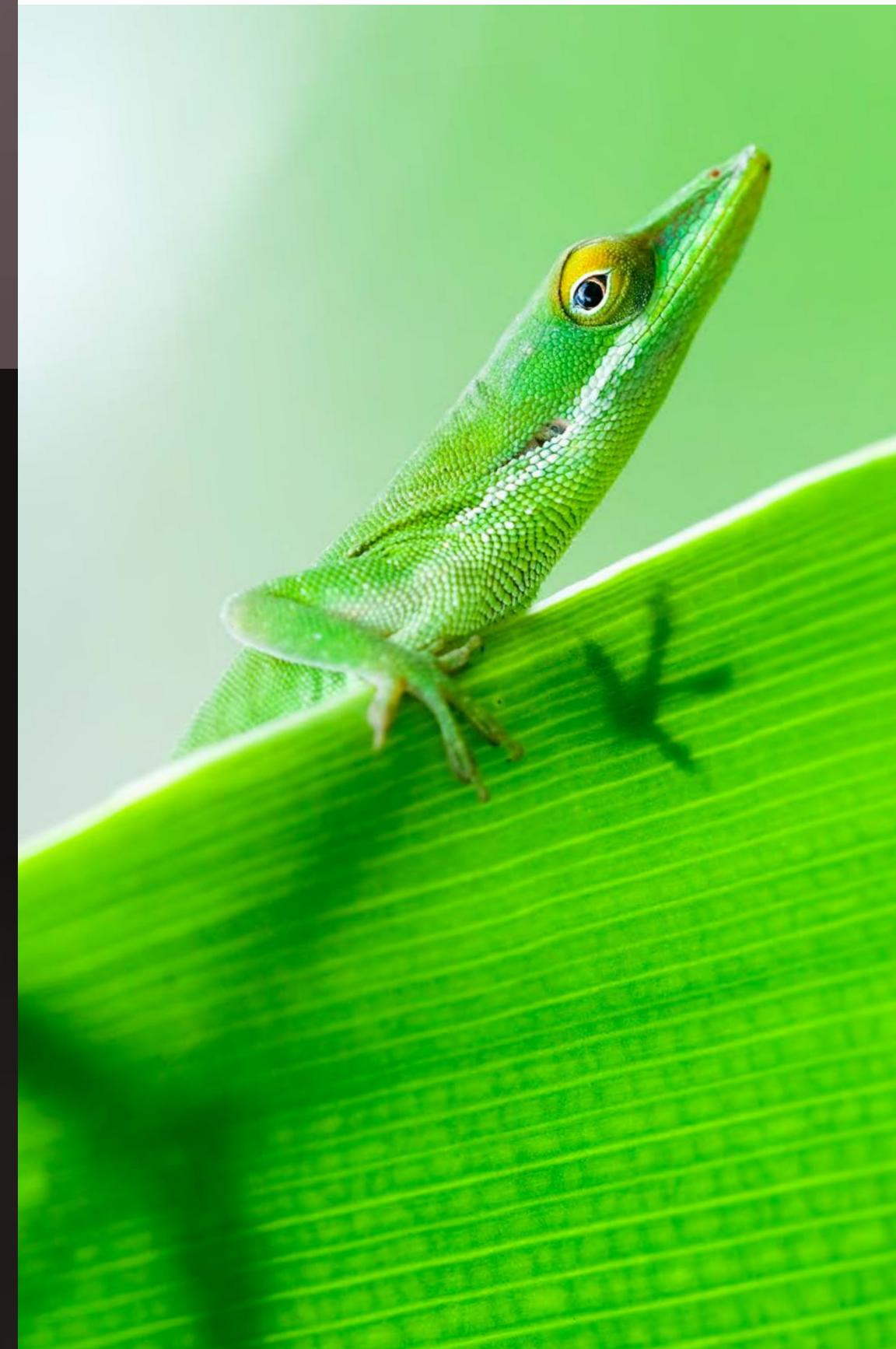


An accelerated biodiversity strategy



Protecting biodiversity means sustainably using resources and living within our planet's boundaries. To keep a livable planet, companies need to measure their impacts and build new business models. We are proud to have completed the Schneider Electric biodiversity footprint assessment with the Global Biodiversity Score. We hope that this work will be a source of inspiration for many companies."

— Marc Abadie
CEO
CDC Biodiversité



Circular practices that are centered on products using fewer natural resources help protect our planet.

CIRCULARITY IS PART of our business model, and now, we're expanding our environmental commitments to integrate biodiversity — a call to action to combat the accelerating species loss and degradation of the natural world.

In 2020, Schneider became the first company to publish its end-to-end biodiversity footprint using the new Global Biodiversity Score (GBS[®]) tool from CDC Biodiversité. By measuring and sharing our results, we're calling for all companies to adopt ambitious biodiversity strategies, leveraging best practices from climate science-based targets.

As the 15th meeting of the Conference of the Parties (COP 15) in October 2021 is expected to raise the global ambition on biodiversity toward no net loss, we have committed to no net biodiversity loss in our direct operations by 2030. To strengthen this goal, we'll continue to align our policies with companies on the forefront of nature conservation.



Advancing a more circular economy

Circularity promotes resource frugality to protect the planet while driving innovation and adding customer value. Schneider continues to adopt low-impact practices and innovate resource-efficiency enabling technology.

Our existing circular commitments have a positive effect on the preservation of biodiversity.

To advance our goals, our action plan includes circular offers with minimal environmental harm by:



Reducing
the use of raw
materials

Reusing
or increasing,
when possible, the
share of recycled
raw materials

Repairing
by offering
maintenance and
modernization
services for certain
ranges of our
products

Recycling
via the services we
offer in the end-of-life
phase of products



Green Premium and ECOFIT

We're serious about sustainability.
Green Premium™ and ECOFIT™ are two ways we show our commitment to a greener future.



Our Green Premium products, services, and solutions are built with sustainability in mind. Offering superior energy efficiency, they help our customers leave a positive impact on the environment by reducing carbon emissions.

Green Premium

Our Green Premium program stands for our commitment to deliver sustainable products and solutions to customers worldwide. In 2020, the main objectives were to:

- Sustain compliance with the latest regulations
- Develop new circular and resource performance-differentiating claims
- Prepare the digitization of environmental information, especially toward the Substances of Concern in Products (SCIP) Database for declaration
- Expand the environmental value propositions for our customers

We've also embedded new circular value propositions — like the "take-back" claim — into the program. For example, customers who purchase one of our APC Uninterruptible Power Supplies (UPSs) have access to complimentary recycling when the product's battery reaches end-of-life, resulting in 8,000 tons of batteries collected globally for recycling in 2020.

ECOFIT

Through ECOFIT, recycling, and take-back programs, by 2020 we avoided 157,000 metric tons of primary resource consumption, surpassing our 2020 target by almost 40,000 metric tons.

Schneider Electric helped ArcelorMittal prolong the lifespan of its equipment by refurbishing MV switchgears and dry-type transformers in addition to responsibly recycling oil transformers with EcoStruxure.

157,000

metric tons of primary resource consumption avoided in 2020



2020 highlights

How the world's leader in steel cut costs and CO₂ with EcoStruxure
ArcelorMittal sustainably modernized the electrical system in its Belval facility with the help of EcoStruxure for Metals.



**Schneider
Circular
Certified**

**THE
CIRCULARS
ACCELERATOR**

In 2020, we **launched the new Schneider Electric Circular Certified label**, dedicated to the sale and promotion of products from the circular economy in France.

Schneider is partnering in the **Circulars Accelerator program with Accenture** to develop circular solutions and connect with early to growth-stage entrepreneurs to boost the circular economy.

 **EUROPEAN
PLASTICS
PACT**

Schneider became one of few industrial sector companies included in the **European Plastics Pact by committing to double the amount of recycled plastics** we use in our products by 2025.



As we embark on the next phase of our SSI (2021 – 2025), our progress over the past few years is the foundation on which we build success. Here's how we've improved our

Circular economy goals





Our contributions to the SDGs

We are responsible with our use of **resources** and make the most of digital technology to preserve our planet in the following ways.

SUSTAINABLE DEVELOPMENT GOALS





Ensure access to water and sanitation for all

Our targets by 2025

Essentials

- 100% of sites with local biodiversity conservation and restoration programs
- 420,000 metric tons of avoided primary resource consumption through ‘take-back at end-of-use’ since 2017
- 100% of sites in water-stressed areas have a water conservation strategy and related action plan



WE TAKE GREAT CARE in ensuring our operations don't impact biodiversity and water quality. Our strategy of promoting circular principles allows us to avoid waste, CO₂ emissions, and resource consumption while our solutions address individual and community needs across the energy chain.



- Our Villaya solar water pump provides off-grid communities with drinking water; since 2012, these systems have been installed across India and Africa.
- EcoStruxure helps customers relying on water for industrial applications to **enhance key processes for a smarter, more responsible water cycle**.
- We're transparent in our consumption, providing details of water usage per source, including public networks; groundwater; surface water; rainwater; and recycled water.
- In 2020, we earned an **A- rating by CDP for water security** for the third year.

2020 achievements

-29.6%
water consumption intensity

90%
of applicable sites certified with ISO 14001, ISO 50001, and ISO 45001



Ensure access to affordable, reliable, sustainable and modern energy for all

Our targets by 2025

Key impacts

- Grow our green revenues to 80%
- Deliver 800 million tons of saved and avoided CO₂ emissions to our customers
- Provide 50 million people with access to green electricity

Essentials

- 15% energy efficiency in our sites
- 90% of electricity sourced from renewables

Our targets by 2030

- More than 80 million people in underserved areas will have access to energy with low-carbon solutions
- Double energy productivity vs. 2005 (EP100)
- 100% renewable electricity (RE100)



WE HELP PEOPLE in underserved areas gain access to reliable electricity through our **Access to Energy program**. To date, we have provided energy access solutions to more than 30 million people. In Nigeria, for instance, Schneider supplied a **solar mini-grid and power storage** to ensure the **COVID-19 isolation facility** of the **Eleme General Hospital** in Rivers State had a **reliable system** to provide uninterrupted power supply to its medical equipment.

Solutions for clean, reliable, and efficient energy consumption

Our active energy efficiency solutions focus on optimizing the entire energy cycle using products, systems, services, and software:



- EcoStruxure Energy & Sustainability Services (ESS) allows companies and utilities to **reduce energy consumption by up to 30%**.
- ESS helps the world's leading companies develop sustainable energy procurement programs. In September 2020, for example, **Walmart Inc.** and **Schneider Electric** launched a new collaboration through the **Gigaton Power Purchase Agreement program**. This program provides increased access to renewable electricity for Walmart suppliers in the U.S.

* Based on previous data, 2020. This is not a guarantee of future performance or performance in your particular circumstances.

2020 achievements

x1.64

turnover of our Access to Energy program

17.6%

increase in turnover for our EcoStruxure Energy & Sustainability Services

10.3%

energy efficiency (vs. 2017)

80%

renewable electricity



Ensure sustainable consumption and production patterns

Our targets by 2025

Key impacts

- Grow our green revenues to 80%
- Deliver 800 million tons of saved and avoided CO₂ emissions to our customers
- Reduce CO₂ emissions from top 1000 suppliers' operations by 50%
- Increase green material content in our products to 50%
- 100% of our primary and secondary packaging is free from single-use plastic and uses recycled cardboard

Essentials

- 90% of electricity sourced from renewables
- 200 Waste-to-Resources sites

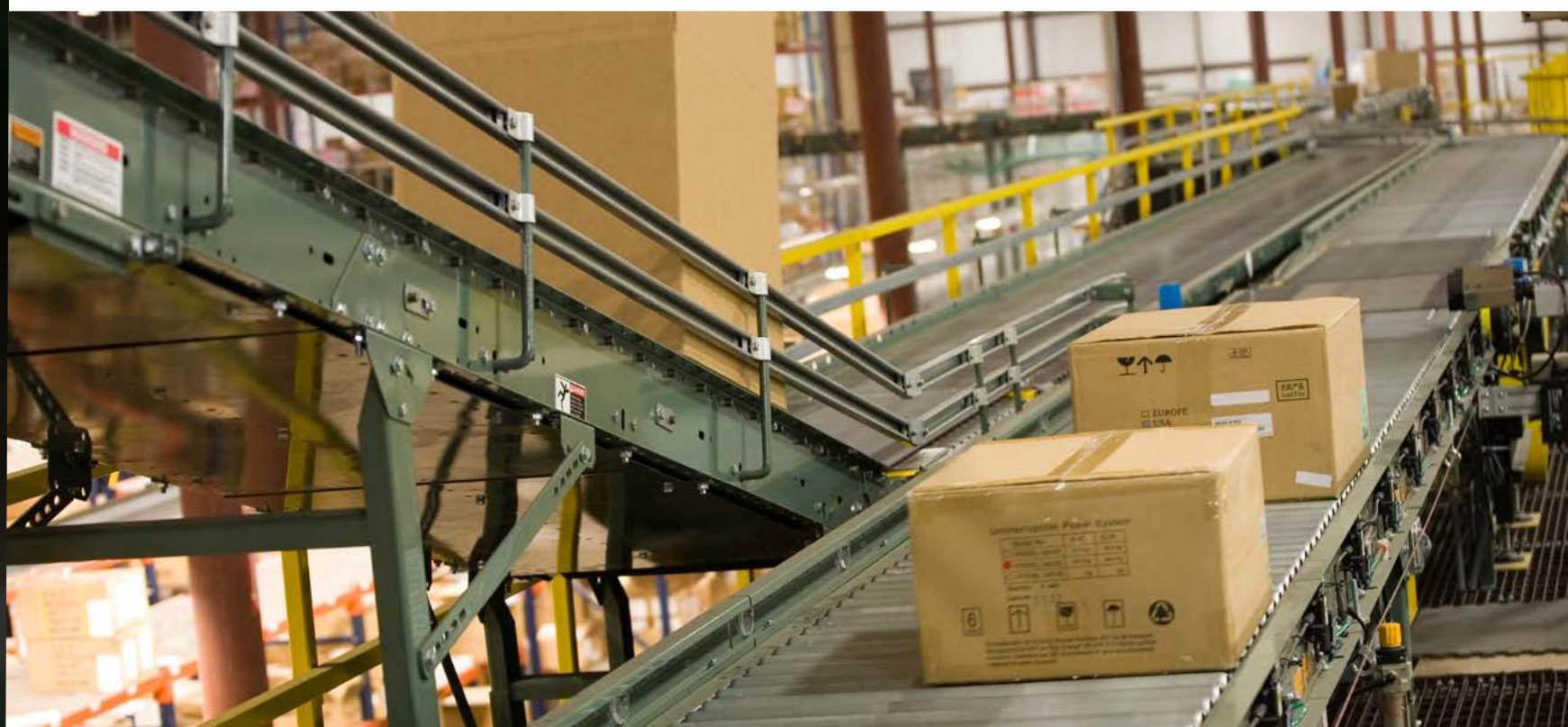
- 420,000 metric tons of avoided primary resource consumption through 'take-back at end-of-use' since 2017
- Double the quantity of recycled plastics in products



WE EMBED CIRCULAR principles into our supply chain to advance our “Tailored, Sustainable, Connected Supply Chain 4.0.” From reusable transport packaging to end-of-lifecycle take-back programs, we take every opportunity to secure our sustainability vision. Six pillars guide our strategy:

- Creating **CO₂ neutrality** in the extended supply chain
- Ensuring a **resource-efficient** supply chain
- Adopting a “**waste as worth**” mindset
- Delivering **environmental performance** to customers
- Implementing **circular business models**
- Pushing for **stronger environmental governance**

In September 2020, the **Schneider Electric Circular Certified label was launched for the French market**. It's dedicated to the sale and promotion of products from the circular economy in line with our circular economy strategy.



2020 achievements

206

sites labeled toward zero waste to landfill

96.3%

waste recovery rate

99%

cardboard and pallets for transport packing from recycled or certified sources

157,588

metric tons of avoided primary resource consumption through ECOFIT recycling and take-back programs

90%

of applicable sites certified with ISO 14001, ISO 50001, and ISO 45001

76.7%

sales under our new Green Premium program



Conserve and sustainably use the oceans, seas, and marine resources for sustainable development

Our targets by 2025

Key impacts

- Increase green material content in our products to 50%

Essentials

- 150 Zero-CO₂ sites
- 99% of sites with local biodiversity, conservation, and restoration programs
- 200 Waste-to-Resources sites
- Double the quantity of recycled plastics in our products

Our targets by 2030

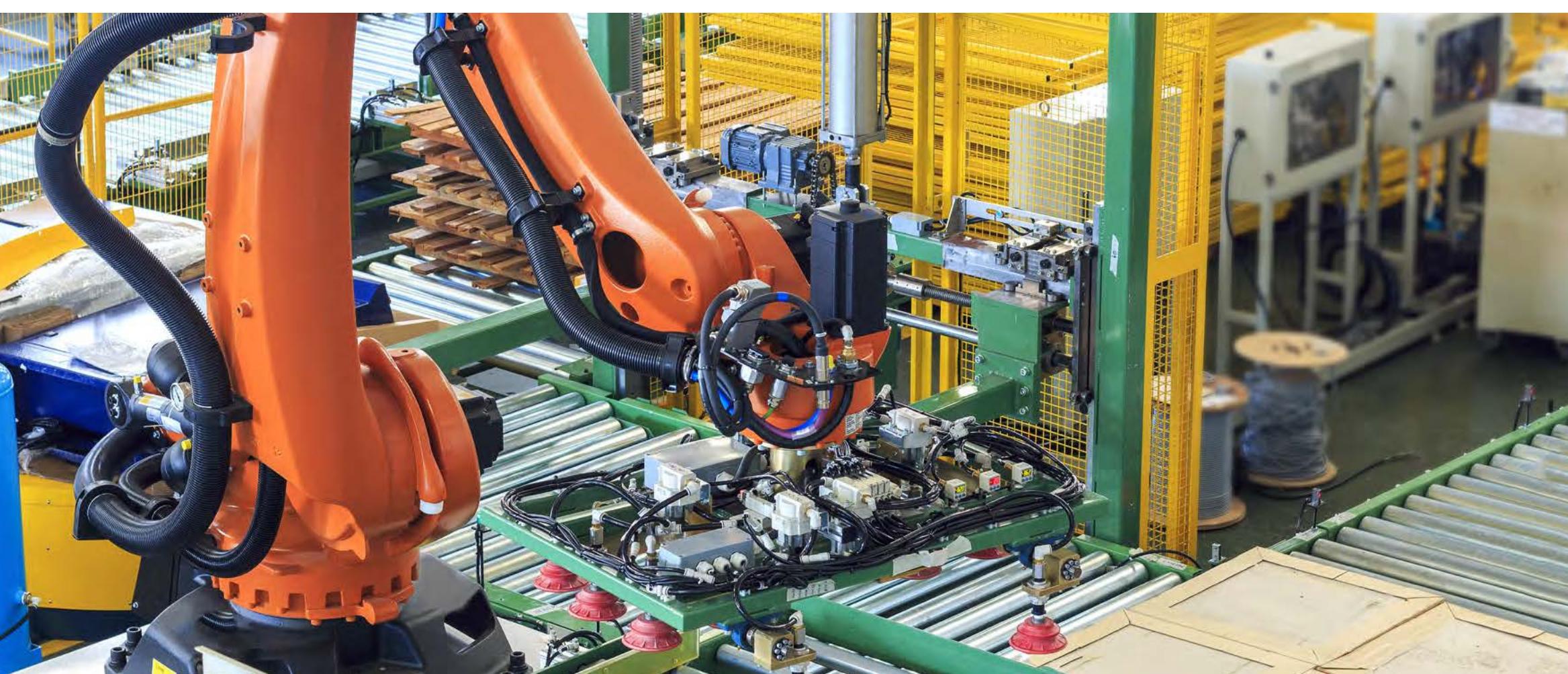
- Engage with suppliers toward a net-zero supply chain



WE'VE DEPLOYED CONCRETE, short-term actions toward a CO₂-free business model. Why? Because oceans absorb more than one-third of the CO₂ emissions resulting from human activity, and the effects are felt across all ecosystems

One ocean, one ecosystem

- Even though our products are highly unlikely to ever end up as ocean plastic waste, we strive to ensure the same for our supply chain.
- Through the **ECOFIT recycling and take-back programs**, our offers are repaired, reused, refurbished, and recycled to avoid resource consumption and CO₂ emissions.



2020 achievements

206
sites toward Zero Waste to Landfill

99%
cardboard and pallets for transport packing from recycled or certified sources

-29.6%
water consumption intensity



Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

Our targets by 2025

Key impacts

- Grow our green revenues to 80%

Essentials

- 150 Zero-CO₂ sites
- 100% substitution with SF₆-Free medium voltage technologies
- 90% of electricity sourced from renewables
- 420,000 metric tons of avoided primary resource consumption through ECOFIT, recycling, and take-back programs
- 100% of sites with local biodiversity conservation and restoration programs

Our targets by 2030

- Compensate 100% of scope 1 and 2 emissions with credits generated by the Livelihoods Carbon Funds
- With Livelihoods Hifadi project, 600,000 persons will benefit from the distribution of 120,000 efficient cookstoves in Kenya and 3.5 million tons of CO₂ will be avoided
- No net Biodiversity Loss in direct operations (scope 1) by 2030



X

CLOSE

WE'RE COMMITTED TO using fewer natural resources, living within our planet's means, and advancing an accelerated biodiversity strategy. We align with like-minded partners to prioritize conservation and help create a more sustainable world.



Technology and partnership are key to addressing biodiversity loss. Schneider Electric is committed: by 2030, we will have no net biodiversity loss in our direct operations.

— Jean-Pascal Tricoire
Chairman and CEO
Schneider Electric

- Schneider has contributed to the **Livelihoods Carbon Funds (LCF)** since 2011. LCF leverages the carbon economy to finance ecosystem restoration, agroforestry, and rural energy projects, while improving food security for rural communities. LCF provides up-front financing for large-scale project implementation and long-term maintenance.
- The Energy for Livelihoods initiative in India is transforming the lives of female farmers through the **Villaya Agri-Business solution**. The project promotes sustainable livelihood activities like agriculture, food processing, livestock rearing, handicraft, and other micro-enterprises.
- Schneider is a **signatory of the Act4Nature initiative**, committed to its 10 principles for global biodiversity.

2020 achievements

76.7%
of sales under the Green Premium program

157,588
metric tons of avoided primary resource consumption through ECOFIT, recycling, and take-back programs

X1.64
turnover of our Access to Energy program

We live up to our principles of trust

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



Trust and sustainability grow together



We must collaborate for a more sustainable world, and collaboration requires a firm foundation of trust. It's the basis for bold ideas — an environment that nurtures the belief that every innovation should benefit people and our planet.

It makes sense this honor from Ethisphere comes not long after we were recognized by Corporate Knights as the World's Most Sustainable Corporation — after all, ethical behavior and sustainability go hand-in-hand: you can't have one without the other."

— Jean-Pascal Tricoire
Chairman and CEO
Schneider Electric

AS A GLOBAL COMPANY with a local presence, we know every action and decision we make affects someone. To ensure our ethical compass always points in the right direction, we embrace these programs and principles:

Principles of Responsibility

Our Principles of Responsibility (PoR) encompasses human rights, business conduct, digital ethics, environmental protection, and more. It's a charter of values that guides our progress, empowering employees to take ownership, speak up, and always act with integrity.

Ethics and compliance

Our ethics and compliance program guides our external business relationships. Through myriad programs and policies, we're committed to business integrity, whistleblower protection, anti-corruption, and more.

Duty of vigilance

Our vigilance plan helps us identify and prevent potential risks related to human rights, health and safety, and the environment. This initiative monitors our own activities as well as those of our suppliers and subcontractors.

Digital trust and security

Digital trust is a fundamental area of focus for our company. Our PoR embraces this responsibility, covering cybersecurity, data protection and privacy, and artificial intelligence.

At the beginning of 2021, we were once again named one of the World's Most Ethical Companies® by the Ethisphere® Institute². This distinction speaks to our commitment to integrity, as we hold ourselves and our partners to high social, governance, and ethical standards.

²"Schneider Electric Again Named One of the World's Most Ethical Companies® by the Ethisphere® Institute," Bloomberg, February 2021.



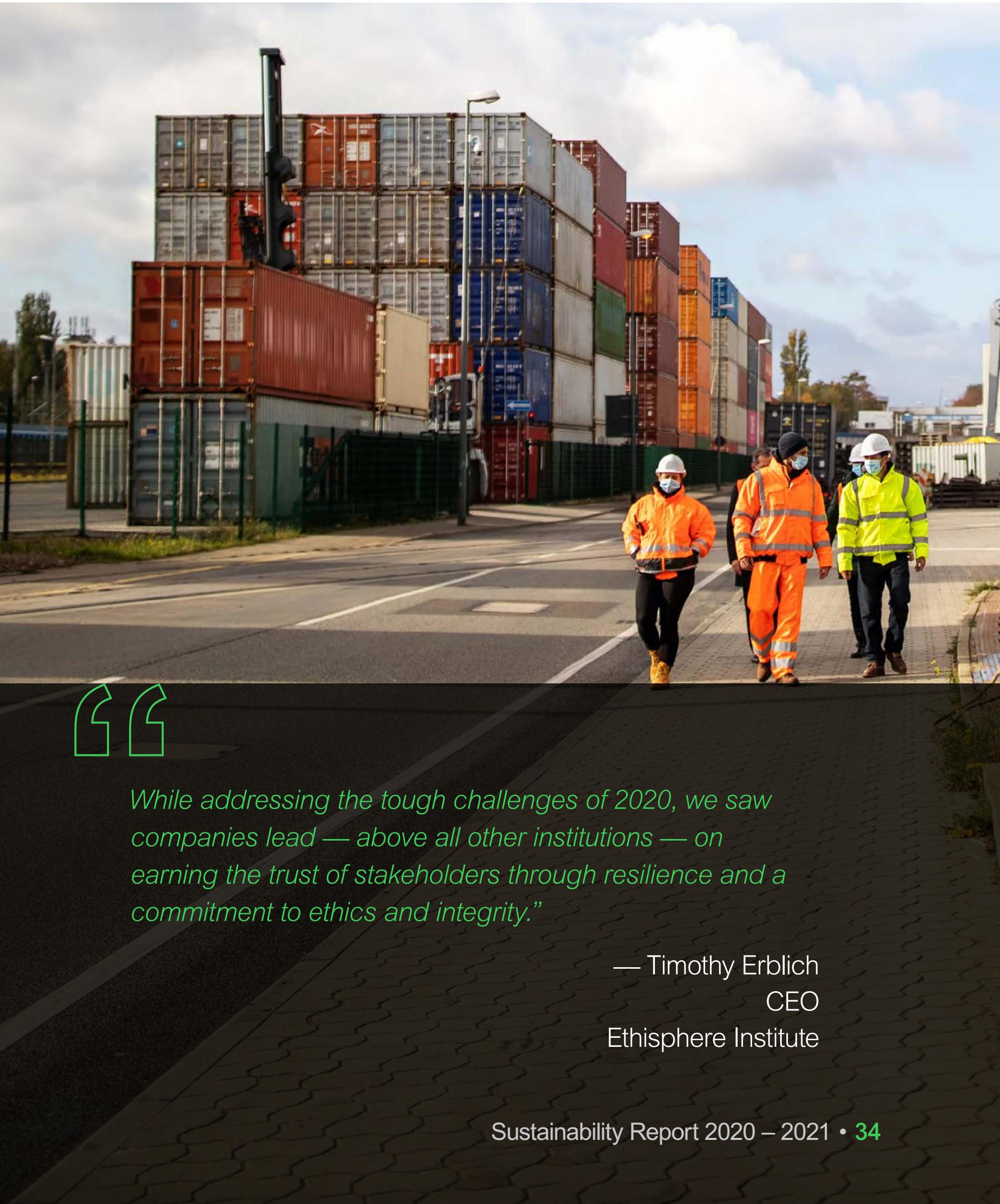
Sustainability requires decent work

Three years ago, we began measuring living wages for our employees. Now we're extending that same level of scrutiny to our strategic suppliers. But a living wage isn't enough — we go even further with decent work.

OUR NEW 2021 – 2025 Sustainability Impact program codifies the importance of reporting anything that conflicts with our principles of trust and includes a new commitment to ensure 100% of our strategic suppliers provide decent work³ to their employees. We're the only company in our industry with this type of commitment.

The COVID-19 crisis highlighted the need for a safety net to guarantee a minimum income level for employees. From 2021 onward, our commitment to living wages and decent work will be audited annually with the support of an independent third party. We remain part of the leading alliances that advance living wage standards, such as the Global Deal for Decent Work and Inclusive Growth, the Organisation for Economic Co-operation and Development (OECD), and the Business for Inclusive Growth (B4IG) coalition.

³ "Decent Work," International Labor Organization, 2021.



While addressing the tough challenges of 2020, we saw companies lead — above all other institutions — on earning the trust of stakeholders through resilience and a commitment to ethics and integrity."

— Timothy Erblich
CEO
Ethisphere Institute



2020 highlights



Named one of the **World's Most Ethical Companies®** by the Ethisphere® Institute



Ranked 11th among 120 companies by *Grands Prix de la Transparence 2020* (up from 42nd last year)



Awarded best 2020 Vigilance Plan by multi-stakeholder French association *Forum pour l'Investissement Responsable*



93%

of employees completed e-learning on our PoR.

237

PoR training sessions were organized at the local level.

We **updated our duty of vigilance risk matrix** to gain better visibility into potential human rights risks across our supply chain and partner ecosystem.

Speak Up:

625 concerns received via Red Line and Green Line

512 concerns investigated

139 allegations confirmed

108 actions taken after investigation

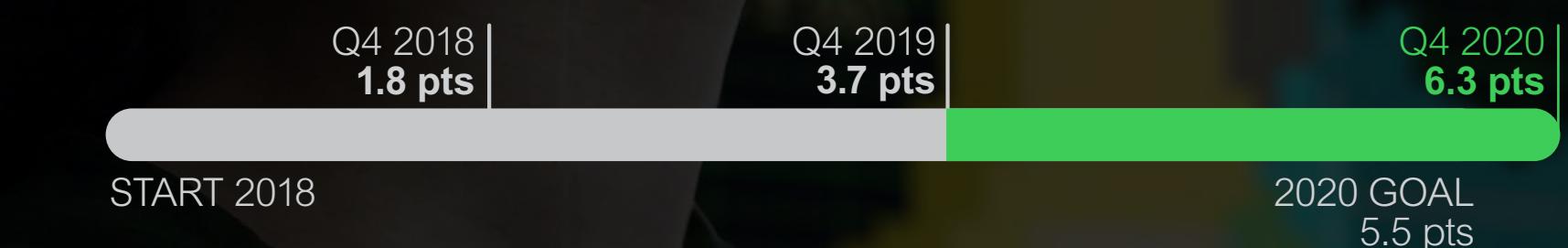
We **launched a new global conflict of interest policy** in December 2020.



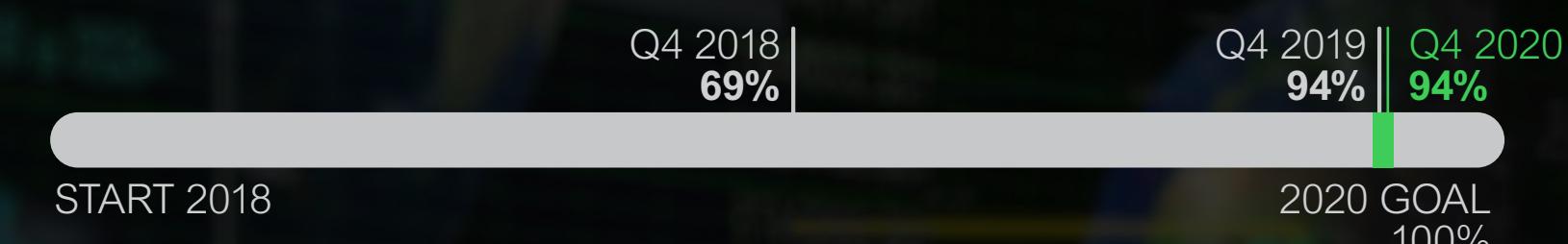
As we embark on the next phase of our SSI (2021 – 2025), our progress over the past few years is the foundation on which we build success. Here's how we improved our

Ethics goals

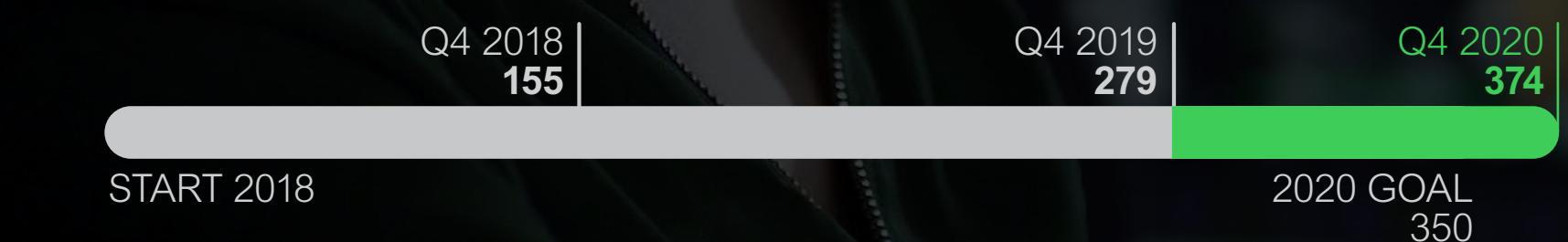
Impact #16: 5.5 pts/100 increase in average score of ISO 26000 assessment for our strategic suppliers



Impact #18: 100% of sales, procurement, and finance employees trained every year on anti-corruption



Impact #17: 350 suppliers under Human Rights & Environment vigilance received specific on-site assessment





Our contributions to the SDGs

We build **trust** by holding ourselves and those around us to high social, governance, and ethical standards in the following ways.

SUSTAINABLE DEVELOPMENT GOALS





Ensure healthy lives and promote well-being for all at all ages

Our targets by 2025

Key impacts

- 100% of our strategic suppliers provide decent work to their employees

Essentials

- Deploy a Social Excellence program through multiple tiers of suppliers (baseline to be defined in 2021)
- Achieve 0.38 or below medical incident rate
- Assess 4,000 suppliers under our Vigilance Program

Our targets by 2030

- Engage with sustainable business initiatives such as the U.N. Global Compact



X

CLOSE

Prioritizing people everywhere

BY VIEWING WELL-BEING holistically — as physical, mental, social, and emotional — we develop programs that empower and support employees. During the COVID-19 pandemic, we continuously adjusted our policies to protect our people, their livelihood, and the communities in which we operate.

Safety first, for all

- In our **Principles of Responsibility**, we express that nurturing a safe, clean, and



orderly work environment is both our collective responsibility and a function of every Schneider employee, partner, and affiliate. This is also true for our suppliers, contractors, and customers.

- With our **Safety and Occupational Health Policy** and the **S.A.F.E. First** program (Self check, Activity check, Facility check, Environment check), we continuously aspire to the highest standards of safety excellence.
- We mobilize our suppliers on health and safety first through the **Responsible Business Alliance Code of Conduct**, secondly through the **Schneider Supplier Quality Management system** to select new suppliers, and thirdly with our **three-year, on-site audit program** for 374 suppliers identified as “high risk.”
- During the COVID-19 pandemic throughout 2020, we provided personal protective equipment to all employees and implemented audits to ensure health and safety measures were in place across our operations worldwide.

2020 achievements

0.58

medical incident per million hours worked

374

suppliers under Human Rights & Environment vigilance received specific on-site assessment since 2018

90%

of employees had access to a comprehensive well-being at work program



8 DECENT WORK AND ECONOMIC GROWTH



Promote inclusive and sustainable economic growth, employment, and decent work for all

Our targets by 2025

Key impact

- 100% of our strategic suppliers provide decent work to their employees

Essentials

- Deploy a Social Excellence program through multiple tiers of suppliers (baseline to be defined in 2021)
- Assess 4,000 suppliers under our Vigilance Program

Our targets by 2030

- Engage with sustainable business initiatives such as the U.N. Global Compact



Recognizing inclusion and decent work as a business essential

WE WANT EVERYONE to work in an inclusive and decent workplace. This is reflected in our Principles of Responsibility, human rights, and Diversity & Inclusion policies. We want to ensure our employees are paid a living wage, we make a concerted effort to close gender pay gaps and we enforce our values in our supply chain as well.

- Through the **Responsible Business Alliance Code of Conduct**, we don't tolerate human rights abuses in our suppliers' workforce. It is also embedded in our Supplier Quality Management process to select new suppliers.
- We've implemented a **Pay Equity framework** to identify and correct gender pay gaps in all countries, covering 99.6% of the total workforce at the end of 2020.

- We've initiated a global process to analyze wages and employment practices against local living standards, as determined by an external consultant, BSR™. At the end of 2019, the analysis had covered 63 countries, reaching 99% of the Schneider Electric footprint. Moving forward into 2020, given the complexity of evaluating and mitigating the macroeconomic impact of the crisis, we reiterated our **commitment to pay 100% of employees at least a living wage as part of our fair and equitable policies**.
- We engage our **strategic suppliers** in a **continuous improvement process** based on **ISO 26000 guidelines** and we focus on "high risk" suppliers with on-site audits. This entails in-person workshops with suppliers on vigilance topics, including human rights and ethics. At the end of 2020, 300+ suppliers' teams participated in these workshops.

2020 achievements

6.3 pts/100

increase in average score of ISO 26000 assessment for our strategic suppliers

374

suppliers under Human Rights & Environment vigilance received specific on-site assessment since 2018

99.6%

of employees covered under the Pay Equity Framework



Ensure sustainable consumption and production patterns

Our targets by 2025

Key impact

- 100% of our strategic suppliers provide decent work to their employees

Essentials

- Deploy a Social Excellence program through multiple tiers of suppliers (baseline to be defined in 2021)
- Achieve .38 or below medical incident rate
- Halve the weight of safety units recalled
- Assess 4,000 suppliers under our Vigilance Program

Our targets by 2030

- Engage with sustainable business initiatives such as the U.N. Global Compact



Advancing safety and quality

PRODUCT QUALITY AND SAFETY are key topics as we operate in essentials industries with more than 260,000 references produced. We maintain a global quality policy which is supported by a robust **Quality Management System**. This includes efficient processes and tools in compliance with ISO 9001 standards to avoid any product malfunctions or failures that could result in intangible damages or personal injuries.



Building a sustainable supply chain

We aim to ensure that our **suppliers** reach a level of maturity on human rights and labor practices that provides decent work for their **employees**. We want to make sure that the production of our products and services are not linked to any kind of human rights abuses.

- The **Schneider Supplier Quality Management process** helps us select new suppliers and continually ensure our values align. This qualification process, based on the ISO 26000 standard, focuses on people, social responsibility, and environmental management.
- We've begun a **three-year on-site audit program**, including guidance and training, for "high risk" suppliers regarding labor standards, environmental management, and ethics.
- We're deeply concerned about social and environmental conditions in mines that could supply such "conflict minerals" for our products. At the end of 2020, **nearly 90% of the relevant purchases were "conflict-free."** The remainder are either from outside the conflict zone or solely use recycled and scrap materials.

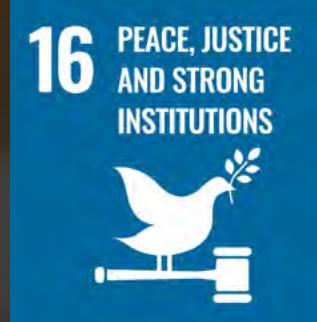
2020 achievements

6.3 pts/100

increase in average score of ISO 26000 assessment for our strategic suppliers

374

suppliers under Human Rights & Environment vigilance received specific on-site assessment



Promote just, peaceful, and inclusive societies

Our targets by 2025

Key impact

- Measure the level of confidence in our employees to report behaviors that go against our principles of trust.

Essentials

- Train 100% of employees every year on cybersecurity and ethics
- Place in the Top 25% in external ratings for cybersecurity performance

Our targets by 2030

- Engage with sustainable business initiatives such as the U.N. Global Compact



X

CLOSE

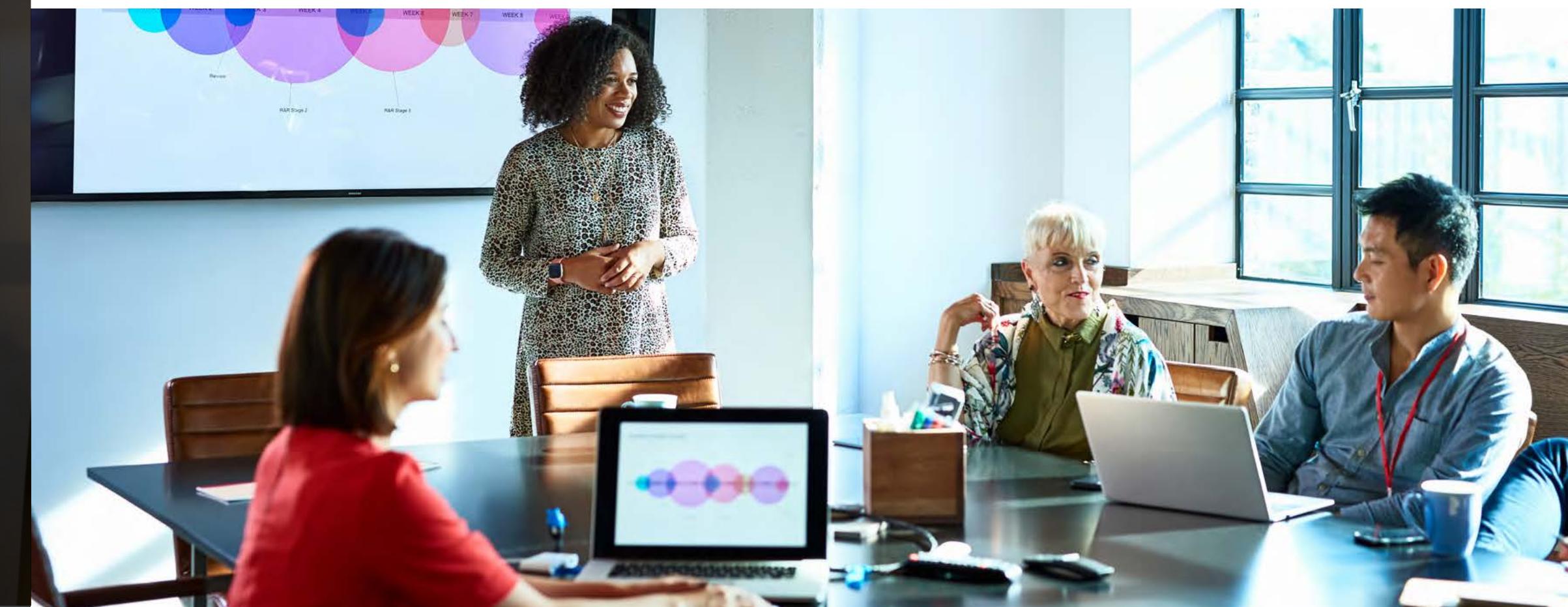
Ensuring ethical business conduct

WE RESPECT THE International Human Rights Principles outlined in the Universal Declaration of Human Rights. Our policies are served by this foundational belief.

We have zero-tolerance for corruption. This means no unauthorized or hidden payments, kickbacks, or facilitation payments, as adherence to **our Anti-Corruption Code of Conduct is non-negotiable.**

- We do not tolerate money laundering or processes that obscure transparent payment.

- Since 2018, an anti-corruption e-learning program is mandatory for employees whose job functions expose them to such risks.
- We take a clear stance on responsible lobbying, political activity, and donations.
- We respect the rights of workers to form and join unions.
- We stand for equal rights and fair treatment of LGBTQ+ people everywhere.



2020 achievements

94% of sales, procurement, and finance employees trained every year on anti-corruption



17 PARTNERSHIPS FOR THE GOALS



Revitalize the global partnership for sustainable development

Our targets by 2025

Key impact

- 100% of our strategic suppliers provide decent work to their employees

Essentials

- Deploy a Social Excellence program through multiple tiers of suppliers (baseline to be defined in 2021)
- Place in the Top 25% in external ratings for cybersecurity performance

Our targets by 2030

- Engage with sustainable business initiatives such as the U.N. Global Compact



Leading with our principles

WE KNOW THAT we're stronger when we work together. That's why we've teamed up with global initiatives that celebrate and advance the values that we believe in.

- Since 2002, we've fully supported the **10 principles of the U.N. Global Compact**. Our Chairman & Chief Executive Officer Jean-Pascal Tricoire has been part of the Global Compact's board since 2018.
- We're a member of the Global Compact LEAD working Group "**Decent Work in Global Supply Chain**".
- We co-lead the **G7 Business for Inclusive Growth (B4IG)** coalition's "Advancing human rights in direct operations and supply chains" and "Building inclusive workplaces" working groups.

- To advance human rights practices, we've joined EDH (*Entreprises pour les Droits de l'Homme – Businesses for Human Rights*), a leading French coalition of businesses.
- We're also a member of the **Responsible Business Alliance**, a non-profit coalition and a member of **Transparency International**, a global NGO dedicated to combating corruption.
- Schneider chairs the group at the IEC level in charge of **defining the roadmap of international standards to support the rollout of the Smart Energy sector** (smart grids, in addition to interfaces with other energies). This roadmap also includes cybersecurity and resilience, as well as the impact of the IoT.

2020 achievements

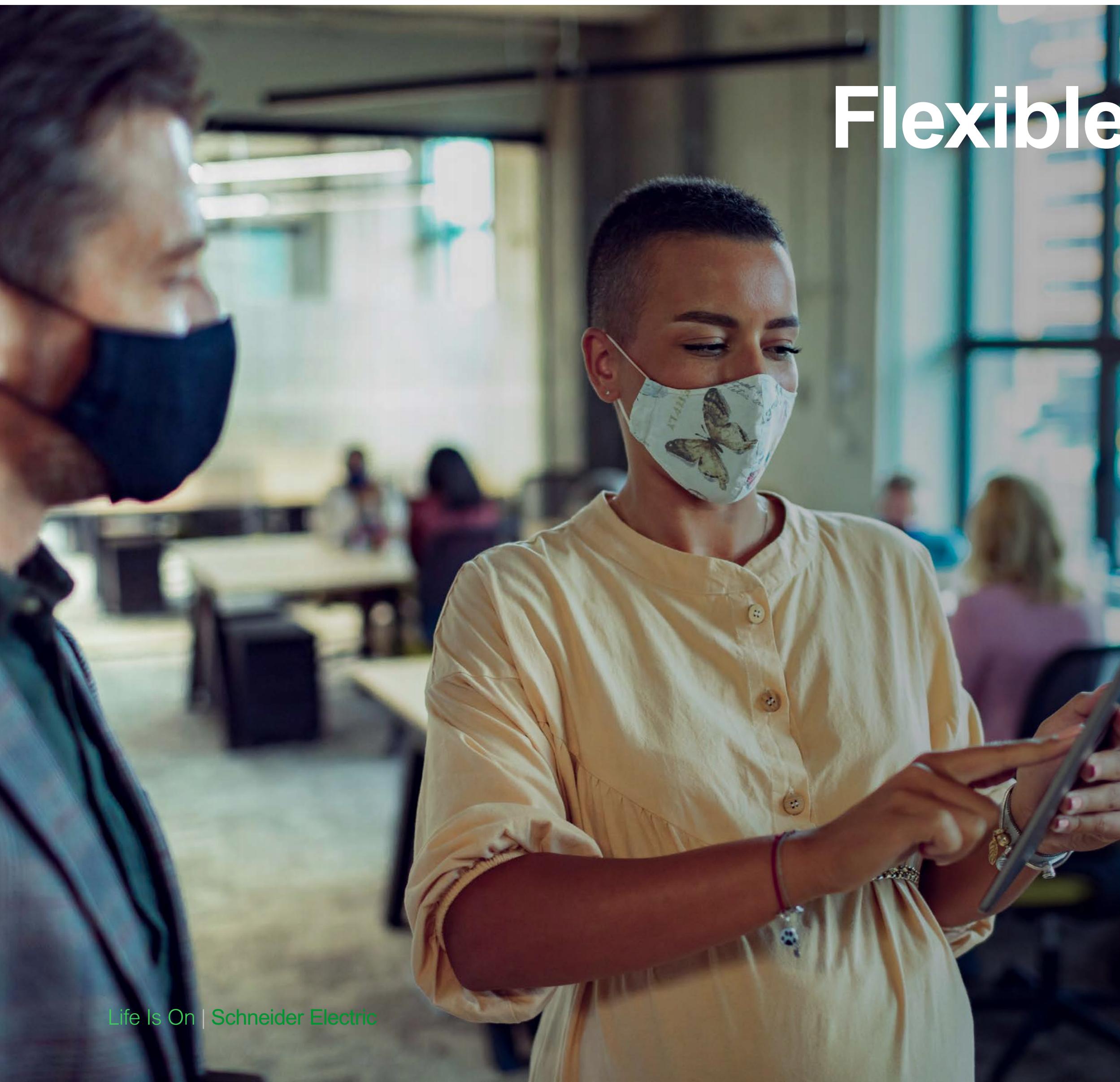
6.3 pts/100

increase in average score of the ISO 26000 assessment for our strategic suppliers



We create equal opportunities

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

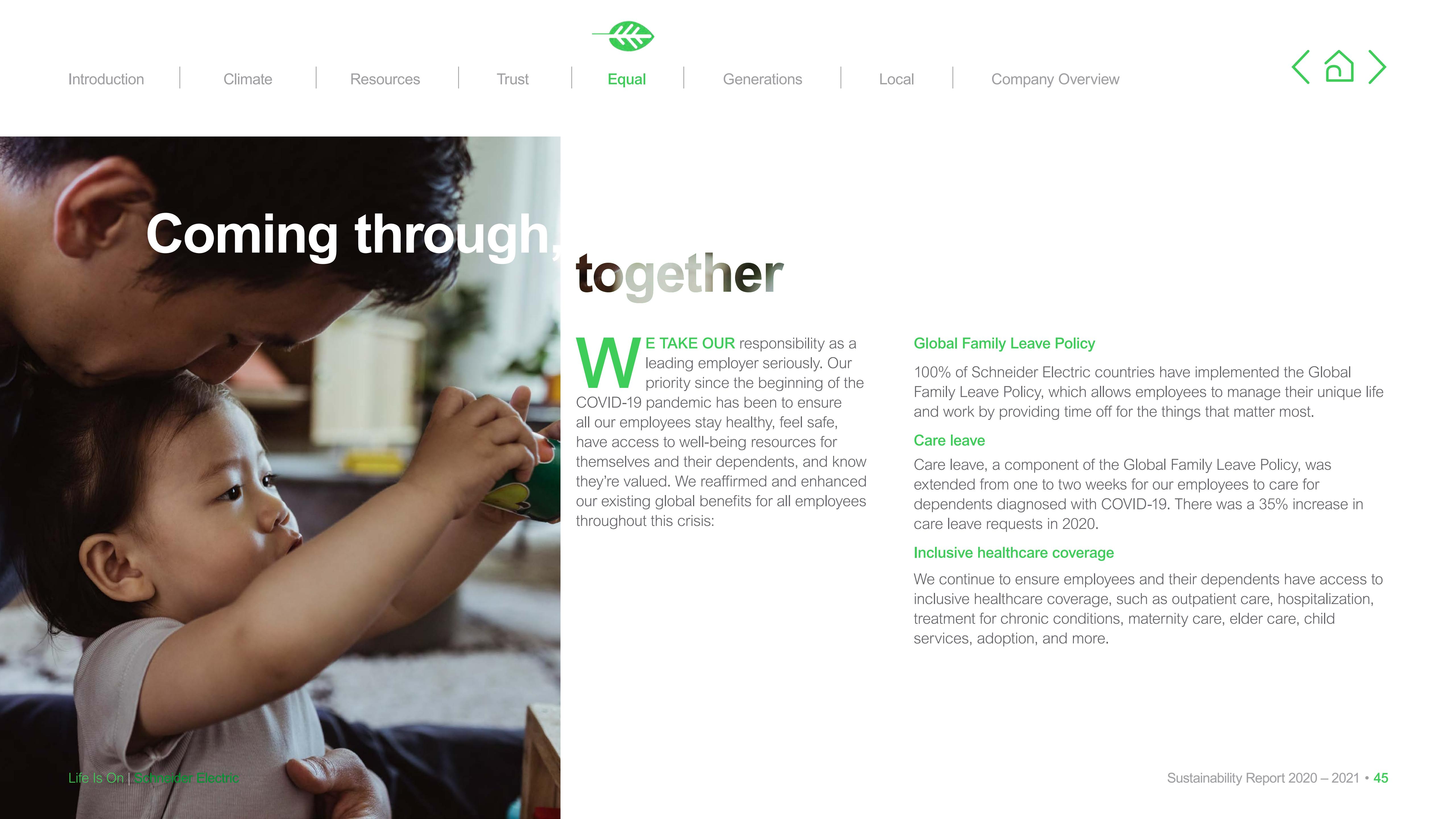


Flexible, people-powered policies

The social environment in which we operate has changed significantly since 2005, when we first began tracking our sustainable development progress.

BUT ONE THING that hasn't changed is our fundamental commitment to those who make us who we are. That's why we constantly consider ways to improve the lives of our employees, their families, and the communities we're privileged to be part of.

Throughout this past year, the concept of equity has proven to be inseparable from true sustainability; without a sense of knowing what's ethical and equitable, any pursuit of a sustainable future is wasted. As our society was forced to reckon with the realities of a global health crisis, we were also urged to examine how we, either consciously or unconsciously, treat our fellow human beings. From these distinct challenges, a common denominator emerges — we're better when we work together.



Coming through, together

WE TAKE OUR responsibility as a leading employer seriously. Our priority since the beginning of the COVID-19 pandemic has been to ensure all our employees stay healthy, feel safe, have access to well-being resources for themselves and their dependents, and know they're valued. We reaffirmed and enhanced our existing global benefits for all employees throughout this crisis:

Global Family Leave Policy

100% of Schneider Electric countries have implemented the Global Family Leave Policy, which allows employees to manage their unique life and work by providing time off for the things that matter most.

Care leave

Care leave, a component of the Global Family Leave Policy, was extended from one to two weeks for our employees to care for dependents diagnosed with COVID-19. There was a 35% increase in care leave requests in 2020.

Inclusive healthcare coverage

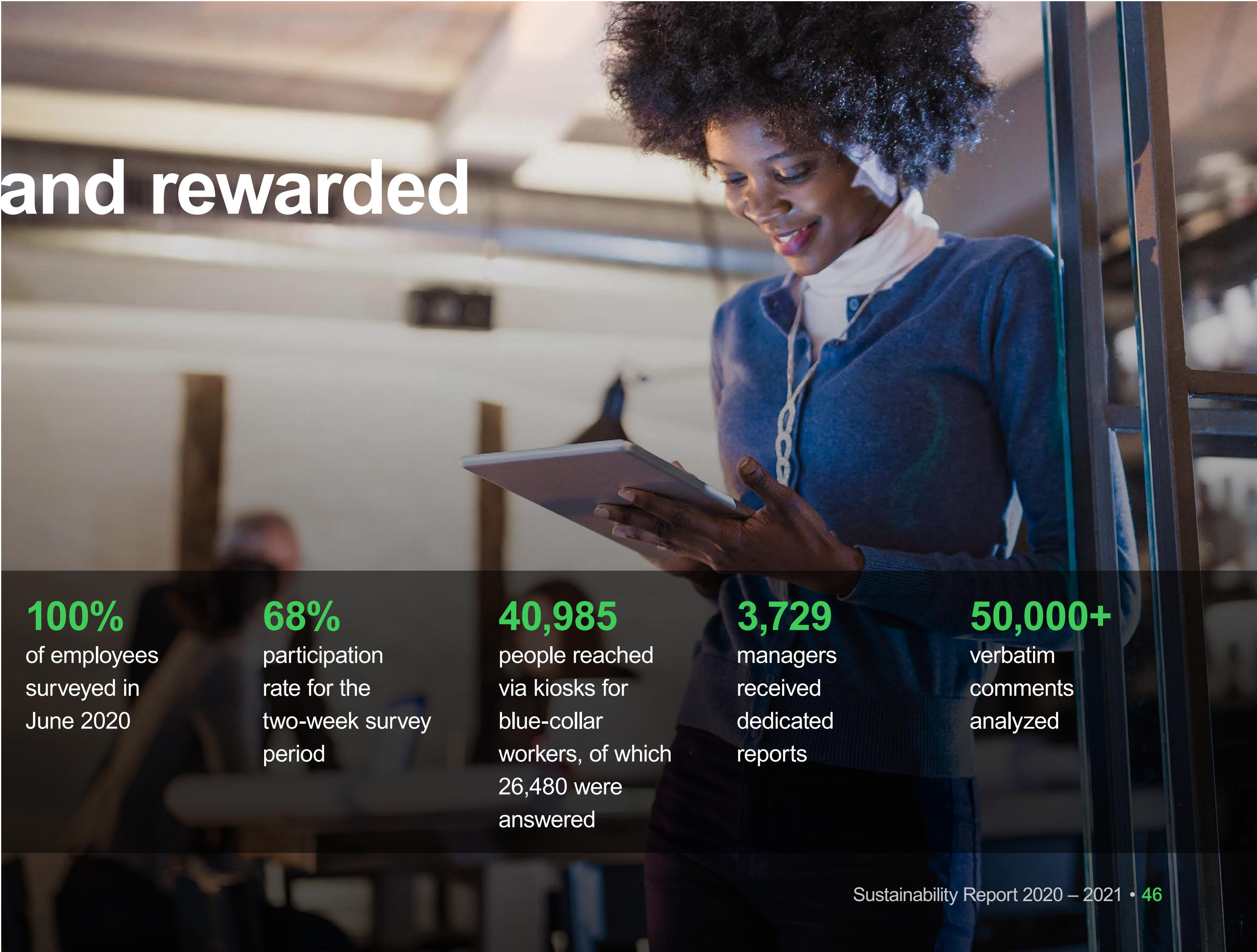
We continue to ensure employees and their dependents have access to inclusive healthcare coverage, such as outpatient care, hospitalization, treatment for chronic conditions, maternity care, elder care, child services, adoption, and more.



Heard, respected, and rewarded

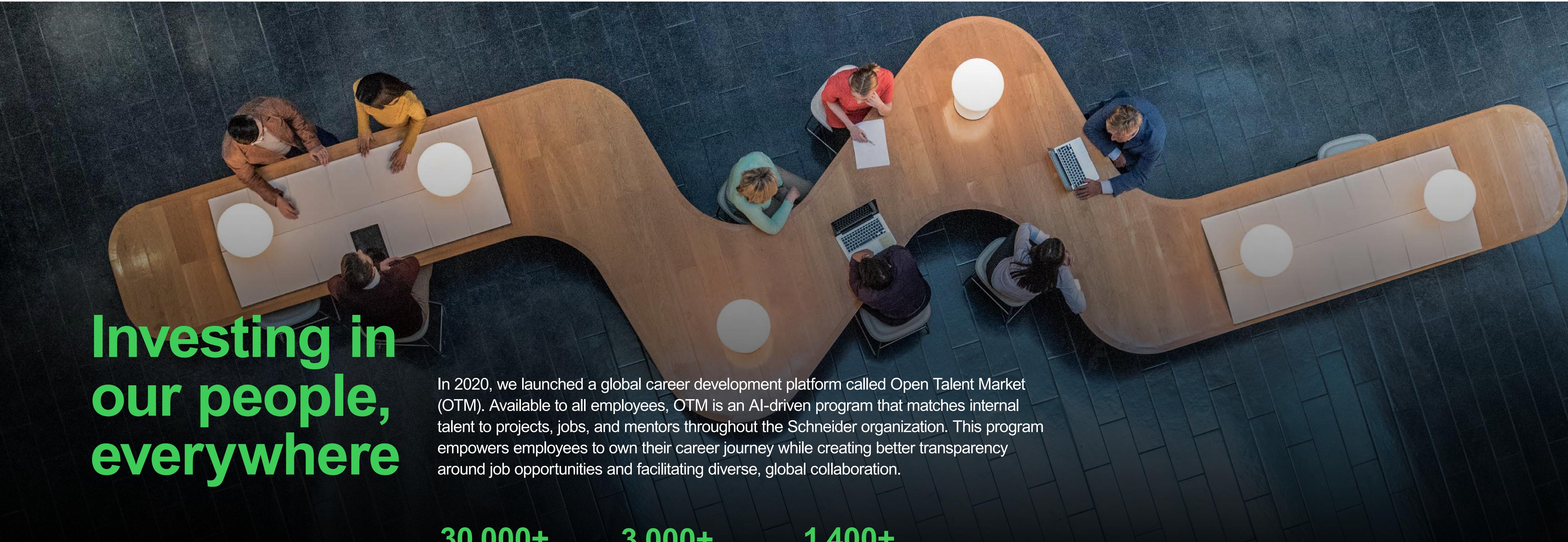
Each year, Schneider employees are asked to provide anonymous feedback through our OneVoice survey. In the context of COVID-19, we added a set of questions regarding the pandemic.

As a result of the survey, we implemented a new Global Flexibility@Work policy, offering eligible employees the option of working from home two days per week once local health guidelines allow for employees to return to offices.





Investing in our people, everywhere



In 2020, we launched a global career development platform called Open Talent Market (OTM). Available to all employees, OTM is an AI-driven program that matches internal talent to projects, jobs, and mentors throughout the Schneider organization. This program empowers employees to own their career journey while creating better transparency around job opportunities and facilitating diverse, global collaboration.

30,000+
employees
joined

3,000+
mentorships
initiated

1,400+
opportunities
sourced



Strength through diversity



Through actionable, step-by-step guidance, I motivate both employees and leadership to do the hard work to make diversity matter for good.”

— Michelle Silverthorn
Founder
Inclusion Nation



MUCH OF WHAT drives the OTM platform, and also motivates our wider success, is diversity. And to create a culture that embraces diversity requires an inclusive mindset. That's why we develop and apply our policies, initiatives, and practices with a clear commitment to equity. Our commitment can be summarized as “equal pay for equal work.” Since 2015, we've implemented a Pay Equity Framework, which is a global methodology companies use to identify pay gaps within comparable groups of employees, close those gaps, and prevent them from occurring in the future. Embracing pay equity is one of just many levers we can use to address one of the biggest threats to society: discrimination.

In cities around the world, questions of justice and equity became part of the shared story of 2020. In response to racial injustices in the U.S., for example, we launched a rapid response team to analyze what our organization was doing to participate in this crucial social dialog. In addition:

- The Schneider Electric Foundation donated \$75,000 to the NAACP
- Martin Luther King Jr. Day was added as a paid U.S. holiday starting in 2021
- Schneider U.S. held a forum on racism and allyship with diversity speaker Michelle Silverthorn

Of course, more work needs to be done — and it will be. Through concrete and symbolic actions, we'll continue to lead by example for the dignity of everyone, everywhere.



2020 highlights

Named one of the **Fortune's World's Most Admired Companies for the 4th consecutive year** (ranked third in the Electronics industry)



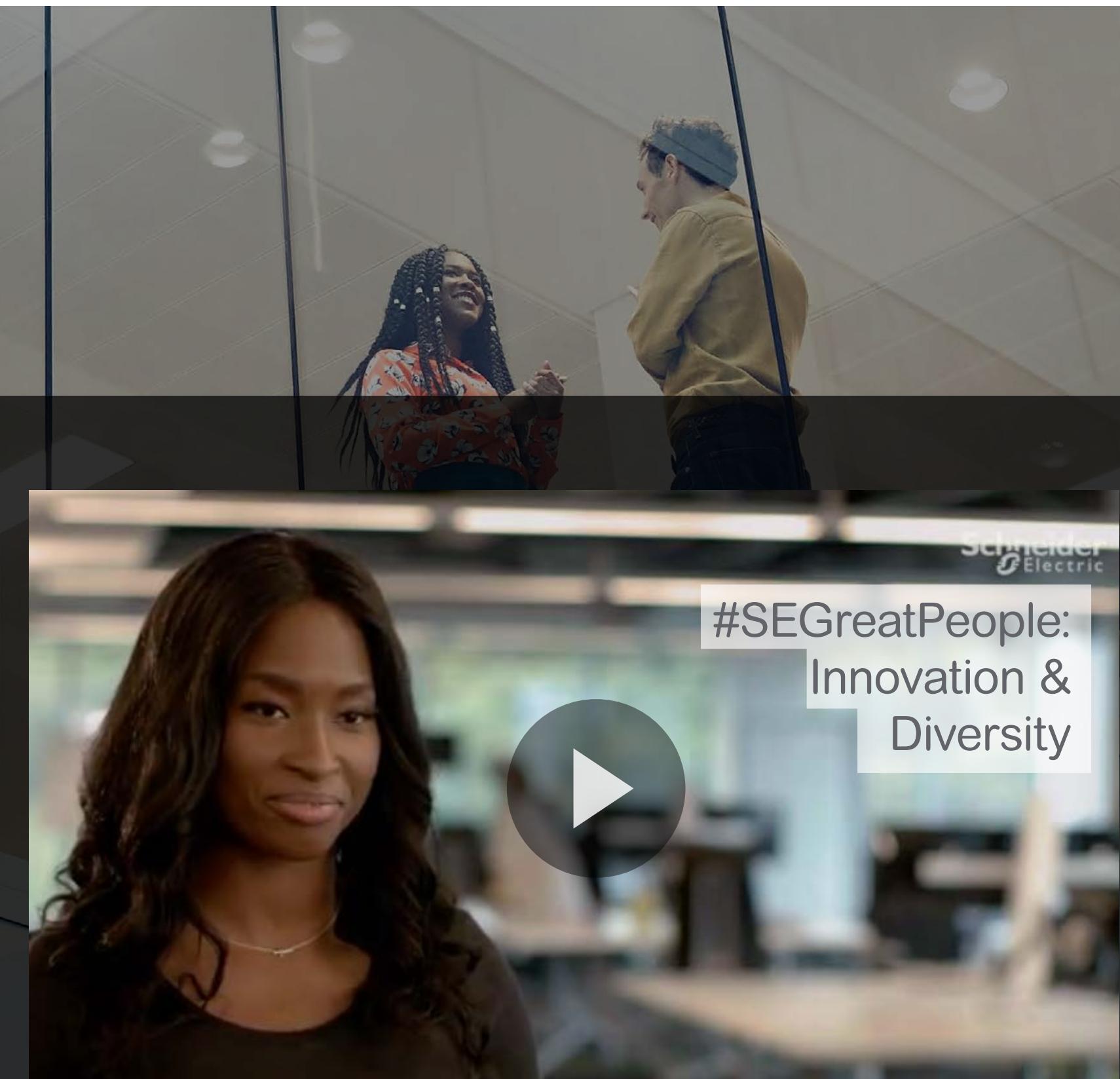
Included in the **Bloomberg Gender-Equality Index for the 4th year in a row**



Recognized for the **2nd year in a row** by the **Financial Times** as a Diversity Leader

Distinguished by **Forbes** as one of the **World's Best Employers 2020**

Employee Resource Groups in more than 30 countries helped **empower and advance women in leadership locally**



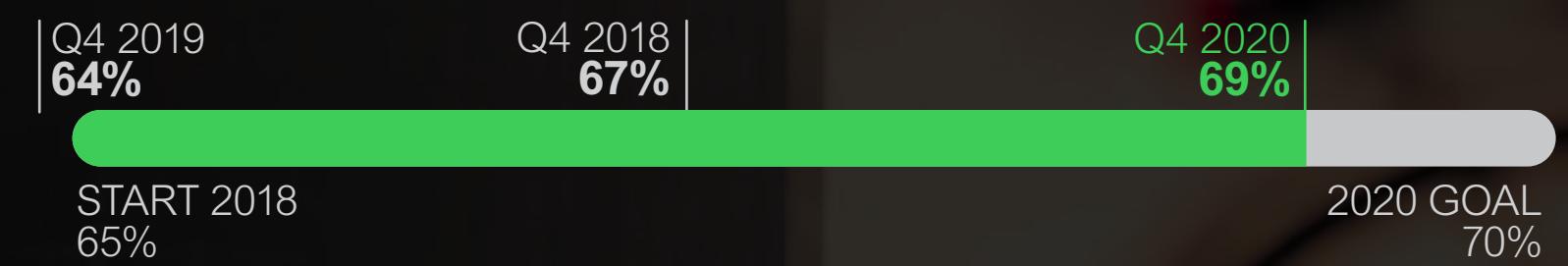
At Schneider Electric, we value differences and believe in equal opportunities for everyone, everywhere.



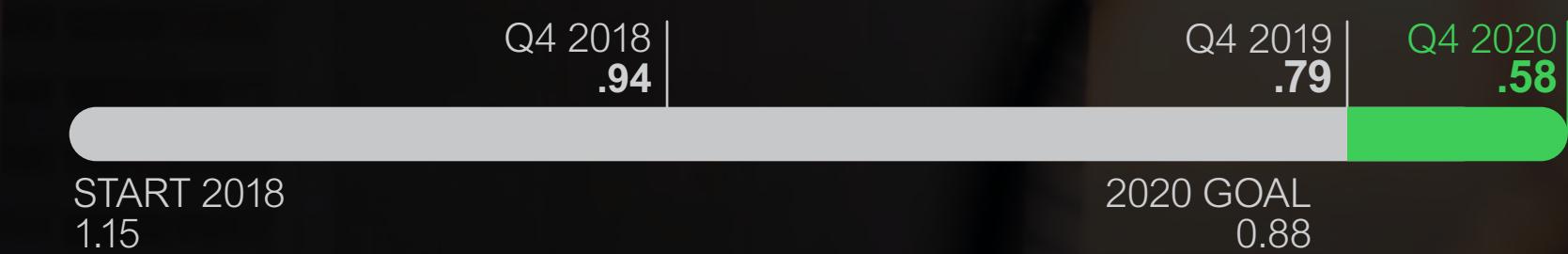
As we embark on the next phase of our SSI (2021 – 2025), our progress over the past few years is the foundation on which we build success. Here's how we improved our

Health & Equity goals

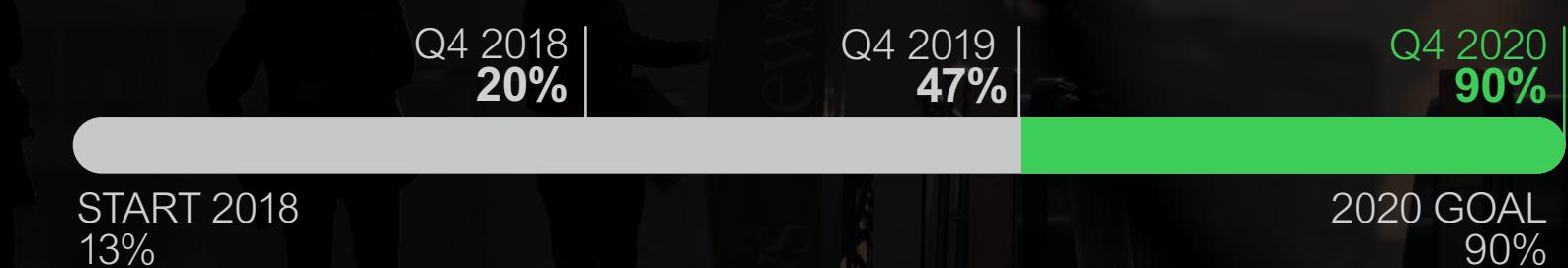
Impact #9: 70% scored in our Employee Engagement Index



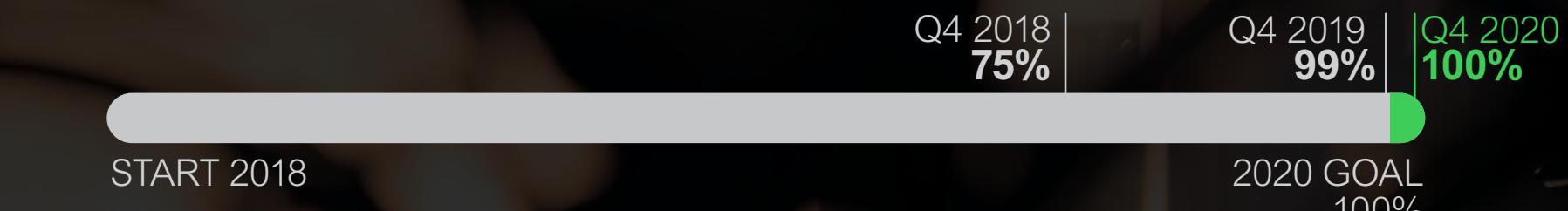
Impact #10: 0.88 medical incidents per million hours worked



Impact #11: 90% of employees have access to a comprehensive well-being at work program



Impact #12: 100% of employees are working in countries that have fully deployed our Global Family Leave Policy



Impact #15: 95% of employees are working in a country with commitment and process in place to achieve gender pay equity



Impact #19: x4 turnover in our Access to Energy program





Our contributions to the SDGs

We ensure our employees are uniquely valued and work in an inclusive environment by pursuing the following goals to advance **equality**.

SUSTAINABLE DEVELOPMENT GOALS



Click on an SDG to discover our contributions





1 NO POVERTY

End poverty in all its forms everywhere

Our targets by 2025

Key impact

- Provide 50 million people with access to green electricity

Essentials

- 1% pay gap for both females and males
- 100% of employees paid at least a living wage

1 NO POVERTY **2 ZERO HUNGER** **5 GENDER EQUALITY** **7 SUSTAINABLE INDUSTRIES AND INNOVATION** **8 ECONOMIC GROWTH** **10 REDUCE INEQUALITIES** **CLOSE**

THROUGH OUR Access to Energy program, we develop products and solutions to meet the needs of individuals and communities across the energy chain, from portable lamps and solar home systems to small, decentralized power plants, water pumping systems, and street lighting.

But we do more than supply equipment to disadvantaged populations. We donate our time, resources, and expertise via technical training and mentorship; through our **Access to Energy Training & Entrepreneurship program**, we empower young adults with personalized career opportunities in energy. Our vision is that this will spark a brighter future for millions worldwide who currently lack the fundamental human right that is electricity.

Being socially responsible requires that the human element is kept at the forefront of our operations. **Equitable treatment and fair pay are two important values that inform our company's character**, and so we've developed a sophisticated action plan to monitor and address compensation disparity. We ensure our employees and associates are provided a living wage in every country in which we operate and apply a common global methodology to close wage inequality.

Given the complexity of the impact of the COVID-19 crisis during 2020, we reiterated our commitment to pay 100% of employees at least a living wage.

2020 achievements

Provided access to green electricity to **30 million people**
Trained **281,737** underprivileged people in energy management

Invested in **20** companies to date through our Access to Energy program



End hunger, achieve food security, improve nutrition, and promote sustainable agriculture

Our targets by 2025

Key impact

- Provide 50 million people with access to green electricity

Essentials

- 100% of employees paid at least a living wage

Our targets by 2030

- Provide 80 million people with access to green electricity
 - 600,000 people will be impacted by 120,000 efficient cookstoves thanks to the Livelihoods-Hifadhi project
- O**UR ACCESS TO ENERGY program supports agricultural production in emerging economies. This includes the Schneider Electric Energy Access (SEEA) impact investing fund, which fosters energy innovation in small and medium-sized companies. We also contribute in the following ways:
- SEAA has contributed €3 million to support entrepreneurial initiatives that help underprivileged communities obtain energy access.
 - In West Africa, a tripartite contract signed with the West African Economic and Monetary Union and the African Biofuel



OUR ACCESS TO ENERGY program supports agricultural production in emerging economies. This includes the Schneider Electric Energy Access (SEEA) impact investing fund, which fosters energy innovation in small and medium-sized companies. We also contribute in the following ways:

- SEAA has contributed €3 million to support entrepreneurial initiatives that help underprivileged communities obtain energy access.
- In West Africa, a tripartite contract signed with the West African Economic and Monetary Union and the African Biofuel



and Renewable Energy Company provides for the delivery of “multi-energy” power plants for the agricultural sector, supplying electricity and heat for irrigation, fish farming or drying, processing, and pasteurization activities. In the long term, **these plants will benefit over 100,000 people in eight countries.**

- In India, the “Energy for livelihoods” initiative is transforming the lives of farmers, in particular women, through the innovative Villaya Agri-business solution. This project promotes sustainable livelihood activities in farming, agriculture, food processing, livestock, handicraft, and other micro-enterprises.

2020 achievements

Provided access to green electricity to **30 million people**

Trained **281,737** underprivileged people in energy management

60,000 families benefitted from efficient cookstoves via the Livelihoods-Hifadhi project



5 GENDER EQUALITY

Achieve gender equality and empower all women and girls

Our targets by 2025

Key impact

- Increase gender diversity, from hiring to front-line managers and leadership teams (50/40/30)

Essentials

- <1% pay gap for both females and males

1 1. POVERTY **2 2. CLIMATE** **5 GENDER EQUALITY** **7 7. INDUSTRIAL TRANSITION** **8 8. DECENT WORK AND ECONOMIC GROWTH** **10 10. REDUCED INEQUALITIES**

CLOSE

OUR AMBITION IS to offer equal opportunity to everyone, everywhere. This is reflected in our Principles of Responsibility, human rights, and Diversity & Inclusion policies.

- We've implemented a **Pay Equity framework** to identify and correct gender pay gaps. At the end of 2020, it was implemented in all countries, covering 99.6% of our workforce.

- The **Schneider Women Leaders' Program** (SWLP) enables women at their mid-career point to build the skills and confidence to step up their leadership capability and impact. SWLP is an award-winning nine-month coaching and virtual workshop experience, culminating in a three-day virtual global summit, bringing the graduating women together with senior Schneider leaders and business school faculty. So far, 236 women have benefited from this targeted leadership development program.
- **Employee Resource Groups** (ERGs) also play a large role in empowering women locally and helping drive efforts to advance women in leadership. As of the end of 2020, local ERGs have contributed to our efforts toward gender equality and inclusion in more than 40 countries.
- In France, a new program called "**How Women Rise**" was launched at the end of 2020. Over the next two years, the goal is to have more than 500 women enroll in this professional development program.

2020 achievements

19% of women in sales roles

41% of new hires are women

24% of our leadership consists of women

25% of front-line managers are women

100% of employees are working in countries that have fully deployed our Family Leave policy



Ensure access to affordable, reliable, sustainable, and modern energy for all

Our targets by 2025

Key impact

- Provide 50 million people with access to green electricity
- Train 1 million underprivileged people in energy management

Essentials

- 15% energy efficiency in our sites
- 90% of electricity sourced from renewables

Our targets by 2030

- 100% renewable electricity (RE100*)
- Double energy productivity vs. 2005 (EP100**)
- More than 80 million people in underserved areas will have access to energy with low-carbon solutions

*RE100 is a corporate leadership initiative led by The Climate Group and CDP that seeks to establish zero-emissions grids globally.

**EP100 is a joint effort between The Climate Group and the Alliance to Save Energy that challenges corporations to continuously maximize their energy productivity.



WE HELP PEOPLE in underserved areas gain access to reliable electricity through our **Access to Energy program**. In India for instance, our partnership with the HCL Foundation has led to the development of the largest network of rural microgrids in Asia Pacific. These microgrids — connected by the EcoStruxure for Energy Access platform — deliver electricity to more than 6,000 families as well



as businesses, clinics, and schools. And in In Mali, Senegal, and Niger, within the “**Women’s Entrepreneurship in Renewable Energy**” E.U. project, we partner with Plan International to provide technical training and support to 7,000 women entrepreneurs.

Solutions for clean, reliable, and efficient energy consumption

Our active energy efficiency solutions focus on optimizing the entire energy cycle using products, systems, services, and software:

- EcoStruxure Energy & Sustainability Services (ESS) allows companies and utilities to reduce energy consumption by up to 30%.*
- ESS helps the world’s leading companies develop sustainable energy procurement programs. In September 2020, for example, **Walmart Inc.** and **Schneider Electric** launched a new collaboration through the **Gigaton Power Purchase Agreement program**. This program provides increased access to renewable electricity for Walmart suppliers in the U.S.

* Based on previous data, 2020. This is not a guarantee of future performance or performance in your particular circumstances.

2020 achievements

80%
renewable electricity

10.3%
energy efficiency
(vs. 2017)

x1.64
turnover of our
Access to Energy
program

17.6%
increase in
turnover for our
EcoStruxure Energy
and Sustainability
Services



Promote inclusive and sustainable economic growth, employment, and decent work for all

Our targets by 2025

Key impact

- 100% strategic suppliers provide decent work to their employees

Essentials

- 100% of employees paid at least a living wage
- Deploy a Social Excellence program through multiple tiers of suppliers (baseline to be defined in 2021)
- Assess 4,000 suppliers under our Vigilance Program

Our targets by 2030

- Train 1 million underprivileged people in energy management
- Support 10,000 entrepreneurs in emerging countries
- Train 10,000 trainers



AS A GLOBAL COMPANY, we know our responsibility goes beyond mere compliance with local and international regulations. We've pledged to conduct our business ethically, sustainably, and responsibly, for every human life we have the privilege to touch and for the planet as a whole.



- A decent wage is a basic human right, and we're committed to paying employees in the lower salary ranges at or above the living wage to meet their family's basic needs. We've initiated a global process to analyze wage levels and employment practices against local living wage standards.
- Schneider Electric France association's "100 chances — 100 jobs" offers personalized career opportunities to young people aged 18 – 30 without higher education qualifications or degrees. The program aims to provide at least 60% of candidates with jobs and skills training; at the end of 2020, 7,100 young people have benefitted from this program.
- We engage our strategic suppliers in a continuous improvement process based on ISO 26000 guidelines and we focus on "high risk" suppliers with on-site audits. This entails in-person workshops with suppliers on vigilance topics, including human rights and ethics. At the end of 2020, 300+ suppliers teams participated in these workshops.

2020 achievements

6.3pts/100

increase in average score of ISO 26000 assessment for our strategic suppliers

374

suppliers under Human Rights & Environment vigilance received specific on-site assessment



Reduce inequality within and among countries

Our targets by 2025

Key impacts

- Provide 50 million people with access to green electricity
- Train 1 million underprivileged people in energy management

Essentials

- 100% of employees paid at least a living wage

Our targets by 2030

- Provide 80 million people with access to green electricity



WE WANT OUR employees to feel uniquely valued and safe to contribute their best. This is reflected in our Principles of Responsibility, human rights, and Diversity & Inclusion policies. We ensure our employees are paid a living wage and enforce these standards in our supply chain as well.

- Through the **Responsible Business Alliance Code of Conduct**, we require suppliers to provide employees a living wage and comply with our ethics and human rights policies.
- We enforce our **Pay Equity framework in all countries**, covering 99% of our total workforce.
- We've initiated a global process to analyze wages and employment practices against local living standards, as determined by an external consultant, BSR™. At the end of 2019, the analysis had covered 63 countries, reaching 99% of the Schneider Electric footprint. Moving forward into 2020, given the complexity to evaluate and mitigate the macroeconomic impact of the crisis, Schneider Electric reiterated its commitment to pay 100% of employees at least a living wage as part of its fair and equitable policies.

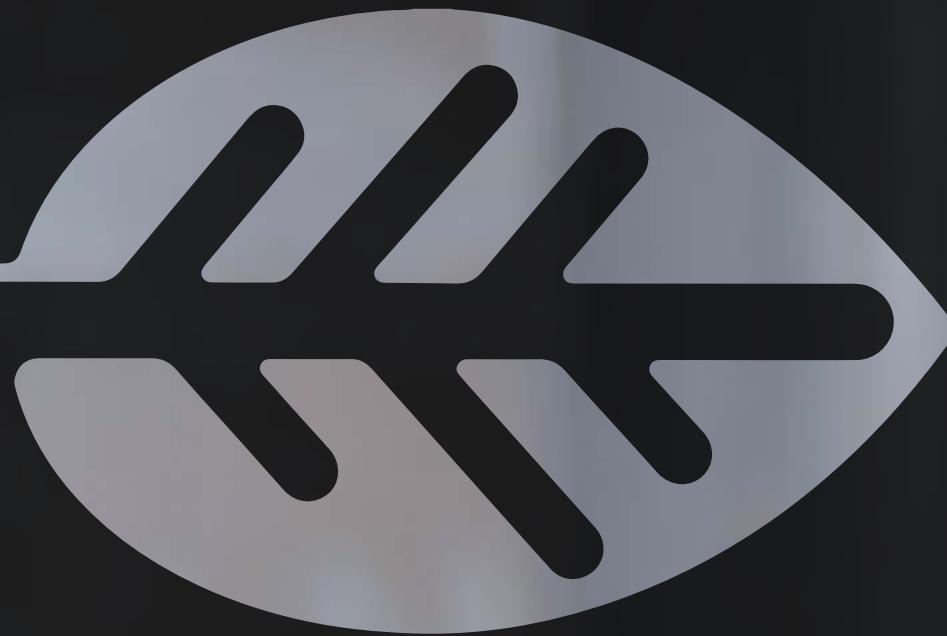
2020 achievements

Provided access to green electricity to **30 million people**

Covered **99.6%** of employees covered under the Pay Equity framework

Trained **281,737** underprivileged people trained in energy management

74+ initiatives benefitting 1.5 million people in 67 countries thanks to the Tomorrow Rising Fund



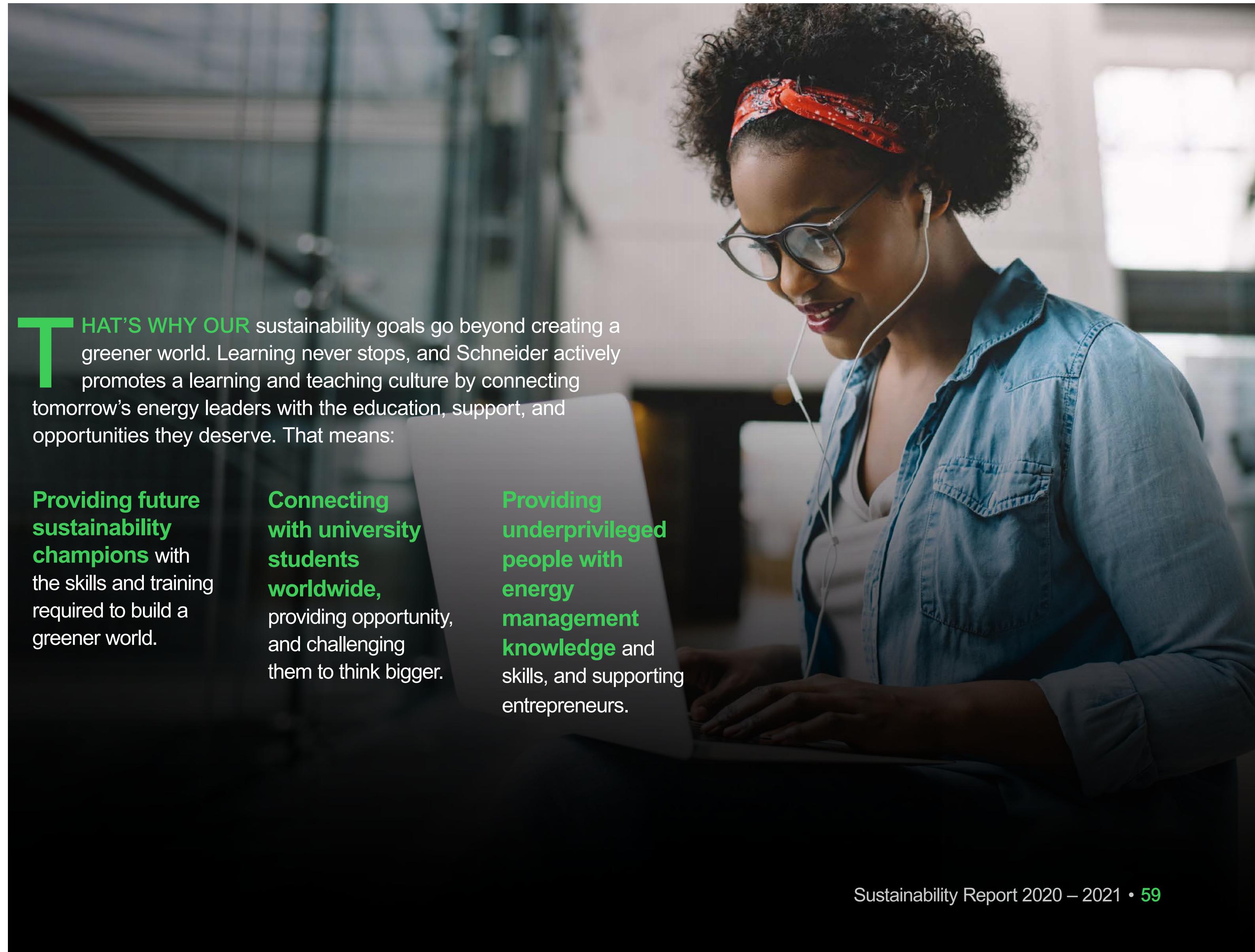
We harness the power of all generations

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



Today's efforts build tomorrow's leaders.

Sustainability is about more than protecting the planet. It means ongoing learning and development to support a more promising future for the next generation.



THAT'S WHY OUR sustainability goals go beyond creating a greener world. Learning never stops, and Schneider actively promotes a learning and teaching culture by connecting tomorrow's energy leaders with the education, support, and opportunities they deserve. That means:

Providing future sustainability champions with the skills and training required to build a greener world.

Connecting with university students worldwide, providing opportunity, and challenging them to think bigger.

Providing underprivileged people with energy management knowledge and skills, and supporting entrepreneurs.



Uplifting students in Indonesia



We are accelerating our training programs for young people in a strong effort to give them some of the responsibility in building their own future. The COVID-19 crisis demonstrates that we have a key role to play as education is the historical mission of the Schneider Electric Foundation.”

— Gilles Vermot Desroches
Senior Vice President, Corporate
Citizenship and Institutional Affairs
Schneider Electric



We support local job creation and skills development for people from underprivileged backgrounds to provide energy access for all.

INDONESIA WAS A major focus in 2020 as we worked to revitalize vocational schools and boost local talent development. We offered training to vocational teachers and students in energy management, building and industrial automation, construction, and renewables to meet the high demand for talent with digital and entrepreneurship skills.



Education for all

Through the European Union's Women's Entrepreneurship in Renewable Energy project, Schneider provided support and technical training in solar energy to 7,000 female entrepreneurs. The initiative is in partnership with Plan International in Mali, Senegal, and Niger.

Center of Excellence

This past year, we helped introduce a Center of Excellence (COE) for electricity, automation, and renewable energy in Indonesia. It promotes the professional integration of local youth while modernizing vocational training systems.

Education partnership

Schneider helped renovate 184 vocational school laboratories across Indonesia, benefiting more than 5,500 students to date by partnering with the French Ministry of Education.





Remaining learning-focused

Both internally and externally, we believe in lifelong learning. That's why one of Schneider's Core Values is Learn Every Day, and it's something all employees keep up with on an annual basis. We embed learning and knowledge-sharing opportunities across the organization to ensure sustainable careers and a resilient, future-ready business through a purposeful renewal of skills.

Here's how we connected people with the chance to make a real and lasting difference in 2020:

Education

Education, exposure, and experience are part of the learning paths available for the majority of Schneider Electric roles and beyond.

Training

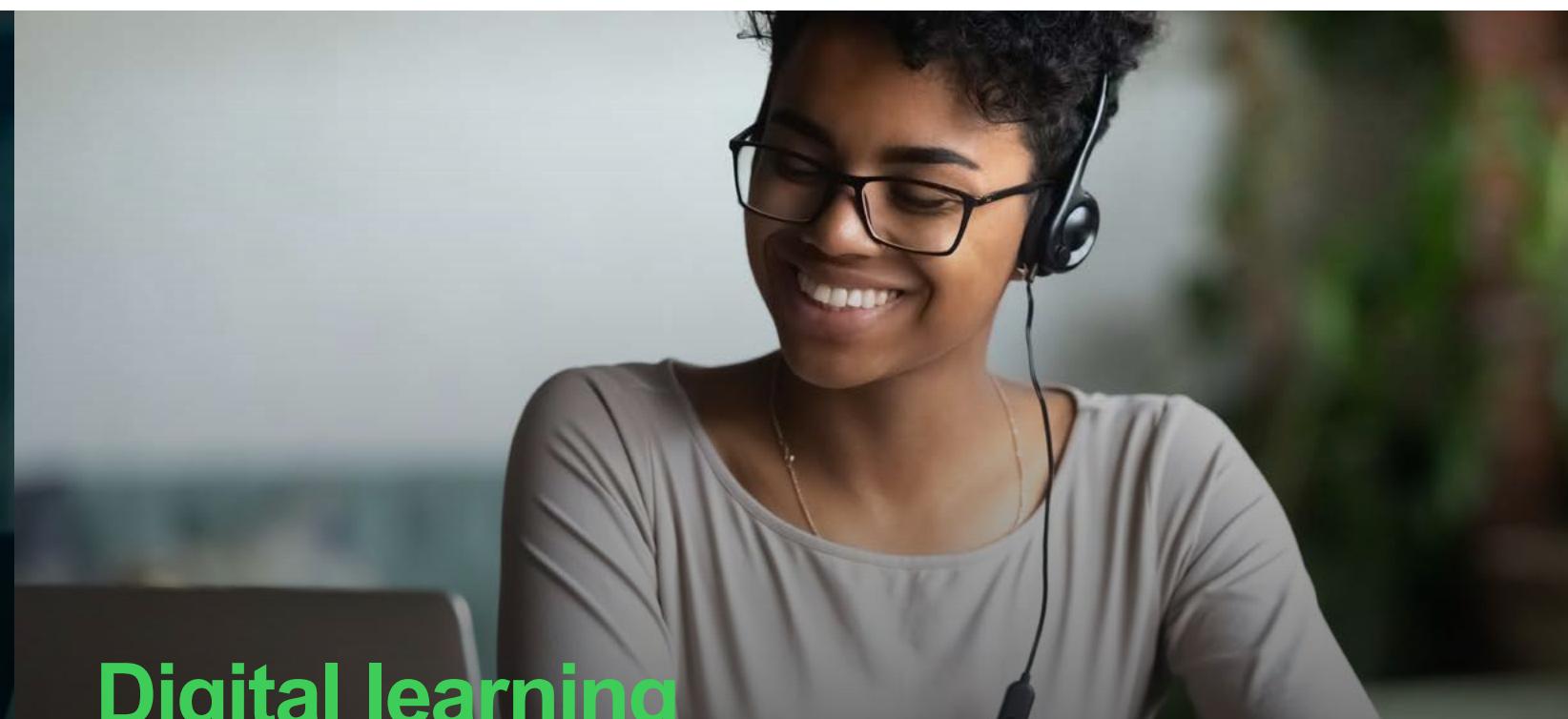
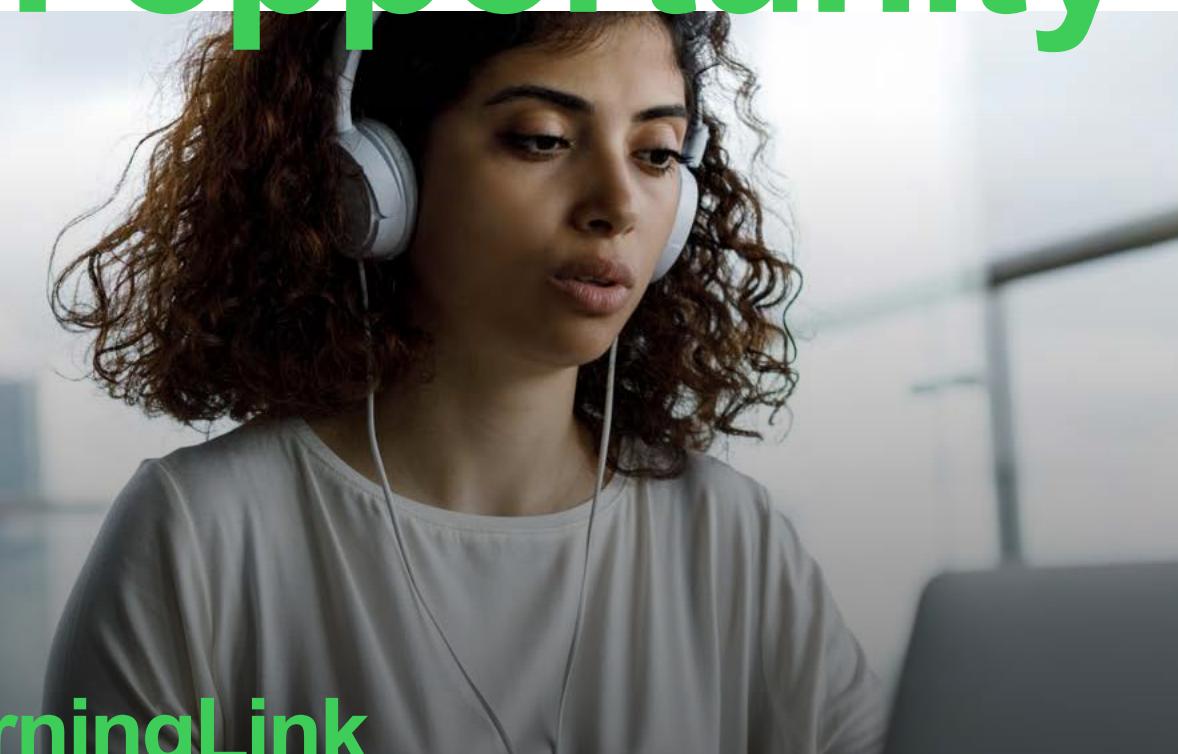
We offer entrepreneurs and individuals energy management training, and best practices and skill-building training to employees and partners.

Opportunity

We connect people with renewable energy access for improved livelihood, and students and recent graduates with internships, mentoring, and more.



Connecting people with opportunity



My LearningLink

Schneider employees are actively encouraged to take responsibility for developing their skills and competencies. My LearningLink is Schneider's global learning platform, integrating:

- E-learning
- Webinars
- Social learning
- Classroom learning
- Assessments
- Full certification paths

- In 2020 there were:
- 20,000+ learning modules available in 13 languages
 - 41,000 employee visits every month
 - 200,000 sessions opened per month

Essential learning

All employees are expected to complete Schneider Essentials, a training package designed to create a strong culture of common "must-knows" on compliance and cultural topics.

In 2020, employees were assigned four courses through My LearningLink, up from three assignments in 2019. The completion rate for all employees was 94%, and the Schneider Essentials campaign will be carried out again in 2021.

Digital learning

Schneider believes in investing in its people and preparing them for the future with the right skills. We implemented an open learning ecosystem with a digital learning catalog including these and more:

- TED videos in line with business priorities
- Specialized learning providers for digital awareness
- Software and IT solutions

In response to the COVID-19 cancellation of classroom training, digital hours rose from 44.4% in 2019 to 78% in 2020.



2020 highlights

28
new training
centers opened

10,000+
youth trained
in India

6,000+
households worldwide
provided with energy

**CII-ITC Sustainability Award
and IFCCI CSR Conclave & Awards**
received in 2020 for our ongoing commitment
to Corporate Social Responsibility

Actions for women and entrepreneurs

- Schneider equipped a women-led cooperative in Donvagne, on the Ivory Coast of West Africa, with a 25-kW solar mini grid
- In Nigeria, Schneider partnered with the Solar Sister NGO to have female entrepreneurs distribute Mobiya solar lanterns

Schneider
GO GREEN
A Global Student Competition

Schneider Go Green results

The Schneider Go Green case study competition celebrated its 10th anniversary. The 2020 winners were Angie Redondo and Jorge Polo from Universidad Nacional de Colombia in Medellín with a proposal for a sustainable hybrid cooling system for the fishing community in Bojayá.

24,463
participants globally

2,943
students submitted
bold ideas

172
participating
countries

**École
Schneider
Electric**

The new vocational training program in our France-based high school and apprentice training center marked its first academic year with 70 students.

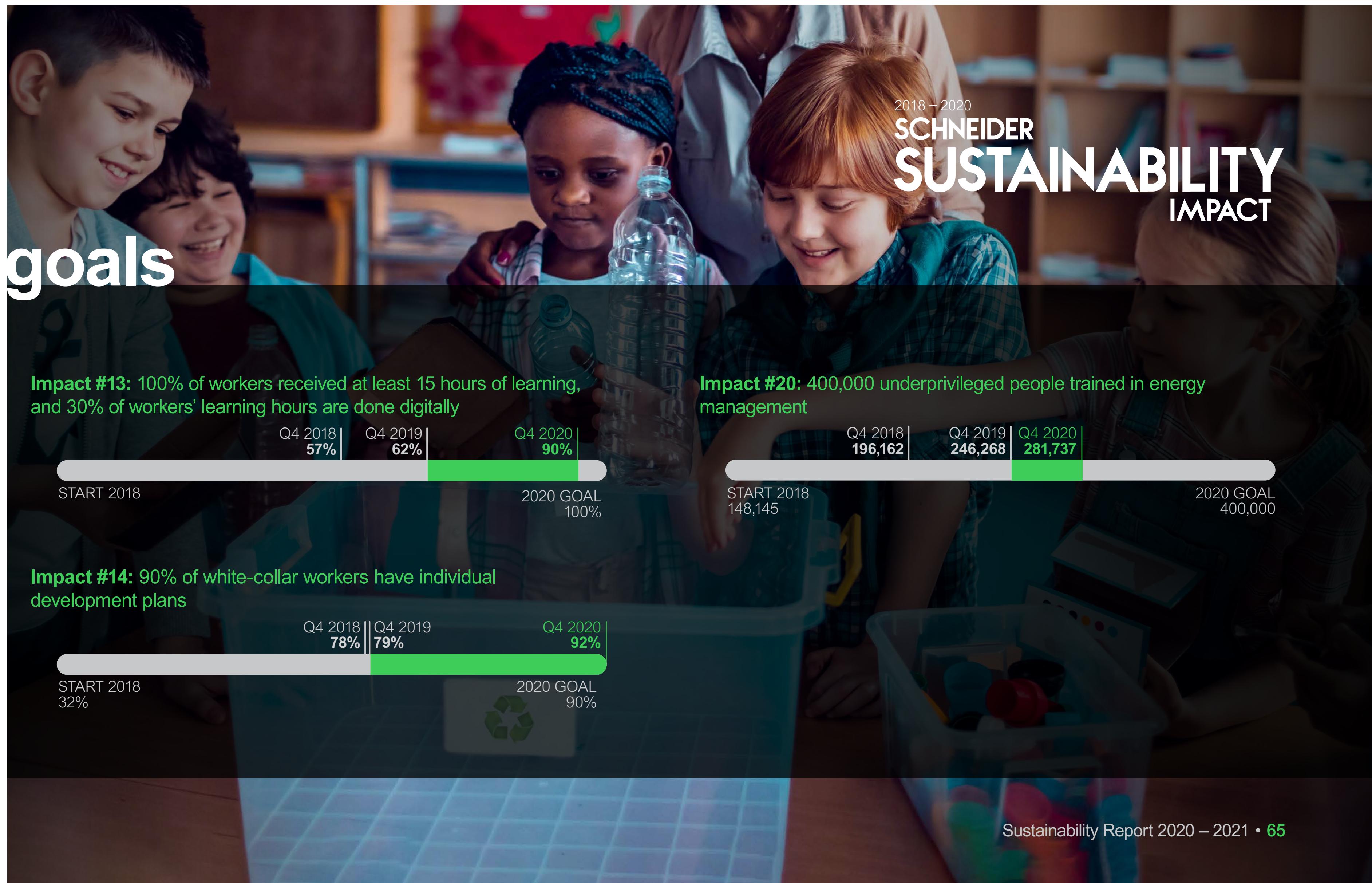
University partnerships

Schneider's 2020 university partnership program was focused on becoming more digital. The past year also introduced the Global Virtual Student Experience to support a strong talent pipeline.



As we embark on the next phase of our SSI (2021 – 2025), our progress over the past few years is the foundation on which we build success. Here's how we've improved our

Development goals





Our contributions to the SDGs

We foster learning, upskilling, and development for today's **generations** and the next in the following ways.

SUSTAINABLE DEVELOPMENT GOALS



Click on an SDG to discover our contributions





1 NO POVERTY

End poverty in all its forms everywhere

Our targets by 2025

Key impacts

- Provide 50 million people with access to green electricity
- Create opportunities for the next generation – 2x the number of opportunities for interns, apprentices, and fresh graduate hires

Essentials

- 100% of employees paid at least a living wage
- 90% of employees undergo digital upskilling through the Digital Citizenship program and digital transformation training
- Systematic career review and development plan for all employees 10 years before retirement

Our targets by 2030

- Provide 80 million people with access to green electricity
- Train 1 million underprivileged people in energy management
- Support 10,000 entrepreneurs in emerging countries



THROUGH OUR Access to Energy program, we develop products and solutions to meet the needs of individuals and communities across the energy chain, from portable lamps and solar home systems to small, decentralized power plants, water pumping systems, and street lighting.

But we do more than supply equipment. We donate our time, resources, and expertise via technical training and mentorship. Through our **Access to Energy Training & Entrepreneurship program**, we empower young adults with personalized career opportunities in energy. Our vision is that this will spark a brighter future for millions worldwide who currently lack the fundamental human right that is electricity.

Being socially responsible requires that the human element is kept at the forefront of our operations. **Equitable treatment and fair pay are two important values that inform our**

company's character, so we've developed a sophisticated action plan to monitor and address compensation disparity. We ensure our employees and associates are provided a living wage in every country in which we operate, and apply a common global methodology to close wage inequality.

We've initiated a global process to analyze wages and employment practices against local living standards, as determined by an external consultant. At the end of 2019, the analysis had covered 63 countries, reaching 99% of the Schneider Electric footprint. In 2020, given the complexity to evaluate and mitigate the macroeconomic impact of the crisis, we reiterated our **commitment to pay 100% of employees at least a living wage as part of our policies for fairness and equality**.

2020 achievements

Provided access to green electricity to **30 million people**

Trained **281,737** underprivileged people in energy management

Invested in **20** companies to date through our Access to Energy program



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Our targets by 2025

Key impacts

- Create opportunities for the next generation – 2x the number of opportunities for interns, apprentices, and fresh graduate hires
- Train 1 million underprivileged people in energy management

Essentials

- 90% of employees undergo digital upskilling through the Digital Citizenship program and digital transformation training
- Systematic career review and development plan for all employees 10 years before retirement

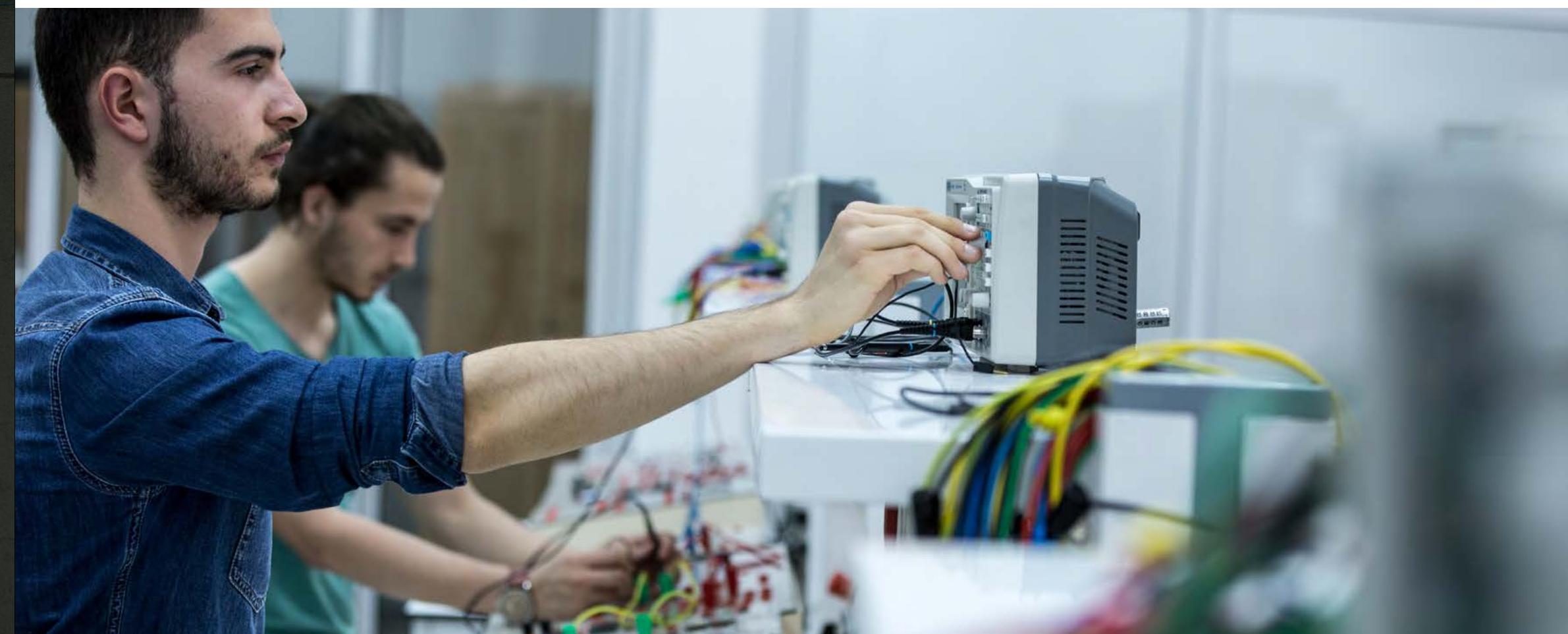
Our targets by 2030

- Support 10,000 entrepreneurs in emerging countries
- Train 10,000 trainers



THE SCHNEIDER ELECTRIC FOUNDATION uses social innovation and community engagement to invest in education and reduce the energy gap.

- Our **Access to Energy Training & Entrepreneurship program** helps prepare disadvantaged populations for energy careers. The program includes training on high- and low-voltage electrical distribution; building management; global energy management; and process and machine management.
- The **Tomorrow Rising fund** launched in April 2020 to support training recovery phase after the COVID with new centers and programs. This included opening three



new training centers: one in Nepal with Don Bosco; another in Ecuador with the UESMA training center and ACTEC; and the third in Morocco with IECD. **More than 600 young people will be trained in energy trades.**

- In France, we created the “**100 chances – 100 emplois**” (“**100 chances – 100 jobs**”) **program** to provide personalized career opportunities for adults from 18 – 30 without higher education qualifications or degrees.
- We **established the École Schneider Electric trade school in France** to provide vocational training and empower students to pursue higher education or employment in energy.

2020 achievements

Trained

281,737

underprivileged people in energy management



Promote inclusive and sustainable economic growth, employment, and decent work for all

Our targets by 2025

Key impacts

- Create opportunities for the next generation – 2x the number of opportunities for interns, apprentices, and fresh graduate hires
- Train 1 million underprivileged people in energy management

Essentials

- 90% of employees undergo digital upskilling through the Digital Citizenship program and digital transformation training
- Systematic career review and development plan for all employees 10 years before retirement
- 75% employee engagement score
- 50,000 volunteering days since 2017

Our targets by 2030

- Support 10,000 entrepreneurs in emerging countries
- Train 10,000 trainers



In DEVELOPING COUNTRIES, women are the primary beneficiaries of access to electricity in their homes. Energy access, especially with mini-grids, can significantly increase empowerment, particularly in female-dominated, labor-intensive agricultural activities.



- In Donvagne village, Côte d'Ivoire, we equipped a women's cooperative with a 25kW solar mini-grid powering a mill, kneaders, and refrigerators. Cooperative members and entrepreneurs from the village have been trained by IECD.
- In India, the “Energy for Livelihoods” initiative is transforming the lives of women farmers through the innovative Villaya Agri-Business solution. The project promotes sustainable livelihood activities like agriculture, food processing, livestock rearing, handicraft, and other microenterprises, and mobilizes women through self-help groups.
- In Nigeria, Schneider partners with Solar Sister NGO, whose network distributes Mobiya solar lanterns. These female entrepreneurs sell the lamps to vulnerable and underprivileged women.

2020 achievements

Trained
281,737

underprivileged
people in energy
management

Achieved **x1.64**
turnover of our
Access to Energy
program

Contributed
18,469
volunteering
days through our
VolunteerIn global
platform



Reduce inequality within and among countries

Our targets by 2025

Key impacts

- Provide 50 million people access to green electricity
- Increase gender diversity, from hiring to front-line managers and leadership teams (50/40/30)
- Create opportunities for the next generation – 2x the number of opportunities for interns, apprentices, and fresh graduate hires
- Train 1 million underprivileged people in energy management

Essentials

- 1% pay gap for both females and males
- 60% subscription in our yearly Worldwide Employee Share Ownership Plan (WESOP)
- 100% of employees paid at least a living wage

Our targets by 2030

- 80 million people will have access to energy thanks to our offers



OUR ACCESS TO ENERGY program plays a major role in helping disadvantaged populations gain access to clean, affordable electricity. Part of this program includes vocational training and skill development, including an affordable range of educational tools to improve energy access in new economies via job training, in partnership with the Access to Energy Training & Entrepreneurship teams. The Entrepreneur Development program provides critical mentorship for budding energy entrepreneurs in the initial phase of their business journey.

Championing inclusion and equity

Globalization allows us to welcome more diverse teams and ensure our local presence

supports our customers' specific needs. We prioritize how we develop and retain employees to create an inclusive workplace that offers long-term career development prospects for everyone.

- As part of this vision, we've developed and **implemented a Pay Equity Framework**. This is a shared global methodology to identify and amend gender pay gaps within comparable groups of employees.
- Our **industry-leading Global Family Leave Policy** 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.



2020 achievements

Provided access to green electricity to **30 million people**

Covered **99.6%** of employees under the Pay Equity framework

Trained **281,737** underprivileged people in energy management

Ensured **100%** of employees are working in countries that have fully deployed our Family Leave policy



Revitalize the global partnership for sustainable development

Our targets by 2025

Key impacts

- Create opportunities for the next generation – 2x the number of opportunities for interns, apprentices, and fresh graduate hires
- Train 1 million underprivileged people in energy management

Essentials

- 50,000 volunteering days since 2017

Our targets by 2030

- Engage actively with sustainable business initiatives such as the U.N. Global Compact
- Support 10,000 entrepreneurs in emerging countries
- Train 10,000 trainers



Taking collective action to fight climate change

In 2020, our leadership helped keep the climate crisis on the minds of industry and policy leaders through:

- We Mean Business (RE100*, EP100**, and EV100***)
- The U.N. “Business Ambition for 1.5 °C — Our Only Future” Campaign
- The Carbon Pricing Leadership Coalition
- The Science Based Targets initiative

Building conscientious communities

We also forged partnerships to address issues related to community development, equity, and education.

- To promote sustainability and inclusion, Schneider Electric joined the OECD's **Business for Inclusive Growth** (B4IG), a partnership of 36 multinational companies committed to advancing human rights, building inclusive workspaces, and strengthening inclusion across business.

- We provided 7 000 women in Mali, Senegal, and Niger with renewable energy training for the EU’s “Women’s Entrepreneurship in Renewable Energy” project.
- The Schneider Electric Foundation joined the Solar Impulse Foundation to support 1,000 solutions that protect the environment, profitably.
- The Tomorrow Rising Fund has supported 74 projects in 67 countries and impacted 1,500,000 beneficiaries in response to the COVID-19 pandemic.

2020 achievements

Trained
281,737

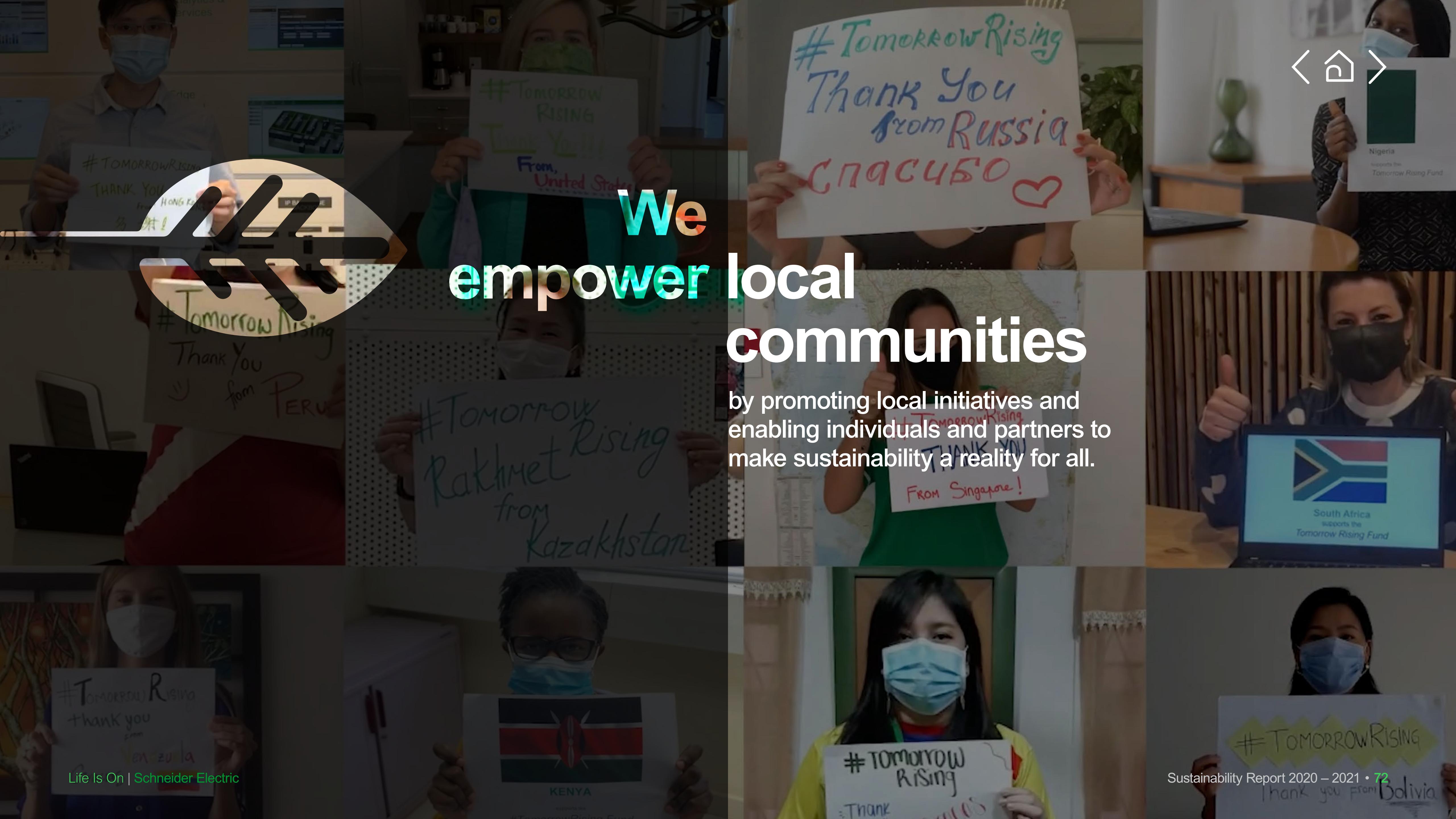
underprivileged
people in energy
management

Contributed
18,469
volunteering
days through our
VolunteerIn global
platform

*RE100 is a corporate leadership initiative led by The Climate Group and CDP that seeks to establish zero-emissions grids globally.

**EP100 is a joint effort between The Climate Group and the Alliance to Save Energy that challenges corporations to continuously maximize their energy productivity.

***EV100 is The Climate Group's global initiative to make electric vehicles the primary mode of transport worldwide by 2030.



We empower local communities

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



Uplifting communities

through inclusivity

We believe in taking meaningful action and being mindful of all populations — including countries and societal segments everywhere — to create a fairer, more equal, and more sustainable world.

THIS MEANS EMPOWERING everyone, regardless of origin, gender, or socio-economic level, to secure a promising future.

The COVID-19 pandemic put the global need for reliable energy in the spotlight. It has underscored clean energy's importance for effective health services and socio-economic recovery in all communities. That's why we're working harder than ever to advance local initiatives through sustainability efforts that empower all people. We aim to make life safer, healthier, and more comfortable while opening new doors for individuals and families worldwide.

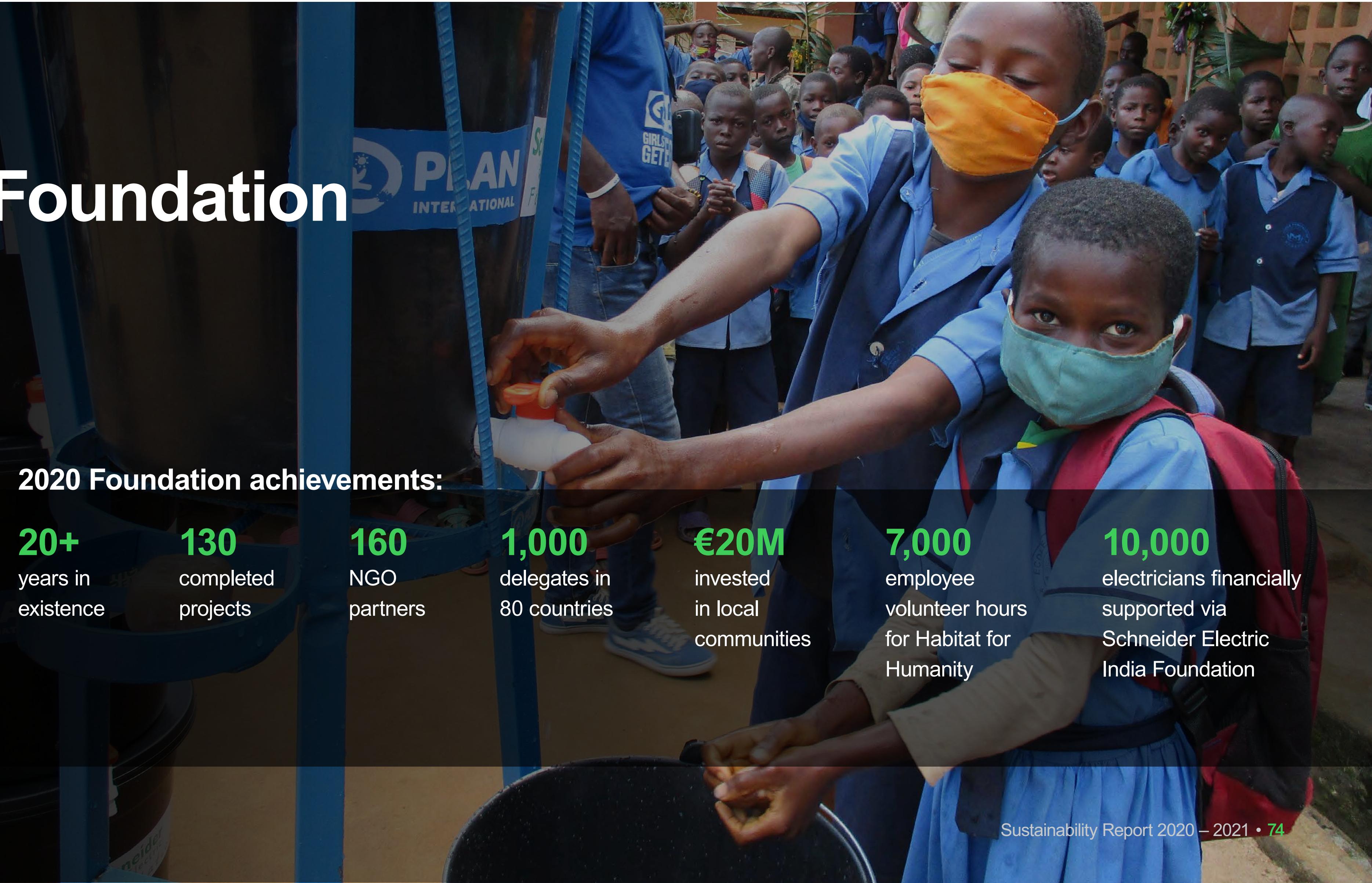


Schneider Electric

Foundation

For more than 20 years, the Schneider Electric Foundation, under the aegis of Fondation de France, has been deploying Schneider's philanthropic activities to advance its sustainability commitments and the United Nations (U.N.) Sustainable Development Goals (SDGs). Its main missions are to provide young people the means to build solutions for a better future; help them find their place in society and acquire skills for development; and as of 2020, respond to COVID-19 and a post-COVID world.

The Foundation is designed to support local initiatives that combine education, technology, social innovation, and entrepreneurship. This is done through vocational training for youth and underprivileged populations, as well as entrepreneurial support worldwide.





Major Foundation initiatives

The Foundation is particularly focused on Asia, the Americas, Africa, and Europe. Major initiatives for 2020 in North America included:

- Service days and volunteer events for employees to support their community during working hours
- A matching gift program to dollar-match employee donations to nonprofits

The Schneider Electric India Foundation (SEIF) advanced corporate social responsibility (CSR) in India by:

- Supporting electricity vocational training for 7,804 unemployed youth from underprivileged backgrounds, including 665 women, with 28 new electricity and renewable energy training centers opened
- Offering aid to 6,000 families living in remote rural villages with solar lighting, mobile phone charging equipment, and more



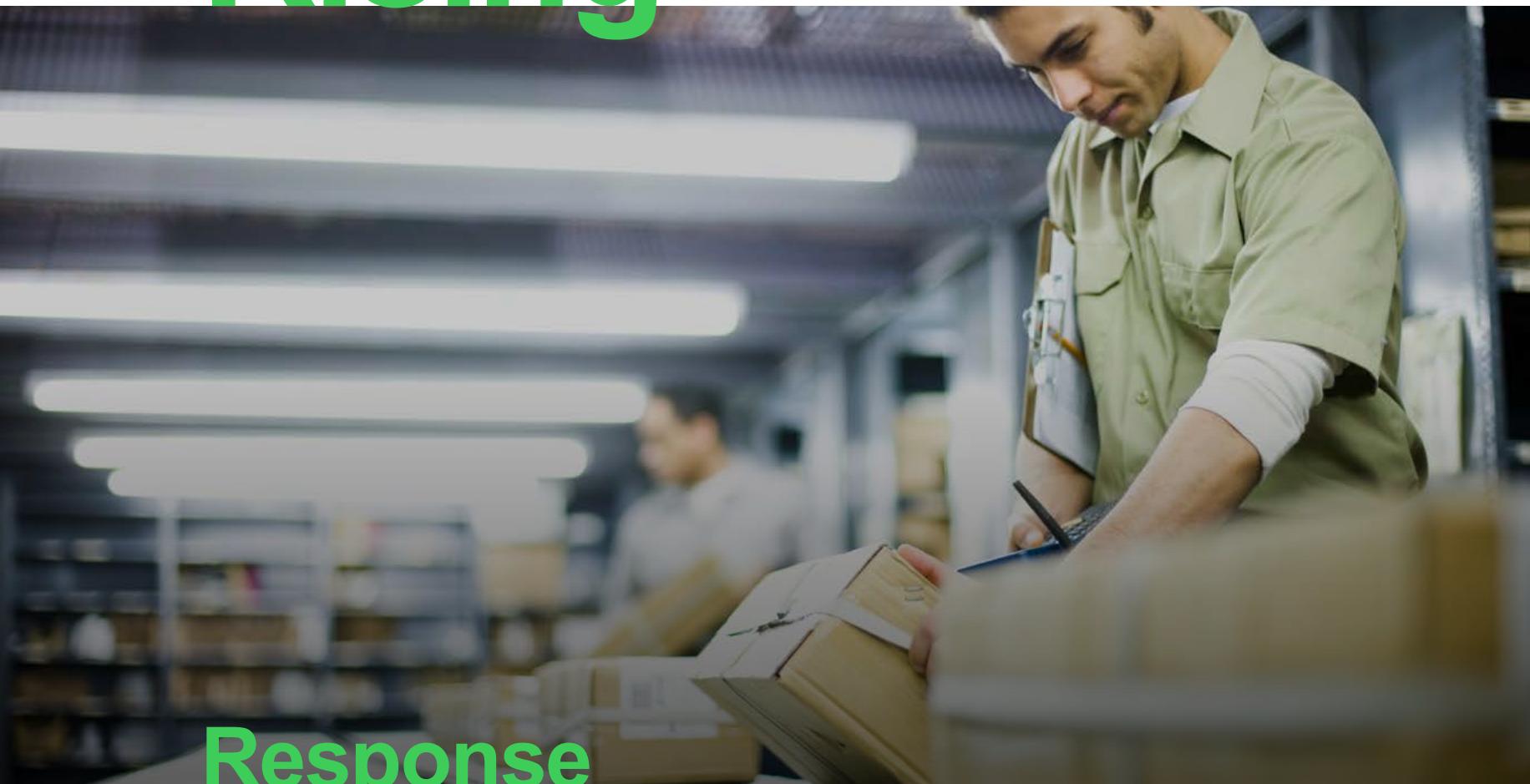
The North America Foundation contributed in financing and donations to

1,600 charitable organizations



Tomorrow Rising

The Foundation launched the Tomorrow Rising Fund in support of vulnerable and exposed populations in April 2020. Tomorrow Rising uses its funds to support these 3R priorities:



Response

Meeting the needs of low-income people

- 74 projects validated in 67 countries
- 1.5M+ beneficiaries
- 10,000+ donors
- €4.1M+ donated

Recovery

Contributing to the urgent restart of the education system to prepare for the future

Seven training centers opened from Q4 2020 to Q2 2021:

- Brazil
- Kenya
- Lebanon
- Malawi
- Morocco
- Nepal
- Sri Lanka

Resilience

Connecting employees and partners with opportunities to offer their time and skills

- 4,773 volunteering days since April 2020
- 1,000+ digital missions available across countries with a Schneider presence



2020 highlights



Measuring a program's impact is not about monitoring. The challenge is to better understand and to implement a 'prove and improve' strategy. By measuring the Tomorrow Rising campaign's impact using this learning approach, the Foundation can do even better moving forward."

— Samia Cordelle
Consulting Director
KiMSO

Response:

Helping 19,000 indigenous families in Brazil's remote Amazon communities combat COVID-19 through basic food and personal care supplies, digital health centers, and emergency river transportation

Recovery:

Training more than 600 people across three new training centers last year: in Nepal with Don Bosco; Ecuador with the UESMA training center and ACTEC; and Morocco with IECD

#GivingTuesdayNow

The Foundation supported the #GivingTuesdayNow initiative in May 2020 as an emergency response to COVID-19's devastating effects. This Giving Tuesday was held in addition to the annual event on December 1, in which Schneider also participated. Both are promoted by the United Nations Foundation. #GivingTuesdayNow focused on opportunities for connection and kindness to COVID-19 impacted communities and causes, while practicing safe social distancing.

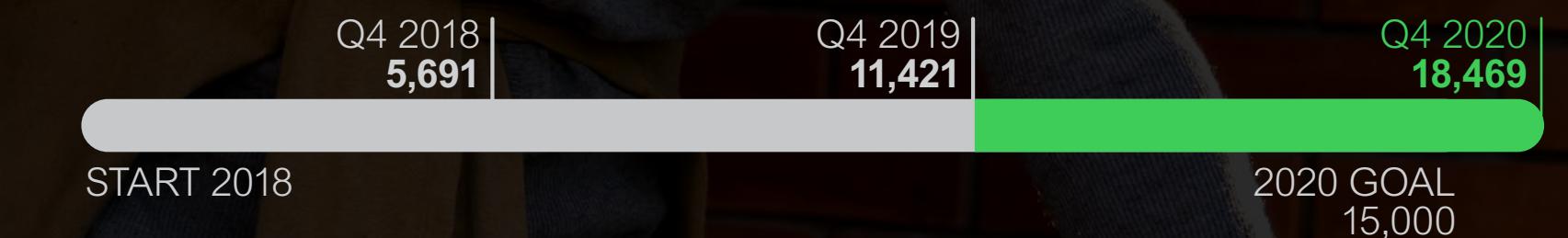
In addition, for the December Giving Tuesday event, we organized an internal Heart to Heart contest. Of many employee-supported projects, **54 won and 24 NGOs received €1,000 from the Foundation.**



As we embark on the next phase of our SSI (2021 – 2025), our progress over the past few years is the foundation on which we build success. Here's how we improved our

Development goal

Impact #21: 15,000 volunteering days thanks to our VolunteerIn global platform



Life Is On | Schneider Electric

Sustainability Report 2020 – 2021 • 78



Our contributions to the SDGs

We promote **local** initiatives and enable individuals and partners to make sustainability a reality for all in the following ways.

SUSTAINABLE DEVELOPMENT GOALS



Click on an SDG to discover our contributions





Make cities inclusive, safe, resilient and sustainable

Our targets by 2025

Key impacts

- Provide 50 million people with access to green electricity
- Train 1 million people in energy management
- 100% of Country and Zone Presidents define three local commitments that impact their communities in line with our sustainability transformations

Essentials

- 50,000 volunteering days since 2017

Our targets by 2030

- Provide 80 million people with access to green electricity



WE BELIEVE ACCESS TO energy and digital are fundamental human rights. Our mission is to ensure people everywhere have access to energy that is reliable, safe, efficient, and sustainable. Modern energy helps create a better life through improved health; green agriculture; economic and community development; women's empowerment; education; and support in emergency situations — while



also fighting climate change. To do this, the Schneider Electric Foundation draws on a network of around **100 volunteer employees (or delegates) across 80 countries**. The delegates select local partners in vocational training in the energy sector, as well as entrepreneurship, the fight against energy poverty, and raising sustainability awareness using the digital VolunteerIn platform.

Solutions for safe and sustainable cities

We're building smarter homes with efficient, integrated solutions to minimize energy consumption and carbon emissions:

- Our **Wiser home management system measures, controls, and monitors home energy usage** — energy that can power our next-generation home heating solutions and EV recharging infrastructure.
- Our Building Management Systems (BMS) control, monitor, and optimize performance for improved comfort, productivity, and savings. From 2018 to 2020, Schneider's **BMS sales enabled customers to save 7.9 million tons of CO₂ emissions**.

2020 achievements

Provided access to green electricity to **30 million people**

Contributed **18,469** volunteering days through our VolunteerIn global platform

Trained **281,737** underprivileged people in energy management

**17** PARTNERSHIPS FOR THE GOALS

Revitalize the global partnership for sustainable development

Our targets by 2025

Key impacts

- 100% of country and zone presidents define three local commitments that impact their communities in line with our sustainability transformations

Essentials

- 50,000 volunteering days since 2017
- Provide 50 million people with access to green electricity



Our targets by 2030

- Provide access to green electricity to 80 million people

X
CLOSE

IN APRIL 2020, the Schneider Electric Foundation set up the Tomorrow Rising Fund in response to COVID-19. This global initiative provides local responses to meet health crisis-related challenges to promote the recovery of education and training of vulnerable young people and boost resilience. Tomorrow Rising has supported 74 projects in 67 countries and impacted 1,500,000 beneficiaries.

Building conscientious communities

We also forged partnerships to address issues related to community development, equity, and education.

- In 2020, our Access to Energy program and its partners helped **deliver access to electricity in Africa to 850,000 refugees**.
- We're **providing 4,650 women in Mali, Senegal, and Niger with renewable energy training** for the EU's "Women's Entrepreneurship in Renewable Energy" project.
- We're **helping renovate 184 vocational school laboratories across Indonesia** with the Indonesian Ministry of Education and Culture and the French Ministry of Education and Youth. More than 5,500 students have already benefited since 2019.



2020 achievements

Contributed

18,469

volunteering days through our VolunteerIn global platform

Provided access to green electricity to

30 million people



Our purpose is to empower all

to make the most of our energy
and resources, bridging progress
and sustainability for all.

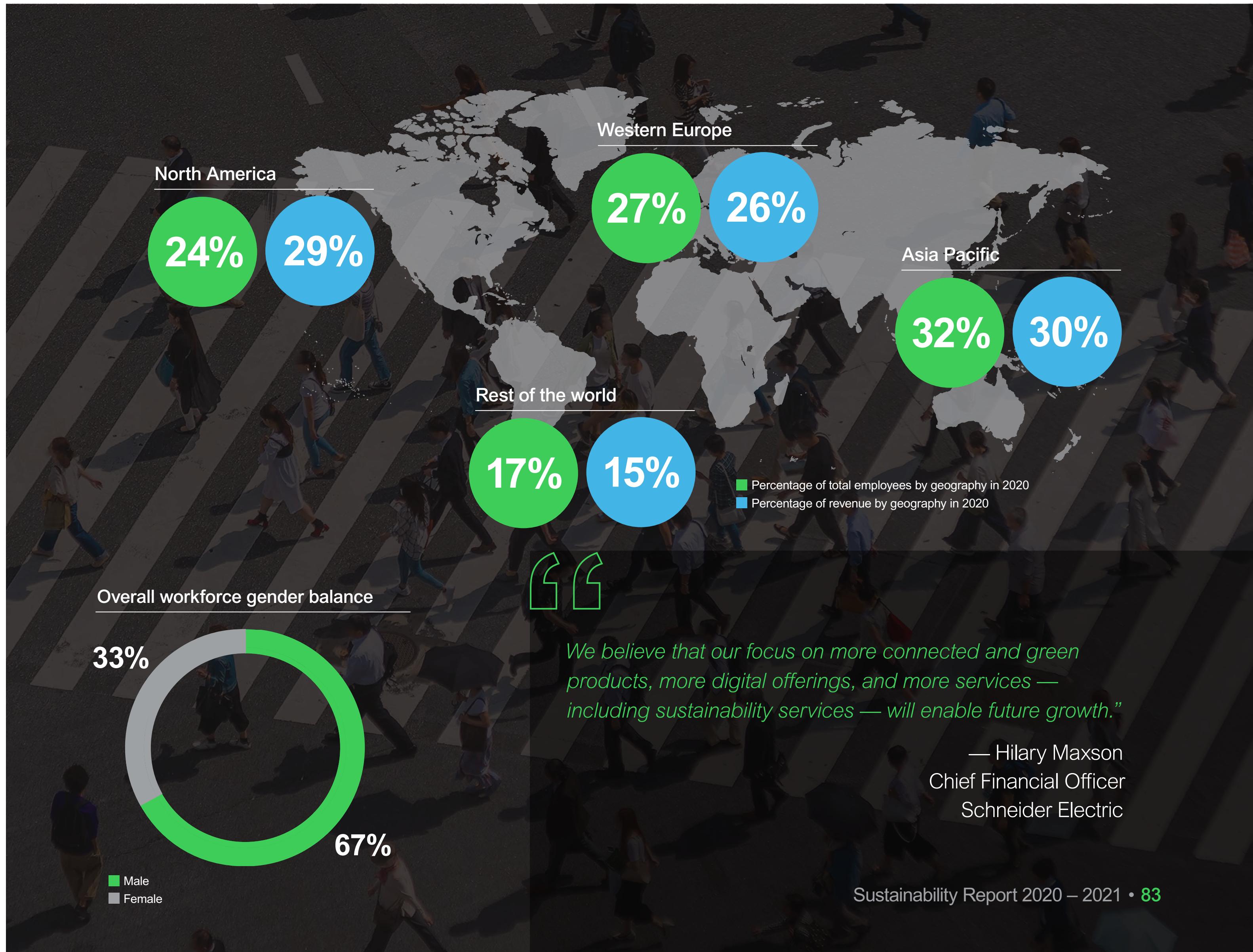


Employees and revenue by geography

€25.2B
in revenue

128,000
employees in
100+ countries

15.6%
adjusted EBITA margin
(+20 bps organic)





Our executive committee

As of February 11, 2021



Jean-Pascal Tricoire
Chairman & Chief Executive Officer



Olivier Blum
Chief Strategy & Sustainability Officer



Annette Clayton
Executive Vice President, North America Operations



Hervé Coureil
Chief Governance Officer & Secretary General



Philippe Delorme
Executive Vice President, Energy Management



Barbara Frei
Executive Vice President, Europe Operations



Peter Herweck
Executive Vice President, Industrial Automation



Christel Heydemann
Executive Vice President, France Operations



Emmanuel Lagarrigue
Chief Innovation Officer



Charise Le
Chief Human Resources Officer



Chris Leong
Chief Marketing Officer



Hilary Maxson
Chief Financial Officer



Luc Rémont
Executive Vice President, International Operations



Mourad Tamoud
Executive Vice President, Global Supply Chain



Peter Weckesser
Chief Digital Officer



Yin Zheng
Executive Vice President, China Operations



Our key resources and relationships

People

We are the most local of global companies, with **128,000+** colleagues representing our diverse talents in **over 100 countries**. In 2020, **33% of our workforce were women**.

Industrial

Our **115 smart factories and distribution centers** deliver efficiency and productivity across our unique end-to-end supply chain to better serve customers.

Environment

We optimize our energy and resources across 232 ISO14001-compliant facilities and 206 sites committed to zero-landfill waste. In 2020, **renewables accounted for 80% of our electricity**, and we saved **157,588 tons of primary resource consumption** using circular models.

Partners and suppliers

We empower our **650,000+-strong partner ecosystem** to expand our coverage, and we arm our **4,200+ EcoXpert program partners** to drive new digital business opportunities. We extend our sustainability excellence requirements to our suppliers representing €12 billion in procurement volume.

Innovation

A community of **more than 1,400 certified R&D engineers** fuel our innovation strategy. Schneider Electric holds **more than 19,000 active patents and patent applications worldwide**, and **more than 750 new patent applications** were filed on both our core and digital technologies in 2020.

Financial strength

Our organic growth, consistent margin improvement, and disciplined capital allocation drives sustainable, **positive free cash flows of €3.7 billion**.





Our sustainable value for all stakeholders

Focusing on the welfare of people

- We are committed to gender equality through equal opportunities for everyone, everywhere.
- 99.6% of our global workforce are covered by our Gender Pay Equity Framework.
- We strive to guarantee the highest safety standards and eliminate workplace accidents. To that end, we reduced medical incidents per million hours worked to 0.58.

Achieving sustainability goals with customers

- We help customers reduce their CO₂ footprint with EcoStruxure solutions and Energy & Sustainability Services.
- On average, businesses achieve a 20% reduction in carbon emissions.
- We enable sustainable performance, providing comprehensive environmental information for all EcoDesigned Green Premium™ offers.
- 77% of our sales in 2020 came from Green Premium™ products.

Empowering underserved communities

- Our Access to Energy program supports training, entrepreneurship, startups, and technologies for the world's most energy-deprived populations.
- 281,737 underprivileged people received vocational training.

Delivering return and profits to shareholders

- Our business model delivers consistent, sustainable, and strong financial performance and attractive returns.
- +29% share price growth.
- €66 billion market capitalization (December 31, 2020).
- Proposed Dividend per Share of €2.60, +2% versus 2019.

Prioritizing ethical partnership with suppliers

- As responsible corporate citizens, we uphold the highest standards of ethical business conduct to strengthen collective trust, cultivate long-term viability, and comply with local regulations.
- 374 suppliers under Human Rights & Environment vigilance received specific on-site audits.



Our accelerated sustainability strategy

BECAUSE SUSTAINABILITY is a long-standing commitment for us, we know that it is not a stationary target. As that target changes, we refresh our approach and rethink our strategy, always seeking to push sustainability further — faster. In accelerating our sustainability goals, we aim to empower our customers and partners to do the same, to the benefit of all.

Olivier Blum, Schneider Electric's Chief Strategy and Sustainability Officer, notes that "The ability and willingness to make the world greener and more equitable is not just a moral responsibility — it makes good business sense, too."

Our purpose is to

empower all to make the most of our energy and resources

Watch the video





Our six sustainability pillars

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.



Create **equal** opportunities

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



Be efficient with **resources**

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



Harness the power of all **generations**

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



Live up to our principles of **trust**

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



Empower **local** communities

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





About this report

This report is intended to engage stakeholders as critical participants in a continuous dialogue about energy efficiency and sustainability. You'll find an overview of Schneider Electric's achievements and goals related to current business strategy and our ongoing commitment to sustainable development. Our goal is to provide transparent, comprehensive, and succinct information about Schneider Electric, incorporating the concerns of all internal and external stakeholders. This report was guided by four international frameworks for corporate social responsibility (CSR) reporting information: the Global Reporting Initiative (GRI); the U.N. Global Compact; the International Integrated Reporting Council (IIRC); and the ISO 26000 standard.

Acknowledgements

Our customers, external stakeholders, and agencies / partners:

Marc Abadie at CDC Biodiversité; ArcelorMittal; Jean-Marc Chery at STMicroelectronics; Samia Cordelle at KiMSO; Timothy Erblich at Ethisphere Institute; Sanda Ojiambo at U.N. Global Compact; Michelle Silverthorn at Inclusion Nation. Thank you to all Schneider Electric teams who contributed to this report.

Life Is On



Schneider Electric SE
35, rue Joseph Monier-CS 30323
F-92506 Rueil-Malmaison Cedex (France)
Tel: +33 (0) 1 41 29 70 00
Fax: +33 (0) 1 41 29 71 00
se.com

Incorporated in France,
governed by a board of directors with
a share capital of EUR 2,368,274,220
Registered in Nanterre, R.C.S. 542 048 574
Siret no: 542 048 574 01791



se.com/sustainability