



Schneider Sustainability Impact

2021–2025 program Q1 2021 Report

Life Is On

Schneider
Electric

Our purpose is to

empower all to make the most of our energy and resources



Olivier Blum

Chief Strategy & Sustainability Officer,
Schneider Electric

Earlier this year, on the same day Corporate Knights ranked **Schneider Electric as the Most Sustainable Corporation in the World**, we announced the acceleration of our sustainability journey with the **launch of our 2021-2025 Schneider Sustainability Impact (SSI)** transformational program.

Three months in and the wheels are now in motion to set up and start making progress on the ambitious 11 global and 1 local targets, which align to our six long-term commitments related to climate, resources, trust, equal opportunities, generations, and local communities.

While some initiatives are still in the early stages of the five-year program, it is exciting to see a **high level of internal and external engagement** during this crucial kick-off phase.

More than **150 local initiatives** have already been defined in-country, to make an even bigger difference to our communities. We have effectively started the Schneider Electric **Zero Carbon project** to support and partner with our top 1,000 suppliers in reducing 50% of CO₂ emissions from their operations.

We have also accelerated sustainability for customers, reinforcing our **sustainability consulting capabilities** and **climate change advisory services**. And our global Go Green in the City competition for students from the **next generation** hit a record number of registrations.

This quarter was also marked by **high recognition** of our continued leadership and achievements in the field of Environment, Social and Governance (ESG), from Global 100, Ethisphere, Clean 200, Financial Times, Fortune and Bloomberg to name a few.

There are many more highlights to be proud of, but also much more to do. Time is of the essence to deliver on the 17 United Nations Sustainable Development Goals (UN SDGs) and limit global warming to 1.5°C. Being part of the solution requires relentless action, focus, and every helping hand. Let's **keep moving forward** to bridge progress and sustainability, for all.

6 long-term commitments



Act for a **climate** positive world

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

Be efficient with **resources**

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

Live up to our principles of **trust**

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

Create **equal** opportunities

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

Harness the power of all **generations**

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

Empower **local** communities

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



2021-2025

SCHNEIDER

SUSTAINABILITY
IMPACT

Q1 2021 Results

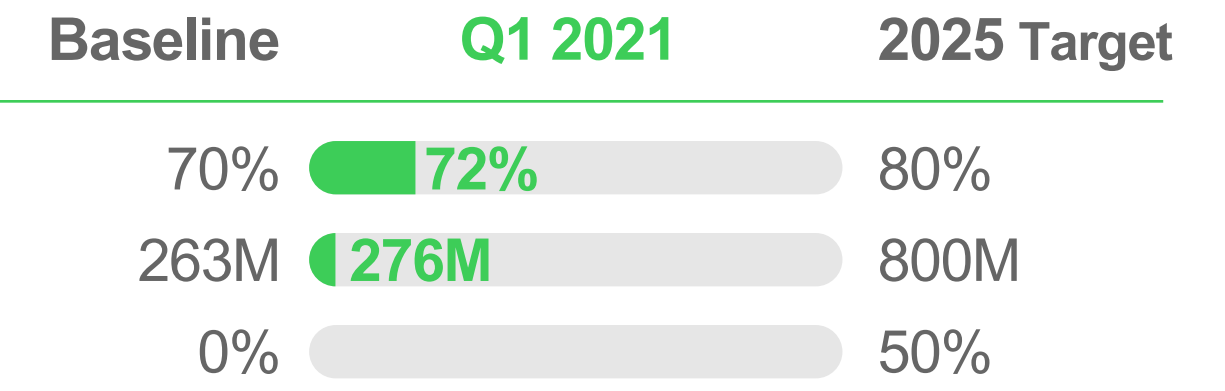


6 long-term commitments 11+1 targets for 2021-2025

CLIMATE



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



RESOURCES



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



TRUST



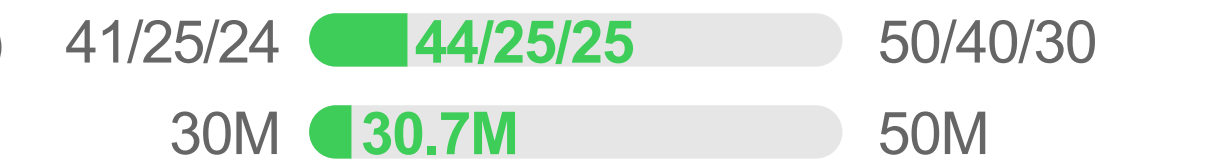
- 6 Strategic suppliers who provide decent work to their employees⁴
- 7 Level of confidence of our employees to report unethical conduct⁴



EQUAL



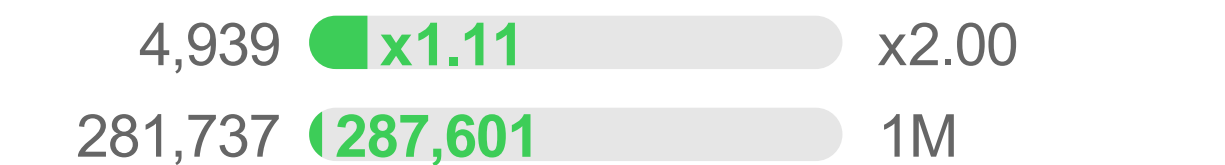
- 8 Increase gender diversity in hiring (50%), front-line management (40%) and leadership teams (30%)
- 9 Provide access to green electricity to 50M people



GENERATIONS



- 10 Double hiring opportunities for interns, apprentices and fresh graduates
- 11 Train underprivileged people in energy management⁵



LOCAL



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



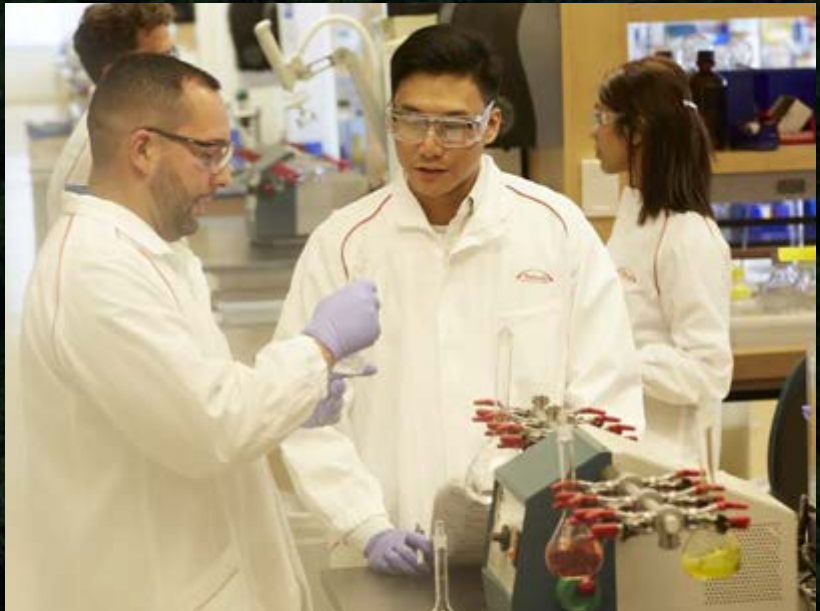
Act for a **climate** positive world



Highlights



Climate Change Advisory Services to Kellogg to achieve 50% renewable electricity target by end of 2022



Delivering on carbon neutrality for Takeda in 2020 with global supply chain decarbonization services



Most Sustainable Company in the World as ranked in 2021 Corporate Knights Global100 assessment



10th consecutive year on the A-list



Clean energy future leader listed in 2021 Clean 200™ report



Zero Carbon project for suppliers kicks-off to support 1,000 partners in reducing 50% of their emissions by 2025

Key Impacts

Long-term commitments

Targets for 2021-2025

CLIMATE



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

	Baseline	Q1 2021	2025 Target
Green revenues	70%	72%	80%
CO ₂ emissions avoided	263M	276M	800M
Supplier emissions reduction	0%		50%

Be efficient with resources



Highlights



Boosting circularity with entrepreneurs supporting their journey and projects in the Circularity Accelerator program



Sustainable modernization for Arcelor Mittal meant updating their facilities with circularity in mind to create a long-term win

5 smart Schneider Electric factories recognized by WEF with advanced lighthouse designation thanks to EcoStruxure solutions



Speaking up for nature to mobilize the One Planet Summit gathering State leaders on Finance for Biodiversity



First corporate biodiversity footprint assessment a must to determine a clear plan of action, developed with support from CDC Biodiversité



Opening our most sustainable site in the world in Grenoble France, made for maximum efficiency and well-being

Key Impacts

Long-term commitments

Targets for 2021-2025

Baseline

Q1 2021

2025 Target

RESOURCES



4 Increase green material content in our products⁴

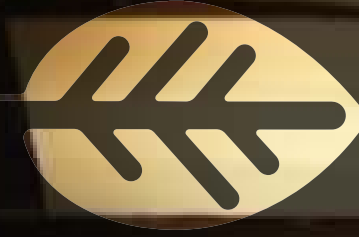


5 Primary and secondary packaging free from single-use plastic and using recycled cardboard⁴



Live up to
our principles of
trust

Highlights



2021 WORLD'S MOST
**ETHICAL
COMPANIES**TM
WWW.ETHISPHERE.COM

One of the World's **Most Ethical Companies** for the 10th consecutive year on Ethisphere's list

FIR FORUM POUR
L'INVESTISSEMENT
RESPONSABLE

Best vigilance plan
for CAC40 companies recognition by French multi-stakeholder association



Essential training
for all employees deployed on sustainability, responsibility, cybersecurity and respect

Key Impacts

Long-term commitments Targets for 2021-2025

Baseline **Q1 2021** 2025 Target

TRUST



- 6 Strategic suppliers who provide decent work to their employees⁴
- 7 Level of confidence of our employees to report unethical conduct⁴



Create **equal** opportunities



Highlights



Fast-tracking large scale implementation of top 1,000 solutions fighting climate change as a partner of Solar Impulse Efficient label initiative



Bloomberg Gender-Equality Index for the 4th consecutive year recognizing our gender-related practices and policies

Progressing fast on gender equality in new hires on our way to meet our 50% target for 2025



Among the Most Admired Companies in Fortune's highlight of leaders in social responsibility, talent attraction, quality and more



Opening the biggest fish farm in West Africa equipped with renewable electricity



Recognized as a Diversity Leader in Financial Times Top 50, for the 2nd time in a row

Key Impacts

Long-term commitments

Targets for 2021-2025

Baseline

Q1 2021

2025 Target

EQUAL



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

41/25/24 50/40/30

9 Provide access to green electricity to 50M people

30M 50M

Harness the power of all generations



Highlights



25,458 Students up for a sustainable challenge a record number of registrations to our global competition



Two new training centers built with USAID Women's Global Development and Prosperity Initiative preparing 1,150 women for employment in the Energy Sector



Next-generation apprenticeships campaign in France with the objective to welcome 1,000 young people by September

Key Impacts

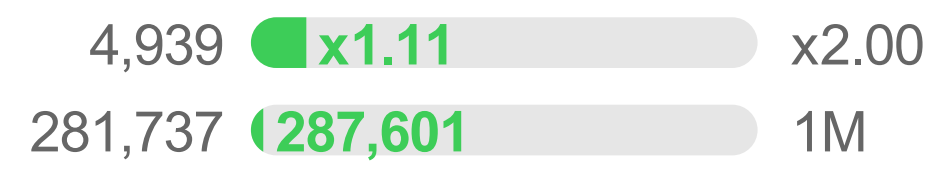
Long-term commitments Targets for 2021-2025

GENERATIONS



- 10 Double hiring opportunities for interns, apprentices and fresh graduates
- 11 Train underprivileged people in energy management⁵

Baseline Q1 2021 2025 Target



Empower **local** communities



Highlights



Advancing equality in India
for 24,000 students by powering 100 co-educational schools with solar energy



Fast-tracking e-mobility in Norway
for our entire car fleet to become 100% electric in 2023

Promoting circularity in France with our employees
by expanding our internal shop catalog with 150 circular product references

Giving electrical products a new life in Spain with an online marketplace and improved electrical installations for families in need

Supporting reconciliation in Australia by increasing fivefold spend with indigenous-owned suppliers, as part of the Reconciliation Action Plan

Key Impacts

Long-term commitments Targets for 2021-2025

LOCAL

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

Baseline Q1 2021 2025 Target



Methodological note



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

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

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

*Note on Q1 2021 results

Green revenues (#1), each year, Q1 results are approximated with Q4 results from the previous year.

CO₂ emissions of our suppliers (#3), the 'Zero Carbon Project' has been officially launched on April 7th 2021 with a Global Digital Launch major event. 2021 will be focused on generating supplier engagement in order to deliver impact in subsequent years. A similar approach is deployed for decent work of our supplier's employees. (#6)

Resources targets (#4, #5), Schneider Electric has worked in Q1 to increase traceability in the supply chain, as well as identify and qualify new sources of supply. This transformation entails deep changes on product and packaging design and procurement contracts. These programs will contribute to accelerate a deep transformation of the materials industry, with more traceability and rapid growth of green materials.

Level of confidence of our employees to report unethical conduct (#7), will be evaluated for the first time thanks to a new question in our annual employees survey, called OneVoice, between May and June. Based on the results available in Q3 2021, the Group will determine the target for 2025.

Learn more

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

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